

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:507  
ANSWERED ON:25.11.2005  
AUGMENTATION OF CAPITAL  
Dhanaraju Dr. K.

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

(a) whether the Minister of Finance met the bankers to review the performance of public sector banks and also had discussed the way of augmenting their capital; and

(b) if so, the details of the discussion held and the decisions arrived at ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(b) : Yes, Sir. In view of the Basel II prescriptions, the banks are required to maintain adequate capital commensurate to their Risk Weighted Assets. In the FM's meeting with the CEOs of public sector banks held on 18.11.2005, the public sector banks were advised to augment their capital base by raising additional capital in accordance with the statutory provisions and RBI guidelines.