

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5169

ANSWERED ON:24.04.2015

DIVIDEND FROM COMPANIES AND BANKS

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

- (a) the estimated / targeted quantum of amount received by the Government as dividend from the public sector companies and banks in the current fiscal;
- (b) whether several small and mid-size state run banks asked the Government to exempt them from paying dividend;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the steps taken / being taken by the Government for the growth of small and mid-size state run banks in the country?

**Answer**

The Minister of State in the Ministry of Finance (SHRI JAYANT SINHA)

- (a) : The projections in respect of 'Dividend and Profits' have been estimated at Rs. 100651.14 crore in Budget Estimates 2015-16.
- (b) & (c): Three Banks viz. Allahabad Bank, Union Bank of India and Bank of India have requested for exemption from payment of dividend on account of decrease in profit due to higher provisioning against Non-Performing Assets (NPAs). These Banks want to improve capital adequacy by ploughing back the profits as they are not finding conducive conditions to raise capital from the market.
- (d): Government of India has approved dilution of equity share holding upto 52% based on the credit growth, available capital, market valuation and performance of the bank. The dilution of holding based on efficiency parameters will ensure that credit needs of banks are taken care of.