

04:05 PM 12 JAN CLOSED	சென்செக்ஸ் 34,592 ▲ 88.90	நிஃப்டி 50 10,681 ▲ 30.05	கோல்டு (எம்சிஎக்... 29,570.00 ▲ 180.00	யுஎஸ்டி/ஐஎ... 63.62 ▼ -0.05	CREATE PORTFOLIO	₹-டி மார்க்கெட்ஸ்...	CHOOSE LANGUAGE TAM
---------------------------------	-------------------------------------	-------------------------------------	--	---------------------------------------	-------------------------	-------------------------	------------------------

Bank of India to be out of RBI watch list soon as recovery picks up: MD

BY PTI | UPDATED: JAN 12, 2018, 10.20 PM IST

Post a Comment

NEW DELHI: [Bank of India](#) (BoI) has put in place an aggressive bad loan recovery strategy and hopes to be out of the [RBI's](#) watch list soon, the state-run lender's Managing Director [Dinabandhu Mohapatra](#) said.

Following inspection of books in March 2017, [Reserve Bank of India](#) (RBI) downgraded some of BoI's accounts to NPA and placed the bank under the Prompt Corrective Action (PCA) framework.

Downgrading of accounts impacted the profitability as well as non-performing asset (NPA) position of the bank retrospectively.

"Fortunately, 70 per cent out of the loans downgraded by RBI are funded against Standby Letter of Credit (SBLC) issued by other banks. That means it is not exposure on borrower but exposure on banks.

"So, we have to invoke the LC on the banks which have issued and they will pay us back. We have already recovered Rs 2,000 crore by revoking LC...nothing to be worried. It will be claimed back from banks. Within a short span we have claimed back Rs 2,000 crore," Mohapatra told PTI.

He, however, did not disclose the total exposure, citing the ongoing audit.

RELATED COMPANIES

EXPAND

Bank of I...

Big Change:
[The end of Five-Year Plans: All you need to know](#)



Burn Excess Body Fat with this healthy trick(Try it Today)

NutraLyfe



Watch Tumhari Sullu on Prime Video

Prime Video

Asked by when the bank expects to be out of the [PCA list](#), he said this has to be decided by the RBI.

"We can expect and I am quite hopeful that in the quickest time we will be taking care of all these issues and we will be definitely going forward with the support of the capital to be provided by the government and revival in the economy," he said.

Last month, the finance ministry committed Rs 2,257 crore capital support to the bank.

Observing that PCA should not be termed as a dampener, Mohapatra said, "It is rather an enabler. It is helping the bank to take actions which will further strengthen the financials...even before PCA we have changed the working of Bank of India in tune with the requirements of the new age banking."

Giving details of the improved financial performances, he said the NPA of the bank has come down in the last six months, both in percentage and absolute terms.

Besides, he said, the bank has diversified risk and the corporate exposure has come down from 52 per cent to 48 per cent.

The bank has grown in retail, SME and agriculture segments and rationalised non-core activity and also initiated some structural and functional changes, leading to good numbers during the first two quarters, he said.

He also said there were reports in some sections of the media as well as social media that all the free services of public sector banks will cease from January 20, 2018.

"It is clarified that our bank does not have any plan of levying charges on those services which are available free of cost currently," he said.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by

[Live Market](#)
[News](#)
[Portfolio](#)
[Mobile](#)
[Live TV](#)
[Biz Listings](#)

[Industry](#)
[Newsletters](#)
[Commodities](#)
[Speed](#)
[Blogs](#)
[RSS](#)

[About Us](#)
[Create Your Own Ad](#)
[Advertise with Us](#)
[Terms of Use & Grievance Redressal](#)
[Privacy policy](#)

FOLLOW US

Download it from
[APP STORE](#)

Download it from
[GOOGLE PLAY](#)

Download it from
[Windows Store](#)

Other Times Group news sites

[इकनॉमिक टाइम्स](#) | [ईकोनॉमिक्स टाइम्स](#) | [Pune Mirror](#) | [Bangalore Mirror](#) | [Ahmedabad Mirror](#) | [ItsMyAscent](#) | [Education Times](#) | [Brand Capital](#) | [Mumbai Mirror](#) | [Times Now](#) | [Indiatimes](#) | [नवभारत टाइम्स](#) | [महाराष्ट्र टाइम्स](#) | [ವಿಜಯ ಕರ್ನಾಟಕ](#) | [Go Green](#) | [AdAge India](#) | [Eisamay](#) | [IGN India](#) | [NavGujarat Samay](#) | [Times of India](#) | [Samayam Tamil](#) | [Samayam Telugu](#) | [Miss Kyra](#) | [Bombay Times](#) | [Filmipop](#)

Living and Entertainment

[Timescity](#) | [iDiva](#) | [Entertainment](#) | [Zoom](#) | [Healthmeup](#) | [Luxpresso](#) | [Gadget Reviews](#) | [Titanium & Platinum Credit Card](#) | [Online Songs](#) | [MensXP](#) | [Hotels](#) | [Travel Destinations](#) | [Cricbuzz](#) | [Recipes](#) | [Gaana](#) | [Happytrips](#) | [Getsmartapp](#)

Interest Network

[itimes](#)

Hot on the Web

[Tax Saving Investments](#) | [Income Tax Slabs](#) | [Aadhaar Card](#) | [How to Save Income Tax](#) | [GST Rates](#) | [GST](#) | [Income Tax](#) | [Sensex Today](#) | [Budget](#) | [Sensex](#) | [Income Tax Calculator](#) | [Aadhaar](#)

Services

[Book print ads](#) | [Online shopping](#) | [Matrimonial](#) | [Astrology](#) | [Jobs](#) | [Tech Community](#) | [Property](#) | [Buy car](#) | [Bikes in India](#) | [Free Classifieds](#) | [Send money to India](#) | [Used Cars](#) | [Restaurants in Delhi](#) | [Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#) | [News](#) | [TimesMobile](#) | [Real Estate Developers](#) | [Restaurant Deals in Delhi](#) | [Car Insurance](#) | [Gadgets Now](#) | [Free Business Listings](#) | [CouponDunia](#) | [Remit2India](#) | [Techradar](#) | [AliveAR](#) | [Getsmartapp App](#) | [ETMoney Finance App](#) | [Feedback](#)

In Case You Missed It

[Gold Rate](#)

[What is Bitcoin](#)

[Budget 2018](#)

[Bank FD Rates](#)

[Infosys Share Price](#)

[Nifty](#)

[Silver Price](#)

[H1B Visa](#)

[Aadhaar Card](#)

[SBI Share Price](#)

[Sensex](#)

[Crude Oil Price](#)

