

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3097
ANSWERED ON:19.08.2011
ACQUISITION OF ASSETS BY ARCS
Nimmala Shri Kristappa;Singh Shri Sushil Kumar

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Asset Reconstruction Companies (ARCs) have acquired stressed asset portfolios of banks and Non-Banking Financial Companies (NBFCs);
- (b) If so, the details thereof;
- (c) Whether the Government is considering NBFCs to access the ARCs window to manage non-performing loans;
- (d) If so, the details thereof; and
- (e) If not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b):- Securitisation Companies (SCs) / Reconstruction Companies (RCs) have acquired stressed assets from Banks and Financial Institutions. However, these companies have not acquired any stressed assets from the Non-Banking Financial Companies (NBFCs). The Reserve Bank of India (RBI) has reported that by 30th June, 2011, it has issued Certificate of Registration (CoR) to 14 SCs / RCs, of these, 13 SCs / RCs have commenced operations. At the end of June, 2011, the book value of total amount of assets acquired by 13 operational SCs / RCs stood at Rs. 74,087.98 crore.

(c) to (e): The provisions contained in sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) empowers the Central Government to specify any other institution or an NBFC as a 'Financial Institution' for the purposes of this Act. The Government considers and decides the request of an NBFC or any other institution for specifying as a 'Financial Institution' on a case-to-case basis on the merit of each case.