

## **Information on the Constitution of IDBI**

### **Industrial Development Bank of India**

Industrial Development bank of India (IDBI) was constituted under Industrial Development bank of India Act, 1964 as a Development Financial Institution (DFI) and came into being as on July 01, 1964 vide GoI notification dated June 22, 1964. It was regarded as a Public Financial Institution in terms of the provisions of Section 4A of the Companies Act, 1956. It continued to serve as a DFI for 40 years till the year 2004 when it was transformed into a Bank.

### **Industrial Development Bank of India Limited**

In response to the felt need and on commercial prudence, it was decided to transform IDBI into a Bank. For the purpose, Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 [Repeal Act] was passed repealing the Industrial Development Bank of India Act, 1964. In terms of the provisions of the Repeal Act, a new company under the name of Industrial Development Bank of India Limited (IDBI Ltd.) was incorporated as a Govt. Company under the Companies Act, 1956 on September 27, 2004. Thereafter, the undertaking of IDBI was transferred to and vested in IDBI Ltd. with effect from the effective date of October 01, 2004. In terms of the provisions of the Repeal Act, IDBI Bank Ltd. has been functioning as a Bank in addition to its earlier role of a Financial Institution.

### **Merger of IDBI Bank Ltd. with IDBI Ltd.**

Towards achieving the faster inorganic growth of the Bank, IDBI Bank Ltd., a wholly owned subsidiary of IDBI Ltd. was amalgamated with IDBI Ltd. in terms of the provisions of Section 44A of the Banking Regulation Act, 1949 providing

for voluntary amalgamation of two banking companies. The merger became effective from April 02, 2005.

#### **Merger of United Western bank with IDBI Ltd.**

The United Western bank Ltd. (UWB), a Satara based private sector bank was placed under moratorium by RBI. Upon IDBI Ltd. showing interest to take over the said bank towards its further inorganic growth, RBI and Govt. of India amalgamated UWB with IDBI Ltd. in terms of the provisions of Section 45 of the Banking Regulation Act, 1949. The merger came into effect on October 03, 2006.

#### **Change of name of IDBI Ltd. to IDBI Bank Ltd.**

To truly capture its widened business functions, the name of the Bank was changed to IDBI Bank Limited with effect from May 07, 2008 upon issue of the Fresh Certificate of Incorporation by Registrar of Companies, Maharashtra.

#### **Merger of IDBI Home Finance Ltd. and IDBI Gilts with IDBI Bank Ltd.**

Two wholly owned subsidiaries of IDBI Bank Ltd. viz. IDBI Home Finance Ltd. and IDBI Gilts Ltd. were amalgamated with IDBI Bank Ltd. under Section 391-394 of the Companies Act, 1956 vide Government of India, Ministry of Corporate Affairs order dated April 08, 2011. The appointed day under the scheme of amalgamation was approved as January 01, 2011. In terms of Section 394(3) of the Companies Act 1956, the Government of India's above Order was filed with the Registrar of Companies on April 26, 2011.

#### **Re-categorization of IDBI Bank Ltd. as a Private Sector Bank**

LIC of India completed acquisition of 51% controlling stake in IDBI Bank on January 21, 2019 making it the majority shareholder and promoter (with management control) of the Bank. IDBI Bank Limited has been categorized as a 'Private Sector Bank' for regulatory purposes by Reserve Bank of India with effect from January 21, 2019 consequent upon Life Insurance Corporation of India acquiring 51% of the total paid-up equity share capital of the Bank.

**Omission of clause from Repeal Act pertaining to Development Bank**

The provisions of Repeal Act in terms of which IDBI Bank Ltd. was undertaking activities as a Development Bank was omitted in the Finance Act, 2021, w.e.f. March 28, 2021.

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