



Hotels

VELAN HOTELS LIMITED

41, Kangayam Road, Tirupur - 641604.

Phone : 0091 421 43 11 111

E-mail : info@velanhotels.com

Web : www.velanhotels.com

GSTIN : 33AAACV8449H3Z3

CIN : L55101TZ1990PLC002653

21/05/2019

BSE Limited
Corporate Relationship Department
Floor No.25, P.J.Towers
Dalal Street
Mumbai 400 001

Sub : Intimation under Regulation 8 (2) & 9A and applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended - Adoption of revised Code of Corporate Disclosure Practices, Policy on Determination of Legitimate Purpose, policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information and revised policy for whistle blower - Reg.

Dear Sirs,

Pursuant to applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, we wish to inform you that the Company has adopted the revised Code of Corporate Disclosure Practices ('Code') along with the 'Policy on Determination of Legitimate Purpose' policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information and revised policy for whistle blower as well. The copies of the said Code along with the Policies are annexed herewith and are also available on the website of the Company at www.velanhotels.com

You are requested to kindly take the same on record.

Thanking you

Yours truly,
For VELAN HOTELS LIMITED

M. Srinivasan

M.SRINIVASAN
COMPANY SECRETARY

VELAN HOTELS LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 & Schedule A]

1. PREFACE

This Code is made pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this Code is to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

3. PRACTICES AND PROCEDURES

The following Principles of Fair Disclosure for the purposes of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" shall be strictly followed by the Company (Velan Hotels Limited) with effect from 01st April, 2019.

- a. The Company shall promptly disclose to the public "unpublished price sensitive information" (UPSI) that would impact price discovery, no sooner than such credible & concrete information comes into being.
- b. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- c. The Company shall uniformly & universally disseminate information (UPSI) and avoid selective disclosure.
- d. The Company shall promptly disseminate UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available to all/public.
- e. The Company shall render appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities, if any.

- f. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on its official website, in order to ensure official confirmation and documentation of disclosures made.
- g. The Company shall handle all UPSI on a need-to-know basis.

4. LEGITIMATE PURPOSE

The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes as per its "Policy for determination of Legitimate Purposes" (**Annexure A**), provided it is not shared to evade or circumvent the prohibition under this Regulation.

5. LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated written policy for initiating appropriate inquiries on becoming aware of leak/suspected leak of unpublished price sensitive information (**Annexure B**).

6. CODE OF CONDUCT

The Company shall adhere to the prescribed standards for code of conduct to regulate, monitor and report trading by insiders, designated employees and all other applicable persons and entities.

7. CHIEF INVESTOR RELATIONS OFFICER

The Company Secretary / Compliance Officer of the Company has been designated / called as "Chief Investor Relations Officer" to deal with dissemination of information and disclosure of unpublished price sensitive information.

8. APPROVED AND ADOPTED

This Policy has been approved and adopted by the Board on Monday, March 25, 2019.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

1. PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities.

3. DEFINITION

a) "**Legitimate Purposes**" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with whom UPSI is shared

b) "Insider"- Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

4. DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

5. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Board of Directors shall require the parties to execute agreements (**Annexure-E**) to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information

6. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

7. APPROVED AND ADOPTED

This Policy has been approved and adopted by the Board on Monday, March 25, 2019.

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")

[Under Regulation 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

1. BACKGROUND

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of Velan Hotels Limited has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information ('the policy'), for adoption.

2. OBJECTIVES

- a. To strengthen the internal control system to prevent leak of UPSI.
- b. To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- c. To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- d. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- e. To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

3. SCOPE

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

4. DEFINITIONS

(i) Chief Investor Relation Officer ("CIO") shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

(iii) Support Staff shall include IT staff or secretarial staffs who have access to unpublished price sensitive information.

(iv) Un-published Price Sensitive Information ("UPSI") shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:

- a. Periodical financial results of the Company;
- b. Intended declaration of dividends (Interim and Final);
- c. Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;
- d. Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- e. Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- f. Changes in key managerial personnel;
- g. Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- h. Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

5. DUTIES OF CHIEF INVESTOR RELATIONS OFFICER

The CIO shall be responsible to;

- (i) Oversee the Compliance of this policy.
- (ii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.

- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee.

6. DISCLOSURE OF ACTUAL OF SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that the same shall be promptly intimated to the Stock Exchange on which the securities of the Company are listed in the format as set out in "Annexure C" to this policy.

7. REPORT OF ACTUAL OF SUSPECTED LEAK OF UPSI TO SEBI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in "Annexure D" to this policy.

8. CONSTITUTION OF ENQUIRY COMMITTEE

The Stakeholders Relationship Committee shall constitute a committee to be called as "Enquiry Committee" as and when required. The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by the members of the Committee.

9. DUTIES OF ENQUIRY COMMITTEE:

The Enquiry Committee shall be responsible-:

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.

10. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person, the CIO after informing the same to the Managing Director or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure-:

(a) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

(b) Report of Preliminary Enquiry to the Enquiry Committee:

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

(c) Disciplinary Action:

The Disciplinary action(s) shall include wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

11. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES

To
BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or Any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully
For Velan Hotels Limited

Compliance Officer

Annexure D

FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Dear Sir / Madam,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or Any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully
For Velan Hotels Limited

Compliance Officer

**Agreement for Confidentiality and Non-dealing in
Velan Hotels Limited
(On Velan Letterhead)**

Date

To

Name of the institution/person
Address

Dear Sir,

We have agreed to appoint you as our advisor / consultant / collaborator /partner / bankers /auditor / merchant banker / customer / supplier / professionals / share transfer agent in respect of our business and in this connection would provide you from time to time various information related to Velan Hotels Limited (Velan) and/or its group, material subsidiary/ies and/or associate company/ies (hereinafter collectively referred to as "Velan Hotels Limited") which is not available to the general public or is proprietary in nature (such oral or written information and all copies of, extracts from, analysis and other materials based on, containing or otherwise reflecting such information shall herein be referred to as the "Information"). As a condition to you being furnished with any Information and as consideration for such, you (the "Recipient") agree as follows:

- (1) (a) Non-disclosure: Recipient recognizes and acknowledges the competitive value of the Information and the damage that could result from the disclosure thereof to third parties. Accordingly, Recipient agrees to keep the Information strictly confidential and Recipient will not, without the prior written consent of VELAN, disclose the Information to any third party in any manner whatsoever, in whole or in part, except that Recipient may disclose the Information to those of Recipient's directors, officers, employees, agents or other representatives (collectively, "Representatives") who (i) need to know the Information for the purpose for which the Recipient has been appointed (ii) have been informed of the confidential nature of the Information and (iii) have agreed in writing to keep the Information confidential and be bound by the terms of this Agreement as if they were parties hereto. Recipient agrees to be responsible for and to indemnify VELAN and its representatives against any breach by any of Recipient's Representatives of the matters referred to herein.

