



A.G.G. & Associates

Company Secretaries

(Peer Reviewed Certified CS Firm)

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SECRETARIAL COMPLIANCE REPORT
OF
U. P. HOTELS LIMITED

FOR THE YEAR ENDED 31.03.2019

We, AGG & Associates, Practicing Company Secretaries, New Delhi have examined:

- all the documents and records made available to us and explanation provided by U. P. Hotels Limited ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2019 ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the company during the Audit Period)**
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the company during the Audit Period)**



- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company during the Audit Period)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the company during the Audit Period)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- (j) Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993;
- (k) Such other regulations as applicable and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1.	Regulation 38 of SEBI(LODR), 2015	The Company has not complied with the requirement relating to the Minimum Public Shareholding (MPS)	Company has applied to SEBI for modification of SEBI Orders dated 04.06.2013 and 02.12.2014 to enable Company / its promoters from continuing with the voluntary delisting process (thereby exempt from Complying the requirement of MPS) and promoters to be allowed to buy shares of the Company from public in the delisting process. Order of SEBI on the hearing is awaited.
2.	Regulation 31(2) of SEBI(LODR), 2015	The Company has not yet achieved 100 Percent dematerialization of Promoter	Since SEBI vide its order dated 04.06.2013 and 02.12.2014 restricted the right of Promoters



		and Promoter's group Shareholding.	and Directors of Company to deal with the shares in the Company and thereby frozen the de-mat accounts of Promoters and Promoter Directors of the Company, promoters unable to de-mat their shares.
3.	Regulation 23 of SEBI(LODR), 2015	The Related Party transactions (RPT) pertaining to the previous years and which are still continuing and renewed during the year have not been approved by the Board of Directors and the Audit Committee.	Related party transactions entered by the Company in the previous years are subject to a legal case pending before the NCLT, New Delhi for adjudication. The Board of Directors of the Company have decided that decision on RPTs at Board & Audit Committee level may be contrary to the decision of NCLT, thus have deferred their decision on RPT.
4.	SEBI General order dated 20.07.2015	Due to certain non-compliances in the financial year 2014-15, trading in the equity shares of the company has been suspended w.e.f. 25/02/2015.	The Company has complied with all the non compliance except except 100% dematerialization of promoter group and Minimum Public Shareholding. Necessary application has been filed with BSE Limited for revocation of suspension. Further the Company has also filed an application dated 06-02-2019 before SEBI for giving necessary direction to BSE for revocation without the compliance of Minimum Public shareholding. Directions from SEBI awaited.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records. Further, two revised quarterly results (quarter ended 31-12-2017 & 31-03-2018) were filed with BSE Ltd. during the year under review.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:



Sr. No.	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	Securities and Exchange Board of India(SEBI)	Company has not complied with the Minimum Public Shareholding requirement	Securities & Exchange Board of India (SEBI) vide its Order No. WTM /PS /08 /CFD /JUNE /2013 dated 04.06.2013 has freezed the Promoter Shareholding thereby put restriction on the Promoters shareholding.	Company has applied to SEBI for modification of SEBI Orders dated 04.06.2013 and 02.12.2014 to enable Company / its promoters from continuing with the voluntary delisting process (thereby exempt from Complying the requirement of MPS) and promoters to be allowed to buy shares of the Company from public in the delisting process. Order of SEBI on the hearing is awaited.
2.	Bombay Stock Exchange (BSE)	Certain Non-Compliances during the financial year 2014-15	Suspension of Trading in equity shares	The Company has complied with all the non compliance except except 100% dematerialization of promoter group and Minimum Public Shareholding. Company has applied to BSE Limited for revocation of suspension of trading of shares. Further the Company has also filed an application dated 06-02-2019 before SEBI for giving necessary direction to BSE for revocation without the compliance of Minimum Public shareholding. Directions from SEBI awaited.



3	Bombay Stock Exchange (BSE)	Certain Non-Compliances during the financial year 2014-15	Issue of Show Cause Notice dated 23-05-2018 for removal of name of the company through Compulsory Delisting	The Company has complied with all the non-compliances except MPS requirement and 100% demat of promoters shares and applied for revocation of suspension of shares. BSE after considering the submissions dated 31-05-2018 withdrew the name of the company from compulsory delisting. Further, considering the delay in decision by BSE on the application, the Company filed an application before SEBI dated 06-02-2019 for giving necessary direction to BSE for revocation without the compliance of Minimum Public shareholding. Decision of SEBI awaited.
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(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31-03-2018 <i>(Secretarial Compliance Report not applicable in the last Financial Year, however, Secretarial Audit Report was provided for the F.Y. ending 31-03-2018)</i>	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Regulation 38 of SEBI(LODR), 2015	The Company has not complied with the requirement relating to the Minimum Public Shareholding(MPS)	Company has applied to SEBI for modification of SEBI Orders dated 04.06.2013 and	As on date Order of SEBI on the hearing is awaited.

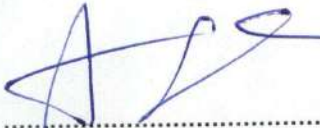


			02.12.2014 to enable Company / its promoters from continuing with the voluntary delisting process (thereby exempt from Complying the requirement of MPS) and promoters to be allowed to buy shares of the Company from public in the delisting process.	
2.	Regulation 31(2) of SEBI(LODR), 2015	The company has not achieved 100 percent dematerialization of Promoter's group shareholdings.	Due to SEBI restriction on dealing with the shares by the promoters of the company, promoters are unable to de-mat their shares.	Comments already in the previous column
3.	Regulation 23 of SEBI(LODR), 2015	The Related Party transactions (RPT) pertaining to the previous years and which are still continuing and renewed during the year have not been approved by the Board of Directors and the Audit Committee.	Related party transactions entered by the Company in the previous years are subject to a legal case pending before the NCLT, New Delhi for adjudication. The Board of Directors of the Company have decided that decision on RPTs at Board & Audit Committee level may be contrary to the decision of NCLT, thus deferred their decision on RPT.	In a Meeting of the Board of directors held during the F. Y 2018-19, the Board of Directors of the Company have decided that decision on RPTs at Board & Audit Committee level may be contrary to the decision of NCLT, thus deferred their decision on RPT. The matter is pending due to litigation.
4.	Regulation 17(9) of SEBI(LODR), 2015	Risk Management Plan/Policy could not be fully enforced	Due to the ongoing litigations among the promoters, the risk management plan	As on date, there are ongoing disputes in Courts / NCLT. However,



			could not be fully enforced	the overall internal controls have improved through Internal Audit / Compliance Management and are adequate to mitigate risk.
5.	Regulation 29, 30, 33, and 47 of SEBI(LODR), 2015	Non-Compliance with Regulation 29, 30, 33 and 47 for F.Y. 2017-18	Company has complied with the said regulations in the financial year 2018-19	As on date, as per the details made available to us the necessary compliance have since been made by the Company.

For, AGG & Associates
(Practicing Company Secretaries)




Amar Gopal Gambhir
Practicing Company Secretary
FCS No. 3668
CP No. 3653

Place: New Delhi
Date: 25-05-2019