

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31st March 2020

SL.NO	Particulars	(Rs. in lakhs)				
		Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Unaudited	Audited	Audited	
1	Net Sales (net of duties)/Income from operations	27.31	84.01	130.95	328.59	634.92
2	Other income	4.03	0.88	2.52	10.64	9.14
3	<b>Total Income</b>	<b>31.34</b>	<b>84.89</b>	<b>133.47</b>	<b>339.23</b>	<b>644.06</b>
4	Expenses					
	a) Cost of materials consumed	0.45	56.48	23.42	112.12	137.55
	b) Purchases of Stock-in-trade progress	-	-	-	-	-
	c) Employee benefits expenses	-	-	-	-	-
	d) Finance costs	35.44	42.84	62.62	171.03	238.10
	e) Depreciation and amortisation expenses	0.84	1.48	5.98	13.19	21.28
	f) Power & Fuel	43.74	44.64	45.01	177.72	180.07
	g) Other expenses	14.85	18.90	27.59	82.06	150.88
	<b>Total expenses</b>	<b>44.91</b>	<b>19.65</b>	<b>36.14</b>	<b>100.65</b>	<b>156.99</b>
5	Profit/(loss) before exceptional and tax	140.23	163.95	200.76	656.77	866.87
6	Exceptional items (net credit/charge)	(108.89)	(99.10)	(67.29)	(317.54)	(222.81)
7	<b>Profit/(loss) before tax</b>	<b>(108.89)</b>	<b>(99.10)</b>	<b>(67.29)</b>	<b>(317.54)</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>(108.89)</b>	<b>(99.10)</b>	<b>(67.29)</b>	<b>(317.54)</b>	<b>(222.81)</b>
10	Profit/(loss) from discontinued operations before tax	-	-	-	-	-
11	Tax expenses of discontinued operation	-	-	-	-	-
12	<b>Profit/(loss) from discontinued operations after Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13	<b>Profit/(loss) for the period</b>	<b>(108.89)</b>	<b>(99.10)</b>	<b>(67.29)</b>	<b>(317.54)</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>(108.89)</b>	<b>(99.10)</b>	<b>(67.29)</b>	<b>(317.54)</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
17	Reserves Excluding Revaluation reserves	-	-	-	(2,229.26)	(1,918.50)
18	a) Earnings per share					
	Basic	(0.34)	(0.31)	(0.21)	(0.99)	(8.70)
	Diluted	(0.34)	(0.31)	(0.21)	(0.99)	(8.70)

- 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 31st July 2020.
  - Provision for Gratuity /Leave encashment has been made on estimated basis.
  - The Term Loan Liabilities of the Company due to M/s. Allahabad Bank, Tirupur and M/s. Andhra Bank, Coimbatore was acquired by M/s. RARE Asset Reconstruction Private Limited (ARC), Ahmedabad - 380009 as of March 31, 2017 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 in respect of the repayment of loans without disclosing the purchase consideration payable by the ARC to the Banks. In accordance with the said arrangement, the Company has been in continued discussion with ARC for crystallisation of the principal amount payable as on the date of the Balance Sheet for the year ended March 31, 2020 along with the interest payable, and hence, the interest on the same has not been provided in these financial statements since March 31, 2017.
  - During the year ended March 31, 2019 the company had received a 'One-time Settlement Offer' ("OTS" or "Offer") which the company could not honour as the buyer of one of the assets did not complete the sale of one of the assets within the timelines of the OTS due to which the Offer expired and no fresh settlement terms was offered by the ARC. To enable the sale of the Conoor asset for the OTS the company had suspended the operations at Conoor w.e.f. March 31, 2019.

CERTIFIED TRUE COPY  
For VELAN HOTELS LIMITED

M. Srinivasan  
Company Secretary



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CIN: L55101T21990PLC002653

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6) 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.

- 7) 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.
- 8) Effective 1 April 2019, the Company has adopted "IndAS-116-Leases". This standard is not having any material impact to these financial statements of the company.
- 9) Confirmation of balances have not obtained from Sundry Debtors and Sundry Creditors and accordingly the respective figures have been stated at book values.
- 10) 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.
- 11) 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 March 2020.
- 12) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published year-to-date figures upto the third quarter of the current financial year
- 13) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 31.07.2020  
Place: Tirupur

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



For VELAN HOTELS LIMITED

M. Srinivasan  
Company Secretary

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**Segment-wise Revenue, Result and Capital Employed for the Quarter ended and Year ended 31st March 2020**

