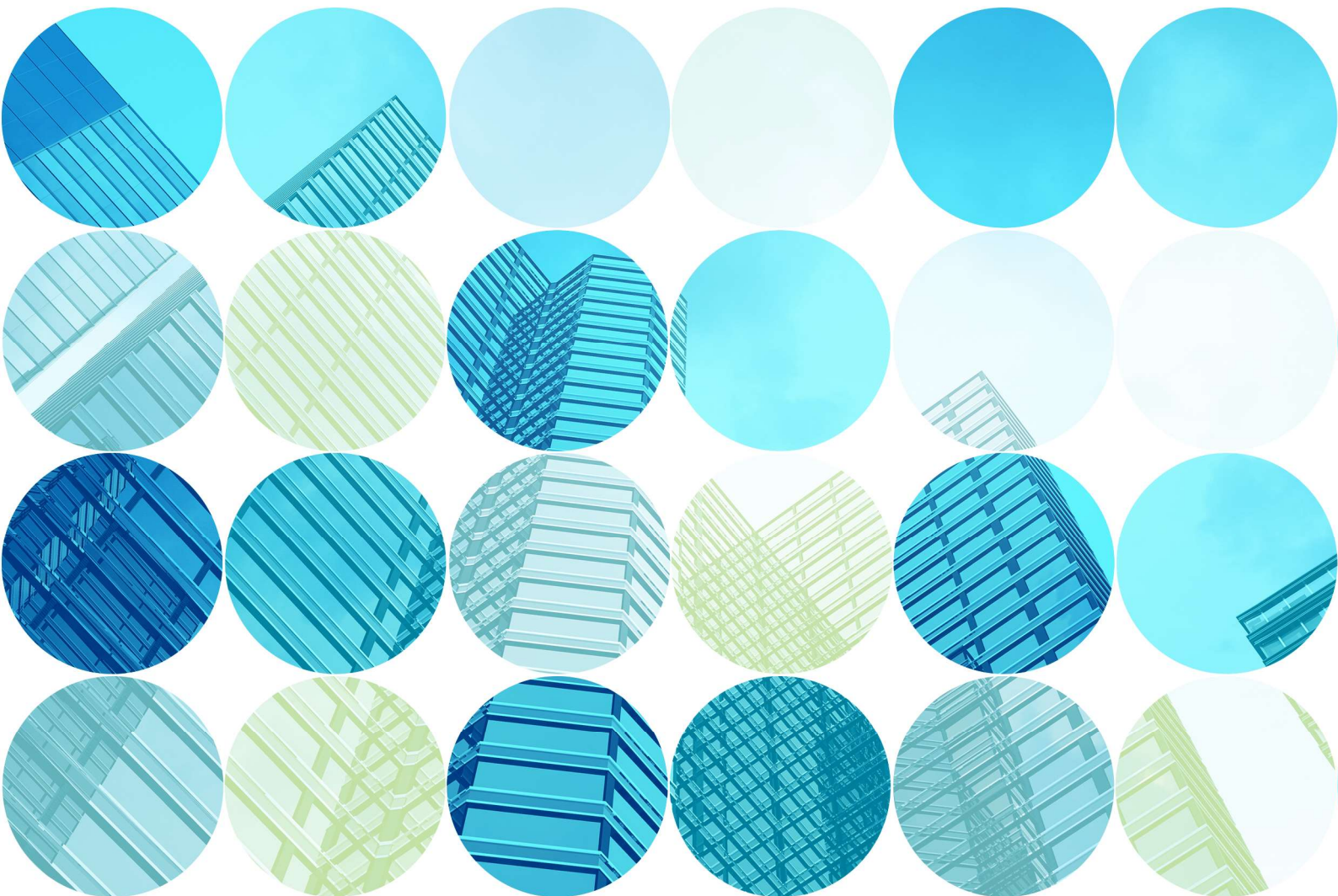


**SRI HAVISHA HOSPITALITY AND INFRASTRUCTURE
LIMITED**

CIN-L40102TG1993PLC015988

2020-21
**ANNUAL
REPORT**



COMPOSITION OF BOARD

Mr. D.V. MANOHAR
CHAIRMAN & MANAGING DIRECTOR
(EXECUTIVE & NON-INDEPENDENT)

