

Statement of Standalone unaudited Financial Results for the Quarter and Nine Months ended 31st December 2019

(Rs. in lakhs)

SL.NO	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	84.01	116.45	138.40	301.28	503.97	634.92
2	Other income	0.88	1.49	2.28	4.60	6.62	9.14
3	<b>Total income</b>	<b>84.89</b>	<b>117.94</b>	<b>140.68</b>	<b>305.88</b>	<b>510.59</b>	<b>644.06</b>
4	Expenses:						
	a) Cost of materials consumed	56.48	26.91	25.98	111.66	94.13	117.55
	b) Purchases of Stock-in-trade progress	-	-	-	-	-	-
	c) Employee benefits expenses	42.84	44.99	58.72	135.60	175.48	238.10
	d) Finance costs	1.48	5.36	6.50	12.34	17.31	23.28
	e) Depreciation and amortisation expenses	44.64	44.67	45.02	133.98	135.06	180.07
	f) Power & Fuel	18.90	23.62	34.97	67.21	123.30	150.88
	g) Other expenses	19.65	13.93	25.97	53.74	120.84	156.99
	<b>Total expenses</b>	<b>183.99</b>	<b>159.48</b>	<b>197.16</b>	<b>514.53</b>	<b>666.12</b>	<b>866.87</b>
5	Profit/(loss) before exceptional and tax	(99.10)	(41.54)	(56.48)	(208.65)	(155.53)	(222.81)
6	Exceptional items (net credit/charge)	-	-	-	-	-	-
7	<b>Profit/(loss) before tax</b>	<b>(99.10)</b>	<b>(41.54)</b>	<b>(56.48)</b>	<b>(208.65)</b>	<b>(155.53)</b>	<b>(222.81)</b>
8	Tax expenses:						
	a. Current Tax	-	-	-	-	-	-
	b. Deferred tax credit/(charge)	-	-	-	-	-	-
	c. Income tax for earlier years	-	-	-	-	-	-
	d. Mat credit Entitlement	-	-	-	-	-	-
9	<b>Profit/(loss) for the period from continuing operations</b>	<b>(99.10)</b>	<b>(41.54)</b>	<b>(56.48)</b>	<b>(208.65)</b>	<b>(155.53)</b>	<b>(222.81)</b>
10	Profit/(loss) from discontinued operations before tax	-	-	-	-	-	-
11	Tax expenses of discontinued operation	-	-	-	-	-	-
12	Profit/(loss) from discontinued operations after Tax	-	-	-	-	-	-
13	<b>Profit/(loss) for the period</b>	<b>(99.10)</b>	<b>(41.54)</b>	<b>(56.48)</b>	<b>(208.65)</b>	<b>(155.53)</b>	<b>(222.81)</b>
14	Other comprehensive income for the period (net of tax)	-	-	-	-	-	-
15	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(99.10)</b>	<b>(41.54)</b>	<b>(56.48)</b>	<b>(208.65)</b>	<b>(155.53)</b>	<b>(222.81)</b>
16	Paid up equity share capital (face value Rs.10/- per share)	3,196.41	3,196.41	3,196.41	3,196.41	3,196.41	3,196.41
17	Reserves Excluding Revaluation reserves	-	-	-	-	-	(1,918.50)
18	a) Earnings per share:						
	Basic	(0.31)	(0.13)	(0.18)	(0.65)	(0.49)	(0.70)
	Diluted	(0.31)	(0.13)	(0.18)	(0.65)	(0.49)	(0.70)

**Notes:**

- The financials have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of The Companies Act, 2013 read with Rule 3 of The Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments thereafter.
- The above Financial results have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the company held on 12th February 2020.
- Provision for Gratuity /Leave encashment has been made on estimated basis pending ascertainment on actuarial basis which is normally carried out in the year end Financial Statements.
- Subsequent to the failure to meet the One-Time-Settlement Offer from the M/s. RARE Asset Re-construction Company Limited ("ARC") given on March 19, 2019 for Rs. 97.50 Crores together with Interest at Coupon rate at 6.5% p.a. on outstanding amount, the Company has been in negotiation with the ARC to seek additional time to meet the obligations as well as revision in terms. Pending Conclusion of the negotiations, the interest accrued and due on such borrowings taken over by the ARC from banks have not been considered in the above results.

In view of gradual decline in occupancy in Coonoor Hotel since last year, the company taking steps to sell the Coonoor property to meet commitments that were agreed in the original OTS offer made with M/s. RARE Asset reconstruction Limited (ARC), Ahmedabad- 380009. As on date the company is still negotiating with potential buyers and no conclusive agreements has been entered.



