



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

September 1, 2023

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

Dear Sirs

Sub: Submission of the Annual Report for the financial year 2022-23 alongwith Notice of the 33rd Annual General Meeting - Reg

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report 2022-23 alongwith the Notice of 33rd Annual General Meeting of the Company. The soft copy of the same containing the Notice of AGM, the Reports of Directors and Auditors and the Audited Financial Statements for the financial year ended 31st March, 2023 is being sent in electronic mode to those members who have registered their email addresses with the Company or with their Depository Participants.

It is also available on the website of the Company at <https://www.velanhotels.com/Velan%20Hotels%20Annual%20Report%202023.pdf>

Please take the same on record

Thanking you

Yours truly,
For VELAN HOTELS LIMITED

M.SRINIVASAN
COMPANY SECRETARY

VELAN HOTELS LIMITED

(CIN : L55101TZ1990PLC002653)

33rd ANNUAL REPORT FOR THE YEAR ENDED 31st MARCH 2023

BOARD OF DIRECTORS

SRI P. GANESAN

CHAIRMAN (NON-EXECUTIVE) (DIN : 00049804)

SRI. E.V. MUTHUKUMARA RAMALINGAM

MANAGING DIRECTOR (DIN : 00046166)

SRI. M.R. GAUTHAM

EXECUTIVE DIRECTOR (DIN : 00046187)

SMT. M. SASIKALA

DIRECTOR (DIN : 01452586)

SRI. S.P. SIVANANDAM

DIRECTOR (DIN : 01864334)

SRI. NAGARAJ SAVEETHKUMAR

DIRECTOR (DIN : 09130676)

SRI. M. SRINIVASAN

COMPANY SECRETARY

SMT. R. LALITHA

CHIEF FINANCIAL OFFICER

SRI. S. GANESH VISWANATHAN

SECRETARIAL AUDITOR

AUDITORS

M/S. KRISHAAN & CO.,

Chartered Accountants

Flat No.10, C-Wing, 6th Floor

Parsn Manere, 442 (602) Anna Salai

Chennai 600 006

Phone : 044 - 2827 2569

E-mail : ksr@krishaan.in

REGISTRAR & SHARE TRANSFER AGENT (PHYSICAL & DEMAT)

SKDC CONSULTANTS LTD.

(Subsidiary of Link Intime India Pvt Ltd)

"Surya"

Mayflower Avenue, Behind Senthil Nagar

Sowripalayam Post, Coimbatore 641 028

Phone : 0422 - 4958995

E-mail : info@skdc-consultants.com

BANKER

CANARA BANK

REGD. & ADMINISTRATIVE OFFICE

No. 41 Kangayam Road, Tirupur - 641 604 Tamil Nadu

LOCATION OF HOTELS

VELAN HOTEL-GREENFIELDS

41 Kangayam Road, Tirupur - 641 604 Tamil Nadu

OTHER PROPERTIES

1. Multiplex Land (Part)
2. Convention Centre Land

VELAN HOTELS LIMITED

Regd. Office : 41, Kangayam Road, Tirupur 641 604

CIN : L55101TZ1990PLC002653

NOTICE OF THE 33rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting (“AGM”) of the Members of the Velan Hotels Limited will be held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) on Wednesday, 27th September, 2023 at 11.45 a.m. to transact following businesses:

AGENDA

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Balance Sheet as of March 31, 2023 and the Statement of Profit and Loss for the year ended on that date, the Cash Flow Statement and the Reports of Directors and Auditors thereon.**

To consider, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. **To appoint a Director in place of Mr. M.R.Gautham having DIN 00046187, who retires by rotation and being eligible, offers himself for re- appointment.**

To consider, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT under the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. M.R.Gautham having DIN 00046187, who retires by rotation at this AGM and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

3. **To appoint a Director in place of Mrs.M.Sasikala having DIN 01452586, who retires by rotation and being eligible, offers herself for re- appointment.**

To consider, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT under the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mrs.M.Sasikala having DIN 01452586, who retires by rotation at this AGM and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS:

4. **To consider the re-appointment of Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) as Managing Director and in this regard to consider, if thought fit, to pass, the following resolutions as a Special Resolution.**

“RESOLVED THAT based on the recommendation of the Nomination and Remuneration Committee & Board of Directors, pursuant to the provisions of Sections 196, 196(3), 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or reenactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) as Managing Director of the Company who has already attained the age of 70 years, for a period of 3 years commencing from 21st May 2024 to 20th May 2027 on such terms and conditions as set out in the foregoing resolutions and explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit and as may be acceptable to Mr.E.V.Muthukumara Ramalingam”

"RESOLVED FURTHER Mr.E.V.Muthukumara Ramalingam shall have the right to manage the day-to-day business affairs of the Company subject to the superintendence, guidance, control and directions of the Board of Directors of the Company and shall have the right to exercise such powers of Management of the Company from time to time as may be delegated to him by the Board of Directors"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution”

5. To consider alteration of the Main Object clause of the Memorandum of Association of the Company and in this regard to consider, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT according to the provisions of Section 4 and 13 of the Companies Act 2013, and all other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder, and subject to any amendment(s) thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force as may be made therein(“Companies Act”) and subject to the approval of the Registrar of Companies, Coimbatore, Tamilnadu (“ROC”) and/or of any other statutory or regulatory authority, as may be necessary from the appropriate authorities which the Board of Directors is hereby authorized to accept as may be deemed fit, consent of the members of the Company be is and hereby accorded for the modification, substitution, addition and deletion in Clause III(A) i.e. the Objects Clause of the Memorandum of Association of the Company as follows:”

The existing sub-clause numbered 7 of Part III A be replaced with the following new sub-clause

7. To lease, let out, grant leave & licenses, easements and other rights in or develop either by itself or in association/partnership with any other person(s) or entity(ies), any immovable properties and other movable properties and to earn income of any nature whatsoever including *inter-alia* rental/lease/license, royalty, share of profits or otherwise from immovable properties of the Company including land (whether freehold or leasehold or other tenure), buildings, rights, privileges, undertakings, tenements, easements, machinery, plant and other property of every

description, where-so-ever situated and any interests therein and rights and effects connected therewith either together or in portions and to extend or terminate such lease / license or to deal with the same in any manner as the Company may think fit.

“RESOLVED FURTHER THAT in Clause III(A) of the Memorandum of Association of the Company, the following new sub-clause numbered 8 be added after sub-clause 7:

8. To perform civil work of every type on the land or immovable property belonging to the Company and to build, pull down, rebuild, alter, improve or develop the immovable property of the Company, either by itself or in association / partnership with any other person(s) or entity(ies), situated anywhere in India and to erect on any lands belonging to the Company's buildings, sheds, or other structures and to install plant and machinery, equipment as deemed necessary or convenient for the Company.”

“RESOLVED FURTHER THAT the existing Memorandum of Association of the Company, duly modified as aforesaid, or as suggested by the appropriate authority and accepted by the Board of Directors, be adopted as the Memorandum of Association of the Company”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies/ Ministry of Corporate Affairs), in connection with the alteration of Memorandum of Association of the Company, as approved by the Board and the members of the Company and/or generally to give effect to the foregoing resolutions.”

6. To consider the sale of movable and immovable assets and in this regard to consider, if thought fit, to pass, the following enabling resolutions as a Special Resolution :

“RESOLVED THAT pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and Section 110, 180(1)(a) and any other applicable provisions of the Companies Act, 2013, the Rules there-under, including any statutory modifications and amendments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by the Government of India, or other governmental or statutory authorities, and subject to the Memorandum and Articles of Association of the Company and further subject to the necessary approvals, consents, permissions and sanctions, if any, of any relevant statutory, regulatory or government authorities, Company's lenders / Bankers and/or other institutions or bodies, Asset Reconstruction Company(ies) (ARCs) or and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee of directors constituted by the Board) , the consent, approval and authority of the Company be and is hereby granted for sale of the following assets / properties held by the Company together with all specified tangible and intangible assets, including land, building, plant and machinery and other assets including its brand name, as a going concern / on a slump sale basis on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company by way of one or more transactions to one or more persons / bodies corporate(s) / entity(s) not being "related parties" as defined under the Act and/or the Listing Regulations ("Related Parties")

for an aggregate consideration to be decided by the Board and at such time and in such manner whether by way of business transfer or otherwise to one or more purchasers (not being Related Parties) on such terms and conditions and with such modifications as may be required as the Board, may, in its absolute discretion, deem fit and appropriate in the interests of the Company;"

Sl. No.	Classification of Property	Description of properties with Survey Nos	Nature of Property	Area of the Property
1	Multiplex	Tirupur Registration District, Tirupur Joint - 2 Sub - Registration District, Tirupur Taluk, Tirupur town, Kangayam Road, Tirupur, present Re-Survey Ward No.G, Block No.3 - S.F. No.35, TS No.4/4 (Part), SF No.36, T.S. No.4/5(part), T.S.No.4/6(part), T.S.No.5/1A (part), S.F.No.41, T.S. No.4/3 in full, T.S.No.4/7(part), S.F.No.43, T.S.No.4/2 (part), T.S.No.3/3A (part), T.S.No.3/4A(part)	Land	Land-50000 sq.ft approx
2	Convention Hall Area	Tirupur Registration District, Tirupur Joint-2 Sub- Registration District, Tirupur Taluk, Tirupur town, Kangayam Road, Tirupur, S.F.No.36 present Re-Survey T.S.No.5/1 Block No.3, Ward No. G (old T. S. No. Ward No. 6)	Land	36300 Sq.ft.
3	Velan Hotel-Greenfield - Tirupur	a) Tirupur Registration District, Tirupur Joint 2 Sub- Registration District, Tirupur Taluk, Tirupur Town T.S. No. 8/2, Ward No "G" and Block No.3, Tirupur Village, SF 41 measuring Ac 5.04 in this a specific extent of acres 0.94 of land	Land & Building	0.94 Acres
		b) Tirupur Registration District, Tirupur Joint 2 Sub- Registration District, Tirupur Taluk, Tirupur Village, Tirupur Town T.S. NO.6, Ward No "G" and Block NO.3, Tirupur Village, SF 37 measuring Ac 3.08 in this a specific extent of acres 1.27 of land	Land & Building	1.27 Acres
4	Maintenance Area	Tirupur Registration District, Tirupur Joint-II Sub-Registration District, Tirupur Taluk, Tirupur town, Tirupur, S.F.No.41 in present resurvey T.S.No.8/2, Block No.3. Ward-G-Northern Side East (part)	Land	18621 sq.ft. (approx)

(The above Survey Numbers are subject to change as per orders of any relevant statutory, regulatory or government authorities from time to time)

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do or cause to be done all such acts, deeds and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, from time to time for giving effect to the above resolution, including finalizing, varying and settling the terms and conditions of the proposed sale; to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company; to negotiate and finalize the Sale Agreement and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be required) and to execute, deliver and perform such agreements, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, to settle any questions, difficulty or doubt that may arise in this regard, and to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution."

7. To consider entering Related Party Transaction(s) with the Related Parties and in this regard to consider, if thought fit, to pass, the following resolutions as an Ordinary Resolution :

"RESOLVED THAT according to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed there-under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise) as mentioned in the Explanatory Statement annexed herewith, between the Company and the related parties on such terms and conditions as may be mutually agreed between the Company and the related parties provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein

conferred to any Director / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

8. To consider entering Related Party Transaction with all other Group Entities and in this regard to consider, if thought fit, to pass, the following resolutions as an Ordinary Resolution:

“RESOLVED THAT according to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed there-under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into with all other Group Entities (where 'other group entities' would mean all other Related Parties to the Company other than for whom separate approvals of the shareholders are obtained for entering into material RPTs), a 'Related Party(ies)' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of Related Party Transactions for such amount on such material terms and conditions as is mentioned in the Explanatory Statement to this Resolution (whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise) as may be mutually agreed between the other group entities and the Company provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

9. To consider entering Related Party Transaction with a Related Part(ies) for the sale of assets of the Company and in this regard to consider, if thought fit, to pass, the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 and Section 180 (1) (a) of the Companies Act, 2013 and Rules made there-under and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or re-enactment thereof), pursuant to the provisions of Regulations 2(1)(zc), 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the members of the Company be and is hereby accorded to the proposed contract / arrangement / transaction between the Company and Mrs.M.Sasikala (a related party) for effecting the sale of land and building (collectively known as "the assets / properties") as more-fully described in the explanatory statement as the Company may think fit, in its absolute discretion, on such terms and conditions as may be mutually agreed between the Company and related party as briefly mentioned in the explanatory statement to this resolution"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution"

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

10. To consider entering Related Party Transaction with a Related Part(ies) for the sale of assets of the Company and in this regard to consider, if thought fit, to pass, the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 and Section 180 (1) (a) of the Companies Act, 2013 and Rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or re-enactment thereof), pursuant to the provisions of Regulations 2(1)(zc), 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the members of the Company be and is hereby

accorded to the proposed contract / arrangement / transaction between the Company and Mr.E.V.Muthukumara Ramalingam (a related party) for effecting the sale of land and building (collectively known as “the assets/properties”) as more-fully described in the explanatory statement as the Company may think fit, in its absolute discretion, on such terms and conditions as may be mutually agreed between the Company and related party as briefly mentioned in the explanatory statement to this resolution”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

11. To consider entering Related Party Transaction with a Related Part(ies) for the sale of assets of the Company and in this regard to consider, if thought fit, to pass, the following resolutions as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 188 and Section 180 (1) (a) of the Companies Act, 2013 and Rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or re-enactment thereof), pursuant to the provisions of Regulations 2(1)(zc), 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the members of the Company be and is hereby accorded to the proposed contract / arrangement / transaction between the Company and Mr.M.R.Gautham (Gautham Muthukumara Ramalingam) (a related party) for effecting the sale of land and building (collectively known as “assets”) as morefully described in the explanatory statement as the Company may think fit, in its absolute discretion, on such terms and conditions as may be mutually agreed between the Company and related party as briefly mentioned in the explanatory statement to this resolution”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to

take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

12. To consider the appointment of Mr. Muralidharan Subramanyam having DIN 03552399 as an Independent Director of the Company (First Term) and in this regard to consider, if thought fit, to pass, the following resolutions as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, **Mr. Muralidharan Subramanyam** (DIN: 03552399), who was appointed as an Additional Director of the Company on 14th August, 2023 in Independent Category and who holds office up to the date of ensuing annual general meeting or the last date on which general meeting is to be held whichever is earlier, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made there-under and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for term of five consecutive years with effect from August 14, 2023 to August 13, 2028”

“RESOLVED FURTHER THAT any Director of the Company or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

For and on behalf of the Board



E. V. Muthukumara Ramalingam
Managing Director
(DIN : 00046166)

Place : Tirupur
Date : 23.08.2023

NOTES :

1. The Ministry of Corporate Affairs (MCA) vide its General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and December 28, 2022 (collectively referred to as MCA Circulars) has permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India (SEBI) vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (SEBI Listing Regulations)).
2. Under the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted to ascertain the quorum under Section 103 of the Companies Act, 2013.
5. According to the General Circulars issued by the Ministry of Corporate Affairs, this AGM is being held through Video Conferencing / Other Audio Visual Means, the physical attendance of Members has been dispensed with and there is no requirement for the appointment of proxies. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. Bodies Corporate(s) whose Authorized Representatives intend to attend the Meeting through VC/OAVM are requested to send to the Company on their email Id: investorrelations@velanhotels.com, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.velanhotels.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com).

7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 21st September 2023 to Wednesday, 27th September 2023 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
9. Details, as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Director seeking appointment / re-appointment at the 33rd AGM, forms an integral part of the Notice of the 33rd AGM. Requisite declarations have been received from the Director(s) for seeking appointment / re-appointment.
10. An explanatory Statement setting out details relating to the special business to be transacted at the Annual General meeting under Section 102(1) of the Companies Act, 2013, is annexed hereto.
11. As per the provisions of Clause 3. A. II. of the General Circular No. 20/2020 dated May 05, 2020, the matters of Special Business as Item Nos. 4 to 12 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
12. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
13. Members desiring any information as regards Accounts are requested to send an email to investorrelations@velanhotels.com 7 days in advance before the date of the meeting to enable the Management to keep full information ready on the date of AGM.
14. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to investorrelations@velanhotels.com.
15. Members may note that the dividends and shares transferred to IEPF could be claimed by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
16. SEBI vide its Circular dated March 16, 2023, mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, mobile number, bank account details) and Nomination by holders of physical securities through Form ISR-1, Form ISR-2, Form ISR-3, Form SH-13 and Form SH-14 (as applicable available at <https://www.skdc-consultants.com/kyc-download.html>). Moreover, shareholders are encouraged to register their e-mail IDs to avail of online services.

In terms of the above Circular, folios of physical shareholders wherein any one of the said details such as PAN, KYC details and nomination are not available, shall be frozen with effect from October 1, 2023 and such physical shareholders will not be eligible to lodge grievances or avail service requests from the RTA of the Company until the said details are furnished.

Further, PAN of Shareholders holding shares in physical mode should have been linked to Aadhar by June 30, 2023 to avoid freezing of folio.

Further, as per the above SEBI circular, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act 2002, after December 31, 2025.

Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination.

17. Members may please note that SEBI vide its Circular dated January 25, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; a claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC Compliant.
18. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as applicable. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA at info@skdc-consultants.com in case the shares are held in physical form, quoting their folio no.
19. As the Annual General Meeting of the Company is being held through Video Conferencing/OAVM, the members are therefore requested to submit questions in advance relating to the business specified in this Notice of AGM on the Email-ID investorrelations@velanhotels.com
20. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
21. As per the MCA General Circular 20/2020 dated 05th May, 2020, the Annual Report will be sent through electronic mode to only those Members whose email IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository participant.
22. Shareholders of the Company holding shares either in physical form or in Dematerialised forms as on Benpos date i.e. 25th August, 2023 will receive the Annual Report for the financial year 2022-23 through electronic mode only.
23. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, M/s. SKDC CONSULTANTS LTD "Surya", Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Post, Coimbatore - 641 028. - Phone : 0422 - 4958995, E-mail : info@skdc-consultants.com.
24. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares, are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
25. The Board of Directors of the Company has appointed Mr. S.Ganesh Viswanathan, Practicing Company Secretary, as the Scrutinizer, to scrutinize the e-voting and remote e-voting process in fairly and transparently manner and he has communicated his willingness to be appointed and will be available for same purpose.

26. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 20th September, 2023.
27. The Results declared along-with the report of the Scrutinizer shall be placed on the website of the Company www.velanhotels.com and the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to BSE Limited.
28. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 27th September, 2023.
29. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i) The voting period begins on 24/09/2023 at 9.00 a.m. and ends on 26/09/2023 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20/09/2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted before the meeting date would not be entitled to vote at e-voting during the meeting.
- iii) According to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In increase the efficiency of the voting process, pursuant to public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in the e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access the e-Voting facility.

According to above said SEBI Circular, the Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services

Type of shareholders	Login Method
	<p>and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2)If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 .</p>

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) **Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below :

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth DOB	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>

- vi) After entering these details appropriately, click on the SUBMIT" tab.
- vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach the 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
- viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- ix) Click on the EVSN for the relevant Velan Hotels Limited on which you choose to vote.
- x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote.
 - The list of accounts linked in the login should be mailed to the helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with the attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer and the Company at the email address viz; investorrelations@velanhotels.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:

1. The procedure for attending meetings & e-voting on the day of the AGM is the same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for a better experience.
5. Further shareholders will be required to allow Cameras and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through laptops connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days before the meeting mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@velanhotels.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to the meeting mentioning their name, demat account number / folio number, email ID and mobile number at investorrelations@velanhotels.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, the scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@velanhotels.com and info@skdc-consultants.com
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll-Free No. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Reference to Sl. No. 9, the particulars of appointment /re-appointment of the Directors at the forthcoming Meeting are annexed:

1. Name	: Mr. M.R. Gautham
2. Designation	: Executive Director
3. Directors Identification Number (DIN)	: 00046187
4. Age	: 46 Years
5. Qualification	: Graduation in Commerce and Finance from the University of Western Australia
6. Date of Appointment	: 01.12.2001
7. Experience	: He has been associated with the Company for more than 22 years
8. Shareholding in Velan Hotels Ltd	: 64,20,750 Equity Shares
9. List of Directorships held in Other Companies	: Shree Vallee Enterprises Pvt Ltd & Statex Engineering Pvt Ltd
10. Membership in Other Board Committees	: Nil
11. Relationships between Directors inter-se	: Mr.E.V.Muthukumara Ramalingam, Managing Director and Mrs.M.Sasikala, Non-Executive - Non-Independent Director are parent. He is not related with other directors, Manager and KMPs.
12. Names of listed entity/other committee in which he holds directorship	: Nil
13. Listed entities in which the director has resigned in the past three years	: Nil

1. Name	: Mrs. M. Sasikala
2. Designation	: Non-Independent – Non-Executive Director
3. Directors Identification Number (DIN)	: 01452586
4. Age	: 70 Years
5. Qualification	: Bachelor of Arts
6. Date of Appointment	: 28.03.2012
7. Experience	: She has been associated with the Company for more than 11 years
8. Shareholding in Velan Hotels Ltd	: 21,30,743 Equity Shares
9. List of Directorships held in Other Companies	: Shree Vallee Enterprises Pvt Ltd
10. Membership in Other Board Committees	: Audit Committee & Nomination and Remuneration Committee
11. Relationships between Directors inter-se	: Mr.E.V.Muthukumara Ramalingam, Managing Director and Mr.M.R.Gautham, Executive - Director are related. She is not related with other directors, Manager and KMPs.
12. Names of listed entity/other committee in which he holds directorship	: Nil
13. Listed entities in which the director has resigned in the past three years	: Nil

1. Name	: Mr. Muralidharan Subramanyam
2. Designation	: Independent Director
3. Directors Identification Number (DIN)	: 03552399
4. Age	: 65 Years
5. Qualification	: Associate Member of Institute of Chartered Accountants of India
6. Date of Appointment	: 14.08.2023
7. Experience	: 40 Years in the area of Audit and Finance.
8. Shareholding in Velan Hotels Ltd	: Nil
9. List of Directorships held in Other Companies	: Duyi Stones Private Limited
10. Membership in Other Board Committees	: Nil
11. Relationships between Directors inter-se	: Nil
12. Names of listed entity/other committee in which he holds directorship	: Nil
13. Listed entities in which the director has resigned in the past three years	: Nil

ANNEXURE TO THE NOTICE

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') AND REGULATION 36(3) OF THE SEBI LISTING REGULATIONS.