(b) Restrictions on Use: The Information will not, without the prior written consent of VELAN, be used by Recipient or its Representatives, directly or indirectly, for any purpose other than the purpose for which the Recipient has been appointed and such use shall absolutely cease at the request of VELAN. In addition, Recipient hereby acknowledges that Recipient is aware (and, if applicable, that Recipient's Representatives have been advised) that Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations") prohibit any person, who has material non-public information about a company, from purchasing or selling securities of such company or from communicating such information to a third party under circumstances in which it is reasonably foreseeable that such third party is likely to purchase or sell such securities.

(c) Return of Information: Upon the request of VELAN, Recipient shall, and shall cause its Representatives to, promptly return all Information to VELAN, without retaining any copies, summaries or extracts thereof. In the event of such request, all documents, analysis, compilations, studies or other materials prepared by Recipient or its Representatives that contain or reflect Information shall be destroyed and no copy thereof shall be retained (such destruction to be confirmed in writing by a duly authorized officer of Recipient). Notwithstanding the return or destruction of the Information, Recipient and its Representatives shall continue to be bound by their obligations of confidentiality and other obligations hereunder. With respect to those portions of the Information that consist of analysis, compilations, studies or other materials prepared by Recipient or its Representatives, VELAN may, in its sole discretion, permit the retention of such Information for evidentiary purposes. Notwithstanding such retention, Recipient and its Representatives shall continue to be bound by their obligations of Confidentiality and other obligations hereunder.

For purpose of this Agreement, the term "Information" shall not include such portions of the Information that (i) are or become generally available to the public other than as a result of disclosure by Recipient or its Representatives, (ii) become available to Recipient on a non-confidential basis from a source not subject to a confidentiality obligation to VELAN, whether by contractual, legal or fiduciary obligation or otherwise or (iii) were, as evidenced by written records or other documentation satisfactory to VELAN, in Recipient's possession on a non-confidential basis prior to VELAN's disclosure to Recipient.

- (2) Without VELAN's prior written consent, Recipient shall not and Recipient shall cause each of its Representatives not to, directly or indirectly, alone or in concert with others deal in Securities of VELAN or encourage any third party to deal in Securities of Velan Hotels Limited. The term "Securities of VELAN" shall mean and include the equity shares of VELAN and such other securities issued by VELAN and listed on any recognized Stock Exchange. The term "deal" used herein shall mean to subscribe, buy, sell or agreeing to subscribe, buy, sell or deal, directly or indirectly, in Securities of VELAN by any person either as principal or agent.
- (3) In the event that Recipient or its Representatives are requested or become legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, investigative demand or similar process) to disclose any of the Information, Recipient and its Representatives will promptly provide VELAN with written notice so that VELAN may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or waiver, Recipient or its Representatives are, in the opinion of VELAN's counsel, legally compelled to disclose such Information to any tribunal or else, in the opinion of VELAN's counsel, stand liable for contempt or suffer other censure or penalty, Recipient or its Representatives will furnish only that portion of the Information which is legally required to be furnished and each will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded to such Information.
- (4) If the Recipient is a person who is required to handle unpublished price sensitive information relating to listed companies in the course of business operations, the Recipient undertakes to furnish a declaration to VELAN confirming that it has formulated and has in effect an internal code of conduct for governing dealing in securities as specified under regulation 9(2) read with Schedule C of the PIT Regulations.
- (5) If the Recipient does not have in effect a code of conduct as specified in clause 4 above, the Recipient agrees to furnish a list of all persons who will be allowed access to the Information, along with the following information regarding such persons:-

- (a) details of immediate relatives (as defined in the PIT Regulations) of such persons;
- (b) persons with whom such persons shares a material financial relationship (the term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions);
- (c) phone and mobile numbers used by such persons; and
- (d) their PAN (where PAN is not available, Aadhar / Passport copies or any other identifier authorized by law)
- (e) educational institutions from which designated persons have graduated; and names of their past employers.

Further, the Recipient agrees to keep VELAN informed of any changes to the information furnished above.

- (6) The Recipient hereby agrees that money damages could be only a part remedy for any breach or threatened breach of this Agreement by the Recipient or its Representatives. In addition to the money damages, VELAN shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief in the event of any such breach or threatened breach, in addition to all remedies available to VELAN at law or in equity. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that the Recipient has breached this Agreement, then the Recipient shall be liable and pay to the non-breaching Party the legal fees and expenses incurred by VELAN in connection with such litigation, including any appeals therefrom.
- (7) The Recipient further agrees to indemnify, defend, and hold harmless VELAN and its affiliates and all directors, officers, employees, agents, advisors or other representatives thereof (each an "Indemnified Person") from and against any losses, claims, damages or liabilities arising out of a breach or alleged breach of this Agreement and to reimburse each Indemnified Person for all costs and expenses (including counsel fees) incurred in connection therewith. Such indemnity agreement shall be in addition to any other liabilities that may be available to any Indemnified Person.

If you agree to the terms and conditions of this Agreement, please indicate your acceptance by signing and returning to the undersigned the duplicate copy of this Agreement.

Yours faithfully,
For Velan Hotels Limited

By:

Name:

Designation:

Agreed to as of the
dated first written above:

for _____ (name of the consultant/advisor) By:

_____ Name:

Designation:

PAN No. :

VELAN HOTELS LIMITED

VELAN CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

INTRODUCTION

- 1.1 The Code has been formulated pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and has been approved by the Board of Directors of Velan Hotels Limited (the “**Company**”) in its meeting held on March 25, 2019. The effective date of this Code will be April 1, 2019.
- 1.2 The Code is applicable to all Designated Persons (defined below) and Immediate Relatives (defined below) of Designated Persons.
- 1.3 The purpose of the Code is to maintain an ethical and transparent process while dealing in the Securities (defined below) of the Company by the persons specified above.

