August 10, 2020

BSE Ltd
Philippe Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001.

Dear Sir,

Sub: Impact of the COVID-19 pandemic on the business - Reg

With reference to Circular bearing Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 issued by the Securities and Exchange Board of India on May 20, 2020, we would like to inform you the impact of Covid-19 pandemic on the company.

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<th>Impact of the COVID-19 pandemic on the business</th>
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<td>During the fourth week of March, 2020, the Government of India / Government of Tamilnadu declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses, imposed restrictions on travel, etc. The Indian hotels’ sector has been hit hard, grappling with significantly low demand, with very few future bookings. Therefore, the company being in the hospitality industry, COVID-19 had a significant and huge impact on us.</td>
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<td>In the back drop of national lock-down declared by the Government of India/State Government, the Company’s operations are adversely affected.</td>
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<td>The Hospitality sector comprising of Hotels and Restaurants are facing a catastrophic situation with revenues plunging over-whelming and almost reaching to zero.</td>
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| 2 | Ability to maintain operations including the office spaces functioning and closed down | In compliance with the directions issued by Central Government/ State Government/ Municipal Corporations to prevent and contain the spread of COVID-19, the Company had temporarily shut down its Hotels situated at Tirupur and Coonoor from 23rd March, 2020 to ensure the safety and well-being of all its employees, customers and other stakeholders. However, some employees are working from home: as a result, we were able to file compliances with Stock exchange.

Examining the current situation, we don’t know when the Company can we get back to regular operations. |
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<td>3</td>
<td>Schedule, Operations of the Company if any of restarting</td>
<td>It all depends on the lifting of lockdown from hospitality sector in the state of Tamil Nadu and hotel to be updated to follow the standard operating procedure to fight with CoVid 19.</td>
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<td>4</td>
<td>Steps taken to ensure smooth functioning Of Operations</td>
<td>In the current scenario of COVID 19, it is not easy to do operations in smooth manner. The operations will be restarted after lifting of lockdown while complying with all health &amp; safety guidelines prescribed by Ministry of home affairs.</td>
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| 5 | Estimation of the future impact of CoVID-19 on its operations | It is expected that there will be a dampening effect on demand side for the company’s accommodation, food & beverages services. The pandemic and resultant economic restrictions will have a severe impact on the company’s operations in the current year.

Moreover, the debtor’s recovery is very low and immediate payment made to the creditors will create an absurd Current ratio and liquidity ratio. |
| 6 | Details of impact of CoVID-19 on listed entity’s: | The Covid-19 pandemic has adversely affected the cash flows of our company

<p>| a. Capital and financial Resources | Since our operations are closed down under lockdown, revenues are getting affected extremely which has contributed to losses of the company. |
| b. Profitability | |</p>
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| c. Liquidity Position | Moreover, without income in these past few months and with no way of avoiding fixed costs, the company is under loss and there will be huge adverse impact on profitability in financial Year- 20-21 as the demand of the customers is NIL.
| d. Ability to service debt and other financing Arrangements | COVID-19 has certainly brought an immediate cash and liquidity crunch and it's becoming difficult to manage day to day expenses.
| e. Assets | 1. As on date, due to non-availability of confirmation statement for outstanding debt from ARC in respect of term loans taken over by it, 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.
| f. Internal financial reporting and control | 2. As no definitive agreement has been concluded with the ARC as on date, the Interest on the term loans has not been provided. Due to above, the quantum of any Interest payable on the outstanding debt taken over by ARC is not ascertained.
| g. Supply Chain | 3. The Company has not availed any working capital facility from Banks.
| h. Demand for its products/services | The impairment of the assets tied to the borrowings have not been carried out as on date due to the fact that the definitive agreement with ARC has not yet been concluded, therefore no loss is recognized on account of potential impairment.
|   | All the internal financials and reporting have been maintained adequately.
|   | The Supply Chain of the Company is adversely affected due to lockdown.
|   | Yes, impact on the Restaurant Business, accommodation service and the Banqueting service for Business and Social function will be there due to restriction of the Government for gathering above certain number of people as described.
| 7 | There is no major existing contracts or agreements which will significantly impact the company.
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| 8 | Other relevant material updates about the business | No other material information. |

Kindly acknowledge receipt

Thanking You

Yours truly

For VEILAN HOTELES LIMITED

M.SRINIVASAN
COMPANY SECRETARY