ITEM NO.2

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Mr.M.R. Gautham and his relatives may be deemed to be interested in the Ordinary Resolution about his re-appointment as set out in Item No. 2 of the Notice.

ITEM NO.3

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Mrs.M.Sasikala and her relatives may be deemed to be interested in the Ordinary Resolution about her re-appointment as set out in Item No. 3 of the Notice.

ITEM NO. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 21, 2021 had re-appointed Mr.E.V.Muthukumara Ramalingam as Managing Director for 3 year period.

Based on the recommendation of the Board of Directors, Members at 31st Annual General Meeting of the Company held on the 23rd day of December, 2021 had approved the continuation of the re-appointment of Mr.E.V.Muthukumara Ramalingam as Managing Director upon the attainment of 70 years of age, for three years commenced from May 21, 2021 without any remuneration, not liable to retire by rotation.

By the provisions of Section 203 and Schedule V of the Companies Act, 2013 (the 'Act'), a person who has attained the age of 70 years can be appointed/re-appointed as Managing Director only by passing a special resolution, in which case, the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. The present terms of re-appointment of Mr.E.V.Muthukumara Ramalingam are expiring on 20th May 2024.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience and in terms of the provisions of the Act and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 14th August 2023 and on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr.E.V.Muthukumara Ramalingam as Managing Director (KMP) of the Company subject to the approval of members/shareholders of the Company in ensuing Annual General Meeting to be held on 27th September, 2023 as a Special Resolution for a period of three years from 21st May, 2024 to 20th May, 2027. Mr.E.V.Muthukumara Ramalingam is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Managing Director.

Mr.E.V.Muthukumara Ramalingam satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196 (3) of the Act for being eligible for his reappointment.

Brief particulars of the terms of re-appointment of and remuneration payable to Mr.E.V.Muthukumara Ramalingam are as under:

- a. The term of the Managing Director's re-appointment is for three year period with effect from May 21, 2024. He shall not be liable to retire by rotation.
- b. The re-appointment of the Managing Director shall be without any remuneration. Further, no sitting fees shall be payable to the Managing Director during his tenure for attending any meeting of the Board or a committee thereof.
- c. The Managing Director shall be reimbursed for all the expenses incurred by him for travelling, boarding and lodging during his business trips conducted on behalf of the Company. These reimbursements of expenses will not be included in the calculation of the remuneration of the Managing Director.
- d. The Managing Director shall adhere to various policies, codes of conduct and staff rules of the Company as may be applicable by his office to discharge his official duties/powers as delegated by the Board from time to time.
- e. The Managing Director shall act the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act concerning duties of Directors.
- f. The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months prior notice in writing.

The brief resume of Mr. E.V. Muthukumara Ramalingam Managing Director, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out below :

Mr. E.V. Muthukumara Ramalingam, aged 71 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.

He holds a Directorship in Shree Vallee Enterprises Pvt Ltd and Sarju International Ltd.

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.

Since Mr.E.V.Muthukumara Ramalingam as Managing Director has already attained the age of 70 years, a special resolution, per proviso to Section 196 (3)(a) of the Act, is included in the notice seeking approval of the shareholders for the re-appointment of Mr.E.V.Muthukumara Ramalingam as Managing Director of the Company without remuneration.

The Board believes that the re-appointment of Mr.E.V.Muthukumara Ramalingam as Managing Director would be in the interest of the Company and it is desirable to continue to avail services of Mr.E.V.Muthukumara Ramalingam, Managing Director due to his extensive experience regardless of his age. Accordingly, the Board recommends the resolution about the re-appointment of Mr.E.V.Muthukumara Ramalingam Managing Director, for approval by the shareholders of the Company.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the re-appointment as specified under Section 190 of the Companies Act, 2013 and all the material documents as referred above will be available for inspection at the Registered office of the Company by any Member of the Company without any fee during normal business hours on working days from the date of dispatch of the notice up to the last date of meeting.

Mr.E.V.Muthukumara Ramalingam is concerned or interested in this resolution as it relates to his re-appointment. Mr.M.R.Gautham, Executive Director and Mrs.M.Sasikala, Director being related to Mr.E.V.Muthukumara Ramalingam & their respective relatives may be deemed to be concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise in the Resolution.

The Board recommends the Special Resolution set out in Item No.4 of the Special Business of the Notice for approval by the shareholders.

ITEM NO. 5

The main objects are proposed to be altered as the Company looks towards widening the sphere of its main business and activities to cover new and emerging areas of business. It is also proposed to alter the main objects by including various modes of monetizing like leasing, letting out, giving on leave & license and partnerships etc. the idle assets such as land and buildings, which are not expected to be used for the business of the Company in the foreseeable future, to include the income / share of profits from these as part of the operating income of the Company. In purview of the above, your directors are considering leasing out the immovable properties and other properties as mentioned in the resolution till the sale of the Company's assets takes place.

In view of the said requirements, the Objects Clause is proposed to be amended as follows:

- A. Sub-clause numbered 7 of the existing Part A (main objects) are proposed to be replaced with new object which will cover an expanded scope of activities to be pursued by the Company to actively monetize its idle assets.
- B. One new clause numbered 8 will be added to the existing Part A (main objects) to enable the Company to widen the scope of its business activities.

The alteration of objects clause of the Memorandum of Association is an item required to be transacted by means of postal ballot under the provisions of section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014. However, in terms of the proviso to section 110 of the Companies Act, 2013 introduced as per the Companies (Amendment) Act, 2017, read with Rules 20 and 22 of the Companies (Companies Management and Administration) Rules, 2014 including any statutory modifications and amendments thereto, approval of shareholders for any item of business required to be transacted through postal ballot may be transacted at a general meeting by a company which is required to provide the facility of voting by electronic means to its shareholders. The Company, being a listed Company is required to provide the facility of voting by electronic means to its shareholders and hence, may obtain the approval of its shareholders to the alteration of the objects clause of the Memorandum of Association at the Annual General Meeting. The Board of Directors vide its resolution dated 23rd August 2023 has accorded its approval to the proposed alteration of the Memorandum of Association as aforesaid.

In terms of Sections 4 and 13 of the Act, the consent of the Members by way of a Special Resolution is required for alteration in the objects clause of the Memorandum of Association of the Company.

Copies of the existing and amended Memorandum of Association will be available for inspection by shareholders during business hours at the registered office of the Company for 21 days before the Annual General Meeting and can also be viewed on the Company's website at www.velanhotels.com.

None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the special resolutions set out at the item no. 5 of the Notice for member's approval of the Company.

ITEM NO. 6

Members may be aware that the Company's account was classified as NPA by Allahabad Bank and Andhra Bank during March 2014 and May 2014 respectively. During March 2017, the entire debts of the Company alongwith all underlying security interest, all rights, title & benefits were assigned to M/s.RARE Asset Reconstruction Limited (RARE ARC) (previously known as Raytheon Asset Reconstruction Company) under the applicable provisions of the SARFAESI Act by the said bankers.

By the said assignment, Hotel property along-with Maintenance Area Land at Tirupur have been in symbolic possession of or mortgage with RARE ARC under provisions of the SARFAESI Act and rules framed there-under. After payment of substantial amount of dues to RARE ARC, other properties i.e. Multiplex Land (part) and convention centre land came out of the mortgage/hypothecation and hence, they are now free-hold properties and free from any encumbrance.

A major portion of the company's dues were settled with / remitted to RARE ARC from the proceeds of the sale of assets of the Company. To settle the balance outstanding with the said ARC, the Company placed an enabling resolution before the public shareholders of the Company for their approval to monetize the assets of the Company via sale at the ensuing AGM. This enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the sale of the assets. The Company would give priority to sell the assets (non-core assets) as mentioned under Sl.No.1, 2 and 4 of the proposed resolution and shall not sell the Hotel Property situated at Tirupur at the immediate future with a view to keep the Company 'a going concern' by way of leasing the said hotel property after identifying Lessee (s) at appropriate time in future.

Under Section 110(1) of the Companies (Amendment) Act, 2017 as notified on 9th February 2018, any item of business to be transacted through postal ballot may be transacted at a general meeting by a company subject to provide the facility to members to vote by electronic means under Section 108 of the Act. Hence, your company proposed to transact this resolution at the ensuing Annual General Meeting for which the Company is pleased to offer a remote e-voting facility as an alternative for its Shareholders to exercise their vote on resolutions proposed to be passed at the AGM by way of Ballot form which will enable the shareholders to cast their votes electronically, instead of physical ballot forms.

According to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 w.e.f 16th June 2023, the sale, lease or disposal of an undertaking/assets of the Company outside Scheme of Arrangement shall require prior approval of public shareholders only, by way of special resolution. However, this amendment shall come into force on the date of its publication in the Official Gazette to be issued by SEBI at a later date. Such a special resolution shall be acted upon only if the votes

cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution.

However, the provisions of this regulation shall not be applicable where the sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of a listed entity is by virtue of a covenant covered under an agreement with a financial institution regulated by or registered with the Reserve Bank of India. In our case, the Hotel property alongwith the Maintenance Area Land situated at Tirupur have been in symbolic possession of the said RARE ARC under applicable provisions of the SARFAESI Act, 2002. As the said RARE ARC registered with the Reserve Bank of India (RBI) as a Securitization and Reconstruction company under the SARFAESI Act, 2002, the said regulation for sale of Hotel property plus the Maintenance Area Land may not apply to the Company. Although prior approval for the sale of Hotel property plus the Maintenance Area Land is not necessary in the purview of the above, it has been included in the resolution out of an abundance of caution. Sale of other free-hold properties owned by the Company shall in any way require prior approval of public shareholders of the Company.

Regulation 37A of SEBI (Listing Obligations and Disclosure Requirements), 2015 regarding the sale, lease or disposal of an undertaking outside Scheme of Arrangement has been inserted in SEBI (LODR) (Second Amendment) Regulations, 2023 and it shall come into force after SEBI notification. However, the Company is to take a pre-emptive measure that is likely not strictly necessary at the moment, the resolution is now placed before the public shareholders of the Company for their approval with the intention of not convening a General meeting again to seek further approval after this amended regulation comes into force.

The object of and commercial rationale for carrying out such sale / disposal of assets of the Company and use of proceeds arising there-from is to pay outstanding debts of the Company to RARE ARC.

None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends a special resolution set out at Item No.6 of the Notice for public shareholders' approval of the Company. (i.e. Shareholders other than those forming part of Promoter and Promoter Group and other related parties).

ITEM NO. 7

According to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain the consent of the Board of Directors and prior approval of the members by way of an ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions that are in the ordinary course of business and on an arm's length basis.

However, according to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended, prior approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

For this purpose, a transaction is considered material, if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or R 1000 Crore whichever is lower.

All the Related Party Transactions entered into by the Company are on an arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The transaction(s) entered into by the Company, together with the transactions to be entered into the related parties qualifies to be a Material Related Party transaction under SEBI – LODR Regulations.

Accordingly, the Company proposes to obtain approval of its Members for approving as also for ratifying to the Board for carrying out / continuing with the transactions with the related parties, as this proposed amount to RPT falls within the purview of the SEBI Listing Regulations and all these transactions in aggregate, are material RPT under the SEBI Listing Regulations.

All the related parties shall abstain from voting, irrespective of whether the entity or person is a party to the particular transaction or not, per Regulation 23(4) of SEBI (LODR).

All the related parties shall abstain from voting, irrespective of whether the entity or person is a party to the particular transaction or not, pursuant to Regulation 23(4) of SEBI (LODR).

Sl. No.	Name(s) of the Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Value of Transactions	Period of which shareholders' approval is sought for the transaction
1.	Mr. E.V. Muthukumara Ramalingam	Managing Director – Promoter Group	<p>1. Transfer of Resources (Providing Unsecured / Secured Loan)</p> <p>2. Giving Guarantee to any financial institutions / lenders / ARCs in respect of dues of the Company</p> <p>3. Providing the properties for Mortgage / Collateral to Financial Institutions / Bankers / Lenders / ARCs in respect of availing loans by the Company / dues of the Company</p>	<p>Rs. 20 Crores (on 'a demand to pay basis') together with an Unsecured / Secured loan already lent, if any, with Interest not exceeding the short-term borrowing cost or the Bankers rate fixed from time to time, whichever is lower or without interest.</p> <p>Upto Rs.96 crores fully or part together with other related party(ies).</p> <p>Upto Rs.96 crores fully or part together with other related party(ies).</p>	<p>During the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024</p>

Sl. No.	Name(s) of the Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Value of Transactions	Period of which shareholders' approval is sought for the transaction
2.	Mr. M.R. Gautham	Executive Director – Promoter Group	<ol style="list-style-type: none"> <li data-bbox="730 336 967 495">1. Transfer of Resources (Providing Unsecured / Secured Loan) <li data-bbox="730 1027 967 1283">2. Giving Guarantee to any financial institutions / lenders / ARCs in respect of dues of the Company <li data-bbox="730 1368 967 1836">3. Providing the properties for Mortgage / Collateral to Financial Institutions / Bankers / Lenders / ARCs in respect of availing loans by the Company / dues of the Company 	<p data-bbox="989 336 1225 900">Rs. 20 Crores (on a 'demand to pay basis') together with Unsecured / Secured loan already lent, if any, with Interest not exceeding the short-term borrowing cost or Bankers rate fixed from time to time, whichever is lower or without interest.</p> <p data-bbox="989 1027 1225 1198">Upto Rs.96 crores fully or part together with other related party(ies).</p> <p data-bbox="989 1368 1225 1538">Upto Rs.96 crores fully or part together with other related party(ies).</p>	<p data-bbox="1248 953 1468 1357">During the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024</p>

SI. No.	Name(s) of the Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Value of Transactions	Period of which shareholders' approval is sought for the transaction
3.	Mrs. M. Sasikala	Non-Independent Director – Promoter Group	<p>1. Transfer of Resources (Providing Unsecured / Secured Loan)</p> <p>2. Providing the properties for Mortgage / Collateral to Financial Institutions / Bankers / Lenders / ARCs in respect of availing of loans by the Company / dues of the Company</p>	<p>Rs. 20 Crores (on a 'demand to pay basis') together with Unsecured / Secured loan already lent, if any, with Interest not exceeding the short-term borrowing cost or Bankers rate fixed from time to time, whichever is lower or without interest.</p> <p>Upto Rs.96 crores fully or part together with other related party(ies).</p>	<p>During the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024</p>

The particulars required to be provided under Clause 3 of the Explanation to Rule 15 Sub-Rule 3 of the Companies (Meetings of Board and its Power) Rules, 2014 are given below:

Name of the related party	As per table above
Name of the director or key managerial personnel who is related, if any	Mr.E.V.Muthukumara Ramalingam, Mrs.M.Sasikala & Mr.M.R.Gautham are related one another.
The Nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Nature of relationship	The above directors are related each other.
Any other information relevant or important for the members to take a decision on the proposed Resolution	In the best interest of the Company

Based on past trends, the transactions as described above may / would / are presumed to exceed the applicable thresholds limit for Material Related Party Transactions under the SEBI (LODR) Regulations, 2015.

At the 24th Annual General Meeting of the Company held on 29th September 2014, the Members had, by way of a Special Resolution under the provisions of Section 180(1)© and 180(1)(a) of the Companies Act, 2013 in respect of borrowing limit and create a mortgage or charge or hypothecation on the Company's assets in favour of lending agencies and trustees to secure the amounts borrowed i.e. upto Rs.500 crore, including interest, charges, etc. payable thereon,

Except for the Hotel property and the Maintenance Area Land situated at Tirupur that have been in mortgage with RARE ARC, other free-hold assets i.e. Multiplex Part land area and Convention centre land area can be mortgaged / hypothecated in favour of the said related parties too to secure the payment of money advanced or to be advanced by way of loan, an existing or future debt.

Except for the above Directors and their relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of this Notice.

The Board recommends the ordinary resolutions set out at Item No.7 of the Notice for public shareholders' approval of the Company.(i.e. Shareholders other than those forming part of Promoter and Promoter Group and other related parties).

ITEM NO. 8

To pay the debts of the Company to Bankers / ARCs, the Company has a proposal to enter into various related party transactions with the group entities for availing the financial assistance / guarantees from them and also for commercial transactions, in the best interest of the Company.

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members through an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous

transactions during a financial year, exceed(s) Rs.1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower.

As the value of such transactions may / would / are presumed to exceed the applicable thresholds limit for Material Related Party Transactions under the SEBI (LODR) Regulations, 2015, your approval is being sought.

It is hereby proposed those terms of the contract for transactions between related parties as mentioned below :

Sl. No.	Name(s) of the Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Value of Transactions	Period of which shareholders' approval is sought for the transaction
1.	M/s.Shree Vallee Enterprises Pvt Ltd	A Promoter Group Company in which Mr. E. V. Muthukumara Ramalingam, Managing Director / Mr. M.R. Gautham, Executive Director / and Mrs. M. Sasikala, Director of the Company are Members / Directors	<ol style="list-style-type: none"> Transfer of Resources (Inter-Corporate Deposit) (Secured / Unsecured) Making Investments Giving Corporate Guarantee to Financial Institutions / Bankers / Lenders / ARCs in respect of availing of loans by the Company / dues of the Company 	<p>Rs.10 Crores On a 'demand to pay basis' with Interest not exceeding short term borrowing cost / the Bankers rate fixed from time to time, whichever is lower.</p> <p>Upto Rs.5 crores</p> <p>Upto Rs.5 crores</p>	<p>During the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024</p>

Sl. No.	Name(s) of the Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Value of Transactions	Period of which shareholders' approval is sought for the transaction
2.	Ms/.The Velan Petroleum Agencies	A proprietor concern in which Mr.E.V.Muthu kumara Ramaling, Managing Director of the Company is a sole proprietor	1. Sale of Petroleum products to the Company	Upto Rs.1 crore	During the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024
3.	Any person or entity or party, etc. qualifying to be a Related Party of the Company	As it is not always possible to know in advance the identity of the party and the nature of relationship, the material terms, monetary value and other particulars of the proposed transaction(s) / contract(s) / arrangement(s) / agreement(s), it is practically not possible to provide exact details of the same herein.	All transaction(s) or contract(s) or arrangement(s), etc. involving a transfer of resource(s), service(s) or obligation(s) or otherwise to meet business requirements including: a. Leasing of Property of any kind either by giving or taking property b. Purchase / Sale /Supply of Goods or Materials; c. Availing / Provision of Services; d. Availing / Providing fund based support; e. Trading; and f. Purchase / sale / transfer/ exchange / lease of business assets including property, plant and equipment, intangible assets, transfer of technology.	Upto Rs.5 crores	During the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024

According to Section 102(1) and the proviso to Section 102(2) of the Act, the nature of concern or interest, financial or otherwise and the shareholding interest of every Promoter/ Director/ Key Managerial Personnel of the Company in the other companies namely M/s.Shree Vallee Enterprises Pvt Ltd to the extent that such shareholding is more than 2% paid-up capital of that company is required to be disclosed.

Besides, under the provisions of section 2 (76) of the Companies Act 2013, for any company, another private limited company will be treated as a related party if it has a common director or member. Accordingly, the Company and Shree Vallee Enterprises Pvt Ltd will be considered as related parties due to the presence of a common director.

- a. Mr. E. V. Muthukumara Ramalingam, Managing Director, Mr. M. R. Gautham, Executive Director and Mrs. M. Sasikala, Director of the Company are also Members / Directors of M/s.Shree Vallee Enterprises Pvt Ltd and their shareholding in that Company is more than 2% of total shareholding of that Company i.e. entire shareholding held by the above members / directors only. M/s.Shree Vallee Enterprises Pvt Ltd, the promoter group Company of Velan Hotels Limited, holds an 8.84% shareholding in Velan Hotels Ltd.
- b. Mr. E. V. Muthuthkumara Ramalingam, Managing Director of the Company is a sole proprietor of M/s.The Velan Petroleum Agencies whose shareholding is over 2% of total shareholding in Velan Hotels Limited.

Apart from the above, none of the Promoters / Directors / Key Managerial Personnel of the Company holds 2% or more of the paid-up share capital in M/s.Shree Vallee Enterprises Pvt Ltd. Since the transaction as per Item No. 8 of this Notice is proposed to be entered into with the aforementioned group entities itself, the said entities are deemed to be interested in this resolution.

At the 24th Annual General Meeting of the Company held on 29th September 2014, the Members had, by way of a Special Resolution under the provisions of Section 180(1)(c) and (a) of the Companies Act, 2013 about borrowing limit and create a mortgage or charge or hypothecation on the Company's assets in favour of lending agencies and trustees to secure the amounts borrowed i.e. upto Rs.500 crore, including interest, charges, etc. payable thereon,

Except for the Hotel property and the Maintenance Area Land situated at Tirupur that have been in mortgage with RARE ARC, other free-hold properties i.e. Multiplex(Part) land area and Convention centre land area can be mortgaged / hypothecated in favour of the said related parties too to secure the payment of money advanced or to be advanced by way of loan, an existing or future debt.

Except for the above Directors and their relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of this Notice.

The Board recommends the ordinary resolutions set out at Item No. 8 of the Notice for public shareholders' approval of the Company.(i.e. Shareholders other than those forming part of Promoter and Promoter Group and other related parties).

