

## PSU banks may get Rs. 70,000 cr. via recap bonds in four months

The Finance Ministry may infuse about Rs. 70,000 crore through recapitalisation bonds in the NPA-hit public sector banks (PSBs) in the next four months, sources said.

Last month, Finance Minister Arun Jaitley had announced a Rs. 2.11 lakh crore two-year road map for strengthening public sector banks. The plan included re-capitalisation bonds of Rs. 1.35 lakh crore.

Currently, the government is finalising the structure of bonds and decision in this regard could be made by the end of this month.

The Minister had said that there were multiple options before the government for recapitalisation bonds and the best ones would be explored.

Once the structure is in the place, the Centre will front-load bond issuance and preliminary assessment indicates that it could be between Rs. 70,000 and Rs. 80,000 crore, sources said. However, nothing has been finalised yet, they said, adding the Ministry would get better picture of requirements of various banks after the second quarter results.

### Rising NPAs

Non-performing assets (NPAs) of public sector banks alone have increased from Rs. 2.75 lakh crore as on March 2015 to Rs. 7.33 lakh crore as on June 2017.

Besides the bonds, the Minister announced banks would get about Rs. 18,000 crore under Indradhanush plan over the next two years.

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