

# BOI defers Rs. 3,000-cr QIP issue for now

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Govt support and likely sale of non-core assets to bolster capital: MD

**New Delhi, January 15:** Bank of India (BOI) has deferred its earlier plan of raising Rs. 3,000 crore of capital through a qualified institutional placement (QIP) issue, a top official said.

This decision comes in the wake of BOI getting Rs. 2,257 crore capital support from the government under the Indradhanush programme and the likely monetisation of certain non-core assets this fiscal, Dinabandhu Mohapatra, Managing Director and CEO, BOI, told *BusinessLine*.

It may be recalled that the QIP plan — which had board approval — was announced in early December 2017 and much before the bank came under the RBI's prompt corrective action. "There is now no need to do a QIP this fiscal. The decision to drop the QIP plan has not been taken because of the PCA. It was taken before the PCA. Since some positive developments were taking place on resolution of stressed assets under NCLT and the government had indicated more capital infusion, we decided to see the government infused capital in the books and then go to the market for QIP. This way we will get more value for our shares," he said.

He also highlighted that BOI will also get a portion of the Rs. 1.35-lakh crore recap bonds that are likely to be issued to banks.

"We are adequately capitalised now. We don't immediately need capital from the market through a qualified institutional placement," he said.

Mohapatra asserted that BOI does not have any plan of levying charges on those services which are available free of charges currently.

He dismissed as "incorrect" the reports in sections of media (social, print and visual) that all free services of public sector banks, including Bank of India, will be chargeable from January 20 this year.

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