



**DHANADA
CORPORATION
LIMITED**

35th ANNUAL REPORT 2020-2021

Our Mission

Create financial wealth for our shareholders,
act with integrity, competence and dignity,
practice and encourage others to practice
in a professional and ethical manner.

Use reasonable care and exercise
independent professional judgement.

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DHANADA CORPORATION LIMITED
(CIN: L55101PN1986PLC133909)

Regd. / Corporate Office: 5B/14, Laxminarayan Nagar, S. No. 11/12,
Part Erandvane, Pune – 411004. Phone No. 9822037104
Email : dhanada@dhanadacorp.com Website : www.dhanadacorp.com

Notice of Annual General Meeting

The 35th Annual General Meeting of **DHANADA CORPORATION LIMITED** will be held on Thursday, 30th September 2021 at 4:00 p.m. through Video Conference (VC) / Other Audio Visual Means (OAVM) facility deemed to be held at the registered office of the Company at 5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandwane, Pune – 411004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended on 31st March 2021 and the Balance Sheet as on that date together with Report of Auditors and Directors thereon and annexures thereto.
2. To appoint a Director in place of Mrs. Veena R. Havele (DIN 00007593) who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of Audit Committee and Board of Directors of the Company, the current Auditors, M/s. Shashank Patki and Associates, Chartered Accountants, having Firm Registration No. 122054W of Pune, be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a second term of 5 (Five) consecutive years from the conclusion of this meeting until the conclusion of the 40th Annual General Meeting of the Company at a remuneration as may be mutually decided by the Chairman and Managing Director of the Company in negotiation with the said M/s. Shashank Patki and Associates plus applicable taxes and re-imbursalment of actual out-of-pocket expenses incurred by them.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the

Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and regulations 25(2) & 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Dilip A. Prabhune (DIN 01779383), Director be and is hereby re-appointed as the Non – Executive Independent Director of the Company for a further term of 5 (Five) consecutive years with effect from 30th September 2021 and whose office shall not be liable to determination by retirement by rotation henceforth.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the special resolution passed by the members at the Annual General Meeting held on 30th September 2014 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any Committee constituted for the time being, thereof) be and is hereby authorised to borrow from time to time as they may think fit, any sum or sums of money, in Indian Rupees or equivalent thereof in any foreign currency(ies) by way of loans, working capital loans, cash credit, letters of credit, forward contracts, External Commercial Borrowings or in any other form whatsoever or by way of issue of Bonds and/or Debentures or other Securities, from any Bank(s), Financial Institutions(FIs), Foreign Institutional Investors(FIIs), Non-Resident Indian (NRIs), Bodies Corporate or Business Associates etc., on such terms and conditions as the Board may deem fit, which together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company, its free reserves, that is to say, reserves not set apart for any specific purpose and securities premium account but not exceeding Rs. 8,000,000,000/- (Rupees Eight Hundred Crores Only) at any point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board and / or Committee of Directors constituted for this purpose and / or any Director authorised by the Board be and is hereby authorized to negotiate and finalize the terms and conditions in respect of all such sums of monies to be borrowed from time to time as to interest, repayment as it may think fit, to execute the deed, agreement and any other documents, undertakings, Memorandum of Understanding or papers in this regard as may be required by the lenders and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to this resolution and for

matter connected therewith or incidental thereto and to settle any question, difficulty or doubt that may arise considered to be in the best interest of the Company.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the special resolution passed by the members at the Annual General Meeting held on 30th September 2014 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any Committee constituted for the time being, thereof) be and is hereby authorised to mortgage, charge, hypothecate and / or pledge any of its movable and / or immovable properties, whether domestic or international, both present and future, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit and / or to provide security, in favour of the lenders together with interest, cost, charges and expenses thereon, for amount not exceeding Rs. 8,000,000,000/- (Rupees Eight Hundred Crores Only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior / pari passu with / to the mortgages and / or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board and / or Committee of Directors constituted for this purpose and / or any Director authorised by the Board be and is hereby authorized to create security in favour of the lenders and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto and to settle any question, difficulty or doubt that may arise in regard to creation of security as aforesaid considered to be in the best interest of the Company.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the SEBI (LODR) Regulations, 2015”) and pursuant to the provisions of Section 188 of the Companies Act, 2013, if applicable, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the approval of Audit Committee and Board of Directors of the Company, consent / approval of the members be and is hereby accorded for all material related party transactions / contracts / arrangements entered into / to be entered with related parties as defined under Section 2(76) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT all the earlier executed transactions / agreements / contracts be and are hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company / or any Director authorised by the Board be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

By order of the Board of Directors
DHANADA CORPORATION LIMITED

Place : Pune
Date : 14.08.2021

Ramesh R. Havele
Chairman, Managing Director & CEO
(DIN 00007580)

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) setting out material facts concerning the business under item no. 3 to 7 of the Notice is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing / Other Audio Visual Means (VC / OAVM), without the physical presence of the members at a common venue. The MCA vide its General Circular No. 02/2021 dated 13th January 2021 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 extended the above exemptions till 31st December 2021. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), MCA circulars and the SEBI circulars as stated above, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 35th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 35th AGM through VC / OAVM facility and e-Voting during the 35th AGM.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM facility on its behalf and to vote either through remote e-voting or during the AGM. The said resolution / authorization should be sent electronically

through their registered email address to the Scrutinizer at sanjana@csssanjanahinge.in with a copy marked to csdhanadacorp@gmail.com and evoting@nsdl.co.in.

5. PURSUANT TO THE PROVISIONS OF SECTION 108 OF THE COMPANIES ACT, 2013 READ WITH RULE 20 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (AS AMENDED) AND REGULATION 44 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS 2015 (AS AMENDED), AND THE CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, THE COMPANY IS PROVIDING FACILITY OF REMOTE E-VOTING TO ITS MEMBERS IN RESPECT OF THE BUSINESS TO BE TRANSACTED AT THE 35TH AGM. FOR THIS PURPOSE, THE COMPANY HAS ENTERED INTO AN AGREEMENT WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) FOR FACILITATING VOTING THROUGH ELECTRONIC MEANS, AS THE AUTHORIZED AGENCY. THE FACILITY OF CASTING VOTES BY A MEMBER USING REMOTE E-VOTING SYSTEM AS WELL AS VENUE VOTING ON THE DATE OF THE AGM WILL BE PROVIDED BY NSDL.
6. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum for 35th AGM as per Section 103 of the Companies Act, 2013.
7. Since the AGM will be held through VC / OAVM facility, the Route Map is not annexed in the Notice.
8. In line with the MCA Circulars and SEBI Circular, the Notice of the 35th AGM and Annual Report for F.Y. 2020-21 will be available on the Company's website www.dhanadacorp.com, on the website of the Bombay Stock Exchange Limited and on the website of the NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com and Link Intime India Private Limited.
9. Members may join the AGM through VC / OAVM facility by following the procedure as mentioned in the instructions for the same. The facility for joining the meeting shall open for Members from 3:45 p.m. i.e. 15 minutes before the time scheduled to start the 35th AGM and the Company may close the window for joining the VC / OAVM facility 15 minutes after the scheduled time to start the 35th AGM.
10. Members may note that the VC / OAVM facility provided by NSDL allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 35th AGM without any restriction on account of first-come first- served principle.
11. The cut-off date (record date) shall be 22nd September 2021 for remote e-voting. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
12. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. In line with the MCA Circulars dated May 5, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those

Members whose email addresses are registered with the Company / Depositories. And those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 35th AGM and the Annual Report 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

- (i) For the Members holding shares in physical form by sending an email to csdhanadacorp@gmail.com mentioning therein the Name of the Member and / or Joint holder along with Ledger Folio Number.
 - (ii) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
14. The Company has appointed Link Intime India Private Limited as its Registrar and Transfer Agent (RTA). All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of the RTA.
 15. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April 2019, transfer of shares in physical mode is prohibited and mandates holding in demat except in case of transmission and transposition. Accordingly, Members are requested to convert physical holding to demat through depository participants. Members may contact the Company / RTA for any assistance in the said process of physical to demat of shares. Members kindly note that shares of the Company can be dematerialized at National Securities Depository Ltd. and Central Depository Services Ltd.
 16. The Registers of the Members, Share Transfer Register and shareholders book of the Company will remain closed from 23rd September 2021 to 30th September 2021, both days inclusive.
 17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
 18. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
 19. Members holding shares in identical order or names in more than one folio are requested to write to the Company to consolidate their shares and send relevant share certificates for consolidation. This would facilitate the member in one point tracking of his / her holding and corporate benefits.
 20. MEMBERS REQUIRING INFORMATION ON THE AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021 AND THE BALANCE SHEET AS AT THAT DATE ARE REQUESTED TO WRITE TO THE COMPANY AT LEAST SEVEN (7) DAYS BEFORE THE DATE OF THE MEETING TO ENABLE THE COMPANY TO FURNISH THE INFORMATION.

21. A Member can opt for only single mode of voting i.e. either through remote e-voting or voting at the AGM. If a Member has already casted votes through remote e-voting, option of voting during the AGM shall not be available for that Member.
22. The documents referred to in the Notice, if any, will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
23. Ms. Sanjana Hinge, Practicing Company Secretary and Secretarial Auditor of the Company is appointed as Scrutinizer to scrutinize the e-voting process and vote casted through e-voting during the meeting in a fair and transparent manner.
24. The results of e-voting shall be placed on the website of the Company www.dhanadacorp.com and be submitted to the Bombay Stock Exchange Limited.
25. Since the AGM will be conducted through VC / OAVM means, to conduct the AGM in a smooth and seamless manner only those shareholders will be allowed to speak at the AGM who have pre-registered themselves for the same with the Company. The Company hence requests members to opt any one of the following methods for obtaining answers to their queries / making suggestions:
 - Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 5.00 p.m. on 24th September 2021 through email on csdhanadacorp@gmail.com and such email shall mandatorily mention the name of the shareholder, demat account number / folio number, email id and contact number of the shareholder. The same will be replied by the Company suitably.
 - Members who intend to speak at the AGM shall register with the Company by sending an email on or before 5.00 p.m. on 24th September 2021 through email on csdhanadacorp@gmail.com.

The Company will allow only the pre-registered members to speak at the AGM.

