

OpenVoiceNews India

Transparent. Unbiased. Yours.

Indian Bank to Reduce Stake in ASREC Below 30 Percent by March 2026

August 6, 2025

– Categories: Finance



DOWNLOAD IPFS

Indian Bank has announced plans to bring down its stake in ASREC (India) Ltd to below 30 percent by March 2026, in line with regulatory requirements. The state-owned lender currently holds a 38.26 percent equity stake in the asset reconstruction company.

The move follows a government notification granting Indian Bank a timeline extension to comply with Section 19(2) of the Banking Regulation Act, which restricts banks from holding

more than 30 percent stake in companies that are not subsidiaries. The bank had received an extension to maintain its existing stake until the end of the 2025-26 fiscal year.

Binod Kumar, Managing Director of Indian Bank, confirmed the development, stating that the bank has already initiated the process of identifying potential buyers for the stake. The objective is to complete the divestment well ahead of the deadline.

ASREC is involved in the acquisition and resolution of non-performing assets (NPAs) from banks and financial institutions. Indian Bank's investment in ASREC is valued at around ₹37.5 crore.

The divestment is part of Indian Bank's broader strategy to streamline non-core operations and align with regulatory norms. By reducing its exposure in ASREC, the bank aims to enhance its capital efficiency and focus more on its core lending activities.

Financial analysts view the development as a proactive step to ensure compliance and reduce potential regulatory risks. The decision is also expected to help Indian Bank optimize its investment portfolio and improve return on assets.

With the stake sale now underway, Indian Bank is expected to finalize suitable investors in the coming months to ensure a smooth exit from its majority holding in ASREC.