

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO-4260**  
ANSWERED ON- 22/03/2021

**ESTABLISHMENT OF BAD BANKS**

4260. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government has received any submission from CII for establishment of Bad Banks in view of the accumulating NPAs in the banking sector;
- (b) if so, the details thereof and the reaction of the Government thereto; and
- (c) the stand of the Government in this regard?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (c): Suggestions/proposals are received from various stakeholders, including the Confederation of Indian Industry (CII), from time to time and these include, *inter-alia*, submissions for establishment of bad banks.

In this connection, the Finance Minister, in her speech on the budget for the financial year 2021-22, made the following announcement:

“The high level of provisioning by public sector banks of their stressed assets calls for measures to clean up the bank books. An Asset Reconstruction Company Limited and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realization.”

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