

Velan Hotels Limited, Tirupur.  
41 Kangayam Road, Tirupur- 641 604. Ph :++91-421-4311111, 2424444  
Fax :++91-421 - 2424434 Email:accounts@velanhotels.com  
CIN: L55101TZ1990PLC002653

**Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June 2021**

SL.NO	Particulars	Quarter Ended			
		30.06.2021	31-03-2021	30.06.2020	31.03.2021
		Unaudited	Audited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	-	4.03	-	4.03
2	Other Income	-	8.36	-	8.36
3	<b>Total income</b>	-	<b>12.39</b>	-	<b>12.39</b>
4	Expenses				
	a) Cost of materials consumed	-	5.54	-	5.54
	b) Purchases of Stock-in-trade progress	-	-	-	-
	c) Employee benefits expenses	4.05	4.05	3.12	15.85
	d) Finance costs	0.02	0.05	0.02	0.08
	e) Depreciation and amortisation expenses	25.34	41.94	41.95	167.78
	f) Power & Fuel	0.25	0.08	7.66	17.60
	f) Other expenses	5.17	42.82	16.98	85.40
	<b>Total expenses</b>	<b>34.83</b>	<b>94.48</b>	<b>69.73</b>	<b>292.25</b>
5	Profit/(loss) before exceptional and tax	(34.83)	(82.09)	(69.73)	(279.86)
6	Exceptional Items (net credit/charge)	-	164.37	-	164.37
7	<b>Profit/(loss) before tax</b>	<b>(34.83)</b>	<b>82.28</b>	<b>(69.73)</b>	<b>(115.49)</b>
8	Tax expenses				
	a. Current Tax	-	-	-	-
	b. Deferred tax credit/(charge)	-	122.63	-	122.63
	c. Income tax for earlier years	-	-	-	-
	d. Mat credit Entitlement	-	-	-	-
9	<b>Profit/(loss) for the period from continuing operations</b>	<b>(34.83)</b>	<b>204.90</b>	<b>(69.73)</b>	<b>7.13</b>
10	Profit/(loss) from discontinued operations before tax	-	-	-	-
11	Tax expenses of discontinued operation	-	-	-	-
12	Profit/(loss) from discontinued operations after Tax	-	-	-	-
13	<b>Profit/(loss) for the period</b>	<b>(34.83)</b>	<b>204.90</b>	<b>(69.73)</b>	<b>7.13</b>
14	Other comprehensive income for the period (net of tax)	-	-	-	-
15	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(34.83)</b>	<b>204.90</b>	<b>(69.73)</b>	<b>7.13</b>
16	Paid up equity share capital (face value Rs.10/- per share)	3,196.41	3,196.41	3,196.41	3,196.41
17	Reserves Excluding Revaluation reserves	-	-	-	(2,215.34)
18	a) Earnings per share				
	Basic	(0.11)	0.64	(0.22)	0.02
	Diluted	(0.11)	0.64	(0.22)	0.02

**Notes:**

- The financials have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of The Companies Act, 2013 read with Rule 3 of The Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments.
- The above Financial results have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the company held on 13 August 2021.
- The Company has assessed the possible impact of COVID-19 in preparation of the standalone interim financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 may be different from that estimated as at the date of approval of these standalone interim financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- The company had suspended all the revenue generating operations w.e.f 24 Mar 2020. The company is exploring options of selling a part or all of its revenue generating assets to settle all liabilities. In view of the above, the Company's ability of continuing as a Going concern is dependent on the value that can be generated by the sale of assets and the surplus, if any, available subsequent to the settlement of all liabilities. In view of the uncertainty on the realisable values, the impairment to the value of assets is not ascertainable at this juncture.



