

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) No, Sir.

(b) Does not arise.

Reduction in Basel-III burden

2207. SHRI T.M. SELVAGANAPATHI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government can cut Public Sector Banks stake below 51 per cent to reduce Basel-III burden;

(b) if so, the details thereof;

(c) whether it is also a fact that the PSU banks will need capital in the range of Rs. 70,000 crore to Rs. 1,00,000 crore to be Basel-III ready; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) There is no such proposal.

(c) and (d) 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, at present all the Public Sector Banks (PSBs) are well above the regulatory prescription of capital adequacy.

Prop up the insurance sector

2208. SHRI T.M. SELVAGANAPATHI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is considering to prop up the insurance sector with a likely announcement of measures to revive insurers and ease investment norms for them;

(b) if so, the details thereof;

(c) whether it is also a fact that Government has held discussions with the heads of public sector insurance companies in this regard; and

(d) if so, the deliberations?