



VELAN HOTELS LIMITED

Registered Office: 41, Kangeyam Road, Tirupur - 641 604

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Email: accounts@velanhotels.com; Website: www.velanhotels.com

GSTIN : 33AAACV8449H3Z3 / CIN : L55101TZ1990PLC2653

August 14, 2023

BSE Ltd
Corporate Relationship Dept
Floor No.25, P.J.Towers
Dalal Street
Mumbai 400 001

Dear Sir

Sub : Outcome of Board Meeting – Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above, we would like to inform that the Board of Directors of the Company at their meeting held today transacted, among other things, the following business :

1. Unaudited Financial Results (Standalone) of the Company for the quarter ended June 30, 2023. In this connection, we are enclosing herewith copy of the unaudited financial results (Standalone) for the quarter ended June 30, 2023, along with the Limited Review Report issued by the Statutory Auditors of the Company.
2. Re-appointment of Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) as the Managing Director of the Company for a further period of three years.
3. Appointment Mr. Muralidharan Subramanyam (DIN: 03552399) as an Additional Director of the Company in Independent Category subject to approval of the shareholders of the Company.

The disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/C|R/20231123 dated July 13, 2023, for the said appointment / reappointment is attached given below.

The above results were taken on record by the Board of Directors of the Company at their meeting held today.

The meeting of the Board of Directors commenced at 10:15 a.m. and concluded at 7.45 p.m.

Kindly acknowledge receipt

Thanking you

Yours truly

For VELAN HOTELS LTD

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M.SRINIVASAN
COMPANY SECRETARY

Velan Hotels Limited, Tirupur.
41 Kangayam Road, Tirupur- 641 604. Ph :++91-421-4311111, 2424444
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CIN: L55101T71990PLC002653

Statement of Standalone Unaudited Financial Results for the Quarter Ended 30 June 2023

Sl. No	Particulars	Quarter Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Audited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	-	-	-	-
2	Other income	-	0.70	1.60	2.30
3	Total income	-	0.70	1.60	2.30
4					
	a) Cost of materials consumed	-	-	-	-
	b) Purchases of Stock-in-trade progress	-	-	-	-
	c) Employee benefits expenses	3.95	3.68	4.25	15.77
	d) Finance costs	0.01	0.01	0.60	0.65
	e) Depreciation and amortisation expenses	13.41	101.76	39.34	219.78
	f) Power & Fuel	0.06	-	0.66	0.66
	f) Other expenses	2.81	7.90	7.07	30.94
	Total expenses	20.24	113.34	51.91	267.80
5	Profit/(loss) before exceptional and tax	(20.24)	(112.64)	(50.31)	(265.50)
6	Exceptional items (net credit/charge)	-	(1,404.56)	(175.38)	(1,579.94)
7	Profit/(loss) before tax	(20.24)	(1,517.20)	(225.69)	(1,845.44)
8	Tax expenses				
	a. Current Tax	-	-	-	-
	b. Deferred tax credit/(charge)	-	-	-	-
	c. Income tax for earlier years	-	-	3.73	3.73
	d. Mat credit Entitlement	-	-	-	-
9	Profit/(loss) for the period from continuing operations	(20.24)	(1,517.20)	(229.42)	(1,849.17)
10	Profit/(loss) from discontinued operations before tax	-	-	-	-
11	Tax expenses of discontinued operation	-	-	-	-
12	Profit/(loss) from discontinued operations after Tax	-	-	-	-
13	Profit/(loss) for the period	(20.24)	(1,517.20)	(229.42)	(1,849.17)
14	Other comprehensive income for the period (net of tax)	-	-	-	-
15	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(20.24)	(1,517.20)	(229.42)	(1,849.17)
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				(3,113.21)
18	a) Earnings per share				
	Basic	(0.06)	(4.90)	(0.72)	(5.79)
	Diluted	(0.06)	(4.90)	(0.72)	(5.79)

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 thereafter.
- 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 14 August 2023.
- 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.

FOR VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

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CIN: L55101TZ1990PLC002653

Statement of Standalone Unaudited Financial Results for the Quarter Ended 30 June 2023

- 5) 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 also final approval has been received.
- In view of the above, the Company has remitted Rs.59.48 crores to ARC upto 31st March, 2023, from the disposal / sale of assets of company.
- 6) 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 has already paid dues relating to Provident Fund, Sales Tax and Tax Deducted at sources for Earlier Years amounting to Rs.27.95 Lacs and also taking necessary steps to settle the balance Statutory Dues as and when the sale of assets are completed.
- 7) During this quarter, The Company has only one reportable business segment as it deals only in Operation and running of Hotels in terms of Ind AS 108 Operating Segment". Further, the Company operates only in one geographical segment -India. All the assets of the Company are located in India. The Company monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment. Accordingly, there are no separate reportable segments as per IND-AS 108, "Operating Segment" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 8) 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.
- 9) Confirmation of balances have not obtained for Loans and Advances and Sundry Creditors and accordingly the respective figures have been stated at book values.
- 10) The status of pending litigations filed by Bankers and Statutory Authorities against the company remains status quo as reported in previous quarters. Also during this quarter, the company has made an appeal against the order passed by the Commissioner of GST on Service tax dues amounting to Rs. 81 Lacs for dispute in tax computation and penalty charged for the same.
- 11) No Provision for Gratuity /Leave encashment has been considered during the year due to all the employees of the company except KMP have resigned and there being no eligible employees during the year.
- 12) 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 Quarter ended 30 June 2023.
- 13) The figures of the quarter ended 31.03.2023 are the balancing figure between the audited figures in respect of the full financial year ended 31 March 2023 and the published unaudited year to date figures up to the third quarter of the financial year ended 31.03.2023, which is subject to Limited Review.
- 14) Previous period/year figures have been regrouped and/or reclassified,wherever necessary.

