

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO.2125

TO BE ANSWERED ON THE 28TH July 2017/ Shravana 6, 1939 (SAKA)

Dividend by Banks

**2125. SHRI V. ELUMALAI:
SHRIMATI K. MARAGATHAM:**

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that hit by and mounting bad loans, demonetization and lower credit off take, some Public Sector Banks (PSBs) may skip paying dividend and if so, the details thereof;
- (b) whether the non-paying of dividends by some PSBs will have implications for Government receipts in the current fiscal, if so, the details thereof;
- (c) whether the previous fiscal as many as 16 public sector banks skipped paying dividend leading to a threefold decline in Government receipts to Rs. 1444.6 crore and if so, the details thereof and the reasons therefor;
- (d) whether only six State owned banks declared dividend though at a lower rate for the financial year ended March, 2016 and if so, the details thereof; and
- (e) whether some PSBs bankers have already indicated to the Government that it may be possible for them to pay dividend as their profits are likely to remain subdued due to lower credit off take, effect of demonetization and rising Non-Performing Assets (NPAs), if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (e): Public Sector Banks (PSBs) have been permitted to declare dividend subject to compliance of RBI guidelines dated 04.05.2005 and 27.03.2014. As per the above guidelines, banks would be able to pay dividend out of current year's profit only.

The details of dividend declared on equity shares reported by all PSBs to RBI for the financial year 2015-16 is at Annexure. The main reason for low dividend from banks during the period is loss incurred by some of the banks and lower net profits for the remaining PSBs during the financial year.

Annexure.

**Lok Sabha USQ No.2125 for 28.07.2017 reg. “Dividend by Banks”.
Total Dividend declared by Public Sector Banks for the year 2015-16.**

(Rs. in Crore)

S.No.	Name of the Bank	2015-16
1	Allahabad Bank	NDD
2	Andhra Bank	34.06
3	Bank of Baroda	NDD
4	Bank of India	NDD
5	Bank of Maharashtra	NDD
6	Canara Bank	NDD
7	Central Bank of India	NDD
8	Corporation Bank	NDD
9	Dena Bank	NDD
10	IDBI Bank Limited	NDD
11	Indian Bank	72.04
12	Indian Overseas Bank	NDD
13	Oriental Bank of Commerce	22.50
14	Punjab and Sind Bank	66.06
15	Punjab National Bank	NDD
16	Syndicate Bank	NDD
17	UCO Bank	NDD
18	Union Bank of India	134.05
19	United Bank of India	NDD
20	Vijaya Bank	NDD
21	State Bank of Bikaner and Jaipur	100.10
22	State Bank of Hyderabad	NDD
23	State Bank of India	2018.32
24	State Bank of Mysore	28.80
25	State Bank of Patiala	NDD
26	State Bank of Travancore	35.55
	Total	2511.48

NDD- No Dividend Declared.