Members are requested to discuss or ask queries only on the accounts or business of the Company or any other agenda of the 35th AGM so that effective question answer session can take place and queries posed by majority shareholders are addressed. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

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

Item No. 3

M/s. Shashank Patki and Associates, Firm of Chartered Accountants, Pune having Firm Registration No. 122054W, were appointed as Statutory Auditors of the Company in the 30th Annual General Meeting held on 30th September 2016 to hold office upto the conclusion of 35th Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the rules made thereunder, a listed entity can appoint an Audit Firm as Statutory Auditors for two terms of 5 (Five) consecutive years. However, the same Audit Firm shall not be re-appointed after completion of both terms. The first term of M/s. Shashank Patki and Associates, Firm of Chartered Accountants of Pune, having FRN 122054W would be completed at the conclusion of the ensuing Annual General Meeting.

Based on the recommendation of Audit Committee, the Board of Directors further recommend to re-appoint the aforesaid Audit Firm as Statutory Auditors of the Company for second term of 5 (Five) consecutive years i.e. from conclusion of 35th Annual General Meeting upto the conclusion of 40th Annual General Meeting. The Company has received Consent letter and Eligibility Certificate from the said Audit Firm in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

Further, as per regulation 36(5) of SEBI (LODR) Regulations, 2015, the following disclosures are made:

- a. Term of Appointment – The Statutory Auditors of the Company is being appointed for the of 5 (Five) consecutive years i.e. from conclusion of 35th Annual General Meeting upto the conclusion of 40th Annual General Meeting.
- b. Proposed Audit fees payable to Auditor and material change in fee payable – Rs. 3,85,000/- for the F.Y. 2021-22 plus applicable taxes and reimbursement of out of pocket expenses, if any, subject to annual incremental fees in line with industrial practice.
- c. Basis of recommendation and Auditor credentials – The aforesaid firm of Chartered Accountants has over 37 years standing with multi industry and multi-disciplinary experience. They have various large, medium & MNCs as clients across industry.

The resolution seeks approval of members for the re-appointment of M/s. Shashank Patki and Associates as Statutory Auditors of the Company by way of an Ordinary Resolution.

No Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financial or otherwise, in the resolution.

Item No. 4

Mr. Dilip A. Prabhune (DIN 01779383), was appointed as a Non – Executive Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f. 30th September 2016. Pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 read with the rules made thereunder and regulation 25(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director shall hold office for a term up to 5 (Five) consecutive years on the Board of the Company. However, the Company by passing a special resolution can re-appoint him for a further term of 5 (Five) consecutive years. However, Independent Director shall not hold office for more than two consecutive terms.

The first term of 5 (Five) consecutive years of Mr. Dilip A. Prabhune (DIN 01779383) would be completed on 29th September 2021. Based on the recommendation of Audit Committee and Nomination and Remuneration Committee, the Board of Directors recommend to re-appoint him as an Independent Director for another term of 5 (Five) consecutive years w.e.f. 30th September 2021.

The Company has received following documents from him:

- a. Intimation in Form DIR-8 to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013,
- b. A declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR Regulations, and
- c. Consent to act as director in Form DIR-2.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors, Mr. Dilip A. Prabhune (DIN 01779383) fulfils the conditions specified in the Act and Rules made there under and is a person of integrity, possesses relevant expertise and experience and he is independent of the management.

Mr. Dilip A. Prabhune (DIN 01779383) is Bachelor of Science, Master in Management Consultancy and L.L.B.

The resolution seeks approval of members for the re-appointment of Mr. Dilip A. Prabhune (DIN 01779383) as an Independent Director of the Company by way of a Special Resolution.

Except, Mr. Dilip A. Prabhune (DIN 01779383), no other Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financial or otherwise, in the resolution.

Item No. 5 & 6

Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital, free reserves and securities premium account, apart from temporary loans obtained from the Company's bankers in the ordinary course of business and dispose off the assets of the Company by way of creating charge on it in favour of the lenders, except with the consent of the Company accorded by way of a special resolution.

In terms of the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 read with the rules made there under, the Board recommends the subject resolutions at Item No. 5 and 6 to be passed by the special resolutions.

None of the Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolutions.

Item No. 7

The Company has started trading activities / treasury business operations pursuant to the compliance of applicable provisions of the Companies Act, clauses of Memorandum of Association and approvals given by the Audit Committee and Board of Directors.

Mr. Ramesh R. Havele (DIN 00007580), Chairman and Managing Director of the Company is a Master of Science in Statistics (M. Sc. (Stat.)) and a Chartered Financial Analyst (CFA, India) and Member of CFA Institute, USA. He has about 26 years' experience in Investment Analysis and Portfolio Management. Further, the Audit Committee and Board of Directors have already delegated powers to Mr. Ramesh R. Havele (DIN 00007580), Chairman and Managing Director of the Company to invest the funds of the Company on behalf of the Board.

Considering his expertise in the field of Investment Analysis and Portfolio Management, the Board of Directors proposed to give funds to him from time to time as per the requirements as an advance for security trading / treasury business purpose of the Company. Mr. Ramesh Havele will utilise those funds for trading operations on behalf of the Company considering the opportunities and market risks and conditions as in the best interest and beneficial for the Company.

Necessary approvals of the Audit Committee and Board of Directors are already obtained for the said related party transactions, as required from time to time, up to the maximum limits in the respective meetings. Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI (LODR) Regulations, 2015") and pursuant to the provisions of Section 188 of the Companies Act, 2013, if applicable, read with the rules made thereunder, all material related party transactions are required to be approved by the members in general meeting.

Hence, the Board of Directors recommend the subject resolution for approval by the members by way of an Ordinary Resolution.

The particulars of the transactions are as stated below:

Name of the related party	Nature of relationship	Nature of transaction	Material terms	Monetary value	Whether approval of Audit Committee & Board is obtained?	Any other relevant information
Mr. Ramesh Ramchandra Havele	Chairman, Managing Director & CEO	Advance for doing Securities Trading business on behalf of the Company.	He will utilise the funds for trading operations on behalf of the Company considering the opportunities and market risks and conditions as in the best interest and beneficial for the Company.	Upto Rs. 5 Crores per annum. The necessary amount shall be advanced time to time as per the requirements.	Yes	He would be the custodian of such funds to be advanced by the Company to him and of the debit balance, if any, outstanding in his account for such advanced funds. The amount shall not be treated as a loan in any case.

Further, as per Regulation 23 of SEBI (LODR) Regulations, 2015, related parties shall abstain from voting on said resolution.

Except Mr. Ramesh R. Havele, Mrs. Veena R. Havele, Dhanada Holdings Private Limited and Ms. Gautami R. Havele, none of the other Directors or key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings):

Particulars	Profile of Directors	
	Name of the Director	Mrs. Veena Ramesh Havele
DIN	00007593	01779383
Date of Birth	28 th August 1965	28 th April 1968
Age	55 Years	53 Years
Date of Appointment on the Board	25 th October 2005	30 th September 2016
Area of expertise / Work experience	She is a Bachelor of Commerce (B. COM). She is a promoter	He is having expertise in the field of Bachelor of Science,

	director of Dhanada Holdings Private Ltd. (Erstwhile name Dhanada Portfolio Management Ltd.). She has trained individual entrepreneur clients in the field of preparation of Accounts, Balance Sheet and Stock Market investments. She has played a key role in the growth of Dhanada Holdings Private Ltd.	Master in Management Consultancy and L.L.B. He is working as Management Consultant & Entrepreneurship Trainer from last 26 years. He has trained about 8500 participants in Entrepreneurship programmes organized under various Government Schemes and consults near about 5000 small and medium scale businesses. He also won Indian Achievers Award from Indian Achievers Forum, New Delhi and Rashtriya Gaurav Award from Economic Development Forum, New Delhi in 2010.
Name of other companies in which the Director holds Directorship	1. Dhanada Holdings Private Limited 2. Dhanada Engineering Private Limited 3. Dhanada Education Private Limited 4. Dhanada Clean Energy (India) Private Limited	Nil
Name of the other committees in which Chairman	Nil	Audit Committee of Dhanada Corporation Ltd.
Name of the other committees in which Member	1. Audit Committee of Dhanada Corporation Ltd. 2. Stakeholders' Relationship Committee of Dhanada Corporation Ltd. 3. Nomination & Remuneration Committee of Dhanada Corporation Ltd.	1. Stakeholders' Relationship Committee of Dhanada Corporation Ltd. 2. Nomination & Remuneration Committee of Dhanada Corporation Ltd.
Category of Director	Non – Executive Non – Independent Director	Non – Executive Independent Director
Remuneration last drawn	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Company.	Mrs. Veena R. Havele (DIN 00007593) is wife of Mr. Ramesh R. Havele (DIN 00007580), Chairman, Managing Director and CEO of the Company.	N.A.
Number of Board Meetings	Attended all 6 Board Meetings	Attended all 6 Board Meetings

attended during the F.Y.	held in the F.Y. 2020 – 21.	held in the F.Y. 2020 – 21.
Number of Shares held in the Company	Nil	Nil
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements	Not Applicable	Already covered in the Report on Corporate Governance attached to the Directors Report.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, 27th September 2021 at 9:00 A.M. and ends on Wednesday, 29th September 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting

	<p>period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiReg

	<p>istration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details / Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjana@cssanjanahinge.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details / Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at csdhanadacorp@gmail.com. The same will be replied by the Company suitably.

DHANADA CORPORATION LIMITED**(CIN: L55101PN1986PLC133909)**

Regd. / Corporate Office: 5B/14, Laxminarayan Nagar, S. No. 11/12,
Part Erandawane, Pune – 411004. Phone No. 9822037104
Email : dhanada@dhanadacorp.com Website : www.dhanadacorp.com

DIRECTORS' REPORT

To,
The Members,
DHANADA CORPORATION LIMITED

The Board of Directors of your Company has pleasure in presenting the 35th Annual Report of the Company together with the Audited statements of accounts for the year ended on 31st March 2021.

1. Financial summary or highlights / performance of the Company:

Your Company's financial summary / performance during the year under review as compared to the previous year are summarized below:

(Rs. in Crores)

Particulars	2020 – 21	2019 – 20
Turnover	2.94	9.28
Profit / (Loss) before Finance charges, Tax, Depreciation / Amortization	(1.10)	0.97
Finance Charges	4.10	3.54
Profit / (Loss) before Tax, Depreciation / Amortization	(5.21)	(2.57)
Depreciation	0.70	0.76
Profit / (Loss) before Tax	(5.91)	(3.33)
Provision for Tax	Nil	Nil
Profit / (Loss) after Tax	(5.91)	(3.33)
Proposed Dividend	Nil	Nil

2. Dividend:

In view of the losses, the Board of Directors does not recommend any dividend for the year ended on 31st March 2021.

3. Reserves:

No amount is proposed to be transferred to the Reserves.

