

valuation, clean and effective post-sanction follow-up on large-value accounts by tying up with Agencies for Specialised Monitoring, and strict segregation of pre- and post-sanction roles for enhanced accountability.

Ministerial group for merger of PSBs

696. SHRI SAMBHAJI CHHATRAPATI: Will the Minister of FINANCE be pleased to state:

- (a) whether a ministerial group had been constituted to take a view on the proposal for merger of Public Sector Banks;
- (b) if so, the details thereof and the terms of reference for the group;
- (c) which are the banks proposed to be considered for merger and what immediate benefits would accrue if the identified banks are merged; and
- (d) whether Government has fixed any timeline for merger of certain Public Sector Banks in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (d) The Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980 provide that the Central Government, in consultation with the Reserve Bank of India, may make a scheme, *inter alia*, for the amalgamation of any nationalised bank with any other nationalised bank or any other banking institution. With a view to facilitate consolidation among public sector banks to create strong and competitive banks, serving as catalysts for growth, with improved risk profile of the bank, Government has put in place an Alternative Mechanism (AM) comprised of three ministers, as an approval framework for proposals to amalgamate public sector banks, with the following mandate:

- (i) The proposals received from banks for in-principle approval to formulate schemes of amalgamation shall be placed before AM.
- (ii) AM may also direct banks to examine proposals for amalgamation.
- (iii) AM will receive inputs from RBI before according in-principle approval.

Since various approaches involving varying processes are possible with regard to synergy/consolidation amongst PSBs, Government has requested the Reserve Bank of India for views as well as suggestions regarding specific possible combinations to achieve scale and synergy for appropriate consideration. No proposal is presently before the Alternative Mechanism for its consideration. No timeline has been fixed for merger of public sector banks.

RBI study on rising debt levels

697. SHRI ANAND SHARMA: Will the Minister of FINANCE be pleased to state:

- (a) whether Government's attention has been drawn towards the recent RBI study on the rising debt levels in textile, telecom and construction segment;
- (b) if so, the details thereof, and the number and the list of companies at risk in textile, telecom and construction sector; and
- (c) the steps taken by Government to address the rising debt levels?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) The Government is aware of the article titled "Performance of Private Corporate Business Sector: 2016-17 to Q3:2017-18" authored by RBI staff published in the June, 2018 edition of the Reserve Bank of India Bulletin which flagged the similar issue. It may be noted that as per the disclaimer in the above mentioned article, the views expressed in the article are personal in nature and do not represent the views of the RBI.

- (b) The details as per RBI's article on "Performance of Private Corporate Business Sector: 2016-17 to Q3:2017-18" are produced below: