(a) whether it is a fact that Indian Banks will face an additional capital requirement of Rs. Five lakh crore by March, 2018;

(b) whether it is also a fact that a sum of Rs. 3.25 lakh crore would be for non-equity capital and Rs. 1.75 lakh crore for equity capital;

(c) if so, the details thereof;

(d) whether it is also a fact that Government would find it a challenge to come up with the Rs. 90,000 crore required to retain its stake in public sector banks; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The Reserve Bank of India (RBI) has informed that actual quantum of capital to be required by Indian banks will depend on numerous factors such as economic growth, growth in the Risk Weighted Assets of the banks, profitability of banks and extent of retained earnings, level of non-performing assets, growth in capital markets etc. However, the broad level estimates of RBI, based on the data obtained from banks, suggest that by March 31, 2018 the total regulatory capital requirements of Indian banks would be to the tune of Rs. 5 trillion; of which non-equity capital will be of the order of Rs. 3.25 trillion while equity capital will be of the order of Rs. 1.75 trillion. The broad level estimates also suggest that the Government's contribution to the equity capital of the Public Sector Banks (PSBs) would be of the order of Rs. 900 billion at the existing level of shareholding of the Government in individual Public Sector Banks. These projections are based on the assumption of uniform growth in Risk Weighted Assets of 20% per annum individually for all banks and individual bank's assessment of internal accruals (in the range of 1.0-1.2% of Risk Weighted Assets).

(d) and (e) The Government of India is examining the capital requirement in PSBs upto March, 2018 and ways to meet the same.

External debt in first six months of current fiscal year

1458. SHRI BHUPENDER YADAV: Will the Minister of FINANCE be pleased to state:

(a) the total quantum of external debt in the first six months of current fiscal year;

(b) the reasons for increase in the India's external debt with details of long term debt and short term debt, if any;

(c) the steps taken or proposed to be taken by Government to reduce the external debt; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) External Debt numbers are compiled on quarterly basis, with a lag of a quarter. As per the latest available estimate, India's external debt stock stood at US$ 349.5 billion at end-June, 2012.

(b) The increase in external debt from US$ 345.7 billion at end-March, 2012 to US$ 349.5 billion at end-June, 2012 was primarily on account of rise in NRI deposits and short-term trade credit. Out of the total external debt of US$ 349.5 billion at end-June, 2012, long-term external debt was US$ 269.0 billion, while short-term external debt accounted for US$ 80.5 billion.

(c) and (d) The external debt management policy followed by the Government of India emphasizes monitoring of long and short-term debt, raising sovereign loans on concessional terms with longer maturities, regulating external commercial borrowings through end-use, all-in-cost and maturity restrictions and rationalizing interest rates on Non-Resident Indian (NRI) Deposits.

Measures taken to reduce debt burden

1459. SHRI BHUPENDER YADAV: Will the Minister of FINANCE be pleased to state:

(a) the agency-wise details of the internal and external borrowings of Government during each of the last three years and the current year;

(b) the agency-wise amount paid as principal and interest separately during the same period;

(c) whether the targets fixed in this regard have been met;

(d) if so, the details thereof; and

(e) the concrete measures taken or proposed to be taken by the Government to reduce the debt burden?