



# ALL INDIA BANK OFFICERS' ASSOCIATION

CENTRAL OFFICE  
2<sup>nd</sup> Floor, 109/10, Angappa Naicken Street,  
CHENNAI - 600 001



Ph: 25265511 / Mobile: 98406 45081 Fax: 044-25249081 / e-mail : aiboa.hq@gmail.com Website: www.aiboa.org

Circular 31/VIII/202

11.09.2025.

To

**ALL STATE COMMITTEES / AFFILIATED UNITS :**

Comrades,

**PRESS MEET HELD AT CHENNAI – PRESS CLUB-AGAINST PRIVATISATION OF IDBI**



**FOREIGNISATION OF FINANCIAL SECTOR IS PUT IN PLACE.**

**ALLOWING FOREIGN DIRECT INVESTMENT  
IN INSURANCE SECTOR IS IN THE PROCESS.**

**PROPOSED SALE OF IDBI BANK LTD  
TO FOREIGN/DOMESTIC PLAYERS –CONTEMPLATED.**

The present Government at the Centre, in their second tenure in office, announced the New Public Sector Enterprise (PSE) policy, vide the notification dated 4.02.2021. The said policy specifically classified public sector commercial enterprises as **Strategic and Non sectors**, as approved by the cabinet.

2. Under the Strategic Sector, Banking, Insurance and Financial services, are classified amongst others. It was further stated that ***bare minimum presence of existing Public Sector Commercial enterprises at Holding Company level will be retained UNDER Government Control. The remaining enterprises in a stragic sector will be considered for privatization or merger or subsidiarisation with another PSE or or closure.***

3. The first step to implement the policy of privatization of Public Sector Bank was initiated by **DIPAM** in October 2022 by inviting the bids for disinvestment of the equity of LIC as well as of Government of India of **more than 60%**. The Reserve Bank of India has reliably cleared four bidders Viz: 1.Emirates NBD, a leading Bank in Dubai, 2.Fairfax India holdings (**renowned investor Prem Watsa**) controlling CSB ltd, 3. Kotak Mahindra Bank Ltd and 4.Oaktree Capital.

The total business handled by IDBI is of Rs 5,28,714 crs of which Deposit is **Rs.3,10,294** Crs and Advances Rs 2,18,420 Crs. The Hon'ble Finance Minister of Government of India has recently announced that disinvestment of IDBI will be likely concluded by the end of current Financial Year.

4. Recently, Department of Financial Services, vide their notification dated 29.08.2025, released the draft amendment to Insurance Act 1938 contemplating 100% Foreign Direct Investment (FDI) that too, through automatic route. The 69 year old LIC is going to be in tough position. As on today, the market share of LIC is 65% and Foreign Insurance Companies with a joint venture with Indian Companies is having 35% market share. Foreign companies eye huge profits and attend to the needs of High Net worth Individuals. The time limit stipulated to submit objections/suggestions is 15days from the date of Notification.

5. The old generation Private Sector Bank, LVB, headquartered at Karur, was taken over by DBS bank. The Second in the list is YES Bank, in which 20% stake was acquired by a Japanese Bank. The bank has approached RBI to permit to invest up to 26%, which in all probabilities will be cleared.

6. In terms of the directions issued by SEBI, five Public Sector Banks are to bring down their capital by 30%. Already, Bank of Maharashtra has initiated the steps towards completing the exercise of reduction of Government equity. The other four Banks i.e. **IOB,CBI, UCO and P&S Bank**, have been provided with the help of Goldman Sachs, which is a Global Investment bank. Dilution of Government Equity in Public Sector banks is a baby step towards clinching the agenda of Privatisation of Banking Sector.

7. The print media has covered that the GOI/MOF is toying with the idea of further consolidating the Public Sector Banks from 9 to 4 or 5. The issue will be taken up by the GOI in the ensuing Public Sector Banks Institutional heads'meet in the second week of this month at DELHI.

8. In all, if we analyse, every serious steps are taken to foreignisation of the Financial Sector by the Government of India. It is Now or Never for the existing workforce to safe guard the Public Sector Banks, as they are the Nation building Instruments. The duty cast on us is to preserve and promote the interest of the nation and its performance to secure the future of youth of our Country.

Hence, Bank men, **GET READY FOR THE STRUGGLES** in the near future. Our other demands are hanging in fire. But our specific priority is to secure the jobs, retain the jobs and enhance the jobs, in the background of AI seeping into the system in a silent manner. **AIBOA, SHALL STRIVE HARD TO ENVELOPE OTHER ORGANISATIONS IN THIS PATRIOTIC TASK OF PROTECTING PUBLIC SECTOR FINANCIAL INSTITUTIONS IN OUR COUNTRY.**

Yours comradely,



**S. NAGARAJAN.**

**GENERAL SECRETARY**

REPRODUCED BY KARNATAKA BANK OFFICERS' ORGANISATION (REGD.) MANGALURU-575 003

Mangaluru  
11.09.2025



**(Suresha Hegde S.)**  
**GENERAL SECRETARY**