



ALL INDIA BANK OFFICERS' ASSOCIATION

CENTRAL OFFICE

2nd Floor, 109/10, Angappa Naicken Street,
CHENNAI - 600 001



Ph: 25265511/Mobile: 98406 45081 Fax: 044-25249081 / E-mail: aiboa.hq@gmail.com Website: www.aiboa.org

IBA:BKS:328:2026

15.10.2026.

BY EMAIL/SPEED POST:

The Chairman,
Securities Exchange Board of India,
MUMBAI.

Sir,

Re: IDBI- Disinvestment exercise initiated by Government of India. Market regulator – intervention sought.

We draw your kind attention to the press release issued by the Government of India pertaining to the proposed disinvestment exercise of IDBI, a profit-making Public Sector Bank and request your urgent intervention in this regard.

2. The pertinent points to be considered to halt the entire process of the exercise are:

- Our Organisation registers a strong protest against the process of disinvestment of IDBI, originally, a **development financial institution** (DFI) established in 1964 and subsequently converted as a Universal Bank, thereby facilitating the absorption of the then United Western Bank of India Ltd in the year 2006.
- IDBI, a **public sector bank**, has successfully come out of the crisis due to certain policy decisions of the Government of India from time to time and as at the close of business **31.03.2026**, the performance of the Bank was better than the Bank of Baroda. (Net Profit, CASA, % Loan Coverage etc.).
- **Categorical Assurance was given by the then Finance Minister Shri.Jaswanth Singh in the Lok Sabha on 08.12.2003 and in the Rajya Sabha on 15.12.2003 that the Central Government will always maintain not less than 51% shareholding in IDBI Bank which was taken on record by Parliamentary Committee on Assurances. The established democratic practice is now being bypassed, as this crucial matter has been proceeded with, without adequate discussion and deliberation in both the Lok Sabha and the Rajya Sabha.**
- Our organization has preferred the legal intervention in the Hon'ble High Court of Bombay in this connection.
- As the department of Investment and Public Asset management (DIPAM), Ministry of Finance, Government of India, had initiated the step way back in 2022, we have taken up with the authorities about the valuation method and the steps likely to be employed by the foreign investor would prefer to recover his investment in a quick succession, **ultimately**

suggesting that the sale should be shelved. The xerox copy of the letter is sent for your ready reference.

- LIC, the promoter, had the controlling stake, in terms of the sanction accorded by IRDAI **in the year 2018**, invested substantial sum and the share price was at Rs 61/-. The policy holders interest also adversely affected, in the event of proposed move getting cleared by your office.
- **The Government of India should purchase back the shares from the market to have 51% stake, as per commitment/assurances made to the Committee on Assurances.**
- The proposed foreign investor is already having a controlling stake in another private sector bank CSB Ltd, having its headquarters at Thrissur.

3. Our organization categorically record its objection that allowing the foreign investor to take the control of the financial institution/s would certainly lead to reestablishment of rechristened EAST INDIA COMPANY of the past time, which we should not allow.

4. Please intervene and halt the process of the foreign investor taking over a Public Sector Bank, which is a profit-making Institution and turned the corner successfully.

Yours faithfully,



(S.NAGARAJAN.)
GENERAL SECRETARY.

ENCL:

OUR LETTER No. MIN:RBI:267:2026 TO THE SECRETARY DIPAM, MOF, Government of India, New Delhi.

REPRODUCED BY KARNATAKA BANK OFFICERS' ORGANISATION (REGD.) MANGALURU-575 003

Mangaluru
15.10.2026



(SURESH HEGDE S)
GENERAL SECRETARY

ALL INDIA BANK OFFICERS' ASSOCIATION	...	...	...	ZINDABAD
KARNATAKA BANK OFFICERS' ORGANISATION	...	...	...	ZINDABAD
OFFICERS - WORKMEN UNITY	...	...	...	ZINDABAD

MIN:RBI:267:2026

03.09.2026,

By email :secydivest@nic.in/ speed post.

Dr. Arunish Chawla,
Secretary,
Dept of Investment and Public Asset Management,
Government of India,
NEW DELHI.

Sir,

Re: Serious valuation mismatches/irregularities – Lack of transparency in the sale process - Proposed disinvestment of Government and LIC stake in IDBI–Mid-Course correction in the contemplated exercise.

Ref: Our Letter No.MIN:RBI:17:2026 dated 03.03.2026 to you.