ITEM NO.9, 10 & 11

Members are requested to refer to Resolution No.6 of Notice regarding the sale of the assets of the Company. In case, the Company is not able to find suitable buyer(s), it cannot settle the pending dues to RARE ARC within the time stipulated. In this situation, the Promoter-Directors, being related party(ies) with whom the Company may happen to enter into transaction(s) / contract(s) / arrangement(s) / agreement(s)

relating to the sale of assets / properties of the Company to settle dues to RARE ARC. Hence, Resolutions No.9, 10 and 11 are placed for approval of public shareholders.

Under the provisions of Section 188 of the Companies Act,2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule'15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

As per regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, ("SEBI LODR") also requires that all material related party transactions shall require prior approval of the shareholders through special resolution even if they are entered into in the ordinary course of business and on arm's length basis.

Accordingly, on the recommendation of the Audit Committee and Meeting of the Board of Directors held on 23rd August, 2023 approved the proposed related party transactions and now seek approval of the shareholders by way of Special Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules,2014 and SEBI (LODR) Regulations, 2015 read with Section 180 (1) (a) of the Companies Act, 2013 and Rules made there-under to enable the Company to enter into following related Party Transactions in one or more tranches for effecting the proposed sale of assets mentioned hereunder.

SI. No.	Classification of Property	Description of properties with Survey Nos	Nature of Property	Area of the Property
1	Multiplex	Tirupur Registration District, Tirupur Joint-2 Sub-Registration District, Tirupur Taluk, Tirupur town, Kangayam Road, Tirupur, present Re-Survey Ward No.G, Block No.3 - S.F. No.35, TS No.4/4 (Part), SF No.36, T.S. No.4/5(part), T.S.No.4/6(part), T.S.No.5/1A (part), S.F.No.41, T.S. No.4/3 in full, T.S.No.4/7(part), S.F.No.43, T.S.No.4/2 (part), T.S.No.3/3A (part), T.S.No.3/4A(part)	Land	Land- 50000 sq.ft approx
2	Convention Hall Area	Tirupur Registration District, Tirupur Joint-2 Sub-Registration District, Tirupur Taluk, Tirupur town, Kangayam Road, Tirupur, S.F.No.36 present Re-Survey T.S.No.5/1 Block No.3, Ward No. G (old T. S. No. Ward No. 6)	Land	36300 Sq.ft.
3	Velan Hotel - Greenfield - Tirupur	a) Tirupur Registration District, Tirupur Joint 2 Sub- Registration District, Tirupur Taluk, Tirupur Town T.S. No. 8/2, Ward No "G" and Block No.3, Tirupur Village, SF 41 measuring Ac 5.04 in this a specific extent of acres 0.94 of land	Land & Building	0.94 Acres
		b) Tirupur Registration District, Tirupur Joint 2 Sub- Registration District, Tirupur Taluk, Tirupur Village, Tirupur Town T.S. NO.6, Ward No "G" and Block NO.3, Tirupur Village, SF 37 measuring Ac 3.08 in this a specific extent of acres 1.27 of land	Land & Building	1.27 Acres
4	Maintenance Area	Tirupur Registration District, Tirupur Joint-II Sub-Registration District, Tirupur Taluk, Tirupur town, Tirupur, S.F.No.41 in present resurvey T.S.No.8/2, Block No.3. Ward-G - Northern Side East (part)	Land	18621 sq.ft. (approx)

(The above Survey Numbers are subject to change as per orders of any relevant statutory, regulatory or government authorities from time to time)

The following disclosure(s) for entering into transactions with related parties is made per the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014.

Sl. No.	PARTICULARS	DETAILS
1	Name of the Related Party(ies)	1. Mrs.M.Sasikala, Non-Executive Director 2. Mr.E.V.Muthukumara Ramalingam, Managing Director 3. Mr.M.R.Gautham, Executive Director
2	Nature of Relationship	Promoter-Director & Promoter Group of the Company. (Mrs.M.Sasikla, Non-Executive Director Mr. E.V. Muthkumara Ramalingam, Managing Director / Mr. M.R. Gautham, Executive Director of the Company are relative to one another.)
3	Nature, Duration of the contract and particulars of the contract or arrangement	Nature of Contract : Sale of land and Building. Duration – 18 months
4	Material terms of the contract or arrangement including the value, if any	The value of the Contract or arrangement will be determined by a registered valuer who shall be appointed by the Audit Committee / the Board under the provisions of the Companies Act, 2013.
5	Any advance paid or received for the contract or arrangement, if any	Nil
6	The manner of determining the pricing and other commercial terms, both included as part of a contract and not considered as part of the contract.	Pricing is determined by the registered Valuer
7	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors.	Yes, all relevant factors are considered
8	Any other information relevant or important for the Board to decide on the proposed transaction.	For the payment of pending debts of the Company to Lender(s)/ARC.

The above Related Parties with whom the Company may happen to enter into transaction(s) / contract(s) / arrangement(s) / agreement(s) relating to the sale of properties which may / would / are presumed to exceed the applicable thresholds limit under the Act / SEBI-LODR during the financial year 2023-2024 and in the next financial year 2024-2025 until the date of the Annual General Meeting of the Company to be held during the calendar year 2024.

The sale of assets / undertaking of the Company are an item required to be transacted through postal ballot under the provisions of section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies

(Management and Administration) Rules, 2014. However, in terms of the proviso to section 110 of the Companies Act, 2013 introduced as per the Companies (Amendment) Act, 2017, read with Rule 20 and 22 of the Companies (Companies Management and Administration) Rules, 2014 including any statutory modifications and amendments thereto, approval of shareholders for any item of business required to be transacted through postal ballot may be transacted at a general meeting by a company which is required to provide the facility of voting by electronic means to its shareholders. The Company, being a listed Company is required to provide the facility of voting by electronic means to its shareholders and hence, may obtain the approval of its shareholders to sale of assets / undertaking at the Annual General Meeting. The Board of Directors vide its resolution dated August 23, 2023 has accorded its approval to the proposed sale as aforesaid.

According to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 w.e.f 16th June 2023, the sale, lease or disposal of an undertaking / assets of the Company outside Scheme of Arrangement shall require prior approval of public shareholders only by way of special resolution. However, this amendment shall come into force on the date of its publication in the Official Gazette of SEBI at a later date. Such a special resolution shall be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution.

However, the provisions of this regulation shall not be applicable where the sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of a listed entity is by virtue of a covenant covered under an agreement with a financial institution regulated by or registered with the Reserve Bank of India. In our case, both the Hotel property and the Maintenance Area Land situated at Tirupur have been in symbolic possession of or mortgage with RARE ARC under applicable provisions of the SARFAESI Act, 2002. As the said RARE ARC registered with the Reserve Bank of India (RBI) as a Securitization and Reconstruction company under the SARFAESI Act, 2002, the said regulation for the sale of the Hotel property and the Maintenance Area Land shall not apply to the Company. Although prior approval for the sale of hotel property and the Maintenance Area Land is not necessary in the purview of the above, it has been included in the resolution out of an abundance of caution. Sale of other free-hold properties owned by the Company shall in any way require prior approval of public shareholders of the Company.

Regulation 37A of SEBI (Listing Obligations and Disclosure Requirements), 2015 regarding the sale, lease or disposal of an undertaking outside Scheme of Arrangement has been inserted in SEBI (LODR) (Second Amendment) Regulations, 2023 and it shall come into force after SEBI notification. However, the Company is to take a pre-emptive measure that is likely not strictly necessary at the moment, the resolution is now placed before the public shareholders of the Company for their approval with the intention of not convening a General meeting again to seek further approval after this amended regulation comes into force.

The object of and commercial rationale for carrying out such sale / disposal of assets of the Company and use of proceeds arising there-from is to pay outstanding debts of the Company to RARE ARC.

Mrs.M.Sasikala Non-Executive Director, Mr.E.V.Muthukumara Ramalingam, Managing Director and Mr..M.R.Gautham, Executive Director, being related to one another are concerned or interested in this resolution as it relates to the sale of properties to them. The respective relatives of the above Directors also may be deemed to be concerned or interested in the resolution.

None of the other Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise in the Resolution.

The Board recommends the special resolutions set out at Item Nos. 9, 10 and 11 of the Notice for public shareholders' approval of the Company.(i.e. Shareholders other than those forming part of Promoter and Promoter Group and other related parties).

ITEM NO.12

Regularize the appointment of Mr.Muralidharan Subramanyam (DIN:03552399) as an Independent Director:

Based on the recommendations of the Nomination and Remuneration Committee (Committee), the Board of Directors of the Company at its meeting held on 14th August, 2023, appointed Mr.Muralidharan Subramanyam (DIN:03552399) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from 14th August, 2023 subject to the approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, the Board Governance, Nomination and Remuneration Committee and the Board have recommended the appointment of Mr.Muralidharan Subramanyam as an Independent Director under the provisions of Sections 149 and 152 of the Companies Act, 2013.

In terms of Section 161(1) of the Act, Mr.Muralidharan Subramanyam holds office only up to the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose the appointment of Mr.Muralidharan Subramanyam as Non-Executive Independent Director, not liable to retire by rotation.

The Company has received a declaration from Mr.Muralidharan Subramanyam confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr.Muralidharan Subramanyam's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr.Muralidharan Subramanyam fulfils the conditions specified in the Companies Act, 2013 and rules made there-under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management. Considering Mr.Muralidharan Subramanyam's knowledge and experience, the Board of Directors believes that it would be in the interest of the Company to appoint him as an Independent Director for five years with effect from August 14, 2023.

Mr. Muralidharan does not hold any equity shares in the Company.

Considering the experience of Mr.Muralidharan Subramanyam, the Board recommends the Resolution at Item No. 12 of the accompanying Notice, for the approval of the Members by way of a Special Resolution.

A copy of the letter of appointment of Mr.Muralidharan Subramanyam setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode. Additional information in respect of Mr.Muralidharan Subramanyam under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at to this Notice.

A brief profile of Mr.Muralidharan Subramanyam is given to this Notice. Except Mr.Muralidharan Subramanyam, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution set out at Item No.12

Brief profile of Mr.Muralidharan Subramanyam is as follows :

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.

None of the Directors (except Mr.Muralidharan Subramanyam and/or his relatives), Key Managerial Personnel of the Company and/or any of their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, as set out at Item No. 12 of the Notice.

For and on behalf of the Board



E. V. Muthukumara Ramalingam
Managing Director
(DIN : 00046166)

Place : Tirupur
Date : 23-08-2023

DIRECTORS' REPORT TO THE MEMBERS

Your Directors are presenting their 33rd Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2023.

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

PARTICULARS	2022 - 23	2021 - 22
Profit / (Loss) Before Interest, Depreciation and Tax	(450.72)	(149.55)
Add : Finance Cost	0.65	0.06
Profit / (Loss) Before Depreciation & Tax	(457.24)	(149.62)
Add : Depreciation	219.78	123.67
Less : Exceptional Item	(1579.94)	1211.02
Profit / (Loss) Before Tax [PBT]	(1845.44)	937.72
Less : Tax Expenses	3.73	—
- Current Tax	—	—
- Tax relating to prior years	—	—
- Deferred Tax	—	122.63
Profit / (Loss) After Tax	(1849.17)	937.72
Add : Revaluation Reserve	6.79	6.79
Balance b/f from previous years	(4418.67)	(5363.18)
Balance to be carried over to the Balance sheet	(6261.05)	(4418.67)

OPERATIONAL REVIEW :

The Company suspended all the revenue-generating operations w.e.f. 24 March 2020 due to COVID-19 and has not carried out any business activities during the year as well, resulting in, the entire year being completely washed out.

During the year under consideration, the gross receipts of your company stood Rs.2.30 Lacs from Rs.Nil logged in the previous year. Profit / (Loss) before Interest, Depreciation and Taxation was Rs.(450.72) lacs against Rs. (149.55) Lacs recorded in the previous year. Similarly, the Profit / (Loss) after Tax for the year ended March 31, 2023 stood at (Rs.1849.17) lacs as against profit of Rs.937.72 lacs registered in the previous year.

STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company did not make any progress as the operations at the Company were halted since March, 2020.

As part of the OTS offer, RARE ARC gave its Letter of NoC on 28/10/2021 wherein they conveyed their approbation / no objection for the release of Plant & Machinery from the hypothecation, lying at Biomass based Renewable energy plant situated at Tirupur, Tamilnadu on the payment of the realization amount not less than Rs.4.50 Crores. The Company, however, has realized and scrapped the plant and machinery for the value of Rs.3.00 Crore only against the approbatory value of Rs.4.50 Crore due to the negative trend in demand for scrap that was supported by the decline in global steel production. This has resulted in a total realization loss of

Rs.1404.55 lakhs incurred by the Company from such scrap sales. These entire sale proceeds were remitted / paid to RARE ARC towards settlement, per OTS offer.

In June, 2022, the Company sold / disposed of the land area of the said energy plant for a total consideration of Rs.7.30 Crore. From such a sale, the Company incurred a realization loss of Rs.175.38 lakhs. To comply with obligations under the OTS offer, the Company has availed of a loan of Rs.11.30 crore from the Managing Director of the Company. Out of both the sale consideration and unsecured loan amounting to Rs.18.60 Crore, a sum of Rs.16.30 Crore was paid / remitted to RARE ARC and the balance amount of Rs.2.30 Crore was used for repayment of part of the dues to sundry creditors and statutory dues as well. Upon remittance / payment of part of the dues to RARE ARC, they released the mortgage on the Multiplex Area Land (part), Convention Centre properties which had been in mortgage with RARE ARC. On releasing the mortgage, the said properties are free-hold now and free from any encumbrance. Only the Hotel property and the Maintenance area land situated at Tirupur have been in mortgage with RARE ARC.

As part of ongoing negotiations and forming part of the "OTS offer" with RARE ARC, the Company is obliged to settle its dues to the said RARE ARC; the Company has placed the following resolutions before members of the Company for their approval:

- a. For alteration of the object clause of the Memorandum of Association by replacing it with a new object which will cover an expanded scope of activities to be pursued by the Company to actively monetize its idle assets to generate stable revenue.
- b. The proposed sale of assets / undertaking of the Company to prospective buyer(s) including the related parties.

DIVIDEND:

Given the accumulated losses, your directors have not recommended any dividend on Equity Shares for the Financial Year 2022-23.

SHARE CAPITAL:

During the year under review, your Company's Authorized Share Capital is Rs. 50,00,00,000 comprising 5,00,00,000 Equity Shares of Rs. 10/- each. The Company's paid-up capital is Rs.31,96,41,190 comprising of 3,19,64,119 Equity Shares of Rs. 10/- each fully paid up.

Further, the Company has not issued:

- a. Any shares with differential rights as per provisions of Section 43 (a) (ii) of the Act read with Rule 4 (4) of the Companies (Share Capital and Debenture) Rules, 2014.
- b. Any sweat equity shares as per provisions of Section 54 (1) (d) of the Act read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014.
- c. Any equity shares under the Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

TRANSFER OF AMOUNT TO RESERVE:

Given the Loss incurred during the year and due to accumulated losses of earlier years, the Company had not transferred any amount to the Reserves.

FIXED DEPOSITS:

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

During the financial year under review, the Company borrowed the loans from Director(s) and the respective directors gave a declaration in writing to the Company to the effect that the amount was not being given out of funds acquired by them by borrowing or accepting loans or deposits from others as per requirement of proviso of Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the under review, the Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 and has not made any investments. Hence, the details of loans and advances that are required to be disclosed in the Annual Report under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations are not furnished.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function are defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee / the Managing Director.

The Internal Auditor monitors and evaluates the efficacy and adequacy of the internal control system in the Company, and its compliance with operating systems, accounting procedures and policies at all locations of the Company.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Under Section 135 of the Companies Act, 2013, every company having a net worth of at least Rs 500 crore, turnover of Rs 1,000 crore or more, or a minimum net profit of Rs.5 crores during the immediately preceding financial year has to make CSR expenditure. Since the Company does not fall under the criteria as are referred above, not applicable.

DIVIDEND DISTRIBUTION POLICY:

According to Regulation 43A of the SEBI (Listing Obligations and Disclosures) Regulations 2015 as amended, only the top 1000 listed companies (based on the market capitalization of every financial year) shall formulate a Dividend Distribution Policy, which shall be disclosed in their annual reports and on their website as well.

Since your company does not fall under the top 1000 listed companies, no such report is provided in the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Regulation 34(2) of SEBI Listing Regulations, as amended, *inter alia*, provides that the Annual Report of the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility and Sustainability Report (BRSR) on the environmental, social and governance disclosures.

Your Company, not being one of such top 1000 listed entities, has not included BRSR, as part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no foreign exchange earnings and outgo. The disclosures relating to the details of (i) Conservation of Energy, (ii) Research & Development and Technology Absorption are to be made under sub-section (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 is not furnished given the closure of the Hotel Operations during the period under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Retirement by rotation :

Under the provisions of Section 152 of the Companies Act, 2013 read with Section 149 of the said Act, at least 2/3rd of the total number of Directors, excluding Independent Directors, shall be liable to retire by rotation and out of the Directors liable to retire by rotation, at least 1/3rd of the Directors shall retire by rotation at every Annual General Meeting.

In view of the above, Mr.M.R.Gautham and Mrs.M.Sasikala retiring by rotation and being eligible, offer themselves for re-appointment, a resolution seeking shareholders' approval for their re-appointment forms part of the Notice.

b. Appointment / Cessation:

Mr.Muralidharan Subramanyam (DIN:03552399) was appointed by the Board of Directors of the Company at their meeting held on 14th August, 2023 as an Additional Director in the capacity of a Non-Executive-Independent Director under the Articles of Association and Sections 149(6), 161 and Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A resolution seeking shareholders' approval for his appointment forms part of the Notice.

None of the Directors resigned during the year.

c. Status of KMP:

During the year under review, Mr.E.V.Muthukumara Ramalingam, Managing Director, Mr.M.R.Gautham, Executive Director, Mr.R.Lalitha, Chief Financial Officer and Mr.M.Srinivasan, Company Secretary are other KMPs as per the provisions of the Act and were already in the office. None of the KMPs resigned during the year.

d. Declaration by Independent Director:

Under the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed there-under and Regulation 16(1)(b) of SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their

duties with an objective independent judgment and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors

e. Disqualification of Directors:

None of the directors of the Company are disqualified under the provisions of Section 164 of the Companies Act, 2013 or debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. A certificate from a Practicing Company Secretary in this regard is attached to this report.

f. Woman Director :

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has complied with the requirement of having at least one Woman Director on the Board of Company. Mrs.M.Sasikala is a Non-Independent and Women Director of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with the Secretarial Standard issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

To familiarize new Independent Directors with the strategy, operations and functions of our Company, the Company's presentation, *inter alia*, on strategy, operations, service offerings, markets, organization structure, finance, human resources and technology is given at the time of their induction and thereafter during the Board meetings and/or committees thereof. The details of the familiarization program can be viewed at <https://www.velanhotels.com/FamilirisationProgram2023.pdf>

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company except pending Appeal / Petitions / Application filed by the Company with DRT, Coimbatore and DRAT, Chennai.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as the board composition and structure; degree of fulfilment of key responsibilities towards stakeholders; effectiveness of board processes, information and functioning, etc.; extent of co-ordination and cohesiveness between the Board and its Committees; and quality of the relationship between board Members and the management.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members based on criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India (SEBI) on January 5, 2017.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Director and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of individual Directors based on criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the Board Meeting that followed the meeting of the Independent Directors and meeting of NRC, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

MEETINGS

During the year, 10 Board Meetings and five Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, as amended.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that :

- i) In the preparation of the annual accounts, all the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on 'a going concern' basis.
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively.
- vi) The Directors had devised a proper system to ensure compliance with the provisions of all applicable laws and that such a system was adequate and operating effectively.

RELATED PARTY TRANSACTIONS:

- i) Not all transactions with related parties are construed as related party transactions. Provisions regarding Related Party Transaction are encapsulated under 188 of the Companies Act, 2013 ("the Act") read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

- ii) Further, in the financial year 2022-23, in the scope of Section 188(1) of the Act, there were no material transactions with any of its related parties. Therefore, the disclosure of Related Party Transactions as required under Section 134(3(h) of the Act in Form AOC-2 does not apply to the Company for the financial year 2022-23 and hence the same is not provided.

Under the provisions of Regulation 2(1)(zc) and 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has entered the transactions with related parties, i.e the aggregate value of material transactions exceeded 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company, the details of which reported here-under:

Name of the Related Party	Relationship with the Company	Nature of Transaction	Opening Balance 01-04-22	Received by the Company	Repaid by the Company	Closing Balance 31-03-23
Mr. E.V. Muthukumara Ramalingam	Managing Director	Transfer of Resources (Avalied of Loan)	122.12	1130.00	(225.45)	1026.67
Mr.M.R.Gautham	Executive Director	Transfer of Resources (Avalied of Loan)	453.14	25.01	(88.54)	389.62

Except for the above related party transactions, there were no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of the Company at large.

- iv) In line with the requirements of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on the following web-link at <https://www.velanhotels.com/pdf/Related-Party-Transactions-Policy%20-%20Velan%20Hotels%20Ltd.pdf>

The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions, if any between the Company and Related Parties.

- v) All related party transactions were placed before the Audit Committee for their approval in line with the requirements of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2023 AND AUGUST 23, 2023 (DATE OF THE REPORT)

No material changes and commitments were affecting the financial position of the Company between the end of the financial year and the date of this Annual Report except the information stated in the State of the Company's affairs. There has been no change in the nature of business of the Company as of the date of this Annual Report.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATIONS AND JOINT VENTURE COMPANIES:

During the year under review, the Company had no Subsidiary (ies), Associate(s) and Joint Venture(s). Hence the said clause is not applicable.

