

04:05 PM   18 JAN <b>MARKET STATS</b> ▾	SENSEX <b>27,258</b> ▲ 21.98	NIFTY 50 <b>8,417</b> ▲ 19.00	GOLD (MCX) (Rs/10g.) <b>28,735</b> ▼ -3.00	USD/INR <b>68.04</b> ▲ 0.08	<b>CREATE PORTFOLIO</b>	<b>Download ET MARKETS APP</b>	CHOOSE LANGUAGE ENG
--	---------------------------------	----------------------------------	---	--------------------------------	-------------------------	--------------------------------	------------------------

# After big loss, Canara bank to sell stake in assets, raise Rs 500 crore

By [Sangita Mehta](#), ET Bureau | Updated: Jun 10, 2016, 03:57 AM IST

[Post a Comment](#)

MUMBAI: State-owned [Canara Bank](#) is set to raise Rs 500 crore this fiscal by selling stake in its non-core assets after it posted a huge loss in fiscal year 2015-16, a top official told ET.

"The bank has decided to sell stakes in [Can Fin Homes](#) and Canbank Factors. And this will help us strengthen our equity base. There is no plan to divest stake from its mutual fund and insurance business," [Rakesh Sharma](#), managing director of Canara Bank said.

The bank plans to sell 13 per cent stake in Can Fin Homes and reduce its holding to 30 per cent, he said.

In case of [Canara Factors](#), the bank has 70 per cent stake.

"We are considering two options. Either we will dispose it off completely or dilute some 20 per cent in the factoring business. We have yet not decided it," he said.

Can Fin Homes has a market cap of Rs 3,195 crore. The shares of Can Fin Homes moved from Rs 990 on March 1 to touch a high of Rs 1,309 on April 13 and closed at Rs 1,200 on Thursday on the face value of Rs 10. [Sensex](#) moved from 23779 to close at 26763 on Thursday.

In March, finance ministry directed PSU banks to divest their holdings in non-core assets as it wants the lenders to raise resources internally to meet their capital requirements.

In case of [Canara Robeco Mutual Fund](#) and Canara HSBC [Oriental Bank](#) Life Insurance Company, the Bengaluru-based bank owns 51 per cent.

"Presently there are no plans to dilute stake in either of these two subsidiaries because we want to strengthen them further and once the valuation improves, we will get better pricing," said Sharma.

Among others, [Bank of India](#) has decided to divest its holding to raise Rs 1,000 crore while IDBI Bank plans raise Rs 650 crore similarly. [State Bank of India](#) too, plans to divest stake in its insurance ventures to raise capital.

The move to sell-off the non-core assets such as stake in subsidiaries comes in the backdrop of banks struggling to raise capital.

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

- RELATED COMPANIES** EXPAND
- [State Bank...](#)
  - [Oriental B...](#)
  - [Canara Bank](#)

[EXPAND TO VIEW ALL](#)

**Budget 2017:**  
[Can Arun Jaitley make you & economy happy?](#)  
[Click for our special Budget 2017 coverage](#)

Live Market    News    Portfolio    Mobile    Live TV    Newsletter    Commodities    Speed    QnA    Blogs    Alerts    RSS

**Other Times Group news sites**

Times of India | इकनॉमिक टाइम्स  
मुंबई टाइम्स | Mumbai Mirror  
Times Now | Indiatimes  
नवभारत टाइम्स | महाराष्ट्र टाइम्स  
ವಿಜಯ ಕರ್ನಾಟಕ | Lifehacker

**Living and entertainment**

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

**Hot on the Web**

Income Tax Slabs | Budget 2017  
Sensex, Nifty Live | Income Tax  
Calculation  
UP & Punjab Assembly Elections

**Services**

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