2. DEFINITIONS AND INTERPRETATIONS

- 2.1 **Act:** Act means the Securities and Exchange Board of India Act, 1992;
- 2.2 **Board or Board of Directors:** Board or Board of Directors means the board of directors of the Company;
- 2.3 **Company:** Company means Velan Hotels Limited;
- 2.4 **Compliance Officer:** Compliance Officer means the Company Secretary of the Company or any other senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of Trades and the implementation of this Code as required under the SEBI Regulations under the overall supervision of the Board of Directors;

Explanation – “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- 2.5 **Code:** Code means this Code of Conduct to regulate, monitor and report Trading by Insiders and shall include modifications made thereto from time to time;

2.6 **Connected Person:** Connected Person means

- (i) any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an Employee of the Company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.
- (ii) without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:-
 - (a) an Immediate Relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

2.7 **Designated Person:** Designated Person shall mean the following:

- (i) Directors;
- (ii) Promoters and Promoter Group;
- (iii) Key Managerial Personnel;
- (iv) Departmental heads;
- (v) Executive secretaries / assistants of Directors and Key Managerial Personnel;
- (vi) Employees in the grade of Assistant General Manager and above;

- (vii) Auditors;
- (viii) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to Unpublished Price Sensitive Information in the organization by their board of directors;
- (ix) Employees upto two levels below chief executive officer of the Company and its material subsidiaries, irrespective of their functional role in the Company or ability to have access to Unpublished Price Sensitive Information;
- (x) Any support staff of the Company such as IT staff or secretarial staff, legal staff, finance staff, strategy staff who have access to Unpublished Price Sensitive Information;
- (xi) Employees of the Company, on a case-to-case basis, who could be reasonably expected to have access to Unpublished Price Sensitive Information relating to the Company, to be decided by the Managing Director/Whole-Time Director/Compliance Officer/Chief Financial Officer, on a case-to-case basis;
- (xii) Such other persons including persons in contractual, fiduciary or advisory capacity with the Company, who may be designated as such from time to time, by the Managing Director/Whole-Time Director/ Chief Financial Officer, in consultation with the Compliance Officer, for the purpose of this Code; and
- (xiii) Immediate Relatives of the persons specified in (i) to (xii) above.

2.8 **Director:** Director means a member of the Board;

2.9 **Employee:** Employee means every employee of the Company including the Directors in the employment of the Company;

2.10 **Generally Available Information:** Generally Available Information means information that is accessible to the public on a non-discriminatory basis;

2.11 **Immediate Relative:** Immediate Relative means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in Securities;

2.12 **Insider:** Insider means any person who is:

- (i) a Connected Person; or
- (ii) in possession of or having access to Unpublished Price Sensitive Information;

2.13 **Key Managerial Personnel:** Key Managerial Personnel means Managing Director, Whole-time Director, Company Secretary, Chief Financial Officer and such other person who may be designated as Key Managerial Person under applicable law from time to time;

2.14 **Promoter:** Promoter shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

- 2.15 **Promoter Group:** Promoter Group shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 2.16 **SEBI:** SEBI means Securities and Exchange Board of India;
- 2.17 **SEBI Regulations:** SEBI Regulations means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 2.18 **Securities:** Securities shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund;
- 2.19 **Takeover Regulations:** Takeover Regulations means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 2.20 **Trading:** Trading means and includes subscribing, buying, selling, pledging dealing, or agreeing to subscribe, buy, sell, pledge, deal in any securities, and “Trade”, “Traded” shall be construed accordingly;
- 2.21 **Trading Day:** Trading Day means a day on which the recognized stock exchanges are open for trading;
- 2.22 **Trading Window:** Trading Window means a trading period for trading in the Securities of the Company as specified by the Company from time to time; and
- 2.23 **Unpublished Price Sensitive Information or UPSI:** Unpublished Price Sensitive Information means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:–
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - (v) changes in key managerial personnel.

Words and expressions used and not defined in this Code, but defined in the Act, Regulations, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in such legislations.

3. COMPLIANCE OFFICER

3.1 Subject to the supervision of the Board of Directors, the Compliance Officer, shall be responsible for:

- (i) Setting forth policies, procedures, monitoring adherence to the Code and SEBI Regulations for the preservation of Unpublished Price Sensitive Information, approval and review of trading plans, pre-clearance of Trades and monitoring of Trades and implementation of this Code.
- (ii) Assisting all Insiders, Designated Persons and Employees in addressing any clarifications regarding the SEBI Regulations and this Code.
- (iii) Obtaining disclosures from Insiders and Designated Persons and to give information, in respect of the disclosures received, to all the stock exchanges where the Securities are listed, as applicable.
- (iv) Maintaining and preserving all disclosures/undertakings and applications made under this Code.
- (v) Regulating and monitoring the Trading Window of the Securities of the Company.
- (vi) Advising all Designated Persons not to trade in Securities of the Company when the Trading Window is closed.
- (vii) Investigating any Employee in relation to the Trading of Securities and handling of Unpublished Price Sensitive Information of the Company.
- (viii) Informing SEBI in case it is observed that there has been a violation of this Code.

3.2 The Compliance Officer shall report to the Board of Directors and shall provide reports to the chairman of the Audit Committee at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.

4. RESTRICTIONS ON COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

4.1 No Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.2 No person shall procure from or cause the communication by any Insider of Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Explanation – The term “legitimate purpose” shall include but not be limited to sharing of Unpublished Price Sensitive Information in the ordinary course of business by an

insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of this policy or the SEBI Regulations.

Any person in receipt of Unpublished Price Sensitive Information pursuant to a “legitimate purpose” shall be considered an “Insider” for purposes of this policy and due notice shall be given to such persons to maintain confidentiality of such Unpublished price sensitive information in compliance with this policy.

