

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:64  
ANSWERED ON:25.11.2011  
INFUSING CAPITAL TO PSBS  
Abdulrahman Shri ;Hegde Shri Anant Kumar

**Will the Minister of FINANCE be pleased to state:**

- (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?

**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

1    Allahabad Bank    NIL    NIL    670

2    Andhra Bank    NIL    NIL    1173

3    Bank of Baroda    NIL    NIL    2461

Bank of India    NIL    NIL    1010

4    Bank of Maharashtra    NIL    NIL    940

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 of Commerce	NIL	NIL	1740
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.

