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**THE TIMES OF INDIA**

# SBI not open to takeovers, says chairman Rajnish Kumar

TNN | Oct 3, 2019, 04.00 AM IST



MUMBAI: The country's largest lender State Bank of India (SBI) is not open for acquisitions. The bank's chairman Rajnish Kumar has said that the lender is not considering any acquisition, has not been sounded out for one, nor is it in a situation to take over another bank. Responding to a question on whether SBI was likely to be a port of call for authorities looking to merge distressed lenders, Kumar said that there was no such move.

SBI recently completed amalgamation of five of its associate banks with itself. In the past, the government has asked SBI to take over lenders like the Bharatiya Mahila Bank and Bank of Credit and Commerce International. With the RBI moving to take control of Punjab & Maharashtra

Cooperative Bank — one of the top five cooperative lenders in India — there is speculation that a merger of operations might be in the offing.

Kumar was speaking to TOI while participating in SBI staff's efforts to clean up Dadar beach in Mumbai on Wednesday. According to Kumar, the RBI is likely to give priority to its objective to stimulate growth while announcing the monetary policy committee decision on Friday.

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— **Rajnish Kumar**

| CHAIRMAN, SBI



According to the SBI chairman, the bulk of the bad loan provisioning of nearly Rs 1 lakh crore took place in FY18 and has been declining since then. “We expect that fresh slippages will be contained at 2%,” he said. “The stress in the system will reduce once the recoveries start happening,” said Kumar.

He added that of the 12 large default accounts, Alok Industries and Bhushan Power & Steel are close to resolution, and court hearings in respect of Essar Steel are expected to resume on October 15. “While we do sell non-performing assets, we are not looking to offload any of the 12 large accounts referred to the NCLT,” he said.

SBI managing director Arjit Basu said that there have been positive developments in the economy that are not being recognised. “The monsoon has been favourable and we are seeing improvement in festival demand, which could lead to improvement in personal consumption demand,” he said. “We are also seeing some of the companies looking to reduce their level of debt. This is a good thing as these are good companies with other sources of funds. This could have a temporary effect on credit demand,” said Basu.