REMUNERATION / COMMISSION DRAWN FROM HOLDING / SUBSIDIARY COMPANY:

During the year under review, neither the Company is a subsidiary of any Company or body corporate nor the Company have a subsidiary. Hence the said clause is not applicable.

DISCLOSURE OF LOANS AND ADVANCES IN NATURE OF LOANS TO SUBSIDIARIES AND ASSOCIATES OF THE COMPANY:

During the year under review, the Company has no Subsidiary(ies) and Associate(s). Hence, the said clause is not applicable

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which applies to the Members of the Board and senior management in terms of Regulation 17 and Schedule V of Regulation 34(3) of the Listing Regulations. The full text of the Code is displayed on Company's website :

<https://www.velanhotels.com/pdf/CODE/Code%20of%20Conduct%20for%20Board%20of%20Directors%20including%20KMP%20&%20SMP.pdf>

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. In compliance with Schedule V of Regulation 34(3) of the Listing Regulations a declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Under the applicable provisions of the Companies Act, 2013, SEBI-LODR Regulations and Regulation 9A(6) SEBI (PIT) Regulations, 2015 as amended, the Company has a vigil mechanism named "Vigil Mechanism / Whistle Blower Policy" to deal with instances of fraud and mismanagement, if any. The VM/WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and that no discrimination will be met out to any person for a genuinely raised concern.

The Company has revised the said Whistle-Blower policy to insert "reporting of incidents of a leak or suspected leak of Unpublished Price Sensitive Information (UPSIS)" in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The said policy is available on the Company's website at https://www.velanhotels.com/pdf/Velan%20Hotels%20Vigil_Mechanism_Whistle-blowerPolicy.pdf

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Code of Conduct to regulate, monitor and report trading by Insiders ("the Code") under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations) can be viewed at <https://www.velanhotels.com/pdf/Velan%20Hotels%20Code-of-Conduct-for-prevention-of-Insider-Trading.pdf>.

The Code applies to Promoters, Members of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSIS)' in compliance with the PIT Regulations. The Company has also formulated policies for the procedure of inquiry in case of leak of Unpublished Price Sensitive Information in case of leak of UPSIS and Policy for Determination of Legitimate Purposes as well, as a part of the Code of Practices and Procedures for Fair Disclosure. This Code is displayed on the Company's website viz.

<https://www.velanhotels.com/pdf/Velan%20-Code%20of%20Conduct%20&%20Procedure%20of%20Fair%20Diclosure.pdf>

All Board Directors and the designated employees have confirmed compliance with the Code.

UNPAID DIVIDEND & IEPF:

For the financial year 2022-2023, the Company was not liable to transfer any unpaid / unclaimed dividend and/or the shares to the Investor Education & Protection Fund (IEPF) and does not have unclaimed dividend which remains to be transferred to Unpaid Dividend Account.

The Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF www.iepf.gov.in. It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF according to the said Rules.

EXPLANATION OR COMMENTS ON QUALIFICATION, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE AUDITOR AND COMPANY SECRETARY IN PRACTICE :

A. Response to Qualifications / reservations / adverse remarks / observations on Audit Report :

Sl. No.	Qualification, Reservation or Adverse Remarks	Board's explanation
1.	Ability of the Company continuing as 'a going concern'	<p>The Company, per One-Time Settlement (OTS) offer with M/s.RARE ARC, remitted / paid a sum of Rs.59.30 crores in total so far including a sum of Rs.17.12 Crores paid during the year against the OTS offer amount of Rs.97.20 Crores. The Company is liable to pay the dues of Rs.37.73 Crores only. The Company disposed of Shopping Mall and part of the Multiplex properties to M/s.Avenue Supermarts Limited for a total consideration of Rs. 35.44 Crores of which Rs.30.00 Crores was remitted and balance consideration of Rs.5.44 crore will be remitted by M/s.Avenue Supermarts Limited to the Company after fulfilling the obligations under the terms of the sale deed executed between the parties. Besides, the Company will repay the balance to the said RARE ARC from the sale of other assets of the Company except Hotel Property. In anticipation of the proposals as referred are materialized, the management is exploring possibilities of leasing its Hotel property situated at Tirupur to generate stable revenue.</p> <p>The Promoters-Directors have infused funds amounting to Rs.1416.17 lakhs during the financial year 2022-2023 to meet the fixed expenses to keep the Company's assets in good.</p> <p>In view of all the actions that are currently underway, the financial statements for the financial year ended 2022-23 have been prepared on the basis that your Company is a going concern.</p>



Sl. No.	Qualification, Reservation or Adverse Remarks	Board's explanation
2.	Confirmation of balance of outstanding debt	With final approval of the OTS offer provided by the RARE ARC and accepted by the Company, such communication has been considered for the confirmation of the Outstanding Debt.
3	Impairment of Assets :	The company had suspended all the revenue-generating operations w.e.f 24 March 2020. The Company is exploring options of selling part assets to settle all liabilities. Given the above, the Company's ability to continue as a Going concern is dependent on the value that can be generated by the sale of assets and the surplus, if any, available after the settlement of all liabilities. Given the uncertainty on the realizable values, the impairment to the value of assets is not ascertainable at this juncture; therefore, no loss is recognized on account of potential impairment.
4	Delays in remittance of Statutory Dues	The Company is mobilizing necessary resources to meet the pending overdue payments in the coming months through monetizing the assets of the Company.
5	Gratuity and Earned Leave accounted on estimated basis	<p>The Auditors have also commented on not following the accounting standard to the provisions of Gratuity and Earned Leave on an actuarial basis.</p> <p>All the eligible / permanent employees of the Company except KMPs have voluntarily left the service during March, 2020 and therefore, the Company does not have any staff except KMPs as of 31st March, 2023. Hence, the provision of gratuity / earned leave is not done on an actuarial basis.</p>

B. Response to comments on Secretarial Audit Report :

Sl. No.	Qualification, Reservation or Adverse Remarks	Board's explanation
1	Non-compliance of Minimum Public Share-holding	The Company and the promoters are in the process taking action to comply with the regulations of Securities and Exchange Board of India relating to Minimum Public Shareholding (MPS) to increase the public shareholding to 25% in terms of Regulation 38 of SEBI (LODR) Regulations, 2015.

DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT

Your Company has not revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or according to the order of judicial authority.

AUDITORS & SECRETARIAL AUDITOR

➤ **Statutory Auditors and Auditors' Report**

At the 32nd AGM held on September 24, 2022, the Members approved the re-appointment of M/s. Krishnaan & Co, Chartered Accountants (Firm Registration No. FRN 001453S) as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the 32nd AGM till the conclusion of the 37th AGM of the Company to audit and examine the books of account of the Company.

The Statutory Auditors confirmed to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

During the period under review, there are audit qualifications or adverse remarks in the Auditors' Report. Management response against each of the qualification, reservation or adverse remark or observation made in the Auditors' Report has been furnished elsewhere in the Directors' Report.

➤ **Internal Auditors**

The Internal Auditor has been conducting half-yearly audits of all operations of the Company and their findings have been reviewed regularly by the Audit Committee. Your Directors note with satisfaction that no material deviations from the prescribed policy and procedures have been observed.

➤ **Secretarial Auditor and Secretarial Auditor's Report**

The Board has re-appointed Mr.S.Ganesh Viswanathan, Company Secretary in Practice to conduct the Secretarial Audit of the Company under the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (LODR) Regulations, 2015, as amended. The Report of Secretarial Auditor is appended to this Report as "Annexure A". The management response against the qualification or observation made in the Secretarial Audit Report has been furnished elsewhere in the Directors' Report.

➤ **Cost Auditor and Cost Records**

According to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost records and Audit) Rules, 2014 as amended from time to time, the Company is not required to maintain Cost Records under the said rules.

➤ **Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

CREDIT RATING

During the year under review, the Company has not issued any debt instruments or any fixed deposit program or any scheme or proposal, obtaining credit ratings does not apply to the Company.

LISTING REQUIREMENTS:

Your Company's Equity shares are listed on BSE Limited. The Listing fees have been paid to this Stock Exchange for the financial year 2022-2023. Both depositories were paid Annual Custody Fees for the financial year 2022-23.

DETAILS OF PENDING PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS THE END OF THE FINANCIAL YEAR:

During the year under review, there were no proceedings that were filed by the Company or against the Company, which are pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other Courts.

THE DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANK OR FINANCIAL INSTITUTIONS ALONG WITH THE REASON THEREOF:

During the year under review, there were no instances of one-time settlement with any Banks or Financial Institutions or ARCs.

AUDIT COMMITTEE

As of date of this report, the Audit Committee consists of the Directors namely Sri. P. Ganesan, Mrs. M. Sasikala, Sri. S.P. Sivanandam and Sri. Nagaraj Saveethkumar. Sri.P.Ganesan is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

There is no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review.

NOMINATION AND REMUNERATION COMMITTEE

The Board has, under the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The composition of members and a detailed function of the same are reported elsewhere in the Annual Report.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available at <https://www.velanhotels.com/pdf/Velan%20Hotels-%20Remuneration%20Policy-on-Selection-and-Appointment-of-Directors-and-their-Remuneration-2.pdf>

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has under the Section 178(5) of the Companies Act, 2013 constituted a Stakeholder Relationship

Committee to resolve the grievances of the Stakeholders of the Company. The composition of members and a detailed function of the same are reported elsewhere in the Annual Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandates all the workplaces to constitute an Internal Complaints Committee (ICC) for receiving complaints of sexual harassment of women in all Ministries/Departments of Union as well as State Governments and in the private sector too.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules framed thereunder. All employees, permanent and contractual are covered under this policy.

The Company has shut all the operations since March 2020 and the Company has engaged a few casual staffs, below in 10 numbers, on a temporary basis to carry out the statutory obligation and safeguard the assets of the Company. There were no female staffs employed in the company, either regular or contractual.

As the Company has less than ten employees, the Company is not required to constitute Internal Complaints Committee (ICC) as per the requirement of the prevention of sexual harassment Act. Further, the Company management also has not received any complaints regarding sexual harassment during the year under review.

SECRETARIAL STANDARD

The Company complies with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2023.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) and 134(3)(a) of the Act read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, the draft Annual Return for the Financial Year ended March 31, 2023 is made available on the website of the Company and can be accessed at: www.velanhotels.com under the Head 'Annual Returns' in the Investor page.

BUSINESS RISK MANAGEMENT

According to Section 134 (3) (n) of the Companies Act, 2013, the Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The full Board of the Company formally reviews such risks at least annually. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks per the Company's risk profile. Risk Management is an integral part of the Company's business process. In your Company, risks are carefully mapped and a risk management framework is involved.

The salient features of the Risk Management Policy along with the major gist and changes therein are available on Company's website and can be accessed at the link provided herein below:

<https://www.velanhotels.com/pdf/POLICIES/Policy%20for%20Risk%20Managment.pdf>

RISK MANAGEMENT COMMITTEE:

According to the Regulation 21 of SEBI Listing Regulations, the provisions of this regulation shall be applicable to the top 1000 listed entities as per SEBI (Listing Obligations and Disclosure Requirements), determined based on Market capitalization, as at the end of the immediate previous financial year.

As the Company does not fall under the top 1000 listed entities, the Risk Management Committee has not been established.

PARTICULARS OF EMPLOYEES AND DETAILS ABOUT REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company as follows :

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

As the Company has not resumed commercial operations yet, none of the Directors was paid any remuneration.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year :

None of the Directors was paid any remuneration. There was no increase in remuneration of the CFO and Company Secretary during the financial year.

iii) The percentage increase in the median remuneration of employees in the financial year :

As there were no permanent employees during the period under review, not applicable.

iv) The number of permanent employees in the roles of the Company:

As of 31st March, 2023, there were no eligible / permanent employees in the Company's payroll except Managing Director, Executive Director, Company Secretary and Chief Financial Officer.

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the past financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Not applicable.

vi) It is affirmed that the Remuneration is as per the Remuneration policy for Directors, Key Managerial Personnel and other employees adopted by the Company.

- B. During the year under review, there are no employees drawing remuneration of more than Rs.102 lacs per annum or drawing remuneration of Rs.8.50 lacs per month if employed for part of the year. Hence, the statement required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is not appended to the report.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are available elsewhere in this report together with the Certificate from the Company Secretary in Practice regarding compliance with the requirements of Corporate Governance as stipulated under various regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.


CAUTIONARY STATEMENT

Risks, uncertainties or future actions could differ materially from those expressed in the Directors' Report and the Management Discussion and Analysis Report. These statements are relevant on the date of this Report. We have no obligation to update or revise any statements, whether as a result of new information, future developments or otherwise. Therefore, undue reliance should not be placed on these statements.

APPRECIATION

Your Company and its Directors wish to extend their sincere thanks to Bankers, M/s.RARE Asset Reconstruction Ltd, Central /State Governments, Local Bodies, Customers and employees at all levels of their continuous co-operation and assistance.

For and on behalf of the Board



E. V. Muthukumara Ramalingam
Managing Director
(DIN : 00046166)



M. R. Gautham
Executive Director
(DIN : 00046187)

Place : TIRUPUR

Date : 23.08.2023

Annexure - A to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Velan Hotels Limited, Tirupur
(CIN : L55101TZ1990PLC002653)

I have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by M/s Velan Hotels Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The members are requested to read this report along with my letter of even date annexed to this report.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Velan Hotels Limited (the Company) for the financial year ended 31st March, 2023 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder ;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under ;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;
- v) The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable as the Company has not issued any further share capital during the period under review).
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweaty Equity) Regulations, 2021. (Not applicable during the period under review).
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. (Not applicable during the period under review).
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the clients ; (Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review).
 - g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ; (Not applicable during the period under review)
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable as the Company has not bought back any of its securities during the financial year under review).
- vi) The management has identified and confirmed the following laws as specifically applicable to the Company:
1. Food Safety and Standards Act, 2006, and rules made thereunder
 2. Food Safety and Standards Act, 2011, and rules made thereunder
 3. Tamil Nadu Liquor (Licence and Permit) Rules, 1981 issued under the Tamil Nadu Prohibition Act, 1937
 4. Tamil Nadu Public Health Act, 1939
 5. Petroleum Rules, 2002 issued under the Petroleum Act, 1934
 6. Indian Boilers Act, 1923 and Boiler Rules, 1950
 7. Guidelines for Classification of Hotels by Ministry of Tourism, Government of India, 2010

I have also examined compliance with the applicable clauses of the following :

- i) Secretarial Standards with respect to the Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
- ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I further report that the applicable financial laws such as the Direct and Indirect Tax Laws have not been reviewed under my audit as the same falls under the review of statutory audit by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above except to the extent as mentioned below:

1. Non-compliance with the requirement of Minimum Public Shareholding (MPS) under Regulation 38 of SEBI (LODR) Regulations, 2015.

I further report that :

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a Woman Director.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda are sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

I further report that the compliance by the Company with applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by the statutory financial auditor and other designated professionals

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that based on a review of the compliance mechanism established by the Company and based on the compliance certificate(s) issued by the Company Secretary of the Company and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size, scale and complexity operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

Other than the above, there were no instances of

- Public/Rights/Preferential issue of shares/debentures/sweat equity.
- Redemption/Buy-back of securities.
- Major decisions taken by the members pursuant to Section 180 of the Companies Act, 2013.
- Merger/Amalgamation/reconstruction etc.
- Foreign technical collaborations



S GANESH VISWANATHAN M.Com., FCS,
Company Secretary in Practise
Membership No. FCS 12727
CP. No. 20421
Peer Review Certificate No. : 4099/2023
UDIN : FO12727E000851510

Place : TIRUPUR
Date : 23.08.2023

ANNEXURE – 1 TO SECRETARIAL AUDIT REPORT

To,

The Members,
Velan Hotels Limited
41 Kangeyam Road, Tirupur 641 604

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts were reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and the happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of Management. My examination was limited to the verification of procedures on a random test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.



S GANESH VISWANATHAN M.Com., FCS,
Company Secretary in Practise
Membership No. FCS 12727
CP. No. 20421
Peer Review Certificate No. : 4099/2023
UDIN : FO12727E000851510

Place : TIRUPUR
Date : 23.08.2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS:

It is widely acknowledged that the tourist and hospitality sector, which encompasses travel and hospitality services like hotels and restaurants, is a development agent, a catalyst for socio- economic growth, and a significant source of foreign exchange gains in many countries. India's rich and exquisite history, culture, and diversity are showcased through tourism while also providing significant economic benefits. The consistent efforts of the central and the state governments have helped the tourism industry & hospitality services to recover from the COVID-19 pandemic shock and operate at the pre-pandemic level.

India being one the most popular travel destinations across the globe has resulted in the Indian tourism and hospitality industry emerging as one of the key drivers of growth in the services sector in India. The tourism industry in India has significant potential considering that Tourism is an important source of foreign exchange in India similar to many other countries.

The tourism industry is showing good signs of revival after the COVID-19 Pandemic. According to the latest data released by the Bureau of Immigration, India received 6.19 million foreign tourist arrivals (FTAS) during CY 2022 compared with 1.52 million during the same period of 2021. There were 10.93 million FTAS in India during the pre-pandemic year 2019. In 2022, the FTA was 6.19 million. This is 56 percent of pre-covid levels.

The foreign exchange earnings (FEES) have risen to Rs.11.34-lakh crore from Rs.65,000 crore the previous year, compared with 2021. This was a 106 percent hike. However, it is yet to reach pre-COVID levels of Rs.2.11 lakh crore.

B. OPPORTUNITIES

With a total area of 3,287,263 sq. km extending from the snow-covered Himalayan heights to the tropical rain forests of the south, India has a rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. This provides a significant opportunity to fully exploit the potential of the tourism sector.

To boost visitor arrival, the Tourism Ministry has declared "Incredible India ! Visit India Year 2023". The Indian Government has realized the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. The government has now launched the "Dekho Apna Desh" initiative intending to create awareness among the citizens about the rich heritage and culture of the country and encourages citizens to travel within the country. The ministry has also introduced e-Visa for five sub-categories i.e. e-Tourist visa, e-Business visa, e-Medical visa, e-Medical Attendant visa and e-Conference visa for nationals of 166 countries,

In Union Budget 2023-24, US\$ 290.64 million was allocated to Ministry of Tourism as the sector holds huge opportunities for jobs and entrepreneurship for youth in particular and to take promotion of tourism on mission mode, with active participation of states, convergence of government programmes and public-private partnerships.

India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking, and experiencing a journey. India's rising middle class and increasing disposable income have supported the growth of domestic and outbound tourism.

The Ministry of Tourism has partnered with the Quality Council of India (QCI), to assist the Hospitality Industry in their preparedness to continue operations safely and mitigate risks arising out of the COVID-19 pandemic through an initiative called SAATHI (System for Assessment, Awareness and Training for Hospitality Industry).

C. SEGMENTWISE PERFORMANCE :

Please refer Note No. 38 of Notes to the financial statement

D. THREATS, RISKS AND CONCERNS :

The Hotel industry faces risk from the volatile socio-political environment in the local area.

The Hotel revenue is entirely dependent on the performance of Textile and Readymade Garments in Tirupur City. Tirupur City has approximately 60% of India's garments exports to key markets such as the US, European Union and UK. The US and European Union are still struggling with the high cost of interest / funding and increased inflation rate. In 2022, the US and EU annual inflation reached the highest level ever. Due to this, customers are spending less on non-essential items such as leisure Travel and textile items. Inflation impacting consumption economics and delicate geopolitics continue to mask the growth potential of the industry.

E. OUTLOOK:

India took over the presidency of G-20 in December. During India's year-long leadership of the block of countries that account for more than 80 per cent of world GDP, 75 per cent of global trade, and 60 per cent of the global population, the country to host a series of events and meetings.

G20 meetings are being held at 55 destinations across the country. Infrastructure at these cities is being augmented and upgraded for the G20 meetings. It is estimated that in 2023, more than 200 meetings involving officials and civil society from these countries will be organized in India across 50 cities. As many as 30 heads of state and government from the G20 nations, and those invited, are expected to participate in the summit. From such events, it is expected that inbound travel, MICE and in-person meetings, which had been subdued last year, would witness significant growth, which will further strengthen the path to healthy income of the Industry.

It is believed that the G20 will add to the high performance in FY23-24 of the industry, which is expected to grow at a minimum of 15 per cent this year and then at a CAGR of 10 per cent over the next decade.

F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

-Reported in the Report of Directors

G. BUSINESS PERFORMANCE:

Results of operations for the year ended March 31, 2023.

I. Revenues:

The total income stands at Rs. 2.30 lakhs from Rs.Nil in 2021-22.

**ii. Operating Expenses:**

The total expenditure except Interest and Depreciation stands decreased from Rs.149.55 lakhs in 2021-22 to Rs.45.07 lakhs in 2022-23.

iii. Earnings / (Loss) Before Interest, Depreciation and Tax:

During the year under review, the PBIDT is Rs.(47.37) lakh whereas in 2021-22 the PBIDT was Rs.(149.55) lakh.

iv. Interest Cost:

During the year under review, the Interest cost stands Rs.0.65 lakh as compared to Rs Rs.0.06 lakh in the previous year.

v. Profit / Loss Before Tax after Exceptional Item:

Profit Before Tax at Rs.(1845.44) lakh against profit of Rs.937.72 lakhs registered in 2021-22.

vi Profit / Loss After Tax :

During the under review, the Profit /Loss after Tax for 2022-23 stood at (Rs.1849.17) lakhs from profit of Rs. 937.72 lakhs logged in 2021-22.

H. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

(Rs. in lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021	31 st March, 2020	31 st March, 2019
OPERATING RESULTS					
1. Total Income	2.30	Nil	12.39	339.23	644.05
2. Profit Before Depre. Int & Tax	(45.07)	(149.55)	(111.99)	(126.64)	(19.46)
3. Interest	0.65	0.06	0.08	13.19	23.28
4. Depreciation	219.78	123.67	167.78	177.72	180.07
5. Tax Liability - Deferred Tax	--	--	122.63	--	--
6. Net Profit /(Loss) After Tax	(1849.17)	937.72	7.13	(317.55)	(222.81)
PERFORMANCE PARAMETERS					
1. Share capital	3196.41	3196.41	3194.41	3196.41	3196.41
2. Reserves & Surplus	(2542.23)	(693.06)	(1630.78)	(1637.92)	(1320.37)
3. Secured & Unsecured loans	5189.70	6060.68	7239.60	13653.26	13714.99
4. Fixed Assets (Gross Block)	7207.14	9957.68	7851.66	13199.01	13103.38
5. Accumulated Depreciation	1955.96	1856.63	1983.70	2251.15	2124.06
6. Net Block	5251.18	8101.05	5868.96	10757.19	10979.32

I. FINANCIAL RATIOS :

Please refer Note No. 41 of Notes to the Financial Statement.

J. DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to sustenance of growth and enhancement of value for shareholders. However, there are no employees in the Company.

REPORT ON CORPORATE GOVERNANCE

(In accordance with SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and some of the best practices of Corporate Governance, the report containing the details of governance systems and processes at Velan Hotels Limited is as under).

1. PHILOSOPHY :

The Company is committed to maintain highest level of Corporate Governance with transparency and corporate accountability in its actions and operations and to become a good corporate citizen.

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the activities of the organization keeping in mind the interests of shareholders and the society.

The Company has complied with the requirements of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of which are as under:

2. BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is presently governed by the provisions of the Companies Act, 2013, the Articles of Association of the Company and the SEBI (LODR) Regulations, 2015.

The Company has a Non-Executive–Independent Chairman. As of 31st March 2023, the Company's Board comprises six Directors of whom three are Independent Directors (50%) and three are non- Independent Directors (50%). The number of Non-Executive Directors is four (66%-well above the requirement). The composition of the Board conforms with Regulation 17 of Securities and Exchange Board of India (Listing Obligation and disclosure Requirements), Regulations, 2015 read with Section 149 of the Act and Rules framed there-under.

The day-to-day operations of the Company are managed by Mr.E.V.Muthukumara Ramalingam, Managing Director and Mr.M.R.Gautham - Executive Director, under the active guidance of the Chairman / Board.

The Board of Directors have taken on record the confirmation received from all Directors, Promoters, Key Managerial Personnel and other employees that they have not entered into any agreement for themselves or on behalf of any other person with any shareholder or any other third party about compensation or profit sharing in connection with dealings in securities of the Company during the year ended 31st March 2023 under regulation 26(6) of SEBI (LODR) Regulations, 2015.

Independent - Non-Executive Director

Mr.P.Ganesan, Mr.S.P.Sivanandam and Mr.Nagaraj Saveethkumar are Non-Executive, Independent Directors who constitute 1/2 of the total strength of the Board where the Chairman of the Board is Non-Executive -Independent Director.

Non-Independent Director

Mr.E.V.Muthukumara Ramalingam, Mr.M.R.Gautham and Mrs.M.Sasikala are Non-Independent Directors. Both Mr.E.V.Muthukumara Ramalingam and Mr.M.R.Gautham are Executive Directors while

Mrs.M.Sasikala is Non-Executive Director. Hence, the Board has not less than fifty percent of the board of directors comprised of non-executive directors in terms of the provisions of the listing regulation.

a. The details of Directorship on the Board of Listed entities, other than Velan Hotels Ltd, of above directors :

None of the Directors on the Board holds directorships in more than 20 companies, which include 10 public companies. None of the Directors serves as Directors in more than seven listed companies. Further, none of the Non-Executive Directors serves as Independent Directors in more than seven listed entities as required under the SEBI Listing Regulations. The Managing Director of the Company does not serve as an Independent Director in any other listed entity.

None of the directors is a Member of more than ten committees or a Chairperson of more than five committees across all the public companies in which he/she is a Director. For determination of the limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders Relationship Committee only have been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations. Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place.

b. Attendance of each director at the meeting of Board of Directors and the last Annual General Meeting.

Name of Director(s)	Designation / Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Directorships held	No. of other Company's Committees of which Member / Chairman	No. of shares held by Non-Executive Directors
Mr. P. Ganesan	Chairman/ Independent- Non-Executive	10	No	Nil	Nil	33050
Mr. E.V. Muthukumara Ramalingam	Managing Director/Non-Independent-Executive	10	Yes	2	Nil	N.A
Mr. M.R. Gautham	Executive Director/Non-Independent-Executive	10	Yes	2	Nil	N.A.
Mrs. M. Sasikala	Non-Executive Director / Non-Independent	10	Yes	1	Nil	2130743
Mr. S. P. Sivanandam	Independent-Non-Executive	10	No	1	Nil	100
Mr. Nagaraj Saveethkumar	Independent-Non-Executive	10	Yes	Nil	Nil	Nil



c. Board Meetings and Attendance

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meetings is within the period prescribed under the Companies Act 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

During the year under review, the Board met ten (10) times. There were held on 16/05/2022, 30/05/2022, 24/06/2022, 01/08/2022, 12/08/2022, 29/09/2022, 12/11/2022, 18/01/2023, 10/02/2023 and 31/03/2023. The agenda of the Board meeting is circulated to all the Directors well in advance and contains all the relevant information.

d. Disclosure of relationship between directors inter-se

There is no inter-se relationship between Directors other than Mr. E.V.Muthukumara Ramalingam, Mrs. M.Sasikala and Mr. M.R.Gautham. Sri. E.V.Muthukumara Ramalingam and Smt. M.Sasikala are parents of Mr. M.R. Gautham.

e. Weblink of where the details of familiarization programmes are imparted to independent directors.

The details of the familiarization program imparted to Independent Directors during the year 2022-23 can be viewed at: <https://www.velanhotels.com/FamilirisationProgram2023.pdf>

f. List of skills / expertise / competencies required to function the business effectively.

- i. The following list of core skills /expertise / competencies are identified by the Board of Directors as required in the context of Business(es) and sector(s) for it to function effectively and those available with the Board of Directors.

Integrity and Judgment	Directors should have the highest level of integrity, ethical character and the ability to exercise sound business judgment on a broad range of issues consistent with the Company's values.
Qualification & Knowledge	Directors should be financially literate and have a sound understanding of a Business strategy, corporate governance and board operations.
Diversity	Directors should be capable of representing the multi-cultural nature with consideration being given to a diverse board in terms of gender and ethnic membership. In addition, the Committee shall take into account diversity in professional experience, skills and background.
Independence	Directors who are not current or former management should meet the spirit as well as the letter of the applicable independence standards. In addition, all Directors should be independent in their thoughts and judgment so that they represent the long-term interests of all shareholders of the Company.
Experience and Accomplishments	Directors should have significant experience and proven superior performance in professional endeavors whether this experience is in business, government academic or non-profit organizations.

Board Interaction	Directors should value board and team performance over individual performance, demonstrate respect for others and facilitate superior board Performance. Directors should be willing and able to devote the time required to become familiar with the Company's business and to be actively involved in the Board and its decision-making.
Skills	Directors should have expertise in one or more of the areas such as accounting and finance, technology, management, compensation, legal, HR, corporate governance, strategy, industry knowledge and general business matters.

ii) Key skills and Competencies of the Board

	Mr.P. Ganesan	Mr.E.V.Muthukumara Ramalingam	Mr.M.R.Gautham	Mrs.M.Sasikala	Mr.S.P.Sivanandam	Mr.Nagaraj Saveethkumar
Integrity and Judgment	✓	✓	✓	✓	✓	✓
Qualification and Knowledge	✓	✓	✓	✓	✓	✓
Diversity	✓	✓	✓	✓	✓	✓
Independence	✓	✓	✓	✓	✓	✓
Experience and Accomplishments	✓	✓	✓	✓	✓	✓
Board Interaction	✓	✓	✓	✓	✓	✓
Skills	✓	✓	✓	✓	✓	✓

All the Directors of the Company possess the core competencies identified by the Board.

g. Confirmation of Independence

In the opinion of the Board, the Independent Directors fulfill the conditions specified under Regulation 34(3) of SEBI (LODR) Regulations, 2015 and are independent of the management.

h. Reasons for the resignation of an Independent Director

None of Independent Director has resigned during the financial year.

COMMITTEES OF THE BOARD

The Company has constituted various committee(s) in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary to all the Committees. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting thereat.

3. AUDIT COMMITTEE

i) Terms of Reference:

The role of the Audit Committee includes overseeing the financial reporting process and disclosure of

financial information, review of financial statements before submission to the Board, review of the adequacy of the internal control system, findings of internal audit, whistle blower mechanism, approval and review of related party transactions valuation of assets / undertakings of the Company, the appointment of Registered Valuers etc., besides recommending the appointment of Auditors and their remuneration to the Board as well as approval of payments to Statutory Auditors for non-audit services and review of the effectiveness of audit process. It also reviews major accounting policies followed by the Company.

ii) Composition:

The Company has complied with the requirements of Regulation 18 of SEBI (LODR) Regulations 2015 as regards the composition of the Audit Committee.

During the year under review, the Audit Committee comprises entirely of four Non-Executive Directors and two-thirds of them are Independent Directors. Sri.P.Ganesan, Sri.S.P.Sivanandam, Sri.Nagaraj Saveethkumar and Smt.M.Sasikala are the Member of the Committee.

Sri.P.Ganesan, Independent Director is the Chairman of the Committee.

The Audit Committee invites the executives including the CFO of the Company, as it considers appropriate, representatives of the Statutory Auditor and representatives of the Internal Auditor at its meetings. The Company Secretary acts as the Secretary to the Committee. All the members are financially literate and possess the necessary expertise in finance or accounting or any other comparable experience or background.

iii) Committee Meetings :

Committee meetings and the attendance record of the members at the meeting were as follows:

During the year under review, there were 5 committee meetings held. There were held on 01/04/2022, 30/05/2022, 12/08/2022, 12/11/2022 and 10/02/2023.

Name of the Member	Designation	No. of Meetings of Attended
Sri. P. Ganesan	Chairman	5
Smt. M. Sasikala	Member	5
Sri. S. P. Sivanadam	Member	5
Sri. Nagaraj Saveethkumar	Member	5

The Chairman of the Audit Committee was not present at the last Annual General Meeting. Mr.Nagaraj Saveethkumar, a member of the Committee was present and represented the Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE:

a. Composition

The Composition of Nomination and Remuneration Committee is under the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations which comprises entirely of four Non-Executive Directors and two-thirds of them are Independent Directors.

Name of the Member	Designation
Mr. S.P. Sivanadam	Chairman
Mr. P. Ganesan	Member
Mrs. M. Sasikala	Member
Sri. Nagaraj Saveethkumar	Member

b. Terms of Reference

The constitution and terms of reference of the Nomination and Remuneration Committee of the Company comply with provisions of Section 178 of the Companies Act, 2013 as well as the requirement of Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee of the Company was constituted to formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board policies relating to, the remuneration of the Directors, Key Managerial Personnel and other employees and diversity of Board of Directors, and evaluation of the performance of Independent Directors and the Board of Directors, identifying persons who are qualified to become directors and who may be appointed in senior management per the criteria laid down, and recommend to the Board of Directors their appointment and removal.

c. Committee Meetings

During the financial year 2022-23, two meetings were held on 12/08/2022 & 31/03/2023. All the members of the Committee were present. They also evaluated the performance of the Independent Directors, Non-Independent Directors and the Board as per the prescribed criteria and recommended to the Board for re-appointment of the Executive Director.

d. Performance evaluation criteria for Independent Directors

Each Independent Director's performance was evaluated as required by Schedule IV of the Act having regard to the following criteria of evaluation viz. (i) Qualification (ii) Experience (iii) Availability and Attendance (iv) Integrity (v) Commitment (vi) Governance (vii) Independence (viii) Communication (ix) Preparedness (x) Participation and (xi) Value Addition.

e. Remuneration to Managing Director / Executive Director and all pecuniary relationships or transactions of the non-executive directors' vis-à-vis the Company.

During the year under review, no remuneration was paid to the Managing Director / Executive Director given the accumulated loss. In addition, there is no other material pecuniary relationship or transaction by the Company with its Non-Executive Directors.

f. Remuneration of Directors / Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The performance criteria for payment of remuneration are stated in the Remuneration Policy. The said policy is hosted on the following weblink :

<https://www.velanhotels.com/pdf/Velan%20Hotels-%20Remuneration%20Policy-on-Selection-and-Appointment-of-Directors-and-their-Remuneration-2.pdf>

g. Service Contracts:

Under the applicable provisions of the Companies Act, 2013, the members of the Company approved the re-appointments of the Managing Director / Executive Director without any managerial remuneration due to loss made by the Company. No service contracts were entered into between the Company and its Directors.

h. Notice Period:

The terms of appointments of the Managing Director/ Executive Director of the Company is such that it requires three months' notice periods by either parties.

i. Severance / Compensation fees:

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Directors as and when the Company turns a profit.

j. Payment and other consideration to independent directors:

An independent director shall not be entitled to any stock option and is entitled to receive remuneration only by way of sitting fees and reimbursement of expenses for participation in meetings of the Board or committee thereof.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Composition

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. P. Ganesan, Independent Director of the Board. Mr. S.P. Sivanandam and Mr. Nagaraj Saveethkumar, Non-Executive Directors and Mr. E.V. Muthukumara Ramalingam, Managing Director of the Company are the other members of the Committee.

Mr. M. Srinivasan, Company Secretary is the Compliance Officer of the Company.

b. Terms of reference

The terms of reference of this Committee include formulation of investor servicing policies, review of redressal of investor complaints and approval / overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of duplicate certificates, demat / remat requests, review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent, to consider and resolve the grievances of share holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance, review measures taken for effective exercise of voting rights by shareholders and ensuring timely receipt of annual reports / statutory notices by the shareholders and performing other functions as delegated to it by the Board from time to time.

c. Committee meetings

During the year under review, the Stakeholders Relationship Committee met on 29/08/2022 and 31/03/2023.

Complaints Status	01-04-2022 to 31-03-2023
Number of shareholders' complaints received during the period :	1
Number not solved to the satisfaction of shareholders :	Nil
Number of pending complaints :	Nil

The business transacted at the Stakeholders Relationship Committee meetings is regularly placed before the Board.

The attendance of the Members at the meetings is stated below.

Name of the Member	Designation	No. of Meetings of Attended
Mr. P. Ganesan	Chairman	2
Mr. S. P. Sivanandam	Member	2
Mr. E.V. Muthukumara Ramalingam	Member	2
Mr. Nagaraj Saveethakumar	Member	2

d. SEBI Complaints Redress System (SCORES)

A centralized web-based complaints redressal system 'SCORES' which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ARTs) by the concerned companies and the investors can view the of actions taken on the complaint and its current status.

In line with the existing provisions of the Listing Regulation, the Company has created a separate e-mail address viz. investorrelations@velanhotels.com to receive complaints and grievances from the investors.

e. Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA & the Company has also filed its Annual Financial Statements on MCA through XBRL.

6. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR.

As the Company halted its commercial operation in March, 2020 and is yet to commence its operations, all senior management personnel except the Company Secretary and Chief Financial Officer have already left the service voluntarily during March 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As the Company does not fall under the criteria stated in Section 135 of the Companies Act, 2013, the Company has not formed a CSR Committee.

INDEPENDENT DIRECTORS MEETING:

The Company's Independent Directors met during March, 2023 without the presence of the Managing Director, Executive Director, Non-Executive-Non-Independent Directors and Management representatives. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters about the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Further, the Independent Directors also review the performance of the Chairman, Non-Independent Directors, Managing Director (after taking into account the views of Executive and Non-Executive Directors) and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

1. Means of Communication:

The quarterly results, reports, statements, documents, filing and any other pieces of information are filed with the electronic platform of the BSE Ltd immediately after they are approved by the Board. These are also published in "Afternoon", an English daily newspaper and in "Pirpagal", a regional daily newspaper published in the language of the region where the Registered Office of the Company is situated.

The Company maintains a functional website containing all prescribed information as mentioned in Regulation 46 of the Listing Regulations. There is a separate section on 'Investor Relations' where Members can access the details of the Board, the Committees, Policies, Board committee, financial information, statutory filings, Shareholding information, details of unclaimed dividends and shares transferred/liable to be transferred to IEPF etc.

Further, all periodical compliance filings like Shareholding Patterns, Corporate Governance Reports, and Corporate Announcements etc. are filed electronically on BSE Listing Centre, a web-based application designed by BSE for corporate.

Investors / Analysts Meet: No presentations have been made to Institutional Investors or analysts.

2. Share Transfers Agents:

Both physical and Demat segments are handled by the Company's Registrar & Share Transfer Agent namely SKDC Consultants Ltd., "Surya", Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Post, Coimbatore - 641 028.

3. Share Transfer System:

SEBI has amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements)(Fourth Amendment) Regulations, 2018 to disallow listed companies from accepting requests for transfer of securities which are held in physical form with effect from April 1, 2019. Members will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form are accepted by the listed companies.

Annual Certificate on Security Transfer:

In terms of Regulation 40(9) of the SEBI Listing Regulations, a certificate, on an annual basis, has been issued by a Company Secretary in Practice concerning due compliance of share and security transfer formalities by the Company.

4. Details of the securities suspended from trading

During the year under review, no shares of the Company were suspended from trading by SEBI / BSE Ltd / any other regulatory authorities.

5. GENERAL BODY MEETINGS :

i. Last three Annual General Body Meetings were held as per details shown below :

Year	Location	Date	Time
2022	AGM conducted through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	29 th September, 2022	11.45 a.m.
2021	AGM conducted through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	23 th December, 2021	12.05 p.m.
2020	AGM conducted through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	26 th December, 2020	12.05 p.m.

ii. Extra-Ordinary General Meeting :

No Extra -Ordinary General Meeting was held during the year 2022 - 23.

iii. Special Resolutions passed during last three Annual General Meetings

Year	Date	Meeting	Matters passed
2022	29/09/2022	AGM	No special resolutions were passed
2021	23/12/2021	AGM	1. Re-appointment of Mr. E.V. Muthukumara Ramalingam as Managing Director without managerial remuneration.
2020	26/12/2020	AGM	1. Adoption of a new set of Memorandum of Association of the Company. 2. Alteration of Main Object clause of the Memorandum of Association of the Company

iv. Whether any special resolution passed last year through postal ballot, the persons who conducted the postal ballot exercise, details of voting pattern and procedure of postal ballot

No postal ballot was conducted during FY 2022-23.

v. Whether a special resolution is proposed to be conducted through postal ballot :

NIL

6. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

- i. Date : 27.09.2023 (Wednesday)
- ii. Time : 11.45 a.m.
- iii. Venue : 41 Kangayam Road, Tirupur - 641 604

b. Financial Calendar

- Financial reporting for the quarter ending September 2023 : Before November 14, 2023
- Financial reporting for the quarter ending December 2023 : Before February 14, 2024
- Financial reporting for the Annual for March 31, 2024 : Before May 30, 2024
- Financial reporting for the quarter ending June, 2024 : Before August 14, 2024

c. Date of Book Closure : 21/09/2023 to 27/09/2023

d. Dividend payment : No dividend is recommended.

e. Listing on Stock Exchange & Stock Code : BSE Limited & Stock Code 526755

f. Stock price data.

High / Low prices of the share of the Company quoted during the financial year 2022-23 at BSE Ltd.

