



Hotels

VELAN HOTELS LIMITED

41 , Kangayam Road, Tirupur - 641604.

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GSTIN : 33AAACV8449H3Z3

CIN : L55101TZ1990PLC002653

19/03/2019

BSE Ltd
Corporate Relationship Dept
Floor No.25, P.J.Towers
Dalal Street
Mumbai 400 001

Dear Sir

Sub : Intimation under Regulation 30 of SEBI(LODR) Regulations, 2015 read with Part-A of Schedule III – Reg.

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, we hereby inform you that M/s.RARE Asset Reconstruction Limited("RARE" or "ARC") based at Ahmedabad, which has been assigned the debt together with all security interest and all rights of the Company by Andhra Bank and Allhabad Bank during March, 2017 under SARFAESI Act, vide their letter dated 18th March, 2019 to the Company that they have given the 'in-principle' approval of the Company's One-Time Settlement ("OTS") offer in response to our request dated February 22, 2019 made to the said ARC subject to the following conditions:

1. OTS amount : Rs.97.50 Crores
2. Initial payment : Rs.16.78 Crores on or before March 26, 2019
3. Interest rate : Coupon Rate 6.50% p.a.on outstanding amount.
4. Sale Proceeds : Payment to RARE from proceeds of sale of Hotel Property Situated at Coonoor, Nilgris District, Tamilnadu and sale of part Machinery at Power Plant

Upon fulfilment of the above conditions, RARE shall provide formal/final approval for the above OTS offer, as indicated in their communication.

The Company shall, with respect to disclosures as referred above, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

Kindly take note of the above for your record.

Thanking you

For **Velan Hotels Limited**

M. Srinivasan

M Srinivasan
Company Secretary