Date: 14 August 2023
Place: Tirupur

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

For VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

Krishaan & Co.,
Chartered Accountants

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 30th June 2023 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.
2. 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.
3. 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.
4. *We draw attention to Note No. 4 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30th June 2023. 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.*
5. We draw attention to Note No. 5 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30th June 2023. The test for 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.

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Krishaan & Co.,
Chartered Accountants

6. Without qualifying our opinion, we draw attention to Note No. 6 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30th June 2023. 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 and the company has already paid dues relating to Provident Fund, Sales Tax and Tax Deducted at sources for Earlier Years amounting to Rs.19.85 Lacs. The Company is taking necessary steps to settle the balance Statutory Dues as and when the sale of assets are completed.
7. Based on our review conducted subject to Notes 4, 5 and 6 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 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

K. Sundarajan

K Sundarajan
Partner

Membership No. 208431
UDIN: 23208431BGVHVZ3370



Date : 14th August 2023
Place: Tirupur

Sl.No	Particulars	Details
1	Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) has been re-appointed as Managing Director of the Company
2	Date of appointment / re-appointment / cessation (as applicable) & term of appointment/ re-appointment	Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) has been re-appointed as the Managing Director of the Company at the Board Meeting held on 14/08/2023 for a further period of 3 years subject to the approval of the shareholders of the Company
3	Brief Profile (in case of appointment)	<p>Mr. E.V. Muthukumara Ramalingam, aged 72 years, is a Commerce Graduate from Madras University. He has been a director ever since the incorporation of the Company. He started his career as a bus fleet operator and diversified into the finance business and later into the hospitality business.</p> <p>He holds a Directorship in Shree Vallee Enterprises Pvt Ltd and Sarju International Ltd.</p> <p>He holds 1,26,78,383 equity shares of the Company by himself, representing 39.66% of total shareholding and 1,29,03,351 equity shares held by his immediate relatives, representing 40.37% of the shareholding of the Company.</p>
4	Disclosure of relationships between Directors (in case of appointment of a director)	Mr.M.R.Gautham, Executive Director and Mrs.M.Sasikala, Director of the Company are related to Mr. E.V. Muthukumara Ramalingam
5	Affirmation pursuant to BSE Circular LIST /COMP /14/2018-19 that director debarred from holding the office of director	Not debarred from holding the office(s) of director by virtue of any SEBI order or any other such authority.

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M.Srinivasan

Date: 2023.08.14
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Sl.No	Particulars	Details
1	Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Mr.Muralidharan Subramanyam (DIN:03552399) has been appointed as an Additional Director in the capacity of Independent Director in accordance with the provisions of section 149(6) & 161 of the Companies Act, 2013 and rules made thereunder
2	Date of appointment / re-appointment / cessation (as applicable) & term of appointment/ re-appointment	Mr.Muralidharan Subramanyam (DIN:03552399) has been appointed as an Additional Director in the capacity of Independent Director-Non-Executive at the Board Meeting held on 14/08/2023 to hold the office till the conclusion of the ensuing Annual General Meeting.
3	Brief Profile (in case of appointment)	Mr.Muralidharan Subramanyam (DIN:03552399), aged 65 years, has a Bachelor of Commerce degree from Madras University and an Associate Member of the Institute of Chartered Accountants of India. He is a widely experienced Chartered Accountant with experience of over 40 years having worked in multi-national organizations India, Malaysia and Middle East. He has rich industrial and commercial experience in the area of Audit and Finance. His experience includes Statutory & Internal Audit, Debt Syndication and Commercial support services. He is now a partner with a large pan-India firm of Chartered Accountants in-charge of the operations in Tamilnadu, Union territory of Pondicherry and Kerala. Mr. Muralidharan does not hold any equity shares in the Company.
4	Disclosure of relationships between Directors (in case of appointment of a director)	None of the Directors and/or any of their relatives is related.
5	Affirmation pursuant to BSE Circular LIST /COMP /14/2018-19 that director debarred from holding the office of director	Not debarred from holding the office(s) of director by virtue of any SEBI order or any other such authority.

M.Srinivasan Digitally signed
by M.Srinivasan
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