Month & Year		High (Rs.)	Low (Rs.)
April	2022	8.95	6.68
May	2022	7.99	6.44
June	2022	7.64	5.80
July	2022	7.38	5.80
August	2022	7.79	6.10
September	2022	7.89	6.15
October	2022	8.55	6.46
November	2022	7.54	6.00
December	2022	8.10	6.01
January	2023	8.40	6.50
February	2023	7.14	5.76
March	2023	6.59	5.21

g. As the share price of the Company quoted below the par value, the performance in comparison to broad-based indices such BSE Sensex is not reported.

h. Distribution of Shareholdings as of 31.03.2023

Shares Range From - To	No. of Shareholders	%held (% No. of persons)	Value of shares (Rs.)	% held (% Value)
Up to 500	6088	86.4527	7344910	2.30
501 to 1000	454	6.4470	3799430	1.19
1001 to 2000	214	3.0389	3254410	1.02
2001 to 3000	85	1.2070	2168700	0.68
3001 to 4000	41	0.5822	1461380	0.46
4001 to 5000	38	0.5396	1761850	0.55
5001 and 10000	51	0.7242	3845220	1.20
10001 and above	71	1.0082	296005290	92.61
TOTAL	7042	100.0000	319641190	100.00

i. Categories of Shareholding as of 31st March 2023 :

Sl. No.	Category	No. of shareholder	No. of shares	% of holding
1.	Promoters Group			
a.	Individual	6	22791096	71.3021
b.	Bodies Corporate	1	2826934	8.8441
2.	Public Shareholding			
a.	Individual	6819	5610231	17.5516
b.	Directors/Directors relatives	5	83550	0.2614
c.	Bodies Corporate	31	18348	0.0571
d.	Non-Resident Indian (NRI)	20	45473	0.1423
e.	Overseas Corporate Bodies	1	1000	0.0031
f.	Clearing Members	3	758	0.0024
g.	HUF	54	116109	0.3632
h.	IEPF	1	470620	1.4723
	Total	6941	31964119	100.0000

(Multiple Folios having the same PAN clubbed into one folio.)

j. Dematerialization of shares and Liquidity as of 31.03.2023

Dematerilised form in CDSL	-	16498077
Dematerilised form in NSDL	-	14947767
Total shares in demat form	-	31445844
% of total share capital	-	93.37 %
Physical holding	-	518275
% of total share capital	-	1.62%

k. Reconciliation of Share Capital Audit

In keeping with the requirements of SEBI-LODR Regulations, a Reconciliation of Share Capital Audit is carried out by a Practicing Company Secretary at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid - up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

l. Details on use of public funds obtained in the last three years

During the last three years, no fund has been raised.

m. Outstanding GDR/ADR/Warrants and convertible bonds, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments during the year under review and hence, as on March 31, 2023, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not dealing / trading in any commodities / exchanges, hence the Company does not have any exposure to commodity price risk or hedging activities.

o. As the Company has not issued any debt instruments or does not have any fixed deposit program or any scheme or proposal involving mobilization of funds, obtaining credit ratings does not apply to the Company.

p. Location of the Hotels ←————→ Velan Hotels-Greenfields,
41 Kangayam Road, Tirupur 641 604

q. Address for correspondence —————→ Velan Hotel - Greenfields
41 Kangayam Road, Tirupur 641 604 Tamil Nadu
Ph Nos : (+91/0)(421) 4311111
Fax Nos : (+91/0)(421) 2424434
E-mail : accounts@velanhotels.com &
investorrelations@velanhotels.com
Website : www.velanhotels.com

r. Compliance Officer Sri. M. Srinivasan - Company Secretary

5. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large;

The details of Related Party Transactions are given in the Directors Report.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The Company believes that it has complied with all the regulations of the Stock Exchange, SEBI or other statutory authority/ties on matters related to capital markets except the following :

a. In 2021-22, the Company remitted a fine of Rs.21240/- to BSE Ltd in response to a direction issued by BSE Ltd in the matter of late submission of shareholding pattern for the quarter ended 30th September, 2021 with BSE Ltd by nine days.

b. The Company is yet to comply with Minimum Public Shareholding (MPS).

c. Vigil Mechanism or Whistle-Blower Policy:

According to Section 177 of the Companies Act, 2013, Regulation 22 of SEBI (LODR) Regulation, 2015 and Regulation 9A (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such a mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at https://www.velanhotels.com/pdf/Velan%20-%20Vigil_Mechanism_Whistle-blower_Policy.pdf

d. Web link of policy on dealing with related party transactions:

The policy on dealing with related party transactions can be viewed at <https://www.velanhotels.com/pdf/Related-Party-Transactions-Policy%20-%20Velan%20Hotels%20Ltd.pdf>

e. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies that are consistently applied are set out in the Notes to the Financial Statements.

f. Risk Management

The Company has in place a mechanism to inform the Board members of the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.

g. Commodity price risk and Commodity hedging activities

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

h. Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company did not raise any funds through Preferential Allotment or Qualified Institutional Placement (QIP) during the year.

i. A certificate from a Company Secretary in practice that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in Practice is annexed herewith as a part of the report.

j. A compliance certificate on the requirements of Corporate Governance has been received from the Practicing Company Secretary, which is annexed to this Report.

k. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.

Not Applicable

l. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

The details relating to fees paid to the Statutory Auditors are given in Note No. 30 (b) to the Standalone Financial Statements.

m. Disclosures about the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosed in the Directors' report.

n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries & Web-link where policy for determining 'material' subsidiaries is disclosed;

Since the Company does not have any subsidiaries, not applicable

m. Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (Code) for all the board members and senior management personnel of the Company and this Code is posted on the website of the Company. An annual declaration is obtained from every associate covered by the Code. The declaration of the Managing Director, as required under SEBI (LODR) Regulations, 2015, is published elsewhere in the Annual Report.

n. Directors and Officers Liability Insurance (D&O) as specified under Regulation 25(10) of the SEBI Listing Regulations:

Since your company does not fall under the category of the top 1000 listed entities by market capitalization calculated as of March 31 of the preceding financial year, the said Regulation does not apply to the Company.

o. Disclosure by the Company of 'Loans and advances in the nature of loans to firms/companies in which directors are interested in name and amount':

There have been no loans or advances extended by the Company, which bear resemblance to loans, to any firms or companies where the Directors of the Company are interested.

p. Details of compliance with mandatory and non-mandatory requirements Mandatory

As the Company is committed to the highest levels of Corporate Governance, the Company has complied with all mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015

❖ **Non-mandatory requirements**

The adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

The status of compliance with the non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations is provided below:

i. Separate posts of Chairperson and the Managing Director:

The Chairman of the Board is Non-Executive Director & Independent and not related to the Managing Director of the Company. A clear distinction exists between the roles and duties of the Chairman and those of the Managing Director.

The Chairman is entitled to maintenance of office and reimbursement of expenses for performing his duties.

ii. Shareholders rights

The quarterly financial results are published in newspapers in English and Tamil and uploaded on the Company's website and any major developments are conveyed in the press releases issued by the Company and posted on the Company's website. The Company therefore did not send the half-yearly performance update individually to the shareholders during the year.

iii. Modified opinion(s) in audit report

The Statutory Auditors of the Company have given modified opinions in the audit report and replies against same by the Board are reported in the Directors Report.

iv. Reporting of Internal Auditor

The Internal Auditors of the Company report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

Other non-mandatory requirements have not been adopted at present.



q. Disclosure concerning Unclaimed Securities -Suspense Escrow Account & Suspense Escrow Demat Account

No outstanding shares are lying in the above mentioned suspense escrow accounts of the Company.

r. Compliance Certificate of Managing Director / CFO

The Managing Director and the Chief Financial Officer of the Company have given certification on financial reporting and internal controls for the financial year 2022-23 to the Board of Directors at their meeting held on 29th May, 2023, as required under Regulation 17(8) of SEBI (LODR), Regulations, 2015.

s. Code of Conduct for prohibition of Insider trading

The Company has adopted a Code of Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended in 2019. All Directors, Senior Management Personnel, persons forming part of Promoter(s) / Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. The web link to the code of conduct is available on the board's report. The Company Secretary of the Company is appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

t. Disclosure of certain types of agreements binding listed entities under clause 5A of paragraph A of Part A of Schedule III of SEBI-LODR Regulations.

At present, no such agreements entered into with such persons that impact the management or control of the Company or impose any restriction or create any liability upon the Company.

DECLARATION BY THE MANAGING DIRECTOR UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Under Para-D of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2023.

For and on behalf of the Board

E. V. Muthukumara Ramalingam
Managing Director
(DIN : 00046166)

Place : TIRUPUR
Date : 23.08.2023

CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENT

To
The Board of Directors
M/s. Velan Hotels Limited

Sub : Compliance Certificate furnished by Managing Director and CFO of the Company as for the quarter ended (Q4) and financial year ended 31st March, 2023 as per Part-B of Schedule II of Regulation 17(8) and 33 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015.

We, the undersigned, in our respective capacities as Managing Director and CFO of Velan Hotels Ltd to the best of our knowledge and belief certify that :

- A. We have reviewed the Financial Statement for the financial year ended 31st March 2023 and that to the best of our knowledge and belief:
- These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These Statements together present a true and fair view of the Company and are comply with existing Indian Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year that are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company regarding financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- significant changes in internal control over financial reporting during the financial year;
 - significant changes in accounting policies during the financial year and that the same have been disclosed in the Notes to the Accounts; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.



E. V. Muthukumara Ramalingam
Managing Director
(DIN : 00046166)



R. Lalitha
Chief Financial Officer

Place : TIRUPUR
Date : 29.05.2023

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Velan Hotels Limited

I have examined the compliance of conditions of Corporate Governance by Velan Hotels Limited ("the Company") for the year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations - 2015").

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governance stipulated in the SEBI Listing Regulations - 2015.

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of the information provided and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations -2015, as applicable, during the year ended March 31, 2023 except non-compliance with the requirement of Minimum Public Shareholding (MPS) under Regulation 38 of SEBI (LODR) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company



S GANESH VISWANATHAN M.Com., FCS,
Company Secretary in Practise
Membership No. FCS 12727
CP. No. 20421
Peer Review Certificate No. : 4099/2023
UDIN : F012727E000851521

Place : TIRUPUR
Date : 23.08.2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Velan Hotels Ltd
Tirupur - 641 604

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VELAN HOTELS LIMITED having CIN L55101TZ1990PLC002653 and having Registered Office at S F 41 Kangayam Road, Tirupur 641604 (hereinafter referred to as 'the Company'), produced before me by the Company to issue this Certificate under Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	ESWARAMOORTHY VENKATACHALAM MUTHUKUMARA RAMALINGAM	00046166	21/03/1990
2.	MUTHUKUMARA RAMALINGAM GAUTHAM	00046187	01/12/2001
3.	PALANISAMY GOUNDER GANESAN	00049804	21/03/1990
4.	MUTHUKUMARARAMALINGAM SASIKALA	01452586	28/03/2012
5.	SUBBANNA CHETTIAR PALANISWAMY CHETTIAR SIVANANDAM	01864334	29/09/2014
6.	NAGARAJ SAVEETHKUMAR	09130676	31/03/2021

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.



S GANESH VISWANATHAN M.Com., FCS,
Company Secretary in Practise
Membership No. FCS 12727
CP. No. 20421
Peer Review Certificate No. : 4099/2023
UDIN : F012727E000851532

Place : TIRUPUR
Date : 23.08.2023

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

[See Regulation 33/ 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2.30	2.30
2.	Total Expenditure	267.80	267.80
3.	Net Profit/(Loss)	(1,845.44)	(1,845.44)
4.	Earnings Per Share	(5.79)	(5.79)
5.	Total Assets	6,493.60	6,493.60
6.	Total Liabilities	5,839.42	5,839.42
7.	Net Worth	654.18	654.18
8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

i) Going Concern

We draw attention to Note No. 6 of the attached Financial Results for the year ended 31st March 2023. 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 ARC, the company has made a payment of Rs. 59.30 cr. from the sale proceeds of Shopping Mall, part of Multiplex properties, Hotel at Coonoor and sale of power plant assets. In addition the management has infused a sum of Rs. 11.30 cr. as unsecured loan. The company intends to repay the balance to the ARC from the sale of other assets of the Company.

Further, We draw attention to Note No. 4, the Company having suspended all business operations and with no revenue being generated, the ability of the Company to repay its debts depends on the quantum of realisation from the sale of Assets, there exists a concern on the ability of the Company continuing as a Going Concern.

ii) Pending Confirmation of balance of Outstanding Debt:

Due to non-availability of confirmations in respect of loan taken over by ARC. In the absence of such confirmations, any provisions to be made for the variations in carrying amounts of outstanding balance of debt, cannot be quantified as well as the quantum of adjustment if any, required to be made remains unascertained.

iii) Impairment of Assets

The test for the impairment of the assets tied to the borrowings have not been carried out as only a portion of the assets have been sold as at the year end. With the other assets still in the possession of the

Company, impairment, if any, shall be quantifiable only on completion of the sale of the assets of the Company and extinguishment of the Debt. Therefore no loss is recognised on account of potential impairment.

iv) Delays in remittance of statutory dues:

There has been a significant delay in the remittance of Tax Deducted at Source, Goods and Service Tax, Value Added tax, Service Tax, Provident Fund and Employees' State Insurance to appropriate authorities. There were no amount outstanding pertaining to the accounting year 2022-23.

v) Gratuity and Leave Encashment accounted on estimated basis

The company has not made provision for gratuity and leave encashment on Actuarial Basis.

b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified Opinion

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing

Repetitive

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

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 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.

During the year the company has repaid Rs.3 Crore from Sale of scrapped power plant and machinery and repaid Rs. 16.30 Crore from sale of vacant land and from funds infused by the Managing Director of the company as unsecured loan.

The revenues of the Velan Greenfields Hotel Tirupur was severely impacted due to the ongoing Covid-19 Novel Corona Virus pandemic forcing the closure of operations. With this closure all revenue generating operations of the Company has been suspended. 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.

As per the final OTS offer provided by the ARC and accepted by the Company, such communication has been considered for the confirmation of the Outstanding Debt.

The Company is taking necessary steps to regularise the Statutory Dues. During the year, the company has paid dues relating to Provident Fund, Sales Tax and Tax Deducted at sources for Earlier Years amounting to Rs.27.95 Lacs.

- e. For Audit Qualification(s) where the impact is not quantified by the Auditor:
- i) Management's estimation on the impact of audit qualification:
Management is unable to estimate the impact on the above audit qualification. Reason is for same is stated below.
 - ii) If management is unable to estimate the impact, reasons for the same:
Impact on Audit qualification is not estimable due to the following reasons,
 - a) Only a portion of the assets have been sold as at the year end. With the other assets still in the possession of the Company, impairment, if any, shall be quantifiable only on completion of the sale of the assets of the Company and extinguishment of the Debt, therefore no loss is recognised on account of potential impairment of Fixed Assets tied to the borrowings.
 - b) After COVID-19 pandemic, the business operation of the company has been forced to Closure; with this closure all revenue generating operations of the Company has been suspended. The company is exploring options of selling a part or all of its revenue generating assets to settle all liabilities including Statutory Liabilities. In view of the above, the Company's going Concern is affected.
 - c) 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.
 - iii) Auditors' Comments on (i) or (ii) above:
 - a) In the opinion of the management and also due to uncertainty in realizable values of remaining Fixed Assets by the management, no loss is recognised on account of potential impairment of Fixed Assets.
 - b) In respect of Going Concern, the company's ability to run business as a going concern is dependent on the value that can be generated by the sale of assets and the surplus, if available subsequent to the settlement of all liabilities.

Signatories :

Managing Director : (Sd.)



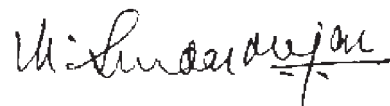
CFO : (Sd.)



Audit Committee Chairman : (Sd.)



Place : Tirupur Statutory Auditor : (Sd.)



Date : 29.05.2023

INDEPENDENT AUDITOR'S REPORT

To

The Members of Velan Hotels Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of **Velan Hotels Limited** ("the Company"), which comprise the Balance Sheet as of March 31, 2023, and the Statement of Profit and Loss, the Statement of Changes in Equity and the 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.

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, 2023, and Profit/ Loss 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 and other Key Audit Matters.**

Basis for Qualified Opinion

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 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.

Going Concern

We draw attention to Note No. 36 of the Financial Statement for the year ended 31st March 2023. 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 ARC, the Company has made a payment of Rs. 59.30 cr., towards repayment to ARC, partly (Rs. 48.00 cr.) from the sale proceeds of Shopping Mall, part of Multiplex properties, Hotel at Coonoor and sale of power plant assets and partly (Rs. 11.30 cr.) by way of unsecured loans from Directors. The Company intends to repay the balance to the ARC from the sale of other assets of the Company.

Further, we draw attention to Note No. 35, the Company having suspended all business operations and with no revenue being generated, the ability of the Company to repay its debts depends on the quantum of realisation from the sale of Assets, there exists a concern on the ability of the Company continuing as a Going Concern. In view of the above, our opinion is **Qualified**.

Other Matters

In view of the lockdown and travel restrictions due to the 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 and reliable and is 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.

In view of the above our opinion is **Not Qualified**.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters identified in our audit are summarized as follows :

- ❖ The ability of the Company Continuing as a Going Concern
- ❖ Confirmation of balance of Outstanding Debt
- ❖ Impairment of Assets
- ❖ Delays in remittance of statutory dues
- ❖ Gratuity and Leave Encashment accounted for on an estimated basis

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>The Ability of the Company Continuing as a Going Concern</u></p> <p>As of 31st March 2023, the Company has suspended all operations of the Company and there exists no revenue generation to meet the debt obligations and to continue the operations.</p> <p>Accordingly, it has been determined as a key audit matter.</p>	<p>Our audit procedures in relation to the assessment of going concern included :</p> <ul style="list-style-type: none"> - Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over the existence and performance of Revenue and Receivables activities; - Audit of debt obligations as of the year ended March 31, 2023; - Estimating the extent of revenue to continue the operations on 'a Going Concern Basis', - Assessment of the revenue-generating capacity of the Company to reasonably meet its debt obligations. <p>Key Observation:</p> <p>We draw attention to Note No. 36 of the Financial statement for the year ended 31st March 2023. 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 ARC, the Company has made a payment of Rs.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>59.30 cr., towards repayment to ARC, partly (Rs. 48.00 cr.) from the sale proceeds of Shopping Mall, part of Multiplex properties, Hotel at Coonoor and sale of power plant assets and partly (Rs. 11.30 cr.) by way of unsecured loans from Directors. The Company intends to repay the balance to the ARC from the sale of other assets of the Company.</p> <p>Further, we draw attention to Note No. 35, the Company having suspended all business operations and with no revenue being generated, the ability of the Company to repay its debts depends on the quantum of realisation from the sale of Assets, there exists a concern on the ability of the Company continuing as a Going Concern. In view of the above, our opinion is Qualified.</p>
<p>Confirmation of balance of Outstanding Debt:</p> <p>As on the date of Balance Sheet, the company has not obtained confirmation statement from ARC for Outstanding Debt.</p>	<p>Our audit procedures in relation to the assessment of the outstanding balance of debt as of 31.03.2023:</p> <ul style="list-style-type: none"> - Tested the information used by management for outstanding debts. - Obtained necessary evidence to confirm the transfer of closing outstanding debts with Banks to ARC. <p>Key Observation:</p> <p>With the final OTS offer provided by the ARC and accepted by the Company, such communication has been considered for the confirmation of the Outstanding Debt.</p> <p>Confirmation of balances has not been obtained for Loans and Advances and Sundry Creditors and accordingly the respective figures have been stated at book values</p>
<p>Impairment of Assets</p> <p>For the Assets, which are taken over by ARC against the amount due, has been not tested for Impairment.</p>	<p>Our audit procedures in relation Impairment of Assets :</p> <ul style="list-style-type: none"> - Obtained list of Fixed Assets by Carrying Amount, which is original book value less depreciation. - Tested the Carrying amount for impairment using discounted cash flows. - Adjusted the fixed assets for a reduction in carrying value and recognized the loss. <p>Key Observation:</p> <p>The test for the impairment of the assets tied to the borrowings has not been carried out as only a portion of the assets have been sold at the year end. With the other assets still in the possession of the Company, impairment, if any, shall be quantifiable only on completion of the sale of the assets of the Company and</p>



Key Audit Matter	How our audit addressed the Key Audit Matter
	extinguishment of the Debt. Therefore no loss is recognised on account of potential impairment.
<p>Delays in remittance of statutory dues:</p> <p>The Company is delay in remittance of statutory dues to various statutory authorities.</p>	<p>There have been significant delays in meeting the statutory obligations, including Service Tax, Goods and Services Tax and Value Added Taxes, which are due more than 6 months as of 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.27.95 Lacs. The Company is taking necessary steps to settle the balance of Statutory Dues as and when the sale of assets is completed.</p>
<p>Gratuity and Leave Encashment accounted on estimated basis</p> <p>As on the balance sheet date, the Company has not made provision for Gratuity and Leave Encashment on Actuarial Basis.</p>	<p>Our audit procedures in relation to accounting of Gratuity and Leave Encashment on an Actuarial Basis:</p> <ul style="list-style-type: none"> - Tested the accuracy and completeness of data sent by management to Actuaries in computing the provision for Gratuity and Leave Encashment; - Tested the appropriateness of methods, other inputs and significant assumptions used by the Actuary. <p>Key Observation:</p> <p>As all the operations of the Company have been suspended all the employees except KMP have resigned and no provision of Gratuity and Leave Encashment is required. The Company shall have to re-assess the carrying liability of Gratuity and Leave Encashment to arrive at the appropriate liability. Till such time no revisions in the carrying value of Gratuity and Leave Encashment have been considered. The impact of change in profitability could not be ascertained.</p>

Information Other than the Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights and board's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as 'a going concern'. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations that to the best of our knowledge and belief were necessary for our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report agree with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Based on the written representations received from the Directors as of 31st March, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as of 31st March, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information

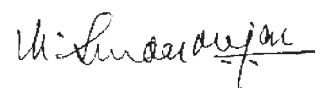
and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year; and

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - ii) The management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - iii) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
 - v. No dividend is declared during the year and therefore compliance with Section 123 of the Act is not applicable for the Company.