4. State of Affairs (Standalone):

As per the Orders passed by Additional Sessions Judge, Aurangabad dated 05.02.2019, 24.05.2019 and 24.10.2019 the office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad after attaching VITS Hotel had taken its possession and continued the supervision of the Hotel premises and management of day to day affairs of the said hotel operations.

In the last week of March 2020 (23rd March 2020) there was lockdown announced due to COVID-19 pandemic. The guests' bookings were cancelled, and no fresh bookings were taken till 31st July 2020. Subsequently, as per the order of SDO dated 05.05.2020, the hotel was announced as COVID Centre for the stay of doctors / medical officers till February 2021. Accordingly, during the year under review, the turnover of the Company in respect of accommodation and food & beverages has substantially gone down as compared to the previous year.

The operating margins were under pressure due to fix operating costs especially power and employee benefit cost. As a result, the Company could not register profit.

Finance

The shortage of finance continues to be the major challenge before the Company. The parent company was not able to extend its helping hand due to its own problems.

Due to the NPA status, all the sources of raising further finance are blocked. The Promoters are doing whatever is possible in their individual capacity to remedy the situation.

The Company somehow managed its working capital needs through internal resources.

Current Year Prospects

The lockdown has had an unfortunate impact on the hospitality sector where the occupancy levels have taken a major hit and are at an alarming all-time low, resulting in some hotel having to either shut operations or run with very limited facilities. Almost 53% of the total leading hotel operators have shut down more than 80% of their inventory during the nation-wide lockdown period. The COVID-19 pandemic has brought the world to a standstill, with the hospitality, travel and tourism sector being the most affected due to travel restrictions across the world and within India.

Being one of the high contact sectors, hospitality has been one of the first and worst-hit sectors due to the pandemic, and the second wave has only added to their woes as it has come at a time when the industry was on its path to recovery. Majority of hotel operators expect that it will take 13 to 24 months for their hotels to return to revenue per available room (RevPAR) levels of last year. Luxury hotel operators are expected to ramp up much slower with some expecting that their portfolio may take more than 2 years to reach 2019 performance levels, the survey said. However, with the slowdown of hotel developments, capital assistance is needed to help hotels to sustain until demand returns.

The tourism and hospitality sectors were first to be affected by COVID-19 and probable will be the last to come out of this.

The chances of improvement in financial situation during the year look dim.

5. Change(s) in the nature of business, if any:

There is no change in the nature of business of the Company.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

Nil. No such material changes and commitments have occurred.

7. Details of significant and material orders passed by the regulators / courts / tribunals impacting the going concern status and the Company's operations in future:

The Court of District and Session Judge, Aurangabad had passed an order for attachment and sale of the property / assets of the Company under Maharashtra Protection of Interest of Depositors (In Financial Establishment) Act, 1999 (MPID Act).

The Company had filed Petitions for Special Leave to Appeal in Supreme Court of India, Delhi, against the order passed by the Aurangabad High Court and the Hon'ble High Court, Mumbai for attachment and sale of the property / assets of the Company under MPID Act, to challenge the said orders. The Petitions were called on for hearing on 30th November 2018. Upon hearing, the Hon'ble Court passed the order of dismissal of the Special Leave Petitions.

Accordingly, the office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad had taken possession of the Hotel premises and attached / debit – freeze the bank accounts of the Company and had put the property / commercial building of the Company i.e. Hotel Vits, CTS No. 18349/1-2-3, Vedant Nagar, Near Goldy Cinema, Railway Station Road, Aurangabad for e-Auction in the months of February and March 2019. However, the said e-Auction is not yet taken place.

As per the Orders passed by Additional Sessions Judge, Aurangabad dated 05.02.2019, 24.05.2019 and 24.10.2019, the Competent Authority (MPID Act), Aurangabad, after attaching VITS Hotel, continued the supervision of the Hotel premises and management of day-to-day affairs of the said hotel operations. The Competent Authority has formed a committee for the supervision of the Hotel premises through the staff of the Hotel. The Competent Authority has opened a separate bank account to manage the day-to-day financial operations of the Company.

Further, the Court has directed the Competent Authority to deposit the amount lying in its bank account in the Court and to deposit the income of the VITS Hotel in the Court every fortnight along with the account statements and to make payments to the applicants of the case out of the amount deposited in Court. Accordingly, the Competent Authority has deposited / transferred certain amount to the account head 'Additional Session Judge Aurangabad'. The Company has not received any intimation from the court authority till date about any payments made under MPID Act to the applicants. The Company has been running the hotel under an arrangement with Vitizen Hotels Ltd. (VHL) to whom management and other charges are payable. The Sessions Court, Aurangabad, under the ongoing MPID case, vide its further Order dated 17th March 2021 had appointed an independent auditor to examine the books of the Company. The Court ordered VHL to deposit an amount of Rs. 41.00 lakhs with the Competent Authority. Against this, VHL has deposited an amount of Rs. 32.52 lakhs which has been included in amount with 'Additional Session Judge Aurangabad' Further, the VHL is directed to deposit a certain amount on or before 10th of every month w.e.f. April 2021 till further order. The Court also ordered Competent Authority to initiate the process of auction sale of attached property within a period of 6 weeks from the order date on the price reserved earlier. However, the auction is not yet concluded.

8. Statement in respect of adequacy of internal financial controls with reference to the Financial Statements:

Internal Financial controls are adequate and operating effectively commensurate with the size, nature of operations of the Company.

The separate report of the Auditors about the existence of internal financial controls system and its operations is attached to the Auditor's Report as an Annexure A to the Auditor's Report.

Explanation to Auditor's comment on Internal Financial Controls:

The management has noted the discrepancies pointed out by the Auditor and is taking steps to strengthen the controls in those areas.

9. Details of Subsidiary / Associate Companies / Joint Ventures:

Nil. The Company has no Subsidiary / Associate / Joint Venture.

10. Performance and financial position of each of the subsidiaries included in the consolidated financial statement:

Not Applicable.

11. Particulars of loans / advances / guarantees / investments outstanding during the financial year:

The particulars of loans / advances / guarantees / investments covered under Sections 185 and 186 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the notes to the financial statements provided in the Annual Report.

12. Deposits:

The Company has not accepted deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the rules framed there under. The Company has not taken any loans or advance from directors during the year.

13. Auditors:

Statutory Auditors

M/s. Shashank Patki & Associates, Firm of Chartered Accountants, Pune having Firm Registration No. 122054W, were appointed as Statutory Auditors of the Company in the 30th Annual General Meeting held on 30th September 2016 to hold office upto the conclusion of 35th Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the rules made thereunder, a listed entity can appoint an Audit Firm as Statutory Auditors for two terms of 5 (Five) consecutive years. However, the same Audit Firm shall not be re-appointed after completion of both terms. The first term of M/s. Shashank Patki &

Associates would be completed at the conclusion of the ensuing Annual General Meeting.

Based on the recommendation of Audit Committee, the Board of Directors further recommended to re-appoint the aforesaid Audit Firm as Statutory Auditors of the Company for another term of 5 (Five) consecutive years i.e. upto the conclusion of 40th Annual General Meeting subject to the compliance of applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received Consent letter and Eligibility Certificate from the said Audit Firm in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

Secretarial Auditor

Ms. Sanjana Hinge, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2020 – 2021, as required under Section 204 of the Companies Act, 2013 and rules made there under. The Secretarial Audit Report for the financial year 2020 – 2021 in Form MR-3 is attached as Annexure 1 to the Directors' Report.

14. Explanations or comments on qualification, reservation or adverse remark or disclaimer in Auditor's Report:

The Audit Report contains certain observations and we offer our comments in this regard as under:

- a. *Auditors Comment: As mentioned in note no. 1 of Note – 22 B, the accounts have been compiled on the basis of the records and documents available with the Company due to seizure of records and documents by various authorities on various occasions. The impact on accounts (financial as well as disclosure) due to such non-availability of the records is not ascertainable.*

There will be no significant impact on accounts (financial as well as disclosure) of the Company.

- b. *Auditors Comment: During last year, in the last week of March 2020 (23rd March 2020), there was lockdown announced due to Covid-19. Further vide the order of SDO dated 05.05.2020 the hotel has been declared as a Covid centre for the stay of doctors, as per the order of session judge. The hotel was occupied for the doctors stay till February 2021. This created an impact on the operations of the concern; financial implication of the same is not ascertainable.*

There will be no significant impact on accounts (financial as well as disclosure) of the Company.

- c. *Auditors Comment: As mentioned hereinabove, a lockdown was announced w.e.f. 23rd March 2020 throughout the State of Maharashtra, and the same was reimposed again in April 2021. Due to the restriction on inter-district movements, we could not visit the Place of business at Aurangabad. We have carried out our audit on the basis of the accounts maintained in the system and scanned copies*

of various records and documents submitted to us. As far as the bills, vouchers and documents pertaining to the business place at Aurangabad are concerned, we have been constrained to keep reliance on the internal audit reports and stock verification reports submitted by an independent firm of Chartered Accountants appointed as Internal Auditors of the Company. Our audit and certification is subject to the non-availability of these records also.

The Auditors remarks are self-explanatory.

- d. *Auditors Comment: As mentioned in foot note no. 1 of Note no. 1 and foot note no. 2 of Note no. 8, pending conveyance of land at Nande, pending payment of stamp duty applicable to scheme of arrangement & amalgamation sanctioned by Hon'ble Bombay High Court vide their judgment dated 16th July 2009 and pending legal formalities of allotment of shares (the subject matter of the aforesaid scheme), accounting has been done of Fixed Assets (Land) of Rs. 1,59,65,999.74, Issued, Subscribed and Paid up Share Capital of Rs. 17,96,254.00, Share Premium of Rs. 1,06,69,748.76 and Current Liabilities (Amount payable to Dr. Laxman V. Kulkarni) of Rs. 34,99,996.98. Pending completion of all legal formalities, the respective amounts on the aforesaid accounts are overstated to that extent.*

The Company has acquired land at Nande from Dr. Laxman V. Kulkarni pursuant to the Scheme of Amalgamation approved by the High Court. As per the Scheme, the Company was required to allot 17,96,254 Equity Shares and pay Rs. 34,99,996.98, additionally, as a consideration for the said land to Dr. Kulkarni, by executing separate Conveyance Deed. However, the management was advised that the allotment is required to be made before the execution of the Conveyance Deed. Accordingly, in good faith the Board allotted the necessary shares to Dr. Kulkarni and prepared the deed for registration. However, Dr. Kulkarni, expressed his desire for upward revision of the total consideration, as the prices of the land have gone up considerably since 01.04.2008 i.e. the appointed date and the market price of the equity shares of the Company have not appreciated in line with the same. Due to this, the conveyance deed with Dr. Laxman V. Kulkarni is not yet done. The management is exploring ways and means to sort out the issue and hopes that the same will be resolved amicably. However, until the financial difficulties are resolved, a solution to this issue appears remote. After settlement of the issue and completion of all legal formalities, the aforesaid amounts accounted for under Fixed Assets, Share Capital, Share Premium will stand confirmed.

