



August 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 June, 2018 -
Reg.

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

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 June, 2018.
2. Limited Review Report for the quarter ended 30th June, 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 of the Board of Directors commenced at 10:45 a.m. and concluded at 3.00 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 ended 30th June 2018

SL.NO	Particulars	(Rs.in lakhs)			
		Quarter ended		Year Ended	
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	187.84	198.24	203.24	857.12
2	Other income	2.84	(2.58)	7.22	13.75
3	Total income	190.68	195.66	210.46	870.87
4	Expenses				
a)	Cost of materials consumed	35.66	37.02	42.98	175.80
b)	purchases of Stock-in-trade progress	-	-	-	-
c)	Employee benefits expenses	57.61	49.93	60.24	242.16
d)	Finance costs	5.24	5.13	6.88	24.29
e)	Depreciation and amortisation expenses	45.01	44.37	50.19	184.69
f)	power & fuel	47.46	40.92	46.75	177.88
f)	other expenses	43.25	50.74	54.96	238.11
	Total expenses	234.23	228.11	262.00	1,042.93
5	Profit/(loss) before exceptional and tax	(43.55)	(32.45)	(51.54)	(172.06)
6	Exceptional items (net credit/charge)	-	-	1.76	-
7	Profit/(loss) before tax	(43.55)	(32.45)	(49.78)	(172.06)
8	Tax expenses				
a.	Current Tax	-	-	-	-
b.	Deferred tax credit/(charge)	(14.88)	(12.34)	(51.72)	(75.47)
c.	Income tax for earlier years	-	-	-	-
d.	Mat credit Entitlement	-	-	-	-
9	Profit/(loss) for the period from continuing operations	(58.43)	(44.79)	(101.50)	(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	(58.43)	(44.79)	(101.50)	(247.53)
14	Other comprehensive income for the period (net of tax)	-	-	-	-
15	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(58.43)	(44.79)	(101.50)	(247.53)
16	Paid up equity share capital (face value Rs.10/- per share)	3,196.41	3,196.41	3,196.41	3,196.41
17	Reserves Excluding Revaluation reserves	-	-	-	(1,702.48)
18	a) Earnings per share				
	Basic	(0.18)	(0.14)	(0.32)	(0.77)
	Diluted	(0.18)	(0.14)	(0.32)	(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 11.08.2018
- 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 Year ended is net of GST.
- The financial results of the Quarter ended 30 June 2017 and 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, 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.
- 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.
- 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 has been verbally accepted by the said Supplier after the payment of the initial sum by the company. The said creditor has filed similar settlement details via a Joint Compromise Memo. The same is expected to be finalised in the next hearing at the NCLT. The management is hopeful that no further penal proceedings shall be levied on the Company or its assets in this regard in light of the plan and the adherence to it.
- 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.
- The Company does not have any extraordinary item to report for the above periods.
- Exceptional items includes write off of Depreciation on Revalued assets.
- Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 11.08.2018
Place: Tirupur

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

For VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

Segment-wise Revenue, Result and capital employed for the Quarter ended 30 June 2018.

sl.no.	Particulars	Quarter ended on			Year ended on
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		unaudited	Audited	unaudited	Audited
1	Segment Revenue				
	(Net sales/Income)				
	a) Hotel	187.84	198.24	203.24	857.12
	b) Shopping Arcade	-	-	-	-
	Total	187.84	198.24	203.24	857.12
	Less: Intersegment Revenue	-	-	-	-
	Netsales/Income from operations	187.84	198.24	203.24	857.12
2	Segment results				
	(profit/loss before interest & tax)				
	a) Hotel	(10.53)	5.45	(17.30)	(43.94)
	b) Shopping Arcade	(30.62)	(30.19)	(34.58)	(117.58)
	Total	(41.15)	(24.74)	(51.88)	(161.52)
	Less: i) interest	(5.24)	(5.13)	(6.88)	(24.29)
	ii) Other unallocable expenditure net off	-	-	-	-
	iii) Un-allocable income	2.84	(2.58)	8.98	13.75
	Total profit/loss before tax	(43.55)	(32.45)	(49.78)	(172.06)
3	Capital Employed				
	(segment assets-segment liabilities)				
	Segment Assets				
	a) Hotel	6,623.73	6,633.08	6,414.50	6,633.08
	b) Shopping Arcade	4,771.07	4,796.74	5,211.68	4,796.74
	c) Unallocated	6,479.92	6,479.92	6,496.44	6,479.92
	Total Segment Assets	17,874.72	17,909.74	18,122.62	17,909.74
	Segment Liabilities				
	a) Hotel	12,643.11	12,632.18	12,746.22	12,632.18
	b) Shopping Arcade	2,738.72	2,741.12	2,667.92	2,741.12
	c) Unallocated	452.46	437.58	362.11	437.58
	Total Segment Liabilities	15,834.30	15,810.89	15,776.25	15,810.89

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: 11.08.2018

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 unaudited Financial Results of **VELAN HOTELS LIMITED** ('The Company'), for the quarter ended 30th June 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. 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. 4 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30th June 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. 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. 5 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 30th June 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.



Page 1 of 2

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 has been verbally accepted by the said Supplier after the payment of the initial sum by the company. The said creditor has filed similar settlement details via a Joint Compromise Memo. The same is expected to be finalised in the next hearing at the NCLT. The management is hopeful that further penal proceedings shall not be levied on the Company or its assets in this regard. Accordingly our Opinion has not been modified and these financial results have been prepared on a going concern basis.
6. The comparative financial results of the Company included in the Statement for the quarter ended 30th June 2017 had been reviewed by the predecessor auditors who had expressed an unmodified conclusion/opinion thereon as per their reports dated 11th August 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.
7. The comparative financial results of the Company included in the Statement for the quarter ended 30th June 2017 included in this Statement had been reviewed by the predecessor auditors who had expressed an unmodified conclusion/opinion thereon as per their report dated 11th August 2017 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 and 5, our conclusion is not modified in respect of this matter.

Date : 11th August 2018
Place: Tirupur



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

A handwritten signature in blue ink, appearing to read "S. Rathinamoorthy".

S Rathinamoorthy
Partner
Membership No. 233449