

Publication	Deccan Chronicle	DATE	27/6/2017
Edition	Chennai	Page No	3
CITY	Chennai		

VGN SAYS ITS TRANSACTIONS ARE CLEAN

DC CORRESPONDENT
CHENNAI, JUNE 26

VGN property developers have termed as "baseless and malicious" reports that alleged the company had encroached portmboke land in its Ayyapakkam project, which it said had been actually complied with all rules and norms and was delivered to customers in 2010.

"Somebody who is against us is creating unnecessary issues and all these issues are baseless, malicious and intended to tarnish the image of the company," VGN general manager H. Sureshkumar said, adding that the company "has created goodwill in public mind" over the years since launch in 1992.

As for the company buying 10.46 acres of land from Hindustan Teleprinters Ltd (HTL), a Central PSU at Thiruvika Industrial Estate, Guindy, he said the purchase for ₹272 crore was done in transparent manner through legal channels. HTL had decided to sell the property to clear the loans from its consortium of bankers comprising State Bank of India, Industrial Bank, Axis Bank and South Indian Bank Ltd., and in the e-auction held on March 7, 2007, Bangalore-based RMZ Properties Ltd., emerged successful offering ₹298 crore, but the sale did not go through as RMZ withdrew from the bid.

With the NPA liabilities mounting and the property facing SARRAESI action, HTL notified reserve price of ₹250 crore and published the notifications in various newspapers across the country. The consortium of bankers held a meeting for asset reconstruction and decided to have private treaty as there were no bidders for the five e-auctions held. VGN gave its offer in a sealed cover for ₹272 crore which was accepted by the banks consortium as it was more than their reserve price, and the land was sold to VGN for that price "by way of private treaty", Sureshkumar said.

He also said the guideline for the said property had been increased threefold during 2012, classifying it as industrial land whereas it was residential land. While the neighbouring properties were given ₹3000-3500 guideline values, this property's guideline value was fixed at ₹8500 without justification. Further, "there are several Supreme Court judgments which state that guideline value will not be applicable for a distressed sale", said the VGN GM.