



Hotels

VELAN HOTELS LIMITED

41, Kangayam Road, Tirupur - 641604.

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Web : www.velanhotels.com

GSTIN : 33AAACV8449H3Z3

CIN : L55101TZ1990PLC002653

09/11/2018

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

Dear Sir

Sub : Intimation of Un-Audited financial results of the
Company for the quarter ended 30th September,
2018 - Reg.

In accordance with the Regulation 33(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we furnish herewith the following:

1. Statement of Un-Audited financial results of the Company for the quarter ended 30th September, 2018.
2. Limited Review Report for the quarter ended 30th September, 2018 issued by M/s.Krishaan & Co.,Chennai, Statutory Auditor of the Company.

The above results were taken on record by the Board of Directors of the Company at their meeting held today.

The meeting was commenced at 10:25 a.m. and adjourned for lunch and reconvened at 3.30 p.m. and concluded at 4.45 p.m.

Kindly acknowledge receipt

Thanking you

Yours truly
For VELAN HOTELS LTD

M. Srinivasan

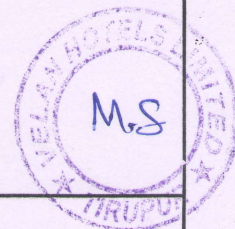
M.SRINIVASAN
COMPANY SECRETARY

Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended 30th September 2018

SL. NO	Particulars	Quarter ended			Half Year Ended		(Rs.in lakhs)
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	Year Ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	177.73	187.84	241.89	365.57	445.13	857.12
2	Other income	1.50	2.84	6.04	4.34	13.26	13.75
3	Total income	179.23	190.68	247.93	369.91	458.39	870.87
4	Expenses						
a)	Cost of materials consumed	32.49	35.66	46.89	68.15	89.87	175.80
b)	purchases of Stock-in-trade progress	-	-	-	-	-	-
c)	Employee benefits expenses	59.14	57.61	63.63	116.75	123.87	242.16
d)	Finance costs	5.56	5.24	6.80	10.80	13.68	24.29
e)	Depreciation and amortisation expenses	45.02	45.01	43.32	90.03	93.51	184.69
f)	power & fuel	40.87	47.46	48.94	88.33	95.69	177.88
f)	other expenses	51.62	43.25	60.53	94.87	115.49	238.11
	Total expenses	234.70	234.23	270.11	468.93	532.11	1,042.93
5	Profit/(loss) before exceptional and tax	(55.47)	(43.55)	(22.18)	(99.02)	(73.72)	(172.06)
6	Exceptional items (net credit/charge)	-	-	1.63	-	3.39	-
7	Profit/(loss) before tax	(55.47)	(43.55)	(20.55)	(99.02)	(70.33)	(172.06)
8	Tax expenses						
a.	Current Tax	-	-	-	-	-	-
b.	Deferred tax credit/(charge)	14.88	(14.88)	8.95	-	(42.77)	(75.47)
c.	Income tax for earlier years	-	-	-	-	-	-
d.	Mat credit Entitlement	-	-	-	-	-	-
9	Profit/(loss) for the period from continuing operations	(40.59)	(58.43)	(11.60)	(99.02)	(113.10)	(247.53)
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	(40.59)	(58.43)	(11.60)	(99.02)	(113.10)	(247.53)
14	Other comprehensive income/Loss for the period						
a) i)	Items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
ii)	Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
b) i)	Items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
ii)	Income tax relating to items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
	Other comprehensive income for the period (net of tax)	-	-	-	-	-	-
15	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(40.59)	(58.43)	(11.60)	(99.02)	(113.10)	(247.53)
16	Paid up equity share capital	3,196.41	3,196.41	3,196.41	3,196.41	3,196.41	3,196.41
	(face value Rs.10/- per share)						
17	Reserves Excluding Revaluation reserves						(1,702.48)
18	a) Earnings per share						
	Basic	(0.13)	(0.18)	(0.03)	(0.31)	(0.35)	(0.77)
	Diluted	(0.13)	(0.18)	(0.03)	(0.31)	(0.35)	(0.77)

Notes:

- 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 09.11.2018
- The figures of the Quarter ended 30th September 2018 are the balancing figure between the Limited Review of 6 Months ended 30th September 2018 and Limited Review of Quarter ended 30th June 2018.
- 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.



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- 4) 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.
- 5) The Company had delayed in the payment of one of its Suppliers and the said matter was reported to the Hon'ble National Company Law Tribunal ("NCLT"). During the course of hearings, the Company had proposed detailed plan for settlement. The same was been verbally accepted by the said Supplier after the payment of the initial sum by the company. After subsequent hearings, the Company had finalised the settlement with the said Supplier and the case has been withdrawn from the Hon'ble NCLT as on date with no penalty or additional charges being levied on the Company.
- 6) The performance of the quarter is not representative of the full year's performance
- 7) 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.
- 8) The Company does not have any extraordinary item to report for the above periods.
- 9) Exceptional items includes write off of Depreciation on Revalued assets.
- 10) 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 half year ended 30th September 2018.
- 11) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 09.11.2018
Place: Tirupur

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

For VELAN HOTELS LIMITED

M. Sathya
Company Secretary

Segment-wise Revenue, Result and capital employed for the Half Year ended 30 September 2018.

