

# VELAN HOTELS LIMITED

Regd. Office : 41, Kangayam Road, Tirupur 641 604

CIN : L55101TZ1990PLC002653

## NOTICE OF THE 28th ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the Members of Velan Hotels Limited will be held at the Registered Office of the Company, at 41, Kangayam Road, Tirupur 641 604 on Friday, the 28th day of September, 2018 at 12.05 p.m. to transact the following business :

### AGENDA

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2018 and Statement of Profit and Loss for the year ended on that date, the Cash Flow Statement and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.M.R.Gautham having DIN 00046187 who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mrs. M.Sasikala having DIN 01452586, who retires by rotation and being eligible, offers herself for re- appointment.

#### SPECIAL BUSINESS:

4. To consider re-appointment of Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) as a Managing Director and in this regard to consider , if thought fit, to pass, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other approvals, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded for the re-appointment of Mr.E.V.Muthukumara Ramalingam (DIN: 00046166) as Managing Director of the Company without any remuneration for a further period of three years with effect from May 24, 2018 to May 23, 2021, and he shall have the right to manage the day-today business affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company".

**"RESOLVED FURTHER THAT** Mr.E.V.Muthukumara Ramalingam shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time"

**"RESOLVED FURTHER THAT** upon the Managing Director becoming eligible to receive the remuneration, the Board of Directors be and are hereby authorized to fix such remuneration to the Managing Director during his tenure, as may be considered appropriate in accordance with the provisions of the Companies Act, 2013, for the time being in force, with such approvals, if any, from concerned authorities.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution".

5. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode, an amount of ₹ 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode".

**"RESOLVED FURTHER THAT** the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document".

**"FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance".

For and on behalf of the Board  
E. V. Muthukumara Ramalingam



Managing Director  
(DIN : 00046166)

Place : Tirupur  
Date : 24.05.2018

#### NOTES :

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses forms a part of this Notice. The relevant details in respect of Item Nos. 4 to 5, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS -2) are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM OR THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as the proxy on behalf of Members upto and not exceed fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as the proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

In the case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the last Annual General Meeting held on 27th September, 2017.

4. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting. Members/proxies are requested not bring any guest with them.
5. Members holding shares in physical form are requested to notify change in their address, bank mandate, E-mail address if any, to the Registrar & Share Transfer Agent of the Company and Members holding shares in dematerialised form are requested to notify change in their address / bank mandate / email ID to their respective Depository Participants.
6. Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and the Secretarial Standard-2 on "General Meetings" issued by The Institute of Company Secretaries of India, the particulars of appointment/re-appointment at the forthcoming Meeting are annexed to the Notice forms integral part of the Notice. The Directors have furnished the requisite declarations for their re-appointment. Mr.M.R.Gautham and Mrs.M.Sasikala - Directors retire by rotation and, being eligible, offer for re-appointment at the Annual General Meeting. A brief resume of the said Directors is given below:

|     |  |   |
|-----|--|---|
| I.  | 1. Name  | : Mr. M.R. GAUTHAM  |
|     | 2. Directors Identification Number (DIN)         | : 00046187  |
|     | 3. Age   | : 42 Years  |
|     | 4. Qualification                                 | : Graduation in Commerce and Finance from the University of Western Australia |
|     | 5. Date of Appointment                           | : 01.12.2001  |
|     | 6. Shareholding in Velan Hotels Ltd              | : 64,20,750 Equity Shares   |
|     | 7. List of Directorships held in Other Companies | : Shree Vallee Enterprises Pvt. Ltd.  |
|     | 8. Membership in Other Board Committees          | : Nil   |
| II. | 1. Name  | : Mrs.M.Sasikala  |
|     | 2. Directors Identification Number (DIN)         | : 01452586  |
|     | 3. Age   | : 64 Years  |
|     | 4. Qualification                                 | : Bachelor of Arts  |
|     | 5. Date of Appointment                           | : 28.3.2012   |
|     | 6. Shareholding in Velan Hotels Ltd              | : 21,30,743 Shares  |
|     | 7. List of Directorships held in Other Companies | : Shree Vallee Enterprises Pvt Ltd  |
|     | 8. Membership in Other Board Committees          | : Available in Report on Corporate Governance                                 |

7. The equity shares of the Company are listed on BSE Ltd. The Annual Listing fee shall be made in due course. The Annual Custody Fees due to both the Depositories will be paid soon.
8. For the convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip is enclosed in the Notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue of the AGM.
9. Pursuant to the prohibition imposed vide Secretarial Standards on General Meetings (SS-2) issued by ICSI and the MCA Circular, no gifts shall be distributed at the meeting.

10. Members are requested to register their email id and the changes therein from time to time with the Company to enable the Company to send notices/documents through email as permitted by law.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from September 22, 2018 (Saturday) to September 28, 2018 (Friday) (both days inclusive).
12. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Share Transfer Agent / the Company.
13. Members/proxies should bring the Attendance Slip are attached in the Annual Report for attending the meeting.
14. The Notice of the AGM 2017-18 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, a physical copy is being sent by permitted mode. Soft copy of the Annual Report for f.y.2017-18 will also be sent by electronic mode and physical copy of the same will be sent to the Members by post / courier with in the time stipulated by the Act / Rules.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
16. The Company has designated an exclusive e-mail id for investor redressal investorrelations@velanhotels.com and info@skdc-consultants.com belongs to our Registrar and Share Transfer Agent.
17. The route map showing directions to reach the venue of the 28th AGM is given as per requirement of the Secretarial Standard-2 on General Meeting.
18. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF)  
Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amounts of dividend remaining unpaid/unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of Sub-Section (6) of section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been encashed by the Members for a continuous period of seven years is also required to be transferred to the IEPF.

| Financial Year ended | Date of declaration of Dividend | Last date for claiming unpaid / unclaimed dividend |
|----------------------|---------------------------------|--|
| 31st March, 2011     | 18th August, 2011               | 22nd September, 2018                               |

Members desirous of claiming the dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents, SKDC CONSULTANTS LTD "Kanapathy Towers" 3rd Floor, 1391/A-1 Sathy Road Ganapathy Post, Coimbatore 641 006 - Phone : 0422 - 4958995 E-mail : info@skdc-consultants.com

During the year under review, an amount of Rs.3,94,185 /- in respect of unpaid / unclaimed dividend pertaining to the financial year 2009-10 was remitted to IEPF of the Central Government.

