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# Modi government close to cracking telecom industry's Rs 8 lakh crore NPA puzzle

BY ECONOMICTIMES.COM | MAY 30, 2017, 02:06 PM IST

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The Modi government seems to have cracked the debt code for the stressed [telecom industry](#) after India's top bankers warned of big defaults in the sector whose total borrowings amount to a whopping Rs 8 lakh crore.

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The amount, which is more than double the direct exposure banks have made to this sector, made the RBI issue an advisory to the banks.

As per [ET Now](#), a government panel is now mulling to extend the tenure of loans to telecom companies to 40 years to ease payments. The telcos may be allowed to pledge their spectrum as tangible assets for taking loans, an official told ET Now.

Lenders can impound, re-auction spectrum if operators default, the official privy to the development was quoted as saying to ET Now.

Recently Reliance Communication, which is struggling to service a debt burden of Rs 44,000 crore, urged the government and regulators to step in with corrective measures and improve the [health](#) of the telecom industry, which is now staring at a debt pile of 7.5 lakh crore.

RBI had recently imposed higher provisioning by banks even on regular telecom loans.

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