



VELAN HOTELS LIMITED

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

Tel: +91-0421- 431 1111; Fax: +91-0421-2424434;

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

GSTIN : 33AAACV8449H3Z3 / CIN : L55101TZ1990PLC2653

November 11, 2021

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

Dear Sir

Sub : Intimation of Un-Audited financial results (standalone) of the Company for the quarter ended 30th September, 2021 - Reg.

In accordance with the Regulation 33(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we furnish herewith the following:

1. Statement of Un-Audited financial results of the Company for the quarter ended 30th September, 2021.
2. Limited Review Report for the quarter ended 30th September, 2021 issued by M/s.Krishaan & Co., Statutory Auditor of the Company.

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 11:00 a.m. and concluded at 4.30 p.m.

Kindly acknowledge receipt

Thanking you

Yours truly
For VELAN HOTELS LTD

M. Srinivasan

M.SRINIVASAN
COMPANY SECRETARY

Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended 30th September 2021

SL.NO	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations		-	-	-	-	4.03
2	Other income		-	-	-	-	8.36
3	Total income		-	-	-	-	12.39
4	Expenses						
a)	Cost of materials consumed	-	-	-	-	-	5.54
b)	Purchases of Stock-in-trade progress	-	-	-	-	-	-
c)	Employee benefits expenses	2.73	4.05	4.36	6.78	7.48	15.85
d)	Finance costs	0.01	0.02	-	0.03	0.02	0.08
e)	Depreciation and amortisation expenses	25.34	25.34	41.94	50.68	83.89	167.78
f)	Power & Fuel	0.13	0.25	5.98	0.38	13.64	17.60
f)	Other expenses	113.09	5.17	10.52	118.26	27.50	85.40
	Total expenses	141.30	34.83	62.80	176.13	132.53	292.25
5	Profit/(loss) before exceptional and tax	(141.30)	(34.83)	(62.80)	(176.13)	(132.53)	(279.86)
6	Exceptional items (net credit/charge)	1,211.02	-	-	1,211.02	-	164.37
7	Profit/(loss) before tax	1,069.72	(34.83)	(62.80)	1,034.89	(132.53)	(115.49)
8	Tax expenses						
a.	Current Tax	-	-	-	-	-	-
b.	Deferred tax credit/(charge)	-	-	-	-	-	122.63
c.	Income tax for earlier years	-	-	-	-	-	-
d.	Mat credit Entitlement	-	-	-	-	-	-
9	Profit/(loss) for the period from continuing operations	1,069.72	(34.83)	(62.80)	1,034.89	(132.53)	7.13
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	1,069.72	(34.83)	(62.80)	1,034.89	(132.53)	7.13
14	Other comprehensive income for the period (net of tax)	-	-	-	-	-	-
15	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,069.72	(34.83)	(62.80)	1,034.89	(132.53)	7.13
16	Paid up equity share capital (face value Rs.10/- per share)	3,196.41	3,196.41	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	3.35	(0.11)	(0.20)	3.24	(0.41)	0.02
	Diluted	3.35	(0.11)	(0.20)	3.24	(0.41)	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 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 11 November 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 and Half Year ended 30th September 2021

- 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 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 and paid Rs.10 crore during this quarter from the proceeds of sale of Hotel at Coonoor (Refer Note 6).
- 6) 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.
- During September 2021, The Company entered into another Memorandum of Understanding (MoU) with M/s. Stanes High School Association, Coonoor, non-related party and M/s. Atulit Developers LLP, Coonoor for sale of Company's Hotel at Coonoor 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. 15,91,11,111. Out of total Consideration the company has received Rs. 11,11,11,111 from M/s. Atulit Developer LLP for Sale of part of Land and Total Building and paid Rs.10 Crore to M/s.Rare Asset Reconstruction Limited and repaid Rs. 1 Crore to M/s. Stanes High School Association towards advance received in earlier years for Sale of coonoor property amounting to Rs. 5.80 Crore.
- The company has entered into Memorandum of understanding with M/s. Stanes High School Association for Sale of 52 Cents of Land at coonoor for the remaining advance of Rs. 4.80 Crore and sale was completed on 27 October 2021.
- 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 2020-21
- 8) Exceptional items during the quarter and half year ended September 2021 comprises of profit on disposal of Company's Hotel at Coonoor for a total consideration of Rs. 15,91,11,111. No provisions for taxation is considered during this quarter and same will reviewed at year end based on the benefits available to the company under the provision Income Tax Act, 1961.
- 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 September 2021.
- 14) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 11.11.2021
Place: Tirupur

