

Business Standard

Provision prune eases gloom

Banking stocks jump after central bank asks lenders to drop providing for stressed loans to certain companies

Puneet Wadhwa | New Delhi April 21, 2016 Last Updated at 22:50 IST



Outside RBI Headquarters in Mumbai. Photo: Kamlesh Pednekar

Banking stocks gained ground on Thursday on reports that the Reserve Bank of India (RBI) has trimmed the list of companies whose loans have to be provided for against default risk in the March quarter. Jaiprakash Associates and Coastal Energen are among the 20 firms whose names have been dropped out of the 150 corporates that the RBI had listed in December. Given the development, Nifty Bank index gained over 2% in intra-day deals. Nifty PSU Bank index, on the other hand, zoomed over 4% with Punjab National Bank (PNB), Bank of Baroda (BoB), Canara Bank, Oriental Bank, Union ...