KRISHAAN & CO

Chartered Accountants

FRN : 001453S



(K. SUNDARRAJAN)

Partner

(Membership No. : 208431)

UDIN : 23208431BGVHTA8128

Place : Tirupur

Dated : 29.05.2023

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanation are given to us during the course of our audit, we report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and based on our examination of the registered title deeds of all the immovable properties of land and building are held in the name of the Company as at the balance sheet date; Immovable properties of land and building whose title deeds have been mortgaged as security for loans, guarantees etc., are held in the name of the Company as per Memorandum of Entry executed by the Company and confirmed by the banker/ARC as on the balance sheet date.
 - d) According to the information and explanations are given to us and based on our examination of the records of the Company, the Company has not revalued its fixed assets during the year.
 - e) According to the information and explanations given to us and based on our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii)
 - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No inventory is lying at the end of the year.
 - b) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material, which have been properly dealt with in the books of account.
 - c) The Company has not availed any working capital loan from banks or financial institutions.
- iii) According to the information and explanations are given to us and based on our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, made any investments or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

- v) The Company has not accepted any deposits or amounts that are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi) As per information and explanation given by the management, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, valued added taxes/GST, sales tax, wealth tax, excise duty, service tax, duty of customs, value added tax, Cess and other material statutory dues have been deposited with delays during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as of 31st March 2023 for more than six months from the date they became payable as follows :

Nature of Due	Amount Outstanding (in Lacs)	Period
Goods and Service Tax	15.98	From Jan 2019
Service Tax	50.51	Upto June 2017
Value Added Tax	0.45	From Jan 2019
Employees Provident Fund	0.01	From Nov 2019
Employees State Insurance	0.18	From Nov 2019
Tax Deducted at Source	2.42	From April 2021

- b) According to the information and explanations given to us and also based on the Management representation, there are no disputed statutory dues that have not been deposited as of the year-end other than:

Statue	Nature of Dues	Amount involved [Rs.]	Period to which the Amount relates	Forum where the dispute is pending
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Damages on delayed payment Employees Provident Fund	5.99 Lakhs	2015-16, 2016-17 and 2017-18	Labour Court, Chennai
Income Tax Act, 1961	Income Tax (*)	2.15 Lakhs	AY 2010-11	Assessing Officer
Income Tax Act, 1961	Income Tax (*)	2.73 Lakhs	AY 2011-12	Assessing Officer
Income Tax Act, 1961	Income Tax (*)	0.03 Lakhs	AY 2012-13	Assessing Officer

(*) - response filed on Income Tax Portal, pending rectification

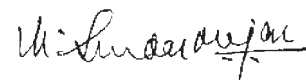
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks during the year. Refer Note No. 36 to these financial statements.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)© of the Order does not apply to the Company.
- d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order does not apply to the Company.
- e) The Company has no subsidiaries, associates or joint ventures. Hence the requirement to report on clause (ix)(e) and (ix)(f) of the Order does not apply to the Company.
- x) a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, reporting under clause 3(x)(a) does not apply to the Company and hence not commented upon.
- b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order does not apply to the Company.
- xi) a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the Cost Auditor / the Secretarial Auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order does not apply.
- xiii) According to the information and explanations given by the management, transactions with the related parties comply with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Accounting Standards.
- xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) a) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order does not apply to the Company.
- d) The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) The Company has incurred cash losses in the current year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Provisions of Section 135(5) of the Companies Act, 2013 is not applicable to the Company for the year ended 31st March 2023. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

KRISHAAN & CO

Chartered Accountants

FRN : 001453S



(K. SUNDARRAJAN)

Partner

(Membership No. : 208431)

UDIN : 23208431BGVHTA8128

Place : Tirupur

Dated : 29.05.2023



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of VELAN HOTELS LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

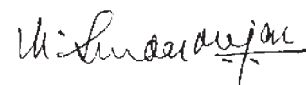
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

KRISHAAN & CO

Chartered Accountants

FRN : 001453S



(K. SUNDARRAJAN)

Partner

(Membership No. : 208431)

UDIN : 23208431BGVHTA8128

Place : Tirupur

Dated : 29.05.2023


BALANCE SHEET AS AT 31st MARCH 2023


Particulars	Note No.	As at 31.3.2023 (Rs. in lakhs)	As at 31.3.2022 (Rs. in lakhs)
A. ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,251.17	8,101.05
Capital work-in-progress		—	—
NON-CURRENT FINANCIAL ASSETS			
Trade receivables, non current	6	0.14	0.14
Loans	7	1,227.40	1,535.16
Sub total- Non-current Assets		6,478.71	9,636.36
CURRENT ASSETS			
Inventories	8	—	—
Current Financial Asset			
Trade receivables, current	9	—	—
Cash and Cash equivalents	10	0.19	0.75
Loans-current	11	14.70	54.53
Sub Total - Current Assets		14.89	55.28
Total Assets		6,493.60	9,691.63
B. EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	3,196.41	3,196.41
Other equity - Reserves & Surplus	13	(2,542.23)	(693.06)
Total equity		654.19	2,503.35
LIABILITIES			
Non-current liabilities :			
Deferred Tax liabilities (net)	14	314.96	314.96
Employee Benefit Obligations	15	4.53	4.53
Tax Liabilities (Net)	16	—	—
Non-current Financial liabilities :			
Borrowings-Non-Current	17	5,189.70	6,060.68
Trade payable-Non current	18	62.02	155.28
Other non-current financial liabilities	19	147.35	417.39
Other non-current liabilities	20	89.85	210.48
Sub Total Non-current Liabilities		5,808.41	7,163.31
Current liabilities :			
Current financial liabilities			
Borrowings-current	21	—	—
Trade payable-current	22	—	—
Other current financial liabilities	23	31.00	24.97
Sub Total Current Liabilities		31.00	24.97
Total Liabilities		5,839.41	7,188.28
Total Equity and Liabilities		6,493.60	9,691.63

Significant Accounting Policies & Notes forming part of Annual Accounts

As per our Report of even date

For **Krishaan & Co.,**

Chartered Accountants (FRN 001453S)


(K SUNDARRAJAN)

Partner


(Membership No. : 208431)

UDIN : 23208431BGVHTA8128

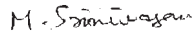
Place : Tirupur

Date : 29.05.2023

100 | ANNUAL REPORT 2023


E.V. Muthukumara Ramalingam
Managing Director (DIN : 00046166)


M. R. Gautham
Executive Director (DIN : 00046187)


M. Srinivasan
Company Secretary


R. Lalitha
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2023

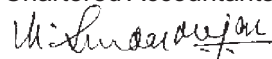
Particulars	Note No.	Year ended 31.3.2023 (Rs. in lakhs)	Year ended 31.3.2022 (Rs. in lakhs)
I. Revenue			
Revenue from Operations (Net of duties)	24	—	—
II. Other Income	25	2.30	—
III. Total Income		2.30	—
IV Expenses			
Cost of Supplies Consumed	26	—	—
House Keeping Expenses	27	—	—
Power and Fuel	28	0.66	0.38
Employee benefit expenses	29	15.77	13.86
Other Expenses	30	30.94	135.31
Total Expenses		47.37	149.55
EBITDA		(45.07)	(149.55)
Depreciation and Amortization Expenses	5	219.78	123.68
Finance cost	31	0.65	0.06
Profit/(Loss) Before Exceptional Items and Tax		(265.50)	(273.29)
Exceptional Items(Net)		(1,579.94)	1,211.02
Profit/(Loss) Before Tax		(1,845.44)	937.72
Tax Expenses			
a) Current tax expense - MAT		—	—
b) Tax relating to prior years		3.73	—
c) Deferred tax Income	14	—	—
Total Tax Expenses		3.73	—
Profit/(Loss) for the year		(1,849.17)	937.72
"Earnings Per Equity Share (Refer Note 32 (v)) [nominal value of share Rs. 10 (31st March 2022 : Rs. 10)]"			
1) Basic		(5.79)	2.93
2) Diluted		(5.79)	2.93

Significant Accounting Policies & Notes forming part of Annual Accounts

As per our Report of even date

For **Krishna & Co.,**

Chartered Accountants (FRN 001453S)


(K SUNDARRAJAN)


Partner

(Membership No. : 208431)

UDIN : 23208431BGVHTA8128

Place : Tirupur

Date : 29.05.2023


E.V. Muthukumara Ramalingam
Managing Director (DIN : 00046166)


M. R. Gautham
Executive Director (DIN : 00046187)


M. Srinivasan
Company Secretary


R. Lalitha
Chief Financial Officer

Statement of Changes in Equity

All figures are in Indian Rupees unless otherwise mentioned

A) STATEMENT OF CHANGES IN EQUITY

(Rs. in lakhs")

Particulars	Share Capital	Revaluation Reserve	Securities Premium	Surplus / (Deficit) in the Statement of Profit and Loss
As at the Beginning of 01.04.2022	3,196.41	577.77	3,147.84	(4,418.66)
Add : During the Year	—	—	—	(1,849.17)
Add : Transferred from Revaluation Reserve	—	(6.79)	—	6.79
Less : Utilised during the year	—	—	—	—
Closing Balance as at 31.03.2023	3,196.41	570.98	3,147.84	(6,261.04)

Significant Accounting Policies & Notes forming part of Annual Accounts

As per our Report of even date

For **Krishaan & Co.,**

Chartered Accountants (FRN 001453S)



(K SUNDARRAJAN)

Partner

(Membership No. : 208431)

UDIN : 23208431BGVHTA8128

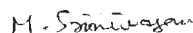
Place : Tirupur

Date : 29.05.2023



E.V. Muthukumara Ramalingam

Managing Director (DIN : 00046166)



M. Srinivasan

Company Secretary



M. R. Gautham

Executive Director (DIN : 00046187)



R. Lalitha

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

Particulars	Year ended on 31.3.2023 (Rs. in Lakhs)	Year ended on 31.3.2022 (Rs. in Lakhs)
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(265.50)	(273.29)
Adjustments for:		
Depreciation and amortisation	219.78	123.68
Finance costs	0.65	0.06
Interest income	(2.30)	-
Extraordinary Items	(1,579.94)	1,211.02
Net (gain)/loss on sale of Fixed Assets	1,579.94	(1,211.02)
Liabilities / provisions no longer required written back	218.14	123.74
Operating profit / (loss) before working capital changes	(47.37)	(149.55)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	—	—
Trade receivables	—	—
Short-term loans and advances	8.39	100.00
Long-term loans and advances	307.76	613.27
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(93.26)	(510.31)
Other Financial liabilities	(264.01)	217.13
Other long-term liabilities	(120.63)	2,115.33
Employees Benefit Obligation	-	(58.07)
	(161.75)	2,477.34
Cash flow from extraordinary items		
Cash generated from operations	(209.11)	2,327.79
Net income tax (paid) / refunds	27.72	(11.11)
Net cash flow from / (used in) operating activities (A)	(181.40)	2,316.68
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-	(2,743.36)
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)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.,)

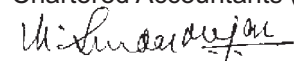
Particulars	Year ended on 31.3.2023 (Rs. in Lakhs)		Year ended on 31.3.2022 (Rs. in Lakhs)	
C. Cash flow from financing activities				
Proceeds from Equity share capital	—		—	
Proceeds from Issue of Preference share capital	—		—	
Proceed from long-term borrowings	—		—	
Proceeds/(Repayment) from Short-Term borrowings	—		—	
Repayment of Long Term Borrowings	(870.97)		(1,178.92)	
Investment in Shares	—		—	
Interest received	2.30		—	
Dividend Paid	—		—	
Finance cost	(0.65)		(0.06)	
Net cash flow from / (used in) financing activities (C)		(869.33)		(1,178.99)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(0.56)		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		0.19		0.75
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		0.19		0.75
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		—		—
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17		0.19		0.75
Cash and cash equivalents at the end of the year *				
* Comprises:				
Balances with Banks				
Balances with Banks in Indian Rupees				
- In Current accounts	0.17		0.19	
- in a Fixed Deposit	—		—	
- In Unpaid Dividend Account	0.01		0.01	
		0.18		0.20
Cash on Hand		0.01		0.55
		0.19		0.75

Significant Accounting Policies & Notes forming part of Annual Accounts

As per our Report of even date

For **Krishaan & Co.,**

Chartered Accountants (FRN 001453S)


(K SUNDARRAJAN)

Partner


(Membership No. : 208431)

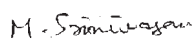
UDIN : 23208431BGVHTA8128

Place : Tirupur

Date : 29.05.2023

104 | ANNUAL REPORT 2023


E.V. Muthukumara Ramalingam
Managing Director (DIN : 00046166)


M. Srinivasan
Company Secretary


M. R. Gautham
Executive Director (DIN : 00046187)


R. Lalitha
Chief Financial Officer

1. The Company overview

Velan Hotels Limited is a Public Limited Company incorporated and domiciled in India. The Company is in the business of providing Hospitality Services including running restaurants with a bar. The Corporate Office of the Company is located at Kangayam Road, Tiruppur-641 604, Tamilnadu. The equity shares of the Company are listed on BSE Ltd.

2. Basis of preparation of financial statements

A) Statement of compliance and basis of preparation

The Standalone Financial Statements comply, in all material aspects, with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis, except for certain items that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind-AS, based on the nature of products and the time between the acquisitions of assets or processing and their realisation in cash and cash accruals.

B) Basis of measurement

These financial statements have been prepared on a historical cost convention and an accrual basis except for the following material items which have been measured at fair value as required by relevant Ind-AS:-

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less the fair value of plan assets.

C) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind-AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- a) **Impairment testing:** Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash-generating units to which these pertain is less than its carrying value. The recoverable amount of cash-generating units is higher in value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves the use of significant estimates and assumptions which include turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, and future economic and market conditions.
- b) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.
- c) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3. Significant Accounting Policies

- i) **Functional and presentation currency :** These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.
- ii) **Foreign currency transactions and translation :** Transactions in foreign currency are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities. Gains/(losses) relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Nonmonetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on nonmonetary financial assets measured at fair value at the reporting date.
- iii) **Equity**
 - a) **Share capital and share premium**

The Authorized Share Capital of the Company as of March 31, 2023, March 31, 2022 and April 1, 2021 is Rs.50,00,00,000 divided into 5,00,00,000 equity shares of Rs.10/- each. The par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the

shareholder's meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

b) **Revaluation Reserve**

Revaluation reserve amounting to Rs. 5,70,97,925 (March 31, 2022 Rs. 5,77,76,780 and April 1, 2021 Rs. 5,84,55,635 respectively) is not freely available for distribution.

c) **Retained earnings**

Retained earnings comprise the Company's undistributed earnings after taxes.

d) **Other comprehensive income**

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity as other comprehensive income.

iv) **Property, plant and equipment**

a) **Recognition and measurement**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

b) **Depreciation**

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate adjusted annually.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work- in-progress.

v) **Intangible assets**

Intangible assets acquired separately are measured at the cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

vi) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned income as finance income over the lease term using the effective interest method.

vii) Inventories

Inventories are valued at lower cost and net realizable value, including necessary provision for obsolescence. Cost includes all direct costs and applicable overheads to bring the goods to the present location and condition.

viii) Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and value in use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ix) Employee benefits

a) Post-employment and pension plans

The Company participates in various employee benefit plans. These employment benefits are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service.

Under a defined benefit plan, the Company must provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method. All actuarial gains or losses are immediately recognized in other comprehensive income, net of taxes and permanently excluded from profit or loss. Further, the profit or loss will no longer include an expected return on plan assets. Instead, net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of the re-measurement of net defined liability or asset through other comprehensive income, net of taxes.

The Company has the following employee benefit plans:

A. Provident fund

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

B. Gratuity

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses in other comprehensive income, net of taxes.

b) Termination benefits

Termination benefits are expense when the Company can no longer withdraw the offer of those benefits.

c) Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

d) Compensated absences

The employees of the Company are entitled to compensate absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method.

Non-accumulating compensated absences are recognized in the period in which the absences occur.

x) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the group has a present legal or constructive obligation as a result of past events, an outflow of resources will probably be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

xi) Revenue

Income from Guest Accommodation is recognised on a day-to-day basis after the Guest Checks into the hotel. The sale of food and beverages is recognised at the point of serving those items to the guest.

Revenues are shown net of sales tax, value added tax, service tax and Good and Service Tax.

xii) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

xiii) Other income

Other income comprises interest income on deposits and dividend income.

- a) Interest income is recognized using the effective interest method.
- b) Dividend income is recognized when the right to receive payment is established.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as of the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and, probably that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

xv) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share are computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

4. Recent Indian Accounting Standard (Ind AS) pronouncements which are not yet effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) through notification notified the amendments to existing standards which are effective for annual periods beginning after 1st April 2023. Key amendments relating to the same where financial statements are required to comply are:

Amendments to Ind AS 12 Income Taxes— Deferred Tax related to Assets and Liabilities arising from a Single Transaction:

Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying Ind AS 116 Leases at the commencement date of a lease. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligation

Amendments to Ind AS 1 Presentation of Financial Statements – Disclosure of Accounting Policies:

The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make based on those financial statements. The supporting paragraph in Ind-AS 1 is also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Amendments to Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors— Definition of Accounting Estimates:

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments are not expected to have a significant impact on the Company's Standalone Financial Statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the company when it adopts the respective standards.

NOTE 5

Property, Plant and Equipment

Note 5.1 Property, Plant and Equipment and Capital Work in Progress

(Rs. in lakhs)

Particulars	As at 31.3.2023	As at 31.3.2022
Carrying amounts of:		
Land	2,057.78	2,958.40
Building	3,193.39	3,252.03
Plant and Machinery	0.00	1,882.78
Furniture and Fittings	0.00	7.85
Total	5,251.17	8,101.05
Capital Work in Progress	—	—
Total	—	—
Grand Total	5,251.17	8,101.05

(Rs. in lakhs)

Particulars	Land	Building	Plant and Machinery	Furniture and Fittings	Total
Gross Carrying Value					
As at April 1, 2022	2,958.40	3,998.72	2,847.57	153.00	9,957.68
Additions during the year	—	—	—	—	—
Deletions during the year	(900.61)	(5.01)	(1,844.92)	-	(2,750.55)
As at March 31, 2023	2,057.78	3,993.71	1,002.65	153.00	7,207.14
Accumulated depreciation/impairment :					
As at April 1, 2022	—	746.68	964.79	145.15	1,856.63
Depreciation	—	53.63	158.30	7.85	219.78
Disposal / adjustments	—	—	120.44	—	120.44
As at March 31, 2023	—	800.31	1,002.65	153.00	1,955.96
Net Carrying Value					
As at March 31, 2022	2,958.40	3,252.03	1,882.78	7.85	8,101.05
As at March 31, 2023	2,057.78	3,193.39	0.00	0.00	5,251.17
Capital work-in-progress					
As at March 31, 2022					0.00
As at March 31, 2023					0.00

5.2 The registered title deeds of all the immovable properties of land and building are held in the name of the company as at the balance sheet date; Immovable properties of land and building whose title deeds have been mortgaged as security for loans, guarantees etc., are held in the name of the Company as per Memorandum of Entry executed by the company and confirmed by the banker/ARC as on the balance sheet date.

5.3 Capital-Work-in Progress (CWIP) as on 31.03.2023 and 31.03.2022 :

(Rs. in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	—	—	—	—	—
Previous Year	—	—	—	—	—
Projects temporarily suspended	—	—	—	—	—
Previous Year	—	—	—	—	—

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

(Rs. in lakhs)

Particulars	As at 31.3.2023		As at 31.3.2022	
Note 6				
TRADE RECEIVABLE- NON CURRENT				
(Unsecured, considered good)				
For Sales and Services		0.14		0.14
		0.14		0.14
Note 7				
LOANS - NON CURRENT				
Unsecured, considered good				
Security Deposits		428.21		503.21
Other Loans and Advances				
Advances		708.52		941.28
MAT credit entitlement		52.64		52.64
Balance with Government Authorities		38.03		38.03
Total		1,227.40		1,535.16
Note 8				
INVENTORIES				
Stores and Provisions		—		—
(Valued at cost or market price which ever is lower on FIFO basis)				
Total		—		—
Note 9				
TRADE RECEIVABLES - CURRENT				
(Unsecured, considered good)				
Trade Receivables outstanding for a period not exceeding 6 months		—		—
Trade Receivables outstanding for a period More than 6 months		—		—
Total		—		—
(b) Other notes				
(b) (i) Debts Due from the Private Companies in which any Director is a Director / Member		Nil		Nil
Note 10				
CASH AND CASH EQUIVALENTS				
The Cash and Cash Equivalents are classified as follows:				
Cash on Hand		0.01		0.55
Balances with Banks				
- in Current accounts	0.17		0.19	
- in a Fixed Deposit	—		—	
- In Unpaid Dividend Account	0.01	0.18	0.01	0.20
Total		0.19		0.75

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

(Rs. in lakhs)

Particulars	As at 31.3.2023		As at 31.3.2022	
Note 11				
LOANS CURRENT				
(Unsecured, considered good)				
Others				
Loans and advances against supplies		—		—
Staff Advance		—		—
Advance Income Taxes (net of provision)		14.70		46.14
Accrued revenue		—		—
Prepaid expenses		—		8.39
Total		14.70		54.53
Note 12				
EQUITY SHARE CAPITAL				
Authorised share capital :				
5,00,00,000 Equity shares of Rs. 10 each		5,000.00		5,000.00
		5,000.00		5,000.00
Issued, subscribed and fully paid-up shares				
3,19,64,119 Equity shares of Rs. 10 each		3,196.41		3,196.41
Total		3,196.41		3,196.41

Other Notes

- a) i) Equity Shares Allotted as fully paid-up person to a contract without payment being received in cash — —
- ii) Equity shares allotted as bonus shares by capitalisation of share premium — —
- iii) Aggregate number and class of shares bought back — —
- iv) Equity Shares held by its Holding Company — —
- b) The Company has only one class of equity shares having at par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The Company will pay dividend in Indian rupees as and when declared. No dividend has been proposed by the Board of Directors for the year
- c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

d) The reconciliation of number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2023 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
	Numbers of Shares	Amount	Numbers of Shares	Amount
a) Equity Shares				
No. of Shares at the beginning of the year	31,964,119	3,196.41	31,964,119	3,196.41
No. of Shares Issued during the year /period	—	—	—	—
No. of Shares at the End of the year/period	31,964,119	3,196.41	31,964,119	3,196.41

e) Details of Shares held by the Promoters and Promoters Group as at 31.03.2023

Name of Shareholders	No. of shares	% holding	% change during the year
Individual	22,791,096	71.30%	—
Bodies Corporate	2,826,934	8.84%	—

f) Details of shareholders holding more than 5% in the company

Name of Shareholders	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs.10/- each fully paid				
1. Sri. E.V. Muthukumararamalingam	12,678,383	39.66%	12,678,383	39.66%
2. Sri. M.R. Gautham	6,420,750	20.09%	6,420,750	20.09%
3. Shree Vallee Enterprises Private Limited	2,826,934	8.84%	2,826,934	8.84%
4. Smt. M. Sasikala	2,130,743	6.67%	2,130,743	6.67%
Total number of shares outstanding	31,964,119		31,964,119	

