

**TRANSCRIPT OF PROCEEDING OF 32<sup>ND</sup> ANNUAL GENERAL MEETING OF VELAN HOTELS LIMITED ON THURSDAY, 29<sup>TH</sup> SEPTEMBER, 2022 AT 11.45 P.M. (IST) THROUGH VIDEO CONFERENCING AND OTHER AUDIO VIDEO VISUAL MEANS**

<b>Moderator (CDSL) :</b>	<p>Dear Shareholders, Good Morning, and a warm welcome to you all to the 32<sup>nd</sup> Annual General Meeting of Velan Hotels Limited being held through video conferencing. The facility for attending the AGM through Video Conferencing is being provided to all the shareholders of Velan Hotels Limited.</p> <p>I now invite Company Secretary Mr.M.Srinivasan, to initiate the proceedings. Over to you, sir</p>
<b>M.Srinivasan</b>	<p>Ladies &amp; Gentlemen.</p> <p>I welcome all of you to the 32<sup>nd</sup> Annual General Meeting of the Company.</p> <p>Since the Chairman of the Board is an octogenarian and ill-health, he is not able attend the meeting. As per Article 87 of Articles of Association of the Company, the Directors present may elect one of themselves as the Chairman of the meeting.</p> <p>I will now request the Board Members present in the meeting to elect one among them to be the Chairman of the meeting.</p>
<b>E.V.Muthukumara Ramalingam</b>	I propose Mr.M.R.Gautham, Executive Director as the Chairman of this AGM.
<b>M.Sasikala</b>	I consent for the same
<b>Nagaraj Saveethkumar</b>	I consent for the same
<b>M.Srinivasan</b>	Mr.M.R.Gautham has been elected as the Chairman of this AGM. I request him to occupy the Chair and start the proceedings of this AGM.
<b>M.R.Gautham</b>	Thank you Mr.Srinivasan,

Good Afternoon, Ladies & Gentlemen

It is with great pleasure that I welcome each one of you to the 32<sup>nd</sup> Annual General Meeting the Company.

May I now introduce the Directors who have joined with us through Video Conferencing.

1. Mr.E.V.Muthukumara Ramalingam, Managing Director and also a member of Stakeholders Relationship Committee representing the Committee.
2. Mrs.M.Sasikala, Non-Executive Director, also a member of Audit Committee and Nomination & Remuneration Committee.
3. Mr.Nagaraj Saveethkumar, Non-Executive - Independent Director who is also a member in Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee representing on behalf of the respective Committees in the absence of Chairman of such committees.

Due to pre-occupation, Mr.S.P.Sivanandam, Independent Director could not attend today's meeting.

Mr.M.Srinivasan, Company Secretary and Mrs.R.Lalitha, Chief Financial Officer are also present at this AGM through VC.

Mr.K.Sundarrajan, the representatives of Statutory Auditors, M/s. Krishna & Co. and Mr.S.Ganesh Viswanathan, the Secretarial Auditor & Scrutinizer are present at this AGM through VC.

This Annual General Meeting is being held through video conference in accordance with the Companies Act, 2013 and various circulars issued by the Ministry of Corporate Affairs and SEBI.

I confirm that requisite quorum is present through VC and the Meeting is in order.

The Registered office of the Company at Tirupur shall be deemed as the Venue for this AGM and proceedings of the AGM shall be deemed to be made hereat.

In conformity the Companies Act, the Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or Arrangements, in which Directors are interested, are placed electronically and are available for inspection by the Members during the AGM.

Ladies and Gentlemen, the Notice convening this Annual General Meeting and a copy of Annual Report for the financial year ended March 31, 2022, have already been circulated to the Members of the Company via electronically whose email addresses are registered with the Company. I shall take them as read.

As required under the Act and Listing Regulations, the Company has provided opportunity for the Members to cast their vote electronically on all the resolutions set forth in the Notice of AGM. In order to enable those shareholders who are present in this meeting and who have not exercised remote E-Voting, the Company is providing an opportunity to cast their vote electronically after the Meeting.

