

**SETS RESERVE PRICE OF ₹330 CR AGAINST ₹324 CR DUES**

# Bank of Maha Puts Loans Extended to Asian Hotels (North) Under Hammer

Expects full recovery from sale of loans to Hyatt Regency (Delhi) operator; Asian Hotels (West) promoters make settlement offer

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**Mumbai:** Bank of Maharashtra has put under the hammer loans extended to Asian Hotels (North), which operates the five-star property Hyatt Regency (Delhi). In a rare development, the bank is expecting full recovery of dues from the sale of the loans to a hotel, owned by the Jatia Group. It has set a reserve price of ₹330 crore against ₹324 crore dues, the bank said in a note to the asset reconstruction companies last week.

Reeling under Covid 19, in December 2020, the company entered a one-time restructuring (OTR) with lenders, resulting in a moratorium on payments between September 1, 2020 and March 30, 2022, according to the company's FY23 annual report. During the moratorium, some banks declared the account as a non-performing loan which the company challenged in the High Court, the report said.

The court stayed the declaration of the account as NPA and directed lenders not to take any recovery action against the company. This development prompted Bank of Maharashtra to seek an out-of-court resolution for the company. BoM has invited ARCs to bid on September 26.

Separately, the Gupta family, the promoters of Asian Hotels (West), which operates Hyatt Regency near Mumbai Airport, have offered a settlement to lenders.

Promoters of the company, which is undergoing a corporate insolvency process, offered to pay the entire dues, said a notice issued by the company to the exchange on August 17. The notice said an investor, Robust Hotels Ltd, would invest in the company against a 17.8% stake — a move aimed at reviving the company.

Asian Hotels (West) has filed a petition regarding this development with National Company Law Appellate Tribunal (NCLAT) to stay the corporate insolvency proceedings.

K Raheja Group entity Devvrat Developers,

## Revival Process

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Panchshil Corporate Park and GVPR Engineers Ltd had submitted resolution plans for Asian Hotels (West).

The loan of Asian Hotels (West) also changed several hands. In June 2022, Yes Bank recovered its entire dues by selling its ₹282 crore debt at an uncontested Swiss auction to JM Financial ARC. Most ARCs told ET they were not aware that Yes Bank had proposed a Swiss auction to sell Asian Hotels (West) loans.

Subsequently, NCLT admitted Asian Hotels (West) for corporate insolvency in September that year. Within three months, JM Financial ARC sold the entire debt to UV ARC for an upfront cash payment. Unlike banks, which mandatorily hold an auction to sell distressed loans, ARCs can undertake bilateral transactions while selling loans to another ARC.