Velan Hotels Limited, Tirupur.  
41 Kangayam Road, Tirupur- 641 604, Ph :++91-421-4311111, 2424444  
Fax :++91-421 - 2424434 Email:accounts@velanhotels.com  
CIN: L5510171990PLC002653

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- 5) The Valuation of the assets tied to the borrowings taken over by M/s. RARE Asset Reconstruction Ltd (ARC), Ahmedabad-380009, have not been carried out due to pending re-negotiations. Hence the Impairment of such assets, if any, have been deferred.
- 6) Due to the decline in the business over the last few Quarters, 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 6 months. The Company is taking necessary steps to regularise the Statutory Dues.
- 7) During the Quarter the Banks and Institutions had initiated proceedings to recover the dues of the Company by way of Public auction of the Company's Assets in the month of October 2019. Since no bids were received, the Banks and Institutions have initiated another auction on 11th February 2020. As on the date of issuing the unaudited Financial Results for the Quarter ended 31st December 2019, the outcome of such auction is yet to be informed by the Banks and Institutions.
- 8) Effective 1 April 2019, the Company has adopted "IndAS-116-Leases". This standard is not having any material impact to the financial statement of the company.
- 9) The status of pending litigations filed by Bankers / Creditors / Tenant / Statutory Authorities against the company remains status quo as reported in previous quarter and half year ended 30 September 2019. No additional litigations have been brought to the Company's notice.
- 10) The Company does not have any extraordinary item to report for the above periods.
- 11) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.
- 12) In view of the Accumulated Business and Depreciation Loss, and there being no certainty of profits in the near future, provision for Deferred Taxes has not been considered in these financial statements for the nine months ended 31st December 2019.

Date: 12 February, 2020  
Place: Tirupur.

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

**For VELAN HOTELS LIMITED**

*M. Srinivasan*  
**Company Secretary**

Velan Hotels Limited  
 41 Kangayam Road, Tirupur- 641 604. Ph :++91-421-4311111, 2424444  
 Fax :++91-421 - 2424434 Email:accounts@velanhotels.com  
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**Segment-wise Revenue, Result and capital employed for the Quarter ended and Nine months ended 30th December 2019**  
 (Rs. in Lakhs)

S no	Particulars	Quarter ended			Nine months ended		Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
<b>1</b>	<b>Segment Revenue</b>						
	(Net sales/Income)						
	a) Hotel	84.01	116.45	138.40	301.28	503.97	634.92
	b) Shopping Arcade	-	-	-	-	-	-
	<b>a) Hotel</b>	<b>84.01</b>	<b>116.45</b>	<b>138.40</b>	<b>301.28</b>	<b>503.97</b>	<b>634.92</b>
	Less : Intersegment Revenue	-	-	-	-	-	-
	<b>Net sales/Income from operations</b>	<b>84.01</b>	<b>116.45</b>	<b>138.40</b>	<b>301.28</b>	<b>503.97</b>	<b>634.92</b>
<b>2</b>	<b>Segment results</b>						
	(profit/loss before interest & tax)						
	a) Hotel	(69.84)	(9.03)	(25.03)	(113.60)	(58.15)	(85.22)
	b) Shopping Arcade	(27.78)	(27.15)	(27.24)	(82.71)	(86.69)	(114.31)
	<b>Total</b>	<b>(97.62)</b>	<b>(36.18)</b>	<b>(52.27)</b>	<b>(196.31)</b>	<b>(144.84)</b>	<b>(199.53)</b>
	Less: i) interest	(1.48)	(5.36)	(6.50)	(12.34)	(17.31)	(23.28)
	ii) Other unallocable expenditure net off	-	-	-	-	-	-
	iii) Un-allocable income	-	-	2.28	-	6.62	-
	<b>Total profit/(Loss) Before tax</b>	<b>(99.10)</b>	<b>(41.54)</b>	<b>(56.49)</b>	<b>(208.65)</b>	<b>(155.53)</b>	<b>(222.81)</b>
<b>3</b>	<b>Capital Employed</b>						
	(segment assets-segment liabilities)						
	<b>Segment Assets</b>						
	a) Hotel	6,352.37	6,484.21	6,559.80	6,352.37	6,559.80	6,551.40
	b) Shopping Arcade	4,617.05	4,642.72	4,719.73	4,617.05	4,719.73	4,694.06
	c) Unallocated	6,479.92	6,479.92	6,479.92	6,479.92	6,479.92	6,479.92
	<b>Total Segment Assets</b>	<b>17,449.34</b>	<b>17,606.85</b>	<b>17,759.45</b>	<b>17,449.34</b>	<b>17,759.45</b>	<b>17,725.39</b>
	<b>Segment Liabilities</b>						
	a) Hotel	12,614.36	12,734.58	12,637.41	12,614.36	12,637.41	12,670.64
	b) Shopping Arcade	2,730.01	2,668.20	2,741.12	2,730.01	2,741.12	2,741.12
	c) Unallocated	437.58	437.58	437.58	437.58	437.58	437.58
	<b>Total</b>	<b>15,781.95</b>	<b>15,840.36</b>	<b>15,816.11</b>	<b>15,781.95</b>	<b>15,816.11</b>	<b>15,849.35</b>

**Notes on Segment reporting:**

1. As per Ind AS 108 - Operating Segments, the Company has identified Hotel and Shopping Arcade as reportable segment.

2. Figures have been regrouped and reclassified wherever necessary

Date: 12th February 2020  
 Place: Tirupur

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

**For VELAN HOTELS LIMITED**

*M. Srinivasay*  
 Company Secretary