



## VELAN HOTELS LIMITED

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

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

**Email:** [accounts@velanhotels.com](mailto:accounts@velanhotels.com); **Website:** [www.velanhotels.com](http://www.velanhotels.com)

**GSTIN :** 33AAACV8449H3Z3 / **CIN :** L55101TZ1990PLC2653

November 12, 2022

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

Dear Sir

**Sub : Outcome of Board Meeting - Intimation of Un-Audited financial results (standalone) of the Company for the quarter ended 30<sup>th</sup> September 2022 - 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 30<sup>th</sup> September 2022.
2. Limited Review Report for the quarter ended 30<sup>th</sup> September 2022 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 4.20 p.m.

Kindly acknowledge receipt

Thanking you

Yours truly  
For VELAN HOTELS LTD

**M.SRINIVASAN**  
**COMPANY SECRETARY**

**Statement of Standalone Unaudited Financial Results for the Quarter and Half Year Ended 30 September 2022**

Sl. No	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	-	-	-	-	-	-
2	Other income	-	1.60	-	1.60	-	-
3	<b>Total income</b>	-	<b>1.60</b>	-	<b>1.60</b>	-	-
4							
	a) Cost of materials consumed	-	-	-	-	-	-
	b) Purchases of Stock-in-trade progress	-	-	-	-	-	-
	c) Employee benefits expenses	4.30	4.25	2.73	8.55	6.78	13.86
	d) Finance costs	0.05	0.60	0.01	0.65	0.03	0.06
	e) Depreciation and amortisation expenses	39.34	39.34	25.34	78.68	50.68	123.68
	f) Power & Fuel	-	0.66	0.13	0.66	0.38	0.38
	f) Other expenses	9.36	7.07	113.09	16.42	118.26	135.31
	<b>Total expenses</b>	<b>53.05</b>	<b>51.91</b>	<b>141.30</b>	<b>104.96</b>	<b>176.13</b>	<b>273.29</b>
5	Profit/(loss) before exceptional and tax	(53.05)	(50.31)	(141.30)	(103.36)	(176.13)	(273.29)
6	Exceptional items (net credit/charge)	-	(175.38)	1,211.02	(175.38)	1,211.02	1,211.02
7	<b>Profit/(loss) before tax</b>	<b>(53.05)</b>	<b>(225.69)</b>	<b>1,069.72</b>	<b>(278.74)</b>	<b>1,034.89</b>	<b>937.73</b>
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	<b>Profit/(loss) for the period from continuing operations</b>	<b>(53.05)</b>	<b>(229.42)</b>	<b>1,069.72</b>	<b>(282.47)</b>	<b>1,034.89</b>	<b>937.73</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>(53.05)</b>	<b>(229.42)</b>	<b>1,069.72</b>	<b>(282.47)</b>	<b>1,034.89</b>	<b>937.73</b>
14	Other comprehensive income for the period (net of tax)	-	-	-	-	-	-
15	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(53.05)</b>	<b>(229.42)</b>	<b>1,069.72</b>	<b>(282.47)</b>	<b>1,034.89</b>	<b>937.73</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	3,196.41	3,196.41
17	Reserves Excluding Revaluation reserves	(1,549.90)	(1,498.55)	(1,177.06)	(1,549.90)	(1,177.06)	(1,270.83)
18	a) Earnings per share						
	Basic	<b>(0.17)</b>	<b>(0.72)</b>	<b>3.35</b>	<b>(0.88)</b>	<b>3.24</b>	<b>2.93</b>
	Diluted	(0.17)	(0.72)	3.35	(0.88)	3.24	2.93

**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 12 November 2022.
- 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.
- 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.

**Statement of Standalone Unaudited Financial Results for the Quarter and Half Year Ended 30 September 2022**

- 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 also final approval has been received.
- As per terms of in-principle approval, the company has already paid Rs.30 crores on 30th March, 2021 from the proceeds of sale of Shopping Mall and part of Multiplex properties and paid Rs.10 crore from the proceeds of sale of Hotel at Coonoor and Rs.2.68 crore from the advances received for sale of power plant during the previous year.
- 7) During this period, the Company has sold part of vacant land ad measuring 5168.88 sq.mtr to M/s. ESSA Garments Private Limited for a total consideration of Rs.7,30,25,000 and loss of Rs.1,75,38,426/- has been recognised under Exceptional item in this financial statement. Out of total Consideration the company has paid Rs.5,00,00,000 to M/s.Rare Asset Reconstruction Limited (ARC).
- In addition to the above , the company has paid Rs.30,00,000 to M/s. Rare Asset Reconstruction Limited (ARC) from the refund of security deposit with M/s. Avenue Supermarts Limited.
- The Managing director of the company has infused sum of Rs. 11.30 Crore as unsecured loan to meet the repayment obligation to M/s.Rare Asset Reconstruction Limited (ARC) vide Note 6 above.
- 8) 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.
- During this period, the company has 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.
- 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 for Loans and Advances 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 being no eligible employees during the period 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 Quarter ended and Half Year Ended 30th September 2022.
- 14) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been notified in the Gazette of India. However, the date from which it will be implemented has reportedly not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 15) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 12.11.2022  
Place: Tirupur

