

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO.1776

TO BE ANSWERED ON THE 10th March 2017/ Phalguna 19, 1938 (SAKA)

Twin Balance Sheet

QUESTION

1776. SHRI ABHISHEK SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken any steps to deal with problem of rising twin balance sheet of various banks; and
- (b) if so, the details thereof?

ANSWER

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

(a) & (b): Government and Reserve Bank of India have taken various measures to address the Twin Balance sheet problem relating to over leveraged companies and bad loans accumulation in banks. The Government has taken sector specific measures (Infrastructure, Power, Road, Textiles, Steel etc.) where incidence of NPA is high. The Insolvency and Bankruptcy Code (IBC) has been enacted and Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) and the Recovery of Debts due to Banks and Financial Institutions (RDDBFI) Act have been amended to improve resolution / recovery of bank loans. Six new Debt Recovery Tribunals (DRTs) have been established for improving recovery. RBI has provided a number of tools in this regard – Corporate Debt Restructuring (CDR), Formation of Joint Lenders' Forum (JLF), Flexible Structuring for long term project loans to Infrastructure and Core Industries (5/25 Scheme), Strategic Debt Restructuring Scheme (SDR) and Sustainable Structuring of Stressed Assets (S4A).