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Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June 2021

- 5) The Company entered into a Memorandum of Understanding (MoU) on 10th November, 2020 with M/s. Avenue Supermarts Limited, Mumbai, non-related party, for sale of Company's Shopping Mall and part of Multiplex properties with the consent of M/s.RARE Asset Reconstruction Limited ("RARE" or "ARC") which was assigned the Company's debt together with all security interest and all rights of the Company by the Banks and has the symbolic possession of the entire properties of the Company for a total consideration of Rs. 35,43,75,000. The assets for this sale constitutes land to the extent of 84474 sq. ft. and the building constructed on the said land. Based on the final confirmation received from the ARC the sale was completed prior to the year ended March 31, 2021 and has resulted in the Company receiving the final One-Time-Settlement ("OTS") offer from the ARC. In addition to the above properties, the Company owns Hotel properties at Tirupur and Coonoor, properties of Biomass based Renewable energy plant and vacant land of convention hall, all of which are non functional as of now and are located in Tirupur, Tamilnadu. After deducting the property tax dues, Electricity Bill dues and other statutory dues that are only directly associated with this property (Shopping Mall), the entire sale proceeds will be adjusted towards our proposed revised One-Time Settlement (OTS) agreed with M/s. RARE Asset Reconstruction Limited.
- 6) 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 opted for One-Time Settlement offer with the said ARC and obtained in-principle approval from them during March, 2021 and the final approval of OTS has now been received. As per terms of in-principle approval, the initial payment of Rs.30 crores was already paid to the said ARC on 30th March, 2021 from the proceeds of sale of Shopping Mall and part of Multiplex properties.
- 7) There has been delay in meeting the statutory obligations and dues relating to Goods & Services Tax, Value Added Taxes and Service Tax are overdue by more than 12 months. The Company is taking necessary steps to regularise the Statutory Dues as and when the sales of assets of companies are completed. There were no amount outstanding pertaining to the accounting year 2020-
- 8) Exceptional items during the quarter and year ended March 31, 2021 comprises of profit on disposal of Company's Shopping Mall and part of Multiplex properties for a total consideration of Rs. 35,43,75,000. No tax is payable due to Indexation of asset sold as per the provisions of Income Tax Act, 1961 and therefore no provision is accounted on account of Income Tax.
- 9) Effective 1 April 2019, the Company has adopted "IndAS-116-Leases". This standard is not having any material impact to these financial statements of the company.
- 10) Confirmation of balances have not obtained from Sundry Debtors and Sundry Creditors and accordingly the respective figures have been stated at book values.
- 11) The status of pending litigations filed by Bankers and Statutory Authorities against the company remains status quo as reported in previous quarters. No additional litigations have been brought to the Company's notice.
- 12) No Provision for Gratuity /Leave encashment has been considered during the period due to all the employees of the company except KMP have resigned and there are no eligible employees during the year-under review.
- 13) In view of the Accumulated Business and Depreciation Loss, and there being no certainty of profits in the near future, provision for Deferred Taxes has not been considered in these financial statements for the period ended 30th June 2021.
- 14) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 13.08.2021  
Place: Tirupur

For and on behalf of the Board  
Sd.E.V.Muthukumara Ramalingam  
Managing Director.

