

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1909
ANSWERED ON:08.03.2013
FINANCIAL CONDITION OF BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the financial condition of public sector banks has deteriorated over the years;
- (b) if so, the details thereof during each of the last three years, bank-wise and the reasons therefor and the reaction of the Government / Reserve Bank of India (RBI) thereto; and
- (c) the effective measures taken / being taken by the Government / RBI to address the issue?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): The Capital Adequacy Ratio (CAR) of Public Sector Banks (PSBs) has declined from March 2010 to March 2011 and increased marginally in March 2012. However, the ratio always remained higher than the regulatory stipulations. The key financial indicators of PSBs during the last 3 years are at Annex.

(c) Government is committed to keep all the PSBs adequately capitalized and has approved an amount of Rs.12,517 crore to recapitalize PSBs this year. Reserve Bank of India (RBI) on 2nd May, 2012 has prescribed norms under Basel III for capital adequacy of banks in India which are effective from 1st April, 2013 and are available at RBI's website: www.rbi.org.in .