

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2124  
ANSWERED ON:12.12.2008  
CHANGE IN THE NAME OF IDBI  
Acharia Shri Basudeb

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Union Government as well as the Reserve Bank of India has given in principle approval to change the name of the IDBI Bank, from Industrial Development Bank of India Ltd. (IDBI) Ltd. to IOBI Bank Ltd.
- (b) whether any objection has been raised against this move of the Government;
- (c) whether the proposed move of the Government is in total contravention and negation of the Provisions of the IOBI (Transfer of Undertaking and Repeal) Act, 2003;
- (d) if so, the facts in the matter; and
- (e) reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a) Yes, Sir. Government and RBI have approved the proposal of the Bank to change its name from Industrial Development Bank of India (IOBI) Ltd. to IDBI Bank Ltd.
- (b) to (d) Government received certain representations against move to change the name of the Bank, inter-alia, stating that the said move is in violation of the provisions of the IDBI (Transfer of Undertaking and Repeal) Act, 2003 and that the change of name would shift the focus of the Bank from development financing to retail banking.
- (e) The statutory provisions empower the Bank to change its name by following the prescribed procedure. The shareholders of the Bank have also approved the proposal to change the name from 'Industrial Development Bank of India (IOBI) Ltd.' to 'IOBI Bank Ltd.' through a Special Resolution with 99.96% majority. The management of the Bank felt that the erstwhile name of the Bank did not convey to the general public its commercial banking role, thereby potentially impeding access of the Bank to low cost funds. The changed name 'IOBI Bank Ltd.' held a dual purpose with 'IDBI' signifying the development banking role in view of the strong brand built up over the years, and the word 'Bank' for facilitating access to low cost funds as well as a destination for offering banking products and services to customers at large. As on 31 5t March, 2008, the outstanding exposure of the bank to infrastructure sector, large corporates and mid-size corporates aggregated Rs. 63,945 crore, constituting about 79% of the outstanding loan portfolio of the Bank. Thus, despite the change in the name of the Bank, it continues to perform its role as a development bank.