

S.R. BAALAJI, B.Com., F.C.S.
PRACTISING COMPANY SECRETARY

September 27, 2014

**REPORT OF SCRUTINIZER
[E-VOTING]**

[Pursuant to section 108 of the Companies Act, 2013 and rule 20(3) (xi) of the
Companies (Management and Administration) Rules, 2014]

To
The Chairman of the Meeting
Velan Hotels Limited
41 Kangeyam Road
Tirupur 641 604

Dear Sir,

I, S.R. BAALAJI, BCom, FCS Practicing Company Secretary, Coimbatore was appointed as Scrutinizer for the 24th (Twenty Fourth) Annual General Meeting of the Equity Shareholders of "VELAN HOTELS LIMITED" to be held on 29th September 2014 at 12.15 p.m. at "41 Kangeyam Road, Tirupur 641 604 for the purpose of scrutinizing the E-Voting Process in a fair and transparent manner and ascertaining the requisite majority on E-Voting carried out as per section 108 of the Companies Act, 2013 and rule 20(3)(xi) of the Companies (Management and Administration) Rules, 2014 on the resolutions referred to in this report.

I submit my report as under:

1. The E-Voting period remained open from 09.00 AM on Wednesday 24th September, 2014 upto 06.00 PM on Thursday, 25th September, 2014.
2. The Notice was sent to all the Members, whose names appeared in the Register of Members as on 29th August, 2014 (cut-off date), who were entitled to vote on the proposed 11 (Eleven) Resolutions as mentioned in the Notice of the Annual General Meeting of "VELAN HOTELS LIMITED" (Item No.1 (One) to 11 (Eleven) of the Notice of Annual General Meeting of VELAN HOTELS LIMITED.
3. The Votes cast through E-Voting were unblocked on 27th September, 2014 around 1.00 PM in the presence of two witnesses, namely Mr.K.S. Ramachandran and Mr.R.Sasidharan, who are not in employment of the Company.



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4. Thereafter the details containing, inter-alia, list of equity shareholders, who voted "For" and "Against", were downloaded from the E-Voting website of Central Depository Services (India) Limited (<https://www.evotingindia.com>).
5. In terms of the mandatory provisions of Clause 35B of the Listing Agreement entered into with the Bombay Stock Exchange Limited, the Company has provided to the shareholders, who do not have access to the E-Voting facility, an option to send their assent or dissent in writing on a postal ballot. The postal ballot forms were dispatched to the shareholders along with the Notice of 24th Annual General Meeting of the Company. Voting rights reckoned on the shareholding as on the above mentioned cut-off date i.e. 29th August, 2014. The last date for receipt of the physical ballot forms was on 26th September 2014. The physical ballot forms received up to the last date stated above, were diligently scrutinized and reconciled with the records maintained by the Registrars and Share Transfer Agents of the Company viz. S.K.D.C. Consultants Limited, Coimbatore.
6. In tune with the Instructions contained in the instructions given for e-voting and postal ballot voting sent along with the Notice dated 30th May, 2014, in respect of members who have voted in both modes (i.e. Postal Ballot Form and through E-Voting), I have considered only E-Voting by not reckoning the voting done through Postal Ballot Form.
7. I have considered only the eligible portion of voting rights of promoters in consonance with the order of SEBI in No. WTM/PS/08/CFD/JUNE/2013 dt. 4.6.2013.
8. No Ballot Forms, were incomplete and/ or were otherwise defective.



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9. I have collated the votes received through E-Voting and through Postal Ballot Process and the same have been furnished hereunder.

Resolution	Mode	For			Against		
		No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
1 Adoption of Financial Statements for the year ended 31 st March, 2014 (Ordinary resolution)	E-Voting	2	501	100.00	0	0	0.00
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	12	19603396	100.00	0	0	0.00
2 Re- Appointment of Mr. K.Subramaniam who retires by rotation (Ordinary resolution)	E-Voting	1	500	99.80	1	1	0.20
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	11	19603395	99.80	1	1	0.20
3 Re- Appointment of Mrs. M.Sasikala who retires by rotation (Ordinary resolution)	E-Voting	1	500	99.80	1	1	0.20
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	11	19603395	99.80	1	1	0.20
4 Appointment of auditors and fixing their remuneration (Ordinary resolution)	E-Voting	2	501	100.00	0	0	0.00
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	12	19603396	100.00	0	0	0.00
5 Appointment of Mr.K.P.Sivanandam as an Independent director (Ordinary resolution)	E-Voting	1	500	99.80	1	1	0.20
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	11	19603395	99.80	1	1	0.20
6 Appointment of Mr. P.Ganesan as an Independent director (Ordinary resolution)	E-Voting	2	501	100.00	0	0	0.00
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	12	19603396	100.00	0	0	0.00
7 Appointment of Mr. Giri Balasubramanian as an Independent director (Ordinary resolution)	E-Voting	2	501	100.00	0	0	0.00
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	12	19603396	100.00	0	0	0.00
8 Retirement of Dr.Namasivayam Karthikeyan from Directorship (Ordinary resolution)	E-Voting	2	501	100.00	0	0	0.00
	Postal Ballot	10	19602895	100.00	0	0	0.00
	Total	12	19603396	100.00	0	0	0.00



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9	Increase in Borrowing Limit of the Company	E-Voting	1	500	99.80	1	1	0.20
		Postal Ballot	10	19602895	100.00	0	0	0.00
		Total	11	19603395	99.80	1	1	0.20
10	To create charge on the Assets of the Company	E-Voting	2	501	100.00	0	0	0.00
		Postal Ballot	10	19602895	100.00	0	0	0.00
		Total	12	19603396	100.00	0	0	0.00
11	Alteration of Articles of Association.	E-Voting	1	500	99.80	1	1	0.20
		Postal Ballot	10	19602895	100.00	0	0	0.00
		Total	11	19603395	99.80	1	1	0.20

(The figures in percentage wherever appear are rounded off to the nearest decimal)

10. All relevant records of electronic voting and ballot forms will remain in my custody until the Chairman considers, approves and signs the minutes of the 24th Annual General Meeting and thereafter the said records will be handed over to the Company for safe custody.

Thanking you,

Yours faithfully,

S.R. Baalaji
S.R. BAALAJI, B.Com., F.C.S.
Practising Company Secretary
C.P.No.3514

(S R BAALAJI)
SCRUTINIZER



Resolution No 9 - Special Resolution	Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Increase in Borrowing Limit of the Company	Promoter and Promoter Group	25618030	19011295	74.211	19011295	0	100.000	0.000
	Public - Institutional holders	7000	0	0.000	0	0	0.000	0.000
	Public - Others	6339089	592101	9.340	592100	1	100.000	0.000
	Grand Total	31964119	19603396	61.33	19603395	1	100.000	0.000
Resolution No 10 - Special Resolution	Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
To create charge on the Assets of the Company	Promoter and Promoter Group	25618030	19011295	74.211	19011295	0	100.000	0.000
	Public - Institutional holders	7000	0	0.000	0	0	0.000	0.000
	Public - Others	6339089	592101	9.340	592101	0	100.000	0.000
	Grand Total	31964119	19603396	61.33	19603396	0	100.000	0.000
Resolution No 11 - Special Resolution	Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Alteration of Articles of Association.	Promoter and Promoter Group	25618030	19011295	74.211	19011295	0	100.000	0.000
	Public - Institutional holders	7000	0	0.000	0	0	0.000	0.000
	Public - Others	6339089	592101	9.340	592100	1	100.000	0.000
	Grand Total	31964119	19603396	61.33	19603395	1	100.000	0.000