

Federal Bank, Magicbricks tie up for disposal of repossessed properties

By: FE Bureau

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Gross non-performing assets (NPA) of the bank in Q2FY20 had increased to Rs 3,612.11 crore from Rs 3,394.7 crore in the previous quarter.

Federal Bank on Monday announced its partnership with property portal Magicbricks for listing and e-auctioning of immovable properties repossessed by the lender through recovery proceedings.

The pan-India arrangement between Magicbricks and Federal Bank aims to recover dues in 30 major accounts amounting to Rs 50 crore in Q4FY20, a statement said. "The arrangement is to leverage the reach of Magicbricks portal across demographics and consumer categories, removing any geographical restrictions for the buyers," it added.

Ashutosh Khajuria, executive director and chief financial officer, Federal Bank, said: "Federal Bank has always been focusing on maintaining and improving the quality of its loan book through systematic and disciplined recovery efforts and this partnership is a positive step in this direction."

Sudhir Pai, CEO, Magicbricks, said, "Over the last two years, Magicbricks' e-auction platform has evolved as a cost-effective way for banks to liquidate their repossessed assets and lessen their financial burden. Our e-auction platform offers a transparent and a level playing field to property seekers."

As of September, retail slippages of the lender totalled Rs 145 crore, of which about Rs 100 crore is from Kerala and Rs 40 crore is from the rest of the country, said Edelweiss in a report. Gross non-performing assets (NPA) of the bank in Q2FY20 had increased to Rs 3,612.11 crore from Rs 3,394.7 crore in the previous quarter. As a percentage of gross advances, the gross NPA rose by 18 basis points to 3.07%. The net NPA ratio stood at 1.59%, or Rs 1,843.64 crore in absolute terms, during the period.

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