

Arun Jaitley talks of stricter mechanism to fix NPA problem

## Gross NPAs of public sector banks have risen to Rs 6.06 lakh crore in December 2016

Press Trust of India | New Delhi March 24, 2017 Last Updated at 02:46 IST



Promising a solution to the growing NPA problem in the next few days, Finance Minister Arun Jaitley on Thursday said the resolution being worked out with the RBI will put enough pressure on borrowers to settle dues.

He blamed the bad loans of public sector banks on just 30-50 companies, saying accounts of these will have to be fixed to

solve the issue.

Refusing to give details or the timeline for an announcement, the finance minister said the resolution may be arrived at a level higher than RBI's oversight panel.

"You see the amounts are large, but the amounts are restricted. It's not that hundreds and thousands of businesses have created this problem. The problem of big NPA is confined essentially to 30-40, at best 50 companies, and therefore those 40-50 accounts need to be resolved," he said at an award function of CNBC TV18.

During resolution of NPAs, several issues like finding buyers and strategic partners come up, he pointed out.

"...I think you wait for a few hours or few days... You wait for the next couple of days. There is some policy decision between the RBI and the government which we will implement, which will put adequate pressure on people to settle....," the minister said.

Jaitley said "if you look at the whole structure, there are enough instruments available for settlements as far as the banking system is concerned. There are different legislations where action can be taken".

"I think you wait. We may probably have to go beyond that (oversight committee)... I will keep you guessing," he quipped.

The RBI has set up an oversight committee to look into process of the cases referred to it by different banks.

The gross NPAs of public sector banks have risen to Rs 6.06 lakh crore in December 2016, from Rs 5.02 lakh crore at the end of March 2016.