



S.GANESH VISWANATHAN, M.Com., ACS
Practicing Company Secretary

Secretarial Compliance Report of Velan Hotels Limited for the financial year ended 31st March, 2023

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, 2023 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 me 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, 2023 (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

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(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(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:

1. a. (***) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued there-under, except in respect of matters specified below:

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 Practising Company Secretary	Management Response	Remarks
1	Compliance of Regulation 38 of SEBI (LODR) Regulations, 2015	Regulation 38 of Listing Regulations	-	-	-	Public Shareholding in the Company is 19.85% instead of 25%	Nil	SEBI issued an Interim Order dated 4/6/13 and Final Order letter No. WTM/P S/74/CFD/FEB/2015 dated 27th February, 2015 in the matter of non-compliance with the requirements of MPS. As informed by promoters, they are taking steps to comply	The Company halted its entire operations since March 2020. After resuming the commercial operations, the Management will take necessary steps to achieve its 25% of Public Shareholding.	-



(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 (2021-22)

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
1	Maintaining of Minimum Public Shareholding (MPS)	Regulation 38 of Listing Regulations of SEBI (LODR) Regulations, 2015	Nil	Nil	Nil	Public Shareholding in the Company is 19.85% instead of 25%	Nil	SEBI issued an Interim Order dt. 4/6/13 and Final Order letter No. WTM/PS/74/CFD/FE/8/2015 dated 27th February, 2015 in the matter of the non-compliance with the requirement of MPS. As informed by promoters, they are taking the steps to comply with the requirement of MPS.	The Company halted its entire operations since March 2020. After resuming the commercial operations, the Management will take necessary steps to achieve 25% of Public shareholding.	Previous period Reports pertaining to the year ended on 31/03/2019, 31/03/2020, 31/03/21 and 31/03/2022



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		
	<p>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</p> <p>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</p> <p>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.</p>	<p>NA</p> <p>NA</p> <p>NA</p>	<p>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.</p>
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> <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 /</p>	<p>NA</p> <p>NA</p>	<p>No concerns were raised by the existing Statutory Auditors to the Audit Committee of the Company</p> <p>No event has occurred for resignation of the Director</p>



	<p>explanation sought and not provided by the management, as applicable.</p> <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> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>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>	<p>NA</p> <p>NA</p>	<p>No event has occurred for resignation of the Director</p> <p>As there was no event of resignation of auditor, no information was required to be received and communicated.</p>
3.	<p>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 18th October, 2019.</p>	<p>NA</p>	<p>No event has occurred for resignation of the Director</p> <p>Further the Company does not have any subsidiary(ies)</p>

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>	<p>Yes</p>	<p>None</p>



2.	Adoption and timely updation of the Policies: <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 	<p>Yes</p> <p>Yes</p>	None
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Company is maintaining a functional website Timely dissemination of the documents/information under a 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 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	None
4.	Disqualification of Director: 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</p>	None
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	<p>NA</p> <p>NA</p>	The Company does not have any material listed and unlisted subsidiary (ies) as defined in Regulation 16(i)(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.	<p>Yes</p>	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.	<p>Yes</p>	None

8.	<p>Related Party Transactions:</p> <p>(a) The Company has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(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.</p>	<p>Yes</p> <p>NA</p>	<p>The Company halted its entire commercial operation since March, 2020 and resumed its operations yet.</p> <p>During the year, the Company received unsecured loans from its Directors with the prior approval of Audit Committee.</p> <p>Except the above, no other transactions were carried out.</p>
9.	<p>Disclosure of events or information:</p> <p>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.</p>	<p>Yes</p>	<p>None</p>
10.	<p>Prohibition of Insider Trading:</p> <p>The Company is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	<p>Yes</p>	<p>None</p>
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No 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>	<p>Yes</p>	<p>No actions were taken against the Company / its promoters / Directors either by SEBI / Stock Exchange under SEBI Regulations, Circulars / Guidelines thereunder.</p>
12.	<p>Additional Non-compliances, if any:</p> <p>No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.</p>	<p>NA</p>	<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. My responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I 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: 28/05/2023

Signature:

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UDIN: A055207E000402059