For VELAN HOTELS LIMITED

  
Company Secretary



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Segment-wise Revenue, Result and capital employed for the Quarter ended 30th June 2021					
S no	Particulars	Quarter Ended			
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		Unaudited	Audited	Unaudited	Audited
1	<b>Segment Revenue</b>				
	(Net sales/Income)				
	a) Hotel - Tiruppur	-	12.39	-	4.03
	b) Hotel - Coonoor	-	-	-	-
	<b>Total</b>	-	<b>12.39</b>	-	<b>4.03</b>
	Less : Intersegment Revenue				
	<b>Net sales/income from operations</b>	-	<b>12.39</b>	-	<b>4.03</b>
2	<b>Segment results</b>				
	(profit/loss before interest & tax)				
	a) Hotel - Tiruppur	(31.72)	(79.38)	(66.38)	(267.00)
	b) Hotel - Coonoor	(3.08)	(2.66)	(3.33)	(12.78)
	<b>Total</b>	<b>(34.81)</b>	<b>(82.04)</b>	<b>(69.71)</b>	<b>(279.78)</b>
	Less: i) interest	(0.02)	(0.05)	(0.02)	(0.08)
	ii) Other unallocable expenditure net off	-	-	-	-
	iii) Un-allocable income	-	-	-	-
	<b>Total profit/(Loss) Before tax</b>	<b>(34.83)</b>	<b>(82.09)</b>	<b>(69.73)</b>	<b>(279.86)</b>
3	<b>Capital Employed</b>				
	(segment assets-segment liabilities)				
	<b>Segment Assets</b>				
	a) Hotel - Tiruppur	5,694.79	5,712.92	5,742.49	5,712.92
	b) Hotel - Coonoor	399.52	401.31	406.70	401.31
	c) Unallocated	4,722.00	4,732.50	11,045.97	4,732.50
	<b>Total Segment Assets</b>	<b>10,816.30</b>	<b>10,846.73</b>	<b>17,195.16</b>	<b>10,846.73</b>
	<b>Segment Liabilities</b>				
	a) Hotel - Tiruppur	8,115.85	8,112.61	12,083.91	8,112.61
	b) Hotel - Coonoor	599.46	598.32	597.90	598.32
	c) Unallocated	570.19	570.19	3,167.59	570.19
	<b>Total</b>	<b>9,285.50</b>	<b>9,281.12</b>	<b>15,849.40</b>	<b>9,281.12</b>
Notes on Segment reporting:					
1. As per Ind AS 108 - Operating Segments, the Company has identified Hotel- Tiruppur and Hotel - Coonoor as reportable segment.					
2. Figures have been regrouped and reclassified wherever necessary					
Date: 13/08/2021					
Place: Tirupur					
Sd.E.V.Muthukumara Ramalingam					

For VELAN HOTELS LIMITED

M. Srinivas

Company Secretary

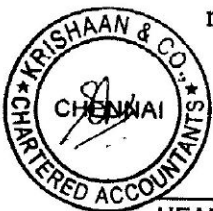
**KRISHAAN & CO.,**  
CHARTERED ACCOUNTANTS

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**Independent Auditors' Review Report on the Standalone Quarterly Financial Results of Velan Hotels Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015**

**To The Board of Directors of Velan Hotels Limited**

1. We have reviewed the accompanying Statement of unaudited Financial Results of **VELAN HOTELS LIMITED** ('The Company'), for the Quarter ended 30<sup>th</sup> June 2021 attached herewith, being submitted by the Company pursuant to Regulation 33 of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this financial statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provided less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *We draw attention to Note No. 4 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30<sup>th</sup> June 2021. The company had suspended all operations w.e.f. March 24, 2020 and consequently, the ability of the Company to repay its debts depends on the quantum of realisation from the sale of Assets. Considering the above, the ability of the Company to continue as a Going Concern is impacted and the adjustments, if any, on account of such sale is not ascertainable at this juncture.*
4. Without qualifying our opinion, we draw attention to Note No. 5 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30<sup>th</sup> June 2021. The test for the impairment of the assets tied to the borrowings with M/s. RARE Asset Reconstruction Company ("ARC") have not been carried out as on date of the report only a portion of the debt has been extinguished by sale of assets. With the balance debt still to be extinguished the test for impairment of fixed assets as at the period end has not been carried out.



**KRISHAAN & Co.,**  
CHARTERED ACCOUNTANTS

5. Without qualifying our opinion, we draw attention to Note No. 7 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30<sup>th</sup> June 2021. There has been significant delays in meeting the statutory obligations, including Service Tax, Goods and Services Tax and Value Added Taxes, which are due in excess of 6 months as on the date of this Report. As represented by the management, the Company is taking necessary steps to meet the above-mentioned obligations.
6. Based on our review conducted subject to Notes 3, 4, and 5 above, the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. In view of the lockdown and travel restrictions due to outbreak of COVID-19, wherever physical access was not possible, necessary records / reports / documents were verified through digital medium, email, etc. on a sample basis and were relied upon as audit evidence for carrying out the audit for the current year. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit / Remote Audit / Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications. We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.



For Krishaan & Co.,  
Firm Reg. No.001453S  
Chartered Accountants

*K Sundarajan*

K Sundarajan  
Partner

Membership No. 208431  
UDIN: 21208431AAAACR6227

Date : 13<sup>th</sup> August 2021  
Place: Chennai