- e. *Auditors Comment: In the absence of the records, the nature of Capital Work in Progress (pending since long), as mentioned in foot note no. 3 of Note no. 1, could not be ascertained. As such the probable accounting thereof, capital or revenue, is pending. Further, the impairment of Assets (including Capital Work in Progress), if any, as per the requirements of Ind AS 36 has not been ascertained, and as such, the consequent financial impact on accounts is not ascertainable.*

The management believes that there will be no significant impact on accounts (financial as well as disclosure) of the Company. Till the underlying asset is put to use the amount will stay under Capital work in progress.

- f. *Auditors Comment: Details and supporting documents of the amount of Rs. 3,91,00,000/- paid as Advance to Dr. Laxman V. Kulkarni (Foot note 2 of Note no. 4) are not available with the Company. As such, we are unable to express our opinion on the genuineness of the payment, recoverability thereof and correctness of the accounting treatment. Financial impact on accounts is not ascertainable.*

The Company has acquired land at Nande from Dr. Laxman V. Kulkarni pursuant to the Scheme of Amalgamation approved by the High Court. As per the Scheme, the Company was required to allot 17,96,254 Equity Shares and pay Rs. 34,99,996.98, additionally, as a consideration for the said land to Dr. Kulkarni, by executing separate Conveyance Deed. However, Dr. Kulkarni, expressed his desire for upward revision of the total consideration, as the prices of the land have gone up considerably since 01.04.2008 i.e. the appointed date and the market price of the equity shares of the Company have not appreciated in line with the same. The Company has paid Rs.3,91,00,000/- to Dr. Kulkarni as Advance against the said land. However, due to financial difficulties, the Company is not able to pay the balance amount as desired by Dr. Kulkarni. Due to this, the conveyance deed with Dr. Laxman V. Kulkarni is not yet done. The management is exploring ways and means to sort out the issue and hopes that the same will be resolved amicably. However, until the financial difficulties are resolved, a solution to this issue appears remote. After settlement of the issue, the amount of Rs. 3,91,00,000/- will be added to the Fixed Assets under Land.

- g. *Auditors Comment: As mentioned in foot note no. 6 of Note No. 7, Balances with Banks in current account include as amount of Rs. 179,75,000/- kept in bank account in the individual name of a director. As informed to us, this amount has been kept in No Lien Account as part of the negotiation with a lender bank for One Time Settlement. Further, this account is subject to confirmation, reconciliation and consequential adjustments, if any. Financial impact on accounts is not ascertainable. The Company has assured us that no such other bank account (other than those recorded in the books of the Company) has been opened by the Company, on which reliance has been placed.*

The Company has received a proposal from Bank of Maharashtra to avail the "MAHA MUKTI YOJANA" Scheme introduced by it for One Time Settlement (OTS) of outstanding dues of the Company. A No Lien Account was opened in the name of Director of the Company and the amount of Rs. 1,79,75,000/- was deposited in the said account as a part of the negotiation with a lender bank. After finalization of OTS proposal, this amount of Rs. 1,79,75,000/- will be adjusted by the Bank against its dues. As a result, the amount will be reduced from Current assets and Current liabilities.

- h. *Auditors Comment: As mentioned in foot note no. f of Note No. 22B, the outstanding balances of sundry creditors, sundry debtors, and advances (taken or given), bank current accounts (as specified in foot note 8 and 9 of Note 7), bank deposit accounts, all loan/overdraft accounts are subject to confirmation, reconciliation and consequential adjustments if any. Financial impact on accounts is not ascertainable.*

The management believes that there will be no significant impact on accounts (financial as well as disclosure) of the Company.

- i. *Auditors Comment: As mentioned in various notes, no provision has been made for interest on Sales Tax Deferment and interest / penalties for non-payment / late payment of statutory dues and for non-compliance of legal formalities under different statutes and laws, interest payable to MSME creditors etc., if any. The amount is not ascertainable. Financial impact on accounts is not ascertainable.*

Phoenix ARC Pvt. Ltd. / Saraswat Co.-Op. Bank Ltd. are not providing the statement of dues / interest / penal interest / other charges, if any. Hence, the Company has provided in its books as per the contractual rate of interest. As far as Sales Tax demand is concerned, the Company has provided as per the Assessment Order. The penal interest / penalties for late payment of statutory dues, non-compliance of legal formalities etc. are not provided for due to financial difficulties. The management is unable to estimate the impact of audit qualification.

- j. *Auditors Comment: As mentioned in Note No. 16 and 20, in the absence of details, the interest on borrowings and on bank deposits has been accounted for at contractual rates. Financial impact on accounts is not ascertainable.*

Phoenix ARC Pvt. Ltd. / Saraswat Co.-Op. Bank Ltd. are not providing the statement of dues / interest / penal interest / other charges, if any. Hence, the Company has provided in its books as per the contractual rate of interest. The penal interest / penalties are not provided for due to financial difficulties. The management is unable to estimate the impact of audit qualification.

- k. *Auditors Comment: The company's gross investments in equity shares of the then three subsidiary companies of Rs. 883.13 lakhs were sold during the Financial Year 2017-18 for an amount of Rs. 0.48 lakh only. The value of these investments was diminished progressively by charging to profit and loss accounts for the years from 2014-15 to 2017-18. We have not examined the propriety of this sale, which was based on the management's assessment on the recoverability of these financial assets and of the consequent loss.*

These the then three subsidiary companies are non-operational. Their net-worth is completely eroded. They did not contribute anything to the Company but added the work of consolidation. The Company is not in a position to infuse funds in these companies for their revival. The management has chopped of some dead wood from its Balance Sheet.

- l. *Auditors Comment: The Company has not obtained confirmations from debtors and other parties for the amount due from them. Further, in the absence of the records, seized by various authorities at various points of time, the recoverability of these amounts could not be ascertained. The company has written off / provided for the credit loss and non-recoverability of debtors, based on its own assessment. However, the company has not applied any scientific / verifiable basis for arriving at such write off or provision for doubtful of recovery.*

All the outstanding balances of debtors are from ordinary course business activity of the Company. Due to Covid 19 pandemic most of the offices of concern parties are still closed or doing their work from home and unable to provide confirmation of balances.

The Company has identified debtors of which the balances standing with them was old outstanding and could not be recovered in spite of putting continuous efforts in appropriate manner or some of are not in exist in their business. Finally, it has been decided to written off such amount in the books of accounts. The Company has identified such debtors and made provision thereof for doubtful recovery which is having some disputes and possibility that amount may not be recovered from them.

- m. *Auditors Comment: In the earlier years, an advance was paid to a Director (outstanding balance as on 31st March, 2020 – Rs. 3,01,44,128/- swapped in the name of Dhanada Holding Pvt. Ltd. in earlier year and again transferred during the year in the name of the director) which was in contravention of Section 185 of the Companies Act, 2013. As mentioned in note no. 'j' of Note no. 22 B, the director has cleared this advance by bringing in money from his own business activity at various times in the current year.*

In the absence of any supporting documentary evidence, we are constrained to rely on the declaration of the Director that the said amount has been brought in from his own business activity.

Out of such money brought in by the director, the cheques amounting to Rs. 2,59,04,128/- were lying with the company as at the Balance Sheet date. They are reflected as Cheques on Hand as at 31st March, 2021. However, the amounts have actually been credited in the bank account in the months of April and May 2021. Further, pay-in-slips for these credits have not been produced for our verification. Though there are actual credits in the bank statements in the ensuing months, we are unable to ascertain whether really these were the cheques on hand as at 31st March, 2021.

Further, any interest, fines and penalties for contravention of the provisions of Section 185 & 186 (for a small intervening period) of the Companies Act, 2013, if any, is not ascertainable. Impact on accounts is not ascertainable.

The Auditor's Comment is self explanatory. The director has cleared the advance by bringing in money from his own business activity at various times in the current year. The Company has deposited Cheques on Hand as at 31st March 2021, received from a director, in its bank account by putting account number and other details on the back of the cheques as instructed by the bank and dropped them in the drop box. The Company has not received any pay-in-slips from the bank. The amounts credited in the bank accounts in the month of April and May 2021 are against the clearance of the said cheque numbers only. The necessary entries are appearing in the bank statement. There will be no significant impact on accounts (financial as well as disclosure) of the Company.

- n. *Auditors Comment: As mentioned in Foot note 4 of Note no. 6, the company has been running the hotel under an arrangement with Vitizen Hotels Ltd. (VHL) to whom Management and other charges are payable. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VHL to deposit an amount of Rs. 41.00 lakhs with the Competent Authority. Against this, VHL has deposited an amount of Rs. 32.52 lakhs which has been included in amount with 'additional session judge Aurangabad'. Management and other charges in respect of revenue from the Doctors stay at Hotel during pandemic have not been accounted for pending discussion with VHL. VHL has now submitted their account statement which is in the process of reconciliation. In view of the foregoing, the account of VHL is subject to confirmation, reconciliation and consequential adjustments, if any. Impact on accounts is not ascertainable.*

The Auditor's Comment is self explanatory. The management believes that there will be no significant impact on accounts (financial as well as disclosure) of the Company.

- o. *Auditors Comment: As mentioned in Foot note 9 of Note 4, An amount of Rs.96.42 lakhs (Previous Year Rs. 63.90 lakhs) has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2021, pursuant to an order dated 24.05.2019 and 17-03-2021, passed by the Sessions Judge under MPID Act. The balance is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payment to the applicants of the said case under MPID Act, out of this amount deposited in the Court. The Company has not received any intimation from the Court Authority till date about any payments made under MPID Act to the applicants. Pending such intimation, the amount is shown as advance in the name of Spl. Judge, MPID Aurangabad. As informed to us, on receiving the official intimation, appropriate accounting would be done. Impact on accounts is not ascertainable.*

The Auditor's Comment is self explanatory. The management is unable to estimate the impact of audit qualification.

- p. *Auditors Comment: Statutory dues*

The default made in payment of certain statutory dues is due to financial difficulties. Management is unable to estimate the financial impact of the same.

Rest of the Auditor's observations / comments are either self-explanatory or are dealt with / replied earlier in this report.

