

**Parking funds by banks with RBI**

221. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of Indian banks have made nearly ₹23,500 crore (\$3.1 billion) by parking their funds with the Reserve Bank of India (RBI) during the lockdown instead of lending money to the various needy sectors;

(b) if so, the details thereof indicating the reserves of Indian Banks held with RBI during the last three years; and

(c) the details of steps taken or proposed to be taken by Government to discourage the banks to park their reserves with RBI and start lending to the various core sector to boost the ailing economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) No, Sir. Domestic advances of Scheduled Commercial Banks have grown on a year-on-year basis at 5.8% in June 2020. After deploying funds by way of lending and investments, banks only deposit any surplus funds that they may have on a day-to-day basis with RBI, for managing their liquidity mismatches.

(b) Question does not arise. Further, with regard to holding of reserves of banks with RBI, it is pertinent that as per RBI Master Circular on Basel III Capital Regulations, dated 1.7.2015, reserves of a bank form part of Common Equity Tier 1 (CET1) capital and, as such, being long-term sources, they are deployed in long-term assets like long gestation infrastructure projects and not parked with RBI.

(c) Question does not arise.

**Ease of living of people**

222. SHRI VIJAY PAL SINGH TOMAR:

SHRI HARNATH SINGH YADAV:

LT. GEN. (DR.) D. P. VATS (RETD.):

SHRI P. BHATTACHARYA:

DR. AMEE YAJNIK:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government focuses on the ease of living of people of the country;

(b) if so, the details thereof and the steps taken or being taken by Government in this regard;

(c) whether Government has undertaken any survey to improve and mitigate problems in India's growth model; and

(d) if so, the details thereof and the outcome of the survey?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) Yes, Sir. In order to achieve the goals of Ease of Living, an integrated strategy for urban transformation, responsive governance, clean and sustainable environment and economic growth with livelihood opportunities in cities has been adopted by the Ministry of Housing and Urban Affairs (MOHUA).

At the first level, the three biggest challenges like poverty alleviation, affordable housing and sanitation are being addressed through programs of Deendayal Antyodaya Yojana - National Urban Livelihood Mission (DAY-NULM), Pradhan Mantri Awas Yojana - Urban (PMAY- 'Housing for All') and Swachh Bharat Mission (SBM) which are being implemented in more than 4,300 ULBs in the country. At the second level, basic infrastructure like drinking water supply, sewerage and septage management and developing parks and green areas are being focused upon and MOHUA is implementing these in 500 cities with 1 lakh and above population through the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) mission, impacting 60% of the urban population. At the third level, 100 Smart Cities are being developed under the Smart Cities Mission (SCM) to address ease of living and evolving a new paradigm of urban governance with communities at the core and increase in use of digital technology to improve the infrastructure, service delivery and resource utilization.

(c) and (d) Every year Union government assesses economic situation of the country through Economic Survey. As highlighted in Economic Survey 2019-20, excessive supply-led bank lending without due diligence prior to 2014 built stresses in the financial sector, which has acted as a drag on the real sector in recent times. Economic Survey 2019-20, has also emphasized, *inter alia*, on promoting pro-business policies to provide equal opportunities for new entrants, enable fair competition and ease of doing business, enable trade for job creation and efficiently scale up the banking sector. Accordingly, the corporate tax rate has been cut to 15 per cent for new domestic manufacturing companies, which is amongst the lowest in the world. In December 2019, the government has announced the ₹ 103 lakh crore National Infrastructure Pipeline

which would significantly boost infrastructure and spur growth impulses in the economy. The Union Budget 2020-21 has also announced a number of measures to support broad-based and inclusive economic development. These, *inter-alia*, include rationalization of personal income tax rates to support domestic demand, a 16-point action plan for holistic development of the agriculture sector and critical measures to boost infrastructure and rural spending. The ongoing reforms and the measures announced in the Union Budget 2020-21 are expected to further strengthen growth.

#### **Impact of bank merger**

223. SHRI PARIMAL NATHWANI: Will the Minister of FINANCE be pleased to state:

(a) whether the merger of Union Bank of India, Andhra Bank and the Corporation Bank will lead to any loss of jobs for the present employees or loss of any future employment opportunities for the people;

(b) whether Government plans to preserve the strong regional focus which the Andhra Bank had towards the Telugu speaking States; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per inputs received from Union Bank of India, the amalgamation of Andhra Bank and Corporation Bank into Union Bank of India has not resulted in any job loss and instead employees have benefited from the amalgamation as a result of, *inter alia*, improvement in employees' perquisites through harmonisation of the same across the three banks and wider career opportunities through introduction of new verticals in cutting-edge areas such as analytics, business process re-engineering, digitalisation etc.

With regard to focus in the regions where Andhra Bank had strong presence, Union Bank of India has informed that the regional focus of the bank towards the states of Andhra Pradesh and Telangana has become even stronger post the amalgamation, with customers of region benefiting due to increase in the number of bank branches and ATMs from which they may avail of banking services, larger bouquet of products and services through harmonisation of the same across the three banks, and enhanced lending capacity for loans of larger size due to increase in size of the balance-sheet.