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# Need to get banks in best of health, keep up growth momentum: Arun Jaitley

By PTI | Updated: Jun 05, 2016, 06:57 PM IST

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NEW DELHI: Ahead of RBI's bi-monthly [monetary policy review](#), Finance Minister Arun Jaitley today said India's economy has become "stronger" and government is trying to bridge the gaps, wherever there are any, to keep up the growth momentum.

Asked about government's expectation from the RBI, Jaitley refused to make any direct comment but said government was trying to improve the health of the banks so that they can support the "growth" of the economy.

Jaitley will have a meeting with CEOs of public sector banks tomorrow to discuss various key challenges facing the banking sector including growing non-performing assets, a day before the RBI carries out bi-monthly review of the monetary policy.

The Finance Minister said government has sufficiently empowered the banks to recover their dues but added that they will have to maintain their credit lending facility so that lending for growth continues.

"It's an important function of the RBI. We do not comment on it before the RBI announces the policy," Jaitley told PTI when asked about his expectation from the RBI's monetary policy review scheduled for Tuesday.

At the same time, he said, "Of course the economy is becoming stronger and wherever the gaps are, our effort now is to bridge them and achieve further growth.

"Tomorrow. I have called a meeting of the heads of all banks in the country because one of the areas which we need now is to get the banks in the best of health.

"Because the banks must also now start supporting growth which is extremely important. We will be discussing that in the meeting of the banks' CEOs tomorrow," he said.

The meeting assumes significance as several PSBs have posted record losses in the fourth quarter of the 2015-16. The gross NPAs or bad loans of PSBs rose from Rs 2,67,065 lakh crore in March 2015 to Rs 3,61,731 lakh crore in December.

The gross non-performing assets (NPAs) of the PSBs increased from 5.43 per cent of advances as on March 2015 to 7.30 per cent as on December 31.

"We are looking at a stage where the banks have now been making provisioning for the possible NPAs. We have empowered the banks sufficiently to recover the dues and I am sure some of these dues will become performing assets in course of time in view of all the steps which we have taken.

"But the banks have to maintain their credit lending facilities so that lending for growth continues," he said

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