



Hotels

VELAN HOTELS LIMITED

41, Kangayam Road, Tirupur - 641604.

Phone : 0091 421 43 11 111

E-mail : info@velanhotels.com

Web : www.velanhotels.com

TIN : 3 3 8 7 2 4 0 1 0 4 2

CST No : 3 1 5 1 4 7 Dt. 18-11-91

CIN : L55101TZ1990PLCOO2653

December 13, 2017

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 and nine months ended
31st December, 2017 - 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 and nine months ended 31st December, 2017.
2. Limited Review Report for the quarter and nine months ended 31st December, 2017 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 of the Board of Directors commenced at 11:30 a.m. and concluded at 2.45 p.m.

Kindly acknowledge receipt

Thanking you

Yours truly
For VELAN HOTELS LTD

M. Srinivasan

**M.SRINIVASAN
COMPANY SECRETARY**

Velan Hotels Limited, Tirupur.
41 Kangayam Road, Tirupur- 641 604. Ph :++91-421-4311111, 2424444
Fax :++91-421 - 2424434 Email:accounts@velanhotels.com
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Statement of Standalone Unaudited Financial Results for the Quarter and Nine months ended 31st December 2017

(Rs.in lakhs)

SL. NO	Particulars	Quarter Ended		Nine months Ended		Year Ended
		Unaudited		Unaudited		Audited
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.03.2017
1	Net Sales (net of duties)/Income from operations	213.75	241.89	272.49	658.88	1,173.12
2	Other income	3.07	6.04	13.76	16.33	65.30
3	Total income	216.82	247.93	286.25	675.21	1,238.42
4	Expenses					
a)	Cost of materials consumed	48.91	46.89	61.26	138.78	246.38
b)	purchases of Stock-in-trade progress	-	-	-	-	-
c)	Employee benefits expenses	68.36	63.63	69.92	192.23	291.10
d)	Finance costs	5.48	6.80	476.64	19.16	1,837.20
e)	Depreciation and amortisation expenses	46.81	43.32	58.23	140.32	195.81
f)	power & fuel	41.27	48.94	53.02	136.96	219.35
f)	other expenses	71.88	60.53	62.68	187.37	299.64
	Total expenses	282.71	270.11	781.75	814.82	3,089.48
5	profit/(loss)before exceptional and tax	(65.89)	(22.18)	(495.50)	(139.61)	(1,851.06)
6	Exceptional items (net credit/charge)	1.70	1.63	1.72	5.09	(34.18)
	Extraordinary items (net of expenses)	-	-	-	(30.52)	-
7	Profit/(loss) before tax	(64.19)	(20.55)	(493.78)	(134.52)	(1,885.24)
8	Tax expenses	-	-	-	-	-
a.	Current Tax	-	-	-	-	-
b.	Deferred tax credit/(charge)	(20.36)	8.95	37.72	(63.13)	(68.05)
c.	Income tax for earlier years	-	-	-	-	1.02
d.	Mat credit Entitlement	-	-	-	-	-
9	Profit/(loss) for the period from continuing operations	(84.55)	(11.60)	(456.06)	(197.65)	(1,952.27)
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	(84.55)	(11.60)	(456.06)	(197.65)	(1,952.27)
14	Other comprehensive income for the period (net of tax)	-	-	-	-	-
15	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(84.55)	(11.60)	(456.06)	(197.65)	(1,952.27)
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					(1,461.74)
17 a)	Earnings per share					
Basic		(0.26)	(0.04)	(1.43)	(0.62)	(6.11)
Diluted		(0.26)	(0.04)	(1.43)	(0.62)	(6.11)

Notes:

- 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.
- Exceptional items includes write off of Depreciation on Revalued assets.
- The above unaudited financial results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 13.02.2018
- 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 Nine months ended is net of GST.
- The financial results of the Quarter and Nine months ended 31st December 2016 has been reviewed by predecessor Auditors. The Financial results for the year ended 31st March'2017 as well as the Reconciliation of Profit/(Loss) under Indian Accounting Standards ("Ind AS") have been audited/reviewed by the predecessor Auditors.
- In the light of continued discussions with M/s.RARE Asset Reconstruction Private Ltd (ARC), Ahmedabad-380009, Interest accrued and due on borrowings taken over by the said company from banks have not been considered in the above results.



