



**ANNEXURE B TO BOARD'S REPORT**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L55101TZ1990PLC002653
- ii) Registration Date : 21.3.1990
- iii) Name of the Company : VELAN HOTELS LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : 41 Kangayam Road, Tirupur 641 604 - Tamil Nadu  
Ph : 0421-431 1111 - Fax : 0421-2424434  
E-mail : accounts@velanhotels.com
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent : S K D C Consultants Limited  
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road  
Ganapathy, Coimbatore, Tamilnadu-641006  
Ph : 0422 - 4958995, 2539835-836  
E-mail : info@skdc-consultants.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :

SI No	Name and Description of main products	NIC Code of the Product / service	% to total turnover
1	Lodging	55101	53.66 %
2	Restaurants & Bars	56301	46.34 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SI No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

S No	Category of shareholders	No. of shares held at the beginning of the year (As on 31-3-2017)				No. of shares held at the end of the year (As on 31-3-2018)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
	(1) Indian									
	a) Individuals/ Hindu Undivided Family	22791096	Nil	22791096	71.302	22791096	Nil	22791096	71.302	0.000
	b) Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	c) Bodies Corporate	2826934	0	2826934	8.844	2826934	0	2826934	8.844	0.000
	d) Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	e) Any Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	TRUSTS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	Sub Total(A)(1)	25618030	Nil	25618030	80.146	25618030	0	25618030	80.146	0.000
(2)	Foreign									
	a) Individuals (Non-Residents Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	b) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	c) Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	d) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	e) Any Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	Sub Total(A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	25618030	Nil	25618030	80.146	25618030	Nil	25618030	80.146	0.000
(B)	Public shareholding									
	(1) Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	a) Mutual Funds/ UTI	Nil	7000	7000	0.022	Nil	Nil	Nil	0.000	-0.022
	b) Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	c) Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	d) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	f) Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	g) Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	h) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	i) Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	FOREIGN PORTFOLIO INV ( CORP.CAT )	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	Sub-Total (B)(1)	Nil	7000	7000	0.022	Nil	Nil	Nil	Nil	-0.022
	(2) Non-institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	a) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	i) Indian	56867	79500	136367	0.427	116313	75400	191713	0.600	0.173
	ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.000
	i) Individual shareholders holding nominal share capital up to Rs 1 lakh	1268532	841815	2110347	6.601	1214743	531190	1745933	5.462	-1.139
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3109783	235300	3345083	10.465	3128271	235300	3363571	10.523	0.058
	c) Others (specify)									
	DIRECTORS & THEIR RELATIVES	Nil	62650	62650	0.196	Nil	62650	62650	0.196	0.000
	NON RESIDENT INDIANS	20740	15200	35940	0.113	8359	Nil	8359	0.026	-0.087
	OVERSEAS CORPORATE BODIES	0	1000	1000	0.003	Nil	1000	1000	0.003	0.000
	CLEARING MEMBERS	69548	Nil	69548	0.218	73445	Nil	73445	0.230	0.012
	HINDU UNDIVIDED FAMILIES	578154	Nil	578154	1.809	578395	Nil	578395	1.810	0.001
	Inv.Education and Protection Fund Auth.	Nil	Nil	Nil	0.000	321023	Nil	321023	1.004	1.004
	Sub-Total (B)(2)	5103624	1235465	6339089	19.832	5440549	905540	6346089	19.854	0.022
	Total Public Shareholding (B)= (B)(1)+(B)(2)	5103624	1242465	6346089	19.854	5440549	905540	6346089	19.854	0.000
	Shares held by Custodian for GDRs & ADRs									
C.	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>30721654</b>	<b>1242465</b>	<b>31964119</b>	<b>100.000</b>	<b>31058579</b>	<b>905540</b>	<b>31964119</b>	<b>100.000</b>	<b>0.000</b>

