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IDBI: disclose the cash plan before surrendering public control

The Modi Government must disclose the proposed use of IDBI's cash before surrendering control. Palak Shah's Businessworld investigation of 2 November reports expected cash purchases from the buyer's group. The reported USD 3 billion estimate is about 54% of the USD 5.6 billion estimated bank-purchase price. This compares proposed transaction sizes; it does not establish that IDBI has financed the takeover.

Publish the funding commitments and separately dated sources, uses and settlement sequence. Identify who pays and who receives each amount. The sale pays Government and LIC for existing bank shares; IDBI's onward purchases would pay the buyer group for investments. Disclose the independent valuations and related-party approval records.

The issuer's 14 October announcement described conditional transactions and said the bank purchase could occur without the contributions. Shah's article cites 10% single-investment and 20% aggregate RBI limits based on paid-up capital and reserves. Those thresholds remain article-attributed pending the current instrument and its application. No completed payment, realised loss or regulatory breach is established.

Proposed transaction	Cash and assets involved
The buyer purchases IDBI shares.	Government and LIC receive the sale proceeds for existing shares.
IDBI purchases the buyer group's financial-company interests.	Under the reported cash mechanism, IDBI would pay the group and receive investments.

The two proposed transactions involve different paying entities and different assets.

Source: [1] Palak Shah, Businessworld: Is Fairfax Buying IDBI With IDBI's Own Money?. 2 November 2026. Sections How IDBI May Help Fund Its Own Takeover, How the Money Would Move, A Question for the RBI, and Editor's Note; full ordinary-browser read recorded by the coordinator.

Source: [2] Fairfax and Fairfax India: proposed IDBI purchase and contributions. 14 October 2026. Physical PDF page 1 stake and consideration; page 2 proposed contributions and approvals; page 3 Transactions Conditional.

Source: [3] Earningsapi: Fairfax investor call transcript. Call of 15 October 2026; text read 2 November 2026. Speaker segment 7, Peter Clarke funding response; segments 30 and 31, Stephen Boland question and Prem Watsa cash-payment response; secondary transcription, original audio unverified.

Source: [4] RBI: Financial Services provided by Banks directions, official landing page. Landing page read 2 November 2026; heading identifies update of 5 October 2026. Notification 13162; linked operative PDF returned a human-verification page and was not read.

The 2019 reply cannot substitute for binding reservation terms

The Government is departing from the public-control premise used to answer the reservation concern. Its reply in the SC/ST Welfare Committee report presented on 4 January 2019 projected public ownership above 95%, with the overall ownership character largely unchanged. It recorded no employee-policy change directives received then. The approved 2026 structure envisages 34% together and withdrawal of both board nominees.

The Committee had explicitly linked its 2017 ownership recommendation with SC/ST/OBC reservation. Its 2019 action-taken report placed that recommendation among those it did not desire to pursue after the reply. The Government must show which enforceable terms replace that public-control premise.

Query 13 of the official 25 November 2022 bidder responses explicitly names SC/ST/OBC/EWS reservation. It says Government-company and public-sector requirements would not apply after consummation. Query 17 separately defers detailed employee protections to definitive agreements. The 1 December 2025 Lok Sabha answer refers to appropriate Share Purchase Agreement provisions without printing the schedules. Employees need the binding terms for future recruitment and promotion reservation, backlogs, accrued benefits and pensions, with their duration, enforcement authority and remedies.

Dated ownership structure	Combined Government and LIC share
The Government reply reproduced in the report presented on 4 January 2019.	Above 95% was projected, with the ownership character largely unchanged.
The structure approved in 2026.	34% would remain, while both withdraw their board nominees.

The later proposal changes the public-control premise recorded in the 2019 reply.

Source: [1] Committee on Welfare of SCs and STs, Twelfth Report on IDBI. 10 August 2017. Physical PDF page 15 paragraph 13, ownership and SC/ST/OBC reservation recommendation.

Source: [2] Committee on Welfare of SCs and STs, Twenty-Ninth action-taken report. Presented 4 January 2019; Government reply dispatch date not established. Physical PDF page 5 paragraph 1.2(ii); page 28 paragraph 3.3 recommendation; pages 28 and 29 paragraph 3.4 Government reply.

Source: [3] IDBI strategic disinvestment: official pre-EOI bidder responses. 25 November 2022. Physical PDF page 6 Query 13, reservation requirements after consummation; page 7 Query 17, employee protection in definitive documents.

Source: [4] Lok Sabha Starred Question 17, strategic disinvestment of IDBI. 1 December 2025. Physical PDF page 2 answer to parts (d) and (e), legitimate employee concerns and appropriate SPA provisions.

Source: [5] Finance Ministry FAQ on IDBI strategic restructuring. 14 October 2026. Residual Government and LIC stakes of 15% and 19%, withdrawal of board nominees, and questions 5 to 15.

Preserve public control and disclose the obligations

The Modi Government's approved transfer of control departs from the Vajpayee Government's documented public-control position. In the Lok Sabha on 8 December 2003, Finance Minister Jaswant Singh stated that majority shareholding must remain with Government. His explanation also discussed banking law and a pending threshold proposal. These records alone do not establish a perpetual statutory ownership floor.

The Government should preserve public control of IDBI. Before proceeding, disclose the funding sequence, independent valuations, related-party approvals, regulatory compliance calculation and pro-forma bank capital and liquidity position. Release the employee and reservation schedules and the rights of the residual public stake. Ordinary shareholder votes, special contractual rights and board representation are distinct. The bank's cash, accounting net worth and regulatory capital must also be kept separate.

Source: [1] Finance DRSC Forty-Sixth Report on IDBI conversion. 22 July 2003. Physical PDF page 10 paragraph 7; page 23 paragraphs 33 and 35; page 24 continuation; page 34 adopted amendment.

Source: [2] Lok Sabha original debate on the IDBI Bill. 8 December 2003. Physical PDF page 30 Jaswant Singh reply and banking-law qualification; pages 31 and 32 continuation and amendment withdrawal.

Source: [3] Finance Ministry FAQ on IDBI strategic restructuring. 14 October 2026. Residual Government and LIC stakes of 15% and 19%, withdrawal of board nominees, and questions 5 to 15.

Source: [4] Palak Shah, Businessworld: Is Fairfax Buying IDBI With IDBI's Own Money?. 2 November 2026. Sections How IDBI May Help Fund Its Own Takeover, How the Money Would Move, A Question for the RBI, and Editor's Note; full ordinary-browser read recorded by the coordinator.

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