MR. BINOD KUMAR SINHA
INDEPENDENT DIRECTOR

MR. VUPPU SUBRAHMANYAM
INDEPENDENT DIRECTOR

MR. ABHAYA SHANKAR
INDEPENDENT DIRECTOR

MR. ANNAIAHSETTY BALA SETTY
NON INDEPENDENT DIRECTOR

MR. PADMANABHAM VADDAMANI
CHIEF FINANCIAL OFFICER

RAHUL JAIN
COMPANY SECRETARY
AND COMPLIANCE OFFICER

AUDITORS
M/s. P. Suryanarayana & Co.,
Chartered Accountants
Hyderabad

BANKERS
ALLAHABAD BANK

**REGISTRARS & SHARE TRANSFER
AGENTS**

M/s. XL Softech System Ltd
3, Sagar Society
Road No.2, Banjara Hills
Hyderabad – 500034, Telangana
Tel: 91-040-23545913 / 14 /15
Fax: 91-040-23553214

REGISTERED OFFICE

Venus Plaza Adjacent to Airport
Begumpet, Hyderabad – 500016
Tel : 91-040-27902929
Fax: 91-040-27908989



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www.shrishakti.com

MESSAGE OF THE CHAIRMAN



Dear Shareholders,

On my behalf and on behalf of the Board of Directors, we welcome you all to this forthcoming 28th Annual General Meeting of Company.

We feel honored and privileged once again to present before you the Annual Report for the F.Y. 2020-21. It gives us an opportunity to share the Company's progress during the year as well as the way forward.

The last two years have been the most testing in over a century all over the world. The unprecedented health crisis, caused by the coronavirus pandemic, has taken an immense human as well as economic toll globally.

I would like to take this opportunity on behalf of the Board of Directors and its leadership team to thank each and every shareholder for their continued co-operation, support and commitment to the Company.

We look forward to your continuous support to your Company's progress and growth.

**For and on Behalf of
For Sri Havisha Hospitality and Infrastructure Limited**

**Sd/-
D V Manohar
Chairman and Managing Director**

BOARD'S REPORT

To

Dear Esteemed Members

Sri Havisha Hospitality and Infrastructure Limited

Dear Esteemed Members,

Your Directors have pleasure in presenting their Twenty Eighth (28th) Annual Report together with Audited Financial Statements for the Financial Year ended March 31, 2021.

1. FINANCIAL PERFORMANCE:

The Financial performance of the Company for the year 2020-21 is indicated below:

Rupees in Lakh

Particulars	2020-21	2019-20
Gross Income	-	1.35
Less: Expenditure		
Employee Benefit Expenses	20.79	31.10
Depreciation	0.08	16.66
Other Expenses	18.31	31.98
Total Expenses	39.18	79.74
Profit & Loss before Exceptional Item	(39.18)	(78.39)
Exceptional Item	-	436.65
Profit / (Loss)	(39.18)	358.26
Profit / (Loss) before prior period and Extraordinary items	(39.18)	358.26
Net Profit / (Loss) before provision for Taxation	(39.18)	358.26
Provision for Taxation	-	
Net Profit/loss	(39.18)	358.26

2. PERFORMANCE REVIEW:

During the Financial year 2020-21, your Company has incurred a loss of Rs. 39.18 Lakhs against the profit of Rs. 358.26 Lakhs in previous year.

3. DIVIDEND:

In view of the accumulated losses and the need to conserve available funds for the operations of the Company, your Company has considered it prudent to not propose dividend for the financial year ended March 31, 2021.

4. SHARE CAPITAL

Equity Share Capital of the Company as of March 31, 2021 stood at Rs30,70,71,600/- comprising of 15,35,35,800 equity shares having face value of Rs 2/- each.

Further, there is no change in the paid-up equity share capital of the Company.

5. TRANSFER TO RESERVES:

As permitted under the provisions of the Companies Act, 2013, the Board due to unavailability of any profit in the company has not proposed to transfer any amount to general reserve for Financial Year 2020-21.

6. GLOBAL PANDEMIC – COVID-19:

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 23, 2020 to curb its wide spread, a massive economic disruption and social distress is being witnessed all over the world including in India. The management is closely analyzing and monitoring the situation and getting adequately prepared to emerge stronger in the longer term.

