

Modi govt announces bank recapitalisation to take PSU banks out of RBI's Prompt Corrective Action

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Finance Minister [Arun Jaitley](#) said that under the Rs 2.11 lakh crore bank recapitalisation plan, better-performing banks will be given capital to meet the RBI-mandated CRAR of 9%, NPA of 6% and other parameters. The finance minister also said that banks, which are close to breaching PCA parameters will also get a capital infusion.

The government did not disclose the names of PSU banks but said that there will be 4-5 banks that will come out of PCA after the capital infusion. “There are 4-5 better-performing banks, which can be pulled out of PCA,” Financial Services Secretary Rajiv Kumar told reporters.

He also said that strong banks State Bank of India, Bank of Baroda, Vijaya Bank and Indian Bank will not need funds, while Punjab National Banks will be given capital.

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