

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

Statement of Standalone Audited Financial Results for the quarter and Year ended 31st March 2018

(Rs.in lakhs)

| SL.NO | Particulars | Quarter Ended | | | Year Ended | |
|-----------|----------------------------------------------------------------|----------------|----------------|-----------------|-----------------|-------------------|
| | | Unaudited | | | Audited | |
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| 1 | Net Sales (net of duties)/Income from operations | 198.24 | 213.75 | 262.87 | 857.12 | 1,173.12 |
| 2 | Other income | - 2.58 | 3.07 | 39.61 | 13.75 | 65.30 |
| 3 | Total income | 195.66 | 216.82 | 302.48 | 870.87 | 1,238.42 |
| 4 | Expenses | | | | | |
| | a) Cost of materials consumed | 37.02 | 48.91 | 54.66 | 175.80 | 246.38 |
| | b) purchases of Stock-in-trade progress | - | - | - | - | - |
| | c) Employee benefits expenses | 49.93 | 68.36 | 85.58 | 242.16 | 291.10 |
| | d) Finance costs | 5.13 | 5.48 | 462.01 | 24.29 | 1,850.68 |
| | e) Depreciation and amortisation expenses | 44.37 | 46.81 | 31.73 | 184.69 | 195.81 |
| | f) power & fuel | 40.92 | 41.27 | 49.21 | 177.88 | 219.35 |
| | f) other expenses | 50.74 | 71.88 | 80.67 | 238.11 | 286.16 |
| | Total expenses | 228.11 | 282.71 | 763.86 | 1,042.93 | 3,089.48 |
| 5 | Profit/(loss) before exceptional and tax | - 32.45 | - 65.89 | - 461.38 | - 172.06 | - 1,851.06 |
| 6 | Exceptional items (net credit/charge) | | | | | - 41.07 |
| 7 | Profit/(loss) before tax | - 32.45 | - 65.89 | - 461.38 | - 172.06 | - 1,892.13 |
| 8 | Tax expenses | | | | | |
| | a. Current Tax | - | - | 1.02 | - | 1.02 |
| | b. Deferred tax credit/(charge) | - 12.34 | - 20.36 | - 47.37 | - 75.47 | - 68.05 |
| | c. Income tax for earlier years | - | - | - | - | - |
| | d. Mat credit Entitlement | - | - | - | - | - |
| 9 | Profit/(loss) for the period from continuing operations | - 44.79 | - 86.25 | - 507.73 | - 247.53 | - 1,959.16 |
| 10 | Profit/(loss) from discontinued operations before tax | - | - | - | - | - |
| 11 | Tax expenses of discontinued operation | - | - | - | - | - |
| 12 | Profit/(loss) from discontinued operations after Tax | - | - | - | - | - |
| 13 | Profit/(loss) for the period | - 44.79 | - 86.25 | - 507.73 | - 247.53 | - 1,959.16 |
| 14 | Other comprehensive income for the period (net of tax) | - | - | - | - | - |
| 15 | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | - 44.79 | - 86.25 | - 507.73 | - 247.53 | - 1,959.16 |
| 16 | Paid up equity share capital (face value Rs.10/- per share) | 3,196.41 | 3,196.41 | 3,196.41 | 3,196.41 | 3,196.41 |
| 17 | Reserves Excluding Revaluation reserves | | | | - 1,702.48 | - 1,461.74 |
| 18 | a) Earnings per share | | | | | |
| | Basic | - 0.14 | - 0.27 | - 1.59 | - 0.77 | - 6.13 |
| | Diluted | - 0.14 | - 0.27 | - 1.59 | - 0.77 | - 6.13 |

Notes:

- 1) The above Financial results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the company held on 24.05.2018.
- 2) Consequent to implementation of Goods and Service Tax(GST) regime effective from 1 July 2017, Revenue is presented exclusive of GST and Revenue for all other period were excluding Duty. In accordance with "Ind AS-18- Revenue", is not included in Gross Sales. In view of the aforesaid change in Indirect Taxes, Sales for the Quarter and Year ended is net of GST.
- 3) The financial results of the Quarter and Year ended 31 March 2017 and as well as the Reconciliation of Profit/(Loss) under Indian Accounting Standards("Ind AS") have been audited/reviewed by the predecessor Auditors.

- 4) In the light of continued discussions with M/s.RARE Asset Reconstruction Private Ltd (ARC), Ahmedabad-380009, and the uncertainty in the principal amount payable, the Interest accrued and due on such borrowings taken over by the ARC from banks have not been considered in the above results.
- 5) Effective 1 April 2017, the Company has adopted Indian Accounting Standards ("IndAS") as prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Accounting Standards) Rules, 2015. Accordingly, the above financial results including the comparative periods have been prepared in accordance with the recognition and measurement principles laid down under Ind AS 34, Interim Financial Reporting.

