

## Private pursuit

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The privatization plan for IDBI Bank was first announced in the FY22 Union Budget, but was delayed multiple times over the years.

- **Oct 2021:** The Union Cabinet approves the strategic disinvestment of IDBI Bank. The central government and LIC together decide to sell a 60.72% stake (GoI: 30.48%, LIC: 30.24%).
- **Oct 2023:** Expressions of interest (EoIs) process formally launched.
- **Jan 2024:** EoIs received from multiple bidders.
- **Jul 2024:** RBI clears fit and proper status of selected bidders.
- **Aug 2024:** Home Ministry security clearances granted for bidders. Private data room access begins.
- **Jan-Feb 2025:** KPMG completes due diligence.
- **Mar 2025:** KPMG submits its report.
- **Apr 2025:** Legal advisors begin drafting the Share Purchase Agreement (SPA).
- **May-Jun 2025:** Inter-Ministerial Group (IMG) approves the SPA.
- **Jul-Aug 2025:** Core Group of Secretaries to review before financial bids.
- **Sep-Oct 2025:** Financial bidding expected to begin.
- **Dec 2025:** Expected bid finalisation and transaction closure.

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# IDBI Bank may be sold by December, others by fiscal end

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The government is likely to focus on privatizing IDBI Bank by December and defer plans to sell other state-run firms to the last quarter of the fiscal year, two people aware of the matter said. The move aims to avoid market crowding and ensure sufficient investor appetite, they said.

The IDBI Bank sale is expected to fetch about ₹50,000 crore for the central government and Life Insurance Corp. of India, which together hold over 94% in the bank, the people said on the condition of anonymity. The

two stakeholders plan to sell a total of 60.72% stake in the lender.

The June quarter has seen no major stake sale and the September quarter may remain subdued as well, the first person said.

"While the stake sale in IDBI Bank is likely to fetch about ₹50,000 crore, another ₹10,000-15,000 crore could come from offers for sale of equity in other listed public sector undertakings," the person added.

Mint had reported earlier that there were as many as eight strategic disinvestment plans at various stages, including stake sales in BEML Ltd, Shipping Corp. of India Ltd,

TURN TO PAGE 6

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FROM PAGE 1

HLL Lifecare Ltd, Projects & Development India Ltd, and Indian Medicines Pharmaceutical Corp. Ltd.

The government is currently finalizing the sale plan for IDBI Bank. An inter-ministerial group has approved the share purchase agreement detailing the terms of the sale, paving the way for the government to invite financial bids, the second person added.

"The proposal will be discussed by the core group of secretaries on disinvestment for clearance, after which financial bids are likely to be invited in September-October," the person added.

Potential suitors for the IDBI Bank stake include Fairfax India Holdings (promoter of CSB Bank), Emirates NBD, and Kotak Mahindra Bank.

Spokespersons for the finance ministry, Fairfax India Holdings, Emirates NBD and Kotak Mahindra did not answer requests for comment.

Both people said the latest timeline for the transaction looks broadly on track. The privatization plan for IDBI Bank was first announced in the Union Budget for FY22, but it has been delayed multiple times over the years.

IDBI Bank shares were up over 2% at ₹97.44 on the BSE on Wednesday, extending this year's gains to about 27%. The lender's market capitalization exceeds ₹1 trillion.

The Budget estimate for miscellaneous capital receipts (MCR), which includes proceeds from equity sales and



The transaction is expected to fetch about ₹50,000 cr. MINT

public asset management, is pegged at ₹47,000 crore for FY26. In FY25, these receipts were at ₹33,000 crore, lower than the ₹50,000 crore pegged in the Budget.

"On the stake sales planned in other PSUs, there has been little progress so far and they could be taken up in the coming quarters, depending on market conditions. Some of the planned divestments will be taken up once the IDBI Bank sale is completed. That

**An inter-ministerial group has approved the share purchase agreement detailing the terms of the sale**

said, the Centre is confident of exceeding the ₹47,000 crore MCR target for FY26, buoyed by the IDBI transaction and other stake sales," said the first person cited above.

"Divestment proceeds in FY26 are expected to reach a multi-year high."

The government earned over ₹1 trillion from disinvestments in FY18, a record, largely due to the stake sale in Hindustan Petroleum Corp. Ltd and the listing of central public sector enterprises.

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