

## At ₹12,000 cr, NARCL is sole bidder for Jaiprakash Associates

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State-owned National Asset Reconstruction Co Ltd (NARCL) has emerged as the sole bidder to take over the distressed debt that Jaiprakash Associates Ltd (JAL) owed to nearly 25 lenders with process advisor IDBI Capital Markets & Securities (ICMS) receiving no competing offers.

NARCL's proposal was for a settlement at ₹12,000 crore, with the offer including an upfront cash payment of 15 per cent and security receipts of 85 per cent.

ICMS had extended the deadline by a week to January 14 to attract rival bids but none materialised, making NARCL the preferred bidder



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for JAL, sources familiar with the matter told *businessline*.

While over half-a-dozen asset reconstruction companies (ARCs) initially expressed interest in acquiring

lenders' exposure to JAL on an all-cash basis, no firm offers were received to challenge the government-backed bad loan aggregator.

Jaiprakash Associates has admitted claims totalling ₹52,073.79 crore under the Insolvency and Bankruptcy Code (IBC).

JAL's resolution professional (RP) remained unavailable for comments, while the company in a stock market notification said the Eighth meeting of Committee of Creditors is scheduled on January 17 (Friday).

### RESOLUTION SOON

According to one of the lenders, Swarup Kumar Saha, Managing Director & CEO of Punjab & Sind Bank, the resolution for JAL is likely to happen within this quarter (March 2025). "As a

bank we are happy that the resolution is happening and we expect substantial recovery in this account. We are getting more than what we were anticipating," he said. He, however, declined to go into the exposure amount.

"Lenders are now reviewing NARCL's bid for the loan portfolio, with approvals awaited from their boards," Akshat Khetan, founder of AU Corporate Advisory and Legal Services, said indicating the possible direction of proceedings.

Post NARCL entering the fray, State Bank of India — JAL's lead lender — had invited counter-bids under the Swiss challenge auction. Sources said NARCL's offer was the reserve price for the auction. And counter-bids were invited on a full-cash basis including a mark-up of

₹600 crore. So, any entity submitting a counter-bid would actually need to place offers of ₹12,600 crore or above, with the payment being made in cash.

### HIGH EXPOSURE

Some of the lenders with high exposure to the company include SBI with nearly ₹15,500 crore, ICICI Bank - ₹10,000-odd crore, IDBI Bank - ₹8,700 crore, Axis Bank - ₹3,000 crore, among others. Other lenders include Punjab & Sind Bank, Standard Chartered, LIC, Indian Overseas Bank, etc.

Another lender, who refused to be identified, said the good aspect of NARCL is that "any future upside is also shared with banks. That is advantage for lenders to part-asset with NARCL," the person in the know said.