

04:05 PM 08 JAN CLOSED	சென்செக்ஸ் 34,352 ▲ 198.94	நி:பிடி 50 10,623 ▲ 64.75	கோல்டு (எம்சிஎக்... 29,258.00 ▲ 41.00	யுஎஸ்டி/ஐஎ... 63.49 ▲ 0.12	CREATE PORTFOLIO	FF-டி மார்க்கெட்ஸ்...	CHOOSE LANGUAGE TAM
---------------------------------	--------------------------------------	-------------------------------------	---	--------------------------------------	-------------------------	--------------------------	------------------------

War on NPAs to speed up PSBs' capital raising via FPOs

BY PTI | UPDATED: MAY 07, 2017, 11:41 AM IST

Post a Comment

NEW DELHI: The government's all out war against **NPAs** will help in cleaning balancesheets of state- owned banks and expedite fund raising via markets to meet the global Basel III capital adequacy norms, an official said.

"As NPAs get resolved, the balancesheets of the public sector banks will get better, improving the valuation of their stocks," a senior **Finance Ministry** official said.

So, the banks would be in a better position to raise much needed funds from the capital market as envisaged in Indradhanush plan, reducing burden on exchequer, the official said, adding that faster resolution of non-performing assets means earlier than anticipated public offers from banks.

As it is, the Finance Ministry expects about half-a-dozen banks to raise capital from the market during the second half of the current fiscal.

Some banks like **State Bank of India**, Bank of Baroda and Punjab National Bank have potential to go for public offers during the course of the year, the official said.

As per the Indradhanush plan, public sector banks need to raise Rs 1.10 lakh crore from markets, including through follow-on public offers, to meet Basel III requirements which kick in from March 2019.



Trade Bitcoin CFDs with
iFOREX now
iforex.in



Welcome to a new way
of property ownership
Property Share

Recommended By Colombia

This will be over and above Rs 70,000 crore banks will get as capital support from the government. Of this, the government has already infused Rs 50,000 crore in the past two fiscals and the remaining will be pumped in by the end of 2018-19.

SBI has already taken board approval for raising up to Rs 15,000 crore through various means, including public offer and overseas issuance of shares, during the current fiscal.

The funds will be raised either through follow-on public issue, qualified institutional placement, rights issue, private placement, Global Depository Receipt, American Depository Receipt or a combination of these, SBI had said last month.

The fund-raising will be done at an opportune time or as may be approved by the government and the RBI, it added.

Meanwhile, the government will continue to support public lenders based on requirements as was announced by the Finance Minister in his Budget speech, the official said.

In the Budget 2017-18 speech on February 1, Finance Minister **Arun Jaitley** announced capital infusion of Rs 10,000 crore for the current fiscal.

"In line with the Indradhanush road map, I have provided Rs 10,000 crore for recapitalisation of banks in 2017-18. Additional allocation will be provided, as may be required," Jaitley had said.

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

Powered by	Live Market	Industry	About Us
	News	Newsletters	Create Your Own Ad
	Portfolio	Commodities	Advertise with Us
	Mobile	Speed	Terms of Use & Grievance Redressal
	Live TV	Blogs	Privacy policy
	Biz Listings	RSS	

FOLLOW US

Download it from
APP STORE

Download it from
GOOGLE PLAY

Download it from
Windows Store

Other Times Group news sites

इकॉनॉमिक टाइम्स | ईडेनोमिक्स टाइम्स | Pune Mirror | Bangalore Mirror | Ahmedabad Mirror | ItsMyAscent | Education Times | Brand Capital | Mumbai Mirror | Times Now | Indiatimes | नवभारत टाइम्स | महाराष्ट्र टाइम्स | മലയാള മനോരമ | 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 Slabs | Aadhaar Card | How to Save Income Tax | GST Rates | Union Budget | 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](#)

Copyright © 2018 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)