

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 570

TO BE ANSWERED ON THE 26th February, 2016/Phalgun 7, 1937 (SAKA)

CAPITAL INFUSION IN BANKS

QUESTION

570. SHRI M.B. RAJESH:
SHRI KIRTI AZAD:
DR. P. VENUGOPAL:
SHRI R.P. MARUTHARAJAA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal for capital infusion in Public Sector Banks (PSBs) over the next five years to meet the new global prudential capital requirement popularly known as Basel III norms;
- (b) if so, the details thereof along with the details of capital infused to PSBs during the last three years and the current year, bank-wise;
- (c) whether capital infusion in the banks would enable them to enhance their growth and tackle bad loans and curtail their ability to lend private investment and if so, the details thereof;
- (d) whether the Government has put in place any mechanism to monitor the said funding to the banks periodically; and
- (e) if so, the details thereof and if not, the reasons therefor along with the steps taken/being taken by the Government for strengthening the PSBs?

ANSWER

The Minister of State in the Ministry of Finance

(SHRI JAYANT SINHA)

a) to (c) :The Government had announced "Indradhanush", a plan to revamp Public Sector Banks (PSBs) and as part of that, a program of capitalization to ensure that PSBs remain Basel -III compliant, was also announced under which Rs. 70,000 crore is supposed to be provided between 2015 to 2019. The capital infusion by the Government in PSBs is done with twin objective of adequately meeting the credit requirement of the productive sectors of economy as well as to maintain regulatory capital adequacy ratios in PSBs as per Basel-III norms. Details of capital infused in PSBs during last 3 years and current year are Annexed.

(d) & (e) : Government has put in place a mechanism of Key Performance Indicators (KPI) on Annual Goals to give targets and monitor the performance of the Public Sector Banks (PSBs) on various performance parameters. Meetings are also conducted at the level of Finance Minister to review performance of the Public Sector Banks at regular intervals.

Capital Infusion into PSBs by GOI**Annex**

Amount Rs. in crores

Name of the PSB	2012-13	2013-14	2014-15	2015-16
Allahabad Bank	0	400	320	283
Andhra Bank	0	200	120	378
Bank of Baroda	850	550	1260	1786
Bank of India	809	1000	0	2455
Bank of Maharashtra	406	800	0	394
Canara Bank	0	500	570	947
Central Bank of India	2406	1800	0	0
Corporation Bank.	204	450	0	857
Dena Bank	0	700	140	407
Indian Overseas Bank	1000	1200	0	2009
Indian Bank	0	0	280	0
Oriental Bank of Commerce	0	150	0	0
Punjab National Bank	1248	500	870	1732
Punjab & Sind Bank	140	100	0	0
Syndicate Bank	0	200	460	0
UCO Bank	681	200	0	0
Union Bank of India	1114	500	0	1080
United Bank of India	100	700	0	0
Vijaya Bank	0	250	0	0
State Bank of India	3004	2000	2970	5393
IDBI Bank Ltd	555	1800	0	2229
TOTAL	12517	14000	6990	19950