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

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

**Statement of Assets and Liabilities as at 30.09.2022**

Particulars	Half Year Ended 30.09.2022 (Unaudited)	Year Ended 31.03.2022 (Audited)
<b>A. ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,796.82	8,101.05
Capital work-in-progress	-	-
<b>NON-CURRENT FINANCIAL ASSETS</b>		
Trade receivables, non current	0.14	0.14
Loans	1,227.40	1,535.17
<b>Sub total- Non-current Assets</b>	<b>8,024.36</b>	<b>9,636.36</b>
<b>CURRENT ASSETS</b>		
Inventories	-	-
<b>Current Financial asset</b>		
Trade receivables, current	-	-
Cash and Cash equivalents	0.43	0.75
Loans-current	34.28	54.53
<b>Sub Total - Current Assets</b>	<b>34.71</b>	<b>55.28</b>
<b>Total assets</b>	<b>8,059.07</b>	<b>9,691.64</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	3,196.41	3,196.41
Other equity - Reserves & Surplus	(975.52)	(693.06)
<b>Total equity</b>	<b>2,220.89</b>	<b>2,503.35</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred Tax liabilities (net)	314.96	314.96
Employee Benefit Obligations	4.53	4.53
Tax Liabilities (Net)	-	-
<b>Non-current Financial liabilities</b>		
Borrowings-non-current	5,186.33	6,060.68
Trade payable-Non current	61.30	155.28
Other non -current financial liabilities	142.07	417.39
Other non-current liabilities	89.85	210.48
<b>Sub Total Non-current Liabilities</b>	<b>5,799.04</b>	<b>7,163.32</b>
<b>Current liabilities</b>		
<b>Current financial liabilities</b>		
Borrowings-current	-	-
Trade payable-current	-	-
Other current financial liabilities	39.14	24.97
<b>Sub Total Current Liabilities</b>	<b>39.14</b>	<b>24.97</b>
<b>Total liabilities</b>	<b>5,838.18</b>	<b>7,188.29</b>
<b>Total Equity and Liabilities</b>	<b>8,059.07</b>	<b>9,691.64</b>

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**Statement of Cash flow statement for the Half Year ended 30 September 2022**

Particulars	For the Half year ended 30.09.2022 (Unaudited)		For the year ended 31.03.2022 (Audited)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(103.35)		(273.29)
Adjustments for:				
Depreciation and amortisation	78.68		123.68	
Finance costs	0.65		0.06	
Interest income	(1.60)	3,196.41	-	
Exceptional Item	(175.38)		1,211.02	
Net (gain)/loss on sale of Fixed Assets	175.38		(1,211.02)	
Liabilities / provisions no longer required written back	-	77.73	-	123.74
Operating profit / (loss) before working capital changes		(25.63)		(149.55)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Short-term loans and advances	1.89		100.00	
Long-term loans and advances	307.76		613.27	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(93.98)		(510.31)	
Other Financial liabilities	(261.15)		217.13	
Other long-term liabilities	(120.63)		2,115.33	
Employees Benefit Obligation	-		(58.07)	
		(166.10)		2,477.34
Cash flow from extraordinary items				
Cash generated from operations		(191.73)		2,327.79
Net income tax (paid) / refunds		14.64		(11.11)
Net cash flow from / (used in) operating activities (A)		(177.09)		2,316.68
B. Cash flow from investing activities				
Proceeds from Sale of Fixed Assets	1,050.17		1,606.11	
Net cash flow from / (used in) investing activities (B)		1,050.17		(1,137.25)
C. Cash flow from financing activities				
Repayment of Long Term Borrowings	(874.35)		(1,178.92)	
Interest received	1.60		-	
Finance cost	(0.65)		(0.06)	
Net cash flow from / (used in) financing activities (C)		(873.40)		(1,178.99)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(0.32)		0.44
Cash and cash equivalents at the beginning of the year		0.75		0.31
Cash and cash equivalents at the end of the year		0.43		0.75



# Krishaan & Co.,

Chartered Accountants

## Independent Auditors' Review Report on the Unaudited Standalone Quarterly and Year-To-Date Financial Results of M/s. Velan Hotels Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, As Amended

### Review Report 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 six months ended 30th September 2022 ('the Statement') and being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (the "Listing Regulations").
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the company at their meeting held on 12th November 2022 and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act 2013 and other Accounting Principles generally accepted in India and in compliance with Regulation 33 of Listing Regulations. Our responsibility is to issue a report on the 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 30<sup>th</sup> September 2022. 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. 6 of the attached Statement of Standalone Unaudited Financial Results for the quarter and six months ended 30<sup>th</sup> September 2022. 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

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6. Without qualifying our opinion, we draw attention to Note No. 8 of the attached Statement of Standalone Unaudited Financial Results for the quarter and six months ended 30<sup>th</sup> September 2022. 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 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 5<sup>th</sup> 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: 22208431BCYGDI4130



Date : 12<sup>th</sup> November 2022  
Place: Tirupur