

Piramal Capital to Sell More Loans for ₹1,669 cr



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worth ₹2,437 crore spread across 14 accounts to JM Financial ARC for ₹1,669 crore. This entails a recovery of 68%. The loan was put on sale through a Swiss auction, a bidding process that ensures transparency and maximises value. ➡ **ETMarkets**

IN TALKS for sale of 14 stressed accounts to JM Financial ARC at a recovery of 68% **Piramal Capital to Sell More Loans for ₹1,669 cr**

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Mumbai: Piramal Capital & Housing Finance is in talks to sell a stressed loan portfolio worth ₹2,437 crore spread across 14 accounts to JM Financial ARC for ₹1,669 crore. This entails a recovery of 68% on the account. The loan was put on sale through a Swiss auction, a competitive bidding process that ensures transparency and maximises value for the asset. The auction concluded on June 27, with JM Financial ARC as the anchor bidder. Since no bidder showed interest, the loan will be sold to the anchor bidder.

The sale was structured as a cash-security receipt (SR) transaction,

with 13% of the consideration paid in cash and the remaining 87% in the form of security receipts.

Spokespersons of both Piramal and JM Financial ARC did not respond to a request for comment.

This is the second loan that the company is looking to sell in less than 10 days. It had also sold a total loan outstanding pool of ₹3,656 crore to Omkara ARC for ₹625 crore last week. The sale resulted in a recovery of 17% for Piramal. The principal outstanding of the pool was ₹3,656 crore as of May 15, 2023 and spread across 7-8 accounts.

These exposures include inherited soured advances from the DHFL acquisition. The mortgage lender was sold in a bankruptcy.