

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4535
ANSWERED ON:23.12.2005
SELLING OF NPA
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

- (a) whether banks are selling their `non-performing assets` to other companies at a discount of upto 60%;
- (b) if so, the names of the banks which have sold their non-performing assets at more than 50% discount to different companies, company-wise;
- (c) the number of companies in the country engaged in realising the non-performing assets; and
- (d) the minimum and maximum discount offered by the banks for realising the non-performing assets during the current year ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): ARCIL has reported that as on December 15, 2005, 26 banks/FIs have sold NPAs having principal dues of Rs. 8,531 Cr. at ARCIL's acquisition price of Rs. 4,068 Cr. That is, at an average discount of 48% to the principal dues.
- (b) : The names of the banks which have sold their NPAs at more than 50% discount to ARCIL are at Annex.
- (c): Reserve Bank of India (RBI) has so far issued Certificate of Registration to three ARCs viz Asset Reconstruction Company (India) Limited (Arcil), Asset Care Enterprise Limited and ASREC (India) Limited. ARCIL is the only company that has commenced its operations in realizing the non performing assets.
- (d): Each Bank/FI will make its own assessment of the value offered by Securitisation Company/ Reconstruction Company for the financial asset and decide whether to accept or reject the offer.