The reconciliation of Net Profit reported in accordance with the previous Indian GAAP to Total Comprehensive Income in accordance with Ind AS for its corresponding quarter of the previous year as required by Securities and Exchange Board of India vide, its Circular No. CIR/CFD/FAC/62/2016 dated July 05,2016(Circular) is given below:

| Particulars | Quarter Ended 31.03.2017 | Year Ended 31.03.2017 |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|
| 1) Net Profit/(Loss) as per Previous Indian GAAP | - 507.73 | - 1,959.16 |
| 2) Consequent Changes in Translation to Ind AS | - | - |
| 3) Reclassification of Actuarial Gain/(Loss) on Defined Benefit Plans to Other Comprehensive income (net of Tax) | - | - |
| 4) Net Profit/(Loss) after Tax under Ind AS | - 507.73 | - 1,959.16 |
| 5) Other Comprehensive income (net of Tax) | - | - |
| 6) Total Comprehensive Income as per Ind AS | - 507.73 | - 1,959.16 |

- 6) The Valuation of the assets tied to the borrowings taken over by M/s. RARE Asset Reconstruction Private Ltd (ARC), Ahmedabad-380009, have not been carried out pending the conclusion of discussion on entering into a definitive agreement. Hence the Impairment of such assets, if any, have been deferred.
- 7) The Income for the year was adversely affected by the decision of the Supreme Court banning Sale of Liquor within 500 meters of National and State Highways w.e.f 01/04/2017. However the Supreme Court later clarified that Municipal Areas will be exempted by ban of Liquor Sale even if they are within 500 meters of highway. However based on the relaxation given by the Hon'ble Supreme Court, the company has commenced sale of alcoholic beverages w.e.f September 1st, 2017.
- 8) The Company does not have any extraordinary item to report for the above periods.
- 9) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 24.05.2018
Place: Tirupur

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

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Segment-wise Revenue, Result and capital employed for the Quarter and Year ended 31st March 2018.

(Rs. In Lakhs)

| S no | Particulars | Quarter ended | | | Year Ended | |
|------|-------------------------------------------|----------------|----------------|-----------------|------------------|-------------------|
| | | Unaudited | | | Audited | Audited |
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| 1 | Segment Revenue | | | | | |
| | (Net sales/Income) | | | | | |
| | a) Hotel | 198.24 | 213.75 | 262.87 | 857.12 | 1,173.12 |
| | b) Shopping Arcade | - | - | - | - | - |
| | Total | 198.24 | 213.75 | 262.87 | 857.12 | 1,173.12 |
| | Less : Intersegment Revenue | - | - | - | - | - |
| | Net sales/income from operations | 198.24 | 213.75 | 262.87 | 857.12 | 1,173.12 |
| 2 | Segment results | | | | | |
| | (profit/loss before interest & tax) | | | | | |
| | a) Hotel | 2.87 | (32.83) | 31.41 | (30.19) | 105.56 |
| | b) Shopping Arcade | (30.19) | (27.58) | (30.78) | (117.58) | (119.42) |
| | Total | (27.32) | (60.41) | 0.63 | (147.77) | (13.86) |
| | Less: i) interest | (5.13) | (5.48) | (462.01) | (24.29) | (1,837.20) |
| | ii) Other unallocable expenditure net off | - | - | - | - | - |
| | iii) Un-allocable income | - | - | - | - | (41.07) |
| | Total profit/(Loss) Before tax | (32.45) | (65.89) | (461.38) | (172.06) | (1,892.13) |
| 3 | Capital Employed | | | | | |
| | (segment assets-segment liabilities) | | | | | |
| | a) Hotel | NA | NA | NA | 19,265.25 | 19,399.77 |
| | b) Shopping Arcade | NA | NA | NA | 7,537.87 | 7,640.55 |
| | Total | NA | NA | NA | 26,803.12 | 27,040.31 |

Notes on Segment reporting:

- As per Ind AS 108 - Operating Segments, the Company has identified Hotel and Shopping Arcade as reportable segment.
- Figures have been regrouped and reclassified wherever necessary

Date: 24.05.2018

Place: Tirupur

For and on behalf of the Board

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Managing Director.

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Statement of Assets and Liabilities as at 31.03.2018

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|------------------------------------------|---------------------|---------------------|
| A. ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 11,158.39 | 11,306.67 |
| Capital work-in-progress | 6,479.92 | 6,496.45 |
| NON-CURRENT FINANCIAL ASSETS | | |
| Trade receivables, non current | 0.26 | 0.18 |
| Loans | 118.89 | 127.99 |
| Sub total- Non-current Assets | 17,757.47 | 17,931.29 |
| CURRENT ASSETS | | |
| Inventories | 73.88 | 76.59 |
| Current Financial asset | | |
| Trade receivables, current | 11.03 | 48.00 |
| Cash and Cash equivalents | 39.77 | 40.75 |
| Loans-current | 27.59 | 26.00 |
| Sub Total - Current Assets | 152.27 | 191.34 |
| Total assets | 17,909.74 | 18,122.63 |
| B. EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity Share capital | 3,196.41 | 3,196.41 |
| Other equity - Reserves & Surplus | -1,097.56 | -850.03 |
| Total equity | 2,098.85 | 2,346.38 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Deferred Tax liabilities (net) | 437.58 | 362.12 |
| Employee Benefit Obligations | 45.12 | 54.61 |
| Tax Liabilities (Net) | - | - |
| Non-current Financial liabilities | | |
| Borrowings-non-current | 13,580.73 | 13,588.44 |
| Trade payable-Non current | 619.89 | 576.47 |
| Other non -current financial liabilities | 50.87 | 65.52 |
| Other non-current liabilities | 785.92 | 785.92 |
| Sub Total Non-current Liabilities | 15,520.11 | 15,433.07 |
| Current liabilities | | |
| Current financial liabilities | | |
| Borrowings-current | 101.17 | 131.33 |
| Trade payable-current | 73.89 | 108.72 |
| Other current financial liabilities | 115.72 | 103.13 |
| Sub Total Current Liabilities | 290.78 | 343.18 |
| Total liabilities | 15,810.89 | 15,776.25 |
| Total Equity and Liabilities | 17,909.74 | 18,122.63 |