

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

UNSTARRED QUESTION NO. 2302

TO BE ANSWERED ON THE 16TH MARCH 2021/ PHALGUNA 25, 1942 (SAKA)

Salary and service conditions of employees of banks facing privatisation

2302. DR. SANTANU SEN:

Will the Minister of FINANCE be pleased to state:

what will happen to the employees of two banks which will be privatised, with regard to salary and service conditions, etc?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

The Finance Minister, in her speech on the Union Budget for the year 2021-22, announced Government's intent to take up privatisation of two Public Sector Banks and approval of a policy of strategic disinvestment of Public Sector Enterprises (PSE). As per the New PSE policy for Atmanirbhar Bharat issued by the Department of Investment and Public Asset Management, recommendations shall be made by NITI Aayog with regard to Central PSEs under Strategic Sectors, which includes the Banking, Insurance and Financial Services Sector, and recommendations shall be considered and Central PSEs to be, *inter alia*, retained under Government control or considered for privatisation or merger or subsidiarisation with another PSE shall be approved by an Alternative Mechanism that has been approved by the Government.

Once a view is taken with regard to a particular enterprise to be privatised, material issues pertaining to various stakeholders, including employees and the terms and conditions of their service, are considered. While considering employee matters, relevant factors such as their existing terms and conditions of employment, applicable laws and policies, employees' interest, and the objective of the new policy of ensuring post-disinvestment growth of the enterprise through private capital etc. are duly taken into account while taking a decision in the matter.

No proposal is currently under consideration of the said Alternative Mechanism.