4.3 Notwithstanding anything contained in this Code, any Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–

(i) entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company;

(ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board of Directors are of the informed opinion that sharing of such information is in the best interests of the Company and the information that constitutes Unpublished Price Sensitive Information is disseminated to be made Generally Available Information at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

4.4 For purposes of sub-clause 4.3 above, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-clause 4.3, and shall not otherwise Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

4.5 The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under the SEBI Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

5. RESTRICTION ON TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

5.1 Save as provided in this Code and the SEBI Regulations, no Insider shall Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

Explanation –When a person who has Traded in Securities has been in possession of Unpublished Price Sensitive Information, his Trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the Insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) That the transaction is an off-market *inter-se* transfer between Insiders who were in possession of the same Unpublished Price Sensitive Information without being in breach of clause 4 and both parties had made a conscious and informed Trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained under Clause 4.3 of this Policy.

Provided further that such off-market Trades shall be reported by the Insiders to the Company within 2 (two) working days. The Company shall notify the particulars of such Trades to the stock exchange on which the Securities are listed within 2 (two) trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the Unpublished Price Sensitive Information without being in breach of Clause 4 above and both parties had made a conscious and informed Trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained by either person under Clause 4.3 of this Policy.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

- (v) in the case of non-individual Insiders:

- (a) that the individuals who were in possession of such Unpublished Price Sensitive Information were different from the individuals taking Trading decisions and such decision-making individuals were not in possession of such Unpublished Price Sensitive Information when they took the decision to Trade; and

- (b) that appropriate and adequate arrangements were in place to ensure that the SEBI Regulations are not violated and no Unpublished Price Sensitive Information was communicated by the individuals possessing the information to the individuals taking Trading decisions and there is no evidence of such arrangements having been breached;

- (vi) the Trades were pursuant to a trading plan as set out in this Code.

5.2 Insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall, while in possession of any Unpublished Price Sensitive Information, neither Trade in the Securities of the Company on the basis of Unpublished Price Sensitive Information nor pass on such information to any person

directly or indirectly by way of making a recommendation for Trading in Securities of the Company.

- 5.3 In the case of Connected Persons the onus of establishing, that they were not in possession of Unpublished Price Sensitive Information, shall be on such Connected Persons.

6 PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

A. TRADING PLAN

- 6.1 An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out on his behalf in accordance with such plan. The intimation on formulation of the trading plan may be given to the Compliance Officer in the format specified in **Annexure A** hereto. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

- 6.2 Such trading plan shall:

6.2.1 not entail commencement of Trading on behalf of the Insider earlier than six months from the public disclosure of the trading plan;

6.2.2 not entail Trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second Trading Day after the disclosure of such financial results;

6.2.3 not entail Trading for a period of less than 12 months;

6.2.4 not entail overlap of any period for which another trading plan is already in existence;

6.2.5 either set out the value of trades to be effected or the number of Securities to be traded along with the nature of the trade and the intervals at, or dates on which such Trades shall be effected;

6.2.6 not entail Trading in securities for market abuse; and

- 6.2.7 mandatorily implement the plan without being entitled to either deviate from it or execute any Trade outside the scope of the trading plan. Thus, the trading plan, once published, shall be irrevocable. Provided that the Insider shall not commence Trading under trading plan, if any UPSI in his possession at the time of formulation of the plan has not become Generally Available Information at the time of commencement of the implementation of trading plan. In such cases, the Compliance Officer will confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information.

- 6.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI Regulation and/or this Code and shall be

entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of Trades shall not be required for a Trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for Trades carried out in accordance with an approved trading plan.

B. TRADING WINDOW

- 6.4 All Designated Persons shall execute Trades in the Securities of the Company only in a valid trading period called Trading Window prescribed hereunder and shall not execute any Trade or deal in any transaction involving the purchase or sale of the Company's Securities in their own name or in the name of their Immediate Relatives during the period when the Trading Window is closed or any other period as may be specified by the Company from time to time.
- 6.5 The Trading Window for Trading in Securities of the Company shall be closed for the following purposes:
- (i) Declaration of financial results (quarterly and annual), standalone of the Company;
 - (ii) Intended declaration of dividends (both interim and final);
 - (iii) Issue of Securities by way of public, bonus, rights issue etc. or buy-back of Securities and changes in capital structure;
 - (iv) Change in Key Managerial Personnel;
 - (v) Mergers, demergers, amalgamations, acquisitions, delisting, disposals, expansion of business and such other transactions; and
 - (vi) Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6.6 In addition to the items specified above, the Trading Window shall also be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. Such closure shall be imposed in relation to such Securities to which such Unpublished Price Sensitive Information relates.
- 6.7 In case of declaration of financial results, the Trading Window shall be closed during the period beginning from the last day of any financial period for which results are required to be announced and ending 48 (forty eight) hours after the public release of such results. In all other circumstances, the time for commencement of closing of Trading Window shall be as determined by the Compliance Officer in consultation with the Board of Directors. The gap between clearance of accounts by the Audit Committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

- 6.8 The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming Generally Available Information and being capable of assimilation by the market, shall decide the timing for re-opening of the Trading Window, which however shall not in any event be earlier than 48 hours after the information becoming Generally Available Information.
- 6.9 Trading Window may be closed by the Company during such time in addition to the above period, as may be deemed fit by the Compliance Officer.
- 6.10 The notice of closure of the Trading Window intimated to the stock exchanges, if any, wherever the Securities of the Company are listed.

C. PRE-CLEARANCE OF TRADES

- 6.11 During a valid Trading Window, Trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed Trade is above the threshold limit specified in sub-clause 6.14 below.
- 6.12 Designated Persons intending to deal in the Securities of the Company upto the threshold limit specified in sub-clause 6.14 below, may do so without any pre-clearance from the Compliance Officer. In all other cases, they should pre-clear the transactions as per the pre-dealing procedure as provided hereinafter.
- 6.13 **Procedure for Pre-Clearance of Trades**
- (i) An application for pre-clearance of Trade shall be made to the Compliance Officer in the format attached as **Annexure B** hereto, indicating the estimated number of Securities that the Designated Person making such application intends to deal in, the details as to the depository with which he/she has a security account and such other details as may be required by the Compliance Officer in this regard.
 - (ii) In case of the Compliance Officer intending to deal in the Securities of the Company beyond the threshold limit specified in sub-clause 6.14 below, the pre-clearance of the Managing Director or in his absence, the Whole-Time Director of the Board, will have to be obtained.
 - (iii) An undertaking in the format set out in **Annexure C** of this Code, shall be executed in favour of the Company by such persons applying for pre-clearance.
 - (iv) The Compliance Officer shall on receiving an application, provide the Designated Persons with an acknowledgement on the duplicate of the application or in any electronic form.
 - (v) The Compliance Officer shall grant approval, in the format set out in **Annexure D**, within 2 days from the date of acknowledgement.
 - (vi) The Compliance Officer shall retain copies of all applications and acknowledgements either in physical or electronic mode.
 - (vii) In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of

any Unpublished Price Sensitive Information. There shall be no obligation to give reasons for any withholding of consent.

