

Centre lifts embargo on grant of government business to private banks

By TIOL News Service

EW DELHI, FEB 24, 2021: THE Centre has lifted the embargo on the grant of government businesses to private sector banks, announced nance Minister Ms Nirmala S naraman on Wednesday.

king to Twitter, Ms Sithar man said private banks can now be "equal partners in the development of the Indian economy" and further the government's social sector initiatives and enhance customer convenience.

Private banks can now conduct government-related banking transactions such as taxes and other revenue payment facilities, pension payments and small savings schemes, among others, announced the Ministry of Finance.

"This step is expected to further enhance customer convenience, spur competition and higher efficiency in the standards of customer services," it added.

With the lifting of the embargo, there is no bar on the Reserve Bank of India (RBI) for authorisation of private sector banks, in addition to public sector banks, for government business, including government agency business.