

**The stock was up 25 to Rs 281, trading at its highest level since February 16, 2018.**

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**SBI**

Shares of State Bank of India (SBI) hit an over three-month high of Rs 281 per share, up 2% on the BSE, extending their 2% gain in past two days, after a media report suggested that the country's largest lender is looking at recovering more than Rs 400 billion of its stressed assets in the current fiscal.

"Our expectation is that we will be making a recovery of more than Rs 400 billion in the

current financial year. We expect to get around Rs 250-300 billion from IBC (Insolvency and Bankruptcy Code) route and the balance would be recovered from other sources like sale to ARCs and one time settlement," IANS report suggested quoting lender's Deputy Managing Director (Stressed Assets Resolution Group) Pallav Mohapatra. [CLICK HERE TO READ FULL REPORT.](#)

SBI is currently trading at its highest level since February 16, 2018, rallied 15% after the bank announced its January-March quarter (Q4FY18) results on May 22, 2018. On comparison, the S&P BSE Sensex was up 3% during the same period.

"SBI reported higher loss on back of high slippages of Rs 336.7 billion, leading to interest income reversals & provisioning. Bulk of the slippages were from corporate and with 60% coming from the stressed pool (5/25, SDR, S4A & Restructured)," analysts at Prabhudas Lilladher said in result update.

"Key positives were NIMs held up despite interest reversals and despite taking RBI dispensation of 40% provisioning on NCLT List-1, overall PCR & NCLT List-1 PCR was at +50%. Bank's stressed asset pool is now 1.3% of loans (down from 2.8% in Q3) and some large recoveries from NCLT a/c will help improve asset quality but keep provisioning high based on ageing leading to improving PCR," the brokerage firm said with retain 'buy' rating on the stock and revised target price of Rs 349 based on 1.5x Mar-20 ABV & SOTP.

"The prospects of recovery from stressed accounts referred to the NCLT are improving. More than a quarter of the Rs 3.3 lakh crore worth of cases referred to NCLT for resolution are from the steel sector which has seen heightened bidding interest due to improving prospects for the sector," Krishnan Sitaraman, Senior Director, CRISIL Ratings said in press release.

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