

In a bid to fund a [credit growth](#) of around 14 per cent in the current financial year, public sector lender [Canara Bank](#) is planning to raise Rs 70 billion in the current financial year. The fund raising plan has already got the board approval.

N Sivasankaran, Chief Financial Officer of [Canara Bank](#) told Business Standard that the capital raising plan is primarily aimed at funding the [credit growth](#). [Credit growth](#) for the current fiscal is estimated to be in the range of 13 to 14 per cent.

"Bank is planning to raise funds through QIP (qualified institutional placement) or rights issue or preferential allotment of equity to the government or Life Insurance Corporation (LIC) among others," Sivasankaran said.

The Bengaluru-headquartered bank had reported a net loss of Rs 48.59 billion in the fourth quarter of last fiscal as provisions against bad loan rose three-fold to Rs 87.62 billion during this period.

Its [asset quality](#) deteriorated with gross bad loan rising to 11.84 per cent of total assets in Q4 of FY18 from 10.38 per cent in the previous quarter. Similarly, its net non-performing assets increased to 7.48 per cent from 6.78 per cent on a sequential basis.

Despite higher provisions, the capital adequacy ratio (CAR) of the bank improved to 13.22 per cent during last fiscal from 12.86 per cent reported in the year ago period.

Meanwhile, apart from capital raising through secondary market operations to boost capital base, the bank is also in the process divesting stake in its non-core assets.

"We are in the process of divesting some of our non-core assets," the CFO said adding that its plans to sell stake in CanFin Homes has been called off as of now.

Post the fourth quarter results, the bank had told in the analyst meet that it has monetisation plan by selling 70 per cent stake in Canbank Factors and 69 per cent stake in Canbank Computers Ltd, which could fetch it around Rs 2.5 billion.