

StanC Sells 2 Loans: HNG, Chenani Nashri Tollways



Standard Chartered Bank has sold two stressed loan accounts – Hindusthan National Glass and Chenani Nashri Tollways – to UV Asset Reconstruction Company and Deutsche Bank, respectively.

Sangita Mehta reports. ▶▶ 6

CLEAN UP UV ARC buys debt in Hindusthan National Glass; road asset exposure sold to Deutsche StanChart Sells Stressed Loans in HNG, Chenani Nashri Tollways

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Mumbai: Standard Chartered Bank has sold two stressed loan accounts — Hindusthan National Glass and Chenani Nashri Tollways — to UV Asset Reconstruction Company (ARC) and Deutsche Bank, respectively, as part of a broader programme to tidy up its books, people aware of the development told ET.

The bank sold a \$40-million (equivalent to about ₹310 crore) debt exposure in the tollways project, promoted by the IL&FS Group, to Deutsche Bank, the people cited above said. The principal debt outstanding for the Kolkata-based Hindusthan National Glass (HNG) account was ₹59 crore.

Recovery on the HNG loan was about 40-45%, while that on the road project was around 75-80%. Standard Chartered India operations sold both loans for an upfront payment in cash.

Standard Chartered Bank and

Off the Books

StanChart sold a ₹59.4 crore principal loan of Hindusthan National Glass to UV ARC

The recovery on the loan was **40-45%**

THE BANK sold a debt exposure of **\$40 m (₹310 cr)** in Chenani Nashri Tollways, an IL&FS-promoted road project to Deutsche Bank

THE RECOVERY on this account was **75-80%**

STANCHART IS looking to sell its **\$1.6-b** distressed portfolio (**₹12,500 cr**) comprising 57 corporate loan accounts

Deutsche Bank declined to comment. UV ARC did not respond to ET's queries.

Standard Chartered Bank is seeking to sell its \$1.6-billion distressed loan portfolio, ET reported on June 22. The portfolio is equivalent to ₹12,500 crore, comprising 57 corporate loan accounts. It is one of the

largest non-performing asset (NPA) pools being sold as a single block by any bank.

The bank is seeking all-cash offers from asset reconstruction companies, a teaser note circulated by the lender said. It said that potential buyers would have to bid for the entire portfolio and that cherry-pick-

ing wouldn't be permitted.

Mukul Somany, promoter of glass bottle maker HNG, has offered to settle unpaid loans to exit insolvency proceedings. The company has offered ₹1,380 crore to lenders under Section 12A of the Insolvency and Bankruptcy Code. This provision gives tribunals the power to withdraw an application from insolvency proceedings if 90% of lenders by value agree. The promoters' offer equates to a recovery of 41%.

In the past six months, Federal Bank and IndusInd Bank have sold their loans in Chenani Nashri Tollways to Assets Care and Enterprise Ltd, and Edelweiss ARC, respectively. Both the trades were done in the range of 75-78 paise on a rupee. Standard Chartered sold its external commercial borrowing to Deutsche Bank in April.

Chenani Nashri Tollways has total debt of ₹5,454 crore, of which ₹4,195 crore is from lenders, and the balance of ₹1,295 crore is from IL&FS Group companies.