It may be noted that no claims will lie with the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

Members whose dividend/shares is transferred to the IEPF Authority can claim the same from IEPF by submitting an online application in the prescribed Form IEPF - 5 available on the refund page of the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

## **19. Voting through electronics means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 44 of SEBI Listing Regulations, the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically at a place other than the venue of the AGM), through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.

### **Instructions for the voting through electronic means**

- i) The voting period begins on 25/09/2018 at 9.00 a.m. and ends on 27/09/2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below :

|   | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|---|--|
| <b>PAN</b>  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| <b>Dividend Bank Details</b><br><br><b>OR</b><br><br><b>Date of Birth DOB</b> | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the dividend bank details field as mentioned in instruction (v)</p>  |

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN relevant to VELAN HOTELS LIMITED on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can also download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.



xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts; they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

19. The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date i.e. September 21, 2018. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
20. Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date, may cast their vote by remote e-voting or through Poll at the Meeting. However, if you are already registered with CDSL for remote e-voting then you can use existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on [www.evotingindia.com](http://www.evotingindia.com).
21. Mr. S.R.Baalaji, Practicing Company Secretary (Membership No.FCS 5966) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting process at AGM in a fair and transparent manner.
22. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again at the Meeting. Members holding shares as on cut off date i.e. September 21, 2018 and attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.
23. The Scrutinizer shall immediately after the conclusion of the voting period, first count the votes at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 2 days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Managing Director or any person authorised by the Managing Director in writing, who shall countersign the same and the results of the e-voting / poll at the venue, will be announced by the Company on its website - [www.velanhotels.com](http://www.velanhotels.com) within 2 days of the conclusion of the AGM.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 4 :

The Board of Directors of the Company in its meeting held on May 24, 2018 extended the term of re-appointment of Mr.E.V.Muthukumara Ramalingam as Managing Director of the Company without remuneration for a period of 3 years from May 24, 2018 to May 23, 2021 after taking into the view and recommendation of the Nomination and Remuneration Committee. In a view of the liquidity crunch in the Company and insufficient funds for repayment of its debts due to banks/FI/ARC, the Company cannot pay any remuneration in accordance with the provisions of Sections 196 & 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

Brief particulars of the terms of re-appointment of and remuneration payable to Mr.E.V.Muthukumara Ramalingam are as under:

- a. Remuneration: Nil
- b. The Managing Director shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.
- c. The Managing Director shall act in accordance with the Articles of Association, of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
- d. The Managing Director shall adhere to the Company's Code of Conduct for Directors and Senior Management Personnel.
- e. The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
- f. Mr.E.V.Muthukumara Ramalingam satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196 (3) of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

#### **A brief resume of Mr. E.V. Muthukumara Ramalingam is given below :**

Mr E.V. Muthukumara Ramalingam aged 64 is a Commerce Graduate from Madras University. He is a director ever since the incorporation of the Company. He started his career as a bus fleet operator and diversified into finance business and later into the hospitality business. Under his able leadership, the Company has been growing step by step and expanding its network from where it started in 1990.

He holds Directorship in Shree Vallee Enterprises Pvt Ltd and Sarju International Ltd.

He holds 1,26,78,383 equity shares of the Company by himself, representing 39.66% of total shareholding and 1,29,03,351 equity shares held by his immediate relatives, representing 40.37% of the shareholding of the Company.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment/re-appointment of Mr.E.V.Muthukumara Ramalingam as Managing Director of the Company. The Board recommends the resolution for approval of the members as an Ordinary Resolution. A copy of the



Board Resolution and the appointment letter issued to Mr.E.V.Muthukumara Ramalingam. Managing Director will be available for inspection between 11.00 A.M. to 01.00 P.M. on all working days (Monday to Saturday) at the Registered Office of the Company.

The terms as set out in the resolution and the explanatory statement may be treated as an abstract of the terms and conditions governing the appointment and memorandum of interest pursuant to Section 190 of the Companies Act, 2013.

Sri.E.V.Muthukumara Ramalingam is concerned or interested in this resolution as it relates to his re-appointment. Sri.M.R.Gautham and Smt.M.Sasikala being related to Sri.E.V.Muthukumara Ramalingam may be deemed to be concerned or interested in the resolution.

None of the other Director, Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Special Business of the Notice for approval by the shareholders.

#### **ITEM NO.5**

As per the provisions of Section 20 of the Companies Act, 2013, a Member may request for any document through a particular mode, for which the Member shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the Member to the Company.

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any Member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other modes as may be prescribed. It further provides that a Member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the Members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.5 of the accompanying Notice.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Board recommends the Ordinary Resolution set out at Item No. 5 of the Special Business of the Notice for approval by the shareholders.

For and on behalf of the Board  
E. V. Muthukumara Ramalingam



Managing Director  
(DIN : 00046166)

Place : Tirupur

Date : 24.05.2018

## Velan Hotel Limited

Venue of A G M : Route Map : Pursuant to SS-2 : Secretarial Standard on General Meeting.

