

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO.4470

TO BE ANSWERED ON THE 12th August, 2016/ Shravana 21, 1938 (SAKA)

Recapitalisation of Banks

QUESTION

4470. SHRI R. DHRUVA NARAYANA:
DR. K. GOPAL:
SHRIMATI K. MARAGATHAM:
SHRI M.B. RAJESH:

SHRIMATI VANAROJA R.:
SHRI RAKESH SINGH:
SHRIMATI MEENAKASHI LEKHI:
ADV. M. UDHAYAKUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the ability of Public Sector Banks (PSBs) to attract external capital is limited since listed PSBs are trading at significant discount to their book value owing to financial pressures;
- (b) if so, the details thereof;
- (c) whether the Government is keen to start recapitalisation of PSBs; and
- (d) if so, the details thereof, bank-wise and the steps taken by the Government in this regard?

ANSWER

The Minister of State in the Ministry of Finance

(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Government has allowed Public Sector Banks to raise capital from Public markets through Follow-on Public Offer (FPO) or Qualified Institutional Placement (QIP) by diluting Government of India holding upto 52% in phased manner based on their capital requirement, their stock performance, liquidity, market conditions etc.

(c) & (d): Under 'Indradhanush' scheme Government of India (GoI) has infused Rs. 25,000 crore of capital in Public Sector Banks (PSBs) in 2015-16. GoI has been allocated Rs. 22,915 crore for the capitalization needs of PSBs on July 19, 2016. The bank-wise details are as under:

Rs. In Crore.		
S.No.	Name of the PSBs	Total allocation
1	Allahabad Bank	44
2	Bank of India	1784
3	Canara Bank	997
4	Central Bank of India	1729
5	Corporation Bank.	677
6	Dena Bank	594
7	Indian Overseas Bank	3101
8	Punjab National Bank	2816
9	Syndicate Bank	1034
10	UCO Bank	1033
11	Union Bank of India	721
12	United Bank of India	810
13	State Bank of India	7575
	Total	22915
