**Format of Quarterly Compliance Report on Corporate Governance**

**Name of the Company : VELAN HOTELS LTD**

**Quarter ending on : 31st DECEMBER, 2014**

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| **Particulars** | **Clause of Listing agreement** | **Compliance Status Yes/No/N.A** | **Remarks** |
| **II. Board of Directors** | 49 (II) | Yes |  |
| (A) Composition of Board | 49 (IIA) | Yes |  |
| (B) Independent Directors | 49 (IIB) | Yes |  |
| (C) Non-executive Directors’ compensation & Disclosures  | 49 (IIC) | Yes |  |
| (D) Other provisions as to Board and Committees | 49 (IID) | Yes |  |
| (E) Code of Conduct | 49 (IIE) | Yes |  |
| (F) Whistle Blower Policy | 49 (IIF) | Yes |  |
| **III. Audit Committee** | 49 (III) | Yes |  |
| (A) Qualified & Independent Audit Committee | 49 (IIIA) | Yes |  |
| (B) Meeting of Audit Committee | 49 (IIIB) | Yes |  |
| (C) Powers of Audit Committee | 49 (IIIC) | Yes |  |
| (D) Role of Audit Committee | 49 (IIID) | Yes |  |
| (E) Review of Information by Audit Committee | 49 (IIIE) | Yes |  |
| **IV. Nomination and Remuneration Committee** | 49 (IV) | Yes |  |
| **V. Subsidiary Companies** | 49 (V) | N.A. |  |
| **VI. Risk Management** | 49 (VI) | Yes |  |
| **VII. Related Party Transactions** | 49 (VII) | Yes |  |
| **VIII. Disclosures** | 49 (VIII) | Yes |  |
| (A) Related party transactions | 49 (VIIIA) | Yes | Transaction with a related party shall be considered material, as and when the transaction exceeds 10% of turnover of the company. |
| (B) Disclosure of Accounting Treatment | 49 (VIIIB) |  | will be complied in the next Annual Report |
| (C) Remuneration of Directors | 49 (VIII C) |  | -do- |
| (D) Management | 49 (VIII D) |  | -do- |
| (E) Shareholders | 49 (VIII E) |  | -do- |
| (F) Proceeds from public issues, rights issue, preferential issues, etc | 49 (VIII F) |  | -do- |
| IX. CEO/CFO Certification | 49 (IX) |  | -do- |
| X. Report on Corporate Governance | 49 (X) |  | -do- |
| XI. Compliance | 49 (XI) |  | -do- |