15. Explanations or comments on qualification, reservation or adverse remark or disclaimer in Secretarial Audit Report:

The Secretarial Audit Report contains certain observations and we offer our comments in this regard as under:

1. *An amount of Rs. 3,01,44,128/- is advanced to the Managing Director and*

execution of Tri-partite Financial Liability Takeover Agreement in contravention of the provisions of Section 185 of the Companies Act, 2013.

The Auditor's comment is self explanatory. The Managing Director has repaid / cleared the entire outstanding amount / advance as at 31st March 2021 receivable from him to the Company.

2. *Non – publishing of notices etc. in the newspapers regarding availability of electronic voting facility, cut-off date etc. required u/s 108 of the Act and rule 20 of Companies (Management & Administration) Rules, 2014 read with Secretarial Standards.*

Due to financial difficulties, the Company did not publish notices etc. in the newspapers.

3. *Non – publishing of book closure notice in the newspapers and also not submitted the same to BSE.*

Due to financial difficulties, the Company did not publish notice in the newspapers. Also, non – submission of book closure notice to BSE was due to oversight.

4. *Non – filing of Form PAS – 3 (earlier Form-2) for allotment of Equity shares made on 30th April 2010.*

In respect of allotment of Equity shares against consideration other than cash, the Company has to file stamped document with the Registrar of Companies along with Form PAS – 3 (earlier Form 2) i.e. Return of Allotment. Due to the pendency of payment of stamp duty on High Court Order dated 16th July 2009, the Company is not able to file the said form with the Registrar of Companies in respect of Equity Shares allotted to Dr. Laxman V. Kulkarni.

5. *Discrepancies in the issued share capital and listed share capital.*

Due to technical issues and financial difficulties, some formalities in respect of issue of shares made under the Scheme of Arrangement and Amalgamation are not yet completed; hence those shares and the shares further issued by the Company through private placement are yet to be listed. The Company would like to resolve the issue. However, until the financial difficulties are resolved, a solution to this issue appears remote.

6. *Non – submission of Certificate under regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarters ended on 31.03.2020, 30.06.2020, 30.09.2020 and 31.12.2020.*

The non – submission was due to oversight.

7. *Non – submission of disclosures under regulation 29(2) of SEBI (SAST) Regulations, 2011 for changes made in shareholding of promoters during the period from 01.04.2019 to 31.03.2021.*

The non – submission was due to oversight / COVID-19 situations. The management is in the process of submission of the said pending disclosures.

8. *Delay in submission of disclosures under regulation 29(2) of SEBI (SAST) Regulations, 2011 for changes made in shareholding of one of the promoters during the month of March 2021.*

The delay was due to some technical issues.

9. *The promoters of the Company had sold certain shares / did trading in the securities of the Company when trading window was closed pursuant to SEBI (PIT) Regulations, 2015.*

As lockdown announced by the Government due to COVID-19 pandemic, the office and Hotel VITS situated at Aurangabad was closed and not generating any revenue. Further, due to financial crises, the Company was not in a position to pay salary of its employees / staff and certain immediate statutory dues. Considering the urgent requirement of funds and in the best interest of and for the benefit of the Subsidiary Company and its employees / staff, the promoters sold certain shareholding. The transactions were placed for urgent necessities and after pre-clearance / approval obtained from the Compliance Officer. Further, at the time of execution of trade, promoters were not in possession of any such unpublished price sensitive information.

10. *Non – submission of disclosures under regulation 7(2) of SEBI (PIT) Regulations, 2015 for changes made in shareholding of promoters during the period from 01.04.2019 to 31.12.2020.*

The non – submission was due to oversight / COVID-19 situations. The management is in the process of submission of the said pending disclosures.

11. *Delay in submission of disclosures under regulation 7(2) of SEBI (PIT) Regulations, 2015 for changes made in shareholding of promoters during the month of March 2021.*

The delay was due to some technical issues.

12. *There was no qualified Company Secretary as Compliance Officer during the period 07.12.2020 to 08.04.2021 pursuant to regulation 6 of SEBI (LODR) Regulations, 2015.*

The previous Company Secretary had resigned w.e.f. 07.12.2020. The vacancy was filled by the Company in the Board Meeting held on 09.04.2021. The said non – compliance is rectified now.

13. *Delay in payment of Annual Listing Fees (ALF) to the Bombay Stock Exchange Limited pursuant to regulation 14 of SEBI (LODR) Regulations, 2015.*

Due to financial difficulties, the delay was made in payment of Annual Listing

Fees (ALF) to the Bombay Stock Exchange Limited.

14. *Delay in submission of disclosures of related party transactions for the half year period ended on 31.03.2020 and 30.09.2020 pursuant to regulation 23(9) of SEBI (LODR) Regulations, 2015.*

The delay was due to COVID-19 situations / oversight.

15. *Delay in submission of disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarter ended on 31.03.2020 pursuant to regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019.*

As lockdown announced by the Government due to COVID-19 pandemic, the office was closed. Hence, the management was not able to collect the necessary information / figures required for such disclosure within the prescribed time limit. However, the said disclosure was submitted later on 20.08.2020.

16. *Non – submission of disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarters ended on 30.06.2020, 30.09.2020 and 31.12.2020 that are required to be submitted within 7 days of the end of the quarter pursuant to regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019.*

The non – submission was due to oversight.

17. *Hundred percent of shareholding of promoters and promoters group is not in dematerialized form.*

Due to technical issues, some formalities in respect of 29,00,879 Equity shares issued under the Scheme of Arrangement and Amalgamation to promoter are not yet completed; hence those shares and 54,17,000 Equity shares further issued by the Company through private placement to promoter are yet to be listed. As the allottee cannot dematerialize the securities issued to him before listing of the same on the relevant stock exchange, the 83,17,879 Equity shares held by the promoter(s) / promoter group are in physical form. The Company would like to resolve the issue. However, until the financial difficulties are resolved, a solution to this issue appears remote.

18. *Delay in submission of audited annual and quarterly financial results for the year ended 31.03.2020 along with Statement on Impact of Audit Qualifications pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.*

Inadvertently, the Statement on Impact of Audit Qualifications was not submitted along with the results. The said non – compliance was rectified by it later on.

19. *The financial results in respect of the last quarter along-with the results for the entire financial year ended on 31.03.2020 submitted by the Company did not contain a note that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date*

figures upto the third quarter of the current financial year pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.

The non – compliance was due to oversight.

20. *Delay in serving of / submission of Annual Report for the year ended on 31.03.2020 along with the Notice of Annual General Meeting and other attachments thereto. The said notice and documents were served / submitted at a shorter period.*

The delay was due to some technical issues.

21. *Dealings with unclaimed shares.*

The Auditor's comment is self explanatory. The management has started the process of compliance with the same.

22. *Non – publishing notices etc. in the newspapers as required under Listing Regulations.*

The Company has submitted notices, quarterly unaudited financial results and audited financial statements etc. required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Bombay Stock Exchange Ltd. within the prescribed time and the same were also made available on the website of the Company. However, due to financial difficulties, the Company did not publish notices, results and statements etc. in the newspapers.

23. *Non – payment of fine to BSE for non – submission / late submission of disclosures / documents required under regulations 23(9) and 34 of SEBI (LODR) Regulations, 2015.*

Due to financial difficulties the Company is not in a position to pay the amount of fine. The management will request BSE to waive the fine amount.

24. *Non – submission of disclosure / undertaking for Large Corporate Entities for the year ended on 31.03.2020 as required under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018.*

The non – submission of undertaking was due to oversight. Further, the Company is not falling under the criteria of Large Corporate Entities. Hence, the Company was not required to submit any disclosure to the exchange under SEBI Circular.

25. *Complaints against Chairman, Directors and the Company*

The complaints and cases are still pending in the respective court/s. The Chairman and the Directors are not yet convicted.

Rest of the Secretarial Auditor's observations / comments are self-explanatory or dealt with / replied earlier in this Report.

16. Share Capital:

There were no changes in the share capital during the year under review.

17. Extract of the Annual Return:

Pursuant to the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company in Form No. MGT-7 filed with the Registrar of Companies, Pune for the F.Y. 2019 – 20 is available on the website of the Company. The web link thereto is http://www.dhanadacorp.com/pdf/Form_MGT-7_310320.pdf. As the ensuing Annual General Meeting of the Company is proposed to be held on 30th September 2021, the Company shall upload a copy of Annual Return for the F.Y. 2020 – 21 on its website as soon as it has been filed with the Registrar of Companies, Pune.

18. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The Company through constant monitoring, selection of energy saving equipments and education of staff and guests endeavors to conserve and optimize the use of energy.

The Company does not undertake any research and development activity neither does it use any imported technology.

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Nil

19. Corporate Social Responsibility (CSR):

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

20. Directors:**Change in Directors and Key Managerial Personnel (KMP)**

Mr. Ramesh R. Havele (DIN 00007580), was re-appointed as a Managing Director of the Company w.e.f. 25th October 2020 for a further period of 5 (Five) years.

Mrs. Smita A. Mishra, Company Secretary and Compliance Officer of the Company resigned w.e.f. 7th December 2020. The Company has appointed Ms. Parul Rathore as Company Secretary and Compliance Officer of the Company w.e.f. 9th April 2021.

Appointments

Mrs. Veena R. Havele (DIN 00007593), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment at the ensuing Annual General Meeting.

Mr. Dilip A. Prabhune (DIN 01779383), was appointed as a Non – Executive Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f. 30th September

2016. Pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 read with the rules made thereunder and regulation 25(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director shall hold office for a term up to 5 (Five) consecutive years on the Board of the Company. However, the Company by passing a special resolution can re-appoint him for a further term of 5 (Five) consecutive years. However, Independent Director shall not hold office for more than two consecutive terms.

The first term of 5 (Five) consecutive years of Mr. Dilip A. Prabhune (DIN 01779383) would be completed on 29th September 2021. Based on the recommendation of Audit Committee and Nomination and Remuneration Committee, the Board recommends to re-appoint him as an Independent Director for another term of 5 consecutive years w.e.f. 30th September 2021. The Company has received consent letters and necessary declarations from him.

Statement on declaration given by Independent Directors

The Company has received necessary declaration from Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Relationship between directors inter-se

Mr. Ramesh R. Havele (DIN 00007580) and Mrs. Veena R. Havele (DIN 00007593) are related to each other as husband and wife.

Formal Annual Evaluation

The evaluation of the Board and its committees, evaluation of performance of individual directors and independent directors in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV and other applicable provisions of the Companies Act, 2013 was conducted based on the criteria such as the Board composition and structures, effectiveness of board processes, information and functioning, contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The performance of independent directors was evaluated by the entire Board of Directors.