7. STATE OF AFFAIRS AND FUTURE OUTLOOK OF THE COMPANY :

As you are aware, your Company has already received No Objection Letters from BSE, SEBI and NSE on 26th March, 2019 and 2nd April, 2019 respectively for scheme of arrangement for Merger with Shri Shakti Resorts & Hotels Ltd. Thereafter meetings convened by National Company Law Tribunal (NCLT) for the Merger of Sri Havisha Hospitality and Infrastructure Ltd (formerly Shri Shakti LPG Ltd) and Shri Shakti Resorts & Hotels Ltd were held on 15th Feb, 2020. The above meetings with Shareholders, Secured Creditors and Unsecured Creditors of both the companies convened by NCLT were Chaired by reputed professionals nominated by NCLT. In all these meetings, the Merger proposal was approved. Thereafter due to the ongoing pandemic and consequent lock downs the process is delayed. NCLT already conducted a number of hearings in this matter and we expect the final hearing soon and their decision thereafter.

As already informed, this Merger will strengthen the prospects of the Company. Though your Company is a debt free Company, till now we could not revive the business of the Company. With this Merger, your Company will have active business since Shri Shakti Resorts & Hotels Ltd is a fully operational Company which is active in the Hospitality Industry. Your Directors are confident that this proposed Merger will bring in positive developments into your Company and expect to achieve better results and thereby add value to the shareholders of the merged entity viz., Sri Havisha Hospitality and Infrastructure Ltd. The full time Directors of your Company are in active dialogue with the Management team of the Hotel Company on the way forward post the merger. The business

initiatives to be taken up on priority are identified along with the action plan to shore up the revenues in the post Covid Scenario. Thus the macro strategy for the to be merged entity is identified already. The endeavor of your Directors is to maximize the returns to shareholders and we reiterate our commitment to achieve this in the near future.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT:

There are no material changes and commitments for the likely impact affecting financial position between end of the financial year and the date of the report except for the impact arising out of the continuance of the COVID-19 pandemic which has risen exponentially during the second wave till the date of signing of this Report.

9. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the ongoing concern status and company's operations in future.

10. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, the Company did not have any subsidiary, associate and joint venture company

11. DEPOSITS:

The Company has not accepted any deposits covered under chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 for the year under review.

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Mr.Abhaya Shankar (DIN-00008378) was appointed on the Board as an Additional Independent Director on June 29, 2020. The same has been approved by the members of the Company at the Annual General Meeting held on December 30, 2020.

In terms of the provisions of the Companies Act, 2013, Mr.BalaSetty (DIN- 07361951) retires by rotation at the ensuing AGM and being eligible, seeks re-appointment.

Mr. Rahul Jain has been appointed as the Company Secretary of the Company on November 23, 2020.

During the Financial Year 2020-21, None of the Directors and KMP of the Company have resigned from the office.

Pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, the Independent Directors have provided a declaration to the Board of Directors that they meet the criteria of Independence as prescribed in the Companies Act, 2013 and the Listing Regulations, and are not aware of any situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties as an Independent Director with an objective independent judgement and without any external influence. Further, veracity of the above declarations has been assessed by the Board, in accordance with Regulation 25(9) of the Listing Regulations.

Further, declaration in compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to enrollment in the Data Bank created by MCA for Independent Directors, has been received from all the Independent Directors.

The Company has formulated a policy on 'familiarisation programme for independent directors' which is available on the Company's website.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. D. V. Manohar (DIN: 00223342), Managing Director, Mr. V. Padmanabham, Chief Financial Officer, Mr. Rahul Jain, Company Secretary & Compliance Officer, are the Key Managerial Personnel of the Company.

13. BOARD MEETINGS:

The Board has a formal schedule of matters reserved for its consideration and decision. These include approving business strategy, setting performance targets, reviewing performance, approving investments, ensuring adequate availability of financial resources and reporting to the Shareholders. During the Financial Year 2020-21, Five (5) Board Meetings were held on June 29, 2020, August 31, 2020, November 11, 2020, December 06, 2020 and February 8, 2021. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standards on Board Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time. Same has also been disclosed in the Corporate Governance Report.

14. COMMITTEES OF THE BOARD

The Board has constituted the following mandatory committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Internal Complaints Committee. The terms of reference of these committees are as required under the provisions of the respective Acts / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as

determined by the Board. Meeting of each of these committees are convened by the respective Chairperson of the Committees and minutes of the meetings of these committees are placed at the Board Meetings. The details of these committees are stated in Annexures to this Report.

15. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations.

16. DEPLOYMENT OF FUNDS:

Rs. in thousands		
Sources of Funds	March 31, 2021	March 31, 2020
Share Holders Funds	1,99,054	2,02,972
Non – Current Liabilities	-	-
Current Liabilities	6551	5451
Total	2,05,605	2,08,423
Application of Funds		
Non-Current Assets	43,064	43,072
Other Non - Current Assets	1,61,374	1,64,209
Current Assets	80	116
Long Term Loans & Advances	1	1
Other Current Assets	1,087	1,025
Total	2,05,605	2,08,423

17. EVALUATION OF THE BOARD'S PERFORMANCE:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. The Board of Directors expressed their satisfaction with the evaluation process.

In a separate meeting held on February 08, 2021, the performance evaluation of the Chairman, Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The Independent Directors expressed their satisfaction with the evaluation process.

The performance evaluation of all the Directors, Committees and the Board was carried out by the Nomination & Remuneration Committee, Independent Directors and Board at their respective meetings.

18. SUCCESSION PLAN

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

19. POLICY ON DIRECTORS/ APPOINTMENT AND REMUNERATION:

The policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, 2013 is adopted by the Board. We affirm that the remuneration paid to the Directors is as per the terms laid out in nomination and remuneration policy of the Company.

20. AUDITORS:

a) THE STATUTORY AUDITORS

M/s P. Suryanarayana & Co., Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 27 September, 2017 for a period of five years commencing from the conclusion of the 24th AGM of the Company until the conclusion of the 29th AGM of the Company to be held on in the year 2022.

The Report given by Auditors on Financial Statements of the Company is part of this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report.

b) SECRETARIAL AUDITORS:

Section 204 of the Companies Act, 2013 inter alia requires every listed Company to annex to its Board Report, a Secretarial Audit Report, given in the prescribed form by a Company Secretary in practice. The Board appointed Krishna Kumar & Associates, Practicing Company Secretaries, represented by CS A. Krishna Kumar as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-21 and their report is annexed to this report.

The Board also appointed Krishna Kumar & Associates as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2021-22.

The Secretarial Auditor has issued following observation in his report:

- i. ***IT IS OBSERVED THAT THE COMPANY HAD NON- COMPLIANCE UNDER SECTION 203(1) OF THE COMPANIES ACT, 2013 FOR SOME TIME DURING THE YEAR UNDER REVIEW.***

Management's Reply: The Said Non- Compliance has occurred due to sudden resignation tendered by the Company Secretary. Soon after the resignation, the Central Government has imposed nationwide lockdown which caused unavoidable delay on part of the Company to make good of the Compliance. However, the Company appointed Mr. Rahul Jain (ACS-62949) as Company Secretary on November 23, 2020 and Provisions of Section 203 of the Companies Act 2013 are duly complied.

- ii. ***THE COMPOSITION OF BOARD OF DIRECTORS WAS NOT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION 17 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR SOME TIME DURING THE YEAR UNDER REVIEW***

Management's Reply: The Company always had optimum combination of Independent and Non- Independent Directors on the Board of the Company. The Company had 4 Independent Directors on its Board though the statutory minimum requirement was 3 Independent Directors. However one of the Independent Director Mr. Roddam Prabhakar Rao tendered his resignation due to his health issue.

After Resignation tendered by Mr. Roddam Prabhakar Rao, Company lost Mr. A. P. Vitthal (Independent Director) due to his sudden demise and the said non compliance occurred.

The Company was continuously making vigorous efforts to fill the vacancy. However the Central Government imposed the Nationwide Lockdown which caused unavoidable delay in appointing the third Independent Director on the Board.

On June 29, 2020, the Company has appointed Mr. Abhaya Shankar as Independent Director and the said non Compliance was duly complied.

21. ANNUAL SECRETARIAL COMPLIANCE REPORT

In compliance with the Regulation 24A of the Listing Regulations and the SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has undertaken an audit for the Financial Year 2020-21 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly issued by M/s Krishna Kumar & Associates has been submitted to the Stock Exchanges within the prescribed timelines and is annexed to this Board's Report.