

Testwale Current Affairs PDF

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1. SBI to issue Rs 10,000 crore infrastructure bonds in 2022-23 (Nov. 30, 2022)

SBI to issue Rs 10,000 crore infrastructure bonds in 2022-23

India's largest commercial bank State Bank of India's board on 29 November 2022 has approved a proposal to raise **Rs 10,000 crore** through issuance of **infrastructure bonds** during 2022-23.

The bank said that it will issue infrastructure bonds up to an amount of Rs 10,000 crore (including a **green shoe option of Rs 5,000 crore**) through a [public issue or private placement](#), during 2022-23.

The capital raised through the infrastructure bonds will be used to provide loans to companies in the infrastructure sector.

Earlier the SBI board in May had approved raising up to **\$2 billion (about Rs 15,430 crore)** from the overseas market during the 2022-23 financial year to fund foreign business growth.

Green Shoe Option

Green shoe option means the company has the option to over allot the bonds or shares if there is demand in the market. For example SBI comes in the market and says that it will sell 10 bonds worth Rs 100 each with a green shoe option of Rs 200. The total issue of bonds here is Rs 1000.

Suppose the SBI receives applications from 15 investors worth Rs 1500. In the market language it will be said that the SBI issue has been **oversubscribed**.

Which investor will be allotted the bonds will be decided by lottery.

Now SBI has two options. It can keep Rs 1000 and refund the Rs 500 amount to the investors.

Another option for SBI is that it will exercise the green shoe option. Here the green shoe option is Rs 200 so SBI keeps Rs 200 and refunds the rest Rs 300 to the investors.

State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. . As of 30 September 2022, the Government of India held 57.52% stake in the bank.

Chairman of the Bank: **Dinesh Kumar Khara**

Headquarters: **Mumbai**