	<p>Independent Audit Report issued by the Statutory Auditors M/s. Krishnaan &amp; Co. carried certain qualification, observation or comments on the Standalone Financial Statements which have been replied by the Management of the Company as detailed at Page Nos.28 to 29 in the Annual Report. With your permission I take the same as read.</p> <p>The Secretarial Audit Report issued by Secretarial Auditor and Compliance Certificate on Corporate Governance issued by the Company Secretary in Practice carried certain observations which have been replied by the Management as detailed at Page No.30 in the Annual Report. With your permission I shall take them as read.</p> <p>The said reports, which have qualifications or observations, are required to read out in the AGM as provided in the Companies Act, 2013 and SS-2-Secretarial Standard on General Meetings.</p> <p>Accordingly, I request CA.K.Sundarrajan, representative of Statutory Auditor read out qualification, observation or comments.</p> <p>Over to Mr.K.Sundarrajan</p>
<p><b>K.Sundarrajan</b></p>	<p>Thank you sir</p> <p>I read out the following qualifications / observations reported in the Independent Auditors' report.</p> <p>We have audited the standalone financial statements of <b>Velan Hotels Limited</b> ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.</p>

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and Profit , Changes in Equity and its Cash Flows for the year ended on that date, **subject to the notes given below with regard to Going Concern other Key Audit Matters.**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We draw attention to Note No. 36 of the attached Financial Statements for the year ended 31st March 2022. The Company's borrowings were taken over by M/s. RARE Asset Reconstruction Company Limited ("ARC") commencing from April 1, 2017 and out of the final One-time settlement amount of Rs. 97.32 crores agreed with the

	<p>ARC, the company has made a payment of Rs. 42.20 cr. from the sale proceeds of Shopping Mall and part of Multiplex properties, Hotel at Coonoor Advance received for sale of power plant. The company intends to repay the balance to the ARC from the sale of other assets of the Company, refer Note No. 35 to these financial statements. Further, with the Company having suspended all business operations and with no revenue being generated to meet the debt obligations, there exists a concern on the ability of the Company continuing as a Going Concern. In view of the above, our opinion is <b>Qualified</b>.</p> <p>Thank you sir. Over to Mr.M.R.Gautham</p>
<p><b>M.R.Gautham</b></p>	<p>Thank you sir</p> <p>Over to CS.S.Ganesh Viswanathan to read out your qualification and observation.</p>
<p><b>S.Ganesh Viswanathan</b></p>	<p>Thank you sir</p> <p>I read out the following qualification reported in the Secretarial Audit Report and Compliance Certificate on Corporate Governance.</p> <ol style="list-style-type: none"> <li>1. Non-compliance with the requirement of Minimum Public Shareholding (MPS) under Regulation 38 of SEBI (LODR) Regulations, 2015 and</li> <li>2. Late filing of Shareholding Pattern for the quarter ended 30<sup>th</sup> September, 2021 by nine days.</li> </ol> <p>Thank you sir. Over to Mr.M.R.Gautham</p>

<b>M.R.Gautham</b>	<p>Thank you sir</p> <p>You are aware that due to age and ill health, Mr.P.Ganesan, Chairman of the Company could not attend this meeting. I shall deliver the Chairman's speech for and behalf of him.</p>
	<p style="text-align: center;"><b>CHAIRMAN SPEECH</b></p> <p>Ladies and Gentlemen:</p> <p>I sincerely hope that all of you are safe and in good health.</p> <p>I have great pleasure in welcoming you in this 32<sup>nd</sup> Annual General Meeting of the Company being held through Video Conference / Other Audio Visual Means as per circulars / notifications issued by the Ministry of Corporate Affairs and SEBI to transact the business.</p> <p>Members are aware that the onset of the Covid-19 outbreak in March 2020 was followed by a nationwide lockdown to contain the pandemic, leading to a significant deterioration in the operating parameters of hotels. The year 2022 started on a challenging note with subdued demand in the first few weeks because of rising Omicron cases in the country, and the accompanying travel constraints across states. However, as domestic travel demand is making a strong comeback since the cases subsided, and travel limitations were lifted. The situation is, however, still evolving and the same remains contingent on the possibility of another Covid wave and its severity on the sector. Post-Covid era, new trends such as 'stress on sanitization', 'escapism travel' and 'wellness tourism' are likely to shape the future of the industry.</p>