6.14 Threshold Limit for Pre-clearance

The pre-clearance shall not be necessary, if the value of the Securities Traded, whether in one transaction or a series of transactions over a calendar quarter, aggregates to a traded value not in excess of Rs. 10,00,000.

6.15 Validity of Pre-Clearance Period

Designated Persons shall complete execution of their pre-cleared Trades in respect of Securities of the Company no later than 7 Trading Days after the approval of pre-clearance is given failing which fresh pre-clearance would be required for the Trades to be executed.

6.16 Reporting

Designated Persons executing pre-cleared Trades shall file within 2 working days of the execution of the Trade, the details of such Trade, with the Compliance Officer in the format set out in **Annexure E** of this Code. In the event such Trade is not executed, a report to that effect shall be filed with the Compliance Officer also in the format set out in **Annexure E** of this Code.

6.17 Holding Period Of Securities

- (i) All Designated Persons who are permitted to Trade shall not enter into a contra Trade during the next 6 months following the prior Trade.
- (ii) In case the contra trade is necessitated by emergency, the Compliance Officer may waive the holding period after recording in writing reasons in this regard provided such waiver does not amount to violation of the SEBI Regulations or this Code. Similarly in the case of emergency of Trade by a Compliance Officer, the Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such waiver does not violate this Code or the SEBI Regulations. The application for waiver shall be made in the format prescribed in **Annexure F** hereto.
- (iii) In case a contra Trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such Trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Provided that (i), (ii) and (iii) above shall not be applicable for Trades pursuant to exercise of stock options.

7 PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 7.1 Access to Unpublished Price Sensitive information shall be on a “need-to-know” basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, in the course of performance of duties or in discharge of legal obligations.

- 7.2 Files containing Unpublished Price Sensitive Information shall be kept secure. Computer files shall have adequate security of login and passwords, etc. Guidelines for maintenance of electronic records and systems may be prescribed by the Compliance Officer from time to time in consultation with the person in-charge of the information technology function of the Company
- 7.3 To prevent the misuse of UPSI, the Company adopts the “Chinese Wall” policy which separates those areas of the Company which routinely have access to UPSI, considered —”inside areas” from those departments which deal with sale/ marketing or other departments providing support services, considered—”public areas”.
- 7.4 As per the said policy:-
- (i) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
 - (ii) The Employees in inside area may be physically separated from the Employees in public area.
 - (iii) Demarcation of the various departments as inside areas may be implemented by the Compliance Officer in consultation with the Board of Directors;
 - (iv) The Employees within the inside area of the Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately;
 - (v) The establishment of Chinese Wall is not intended to suggest that within inside areas material, Unpublished Price Sensitive Information can be circulate freely. Within inside areas, the need-to-know shall be in effect; and
 - (vi) Only in exceptional circumstances, Employees from the public areas may be permitted to ‘cross the wall’ are brought ‘over the wall’ and provided UPSI on “need to know” basis under intimation to the Compliance Officer. In such cases, the Compliance Officer shall ensure that all necessary restrictions are imposed on such Employee(s) in relation to protection of such Unpublished Price Sensitive Information.

8 **DISCLOSURES**

8.1 **General provisions:**

- (i) All public disclosures required to be made pursuant to the SEBI Regulations and this Code shall be made in the formats specified in the SEBI Regulations and this Code.
- (ii) The disclosures to be made by any person under this Code shall include those relating to Trading by such person’s Immediate Relatives, and by any other person for whom such person takes Trading decisions.
- (iii) The disclosures of Trading in Securities shall also include Trading in derivatives of Securities and the traded value of the derivatives shall be taken into account

for purposes of disclosure. Provided that trading in derivatives of Securities is permitted by any law for the time being in force.

8.2 Disclosures by certain persons:

(i) *Initial Disclosures*

- (a) The Promoters, member of the Promoter Group, Key Managerial Personnel and the Directors of the Company should have disclosed their holding of Securities of the Company as on the date of the SEBI Regulations taking effect, to the Company within 30 (thirty) days in the format specified in **Annexure G** hereto;
- (b) Every person on appointment as a Director or Key Managerial Personnel of the Company or upon becoming a Promoter or member of Promoter Group shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter, in the format specified in **Annexure H** hereto.

(ii) *Continual Disclosures*

- (a) All Promoters, member of Promoter Group, Directors, and Designated Persons of the Company shall disclose to the Company the number of Securities acquired or disposed off within 2 (two) Trading Days of such transaction, if the value of the Securities Traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 or such other value as may be prescribed, in the format specified in **Annexure I** hereto.
- (b) The Company shall notify the particulars of such Trading to the stock exchange on which the Securities of the Company are listed within 2 (two) Trading Days from the receipt of such disclosure or becoming aware of such information.

It is hereby clarified that the disclosure of the incremental transactions after any continual disclosure made under this sub- clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in this sub-clause above.

(iii) *Disclosure by other Connected Persons*

- (a) The Compliance Officer or the Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of his/its/their holdings and Trading in Securities of the Company in the format specified in **Annexure J** hereto, at such frequency as may be determined by the Compliance Officer in order to monitor compliance with the SEBI Regulations.

(iv) *Annual Disclosures*

Designated Persons shall furnish to the Compliance Officer the following:

- (a) Annual statement of all their holdings in Securities of the Company to be submitted within 30 days of the close of each financial year in the format specified in **Annexure K** hereto.

9 **PRESERVATION OF DISCLOSURES**

All undertakings, disclosures and applications made/submitted under these regulations shall be maintained by the Compliance Officer, for a minimum period of 5 years.