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

For VELAN HOTELS LIMITED

M Srinivasan
Company Secretary

<p style="text-align: center;"> Velan Hotels Limited 41 Kangayam Road, Tirupur- 641 604. Ph :++91-421-4311111, 2424444 Fax :++91-421 - 2424434 Email:accounts@velanhotels.com CIN: L55101TZ1990PLC002653 </p>							
Segment-wise Revenue, Result and capital employed for the Quarter and Half Year ended 30th September 2021							
S no	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	(Net sales/Income)						
	a) Hotel - Tiruppur	-	-	-			4.03
	b) Hotel - Coonoor	-	-	-			-
	Total	-	-	-			4.03
	Less : Intersegment Revenue		-	-			-
	Net sales/income from operations	-	-	-			4.03
2	Segment results						
	(profit/loss before interest & tax)						
	a) Hotel - Tiruppur	(132.03)	(31.72)	(59.83)	(163.75)	(126.49)	(267.00)
	b) Hotel - Coonoor	(9.26)	(3.08)	(2.97)	(12.35)	(6.03)	(12.78)
	Total	(141.29)	(34.81)	(62.80)	(176.10)	(132.51)	(279.78)
	Less: i) interest	(0.01)	(0.02)	-	(0.03)	(0.02)	(0.08)
	ii) Other unallocable expenditure net off	-	-	-			-
	iii) Un-allocable income	-	-	-			-
	Total profit/(Loss) Before tax	(141.30)	(34.83)	(62.80)	(176.13)	(132.53)	(279.86)
3	Capital Employed						
	(segment assets-segment liabilities)						
	Segment Assets						
	a) Hotel - Tiruppur	5,728.60	5,694.79	12,129.78	5,728.60	12,129.78	5,712.92
	b) Hotel - Coonoor	9.10	399.52	406.70	9.10	406.70	401.31
	c) Unallocated	4,573.18	4,722.00	4,753.50	4,573.18	4,753.50	4,732.50
	Total Segment Assets	10,310.89	10,816.30	17,289.99	10,310.89	17,289.99	10,846.73
	Segment Liabilities						
	a) Hotel - Tiruppur	7,123.26	8,115.85	14,515.93	7,123.26	14,515.93	8,112.61
	b) Hotel - Coonoor	16.92	599.46	597.90	16.92	597.90	598.32
	c) Unallocated	570.19	570.19	570.19	570.19	570.19	570.19
	Total	7,710.37	9,285.50	15,684.02	7,710.37	15,684.02	9,281.12
<p>Notes on Segment reporting:</p> <p>1. As per Ind AS 108 - Operating Segments, the Company has identified Hotel- Tiruppur and Hotel - Coonoor as reportable segment.</p> <p>2. Figures have been regrouped and reclassified wherever necessary</p> <p>Date: 11/11/2021 Place: Tirupur</p> <p style="text-align: right;">Sd.E.V.Muthukumara Ramalingam M.D.</p>							

For VELAN HOTELS LIMITED


Company Secretary

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Statement of Cash flow statement for the Half year ended 30 September 2021