Your Company's business mainly dependence on foreign and domestic guests visits to Garment City of Tirupur from whom hotel's revenue are generated. The Company suspended all the revenue generating operations w.e.f. 24 Mar 2020 due to Covid-19 and weak financial positions and hence, has not carried out any business activities during the year as well, resulting in, the entire year was completely washed out.

Taking into the above factors, the gross receipts of your company stood at Nil from Rs.12.39 Lacs registered in the previous year. Profit/(Loss) before Interest, Depreciation and Taxation was Rs.(149.55) lacs against Rs. Rs.(111.99) Lacs recorded in the previous year. Similarly, the Profit after Tax for the year ended March 31, 2022 stood at Rs.937.72 lacs which comprises of profit on disposal of Company's Hotel at Coonoor. Previous year, the Profit was Rs. Rs.7.13 lacs.

In order to generate stable revenue in future, the Company is evaluating various options including leasing out of hotel property on lease rental basis.

Members may be aware that the Company has received the approval of One-Time Settlement (OTS) offer from M/s.RARE Asset Reconstruction Limited (RARE ARC) on 20<sup>th</sup> May, 2021. As per terms of OTS offer, in September 2021, the Company completed the sale process of its hotel property situate at Coonoor for a total consideration of Rs.15.91 Crores to make payment of outstanding debt of the Company to RARE ARC.

Besides, in order to settle a part of outstanding debts of the Company to RARE ARC, the Company completed the sale process of Plant & Machinery and equipments pertaining to Biomass based Renewable energy plant and



	<p>land area of the said energy plant. The Company now retains Part Multiplex Area Land, Convention Centre land and Hotel property at Tirupur, Tamilnadu.</p> <p>In coming year, the Company will continue to prune the debts by disposing off the assets of the Company to repay the debt fully.</p> <p>Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12<sup>th</sup> August 2022 has re-appointed Mr.M.R.Gautham as Executive Director for a another term of three years subject to approval of shareholders of the Company. An ordinary resolution seeking members' approval for his re-appointment is set out in the Notice for AGM for your consideration. I request you to consider his re-appointment.</p> <p>I would like to express my sincere thanks and deep gratitude to our esteemed shareholders, my colleagues on the Board for their active support and guidance.</p> <p>I also acknowledge the unstinted support extended by our valued customers and staff members of the Company.</p> <p>I place on record our sincere thanks to RARE ARC, Canara Bank, Union Bank of India, Axis Bank for their support and co-operation.</p> <p>I extend my sincere thanks to all of you for having attended this Annual General Meeting through VC.</p> <p>Thank you all.</p>
<p><b>M.R.Gautham</b></p>	<p>I will now move to the business to be transacted at this AGM.</p> <p>Since the AGM is being held through Video Conference and all the Resolutions mentioned in the Notice convening</p>

this AGM have been already put to vote through remote e-voting, there will be no proposing and seconding of the Resolutions.

First - To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon.

The second item is to pass an Ordinary Resolution for appointment of Director in place of in place of Mr. Mr.M.R.Gautham having DIN 00046187, who retires by rotation and being eligible, offers himself for re-appointment.

The third item is to pass an Ordinary Resolution for considering re-appointment of M/s.Krishaan & Co Statutory Auditor of the Company for a second term of five years.

The fourth item is to pass an ordinary resolution for considering re-appointment of Mr.M.R.Gautham having DIN 00046187 as Executive Director of the Company for period of three years.

The fifth item is to pass an Ordinary Resolution for considering entering into Related Party Transaction with related parties.

The Members are aware that the Company has provided to its Members remote e-voting facility as mentioned in the Notice of this meeting. The remote e-voting concluded on 28<sup>th</sup> September 2022 at 5.00 p.m.

