



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 : L55101TZ1990PLC002653

May 29, 2024

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

Dear Sir/ Madam

Sub: Annual Secretarial Compliance Report for the year ended 31.03.2024– Reg

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, please find attached herewith the Annual Secretarial Compliance Report of the Company for the year ended 31st March, 2024, issued by Mr.S.Ganesh Viswanathan, Practicing Company Secretary.

Kindly take the same on record

Thanking you

Yours truly,
For VELAN HOTELS LIMITED

M.SRINIVASAN
COMPANY SECRETARY



S.GANESH VISWANATHAN, M.Com., FCS

Practicing Company Secretary

Secretarial Compliance Report of Velan Hotels Limited for the financial year ended 31st March, 2024

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **M/s.Velan Hotels Limited** (hereinafter referred as '**the Company**'), having its Registered Office at 41, Kangayam Road, Tirupur 641 604, Tamilnadu. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the Company has, during the review period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

I, S.Ganesh Viswanathan have examined:

- (a) all the documents and records made available to us and explanation provided by M/s.Velan Hotels Limited ("the Company"),
- (b) the filings/ submissions made by the Company to the stock exchanges,
- (c) website of the Company,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this report, for the financial year ended 31st March, 2024 [Review Period] in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there-under; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there-under and the Regulations, circulars, guidelines issued there-under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there-under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - *Not applicable during the year under review*
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - *Not applicable during the year under review*
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - *Not applicable during the year under review*
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - *Not applicable during the year under review*
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - *Not applicable during the year under review*
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

a. (**) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued there-under :

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
										Not applicable

b. The Company has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks Of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	Non-Compliance of Minimum Public Shareholding	31/03/2019 31/03/2020 31/03/2021 31/03/2022 31/03/2023	Regulation 38 of SEBI (LODR) Regulations, 2015	BSE Ltd vide their email dated 16/11/2023 levied the Company a fine amount of Rs.955800/- for the quarter ended 30 th September 2023.	The Company has submitted the application of waiver for penalty/fine for quarter ended 31 st December 2023 and 31 st March 2024 with BSE Ltd. All the waiver applications are under process at BSE Ltd.	During the Review Period, the Company has complied with Minimum Public Shareholding (MPS) norms.



				<p>The Company remitted the entire fine amount to BSE Ltd on 12/01/2024.</p> <p>Besides, BSE Ltd vide their emails dated 15/02/2024 and 09/04/2024 levied the further fine amounts of Rs.10,85,600/- for the quarter ended 31st December 2023 and Rs.10,14,800/- for the quarter ended 31st March 2024.</p>	<p>Further, Mr.E.V.Muthukumar Ramalingam, one of the Promoter of Velan Hotels Limited (the "Company") has sold 16,44,791 equity shares of the Company (representing 5.15% of the paid-up equity share capital of the Company) on March 22, 2024 and March 26, 2024, undertaken in accordance with the circular bearing reference number SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/10 dated January 10, 2023 regarding the "Comprehensive Framework on Offer for Sale (OFS) of Shares through Stock Exchange Mechanism" issued by the SEBI, through the separate designated window of BSE Limited in order to comply with the Minimum Public Shareholding (MPS) norms as prescribed under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, and Regulation 38</p>	
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						of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.	
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(c) The Company has not taken the sufficient steps to address the concerns raised / observations in the reports pertaining to the periods prior to the previous year

Sr. No.	Compliance Requirement (Regulations/circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
				Not applicable						

ii. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	No event has been occurred for resignation of the Auditor and hence, the existing Auditor has duly signed the Limited Review / Audit Report for all the four quarters as well as the reporting financial year.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	



2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the Company/its material subsidiary to the Audit Committee:</p>		
	<p>a. In case of any concern with the management of the Company/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the Company and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p>	NA	No concerns were raised by the existing Statutory Auditors to the Audit Committee of the Company
	<p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p>	NA	No event has occurred for resignation of the Director
	<p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p>	NA	No event has occurred for resignation of the Director
	<p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the Company/ its material subsidiary has not provided information as required by the auditor.</p>	NA	As there was no event of resignation of auditor, no information was required to be received and communicated.
3.	The Company / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	No event has occurred for resignation of the Director Further the Company does not have any subsidiary (ies)



iii. I hereby report that, during the review period the compliance status of the Company is appended as below :

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<p>Secretarial Standards:</p> <p>The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	None
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> ● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities ● All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	Yes Yes	None
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> ● The Company is maintaining a functional website ● Timely dissemination of the documents/information under as separate section on the website ● Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website 	Yes Yes Yes	None
4.	<p>Disqualification of Director:</p> <p>None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.</p>	Yes	None
5.	<p>Details related to Subsidiaries of listed entities have been examined w.r.t.:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	NA NA	The Company does not have any material listed and unlisted subsidiary (ies) as defined in Regulation 16(1)(c) of the Listing Regulations.



6.	Preservation of Documents: The Company is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	Performance Evaluation: The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	None
8.	Related Party Transactions: (a) The Company has obtained prior approval of Audit Committee for all related party transactions; or (b) The Company has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee, in case no prior approval has been obtained.	Yes NA	The Company halted its entire commercial operation since March, 2020 and has not resumed its operations yet. During the year, the Company received unsecured loans from its Directors with the prior approval of Audit Committee. Except the above, no other transactions were carried out.
9.	Disclosure of events or information: The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	Prohibition of Insider Trading: The Company is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None



11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>Action(s) has been taken against the Company/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there-under except as provided under separate paragraph herein (**).</p>	Yes	<p>Due to Non-compliance with the Minimum Public Shareholding (MPS) Requirements under Regulation 38 of SEBI-LODR, 2015 by the Company, BSE Ltd vide their email dated 16/11/2023 levied the Company a fine amount of Rs.955800/- for the quarter ended 30th September 2023.</p> <p>The Company remitted the entire fine amount to BSE Ltd on 12/01/2024.</p> <p>Besides, BSE Ltd vide their emails dated 15/02/2024 and 09/04/2024 levied further fine amounts of Rs.10,85,600/- for the quarter ended 31st December 2023 and Rs.10,14,800/- for the quarter ended 31st March 2024.</p> <p>The Company has submitted the applications of waiver of penalty/fine for both the period with BSE Ltd.</p>
12	<p>Additional Non-compliances, if any:</p> <p>No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.</p>	NA	<p>No additional non-compliance was observed for any SEBI Regulations, Circulars and Guidelines.</p>



Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the Company.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Tirupur

Date: 29.05.2024

Signature: 

Name of the Practicing Company Secretary

FCS No.: 12727

CP No.: 20421

UDIN: F012727F000480843

PR No : 4099/2023

CS S.GANESH VISWANATHAN M.Com, FCS
Practicing Company Secretary
M.No: F12727 COP : 20421
51A, Municipal Office Street,
TIRUPUR - 641 604.