



Download Now

You are here: [ET Home](#) > [Industry](#) > [Banking/Finance](#) > [Banking](#)

Search for News, Stock Quotes & NAV's

01:00 PM 02 DEC	LIVE	ಸೆನ್ಸೆಕ್ಸ್ 26,306 ▼ -253.27	ನಿಫ್ಟಿ 50 8,108 ▼ -84.90	ಚಿನ್ನ (ಎಂಸಿಎಕ್ಸ್) (₹/10... 28,220.00 ▲ 300.00	ಯುಎಸ್ ಡಿ/ಭಾ... 68.35 0.00	CREATE PORTFOLIO	ಈ-ಟಿ ಮಾರುಕಟ್ಟೆಗಳ ಅಪ್ ಅನ್ನು ಡೌನ್‌ಲೋಡ್ ಮಾಡಿ	CHOOSE LANGUAGE KAN
-------------------	-------------	---------------------------------------	------------------------------------	---	-------------------------------------	------------------	---	------------------------

DOWNLOAD CHECKLIST

Like Share 3.9M people like this. Sign Up to see what your friends like.

SPOTLIGHT

Banking on banks!



Lines longer, ATMs dry as demand races ahead of supply

A manager at Bank of India said his branch would normally disburse Rs 25 lakh daily but on Thursday they had just Rs 4 lakh.

RBI hikes cash supply by 4 times, banks still cash-starved

Banks queue up to procure point-of-sale machines

IDBI Bank strategic stake sale unlikely this fiscal

By PTI | Updated: Jan 03, 2016, 11.25 AM IST

[Post a Comment](#)

[READ MORE ON](#) » [Life Insurance](#) | [IDBI Bank](#) | [Finance Minister](#) | [Axis Bank](#) | [Arun Jaitley](#)

NEW DELHI: Government is unlikely to go for a strategic stake sale of state-owned IDBI Bank **BSE -1.68%** during the current fiscal due to some procedural issues.

"Strategic stake sale in IDBI Bank may not happen this fiscal due to some procedure issues but the bank can raise funds through QIP," sources said.

Last week, the government gave its approval to IDBI Bank for raising Rs 3,771 crore during the year, by way of Qualified Institutional Placement (QIP), a move which will dilute its holding by about 26 per cent in the lender.

The government's holding in the bank stands at 80.16 per cent.

As per the existing norms, government equity in a public sector bank cannot go below 52 per cent to maintain the character of state-owned banks.

Finance Minister Arun Jaitley had earlier indicated a change in the characteristics of IDBI Bank where government would have a majority stake, but at the same time maintain an arm's length distance.

Learn Excel
FREE Course in Data Analysis & Visualization from Microsoft
Enroll Now
www.edx.org

RELATED COMPANIES	EXPAND
IDBI Bank	-1.15 (-1.68%)
Axis Bank	-5.90 (-1.27%)



This 3-yr-old lives on blood transfusions

Milaap



Give away your fancy watches now!

Elite Connect

Recommended By Colombia

Citing the example of Axis Bank **BSE -1.27%**, he had wondered if IDBI Bank can follow that model.

The government indirectly controls 29.19 per cent in Axis Bank through the administrator of the Specified Undertaking of the Unit Trust of India (SUUTI), the Life Insurance Corp and four other public sector general insurance companies.



Learn Excel

FREE Course in Data Analysis & Visualization from Microsoft



edX www.edx.org [Enroll Now](#)

Following the finance minister's comment on IDBI Bank, the government had hired SBI Capital Markets to examine and suggest ways to bring down stake below 51 per cent in IDBI Bank. It was supposed to draw up plans including strategic stake sale or merger with other private sector lender.

IDBI Bank came into existence, with Parliament passing the IDBI Repeal Act in 2003. In terms of provisions of the Repeal Act, IDBI has been functioning as a bank in addition to its earlier role of a financial institution.

Analysts feel that since IDBI Bank is not a nationalised bank, there is some operational freedom as far as stake dilution is concerned.

However, IDBI Bank in a regulatory filing said it has not received any communication from the government on this.

At the same time, bank unions have started opposing any possible move to bring down stake saying assurances were given by previous NDA government on the floor of Parliament that the government stake in IDBI Bank will not fall below 51 per cent.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

[Recommend](#) 21 people recommend this. [Sign Up](#) to see what your friends recommend. **DON'T MISS** any stories, follow us on Twitter [Follow @ETIndustryNews](#) 25.2K followers

Most Read | Most Shared | Most Commented

Surge in Debit card usage has banks on alert for fraud

RBI hikes cash supply by 4 times, banks still cash-starved

Demonetisation: Retailers at popular shopping hubs still accepting old currency

Khazanah Nasional Berhad arm to sell stake in IDFC Bank

3 special steel plants under SAIL get nod for stake sale

[More »](#)

FROM AROUND THE WEB



We Pay, You Play - Play Rummy with Rs.25 free
Jungle Rummy



Sinewave TDSPro to file & manage your returns
Sinewave



Protect your financial services firm from cyber-attack
CISCO

MORE FROM ECONOMIC TIMES



Infrastructure



Investments & Markets



Science & Technology

Recommended by

From Around the Web	More from The Economic Times
<p>Buy exclusive long-term 2-wheeler insurance! ICICI Lombard</p>	<p>Stressed bankers seek clarity from Reserve Bank of India</p>
<p>Learn how to better manage your wealth Birla Sun Life Mutual Fund</p>	<p>Investments & Markets</p>
<p>Currency that never goes out of circulation American Express</p>	<p>No government accommodation for former CMs: SC</p>
<p>Perfect gift for 2-12 year-olds Magic Crate</p>	<p>Banks not accepting pre-2005 Rs 1,000 notes</p>

Recommended by

Follow this section for latest news on Banking

Like 182



Add your comment here

Get a Quote

Get Quote

Browse Companies

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z | 1 2 3 4 5 6 7 8 9

Browse Mutual Funds

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

wealth RICS
RETAIL INVESTOR & CONSUMER SURVEY

10,000+ respondents share their investment and spending habits.

Book Your Copy Now !

Other Times Group news sites

Times of India | इकनॉमिक टाइम्स
 छत्रपती संभाजी टाइम्स | Mumbai Mirror
 Times Now | Indiatimes
 नवभारत टाइम्स | महाराष्ट्र टाइम्स
 ವಿಜಯ ಕರ್ನಾಟಕ | Lifehacker
 Gizmodo | Eisamay | IGN India
 NavGujarat Samay

Living and entertainment

Timescity | iDiva | Zoom |
 Luxpresso | Gaana | Happytrips |
 Cricbuzz | Get Smartapp

Networking

itimes | MensXP.com

Hot on the Web

Budget 2017 | Sensex, Nifty Live
 Blog
 Live: Currency Demonetisation
 News, Updates and Reports | Gold
 Rate
 Festival Guide 2016 | Google
 expected to unveil Pixel
 smartphones
 Live: India's surgical strikes on
 PoK

Services

ads2book | Gadgetsnow | Free Business Listings
 Simplymarry | Astrospeak | Timesjobs | Magicbricks | Zigwheels | Timesdeal |
 dineout | Filmipop | Remit2india | Gaana | Greetzap | Techradar | Alivear |
 Google Play