

Bids for IDBI Bank stake sale likely in Q3

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On the cards for a while now, the disinvestment of IDBI Bank looks all set to kick off as the government is likely to invite financial bids for it in the third quarter of the ongoing financial year (Q3FY26).

The announcement was made by Arunish Chawla, Secretary, Department of Investment and Public Asset Management in a select media briefing on Friday. The bids will be invited by the Department of Investment and Public Asset Management (DIPAM).

"The due diligence for the IDBI Bank has been completed. Data room protocols have been completed for all interested parties. Formal consultations have been done, we hope to invite financial bids for it in Q3FY26," Said Chawla.

He said that the DIPAM is expecting to receive a financial bid by December 2025 and the complete transaction of this deal will be done by FY26.

The government and the Life

Insurance Corporation (LIC) plan to sell a 60.72 per cent stake in IDBI Bank.

LIC holds 49.24 per cent of IDBI Bank, while the government owns 45.48 per cent stake.

On LIC, Chawla said that RFP (request for proposal) process has been completed, merchant bankers have been appointed and public sector financial institutions (PSFIs) can divest their stake any time in the next three plus five years. In February, the government came up with the notification to expedite the process of diluting government equity in select Public Sector Banks (PSBs) and listed PSFIs

DIPAM issued a request for proposal for the empanelment of Book Running Lead Managers, merchant bankers-cum-selling brokers, and legal advisors.

According to Sebi

norms, listed entities must reduce promoter shareholding to 75 per cent. The current government holdings in the five PSBs are: Indian Overseas Bank (94.61 per cent), UCO Bank (90.95 per cent), Punjab & Sind Bank (93.85 per cent), Central Bank of India (89.27 per cent), and Bank of Maharashtra (79.6 per cent). According to Sebi, all listed companies must maintain an MPS of 25 per cent.

On the impact of US tariffs, Chawla said, "We have taken everything in stride. We are supporting PSBs and conducting a capital review of all public sector undertakings on a weekly basis.

At the same time, we are working on strategies to insulate our economy from geopolitical risks. Public sector enterprises account for almost 15 per cent of our market."



DIPAM SECRETARY ARUNISH CHAWLA SAID PUBLIC-SECTOR FINANCIAL INSTITUTIONS CAN DIVEST THEIR STAKE IN LIC ANY TIME IN THE NEXT 3-5 YRS