

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 1655

To be answered on the February 13, 2023/Magha 24, 1944 (Saka)

Privatisation of PSBs

1655. SHRI M.K. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to privatise the Public Sector Banks, if so, the details thereof;
- (b) whether the Government plans to introduce five day working for banks in India considering that massive number of persons today have moved to digital banking, if so, the details thereof;
- (c) whether wage revision talks for banks have been initiated by the Government, if so, the details thereof;
- (d) whether the Government has arrived at performance related pay system for public sector general insurance companies, if so, the details thereof; and
- (e) whether the Government plans to engage in wage revision talks with public sector general insurance companies which is pending since 2022, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a): In the Union Budget for the financial year (FY) 2021-22, Government's intent to take up privatisation of two Public Sector Banks (PSBs) and approval of a policy of strategic disinvestment of Public Sector Enterprises (PSEs) was announced. As per the highlights of the policy, the objectives of the policy include enablement of growth of public sector enterprises through infusion of private capital, thereby contributing to economic growth and new jobs, and financing of social sector and development programmes of the Government.

(b): Subsequent to 10th Bipartite settlement/7th Joint note between Indian Banks' Association (IBA) and Workmen Unions/Officer Associations, Government, in exercise of powers conferred by section 25 of the Negotiable Instruments Act, 1881, *vide* notification dated 20.8.2015 had declared the second and the fourth Saturdays of every month as public holiday for banks in India.

(c): Wages in PSBs are settled every five years through bipartite settlement/joint note between the IBA (which negotiate on behalf of bank managements on their specific mandate) and unions/associations of bank employees.

In this regard, Government of India *vide* letter dated 20.1.2023 has advised all PSBs that they may initiate the negotiation process for next wage revision.

(d) and (e): In terms of section 17A of the General Insurance Business (Nationalisation) Act, 1972, wages in public sector general insurance companies (PSGICs) were revised *vide* notification dated 14.10.2022 leading to an average increase of 12.05% in the wage bill for the period starting from 1.8.2017, wherein it has been stated, *inter alia*, that the next wage revision in the form of variable pay based on the performance of the company is due from August 2022.
