

Business Standard

Bank of India puts Rs 30,000-crore non-performing asset accounts on sale

The public sector bank did not mention the amount, and said the information regarding the accounts will be given separately to the bidders

Anup Roy June 04, 2019 Last Updated at 23:24 IST



Representative image

Bank of India (BoI) has put up 55 non-performing asset (NPA) accounts for sale, as part of its plans to sell Rs 30,000 crore of bad debts in the current financial year.

Included in the first tranche of the list, put up on Bank of India website, are names such as Amtek Auto (external commercial borrowing exposure), AMW Motors, GVK Power (Goindwal Sahib), Lavasa Corp etc.

The public sector bank, which came out of the prompt corrective action framework in January, did not mention the amount, and said the information regarding the accounts will be given separately to the bidders.

“Principal outstanding balance/contractual dues will be advised along with reserve price to participating ARCs/NBFCs/FI upon submission of EOI (expression of interest),” the bank said.

Nevertheless, “each bidder should conduct their own investigations and analysis and should check the accuracy, reliability and completeness of the information”, as well as form their own view about the accuracy of the information given to them, the bank said.

“Transfer of asset shall be 'as is where is' and 'whatever there is basis' and 'without recourse basis' and shall not be liable to be revoked for any breach including antecedent breach of any representation and warranty. Time is not the essence for transfer of asset,” the bank said.

The information pertaining to the assets put up for sale would be available at the data room of the bank, which is open between 10 am and 6 pm since June 1. The e-bidding for submission of final bidding would be on June 17. Negotiation with the highest bidder would be held on the same day of auction and execution of the agreements and the fund transfer would take place within seven days of conveying bank’s approval to successful bidders.

“If bid amount is not remitted to the bank within seven working days of conveying the bank’s approval of the bid to the bidder, the bidder has to pay interest at 5 per cent over the bank’s 1-year MCLR from the 8th working day till actual payment, in addition to the bid amount,” the notice said.

According to the notice, cash bids would be preferred over security receipts.

In the bank’s fourth-quarter results conference, BoI’s CEO and Managing Director Dinabandhu Mohapatra had said the bank planned to sell Rs 30,000 crore of bad assets from its books. Mohapatra had said the aim would be to sell on a 100 per cent cash basis.

But the notice showed the bank has kept provisions for other mode of sales as well, such as security receipts, with various structures of fee payment.