

Bank of India plans to raise Rs. 3,000 cr through QIP

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Prepares a list of non-core assets for sale this fiscal



New Delhi, December 8:

Bank of India plans to raise Rs. 3,000 crore through qualified institutional placement (QIP) in the coming days, a top official said.

This likely fund mop-up would be besides the government's capital infusion that may come its way as part of the already announced recapitalisation bonds.

"We have got board approval for a QIP of about Rs.3,000 crore. This is likely to be raised this fiscal," Dinabandhu Mohapatra, CMD, said here on Friday.

It may be recalled that BOI had recently raised Rs.500 crore via AT1 bonds.

He also said that BOI would, in the coming days, continue with the rebalancing of its balance sheet and adopt a balanced mix between corporate and retail focus.

"We have now understood that too much corporate focus is not sustainable. That is why we have brought down the corporate exposure to 48 per cent from 52 per cent in recent months. So, we are enhancing focus on the retail side too," Mohapatra said.

For the full fiscal 2017-18, BOI is now eyeing retail credit growth of 18-20 per cent. This is against the credit growth so far this fiscal of about 16 per cent, Mohapatra said.

He, however, expects the overall credit growth for the bank to be in the 5-6 per cent levels in 2017-18.

Asset quality

Mohapatra expressed confidence that recoveries, which had been good in the September quarter, would only improve in the coming days.

"Things are looking up for the banking industry. Future is bright. After 14 years, we have seen sovereign ratings upgrade for India," he said.

He also felt that the bank would get a good opportunity to write back NPA provisions already made once the first batch of 12 cases before the NCLT gets finalised in the coming weeks.

Of the first batch of 12 cases referred by the RBI to the NCLT for insolvency, BOI has exposure to 10 cases with aggregate exposure value of Rs. 8,500 crore. "We have provided more than adequate in one or two cases and adequately in other cases. This could help us write back once NCLT resolution happens," Mohapatra said.

He also said that BOI has firmed up a list of non-core assets which could be sold in the next few months. He, however, declined to specify the assets or the quantum of sale that the bank is looking to complete in the coming days.

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