

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:732
ANSWERED ON:12.11.2010
TRANSFER OF DEBTS AND NPAS BY BANKS
Balram Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether banks are free to transfer their debts including non-performing assets to other lenders;
- (b) if so, the details thereof and the steps taken in this direction so far; and
- (c) if not, the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) to (c): Yes, Sir. Banks can sell their financial assets/non-performing financial assets to Securitisation Company (SC) and Reconstruction Company (RC) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, and non-performing assets to other banks / Financial Institutions / Non-Banking Financial Institutions (NBFCs) as per their own Board approved policy within the overall prudential guidelines issued by Reserve Bank of India in the matter. In addition, securitisation of standard assets also leads to transfer of assets to third parties through Special Purpose vehicles (SPV).