sl.no.	Particulars	Quarter ended			Half Year Ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	(Net sales/Income)						
	a) Hotel	177.73	187.84	241.89	365.57	445.13	857.12
	b) Shopping Arcade		-	0.00		0.00	-
	Total	177.73	187.84	241.89	365.57	445.13	857.12
	Less: Intersegment Revenue	-	-	-			-
	Netsales/Income from operations	177.73	187.84	241.89	365.57	445.13	857.12
2	Segment results						
	(profit/loss before interest & tax)						
	a) Hotel	(22.57)	(10.53)	9.85	(33.10)	(0.23)	(43.94)
	b) Shopping Arcade	(28.83)	(30.62)	(25.23)	(59.45)	(59.81)	(117.58)
	Total	(51.40)	(41.15)	(15.38)	(92.55)	(60.04)	(161.52)
	Less: i) interest	(5.56)	(5.24)	(6.80)	(10.80)	(13.68)	(24.29)
	ii) Other unallocable expenditure net off	0.00	0.00	0.00		0.00	0.00
	iii) Un-allocable income	1.50	2.84	1.63	4.34	3.39	13.75
	Total profit/loss before tax	(55.47)	(43.55)	(20.55)	(99.02)	(70.33)	(172.06)
3	Capital Employed						
	(segment assets-segment liabilities)						
	Segment Assets						
	a) Hotel	6581.12	6623.73	6693.99	6581.12	6693.99	6633.08
	b) Shopping Arcade	4745.40	4771.07	4848.08	4745.40	4848.08	4796.74
	c) Unallocated	6479.92	6479.92	6496.45	6479.92	6496.45	6479.92
	Total Segment Assets	17806.44	17874.72	18038.52	17806.44	18038.52	17909.74
	Segment Liabilities						
	a) Hotel	12630.32	12643.11	12664.31	12630.32	12664.31	12632.18
	b) Shopping Arcade	2738.72	2738.72	2739.45	2738.72	2739.45	2741.12
	c) Unallocated	437.58	452.46	404.89	437.58	404.89	437.58
	Total Segment Liabilities	15806.62	15834.30	15808.65	15806.62	15808.65	15810.89

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: 09.11.2018

Place: Tirupur

For and on behalf of the Board

Sd.E.V.Muthukumara Ramalingam
Managing Director.



Velan Hotels Limited
Statement of Assets and Liabilities as at 30.09.2018

(Rs.in lacs)

Particulars	Half Year Ended 30.09.2018 (Unaudited)	Year Ended 31.03.2018 (Audited)
A. Assets		
NON-CURRENT ASSETS		
Property, plant and equipment	11,068.85	11,158.39
Capital work-in-progress	6,479.92	6,479.92
NON-CURRENT FINANCIAL ASSETS		
Trade receivables, non current	1.07	0.27
Loans, non-current	137.28	118.89
Sub total- Non-current Assets	17,687.12	17,757.47
CURRENT ASSETS		
Inventories	71.17	73.88
Current Financial asset		
Trade receivables, current	22.43	11.03
Cash and Cash equivalents	19.96	39.77
Loans-current	5.76	27.59
Sub Total - Current Assets	119.32	152.27
Total assets	17,806.44	17,909.74
B. EQUITY AND LIABILITIES		
Equity		
Equity Share capital	3,196.41	3,196.41
Other equity - Reserves & Surplus	- 1,196.59	- 1,097.56
Total equity	1,999.82	2,098.85
LIABILITIES		
Non-current liabilities		
Deferred Tax liabilities (net)	437.58	437.58
Employee Benefit Obligations	44.47	45.12
Non-current Financial liabilities		
Borrowings-non-current	13,581.56	13,580.73
Trade payables-non current	635.67	619.89
Other non-current financial liabilities	89.71	50.87
Other non-current liabilities	785.92	785.92
Sub Total Non-current Liabilities	15,574.91	15,520.11
Current liabilities		
Current financial liabilities		
Borrowings-current	101.28	101.17
Trade payable-current	57.02	73.89
Other current financial liabilities	73.41	115.72
Sub Total Current Liabilities	231.71	290.78
Total liabilities	15,806.62	15,810.89
Total Equity and Liabilities	17,806.44	17,909.74



INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Velan Hotels Limited

1. We have reviewed the accompanying Statement of unaudited Financial Results of **VELAN HOTELS LIMITED** ('The Company'), for the Quarter and Half-year ended 30th September 2018 attached herewith, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this financial statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provided less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our opinion, we draw attention to Note No. 3 of the attached Statement of Standalone Unaudited Financial Results for the quarter and half-year ended 30th September 2018. The Company's borrowings have been taken over by M/s. Raytheon Asset Reconstruction Company ("ARC") and no definitive agreement has been concluded with the said ARC as on the date of the Report. Accordingly the Interest on the same has not been provided in these financial results. In view of the management, the Company is taking necessary steps to meet the debt obligations and interest thereon as and when called for.
4. Without qualifying our opinion, we draw attention to Note No. 4 of the attached Statement of Standalone Unaudited Financial Results for the quarter and half-year ended 30th September 2018. The test for the impairment of the assets tied to the borrowings have not been carried out as on date of the report due to the fact that the definitive agreement with M/s. Raytheon Asset Reconstruction Company ("ARC") has not yet been concluded as mentioned in point 3 above.

5. Based on our review conducted subject to Note 3 and 4 above, the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The review of unaudited financial results for the Quarter ended 30th June 2017, included in the unaudited financial results for the half year ended 30th September 2017 and audited financial results for the year ended 31 March 2018, was carried out the predecessor auditors who had expressed an unmodified conclusion/opinion thereon as per their reports dated 11th August 2017, which has been furnished to us by the Management and has been relied upon by us for the purpose of our review of the Statement. In view of the above, in addition to Note 3 and 4, our conclusion is not modified in respect of this matter.



Date : 09th November 2018
Place: Tirupur

For Krishaan & Co.,
Firm Reg. No.001453S
Chartered Accountants

K. Sundarajan

K Sundarrajan
Partner
Membership No. 208431