Particulars	Half Year Ended 30.09.2021 (Unaudited)		For the year ended 31.03.2021 (Audited)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(176.13)		(279.86)
Adjustments for:				
Depreciation and amortisation	50.68		167.78	
Finance costs	0.03		0.08	
Interest income	-		(1.22)	
Exceptional Item	1,211.02		164.37	
Net (gain)/loss on sale of Fixed Assets	(1,211.02)		(164.37)	
Liabilities / provisions no longer required written back	-	50.71	1,319.55	1,486.19
Operating profit / (loss) before working capital changes		(125.42)		1,206.33
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-		5.54	
Trade receivables	-		0.33	
Short-term loans and advances	103.44		(96.71)	
Long-term loans and advances	-		(470.57)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(0.52)		(14.07)	
Other Financial liabilities	(24.55)		6.52	
Other long-term liabilities	(580.00)		(12.78)	
Employees Benefit Obligation	(2.30)		-	
Cash flow from extraordinary items		(503.93)		(581.74)
Cash generated from operations		(629.35)		624.59
Net income tax (paid) / refunds		(11.11)		(31.62)
Net cash flow from / (used in) operating activities (A)		(640.46)		592.98
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-		-	
Proceeds from Sale of Fixed Assets	1,606.11		3,557.75	
Net cash flow from / (used in) investing activities (B)		1,606.11		3,557.75
C. Cash flow from financing activities				
Proceed from long-term borrowings	-		-	
Proceeds/(Repayment) from Short-Term borrowings	-		-	
Repayment of Long Term Borrowings	(963.38)		(4,152.21)	
Interest received	-		1.22	
Dividend Paid	-		-	
Finance cost	(0.03)		(0.08)	
Net cash flow from / (used in) financing activities (C)		(963.41)		(4,151.06)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		2.24		(0.34)
Cash and cash equivalents at the beginning of the year		0.31		0.65
Cash and cash equivalents at the end of the year		2.55		0.31



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Statement of Assets and Liabilities as at 30.09.2021

Particulars	Half Year Ended 30.09.2021 (Unaudited)	Year Ended 31.03.2021 (Audited)
A. ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,430.69	5,876.47
Capital work-in-progress	4,232.25	4,232.25
NON-CURRENT FINANCIAL ASSETS		
Trade receivables, non current	0.14	0.14
Loans	594.16	594.16
Sub total- Non-current Assets	10,257.24	10,703.02
CURRENT ASSETS		
Inventories	-	-
Current Financial asset		
Trade receivables, current	-	-
Cash and Cash equivalents	2.55	0.31
Loans-current	51.09	143.42
Sub Total - Current Assets	53.64	143.73
Total assets	10,310.88	10,846.75
B. EQUITY AND LIABILITIES		
Equity		
Equity Share capital	3,196.41	3,196.41
Other equity - Reserves & Surplus	(595.89)	(1,630.78)
Total equity	2,600.52	1,565.63
LIABILITIES		
Non-current liabilities		
Deferred Tax liabilities (net)	314.96	314.96
Employee Benefit Obligations	60.30	62.60
Tax Liabilities (Net)	-	-
Non-current Financial liabilities		
Borrowings-non-current	6,276.22	7,239.61
Trade payable-Non current	665.07	665.59
Other non -current financial liabilities	167.50	178.82
Other non-current liabilities	193.14	773.14
Sub Total Non-current Liabilities	7,677.19	9,234.72
Current liabilities		
Current financial liabilities		
Borrowings-current	-	-
Trade payable-current	-	-
Other current financial liabilities	33.17	46.40
Sub Total Current Liabilities	33.17	46.40
Total liabilities	7,710.36	9,281.12
Total Equity and Liabilities	10,310.88	10,846.75



**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 and Half Year ended 30th September 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 30th September 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. We draw attention to Note No. 5 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30th September 2021. 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.



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 and half year ended 30th September 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 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
Partner

Membership No. 208431
UDIN: 21208431AAAADG9193



Date : 11th November 2021
Place: Tirupur