

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

The Union Finance Minister Shri Arun Jaitley chairs the 15th Meeting of the Financial Stability and Development Council (FSDC) ;FM: Major challenges before the Government include strategy to improve the overall performance of Public Sector Banks, to make stalled projects functional and economically viable and to increase private sector investment among others.

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The Union Finance Minister Shri Arun Jaitley said that the major challenges before the Government include strategy to improve the overall performance of Public Sector Banks, to make stalled projects functional and economically viable and to increase private sector investment among others. He said that due to better spread of monsoon, we are expecting higher production of pulses this year compared to previous years which in turn will substantially ease their prices in the market. The Finance Minister Shri Jaitley was speaking while chairing the Fifteenth Meeting of the Financial Stability and Development Council (FSDC) here today. The meeting was attended among others by Shri Jayant Sinha, Minister of State for Finance; Dr.Raghuram G. Rajan, Governor, RBI; Shri Ashok Lavasa, Finance Secretary; Shri Shaktikanta Das, Secretary, Department of Economic Affairs; Ms. Anjuly Chib Duggal, Secretary, Department of Financial Services; Dr. Arvind Subramanian, Chief Economic Adviser; Shri U.K. Sinha, Chairman, SEBI; Shri T.S. Vijayan, Chairman, IRDA; Shri Hemant G Contractor, Chairman, PFRDA and other senior officers of the Government of India and financial sector regulators.

On this occasion, the Chief Economic Adviser (CEA) Dr Arvind Subramanian gave an overview of the state of macro-economy highlighting

important issues. The Council noted that uncertainty in global economy and high volatility in the financial markets are prominent risks confronting the Emerging Market Economies (EMEs). India however appears to be much better placed today on the back of improvement in its macro-economic fundamentals, recent financial sector reforms by Government and large forex reserves, which provides cushion against financial market volatility. With the revival of sentiment and certain signs of pick-up in industrial activity, a good monsoon is expected to further strengthen growth in India. Members agreed on the need to continue to be in a state of preparedness for managing any external sector vulnerabilities, including those emerging from Brexit and its consequences.

A brief report on the activities undertaken by the FSDC Sub-Committee Chaired by Governor, RBI was placed before the FSDC. The Council also undertook a comprehensive review of the action taken by members on the decisions taken in earlier meetings of the Council.

The Council deliberated on the issue of rising bank NPAs wherein it noted the measures taken by Government & RBI for handling the stressed assets and discussed the way forward to manage the situation.

The Council also discussed issues relating to developing a comprehensive framework for identification of SIFIs across all sub-sectors of financial sector.

On the issue of maturity of concessional swaps of 2013 against FCNR deposits during September-December 2016, FSDC noted the steps taken by RBI to suitably address the issue and its consequences.
