



South Indian Bank raised Rs 490 crore by way of issuance of bonds till March 31, 2018 after approval from shareholders in previous AGM that was held on July 11, 2017.

Private sector South Indian Bank plans to raise up to Rs 520 crore through a mix of equity and debt instruments to meet its business needs. The bank's board will meet on July 11 and take up its fundraising agenda for the meeting. Of the total Rs 520 crore to be raised, the bank said Rs 20 crore will be raised through equity capital and Rs 500 crore will be mopped up through bonds. On debt instruments, the bank said it can float long-term infrastructure bonds or such other securities.

“The bank has been borrowing funds to meet the business requirements...the board of directors, after assessing its fund requirements, has proposed to obtain the consent of the members of the bank for borrowing/raising funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds, up to Rs 500 crore in one or more tranches in domestic and/or overseas market to eligible investors on private placement basis,” it said in a regulatory filing.

The bank raised Rs 490 crore by way of issuance of bonds till March 31, 2018 after approval from shareholders in previous AGM that was held on July 11, 2017. The capital position as on March 31, 2017 was 11.82 per cent as against the minimum requirement of 10.25 per cent. A banking company requires adequate capital not only to meet the needs of growing business, but also to meet the applicable regulatory requirements. As business grows, capital requires to be augmented, the lender said.

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