

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

LOK SABHA

STARRED QUESTION NO: 64

ANSWERED ON:25.11.2011

INFUSING CAPITAL TO PSBS

ABDULRAHMAN

(a)whether the Union Government has infused funds to bolster the capital base of the public sector banks (PSBs);

(b)if so, the details thereof for each of the last three years, bank-wise;

(c)whether the Capital Adequacy Ratio (CAR) / capital reserves of many PSBs have declined as recently reported by certain global rating agencies, including Moody`s;

(d)if so, the details thereof, agency-wise, bank-wise for each of the last three years and current year; and

(e)the other steps taken / measures proposed to be taken by the Union Government in this direction?

Will the Minister of FINANCEbe pleased to state:-

ANSWER

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO/64 FOR 25th in NOVEMBER, 2011
REGARDING INFUSING CAPITAL TO PSBs TABLED BY SHRI ABDUL RAHMAN AND SHRI
ANANTKUMAR HEGDE

(a): Yes, Sir. In order to enable the Public Sector Banks (PSBs) to maintain a minimum Tier I CAR (Capital Adequacy Ratio) of 8% and also to raise the holding of Government of India in all PSBs to 58%, Government has infused capital in the PSBs during the financial year 2010-11.

(b): The bank-wise details of capital infusion for the last three years is as undents. In crore)

S.No.	Name of the bank	2008-09	2009-10	2010-11
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1	Allahabad Bank	NIL	NIL	670
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2	Andhra Bank	NIL	NIL	1173
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3	Bank of Baroda	NIL	NIL	2461
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	Bank of India	NIL	NIL	1010
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4	Bank of Maharashtra	NIL	NIL	940
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5 Central Bank of India 700 450 2253.19

6 Corporation Bank NIL NIL 309

7 Dena Bank NIL NIL 539

8 Indian Overseas Bank NIL NIL 1054

9 Oriental Bank NIL NIL 1740
of Commerce

10 Punjab National Bank NIL NIL 184

11 Syndicate Bank NIL NIL 633

12 UCO Bank 450 450 1613

13 Union Bank of India NIL NIL 793

14 United Bank of India 250 300 558

15 Vijaya Bank 500 NIL 1068

16 IDBI Bank Ltd. NIL NIL 3119.04

Total 1900.00 1200.00 20117.23

(c); As per regulatory requirement prescribed by Reserve Bank of India, total CAR is to be maintained at 9% (with Tier I CAR at 6%) and as per Basel II guidelines the same is to be maintained at 8% (with Tier I CAR 4%). Government of India, in order to keep the PSBs well capitalized, has decided to maintain a minimum CAR of 12%, with at least 8% Tier I CAR, The CAR of PSBs was at 13.1% as on 31.3.2011. The CAR in PSBs is above the regulatory requirement.

(d) & (e): Government is fully committed to keep the Public Sector Banks adequately capitalized.