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Title: Regarding bringing co-operative banks, NBFCs and FMIs under RBI Prompt Corrective Action (PCA) frame work-laid.

SHRI BALASHOWRY VALLABHANENI (MACHILIPATNAM):

RBI has specified three regulatory trigger points as part of Prompt Corrective Action (PCA) Framework i.e CRAR for Capital adequacy, Net NPAs for Asset Quality and Return on Assets for Profitability. Based on these trigger points, RBI initiates structural and discretionary actions only on commercial banks. But, this has not been extended to co-operative banks, NBFCs and FMIs. If one looks at FDIC PCA Framework, it has prescribed five levels of trigger points based on certain capital measures. During the last six years, RBI has placed 13 public and private banks under the PCA Framework. It is welcome that due to persistent, continuous and sincere efforts of banks to improve their capital ratios, asset quality and profitability, many of these banks have come out of the Framework. I request the Government of India and Finance Ministry to push RBI further so that all banks would come out of PCA Framework and also request to bring co-operative banks, NBFCs and FMIs under this Framework.