Particulars	As at 31.3.2023		As at 31.3.2022	
Note 13				
OTHERS EQUITY - RESERVES & SURPLUS				
a) Revaluation Reserve				
Opening balance	577.77		584.56	
Add: Transferred from surplus in Profit and Loss Statement	—		—	
Less: Utilised / transferred during the year	6.79		6.79	
Closing balance		570.98		577.77
b) Securities Premium				
Opening balance	3,147.84		3,147.84	
Add: During the year	—		—	
Less: Utilised / transferred during the year	—		—	
Closing balance		3,147.84		3,147.84
c) Surplus / (Deficit) in the Statement of Profit and Loss				
Balance at the beginning of the year	(4,418.66)		(5,363.17)	
Profit / (Loss) for the year	(1,849.17)		937.72	
Add: Revaluation Reserve	6.79		6.79	
Total Surplus / (Deficit) available for appropriations	(6,261.04)		(4,418.66)	
Less: Appropriations:	—		—	
Total appropriations	—		—	
Net Surplus in the Statement of Profit and Loss		(6,261.04)		(4,418.66)
Total (a+b+c)		(2,542.23)		(693.06)
Note 14				
DEFERRED TAX LIABILITY (NET)				
Deferred Tax Liability (net)		314.96		314.96
Ref. additional information in Note No. 33				
Net Deferred Tax [(Asset)/Liability]		314.96		314.96
Note 15				
EMPLOYEE BENEFIT OBLIGATION				
The Employee Benefit Obligation are classified as follows:				
For Gratuity and Leave Encashment		4.53		4.53
Total		4.53		4.53

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

(Rs. in lakhs)

Particulars	As at 31.3.2023		As at 31.3.2022	
Note 16				
TAX LIABILITIES (NET)				
The Tax Liabilities (Net) are classified as follows:				
Provision for Income Tax (Net)		—		—
Total		—		—
Note 17				
BORROWINGS-NON-CURRENT				
The Long Term borrowings are classified as follows:				
Secured				
- Term Loans from a Bank		—		—
- Secured Loans - From Asset Reconstruction Company		3,773.41		5,485.41
Unsecured				
From Directors		1,416.29		575.26
Total		5,189.70		6,060.68

Other Note

M/s. RARE Asset Reconstruction Limited (ARC)

- a) Secured by way of Hypothecation of entire Fixed Assets of the Company both existing and Future, Equitable mortgage of hotel properties at Tirupur and Hypothecation of the entire current assets of the company along with all the rights, titles and interest in the financial documents, all agreements, deeds and documents related thereto and all primary & collateral and underlying security interest and/or pledges created to secured and/or guarantees issued. The Loan is also personally guaranteed by the Managing Director & Executive Director of the Company. Refer Note No. 35 and Note 36.

b) Loan from Director includes loan availed from Directors of the Company	Rs. in lakhs	Rs. in lakhs
i) Mr. E.V.Muthukumaramalingam	1,026.67	122.12
ii) Mr. M.R.Gautham	389.62	453.14

(Rs. in lakhs)

Particulars	As at 31.3.2023		As at 31.3.2022	
Note 18				
TRADE PAYABLES- NON CURRENT				
For goods and services		43.20		93.42
For Capital Goods		18.82		61.86
Total		62.02		155.28
Trade Payables includes amount payable to companies in which Directors are Interested				
a) The Velan Petroleum Agencies (Prop. E.V. Muthukumara Ramalingam)		9.54		9.54

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

Trade Payables ageing schedule for the year ended as on 31.03.2023 and 31.03.2022

(Rs. in lakhs)

Particulars	1 - 2 years	2 - 3 years	More than 3 years	Total
i) MSME		—	—	—
Previous Year		—	—	—
ii) Others		—	—	—
Previous Year		—	—	—
iii) Disputed dues – MSME		—	—	—
Previous Year		—	—	—
iv) Disputed dues - Others		—	—	—
Previous Year		—	—	—

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

Particulars	As at 31.3.2023 (Rs. in lakhs)	As at 31.3.2022 (Rs. in lakhs)
1) Principal amount due to suppliers under MSMED Act, 2006*	—	—
2) Interest accrued and due to suppliers under MSMED Act, on the above amount	—	—
3) Payment made to suppliers (other than interest) beyond the appointed day, during the year	—	—
4) Interest paid to suppliers under MSMED Act, (other than Section 16)	—	—
5) Interest paid to suppliers under MSMED Act, (Section 16)	—	—
6) Interest due and payable to suppliers under MSMED Act, for payment already made	—	—
7) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	—	—
Total	—	—
Note 19		
OTHER NON - CURRENT FINANCIAL LIABILITIES		
The Other Non-Current Liabilities are classified as follows:		
Unpaid Dividend	0.01	0.01
Statutory Liabilities -Non-Current	53.86	76.86
Other Payables	93.49	90.51
Total	147.35	167.38

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

Particulars	As at 31.3.2023 (Rs. in lakhs)	As at 31.3.2022 (Rs. in lakhs)
Note 20		
OTHER NON-CURRENT LIABILITIES		
The Other Long Term borrowings are classified as follows:		
Security Deposits from Tenants	19.85	140.48
Advance Received on Sale of Fixed Asset	70.00	320.01
Total	89.85	460.49
Note 21		
BORROWINGS-CURRENT		
The Short Term borrowings are classified as follows:		
Secured Loan from bank	—	—
Total	—	—
Note 22		
TRADE PAYABLES - CURRENT		
For goods and services	—	—
Total	—	—
Note 23		
OTHER CURRENT LIABILITIES		
Statutory Liabilities	15.98	24.95
Advance for Supplies	15.00	—
Other Payables - Current	0.01	0.01
Total	31.00	24.97

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

Particulars	Year ended 31.3.2023 (Rs. in lakhs)	Year ended 31.3.2022 (Rs. in lakhs)
Note 24		
REVENUE FROM OPERATIONS		
a) Sale of Services		
i) Guest Accommodation	—	—
ii) Others	—	—
b) Sale of Products		
i) Food & Beverage	—	—
ii) Liquor	—	—
c) Other Operating Services		
i) Swimming Pool Income	—	—
ii) Service Charges	—	—
iii) Laundry Receipts	—	—
iv) Telephone Charges Receipts	—	—
Total	—	—
Note 25		
OTHER INCOME		
a) Interest Income	2.30	—
b) Liabilities no longer required/Sundry Balances written back	—	—
c) Other Income	—	—
d) Commission	—	—
e) Profit/ (Loss) on Sale of Asset	—	—
f) Misc. Income	—	—
Total	2.30	—
Note 26		
COST OF SUPPLIES CONSUMED		
a) Opening stock	—	—
Add: Purchases	—	—
	—	—
Less: Closing stock	—	—
Cost of material consumed	—	—
Note 27		
HOUSE KEEPING EXPENSES		
House Keeping Expenses	—	—
Total	—	—

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

Particulars	Year ended 31.3.2023 (Rs. in lakhs)	Year ended 31.3.2022 (Rs. in lakhs)
Note 28		
POWER & FUEL		
Electricity Charges	0.66	0.38
Diesel & Lubricant	—	—
Firewood	—	—
Gas	—	—
Charcoal	—	—
Water	—	—
Total	0.66	0.38
Note 29		
Employee Benefit Expenses		
(a) Salaries and Wages	15.71	13.08
Contribution to Statutory Funds	—	0.78
Staff Welfare Expenses	0.06	—
Total	15.77	13.86
Note 30		
OTHER EXPENSES		
a) Rent	—	—
Rates and Taxes	11.23	30.61
Repairs and Maintenance - Building	—	—
- Machinery	0.29	—
- Others	—	0.13
Travelling and Conveyance	2.11	-
Postage and Telephone	0.23	-
Printing and Stationery	-	0.03
Auditors' Remuneration	1.35	1.35
Advertisement, Sales Promotion and entertainment	0.20	0.25
Subscription	13.51	1.14
Professional Fees	1.21	100.00
Share Transfer Expenses	0.82	1.79
Miscellaneous Expenses	-	-
Total	30.94	135.31

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

Particulars	Year ended 31.3.2023 (Rs. in lakhs)	Year ended 31.3.2022 (Rs. in lakhs)
b) Note		
Payments to the Auditors comprises :		
- For statutory audit	0.75	0.75
- For Tax audit	—	—
- For taxation matters	0.50	0.50
- For Certification	0.10	0.10
- Other Service and Service Tax	—	—
Total	1.35	1.35
Note 31		
FINANCE COSTS		
Bank charges	0.65	0.06
Total	0.65	0.06

Note. 32 Additional Notes

- a) Estimated amount of the Contracts remaining to be executed on capital account and not provided for : Not ascertainable (Previous Year- Not ascertainable)
- b) The Company has not given any gurantee.
- c) Contingent liabilities not provided for in the book of accounts - Not ascetainable (Previous Year- Not ascertainable)
- d) Expenditure on employees who are in receipt of remuneration of not less than Rs. 1,02,00,000/- per annum (previous year Rs.1,02,00,000/- per annum) when employed through out the year or Rs.8,50,000/- per month (previous year Rs.8,50,000/- per month) when employed for part of the year is Nil (previous year Rs. Nil)
- e) Previous year figures have been regrouped and/or reclassified wherever necessary.
- f) The figures have rounded off to the nearest Rupee in Lakhs
- g) Balances in Sundry Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation and are stated at the book balance thereof.
- h) In the opinion of the Management, the Current Assets, Loans & Advances will fetch the amount as stated, if realised in the ordinary course of its business.
- i) The Company is not declared as "willful defaulter" by any bank or financial institution or other lender.
- j) There are no transactions with the Companies whose name struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023.
- k) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31 March 2023.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

- l) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- m) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- n) The Company has not received any fund from any person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (Ultimate Beneficiaries) b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- o) The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- p) The Company has not operated in any crypto currency transactions.

q) Income of the company includes the followings:

(Rs. in lakhs)

Particulars	Year ended 31.3.2023 (Rs. in lakhs)	Year ended 31.3.2022 (Rs. in lakhs)
Guest Accommodation	—	—
Foods & Beverage Sales	—	—
Wine & Liquor	—	—
Telephone Receipts	—	—
Others	—	—
	—	—
i) Opening Stock		
Provisions, & Supplies	—	—
Wine & Liquor	—	—
	—	—
ii) Closing Stock		
Provisions, & Supplies	—	—
Wine & Liquor	—	—
	—	—
iii) Consumption		
Provisions, & Supplies	—	—
Wine & Liquor	—	—
	—	—

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 2022 - 2023

r) Break-up of consumption of Provisions and Supplies into imported and Indigenous.

	2022 - 2023		2021- 2022	
	Value (Rs. in lakhs)	Percentage %	Value (Rs. in lakhs)	Percentage %
PROVISIONS & SUPPLIES				
Imported	—	0.00%	—	0.00%
Indigenous	—	0.00%	—	0.00%

s. EARNING IN FOREIGN EXCHANGE

(Rs. in lakhs)

As reported by the Management to the Department of Tourism but not verified by the Auditors	2022- 2023	2021 - 2022
	—	—

t. CIF VALUE OF IMPORTS

Capital Goods	2022 - 2023	2021 - 2022
	Nil	Nil

u) The Company has called for details of applicability from trade parties from the provisions of Micro, Small and Medium enterprises Development Act, 2006, However no reply has been received from any of the parties, In view of the above no disclosure is made under Micro, Small and Medium enterprises Development Act, 2006.

v) Earnings per share

- Basic earnings per share are calculated by dividing the net profit/loss attributable to the share holders by the total number of ordinary shares outstanding shares during the year
- The following reflects the income and share data used by the company for this calculation of basic earnings per share:-

Particulars	31.3.2023 (Rs. in lakhs) except EPS	31.3.2022 (Rs. in lakhs) except EPS
Profit/ Loss before Tax for the year	(1,849)	938
Net Profit / Loss for the year attributable to equity share (A)	(1,849)	938
No. of equity shares (In Numbers) (B)	31,964,119	31,964,119
Earnings per share/ Weighted Average (A)/(B)	(5.79)	2.93
Nominal value per share	10/-	10/-

w) 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 year, the company has paid dues relating to Provident Fund, Sales Tax and Tax Deducted at sources for Earlier Years amounting to Rs.27.95 Lacs. The Company is taking necessary steps to settle the balance Statutory Dues as and when the sale of assets are completed.

x) During the year the company has scrapped the power plant and machinery for value of Rs. 3,00,00,000 and thereby has incurred a total loss of Rs.1404.55 Lakhs on account of such sale and the same has been classified

under Exceptional items in financial statement. This entire sale proceeds has been paid to M/s.Rare Asset Reconstruction Limited (ARC) towards settlement.

Also sold vacant land for a total consideration of Rs.7,30,25,000/- and the Managing Director of the Company has infused Rs.11,30,00,000/- by unsecured loan. Out of the total sum amounting to Rs. 18,60,25,000 a sum of Rs.16,30,00,000 was paid to M/s.Rare Asset Reconstruction Limited (ARC) and the balance Rs. 2,30,25,000 was used for repayment of part of the dues to Sundry Creditors and Statutory Dues. The company has incurred loss of Rs.175.38 lakhs on sale of this property and same has been classified under Exceptional items of the financial statement.

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.

Note : 33 Deferred Tax Liability

Net Deferred Tax in respect of the year ending 31st March 2023 debited to Profit and Loss Account and Net Deferred Tax Liability as on 31st March, 2023 are computed as below :

(Rs. in lakhs)

S. No.	Particulars	Accumulated As at 31.03.2022	Changes / (credit) in P&L during the year	As at 31.03.2023
1.	Deferred tax Liability on account of Depreciation on account of difference in Depreciation under Income Tax Act and books of accounts	314.96	—	314.96
	Net Deferred Tax Liability	314.96	—	314.96

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 on prudent basis.

Note: 34 Related Party Transaction

Description of relationship	Names of related parties
Interested Concerns	M/s. Shree Vallee Enterprises Private Limited The Velan Petroleum Agencies (Prop : E.V. Muthukumara Ramalingam)
Key Management Personnel	Sri. E.V. Muthukumara Ramalingam, Managing Director Sri. M.R. Gautham, Executive Director Sri. P.Ganesan, Director Smt. Sasikala, Director Sri. Nagaraj Saveethkumar, Director Sri. S.P.Sivanandam, Director Sri.Srinivasan- Company Secretary Smt. R.Lalitha - CFO

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2023 and balances outstanding as at 31 March, 2023.

(Rs. in lakhs)

Name of the party	Key Managerial Personnel			
	Sri. E.V. Muthukumara Ramalingam	Sri. M.R. Gautham	Sri. Srinivasan	Smt. R. Lalitha
Purchase of Fuel	—	—	—	—
Salary & Remuneration	—	—	2.88 (2.88)	—
Outstandings				
a) Unsecured Loan	1,026.67 (122.12)	389.62 (453.14)	— —	— —

Note: Figures in Brackets are previous year

Note No: 35 – sale of assets of Velan Esplanade Mall

During the year the company has scrapped the power plant and machinery for value of Rs. 3,00,00,000 and thereby has incurred a total loss of Rs.1404.55 Lakhs on account of such sale and the same has been classified under Exceptional items of financial statement. This entire sale proceeds has been paid to M/s.Rare Asset Reconstruction Limited (ARC) towards settlement.

Also sold vacant land for a total consideration of Rs.7,30,25,000/- and the managing director of the company has infused Rs.11,30,00,000/- by unsecured loan. Out of the total sum amounting to Rs. 18,60,25,000 a sum of Rs.16,30,00,000 was paid to M/s.Rare Asset Reconstruction Limited (ARC) and the balance Rs. 2,30,25,000 was used for repayment of part of the dues to Sundry Creditors and Statutory Dues. The company has incurred loss of Rs.175.38 lakhs on sale of this property and same has been classified under Exceptional items of above financial statement.

Note No: 36 – Asset Reconstruction Company

The Company's account was categorized as NPA by Allahabad Bank and Andhra 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.

During the year the company has scrapped the power plant and machinery for value of Rs. 3,00,00,000 and entire sale proceeds has been paid to M/s.Rare Asset Reconstruction Limited (ARC) towards settlement.

Also sold vacant land for a total consideration of Rs.7,30,25,000/- and the managing director of the company has infused Rs.11,30,00,000/- by unsecured loan. Out of the total sum amounting to Rs. 18,60,25,000 a sum of Rs.16,30,00,000 was paid to M/s.Rare Asset Reconstruction Limited (ARC)

Salient features of OTS offer approved by RARE ARC as follows :

- Total OTS amount is agreed as Rs. 96.80 Cr payable by the Company to RARE ARC towards full and final settlement including Advisory and Consultancy fees payable in several tranches.

2. The Company shall pay a sum of Rs.1.00 Cr plus GST to RARE ARC towards Restructuring and Consultancy fees for arranging and identifying suitable investor / buyer for the secured assets. This sum of Rs. 1 crore shall be adjusted in the next installment.
3. The Repayment schedule is as given below :

Instal-ment	Rs. in Cr.	Due Date	Grace Period	Interest for Delay in Remittance	Remarks
1	30	31/03/2021	31/03/2021	12% p.a.	None
2	14.5	30/06/2021	31/07/2021	12% p.a.	None
3	15.5	30/06/2021	30/09/2021	12% p.a.	Interest will be payable from 01-04-21 in the event of delay
4	36.8	30/09/2021	30/09/2021	12% p.a.	Interest will be payable from 01-07-21 in the event of delay
TOTAL	96.8				

4. The entire OTS payment shall be paid on or before 31st March, 2023, failing which the proposed OTS shall stand invoked by RARE ARC without any further notice.
5. All expenses toward recovery, over and above the OTS amount, incurred and to be incurred by RARE ARC shall be reimbursed by the Company on actual basis.
6. The ARC shall agree to issue NOC / release charge / handover title deeds of the respective properties for sale to any prospective buyer in order to settle the liability.
7. The Company/guarantors shall not raise any further loans, whether secured / unsecured, till the settlement amount is paid.
8. On payment of entire OTS amount, RARE ARC shall realase the charge over the remaining securities / properties and personal guarantees of the promoters/directors of the company and shall issue no due certificate.
9. Both the Company and ARC shall arrange to withdraw all the cases filed against each other after payment of entires OTS amount.

In view of the above settlement The Company has remitted Rs.59.48 crores to RARE ARC as on 31st March, 2023 from the disposal / sale of assets of company as detailed note no. 35 of the financial statement.

Note: 37 : Pending Litigations

The Company has filed an stay petition with Labour Court amounting to Rs. 5.99 lacs for payment of damages on late payment of Employees Provident Fund for the period from Oct 2015 to Mar 2018 as against the order passed by the Assisstant Provident Fund Commissioner.

The Company has filed an rectification for the outstanding demands raised by Income Tax Authorities for payment of Income Tax and Tax Deducted at Source and same is pending for processing. The above said demands are payable subject to pending rectification.

Note: 38 : Segment Reporting

During this quarter, The Company has only one reportable business segment as it deals only in Operation and running of Hotels in terms of IndAS 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.

Note: 39 : Fair Value Measurement

i) Financial instruments by category

(Rs. in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Measured at amortised cost						
Non- Current						
a) Trade receivables, non current	—	—	0.14	—	—	0.14
b) Loans			1,227.40			1,535.16
Current						
a) Trade receivables	—	—	—	—	—	—
b) Cash and Bank balances	—	—	0.19	—	—	0.75
c) Other financial assets -Current	—	—	14.70	—	—	54.53
Total	—	—	1,242.43	—	—	1,590.58
Financial liabilities						
Non-Current Financial Liabilities						
a) Borrowings-non-current	—	—	5,189.70	-	-	6,060.68
b) Trade payable-Non current			62.02			155.28
c) Other non -current financial liabilities			147.35			417.39
Financial liabilities						
a) Borrowings-current	—	—	—	—	—	—
b) Trade payable-current	—	—	—	—	—	—
c) Other current financial liabilities	—	—	31.00	—	—	24.97
Total	—	—	5,430.07	—	—	6,658.32
Financial assets	—	—	1,242.43	—	—	1,590.58
Financial liabilities	—	—	5,430.07	—	—	6,658.32

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's activity exposes itself to variety of financial risk which includes market risk, credit risk, liquidity risk, interest rate risk and price risk. The Company monitors and manages the above financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. The primary focus is to identify risks and take steps for mitigation of risk or to minimise the potential adverse effects on the financial performance of the Company. The Company does not enter into any derivative financial instruments to hedge risk exposures.



(Rs. in lakhs)

Note 41 : Disclosure of Ratios

Sl. No.	Ratio	Numerator	Denominator	As on 31.03.2023		As on 31.03.2022		% Variance	Remarks		
				Numerator	Denominator	Ratio	Numerator			Denominator	Ratio
1	Current Ratio	Current Assets	Current Liabilities	1,488,815	3,099,828	0.48	5,527,634	2,496,891	2.21	-78.30%	Due to no commercial operations during the year
2	Debt-Equity Ratio	Long Term Debts	Shareholder's Equity	518,970,200	319,641,190	1.62	606,067,634	319,641,190	1.90	-14.37%	
3	Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	(162,501,034)	87,162,708	(1.86)	106,146,226	639,994,888	0.17	-1224.08%	Loss on sale of Assets, No business activities
4	Return on Equity Ratio	Net Profits After Taxes – Preference Dividend	Average Shareholder's Equity	(184,916,750)	319,641,190	-57.85%	93,772,400	319,641,190	29.34%	-297.20%	Profit in Previous year is on account of exception item
5	Return on Capital employed	Net Profits before Interest and Taxes	Capital Employed	(184,478,811)	838,611,390	-22.00%	93,778,702	925,708,824	10.13%	-317.15%	Profit in Previous year is on account of exception item

Other Financial Ratios are not applicable to the Company for the year.

Significant Accounting Policies & Notes forming part of Annual Accounts
As per our Report of even date
For **Krishnan & Co.**,
Chartered Accountants (FRN 001453S)

K Sundararajan
(K SUNDARRAJAN)
Partner

(Membership No. : 208431)
UDIN : 23208431BGVHTA8128

Place : Tirupur
Date : 29.05.2023

E.V. Muthukumara Ramalingam

E.V. Muthukumara Ramalingam
Managing Director (DIN : 00046166)

M. Srinivasan

M. Srinivasan
Company Secretary

M. R. Gautham

M. R. Gautham
Executive Director (DIN : 00046187)

R. Lalitha

R. Lalitha
Chief Financial Officer