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HDFC Realty mulls helping banks dispose of defaulter assets

By PTI | Updated: Oct 09, 2016, 02.14 PM IST

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MUMBAI: Taking its experience in selling properties of Sahara and PACL for Sebi a step further, real estate advisory firm [HDFC Realty](#) is considering helping banks sell properties of defaulters and recover loans.

"Banks have certain assets which are under stress and are not able to recover them from borrowers. These loans can be taken by corporates or individuals where property is mortgaged," HDFC Realty Chief Executive Vikram Goel told PTI here.

"We are looking at such opportunities where we can provide the banks a platform to sell such properties in the market and recover the loans."

Market regulator had appointed HDFC Realty and [SBI Capital Markets](#) to e-auction properties of Sahara and PACL, which had defaulted on payments.

"We are looking at loan defaults where the bank is already in discussion with the borrower and where the latter, either an individual or a company, has agreed to allow the bank to sell its property to recover the loan," he added.

"In this case, the property will be put out in the market through HDFC Realty and the proceeds received through the sale will go into the bank's escrow account."

Goel further said many a time, banks tend to auction the properties mortgaged by putting out advertisements and interested parties approach them and recover the loan.

"But now we, through our platform and our experience of so many years, are telling the banks that HDFC Realty will list these properties and sell them on their behalf in a more professional manner," he said.

Goel said while the banks will be able to recover the loan amount, the company will earn fees for the services provided, thus making it a win-win situation for all the three parties, including the borrower.

HDFC Realty is currently in talks with four banks, including HDFC, and plans to work with at least seven banks in the next two years.

According to a recent study by India Ratings, delinquencies in the country's loan against property (LAP) is likely to rise to over 5 per cent over the next four quarters due to stagnant property prices and risk aversion.

The total size of LAP market in the country is of around Rs 2.5 lakh crore, the report stated.

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