

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1797

ANSWERED ON:12.12.2003

SECURITISATION ACT, 2002

ADHIR RANJAN CHOWDHURY;BHASKAR RAO PATIL;CHARAN DAS MAHANT;NARESH KUMAR PUGLIA;SHYAMA SINGH;UTTAMRAO DEORAO PATIL

Will the Minister of FINANCE be pleased to state:

- (a) whether banks and financial institutions have formed their own reconstruction companies and Reserve Bank of India has accorded licences to them;
- (b) if so, the justification of granting licence to those companies which are promoted by banks and financial institutions itself; and
- (c) the reasons for not giving licence to other companies which have applied under the Securitisation Act, 2002 ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a):- Yes, Sir.

(b):- RBI has satisfied itself that the majority of the members Boards of Directors of Asset Reconstruction Companies are independent of sponsoring institutions.

(c):- RBI have further reported that two applications have been returned as the applications were submitted without the companies being incorporated. Other applications are being processed.