Details of familiarisation programmes of Independent Directors

The Company has a policy to keep the Independent Directors informed and updated about the business and the operations of the Company, on a continuous / as needed basis. In order to familiarise the Independent Directors with the Company and to inform them about their roles, rights and responsibilities, the Company conducts the orientation programs for them. The Company conducts an induction program for every new Independent Director joining the Company's Board covering the organization structure,

Company's business and its group companies.

The Company issues detailed letter of appointment to the Independent Directors detailing their roles and duties to be performed as an Independent Director on the Board of the Company.

The details of familiarisation programmes are available on the website of the Company. The web link thereto is <http://www.dhanadacorp.com/pdf/Details%20of%20Familiarisation%20programme%20for%20IDs.pdf>

21. Number of meetings of Board of Directors:

During the financial year 2020 – 2021, the Board of Directors met 6 (Six) times on 30th July 2020, 17th August 2020, 25th August 2020, 24th October 2020, 11th November 2020 and 14th February 2021 and all the directors were present at the meeting.

22. Audit Committee:

The Company has in place duly constituted Audit Committee. The Audit Committee consists of three members i.e. Mr. Dilip A. Prabhune (DIN 01779383), Chairman of the Committee and Mr. Shreeniwas G. Kale (DIN 00150957) and Mrs. Veena R. Havele (DIN 00007593).

All recommendations made by the Committee during the year were accepted by the Board.

23. Stakeholders Relationship Committee:

The Company has in place duly constituted Stakeholders Relationship Committee. The Committee consists of three members i.e. Mr. Shreeniwas G. Kale (DIN 00150957), Chairman of the Committee and Mrs. Veena R. Havele (DIN 00007593) and Mr. Dilip A. Prabhune (DIN 01779383).

The Committee reviews and ensures redressal of investor grievances. There were no investor complaints received during the year.

24. Nomination and Remuneration Committee:

The Company has in place duly constituted Nomination and Remuneration Committee. The Committee consists of three members i.e. Mr. Shreeniwas G. Kale (DIN 00150957), Chairman of the Committee and Mrs. Veena R. Havele (DIN 00007593) and Mr. Dilip A. Prabhune (DIN 01779383).

The Committee has formulated policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees including criteria for determining qualifications, positive attributes and independence of director, performance evaluation and other matters in compliance with Section 178 of the Companies Act, 2013 read with rules made there under and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

The said policy is also available on the website of the Company. A web link thereto is <http://www.dhanadacorp.com/pdf/Nomination%20and%20Remuneration%20Policy.pdf>.

The Committee operates as per the policy adopted by the Board. All recommendations made by the Committee were accepted by the Board.

25. Details of establishment of vigil mechanism for directors and employees:

The Company has established Whistle Blower / Vigil Mechanism Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics. The said policy is also available on the website of the Company. A web link thereto is <http://www.dhanadacorp.com/pdf/Vigil%20Mechanism%20Policy.pdf>

26. Particulars of contracts or arrangements with related parties:

The Company has not entered in any contract or transaction with related parties during the year under review as referred to in Section 188 of the Companies Act, 2013.

The Company has formulated policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions in compliance with SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

The said policy is available on the website of the Company. A web link thereto is <http://www.dhanadacorp.com/pdf/Related-Party-Transactions-Policy-Amended.pdf>

27. Managerial Remuneration:

No director draws any remuneration from the Company.

Remuneration of Key Managerial Personnel (KMP)

Name of KMP	Designation	Remuneration in 2020 – 21 (Rs.)	Remuneration in 2019 – 20 (Rs.)	% Increase of remuneration
Mr. Ramesh Pradhan	Chief Financial Officer	5,73,048	5,82,644	-1.65
Mrs. Smita Mishra*	Company Secretary	2,74,107	3,95,044	1.71**

*Resigned w.e.f. 7th December 2020.

**Computed on the basis of proportionate salary for FY 2019-20.

Median Remuneration of Employees (MRE) was Rs. 13,535/- and Rs. 12,950/- in the financial year 2020-21 and 2019-20 respectively. The increase in MRE in the financial year 2020-21, as compared to financial year 2019-20 is 4.52%.

The number of permanent employees on the rolls of the Company as on 31.03.2021 and 31.03.2020 are 42 and 38 respectively.

The revenue of the Company has declined by 68.35%. The Company has suffered losses. The remuneration of the employees has declined by 30.60%.

The closing price of the Company's equity shares on BSE as of 31.03.2021 was Rs.6.68 representing 33.20% decrease over IPO price.

It is affirmed that the remuneration of employees and KMPs is as per the remuneration policy of the Company.

A statement showing information of the top ten employees of the Company in terms of remuneration drawn is attached as Annexure 2 to the Directors Report. Further, no employee of the Company is receiving remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. Risk Management Policy:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board of Directors has also framed Risk Management Policy / Plan. The said policy is available on the website of the Company. A web link thereto is <http://www.dhanadacorp.com/pdf/Risk%20Management%20Policy.pdf>

29. Corporate Governance and Management Discussion and Analysis Report:

The Company is committed to achieve business excellence and stakeholders' welfare through good corporate governance and adhere to the corporate governance requirements set out by SEBI. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report and Report on Corporate Governance along with Certificate of Compliance from Auditors are annexed and form part of the Directors' Report.

30. Directors' Responsibility Statement:

The Directors of the Company hereby state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review the Internal Complaints Committee has not received any complaint.

32. Maintenance of Cost Records:

The Company is not required to maintain cost records pursuant to Section 148(1) of the Companies Act, 2013 read with rules made thereunder. Hence, no such accounts and records maintained.

33. Compliance with Secretarial Standard

Your directors confirm that the Secretarial Standards issued by the Institute of Companies Secretaries of India, as applicable to the Company, have been duly complied with.

34. Investor Education and Protection Fund (IEPF)

There were no funds which required to be transferred to Investor Education and Protection Fund (IEPF).

35. General Information:

In the last week of March 2020 (23rd March 2020) there was lockdown announced by Central Government due to COVID-19 pandemic. The guests' bookings were cancelled, and no fresh bookings were taken till 31st July 2020. Subsequently, as per the order of SDO dated 05.05.2020, the hotel was announced as COVID centre for the stay of doctors / medical officers till February 2021.

In case of future revenue flows, COVID-19 has hit our future business very hard. Many confirmed bookings especially international travelers have been cancelled due to ban on flights and other strict SOPs of COVID-19 by respective governments. Even domestic corporate guests have been reduced to large extent due to lockdowns as well as encouragement for work from solutions by respective corporate. In order to

promote room sales, we are promoting various travel friendly solutions like staycation and quarantine packages for guests with added facilities to attract guest and client.

As a result of COVID 19, even the contracted companies are now negotiating for lower tariff in order to give further business. The Company offered them very competitive tariff along with enhanced facilities so that companies continue to have business relations with the Company.

36. Acknowledgements:

The Directors express their sincere thanks to Dhanada Holdings Private Limited, the associate company, the Bankers, employees and stakeholders for their continued support and the faith and belief shown by them.

For and on behalf of the Board of Directors

DHANADA CORPORATION LIMITED

Ramesh R. Havele
Chairman, Managing Director & CEO
(DIN 00007580)

Veena R. Havele
Director
(DIN 00007593)

Place : Pune

Date : 14th August 2021

Annexure 1

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
DHANADA CORPORATION LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DHANADA CORPORATION LIMITED** having CIN L55101PN1986PLC133909 (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 Company's 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**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

*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 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) 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. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**SEBI Act**):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c. 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, as amended from time to time; and
 - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR) Regulations, 2015), as amended from time to time.
- v. The following laws / regulations / guidelines, though prescribed by the Government in the format of Secretarial Audit Report, **were not applicable** to the Company during the audit period under review as no event took place under these regulations during the audit period:
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - f. 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.
- vi. Other laws specifically applicable to the Company:
- a. Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011, as amended from time to time; and
 - b. Food Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011 and Food Safety and Standards (Packing & Labelling) Regulations, 2011, as amended from time to time.

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

- (i) The Secretarial Standards notified by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above *subject to the following observations*:

1. There has been occasional delay in filing certain forms with Registrar of Companies, Pune.
2. The Company had advanced various amounts to the Managing Director. As on 30th March 2020, the outstanding amount advanced to Managing Director was Rs.3,01,44,128/-. The said advance was swapped in the name of Dhanada Holdings Private Ltd. and again transferred in the name of Managing Director during the current year by mere book entry. This was in contravention of the provisions of Section 185 of the Companies Act, 2013. However, the Managing Director has repaid / cleared the entire outstanding amount / advance as at 31st March 2021 receivable from him to the Company.
3. The Company has not issued public notice in newspapers regarding availability of electronic voting facility, cut-off date etc. required u/s 108 of the Act and rule 20 of Companies (Management & Administration) Rules, 2014 read with circulars issued by MCA and SEBI for conducting of general meetings through VC / OAVM and Secretarial Standards.
4. The Company has not published book closure notice in the newspapers and also not submitted the same to BSE required u/s 91 of the Act and rules made there under read with Secretarial Standards.
5. The Company has not yet filed Form PAS – 3 (erstwhile Form-2) for allotment of Equity shares made on 30th April 2010 to Dr. Laxman V. Kulkarni against the land acquired from him pursuant to the Scheme of Arrangement and Amalgamation sanctioned by Hon'ble High Court, Bombay dated 16th July 2009.
6. There are certain discrepancies in the issued share capital and listed share capital of the Company as reported in Reconciliation of Share Capital Audit Report submitted quarterly to the Bombay Stock Exchange Limited.
7. The Certificate under regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 are not submitted for the quarters ended on 31.03.2020, 30.06.2020, 30.09.2020 and 31.12.2020.