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- 7) 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. The net realisable values of such assets not being quantifiable as on date pending the definitive agreement, the Impairment to such assets, if any, have been deferred.
- 8) 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/(Loss) 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 31-12-16	Nine Months Ended 31-12-16	Year Ended 31-03-17
1) Net Profit/(Loss) as per Previous Indian GAAP	(456.06)	(1,446.37)	(1,952.27)
2) Consequent Changes in Translation to Ind AS	-	-	-
3) Reclassification of Acturial Gain/(Loss) on Defined Benefit Plans to Other Comprehensive income (net of Tax)	-	-	-
4) Net Profit/(Loss) after Tax under Ind AS	(456.06)	(1,446.37)	(1,952.27)
5) Other Comprehensive income (net of Tax)	-	-	-
6) Total Comprehensive Income as per Ind AS	(456.06)	(1,446.37)	(1,952.27)

- 9) Income for the quarter ended September 30,2017 and the corresponding Nine months ended 31st December, 2017 was adversely effected by the decision of the Supreme Court banning sale of Alcoholic Beverages within 500 meters of National and State Highways w.e.f 01/04/2017. However based on the relaxion given by the Hon'ble Supreme Court, the company has commenced sale of alcoholic beverages w.e.f September 1st, 2017.
- 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.

Date: 13.02.2018
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 Nine months ended 31st December 2017.

(Rs. In Lakhs)

S no	Particulars	Quarter ended			Nine months ended		year ended
		Unaudited			Unaudited		Audited
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
1	Segment Revenue						
	(Net sales/Income)						1173.12
	a) Hotel	213.75	241.89	272.49	658.88	910.25	-
	b) Shopping Arcade	-	-	-	-	-	1173.12
	Total	213.75	241.89	272.49	658.88	910.25	-
	Less : Intersegment Revenue	-	-	-	-	-	1173.12
	Netsales/income from operations	213.75	241.89	272.49	658.88	910.25	
2	Segment results						
	(profit/loss before interest & tax)						105.56
	a) Hotel	(32.83)	9.85	10.91	(33.06)	63.60	(119.42)
	b) Shopping Arcade	(27.58)	(25.23)	(29.77)	(87.39)	(88.64)	(13.86)
	Total	(60.41)	(15.38)	(18.86)	(120.45)	(25.04)	(1837.20)
	Less: i) interest	(5.48)	(6.80)	476.64	(19.16)	1375.19	-
	ii) Other unallocable expenditure net off	-	-	-	-	30.52	-
	iii) Un-allocable income	1.70	1.63	1.72	5.09	5.06	(34.18)
	Total profit/(Loss) Before tax	(64.19)	(20.55)	(493.78)	(134.52)	(1425.69)	(1885.24)
3	Capital Employed						
	(segment assets-segment liabilities)						2626.05
	a) Hotel	N.A.	N.A.	N.A.	N.A.	N.A.	1038.70
	b) Shopping Arcade	N.A.	N.A.	N.A.	N.A.	N.A.	3664.75
	Total	N.A.	N.A.	N.A.	N.A.	N.A.	

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: 13.02.2018
Place: Tirupur

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

For VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors,
Velan Hotels Limited
Tirupur

1. We have reviewed the accompanying Statement of Un-audited Financial Results of **VELAN HOTELS LIMITED** ('The Company') for the quarter and nine months ended 31st December 2017 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. 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. 6 of the attached Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December 2017. The Company's borrowings have been taken over by M/s.RARE 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. Pending conclusion of the negotiations, these financial results have been prepared on a going concern basis.
4. Without qualifying our opinion, we draw attention to Note No. 7 of the attached Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December 2017. 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. RARE Asset Reconstruction Company ("ARC") has not yet been concluded as mentioned in point 3 above.



5. The comparative financial results of the Company included in the Statement for the quarter ended 30th June 2017 including the reconciliation of net profit / (loss) under Indian Accounting Standards (IndAS) of the aforementioned period and the profit / (loss) reported under previous GAAP for the year ended 31st March 2017 had been reviewed / audited by the predecessor auditors who had expressed an unmodified conclusion/opinion thereon as per their reports dated 11th August 2017 and 30th May 2017 respectively 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.
6. The comparative financial results of the Company included in the Statement for the quarter ended and nine months ended 31st December 2016 and for the year ended 31st March 2017 included in this Statement had been reviewed/audited by the predecessor auditors who had expressed an unmodified conclusion/opinion thereon as per their reports dated 10th February 2017 and 30th May 2017 respectively. Additionally, the report of the predecessor auditors dated 11th August 2017 on the financial results for the quarter ended 30th June 2017 which have been included in this Statement, expressed an unmodified conclusion and 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 and point 3, our conclusion is not modified in respect of this matter.



Date : 13th February 2018
Place: Tirupur

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

A handwritten signature in black ink, appearing to read "K Sundarrajan".

K Sundarrajan
Partner
Membership No. 208431