In continuation of our earlier letter referred herein above, we draw your kind attention to the following submissions for your careful considerations before fast forwarding the contemplated disinvestment exercise. The points are submitted in capsule form:

- During January, 2026 and February, 2026, it was reported in the Media that the expected reserve price was around **Rs.110 per share** and the deal price is around Rs.70,000/- crores. During March, 2026, it was reported in the Media that the bid price offered by the interested parties (IP) was below the expected reserve price fixed by the Government of India and the deal was not clinched. Suddenly, during July, 2026 and August, 2026, it was reported once again in the media that the reserve price is reduced to **Rs.81 per share** to match the revised offer given by the interested parties (IP) and the revised deal price is around Rs.53,000/- crores. There is no justification or reason for a substantial reduction of Rs.17,000/- crores in the deal price, as reported in the media, leading to **suspicious** element as the deal is nothing but sale of National Assets against the interest of the Nation.
- Moreover, when LIC of India had invested **Rs.61 per share** in IDBI Bank during January, 2019 while acquiring up to 51% shareholding in IDBI Bank and now after a gap of seven years eight months' time period, the investment should get value at a minimum amount of double the investment i.e., **Rs.122/- per share**. Any sale below Rs.122/- per share value would result in direct loss to policyholders of LIC of India.
- IDBI Bank has been earning substantial net profits for the last six financial years and net profit for the last financial year (F.Y. 2025-26) is Rs.9,513/- crores. With such a massive net profit, any **prudent Owner** will expect the below mentioned **Enterprise Value** for the sale, if any:

Type of growth	Calculation	100% value	60.72% value	Per Share Value
Conservative / Low Growth	15 * 9,500	Rs.1,42,500/- crores	Rs.86,526/- crores	Rs.133 per share
Average / Fair Market	22 * 9,500	Rs.2,09,000/- crores	Rs.1,26,905/- crores	Rs.194 per share
High Growth / Premium	35 * 9,500	Rs.3,32,500 crores	Rs.2,01,894/- crores	Rs.309 per share

Even if we consider the conservative / low growth methodology, the minimum price should be **Rs.133/- per share**. Hence, the sale at Rs.81/- per share is not only objectionable but raises serious valuation mismatches / irregularities.

It seems that the prospective buyer is not interested in Banking business but interested to monetize the real estate value which is shown at book value only but not at Market Value. With 60.72% ownership and with absolute management control, the prospective buyer will start selling all the 2,000+ real estate properties owned by IDBI Bank across the country at market value which is a great loss to the Nation and the Exchequer.

While analyzing the Annual Report of IDBI Bank for F.Y. 2025-26, it is observed that the total under the Head – “Premises” of Schedule 10 – Fixed Assets is **Rs.8,880.83 crores**. However, we understand that a single property owned by IDBI Bank at Hyderabad in Telangana State is of **50 acres** and the market value of each acre is running to **Rs.269 crore per acre** as per the recent auction done by Telangana State Government. Hence, the market value of a **single property** owned by IDBI Bank itself is **Rs.13,450/- crores**. If we consider the market value of other properties across the Country it will be **more than Rs.30,000/- crores**.

Keeping in view huge difference of more than Rs.20,000 crores in the real estate value, it is necessary to host the details of each and every property owned by IDBI Bank with book value as well as market value on both the websites of IDBI Bank and DIPAM before proceeding for any disinvestment of National Assets to maintain utmost transparency. The strategic disinvestment cannot be a secret disinvestment. Market value of the real estate value should also be considered while arriving the total enterprise value.

Any sale at Rs.81 per share will also be against the interest of minority shareholders of IDBI Bank which is violation of SEBI guidelines.

It seems that at a deal price of Rs.53,000/- crores, the prospective buyer will get a **windfall benefit** of **Rs.54,119/- crores** i.e., difference of enterprise value of Rs.33,000 crores (86,000- 53,000) + difference of market value and book value of around 2,000 plus real estate properties Rs.21,119 crores (30,000- 8,881).

National assets should not be handed over to private or foreign players as these players will later become “king makers” out of the profit made through sale of National assets at market value to fund “king” which is against the interest of the Nation.

We request you to examine our submissions dispassionately and favour us a positive response at an early date before the matter is taken up with Comptroller and Auditor General of India (**CAG**), supreme Audit Institution of India for a detailed and proper audit in the interest of the Nation.

We urge upon you to shelve the present proposal of disinvestment of a Public Sector Financial Institution, keeping the national Interest as paramount importance.

Yours faithfully,



(S.NAGARAJAN.)
GENERAL SECRETARY.