

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1495
ANSWERED ON – 20/12/2022

PRIVATISATION OF PSBS

1495. SHRI RYAGA KRISHNAIAH:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the Public Sector Banks (PSBs) that Government has privatised till date;
- (b) whether Government proposes to privatise more PSBs;
- (c) if so, the details thereof and the remedial measures proposed to be taken to maintain accessibility and affordability of financial services for vulnerable and marginalised sections of society;
- (d) the reasons for privatising PSBs despite their socio-economic relevance in the country;
- (e) whether any consultation with stakeholders has been done with regard to privatisation of PSBs; and
- (f) if so, the details thereof, and if not, the reasons therefor?

ANSWER

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

(a) to (f): A bank is classified as a Public Sector Bank (PSB) or a Private Sector Bank (PVB) by the Reserve Bank of India (RBI). Subsequent to the acquisition of 51% controlling stake by Life Insurance Corporation of India, RBI *vide* notification dated 14.3.2019 classified IDBI Bank as a PVB w.e.f. 21.1.2019.

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.

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.
