

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4217

ANSWERED ON:11.08.2017

Recapitalisation of Banks

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

- (a) whether the Government proposes to infuse Rs. 70,000 crore in Public Sector Banks (PSBs) over four years and if so, the details thereof;
- (b) whether the Government asked the PSBs to raise a further Rs. 1.1 lakh crore from the markets to meet their capital requirements in line with global adequacy norms known as Basel-III and if so, the details thereof;
- (c) whether the Government has released 75 per cent of the amount for infusion as capital requirement so far under Indradhanush programme; and
- (d) if so, the details thereof along with the other corrective steps taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance

(a) to (d): Under the Indradhanush Plan, the Government of India proposed to make available Rs.70,000 crores out of budgetary allocations for four years as per the figures given below:-

- (i) Financial Year 2015 -16 Rs. 25,000 crore
  - (ii) Financial Year 2016-17 Rs. 25,000 crore
  - (iii) Financial Year 2017-18 Rs. 10,000 crore
  - (iv) Financial Year 2018-19 Rs. 10,000 crore
- Total Rs. 70,000 crore

The Government infused a sum of Rs. 25000 crore in 19 PSBs during financial year 2015-16 and Rs. 24997.182 crore into 16 PSBs during the FY 2016-17. The capital is calculated / provided keeping in view overall macroeconomic scenario, credit estimation, Basel requirement and Reserve Bank of India recommendations, if any.

Government has also allowed all PSBs to raise capital from Public markets through Follow-on Public Offer (FPO) or Qualified Institutional Placement (QIP) by diluting Government of India holding upto 52% in phased manner based on their capital requirement, their stock performance, liquidity, market conditions etc. The Government has given permission to 13 PSBs (Allahabad Bank, Andhra Bank, Bank of India, Central Bank of India, Dena Bank, IDBI Bank, Indian Bank, Punjab National Bank, State Bank of India, Syndicate Bank, UCO Bank, United Bank of India and Vijaya Bank) to raise capital from the market through QIP / FPO / Preferential Allotment since April, 2016.

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