

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)

LOK SABHA
UNSTARRED QUESTION NO. 954

TO BE ANSWERED ON MONDAY, FEBRUARY 10, 2025
MAGHA 21, 1946 (SAKA)

PRIVATISATION OF IDBI BANK

954. Dr. T Sumathy *Alias* Thamizhachi Thangapandian:

Will the Minister of FINANCE be pleased to state:

- (a) the current status of privatisation of IDBI Bank;
- (b) whether specific assessments were done by the Government to evaluate the potential impact of privatization of the bank on the officers and employees currently employed in the bank;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government has any plans to discuss the implications of the proposed privatization with IDBI employees and their representatives; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) to (e) IDBI Bank is classified as a private sector bank by RBI with effect from 21.01.2019. At present, Government of India's (GoI) shareholding in IDBI Bank is 45.48% and LIC's shareholding is 49.24%.

Pursuant to the CCEA's (Cabinet Committee on Economic Affairs) approval in May 2021 for strategic disinvestment along with transfer of management control in IDBI Bank Ltd, 60.72% of IDBI Bank's equity is being offered for strategic disinvestment with transfer of management control, wherein GoI is offering 30.48% (post sale GoI's residual equity to be 15%) and Life Insurance Corporation of India (LIC) is offering 30.24% equity for disinvestment (post sale LIC's residual equity to be 19%).

The Preliminary Information Memorandum (PIM) for inviting Expression of Interest (EoI) from potential bidders was published on 7th October, 2022. In response to the PIM, multiple Expressions of Interest (EOIs) were received. After security clearance by Ministry of Home Affairs (MHA) and fit and proper evaluation by the Reserve Bank of India (RBI), the due diligence by the qualified bidders is being done.

While deciding the terms and conditions of the strategic sale, legitimate concerns of the existing employees and other stakeholders are suitably addressed through appropriate provisions made in the Share Purchase Agreement (SPA).
