

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 1774

TO BE ANSWERED ON THE 25th November, 2016/ Agrahayana 4, 1938 (SAKA)

Asset Quality Review

QUESTION

1774. DR. K GOPAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public Sector Banks are gearing up to divest Government shareholding by the end of this financial year;
- (b) if so, the details thereof;
- (c) whether several banks undertook asset quality review and subsequently cleaning their balance sheets; and
- (d) if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): The PSBs have been allowed to raise capital from Public markets through Follow-on Public Offer (FPO) or Qualified Institutional Placement (QIP) by diluting Government of India holding upto 52% in phased manner based on their capital requirement, their stock performance, liquidity, market conditions etc.

(c) & (d): RBI as part of the ongoing supervisory assessment process carried out an Asset Quality Review (AQR) exercise to (i) examine the assessment of asset quality at bank's and system level (ii) deal with cases of divergences in identification of NPAs / additional provisioning across banks at Central Office level (iii) ensure early finalisation and communication of divergences in provisioning giving banks more time to plan the additional provisions over the remaining quarters.