10 **INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING**

10.1 The Managing Director or such analogous person as determined by the Board shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these Code and SEBI Regulations to prevent insider trading.

10.2 The internal controls shall include the following:

- (a) all Employees who have access to Unpublished Price Sensitive Information are identified as designated Employee;
- (b) all the Unpublished Price Sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the SEBI Regulations;
- (c) adequate restrictions shall be placed on communication or procurement of Unpublished Price Sensitive Information as required by the SEBI Regulations;
- (d) lists of all Employees and other persons with whom Unpublished Price Sensitive Information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such Employees and persons;
- (e) all other relevant requirements specified under the SEBI Regulations shall be complied with; and
- (f) periodic process review to evaluate effectiveness of such internal controls.

10.3 The Board of Directors shall ensure that the Managing Director or such other analogous person ensures compliance with this Code.

10.4 The Audit Committee of the Company shall review compliance with the provisions of the SEBI Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

10.5 The Company shall formulate written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, which shall be approved by Board of Directors of the Company and accordingly initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

- 10.6 The Company shall have a whistle-blower policy and make Employees aware of such policy to enable Employees to report instances of leak of Unpublished Price Sensitive Information.
- 10.7 If an inquiry has been initiated by the Company in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry conducted by the Company.

11 COMPLIANCE WITH CODE OF CONDUCT

- 11.1 The Compliance Officer shall report a compliance status on this Code on half yearly basis to the Chairman of the Audit Committee and Board of Directors.
- 11.2 The Company is empowered to take appropriate action against any person who violates this Code. Such action may include wage freeze, suspension, ineligibility for future participation in employee stock option plan, recovery, clawback, etc.
- 11.3 When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The onus is on the Insiders to prove that they are innocent.
- 11.4 Disclosure by Designated Persons

(a) One Time Disclosure

The Designated Person shall disclose the following information, one time basis, to the Company within [15 (fifteen)] days from the date on which this Code becomes effective:

- (i) his/her Phone, mobile and cell numbers;
- (ii) his/her Permanent Account Number or any other identifier authorized by law; and
- (iii) the names of educational institutions from which Designated Persons have graduated and names of their past employers.

(b) Annual Disclosure and Continual Disclosure

The Designated Person shall disclose to the Company within [30 (thirty)] days from the end of the financial year and on continual disclosure basis, as and when the information changes, within [●] days of such change:

- (i) name of Immediate Relatives;
- (ii) persons with whom such Designated Person(s) shares a material financial relationship;
- (iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii)

- (iv) phone, mobile and cell numbers of (i) and (ii).

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding 12 (twelve) months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

11.5 The Managing Director of the Company, in consultation with the Compliance Officer, shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s). A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company; and
- (v) for any other purpose as may be prescribed under the SEBI Regulations or any other law for the time being in force, in this regard, as may be amended from time to time.

11.6 Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of Unpublished Price Sensitive Information shall be considered an “Insider” for purposes of this Code and due notice shall be given to such persons, in the format as set out in by the Compliance Officer from time to time in consultation with the Managing Director of the Company:

- (i) To make aware such person that the information shared is or would be confidential;
- (ii) To instruct such person to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with SEBI Regulations; and
- (iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

11.7 The Board of Directors shall formulate, approve and implement a policy for determination of “legitimate purposes for sharing UPSI as a part of “Code of Fair Disclosure and Conduct” which shall be in sync with SEBI Regulation.

11.8 Any violation under the Regulations and this Code will be reported by the Compliance Officer to SEBI.

12 AMENDMENTS AND MODIFICATIONS

The decision of the Board of Directors with regard to any or all matters relating to this Code shall be final and binding on all concerned. This Code shall be reviewed from time to time and the Board of Directors shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time in their absolute discretion.

13 PENALTY FOR CONTRAVENTION

13.1 Any Designated Person or Insider who trades in Securities or communicates, provides or allows access to any information for Trading in Securities in contravention of the Code, shall be penalized and appropriate action taken shall be taken against him/her by the Company basis his/ her seniority, number and nature of contraventions.

The penalty imposed/action by the Company may include but shall not be restricted to:

1. Reprimanding of defaulting Designated Person/Insider;
2. Ban from engaging in any trade of the securities of the Company (including exercise of stock options);
3. Suspension from employment;
4. Ban from participating in all future employee stock option schemes including lapse of all existing options;
5. No increment and/or bonus payment; and/or
6. Termination from employment;
7. Disgorgement of the gain accrued through the transactions in violation of the Code.

13.2 In addition to the action which may be taken by the Company, the persons violating the Regulations and/ or this Code shall also be subject to actions, under Section 15G of the Act pursuant to which they may be liable to penalty which shall not be less than Rs. 10 lakhs and which may extend to Rs. 25 crores or 3 times the amount of the profits made out of insider trading, whichever is higher; under Section 24 of the Act pursuant to which they may be liable to imprisonment for a term which may extend to 10 years and/or fine which may extend to Rs. 25 Crores; and other applicable laws.

13.3 If it is observed by the Board that there has been violation of SEBI Regulations, it shall inform SEBI promptly.

VELAN HOTELS LIMITED

Phone: +91-421-431 1111, Fax: +91-421-2424 434

Email: investorrelations@velanhotels.com; Website: www.velanhotels.com

Registered Office: 41, Kangayam Road, Tirupur – 641 604, Tamilnadu

CIN: L55101TZ1990PLC002653

ANNEXURE A

APPLICATION FOR ANNUAL TRADING PLAN

Date: _____

To,
The Compliance Officer,
Velan Hotels Limited,
41, Kangayam Road,
Tirupur 641 604

1. Name of the Applicant: _____
PAN _____
2. No. of securities held in the Company as on date: _____
3. Approval sought for: Self [] Immediate Relative (IR) []
4. Trading plan belongs for a period of _____ months i.e. for a period commencing from _____ and ending on _____
5. Details of the proposed trade:

S. No.	Nature of transaction (Sale/Purchase)	Date of transaction/period/interval for transaction	Value of trade/ No. of securities transacted	Conditions /Remarks

Undertaking:

- (a) I will not commence trading earlier than six months from the public disclosure of the plan.
- (b) I do not have overlapping trading plan for the same period.
- (c) In the event that I am in possession/knowledge of any information that is construed as “Unpublished Price Sensitive Information” as defined in the Policy, at the time of formulation and approval of this plan but which is not made public at the time of trading as per the approved time schedule in the said plan, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in
- (d) the securities of the Company until such information becomes public;
- (e) I have not contravened the provisions of the Insider Trading Policy as notified by the Company from time to time;
- (f) I have made full and true disclosure in the matter.
- (g) I undertake to abide by this trading plan once approved and shall furnish such declarations disclosures as may be deemed necessary by compliance officer for the monitoring of this plan.
- (h) I shall not use this trading plan as a tool for market abuse.

