

# HDFC Bank wins Cabinet nod to raise ₹24,000 crore via FDI

Move to help bolster private lender's capital adequacy ratio

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NEW DELHI

The Union Cabinet on Wednesday approved a proposal to grant private-sector lender HDFC Bank permission to raise additional capital of up to ₹24,000 crore through foreign direct investment.

“The Union Cabinet has approved the proposal for grant of permission to M/s. HDFC Bank Ltd. to raise additional share capital of up to a maximum of ₹24,000 crore, including premium, over and above the previous approved limit of ₹10,000 crore, such that the composite foreign shareholding in the bank shall not exceed 74% of the enhanced paid-up



equity share capital of the bank,” the government said in a release.

“The decision would ensure that the composite foreign shareholding in the bank inclusive of all types of foreign investments, both direct and indirect, will not exceed 74% of the enhanced

paid-up equity share capital of the bank,” the government added. “It will be subject to foreign direct investment policy conditionalities and other sectoral regulations/guidelines.”

## **Parent HDFC's infusion**

The proposed investment is expected to strengthen the bank's capital adequacy ratio, the government said.

In December, HDFC Bank's board approved a capital raising plan of ₹24,000 crore through a mix of instruments including preferential allotment to parent Housing Development Finance Corp. HDFC plans to infuse ₹8,500 crore.