

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION NO. 1132

TO BE ANSWERED ON THE 8<sup>TH</sup> FEBRUARY 2019/MAGHA 19, 1940 (SAKA)

PSBs' PCA Framework

1132. SHRIMATI K. MARAGATHAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the recapitalization will enhance the lending capacity of Public Sector Banks (PSBs) and help them to come out of the Reserve Bank of India's watch list and if so, the details thereof; and
- (b) whether some of the PSBs are likely to come out of the Prompt Corrective Action Framework (PCA) in next few months on the back of improvement in various parameters and if so, the details thereof?

ANSWER

Minister of State in the Ministry of Finance  
(SHRI SHIV PRATAP SHUKLA)

(a) and (b): Government announced recapitalisation of Public Sector Banks (PSBs) to the tune of Rs 2,11,000 crore in October 2017 and PSBs have since been recapitalised to the extent of Rs 1,40,858 crore till date. As per Reserve Bank of India data for domestic operations, the year-on-year credit growth rate for PSBs has increased from 2.15% as on 30.9.2017 to 9.10% as on 30.9.2018.

As per RBI press release dated 31.1.2019, RBI has decided to take Bank of India and Bank of Maharashtra out of the PCA framework and has also decided to remove restrictions placed on Oriental Bank of Commerce under the PCA framework subject to certain conditions and close monitoring.

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