

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

LOK SABHA  
UNSTARRED QUESTION NO. 1203  
TO BE ANSWERED ON MONDAY, JULY 25, 2022  
SRAVANA 3, 1944 (SAKA)

IPO of LIC

1203. SHRI NATARAJAN P.R.:

WILL THE MINISTER OF FINANCE BE PLEASED TO STATE :

- (a) the details of expected revenue receipts from the Initial Public Offer (IPO) of Life Insurance Corporation of India (LIC) to the Government;
- (b) the details of expected risks that could impact on the LIC acquisition in Industrial Development Bank of India (IDBI) particularly in the commission and remuneration to agents as well as obligation to rural and social sectors;
- (c) whether there is a need to infuse additional funds into IDBI in future; and
- (d) if so, the details thereof?

ANSWER

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

(a): Government of India realized approximately Rs 20,516.12 crore by disinvesting 3.5% of its stake of the total paid up equity capital in Life Insurance Corporation of India (LIC) through an Initial Public Offer (IPO).

(b): LIC acquired 51% share in IDBI Bank in January, 2019. LIC's shareholding at present is 49.24%. LIC has informed that there has not been any impact on the commission and remuneration to agents as well as on its obligation to rural and social sectors, because of their investment in IDBI Bank.

(c) & (d): The capital-to-risk weighted assets ratio (CRAR) of IDBI Bank as on 31.3.2022 is 19.06% which is well above the threshold of 11.5% stipulated by the regulator, Reserve Bank of India (RBI). Further, IDBI Bank has reported net profit for FY 2021 and FY 2022 which has also contributed towards improved Capital ratios [(CRAR), Common Equity Tier 1 (CET-1) and Tier-I capital] of the Bank. Consequently, both IDBI Bank and LIC have informed that there is sufficient capital available with the bank at present to meet its growth requirement while maintaining the capital ratio above the regulatory requirement on an ongoing basis.

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