

DEEPAK BANSAL & ASSOCIATES

Company Secretaries

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SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021.

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel)
Rules, 2014]

To,

The Members,
U. P. Hotels Limited
1101, Surya Kiran,
19, Kasturba Gandhi Marg,
New Delhi-110001

I, Deepak Bansal, Practising Company Secretary have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **U. P. Hotels Limited**, CIN: L55101DL1961PLC017307 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2021** has complied with all the statutory provisions listed hereunder except some specific provisions/compliances as per the details given in the Secretarial Audit Report.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2021** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**



- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Regulations entered into by the Company with BSE Ltd.

During the period under review the Company has not complied completely with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above

The following are the list of observations and non-compliances noticed by us as per the records, Documents and information furnished to us:-

1. Pursuant to General order No. 1 of 2015 dated 20th of July 2015 of SEBI:
 - a. The trading in the shares of the Company on BSE has been suspended and depositories have been directed to freeze the entire shareholding of the promoter and promoter group of the company.



- b. No transfer/ pledge of shares in the Suspended Company of Promoters & Promoter group and Directors will takes place until 3 months after revocation of suspension.
 - c. The Suspended Company, its Promoters and Directors shall not issue prospectus, any other document or advertisement soliciting money from the public for the issue of securities, directly or indirectly; till the suspension is revoked by the recognized Stock exchange or securities of such Company are delisted in accordance with the applicable delisting requirements, whichever is earlier.
2. The Company has not yet achieved 100 percent dematerialization of the promoter's group shareholdings.
 3. The Company has not complied with the Regulation 38 of SEBI (LODR), 2015 with regard to Minimum Public Shareholding (MPS).
 4. Few Related Party Transactions pertaining to the previous years which are subject to litigations in the NCLT, New Delhi and which are still continuing this year have not been approved by the Board of Directors and the Audit Committee as per the requirement of Section 188 of the Companies Act, 2013 and the Rules thereon and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, the said Related Party Transactions are not entered in the Register maintained under Section 189 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR), 2015.
 5. The Company could not comply with Regulation 18(2) (b) of SEBI LODR Regulations as at the Audit Committee meeting held on 10th February, 2021; only one Independent Director was present. The other Independent Director became seriously ill and could not attend the meeting and passed away on 4th March, 2021. The Company has since appointed another Independent Director on 15th April, 2021 in his place.

I report that SEBI has vide its order dated 30.09.2019 granted relaxation under Regulation 8(1B)(i) of the SEBI (Delisting of Equity Shares) Regulations, 2009 allowing the Company to initiate the voluntary delisting process within one month of the date of order and completing the said process within one year thereon subject to certain conditions including promoters acquiring at least 60% of the existing public shareholding of 11.61% i.e. approximately 6.97% of the total shareholding. SEBI vide its communication dated 3rd June, 2021 allowed extension for completing the delisting process by 31st December, 2021. The Company has already initiated the said process accordingly during the audit period after taking approval of the shareholders and in principle approval for the same is awaited from BSE Ltd.



I FURTHER REPORT THAT for the purpose of examining adequacy of compliances with other applicable laws including industry sector/specific, under both Central and State Legislations, reliance has been based on the compliance certificates / reports issued by the Company Secretary based on the reports received by the Company Secretary from its hotel and service units etc. as part of the Company's Compliance Management and Reporting system. Based on the aforesaid internal Compliance Certificates/reports, I am of the opinion that the Company has generally complied with the following:-

1. Deposit of Employee Provident Fund, Employee State Insurance and Miscellaneous Provisions Act 1952 and other employee related statutory dues.
2. Applicable State and Central laws, including those related to the Environment, Food Safety and Standards and Prevention of Food Adulteration Act, 1954, Standards of Weights & Measure Act, 1976 pertaining to the operations of the Company. However, the notices received from the Statutory Authority, if any, are reported as part of the Board process for Compliance reporting and appropriate action is taken from time to time.
3. Deposit of taxes relating to Income Tax, Value added Tax, Central Excise, Central Sales Tax Act, Municipal /Local Authorities Taxes, Service Tax, Luxury tax and other applicable taxes including tax deducted at source.
4. Applicable stipulations pertaining to the Payment of Wages Act, Minimum Wages Act, Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975 and other related legislations.

I FURTHER REPORT THAT as on the date of reporting the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to our observation as above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the provisions of the Companies Act, 2013 including the Rules thereof and Secretarial Standard-1, also a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I FURTHER REPORT THAT there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For, Deepak Bansal & Associates
Company Secretaries



Deepak Bansal

Proprietor

FCS No.: 3736

C P No.: 7433

UDIN: F003736C000550315

Place:- Greater Noida

Date:-30/06/2021

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure-A

To,
The Members
U. P. Hotels Limited

Our Report of Even date is to be read along with this Letter

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Law, Rules and regulations and Happening of events etc.
5. The Compliance of the above provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management was conducted the affairs of the Company.

For, Deepak Bansal & Associates
Company Secretaries



Place: Greater Noida
Date: 30th June 2021


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Deepak Bansal
Proprietor
FCS No.: 3736
C P No.: 7433

UDIN: F003736C000550315