

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5728

ANSWERED ON:30.04.2010

EXIT OF STATE RUN BANKS FROM INSURANCE SECTOR

Paranjpe Shri Anand Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has asked State run banks to exit themselves from the non-core businesses notably insurance;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the advantages likely to accrue on this account?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c) : Government has not issued any instruction to the Public Sector Banks (PSBs) to exit themselves from the non-core businesses notably insurance. Government has announced an Autonomy Package in February, 2005 for PSBs. As per this package, the Bank Boards are competent to decide on the issues relating to entering new lines of business as part of overall business strategy, make suitable acquisitions of companies or businesses, close / merge unviable branches, open overseas offices, set up subsidiaries and exit a line of business, etc.