

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 3346**

TO BE ANSWERED ON THE 9<sup>TH</sup> AUGUST 2021/ SRAVANA 18, 1943 (SAKA)

**Privatisation of Banks**

3346. SHRI K. MURALEEDHARAN: SHRI BENNY BEHANAN:  
SHRI MUKESH RAJPUT: SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has selected various public sector banks for privatization including Central Bank of India and the Indian Overseas Bank, Bank of Maharashtra and Bank of India;
- (b) if so, the details thereof and the reasons therefor along with the criteria of their selection as well as the number and details of public sector banks privatized from the year 1985 to 2014;
- (c) whether any consultations have been held with the RBI and unions for privatization of nationalized banks and if so, the outcome of the same;
- (d) the manner by which the Government intend to protect the job security, scale, pensions and other benefits of employees of aforementioned banks after privatisation;
- (e) the details of measures would be undertaken by the Government to preserve the reservations for Scheduled Castes, Scheduled Tribes and Other Backward Classes after privatisation of these banks; and
- (f) the timeline and framework for the proposed privatisation and disinvestment proposals?

**ANSWER**

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

(a) to (f): The Finance Minister, in her speech on the Union Budget for the financial year (FY) 2021-22, announced the Government's intent to take up privatisation of two Public Sector Banks (PSBs) in the year 2021-22 and approval of a policy of strategic disinvestment of Public Sector Enterprises (PSEs).

Consideration of issues related to disinvestment and decision on selection, terms and conditions, etc. in case of strategic sale is entrusted to the Cabinet committee designated for this purpose under the Government of India (Transaction of Business) Rules, 1961. Before such consideration for decision thereon, consultation is undertaken with the ministries and departments concerned and, where necessary, with the regulator concerned.

Decision by the Cabinet committee concerned on selection, terms and conditions (including for protecting interests of employees belonging to various categories), etc. for privatisation of PSBs has not been taken, as the same is the outcome arrived at after consultations have been concluded and the matter considered in light of the same.

A bank is classified as a PSB or a private sector bank by the Reserve Bank of India (RBI). RBI classified IDBI Bank Limited as "other PSB" in 2005 and reclassified the same as a private sector bank in 2019

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