**ii) Shareholding of Promoter**

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Sri. E. V. Muthukumara Ramalingam	12678383	39.664	Nil	12678383	39.664	Nil	Nil
2	Sri. M. R. Gautham	6420750	20.087	Nil	6420750	20.087	Nil	Nil
3	Mrs. M. Sasikala	2130743	6.666	Nil	2130743	6.666	Nil	Nil
4	Mrs. G. Sharmada	795344	2.488	Nil	795344	2.488	Nil	Nil
5	Mrs. Pallavi Naveen Mandradiar	729580	2.282	Nil	729580	2.282	Nil	Nil
6	Sri. B. A. Madhusudhan	36296	0.114	Nil	36296	0.114	Nil	Nil
7	M/s. Shree Vallee Enterprises Pvt Ltd	2826934	8.844	Nil	2826934	8.844	Nil	Nil
	Total	25618030	80.145	Nil	25618030	80.145	Nil	Nil

**iii) Change in Promoters' Shareholding ( please specify, if there is no change) – NOT APPLICABLE**

S No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	25618030	80.145	—	—
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweatequity etc):	—	—	—	—
3	At the end of the year	—	—	25618030	80.145

There is no change in the total shareholding of Promoters between 01.04.2017 and 31.03.2018.

**iv) Shareholding Pattern of top ten Shareholders : (other than Directors and Promoters and Holders of GRDs and ADRs) :**

S No	For Each of the Top 10 shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kaliappagounder Subramaniam	560000	1.752	560000	1.752
2	Prithviraj	505000	1.580	505000	1.580
3	Mahender Agarwal HUF	500000	1.564	500000	1.564
4	Kanku	250000	0.782	250000	0.782
5	Mahaveer Chand	215000	0.673	215000	0.673
6	Kishore Kumar Salecha	212442	0.665	212442	0.665
7	P. S. Kathiresan	195500	0.612	195500	0.612

#### iv) Shareholding Pattern of top ten Shareholders : (other than Directors and Promoters) Contd...

S No	For Each of the Top 10 shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Amit Jain	151521	0.474	151522	0.474
9	Vibha Prashant Bamb	143961	0.450	143961	0.450
10	Bamb Prashant Ishwardas	113276	0.354	113276	0.354
11	Investor Education and Protection Fund	--	--	321023	1.004

#### v) Shareholding of Directors and Key Managerial Personnel:

S No	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Changing in Shareholding		Shareholding at the end of the year	
		No. of shares	% of share holding	Increase	Decrease	No. of shares	% of share holding
1.	Sri. E. V. Muthukumara Ramalingam	12678383	39.664	-	-	12678383	39.664
2.	Sri. M. R. Gautham	6420750	20.087	-	-	6420750	20.087
3.	Mrs. M. Sasikala	2130743	6.666	-	-	2130743	6.666
4.	Sri. B. A. Madhusudhan	36296	0.114	-	-	36296	0.114
5.	Sri. P. Ganesan	33050	0.103	-	-	33050	0.103
6.	Sri. S. P. Sivanandam	100	0.000	-	-	100	0.000
7.	Sri. Giri Balasubramanian	-	-	-	-	-	-
8.	Mrs. R.Lalitha - CFO	-	-	-	-	-	-
9.	Sri. M. Srinivasan - Company Secretary	-	-	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	81,03,36,359	5,56,42,574	—	86,59,78,933
ii) Interest due but not paid	50,57,64,605	—	—	50,57,64,605
iii) Interest accrued but not due	—	2,33,579	—	2,33,579
<b>Total (i+ii+iii)</b>	<b>131,61,00,964</b>	<b>5,58,76,153</b>	<b>—</b>	<b>137,19,77,117</b>
Change in Indebtedness during the financial year				
Addition - Principal + Interest	—	45,26,716	—	45,26,716
Reduction - Principal + Interest	—	83,14,071	—	83,14,071
Net Change - Indebtedness	—	37,87,355	—	37,87,355
Indebtedness at the end of the financial year				
i. Principal Amount	81,03,39,359	5,19,70,781	—	86,23,07,140
ii. Interest due but not paid	50,57,64,605	—	—	50,57,64,605
iii. Interest accrued but not due	—	1,18,016	—	1,18,016
<b>Total (i+ii+iii)</b>	<b>131,61,00,964</b>	<b>5,20,88,797</b>	<b>—</b>	<b>136,81,89,761</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager

During the year, no remuneration was paid to Managing Director / Executive Director

### B. Remuneration to other directors

During the year under review, no remuneration was paid including any sitting fees to all the Directors for attending the Board / Committee Meetings. Outstation Directors have been paid only travelling and other incidental expenses for attending the Board / Committee Meetings.