Date:

Signature of Designated Employee

For use of Compliance Officer:

Application recd. Date	Approval Date	Approval No.	Approval No. Compliance Officer's Signature

Approval granted for Trading Plan for a period of ____ months commencing from ____ upto

Notification to Stock Exchange _____

Signature: _____

Compliance Officer

Please provide all the information. Incomplete forms will not be accepted.

ANNEXURE B

FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL

To,
The Compliance Officer,
Velan Hotels Limited,
41, Kangayam Road,
Tirupur 641 604

Dear Sir,

I/We, Designated Person(s) of Velan Hotels Limited intend to carry out transaction(s) in Securities of Velan Hotels Limited as per the details given below :-

Name:

Department:

PERMANENT ACCOUNT NUMBER (PAN):

S. No.	No. of Securities held (including by dependent family members) as on the date of application	Folio No./ DP ID & Client ID	Nature of trading	Estimated number of securities to be dealt	Estimated value
1	2	3	4	5	5

In this connection I solemnly confirm and declare:

- (a) THAT I do not have access to nor do I have any information that could be construed as Unpublished Price Sensitive Information as defined in the Code upto the time of signing this undertaking;
- (b) THAT in case I have access to receive Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of any change in such position and that I shall completely refrain from dealing in the Securities of the Company till the time such information becomes public;
- (c) THAT I have not contravened the “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” for prevention of insider trading as notified by the Company from time to time;
- (d) THAT I shall hold the Securities for a minimum period of 6 (six) months from the date of trade/that I have complied with the requirement of minimum holding period of six (6) months with respect to the securities sold (applicable only in respect of sale transaction).

I hereby solemnly declare that I have made full and true disclosure in this regard to the best of my knowledge and belief.

Pre-clearance may kindly be accorded in terms of the requirement of the 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders', of the Company.

Yours faithfully,

Signature:

(Name of the Designated Person)

Date:

Place:

ANNEXURE C
UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

Date: _____

To,
The Compliance Officer,
Velan Hotels Limited,
41, Kangayam Road,
Tirupur 641 604

Dear Sir/Madam,

I, _____,(Designation) residing at _____, am desirous of dealing in _____ shares of the Company as mentioned in my application dated for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the Securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 4 (four) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 (seven) days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Signature: _____

ANNEXURE D

PRE-CLEARANCE ORDER

PCO No. _____

Date: _____

To,
_____ (Applicant)

This is to inform you that your request for dealing in shares of the Company as mentioned in your application dated is approved. Please note that the said transaction must be completed on or before [date].

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the Securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed forms as per the Company's Code of Conduct for Insider Trading. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Signature: _____

Compliance Officer

ANNEXURE E

**FORMAT FOR DISCLOSURE OF TRANSACTIONS EXECUTED/NOT EXECUTED
AFTER OBTAINING PRE-CLEARANCE**

Date _____

To,
The Compliance Officer,
Velan Hotels Limited,
41, Kangayam Road,
Tirupur 641 604

Dear Sir

With reference to trading approval granted by the Company to me on _____, I hereby inform that I have bought/sold/subscribed for _____ equity shares of the Company for Rs. _____ on _____.

In connection with the aforesaid transaction, please find enclosed copy of the following for your records:

Broker's contract note/Proof of payment to/from brokers/ Extract of bank passbook/statements (in case of demat transaction)/ Copy of Delivery instruction slips (applicable in case of sale transactions)

I hereby undertake to preserve the original copy of the above mentioned document for a period of 5 years and produce to the Compliance Officer/Securities Exchange Board of India, if required in future.

Yours truly,

Name & Signature:

Designation:

Date:

Place:

ANNEXURE F

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

Date _____

To,
The Compliance Officer,
Velan Hotels Limited,
41, Kangayam Road,
Tirupur 641 604

Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and Velan Hotels Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders, I _____ (name and designation of the Designated Person) had _____ (provide the details of purchase/sale/subscribe for shares as the case may be) _____ (number of securities) of the Company on _____ after obtaining pre-clearance on _____. The details of transaction executed were submitted on _____ (date) in format prescribed. I seek your approval to waive off the time restrictions and permit to execute a contra-trade for _____ (number of securities) of the Company due to _____ (valid reason(s) for executing contra trade).

I declare that I am not in possession of any Unpublished Price Sensitive Information (as defined under the Velan Hotels Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders) up to the date of this application.

I further declare that in case I have access to any Unpublished Price Sensitive Information after the signing of this application and before executing a contra- trade (if permitted), I shall:

1. Promptly inform the Compliance Officer
2. Refrain from trading in securities of the

Company. Yours truly,

Name & Signature:

Designation:

Date:

Place:

Enclosed:

1. Copy of pre-clearance approval
2. Copy of execution of previous trade

ANNEXURE G

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]

Name of the company: _____

ISIN of the company: _____

Details of Securities held by Promoter, members of the Promoter Group, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ members of the Promoter Group /KMP /Directors/immediate relative to/others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For e.g., – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held by Promoter, members of the Promoter Group, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place

ANNEXURE H

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

**[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a
director/KMP/Promoter]**

Name of the company: _____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or members of Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc.)	Date of appointment of Director /KMP or Date of becoming Promoter or member of Promoter Group	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding
			Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter or	Open Interest of the Option Contracts held at the time of becoming
---	---

members of Promoter Group /appointment of Director/KMP			Promoter or members of Promoter Group /appointment of Director/KMP		
Contract specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name &

Signature:

Designation:

Date:

Place:

