

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4710

TO BE ANSWERED ON THE 23RD MARCH 2020/ CHAITRA 3, 1942 (SAKA)
IDBI Stake to LIC

4710. SHRI SYED IMTIAZ JALEEL:

SHRI ASADUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government during the last year' sold its 49 per cent stake in IDBI to LIC;
- (b) if so, whether the Government has further decided to sell its remaining stake in the IDBI;
- (c) if so, whether the Government has also decided for disinvestment of LIC;
- (d) if so, the fate of IDBI Bank and rationale behind selling its stake in IDBI to LIC and disinvestment of LIC;
- (e) the total loss suffered by the Government and money provided to bank to recover its losses; and
- (f) the fate of employees of IDBI who are protesting against privatization of the bank for long?

ANSWER

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

(a): No, sir. IDBI Bank Limited, on receipt of proposal from Life Insurance Corporation (LIC) for acquisition of 51% controlling stake in IDBI Bank Limited, had intimated the Government regarding the same and Government had conveyed no objection to reduction of Government shareholding in the bank to below 50% by dilution. Subsequently, LIC acquired 51% stake in the bank. This did not entail sale of Government stake in the bank.

(b) to (d): Questions do not arise. It is further mentioned that the Finance Minister in her speech on Union Budget for the financial year 2020-21 has stated: "In the last few years, the government has taken concrete steps to bring the banking system to be robust. However, there is a need for greater private capital. Accordingly, it is proposed to sell the balance holding of Government of India IDBI Bank to private, retail and institutional investors through the stock exchange ... Listing of companies on stock exchanges discipline a company and provides access to financial markets and unlocks its value. It also gives opportunity for retail investors to participate in the wealth so created. The government now proposes to sell a part of its holding in LIC by way of Initial Public Offer."

(e): Government receives dividend paid by entities it holds equity share in. As per information furnished by IDBI Bank Limited, till date Government has received Rs. 1,466.65 crore by way of dividend paid by the bank.

(f): The bank has informed that employees continue to be governed by service rules approved by the bank's Board.