## C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

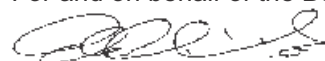
(Rs. In Lakhs)

S No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	7.39	2.88	10.09
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	—		—
	c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	—		—
2.	Stock Option	—		—
3.	Sweat Equity	—		—
4.	Commission	—		—
	- as % of profit	—		—
	others, specify...	—		—
5.	Others, please specify	—		—
	1. Company's Contribution to P.F.	0.22	—	0.22
	Total ( c )	7.61	2.88	10.49

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default under provisions of the Companies Act, 2013 during the year ended 31st March 2018.

For and on behalf of the Board

  
**E. V. Muthukumara Ramalingam**  
 Managing Director  
 (DIN : 00046166)

  
**M. R. Gautham**  
 Executive Director  
 (DIN : 00046187)

Place : TIRUPUR  
 Date : 24.05.2018

## Annexure - C TO BOARD'S REPORT

### Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**1. The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below :**

- a. Since no remuneration was paid to Managing Director / Executive Director during the period under review, not applicable.
- b. Even though Independent Directors and Non-Executive Directors are eligible to receive sitting fees for attending the Board / Committee meeting, no payment was made during the year. Travelling and lodging expenses are reimbursed for outstation directors.

**2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :**

As no managerial remuneration including sitting fees was paid to Managing Director / Executive Director / Independent Director during the year period under review in view of the financial difficulties experienced by the Company, not applicable.

During the year, no increase in remuneration paid to CFO and Company Secretary.

**3. The Percentage increase in the median remuneration of employees in the financial year :**

The percentage of increase in the median remuneration of the employees in the financial year was around 16.57%. The calculation of percentage of increase in the Median Remuneration is done based on comparable employees. For this, we have excluded employees who were not eligible for any increment.

**4. The Number of permanent Employees on the rolls of the Company :**

The number of on-roll employees was 61 as on March 31, 2018.

**5. The explanation on the relationship between average increase in remuneration and Company performance:**

The Company considers following factors while recommending increase in the remuneration of its employees :

- a. Financial performance of the Company
- b. Industry Benchmarking and consideration towards cost of living adjustment/inflation
- c. Individual performance on the basis of an appraisal of every employee.

Due to loss incurred by the Company, no increment has been provided to the employees during the financial year.

**6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

No remuneration was paid to MD / WTD. There was no change in the total remuneration of other Key Managerial Personnel during the year (Rs.10.49 lakhs in 2016-17 and 2017-18) whereas the Loss before Tax stood at Rs.172.06 lakh.

7. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:**

**a. Market Capitalisation :**

Particulars	As at 31.03.2018	As at 31.03.2017	Increase / Decrease(%)
Closing Price at BSE -in Rs.	5.97	7.00	-14.71
Market Capitalization - in lakh	1908.26	2237.49	-14.71

- b. The price earnings ratio is not applicable in view of the losses reported during the current and previous financial years.
- c. The Company's stock price as at March 31, 2018 has decreased by 74.04% to Rs.5.97/- over the last public offering, i.e. Rights Issue in November 2011 at the issue price of Rs.23/- per share.

8. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for the increase in the managerial remuneration :**

The average percentage of increase made in the salaries of total employees other than the Key Managerial Personnel during the FY2017-18 is less than 1.00%, while the average increase / decrease in the remuneration of the Key Managerial Personnel was nil.

9. **Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company :**

Please refer point no. (6)

10. **The key parameters for any variable component of remuneration availed by the Directors:**

During the year under review, no remuneration was paid to Directors including Managing Director / WTD.

11. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :**

As the Managing Director and Executive Director have not received any remuneration for the year under review, CFO received the highest salary.

12. It is affirmed that the Remuneration is as per Remuneration policy for Directors, Key Managerial Personnel and other employees adopted by the Company.