

The government is weighing various options, including [Qualified Institutional Placement \(QIP\)](#), to bring down its stake in [IDBI Bank](#).

The government currently holds 80.96 per cent stake in the Mumbai-based bank.

"Three-four options are being looked at, including private placement of shares to institutional investors through [QIP](#) route," a [finance](#) ministry official told PTI.

The proposal for the issue of equity capital through various alternative modes, including QIP, is listed as one of the agenda for the annual general meeting of the bank to be held in August.

A decision in this regard will be taken in the next few months, the official said, adding the government has already started the transformation process of the bank like re-balancing of its assets along with shedding of stake in the non-core business.

In addition, the bank is getting adequate capital support to strengthen its financial health, the official said.

Earlier this year, the government infused Rs 106.1 billion, the highest to any [public sector bank](#).

Out of this, Rs 78.81 billion was allotted by way of recapitalisation bonds, and Rs 27.29 billion as the direct capital infusion for FY18.

It is to be noted that [Finance](#) Minister Arun Jaitley in 2016-17 Budget had announced that the government will take it forward and also consider the option of reducing its stake to below 50 per cent in [IDBI Bank](#).

Jaitley had said that India is not ready for privatisation of PSU [banks](#) and their present characteristics will continue except for [IDBI Bank](#).

"We are trying to consolidate some of the banks, which may otherwise find it difficult in a competitive environment ... In one case we are thinking of reducing the government stake to 49 per cent, IDBI Bank," he had said.