



VELAN HOTELS LIMITED

Registered Office: 41, Kangeyam Road, Tirupur - 641 604

Tel: +91-0421- 431 1111; Fax: +91-0421-2424434;

Email: accounts@velanhotels.com; Website: www.velanhotels.com

GSTIN : 33AAACV8449H3Z3 / CIN : L55101TZ1990PLC2653

12-02-2021

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 (standalone) of the Company for the quarter ended 31st December, 2020 - 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 31st December, 2020.
2. Limited Review Report for the quarter ended 31st December, 2020 issued by M/s. Krishnaa & Co., 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 10:00 a.m. and concluded at 4.40 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 CIN: L55101TZ1990PLC002653							
Statement of Standalone Unaudited Financial Results for the Quarter/ Nine Months ended 31st December 2020							
SL.NO	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales (net of duties)/Income from operations	-	-	84.01	-	301.28	328.59
2	Other income	-	-	0.88	-	4.60	10.64
3	Total income	-	-	84.89	-	305.88	339.23
4	Expenses						
a)	Cost of materials consumed	-	-	56.48	-	111.66	112.12
b)	Purchases of Stock-in-trade progress	-	-	-	-	-	-
c)	Employee benefits expenses	4.32	4.36	42.84	11.80	135.60	171.03
d)	Finance costs	0.01	-	1.48	0.03	12.34	13.19
e)	Depreciation and amortisation expenses	41.95	41.94	44.64	125.84	133.98	177.72
f)	Power & Fuel	3.88	5.98	18.90	17.52	67.21	82.06
f)	Other expenses	15.08	10.52	19.65	42.58	53.74	100.66
	Total expenses	65.24	62.80	183.99	197.77	514.53	656.78
5	Profit/(loss) before exceptional and tax	(65.24)	(62.80)	(99.10)	(197.77)	(208.65)	(317.55)
6	Exceptional items (net credit/charge)	-	-	-	-	-	-
7	Profit/(loss) before tax	(65.24)	(62.80)	(99.10)	(197.77)	(208.65)	(317.55)
8	Tax expenses						
a.	Current Tax	-	-	-	-	-	-
b.	Deferred tax credit/(charge)	-	-	-	-	-	-
c.	Income tax for earlier years	-	-	-	-	-	-
d.	Mat credit Entitlement	-	-	-	-	-	-
9	Profit/(loss) for the period from continuing operations	(65.24)	(62.80)	(99.10)	(197.77)	(208.65)	(317.55)
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	(65.24)	(62.80)	(99.10)	(197.77)	(208.65)	(317.55)
14	Other comprehensive income for the period (net of tax)	-	-	-	-	-	-
15	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(65.24)	(62.80)	(99.10)	(197.77)	(208.65)	(317.55)
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	3,196.41
17	Reserves Excluding Revaluation reserves	-	-	-	-	-	(2,229.26)
18	a) Earnings per share						
	Basic	(0.20)	(0.20)	(0.31)	(0.62)	(0.65)	(0.99)
	Diluted	(0.20)	(0.20)	(0.31)	(0.62)	(0.65)	(0.99)
Notes:							
1)	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.						
2)	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 12th February 2021.						
3)	The Company has assessed the possible impact of COVID-19 in preparation of the standalone interim financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of Covid-19 may be different from that estimated as at the date of approval of these standalone interim financial results and the Company will continue to closely monitor any material changes to future economic conditions.						
4)	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 period ended June 30, 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.						

For VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

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Statement of Standalone Unaudited Financial Results for the Quarter/ Nine Months ended 31st December 2020

- 5) The company had suspended all the revenue generating operations w.e.f 24 Mar 2020. 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.
- 6) The Company has entered into a Memorandum of Understanding (MoU) with M/s. Avenue Supermarts Limited for proposed sale of Company's Shopping Mall and part of Multiplex properties on 10th November 2020 with the consent of M/s.RARE Asset Reconstruction Limited with a view to settle a part of the outstanding debt with them. The adjustments, if any, on the sale shall be recorded on the completion of the transaction.
- 7) 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 12 months. The Company is taking necessary steps to regularise the Statutory Dues as and when the sales of assets of companies are completed.
- 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 year ended 31 March 2020. No additional litigations have been brought to the Company's notice.
- 11) No Provision for Gratuity /Leave encashment has been considered during the period due to excess provision available in financial statement.
- 12) 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 period ended 31st December 2020.
- 13) Previous period/year figures have been regrouped and/or reclassified, wherever necessary.

