



## VELAN HOTELS LIMITED

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GSTIN : 33AAACV8449H3Z3 / CIN : L55101TZ1990PLC2653

Date : 31/03/2021

Department of Corporate Services

BSE Limited

P.J. Towers,

Dalal Street

Mumbai - 400001

Sub: Disclosure under Regulation 30 of the SEBI (LODR) Regulations, 2015 - One-Time Settlement (OTS) with a Bank / Financial Institution / ARC -reg.

Dear Sirs

Pursuant to Regulation 30 of SEBI-LODR Regulations 2015, we hereby inform you that M/s.RARE Asset Reconstruction Limited (RARE ARC) located at Ahmedabad which was assigned the debt together with all security interest and all rights of the Company by Andhra Bank and Allahabad Bank during the year April, 2017 under the provisions of the SARFAESI Act and rules framed there-under, intimated the Company that they have given the in-principle approval of revised One-Time Settlement offer made by the Company. The details of said OTS as follows : -

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|---|----------------------------|--|
| 1 | Reasons for opting for OTS | The Company's account was categorized as NPA by Allahabad Bank and Andhara Bank during the year 2014. In April, 2017, the said Banks assigned the entire debts of the Company alongwith all underlying security interest, all rights, title & benefits to M/s.RARE Asset Reconstruction Limited (previously known as Raytheon Asset Reconstruction Private Limited) under the applicable provisions of the SARFAESI Act. The Company was resolving its debts with the said |
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|   |                          | RARE ARC since then. The Company opted for revised One-Time Settlement offer with the said ARC and obtained in-principle approval from them and final approval of OTS is expected soon on payment of initial payment of Rs.30 crores  |
| 2 | Brief summary of the OTS | <p>Salient features of OTS offer approved by RARE ARC as follows :</p> <ol style="list-style-type: none"> <li>1. Total OTS amount is agreed as Rs. 96.80 Cr payable by the Company to RARE ARC towards full and final settlement payable in several tranches.</li> <li>2. The Company shall pay a sum of Rs.30.00 Cr as an initial payment on or before 31.03.2021.</li> <li>3. The Company shall pay a further sum of Rs.30.00 Cr on or before 30.06.2021 without bearing interest.</li> <li>4. Balance payment of Rs.36.80 crores payable in seven equal quarterly installments together with interest @12% p.a. payable concurrently with the installments, on outstanding amount w.e.f 01/07/2021 till the date of full payment. 1<sup>st</sup> installment falling due on 30/09/2021 and last installment on 31/03/2023.</li> <li>5. As requested by the Company, RARE ARC has agreed to release the securities subject to receipt of the amount of installments as mentioned in Sl.No.4.</li> <li>6. On receipt of initial payment of Rs.30 Crores as referred above in Sl.No.2, M/s.RARE ARC will convey the final approval for settlement of our dues.</li> </ol> |



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|  |  | 7. The Company shall make all the above payments from the proceedings of sale of the properties of the Company in a phased manner as agreed. |
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The Company has remitted the initial amount of Rs.30 crores to RARE ARC on 30<sup>th</sup> March, 2021 from the disposal / sale of the Shopping Mall and part of Multiplex properties.

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

Yours truly  
For Velan Hotels Limited



M Srinivasan  
Company Secretary