8. The disclosures under regulation 29(2) of SEBI (SAST) Regulations, 2011 are not yet submitted for changes made in shareholding of promoters during the period from 01.04.2019 to 31.03.2021.
9. The disclosures under regulation 29(2) of SEBI (SAST) Regulations, 2011 for changes made in shareholding of one of the promoters during the month of March 2021 was not notified to BSE within the prescribed time limit.
10. The promoters of the Company had sold certain shares / did trading in the securities of the Company when trading window was closed pursuant to SEBI (PIT) Regulations, 2015.
11. The disclosures under regulation 7(2) of SEBI (PIT) Regulations, 2015 are not yet submitted for changes made in shareholding of promoters during the period from 01.04.2019 to 31.12.2020.
12. The disclosures under regulation 7(2) of SEBI (PIT) Regulations, 2015 for changes made in shareholding of promoters during the month of March 2021 was not notified to BSE within the prescribed time limit.
13. There was no qualified Company Secretary as Compliance Officer during the period 07.12.2020 to 08.04.2021 pursuant to regulation 6 of SEBI (LODR) Regulations, 2015.
14. There was a delay in payment of Annual Listing Fees (ALF) to the Bombay Stock Exchange Limited pursuant to regulation 14 of SEBI (LODR) Regulations, 2015.
15. The disclosures of related party transactions were not submitted to BSE within the prescribed time limit for the half year period ended on 31.03.2020 and 30.09.2020 pursuant to regulation 23(9) of SEBI (LODR) Regulations, 2015.
16. The disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarter ended on 31.03.2020 were not submitted to BSE within the prescribed time limit pursuant to regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019.
17. The Company has not submitted disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarters ended on 30.06.2020, 30.09.2020 and 31.12.2020 that are required to be submitted within 7 days of the end of the quarter pursuant to regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019.
18. Only 72.31% of shareholding of promoters and promoters group is in dematerialized form and not 100% as required under Regulation 31(2) of SEBI (LODR) Regulations, 2015.
19. The Company has submitted audited annual and quarterly financial results for the year ended 31.03.2020 within the prescribed time limit. However, the Statement on Impact of Audit Qualifications were not enclosed. The Company has submitted the said results again along with the Statement on Impact of Audit Qualifications later on with delay of 8 days pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.
20. The financial results in respect of the last quarter along-with the results for the entire financial year ended on 31.03.2020 submitted by the Company did not contain a note that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.
21. There was a delay in serving of / submission of Annual Report for the year ended on 31.03.2020 along with the Notice of Annual General Meeting and other attachments thereto to the shareholders, BSE and other persons / authorities pursuant to Sections 101(1) and 136 of the Companies Act, 2013 read with Secretarial Standards and regulation 34 and 36 of SEBI (LODR) Regulations, 2015. The notice and documents were not served / submitted within the prescribed time limit i.e. 21 days before the Annual General Meeting. The said notice and documents were served / submitted at a shorter period without obtaining consents from the shareholders of the Company as per the provisions of the said sections, secretarial standards and regulations.

22. The Company has received letters from BSE / Authorised person regarding furnishing of data, information and documents pertaining to compliance with regulation 39(4) and Schedule VI of SEBI (LODR) Regulations, 2015 relating to dealings with unclaimed shares.
23. The Company has not submitted notice of book closure to BSE for the Annual General Meeting held on 30.12.2020 that are required to be submitted in advance of atleast 7 working days pursuant to regulation 42(2) of SEBI (LODR) Regulations, 2015.
24. The Company has not published notices of meetings, book closure, financial results etc. in the newspapers pursuant to regulation 47 of SEBI (LODR) Regulations, 2015.
25. It is observed that certain documents, certificates, statements, results, notices etc. required to be submitted under SEBI (LODR) Regulations, 2015 and SEBI (PIT) Regulations, 2015 were submitted with BSE with some minor delay.
26. The Company has received letter / email from BSE on 08.01.2021 about payment of fine for non – submission / late submission of disclosures / documents required under regulations 23(9) and 34 of SEBI (LODR) Regulations, 2015. The fine was required to be paid within 15 days of the letter / email. The Company has not yet paid the levied fine.
27. The Company has not filed disclosure / undertaking for Large Corporate Entities for the year ended on 31.03.2020 as required under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

Majority decision of the Board of Directors is carried through and are captured and recorded as part of the minutes. There were no dissenting views.

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.

I further report that the compliance by the Company of other generally applicable laws such as financial laws as direct and indirect tax laws, labour laws, etc. and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, internal auditors and other designated professionals.

I further report that during the audit period there were no specific events / actions occurred in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. having a major bearing on the Company's affairs.

However, the following matters, though some of them have not occurred during the audit period or related to the above referred laws, can have a major bearing on the Company's affairs:

1. The Company was not able to service its bank loans which ultimately turned into NPAs. The Bankers have taken symbolic possession of the assets of the Company under SARFAESI Act and passed it over to an Asset Reconstruction Company.
2. There are civil and criminal cases filed against the directors of the Company. However, the matters are still pending with respective Court/s. The Company is an accused in one case.
3. The Company was unable to pay stamp duty on the Order passed by the High Court for sanctioning the Scheme of Arrangement and Amalgamation against the Demand Notice received from Collector of Stamps, Mumbai. The Company had received Final Notice dated 18.05.2021 from Collector of Stamps, Mumbai as per Maharashtra Land Revenue Code 1966 u/s 180 & 181 regarding execution of the warrant of distraint of movable property, attachment of immovable property or warrant of arrest under Section 179 to 184 and / or other relevant provisions of Maharashtra Land Revenue Code, 1966 if the Company fails to pay the dues within 48 hours of the notice. The Company has submitted reply to the authority against the said Demand Notice. No further action is yet initiated by the said authority as per the information received from the management.
4. On 5th November 2018, the Deputy Collector of Pune has attached / taken under his custody / sealed the properties of Mr. Ramesh Havele, Director (DIN 00007580), parent company and other group companies and certain documents / papers / data / records / Minutes / Statutory Registers etc. of the Company, parent company and other group companies under Maharashtra Protection of Interest of Depositors (In Financial Establishment) Act, 1999 (MPID).
5. On 31st December 2018, the Bank of Maharashtra, Tilak Road Branch, Pune has lodged First Information Report (FIR) / compliant to CBI, EOW, Mumbai under Section 120-B of Indian Penal Code (IPC) read with Section 420 of IPC and substantial offences thereof against the Company, its directors and others for criminal conspiracy and cheating in the matter of Term Loan availed by the Company. The charge sheet was filed in the Court. No further action is yet initiated by the said authority as per the information received from the management.
6. The Office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad had taken possession of the Hotel premises and attached / frozen the bank accounts of the Company on 3rd November 2018, pursuant to the Order passed by the Court of District and Session Judge, Aurangabad. The Competent Authority is managing the day-to-day affairs of the Company.
7. The Office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad had put the property / commercial building of the Company i.e. Hotel Vits, CTS No. 18349/1-2-3, Vedant Nagar, Near Goldy Cinema, Railway Station Road, Aurangabad for e-Auction in the months of February and March 2019, pursuant to the Order passed by the Court of District and Session Judge, Aurangabad. However, the auction is not yet concluded.
8. On 24th May 2019 and 24th October 2019, the Court of District and Session Judge, Aurangabad has passed an Order and permitted the office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad to continue the supervision of the Hotel premises and manage the day-to-day financial operations of the Company. Further, it has directed the Competent Authority to deposit the income of the VITS Hotel in the Court every fortnight along with the account statements and make payments to the applicants of the case out of the said amount. Accordingly, the Competent Authority has deposited / transferred certain amount to the account head 'Additional Session Judge Aurangabad'. The Company has not received any intimation from the court authority till date about any payments made under MPID Act to the applicants.
9. The Company has been running the hotel under an arrangement with Vitizen Hotels Ltd. (VHL) to whom management and other charges are payable. The Sessions Court, Aurangabad, under the ongoing MPID case, vide its further Order dated 17th March 2021 had appointed an

independent auditor to examine the books of the Company. The Court ordered VHL to deposit an amount of Rs. 41.00 lakhs with the Competent Authority. Against this, VHL has deposited an amount of Rs. 32.52 lakhs which has been included in amount with 'Additional Session Judge Aurangabad' Further, the VHL is directed to deposit certain amount on or before 10th of every month w.e.f. April 2021 till further order. The Court also ordered Competent Authority to initiate the process of auction sale of attached property within period of 6 weeks from order date on the price reserved earlier. However, auction is not yet concluded.

10. During the year, in the last week of March 2020 (23rd March 2020) there was lockdown announced due to COVID-19 pandemic. The guests bookings were cancelled and no fresh bookings were taken. Subsequently, as per the order of SDO dated 05.05.2020, the hotel was announced as COVID Centre for the stay of doctors / medical officers as per the order of session judge. The hotel was occupied for the doctors stay till February 2021. The management and other charges in respect of revenue from the Doctors stay at Hotel during pandemic have not been accounted for pending discussion with VIPL. The Company is yet to assess the status of collection of these stay charges from SDO.
11. In February 2020, the Company and its Directors and other officers have received Summons u/s 207(3) read with Section 206(4) of the Companies Act, 2013 from the office of Registrar of Companies, Pune directing to appear before them to give evidences and other available records and documents. Accordingly, the directors and officers of the Company appeared before the authority and submitted copies of all required documents, records and evidences. No further action is yet initiated by the said authority as per the information received from the management.
12. In October 2020, the Directors and officers of the Company have received summons from Enforcement Directorate, Ministry of Finance, Government of India, Mumbai directing to appear before them to give evidences and other available records and documents in pursuance of the investigation under the provisions of Prevention of Money Laundering Act, 2002. Accordingly, the directors and officers of the Company appeared before the authority and submitted copies of all required documents, records and evidences. No further action is yet initiated by the said authority as per the information received from the management.

Date : 14.08.2021
Place : Pune

Sanjana D. Hinge
Practicing Company Secretary
ACS – 21824 CP – 14437
UDIN – A021824C000786390

Note –

**Certain documents / papers / data / records / minutes / forms / returns / statutory registers were not made available to me for examination due to some technical or legal issues. Hence, I am not able to verify the same / original records of the Company. The report is made on the basis of the information provided by the management of the Company and subject to the said deficiency / limitations and the non-compliances, remarks, qualifications that are given in this report and the Annual Report of the Company and annexures / attachments thereto.*

***This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.*

Annexure A to Secretarial Audit Report

To,
The Members,
DHANADA CORPORATION LIMITED

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **DHANADA CORPORATION LIMITED** ('the Company') is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the evidences collected, information received and audit of the relevant records maintained and furnished to me by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed.
5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. Due to restrictions and prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company by electronic means.