In line with the provisions of the Companies Act 2013 and various circulars issued by MCA, remote e-voting has been offered to the Members. Therefore, the arrangements have been made for Members, who are present at the meeting

but have not cast their votes by availing the remote e-voting facility to exercise their vote by using e-voting during the AGM. The facility for E-voting is being provided by the Central Depository Services (India) Limited (CDSL).

Members, who have already voted by remote e-voting prior to the meeting date and have also come to attend this meeting through VC, shall not be entitled to vote again through e-voting.

Mr.S.Ganesh Viswanathan, Company Secretary in Practice, who was appointed as the Scrutinizer to conduct the remote e-voting and e-voting process will submit a consolidated Scrutinizer's Report on remote e-voting and e-voting during the AGM, of the total votes cast in favour or against, if any, within 48 hours of conclusion of the AGM.

I authorise Mr.M.Srinivasan, Company Secretary to declare the results of the voting. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Website of the Company and also on the website of CDSL. The results will simultaneously be forwarded to BSE Limited.

The E-voting will be enabled for next 30 minutes and shareholders may complete their voting.

Now let me move to the suggestions, members who wish to speak at the meeting were requested to register themselves as a speaker by sending an email to the company on or before 5:00 PM on Monday 19<sup>th</sup> September, 2022. We received response from shareholders wanting to speak at the meeting. Due to the VC format of the meeting and in the interest of time, we may not be able to listen to all the shareholders, however, those we are able

	<p>to accommodate, we will be very happy to not only listen, but note their suggestions and see what best we can do to deal with them.</p> <p>Each speaker will have a maximum of three minutes to express his or her view. At the end of two minutes, you will hear a prompt in the form of a sound bell, please don't misunderstand it but this bell will really be there to help you finish in three minutes time.</p> <p>You may start concluding remarks as soon as you hear the bell. I would like to highlight to the speakers that when I take your name, your MIC will be opened by the moderator of this meeting. You will have to also unmute the audio and start the video from your end to start speaking. So, I hope everything goes well and we'll be able to have a very useful interaction.</p> <p>The first speaker for the day is Mr. A.V.Mani Sundaram. Mr. Mani Sundaram can you accept the invitation to speak. Switch your camera on and speak. We can hear you Sir.</p>
<p><b>A.V.Mani Sundaram, Shareholder</b></p>	<p>(The Shareholder did not connect)</p>
<p><b>Moderator: (CDSL)</b></p>	<p>May I request our next speaker, Mr. P.Gopal to kindly accept our invitation. Unmute and switch the camera on and go ahead and speak. Mr. S.Padmanabhan if you kindly accept our invitation to unmute your microphone. We can see you here.</p>
<p><b>P.Gopal Shareholder</b></p>	<p>(The Shareholder did not connect)</p>

<p><b>Moderator:</b> <b>(CDSL)</b></p>	<p>May I request our next speaker, Mr. J.Abhishek to kindly accept our invitation. Unmute and switch the camera on and go ahead and speak. Mr. J.Abhishek if you kindly accept our invitation to unmute your microphone. We can see you here.</p>
<p><b>J.Abhishek</b> <b>Shareholder</b></p>	<p>Not clearly audible.</p>
<p><b>Moderator:</b> <b>(CDSL)</b></p>	<p>Thank you very much Mr. J.Abhishek. I shall now request Mr. Mr.M.R.Gautham , Executive Director and Chairman of this meeting, if he would like to make any comments on these suggestions or respond to any other points. Over to you sir.</p>
<p><b>M.R.Gautham</b></p>	<p>Thank you sir (Responded to comments made by shareholder) This in a way brings me to the end of the meeting. But before I announce the closure of the meeting, I would like to record my thanks on behalf of all members of the board for your continued trust, good will and support in all our endeavours. And last of all, I must wish you and your families all the very best for a safer and healthier tomorrow. With this, with your permission I would like to close this meeting.  Thank you very much for your support and God bless</p>