S no	Particulars	Quarter ended			Year Ended	
		Audited	Unaudited	Audited	Audited	Audited
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
1	Segment Revenue					
	(Net sales/Income)					
	a) Hotel	27.31	84.01	130.95	328.59	634.92
	b) Shopping Arcade	-	-	-	-	-
	Total	27.31	84.01	130.95	328.59	634.92
	Less : Intersegment Revenue	-	-	-	-	-
	Net sales/Income from operations	27.31	84.01	130.95	328.59	634.92
2	Segment results					
	(profit/loss before interest & tax)					
	a) Hotel	(75.88)	(69.84)	(33.69)	(189.48)	(85.22)
	b) Shopping Arcade	(32.17)	(27.78)	(27.62)	(114.87)	(114.31)
	Total	(108.05)	(97.62)	(61.31)	(304.35)	(199.53)
	Less: i) Interest	(0.84)	(1.48)	(5.98)	(13.19)	(23.28)
	ii) Other unallocable expenditure net off	-	-	-	-	-
	iii) Un-allocable income	-	-	-	-	-
	Total profit/(Loss) Before tax	(108.89)	(99.10)	(67.29)	(317.54)	(222.81)
3	Capital Employed					
	(segment assets-segment liabilities)					
	Segment Assets					
	a) Hotel	6,311.15	6,352.37	6,551.40	6,311.15	6,551.40
	b) Shopping Arcade	4,591.38	4,617.05	4,694.06	4,591.38	4,694.06
	c) Unallocated	6,479.92	6,479.92	6,479.92	6,479.92	6,479.92
	Total Segment Assets	17,382.45	17,449.34	17,725.38	17,382.45	17,725.38
	Segment Liabilities					
	a) Hotel	12,656.36	12,614.36	12,670.64	12,656.36	12,670.64
	b) Shopping Arcade	2,730.01	2,730.01	2,741.12	2,730.01	2,741.12
	c) Unallocated	437.58	437.58	437.58	437.58	437.58
	Total	15,823.95	15,781.95	15,849.35	15,823.95	15,849.35

**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: 31.07.2020  
 Place: Tirupur

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



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**Statement of Assets and Liabilities as at 31.03.2020**

Particulars	Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
<b>A. ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	10,757.19	10,979.32
Capital work-in-progress	6,479.92	6,479.92
<b>NON-CURRENT FINANCIAL ASSETS</b>		
Trade receivables, non current	0.41	1.01
Loans	123.59	133.31
Sub total- Non-current Assets	17,361.11	17,593.56
<b>CURRENT ASSETS</b>		
Inventories	5.54	67.73
<b>Current Financial asset</b>		
Trade receivables, current	0.07	13.76
Cash and Cash equivalents	0.65	37.14
Loans-current	15.08	13.20
Sub Total - Current Assets	21.34	131.82
<b>Total assets</b>	<b>17,382.45</b>	<b>17,725.39</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	3,196.41	3,196.41
Other equity - Reserves & Surplus	(1,637.92)	(1,320.37)
<b>Total equity</b>	<b>1,558.49</b>	<b>1,876.04</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred Tax liabilities (net)	437.58	437.58
Employee Benefit Obligations	62.60	47.31
Tax Liabilities (Net)	-	-
<b>Non-current Financial liabilities</b>		
Borrowings-non-current	13,639.47	13,599.99
Trade payable-Non current	665.21	596.55
Other non-current financial liabilities	136.06	77.41
Other non-current liabilities	785.92	785.91
Sub Total Non-current Liabilities	15,726.84	15,544.75
<b>Current liabilities</b>		
<b>Current financial liabilities</b>		
Borrowings-current	-	101.22
Trade payable-current	14.46	88.16
Other current financial liabilities	82.66	115.22
Sub Total Current Liabilities	97.12	304.60
<b>Total liabilities</b>	<b>15,823.96</b>	<b>15,849.35</b>
<b>Total Equity and Liabilities</b>	<b>17,382.45</b>	<b>17,725.39</b>



Statement of Audited Cash flow statement for the year ended 31st March'2020

Particulars	For the year ended 31.03.2020 (Audited)		For the year ended 31.03.2019 (Audited)	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(317.55)		(222.81)
Adjustments for:				
Depreciation and amortisation	177.72		180.07	
Finance costs	13.19		23.28	
Interest income	(0.86)		(0.98)	
Net (gain)/loss on sale of Fixed Assets	(2.11)		-	
Liabilities / provisions no longer required written back	(2.73)	185.21	(0.70)	201.67
<b>Operating profit / (loss) before working capital changes</b>		<b>(132.33)</b>		<b>(21.14)</b>
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	62.19		6.15	
Trade receivables	14.30		(3.48)	
Short-term loans and advances	0.09		7.72	
Long-term loans and advances	9.72		(14.42)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(5.04)		(9.08)	
Other Financial liabilities	26.09		29.79	
Employees Benefit Obligation	18.02		2.89	
<b>Cash flow from extraordinary items</b>		<b>125.36</b>		<b>19.58</b>
Cash generated from operations		(6.98)		(1.56)
Net income tax (paid) / refunds		(1.98)		6.68
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(8.95)</b>		<b>5.12</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(0.29)		(1.00)	
Proceeds from Sale of Fixed Assets	46.81		-	
<b>Net cash flow from / (used in) Investing activities (B)</b>		<b>46.52</b>		<b>(1.00)</b>
<b>C. Cash flow from financing activities</b>				
Proceed from long-term borrowings	39.49		-	
Proceeds/(Repayment) from Short-Term borrowings	(101.22)		0.05	
Repayment of Long Term Borrowings	-		19.26	
Interest received	0.86		0.98	
Dividend Paid	-		(3.75)	
Finance cost	(13.19)		(23.28)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(74.06)</b>		<b>(6.74)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(36.49)</b>		<b>(2.63)</b>
Cash and cash equivalents at the beginning of the year		37.14		39.77
<b>Cash and cash equivalents at the end of the year</b>		<b>0.65</b>		<b>37.14</b>