Date: 12.02.2021
Place: Tirupur

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

For VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

Unaudited Segment-wise Revenue, Result and capital employed for the Quarter/ Nine Months ended 31st December 2020

S no	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	(Net sales/Income)						
	a) Hotel	-	-	84.01	-	301.28	328.59
	b) Shopping Arcade	-	-	-	-	-	-
	Total	-	-	84.01	-	301.28	328.59
	Less : Intersegment Revenue	-	-	-	-	-	-
	Net sales/Income from operations	-	-	84.01	-	301.28	328.59
2	Segment results						
	(profit/loss before interest & tax)						
	a) Hotel	(38.07)	(34.21)	(9.03)	(110.44)	(113.60)	(189.48)
	b) Shopping Arcade	(27.16)	(28.59)	(27.15)	(87.30)	(82.71)	(114.88)
	Total	(65.23)	(62.80)	(36.18)	(197.74)	(196.31)	(304.36)
	Less: i) Interest	(0.01)	-	(1.48)	(0.03)	(12.34)	(13.19)
	ii) Other unallocable expenditure net off	-	-	-	-	-	-
	iii) Un-allocable income	-	-	-	-	-	-
	Total profit/(Loss) Before tax	(65.24)	(62.80)	(37.66)	(197.77)	(208.65)	(317.55)
3	Capital Employed						
	(segment assets-segment liabilities)						
	Segment Assets						
	a) Hotel	6,238.60	6,132.58	6,352.37	6,238.60	6,352.37	6,311.15
	b) Shopping Arcade	4,515.38	4,540.71	4,617.65	4,515.38	4,617.05	4,591.38
	c) Unallocated	6,479.92	6,479.92	6,479.92	6,479.92	6,479.92	6,479.92
	Total Segment Assets	17,233.90	17,153.21	17,449.34	17,233.90	17,449.34	17,382.45
	Segment Liabilities						
	a) Hotel	12,705.57	12,696.43	12,614.36	12,705.57	12,614.36	12,656.36
	b) Shopping Arcade	2,730.01	2,730.01	2,730.01	2,730.01	2,730.01	2,730.01
	c) Unallocated	437.58	437.58	437.58	437.58	437.58	437.58
	Total	15,873.17	15,864.02	15,781.95	15,873.17	15,781.95	15,823.95

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

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

Date: 12.02.2021
Place: Tirupur

For VELAN HOTELS LIMITED

M. Srinivasan
Company Secretary

Independent Auditors' Review Report on the Standalone Quarterly Financial Results of Velan Hotels Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

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 Nine Months ended 31st December 2020 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. *We draw attention to Note No. 5 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended 31st December 2020. The company had suspended all operations w.e.f. March 24, 2020 and consequently, the ability of the Company to repay its debts depends on the quantum of realisation from the sale of Assets. Considering the above, the ability of the Company to continue as a Going Concern is impacted and the adjustments, if any, on account of such sale is not ascertainable at this juncture.*
4. We draw attention to Note No. 6 of the attached Statement of Standalone Unaudited Financial Results for the quarter ended ended 31st December 2020. The company has entered into an Agreement with M/s. Avenue Supermarts Limited for the sale of a part of the Company's assets to meet a part of the outstanding debt with the ARC. As the said MoU is yet to be entered as on the date of this Report, no adjustments have been considered in these financial statements.



KRISHAAN & Co.,
CHARTERED ACCOUNTANTS

5. Without qualifying our opinion, we draw attention to Note No. 4 of the attached Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December 2020. 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.
6. 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 2020. There has been significant delays in meeting the statutory obligations, including Service Tax, Goods and Services Tax and Value Added Taxes, which are due in excess of 6 months as on the date of this Report. As represented by the management, the Company is taking necessary steps to meet the above-mentioned obligations.
7. Based on our review conducted subject to Notes 3, 4 and 5 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.



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

K. Sundarajan

K Sundarajan
Partner

Membership No. 208431
UDIN: 21208431AAAABJ7314

Date : 12th February 2021
Place: Tirupur