

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5744

ANSWERED ON:30.04.2010

GOVERNMENT S HOLDING IN BANKS

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Will the Minister of FINANCE be pleased to state:

- (a) the details of the Government stake / holding in Scheduled Commercial Banks (SCBs) including Regional Rural Banks (RRBs) as on date, bank-wise;
- (b) whether the Government has any proposal to strengthen the Banking Sector by increasing the capitalisation of such Banks; and
- (c) if so, the details thereof and if not, the reasons therefor alongwith the holdings in such banks raised by the Government during the last three years, bank- wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): The bank-wise details of the Government shareholding in nationalised banks and State Bank of India (SBI) are at Annex. 82 Regional Rural Banks (RRBs), operating in India at present, are jointly owned by Government of India, the concerned State Government and the Sponsor Banks in proportion of 50%, 15% and 35% respectively.

(b) & (c): To enable all public sector banks (PSBs) to attain a minimum 8% Tier I in the year 2010-11, the Government has decided to infuse a sum of Rs.16,500 crore to PSBs. However, the exact amount, mode of capitalization and other terms and conditions would be decided in consultation with the banks at the time of capital infusion. Further to meet the capital requirements, the Government has negotiated with the World Bank for two Banking Sector Support Loans (BSSL) totaling US\$ 3.2 billion. Formalities in respect of the first tranche of US\$ 2 billion loan have already been completed and the fund is available for drawdown.