ANNEXURE I

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2)

read with Regulation 6(2) – Continual disclosure]

Name of the company:

ISIN of the company:

Details of change in holding of Securities of Promoter, member of Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP /Directors/immediate relative to/others etc.)	Securities held prior to acquisition/disposal	Securities acquired/Disposed	Securities held post acquisition/ disposal	Date of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/Inter-se transfer, ESOPs etc.)
---	--	---	------------------------------	--	---	-------------------------------	--

		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For e.g.– Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of trading in derivatives of the company by Promoter, member of Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed	
Type of contract	Contract specifications	Buy		Sell			
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)		

--	--	--	--	--	--	--

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

ANNEXURE J

FORM D (Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified by the

company Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal	Securities acquired/Disposed	Securities held post acquisition/disposal	Date of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/Inter-se transfer, ESOPs etc.)
---	-------------------------	---	------------------------------	---	---	-------------------------------	--

		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For e.g.– Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/Sale/Pledge / Revoke/ Invoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		

Note: “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations,

2015. Details of trading in derivatives by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

ANNEXURE K

ANNUAL DISCLOSURE

Transactions by Designated Persons as identified by the Company

Details of transactions executed during the Financial Year _____ in securities of the Company

To,
The Compliance Officer,
Velan Hotels Limited,
41, Kangayam Road,
Tirupur 641 604

I _____ (name of the Designated Person),
_____ (designation) of the Company residing at

_____ (address of the Designated Person) hereby declare that -

The following is the consolidated statement of transactions made during the Financial Year _____.

Opening balance of securities of the Company held as on 01.04.20__	Purchase/Sale made during the year	Closing balance of securities of the Company held as on 31.03.20__

*I was holding (number of securities) securities of the Company on 01 April 20.....(start of the financial year). However, I have not traded in securities of the Company during the Financial Year ended 31 March 20..... (end of the financial year).

Name & Signature

Designation:

Date:

Place:

*** Please delete/modify as per the factual position**

**VIGIL MECHANISM / WHISTLE-BLOWER
POLICY OF VELAN HOTELS LIMITED**

1. PREFACE

- 1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees.
- 1.2. Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *inter alia*, provides all listed companies to establish a Vigil Mechanism for directors and employees to report genuine concerns.
- 1.3. Regulation 9A (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015 ("Insider Trading Regulations") requires that every listed company establishes a Whistle Blower Policy for the purposes of reporting instances of leak of unpublished price sensitive information.

Therefore, Velan Hotels Limited ("Velan" / "the Company"), being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

2. POLICY OBJECTIVES

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy, or leak of unpublished price sensitive information pertaining to the company. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/ CFO/ Chairman of the Audit Committee in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

- 3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, leak of unpublished price sensitive information, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

4. DEFINITIONS

- 4.1. **"Alleged wrongful conduct"** shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, leak of unpublished price sensitive information as defined under the Insider Trading Regulations, substantial and specific danger to public health and safety or abuse of authority".
- 4.2. **"Audit Committee"** means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Regulations and provisions of the Companies Act, 2013.
- 4.3. **"Board"** means the Board of Directors of the Company.
- 4.4. **"Company"** means the Velan Hotels Limited and all its offices.
- 4.5. **"Code"** means Code of Conduct for Directors and Senior Management Executives adopted by Velan Hotels Limited.
- 4.6. **"Employee"** means all the present employees and whole time Directors of the Company.
- 4.7. **"Protected Disclosure"** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.8. **"Subject"** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

- 4.9. **"Vigilance Officer or Vigilance and Ethics Officer"** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 4.10. **"Whistle Blower"** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

- 6.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.
- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as **"Protected disclosure under the Whistle Blower policy"**. Alternatively, the same can also be sent through email with the subject **"Protected disclosure under the Whistle Blower policy"**. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- 6.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.
- 6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer / Chairman of the Audit Committee / Managing Director as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

- 6.5. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee / Managing Director in exceptional cases. The contact details of the Vigilance and Ethics Officer is as under:-

Name and Address – Mr. M.Srinivasan – Company Secretary

Velan Hotels Limited,

41, Kangayam Road

Tirupur 641 604

Email- accounts@velanhotels.com

- 6.6 Protected Disclosure against the Vigilance Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Managing Director and the Chairman of the Audit Committee are as under:

Name and Address of Managing Director	Mr.E.V.Muthukumara Ramalingam 41, Kangayam Road Tirupur 641 604 Email- md@velanhotels.com
Name and Address of the Chairman of the Audit Committee	Mr. P.Ganesan No.5 Sheriff Colony Main Road Tirupur 641 604 Email- pganesan6777@gmail.com

- 6.7. On receipt of the protected disclosure the Vigilance Officer / Chairman of the Audit Committee / Managing Director / as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:
- a) Brief facts;
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Details of actions taken by Vigilance Officer / Managing Director for processing the complaint
 - d) Findings of the Audit Committee
 - e) The recommendations of the Audit Committee/ other action(s).
- 6.8 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

7. INVESTIGATION

- 7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation. In case of protected disclosure concerning any leak of unpublished price sensitive information, the procedure to be followed for investigation thereof will be as per the policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information, as provided in the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives of the Company.
- 7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

- 7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8. Subject(s) have a right to be informed of the outcome of the investigations.
- 7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

8. DECISION AND REPORTING

- 8.1. If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 8.3. In case of investigation pertaining to leak of unpublished price sensitive information, decision and reporting shall be done in accordance with the policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information, as provided in the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- 8.2. The Vigilance Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3. In case the Subject is the Managing of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected

disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

- 8.4. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. SECRECY / CONFIDENTIALITY

- 9.1. The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

9.1.1. Maintain confidentiality of all matters under this Policy

9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

9.1.3. Not keep the papers unattended anywhere at any time

9.1.4. Keep the electronic mails / files under password.

10. PROTECTION

- 10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- 10.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

- 11.1. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12 COMMUNICATION

- 12.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through the corporate web site of the Company.

13. RETENTION OF DOCUMENTS

13.1. All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7(seven) years or such other period as specified by any other law in force, whichever is more.

14. ADMINISTRATION AND REVIEW OF THE POLICY

14.1. The Managing Director shall be responsible for the administration, interpretation application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

15. AMENDMENT

15.1. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.