

# GOVERNMENT KICKS OFF IDBI BANK DISINVESTMENT PROCESS

Relevant for: Indian Economy | Topic: Investment Models: PPP, SEZ, EPZ and others

**Base floor:** A minimum net worth of Rs. 22,500 crore has been set for firms looking to bid individually or via a consortium.

The government on Friday kicked off the process for the strategic disinvestment of IDBI Bank along with the transfer of management control, by issuing a preliminary information memorandum to invite expressions of interest from prospective buyers.

The Government of India will sell 30.48% of its stake in the bank, and Life Insurance Corporation of India (LIC) shall sell 30.24%, aggregating to 60.72% of IDBI Bank's share capital, along with transfer of management control in the lender. LIC, the bank's current promoter, holds 49.24% stake, while the government's stake comes to 45.48%. Public shareholders hold 5.28%.

Strategic investors interested in taking over the bank have been given time till October 28 to submit any queries they have on the memorandum and submit expressions of interest by December 16.

Only qualified bidders will be given the RFP (Request for Proposal) document in the second stage of the transaction. A minimum net worth of Rs. 22,500 crore has been set for firms looking to bid individually or via a consortium, which can include a maximum of four entities with a lead member holding at least 40% stake.

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