

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

STARRED QUESTION NO. *2

TO BE ANSWERED ON THE 2ND February 2018/ Magha 13, 1939 (SAKA)

Banks' Stake Sales to Raise Capital

***2. SHRI V. ELUMALAI:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Banks are planning to go for stake sales to raise capital in 2018 and if so, the details thereof;
- (b) whether the Public Sector Banks are also planning for strategic sales and if so, the details thereof;
- (c) whether the private lenders have made a move to extract value through listing of their subsidiaries; and
- (d) if so, the details thereof?

ANSWER
THE FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.*2 FOR 2ND FEBRUARY 2018 REGARDING “BANKS’ STAKE SALES TO RAISE CAPITAL” BY SHRI V. ELUMALAI, MEMBER OF PARLIAMENT.

(a) to (d): Banks, from time to time, review investments made by them to unlock value by way of capital receipts. As per regulations of Securities Exchange Board of India (SEBI), a listed entity is required to make disclosure to stock exchange regarding sale of investments which are material in nature and not in normal course of business. SEBI regulations do not distinguish sale of investments in terms of strategic or other sales.

The choice of the mode of stake sale to optimise value is dependent on market conditions. Private placement and Initial Public Offer provide different advantages depending on nature/quantum of investment, timing, investor attractiveness thereof, and the cost and time involved in the process. Sellers, including private lenders, choose the mode of sale based on their assessment of market conditions and associated advantages.

As regards investments of Public Sector Banks, details of proposed sale of shares / strategic sale of their subsidiaries, as disclosed by the banks to stock exchanges, are at Annex.

Annexure

Lok Sabha Starred Question No. *2 for 2.2.2018, regarding “Banks’ Stake Sales to Raise Capital”

Proposed stake sales disclosed to stock exchanges since 1.10.2017

S.N.	Bank	Name of company	Date of Board approval
1	CanaraBank	CanbankFactorsLtd.	23.10.2017
2	CanaraBank	CanFinHomesLtd.	21.11.2017
3	CanaraBank	CanbankComputerServicesLtd.	21.11.2017
4	CanaraBank	NationalStockDepositoryLimited	20.12.2017
5	IDBI Bank	NationalStockExchangeIndia Limited	27.11.2017
6	IDBI Bank	NationalStockDepositoryLimited	5.12.2017
7	IDBI Bank	NSDLeGovernanceInfrastructureLimited	11.12.2017
8	PunjabNationalBank	PrincipalPNBAssetManagementCompany	2.11.2017
9	PunjabNationalBank	PrincipalTrusteeCompanyPvt.Ltd.	2.11.2017