

‘BANKS TO TRANSFER 15 NPAS WORTH RS. 50,000 CR. TO NARCL’

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Dinesh Khara

Banks have finalised plans to transfer by the end of this fiscal year 15 Non-Performing Asset (NPA) accounts worth Rs. 50,000 crore to the National Asset Reconstruction Company Ltd. (NARCL), or the ‘bad bank’ set up to help resolve the stress.

“A total of 38 accounts aggregating to Rs. 82,845 crore have been identified for transfer to NARCL; however the transfer will happen in a phased manner,” State Bank of India (SBI) chairman Dinesh Khara said in a briefing.

“Under Phase I, about 15 accounts, aggregating to Rs. 50,335 crore, are expected to be transferred in the current financial year, i.e. on or before March 31,” he said.

Mr. Khara said all requisite approvals, including from the RBI, for setting up NARCL and the India Debt Resolution Company Ltd. (IDRCL) have now been received and that both companies were ready to commence business.

The broad features of the arrangement are that NARCL will acquire and aggregate the identified NPA accounts from the banks, while IDRCL, under the exclusive arrangement, will handle the debt resolution process.

The final approval and ownership for the resolution shall lie with NARCL as the principal. This arrangement will also be in full conformity with the provisions of the SARFAESI Act as well as outsourcing guidelines of the Reserve Bank.

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