

Govt calls off strategic sale of IDBI Bank stake

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THE GOVERNMENT HAS cancelled the strategic disinvestment of IDBI Bank after the financial bids received fell short of the reserve price set for the transaction, according to official sources.

Of the shortlisted bidders, Fairfax Financial Holdings and Emirates NBD are understood to have submitted financial bids on February 6. Kotak Mahindra Bank, which was also on the shortlist, had earlier indicated that it would not participate in the financial bidding process.

"The current process has been cancelled. The government remains committed to the strategic disinvestment of IDBI Bank, and the process will be restarted when market conditions improve," an official aware of the development said told *FE*.



The Centre and Life Insurance Corporation of India are jointly planning to sell a 60.72% stake in the lender as part of the strategic sale.

Under the proposed transaction, the government intended to divest 30.48% stake in IDBI Bank, which is valued at roughly ₹30,000 crore at the prevailing market prices.

In line with standard market practice and government guidelines, the reserve price for the transaction was determined based on a business valuation carried out by the transaction adviser. The reserve price was finalised only after the sealed financial bids were received. Shares of IDBI Bank on Friday ended 6.68% lower at ₹92.2 on the BSE.