Date : 14.08.2021
Place : Pune

Sanjana D. Hinge
Practicing Company Secretary
ACS – 21824 CP – 14437
UDIN – A021824C000786390

Annexure 2

Statement showing information of the top ten employees of the Company in terms of remuneration drawn

(Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Sr. No.	Name	Designation	Remuneration Per Year (in Rs.)	Qualification	Experience (in years)	Date of joining of the Company	Age (in years)	Last Employment
1	Sibaprasad B. Pasupalak	General Manager	11,10,000/-	Hotel Management	30	01-06-2008	57	President Park, Aurangabad
2	Vijaykumar Vishkarma	F & B Manager	2,42,704/-	Hotel Management	16	01-08-2019	37	Grand Hotel, Latur
3	Sarangdhar Devre	Master Chef	3,78,000/-	12 th Pass	16	01-06-2008	46	President Park Aurangabad
4	Sharad Patil	HR Executive	3,04,800/-	B. A.	20	15-06-2009	52	The Meadows Aurangabad
5	Babar Khan Lal Khan	Housekeeping Manager	2,98,800/-	B. A.	25	17-06-2015	50	President Park Aurangabad
6	Anshuman Saxena	Sales Manager	2,86,800/-	M.B.A.	10	01-07-2016	42	E- Medi Tex India TPA Service Ltd.
7	Ramesh Pradhan	Chief Financial Officer	5,73,048/-	B.Com	24	13-02-2015	49	-
8	Kishori Marathe	Account Officer	4,62,064/-	B.Com	22	01-10-2016	40	-
9	Prafulla Madiwale*	Accountant	2,64,216/-	T.Y. B.Com	22	01-10-2016	41	-
10	Smita Mishra **	Company Secretary	2,74,107/-	Company Secretary	-	12-08-2016	47	-

* Resigned w.e.f. 2nd December 2020** Resigned w.e.f. 7th December 2020

Notes:

1. The nature of appointment is contractual for all the above employees.
2. None of the above employees are relatives of Directors of the Company.
3. None of the above employees holds two percent or more of paid up capital of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey. Online hotel bookings in India have increased due to the growing penetration of the internet and smart phones. With the rise in the number of global tourists and realizing India's potential, many companies have invested in the tourism and hospitality sector. India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

However, during 2021, Foreign Tourist Arrivals (FTAs) in India, as per statistics provided by the Ministry of Tourism, averages at more than 10 million a year. During CY 2020, FTAs numbered 2.68 million compared to 10.93 million in 2019. Of this, during April – December 2020, FTAs were only 0.21 million tourist arrivals compared to 7.75 million arrivals during the same period of the previous year, registering a drop of 97%.

In India, the hospitality industry is likely to be hit hard. March has borne the brunt of many large-scale cancellations across the corporate, MICE and leisure segments. Tier 2 and Tier 3 hotel markets in India continue to witness a small erosion in business for now. Occupancies in at least the first half of March were only partially lower despite the spread of the pandemic situations in some states. As per the Federation of Hotel & Restaurant Associations of India (FHRAI), in FY21, the Indian hotel industry has taken a hit of Rs. 1.30 lakh crore (US\$ 17.81 billion) in revenue due to impact of the COVID-19 pandemic.

The Government of India announced various fiscal and relief measures under the Atmanirbhar Bharat Package to benefit the tourism and hospitality sector. Also, the Ministry of Tourism have taken various steps to overcome the crisis caused by COVID-19 pandemic in the tourism sector.

The Indian Government has realized the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to boost the tourism and hospitality sector of India are as follows:

- In May 2021, the Union Minister of State for Tourism & Culture Mr. Prahlad Singh Patel participated in the G20 tourism ministers' meeting to collaborate with member countries in protecting tourism businesses, jobs and taking initiatives to frame policy guidelines to support the sustainable and resilient recovery of travel and tourism.
- Government is planning to boost the tourism in India by leveraging on the lighthouses in the country. 71 lighthouses have been identified for development as tourist spots.
- The Ministry of Road Transport and Highways has introduced a new scheme called 'All India Tourist Vehicles Authorization and Permit Rules, 2021', in which a tourist vehicle operator can register online for All India Tourist Authorization / Permit. This permit will be issued within 30 days of submitting the application.

- In February 2021, the Ministry of Tourism under the Government of India's Regional Office (East) in Kolkata collaborated with Eastern Himalayas Travel & Tour Operator Association (resource partner) and the IIAS School of Management as (knowledge partner) to organize an 'Incredible India Mega Homestay Development & Training' workshop.
- In January 2021, Union Tourism and Culture Minister Mr. Prahlad Singh Patel announced plan to develop an international-level infrastructure in Kargil (Ladakh) to promote adventure tourism and winter sports.
- The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country.
- In November 2020, the Union Minister of State (IC) for Tourism & Culture Mr. Prahlad Singh Patel inaugurated the "Tourist Facilitation Centre" facility constructed under the project "Development of Guruvayur, Kerala" (under the PRASHAD Scheme of the Ministry of Tourism).
- The Ministry of Tourism's "Dekho Apna Desh" webinar series titled '12 Months of Adventure Travel' in November 2020, is likely to promote India as an adventure tourism destination.
- In January 2021, Maharashtra Chief Minister Mr. Uddhav Thackeray inaugurated Balasaheb Thackeray Gorewada International Zoological Park in Nagpur. It is India's largest zoological park spread over 564 hectares and expected to attract 2.5 million tourists a year.
- The Ministry of Tourism developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) by partnering with the Quality Council of India (QCI) in October 2020. The initiative will effectively implement guidelines / SOPs issued with reference to COVID-19 for safe operations of hotels, restaurants, B&Bs and other units.
- Ministry of Tourism launched "Dekho Apna Desh" webinar series to provide information on many destinations and sheer depth and expanse on the culture and heritage of India.
- Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 meter. It is expected to boost the tourism sector in the country and put it on the world tourism map.
- Under Budget 2020-21, the Government of India has allotted Rs. 1,200 crore (US\$ 171.70 million) for development of tourist circuits under Swadesh Darshan for eight Northeast states.
- Under Budget 2020-21, the Government of India has allotted Rs. 207.55 crore (US\$ 29.70 million) for development of tourist circuits under PRASHAD scheme.

India's travel and tourism industry has huge growth potential. The industry is also looking forward to the expansion of e-Visa scheme, which is expected to double the tourist inflow in India. India's travel and tourism industry has the potential to expand by 2.5% on the back of higher budgetary allocation and low-cost healthcare facility according to a joint study conducted by ASSOCHAM and Yes Bank.

The industry is dependent on the tourism sector for business. The Ministry of Tourism, along with the Ministry of Railways and the Ministry of Civil Aviation, promotes tourism in the country. Therefore, government initiatives play a crucial role in its growth.

The Ministry of Tourism has undertaken schemes, such as PRASHAD (National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive), SWADESH DARSHAN (Integrated Development of Tourist Circuits around Specific Themes), and the promotion of e-visa to encourage tourist inflow.

NABH Nirman, UDAN - Ude Desh ka Aam Nagrik, and Vision 2040 are some of the initiatives undertaken by the Ministry of Civil Aviation to enhance air connectivity, which would bring hotel guests even to the most remote corners of the country.

The Ministry of Railways is focused on developing railway infrastructure to ease domestic travel. Domestic travellers constitute the largest share of guest in the hotel industry.

However, the tourism and hospitality sectors were first to be affected by COVID-19 and probable will be the last to come out of this. Overall, Hotel developments have slowed down due to COVID-19 pandemic.

2. Opportunities and Threats

Travel restrictions owing to COVID-19 continue to impact hospitality, travel and tourism sectors within India and around the world. Majority of hotel operators expect that it will take 13 to 24 months for their hotels to return to revenue per available room (RevPAR) levels of last year. Luxury hotel operators are expected to ramp up much slower with some expecting that their portfolio may take more than 2 years to reach 2019 performance levels, the survey said.

However, with the slowdown of hotel developments, capital assistance is needed to help hotels to sustain until demand returns. Most hotels would need working capital infusion to continue or re-start their operations because the reserves have almost dried.

Also, there are some basic challenges. The first being constant pressure to lower room rates to maintain occupancy levels. The second being the tightening margins with room rates not going up and operating costs sky-rocketing.

Exchange rate volatility is the third challenge. And lastly, high interest rates affecting the debt servicing capacity of hospitality industry.

Talent management is also a key challenge for the sector. Inadequate supply of quality talent and increased competition for talent within the sector and from competing service sectors has made attrition a significant issue for the industry. On the other hand, the expectations of the guests of the level of service gone up immensely due to competition.

Further, lack of training, manpower, political turbulence, changes in government norms and policies and high tax structure makes the industry worse off.

3. Finance

The Company continued to face paucity of funds during the year 2020 – 21. The management is taking every effort to remedy the situation as early as possible.

4. Segment-wise or product-wise performance

The Company works in Hospitality segment. In the last week of March 2020 (23rd March 2020) there was lockdown announced due to COVID-19 pandemic. The guests' bookings were cancelled, and no fresh bookings were taken till 31st July 2020. Subsequently, as per

the order of SDO dated 05.05.2020, the hotel was announced as COVID Centre for the stay of doctors / medical officers till February 2021. Accordingly, during the year under review, the turnover of the Company in respect of accommodation and food & beverages has substantially gone down as compared to the previous year. Operating margins are continued to be under pressure. The Company has suffered losses.

5. Outlook

Barring unforeseen difficulties, the hospitality sector looks forward to keep up its performance.

6. Risks and concerns

Apart from the general economic situation, seasonality, growing competition, the socio-political situation, governmental restrictions, changes in government norms and policies, power and water shortages and lack of infrastructure facilities, high interest rate and borrowing cost, fluctuation in foreign exchange rates, global recession, pandemic situations, and natural calamities are some of risks, which could affect the performance of the Company. Further, terrorist attacks, biological outbreaks and incidents of political or social violence can not only significantly impact specific locations but can also have a more widespread chilling impact on leisure travel behavior across a region or even globally.

The stagnancy of ARR also remains an area of concern. Paucity of funds remains the main concern.

7. Internal control systems and their adequacy

Internal Control Systems are adequate and operating effectively commensurate with the size, nature of operations of the Company.

8. Discussion on financial performance with respect to operational performance

The operational and financial performance of the Company has declined as compared to the previous year due to COVID-19 pandemic situations, lockdowns, cancellation of room bookings, employee benefit costs, finance costs and other expenses. The Company has suffered losses.

9. Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company under the guidance of Vitizen Hotels Limited has appointed the necessary staff required for the Hotel. The training and development of the personnel is looked after by Vitizen Hotels Limited. The Company has 66 employees as on 30th June 2021.

10. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including:

Sr. No.	Particulars	Ratio			Explanation	Remark
		31.03.2021	31.03.2020	% of change		
i.	Debtors Turnover	0.31	0.17	82	Debtors Turnover ratio marginally increased. Outstanding Recoveries from debtors are under pressure due to COVID 19 pandemic.	Pursuant to the Order passed by the Court of District and Session Judge, Aurangabad, the office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad had attached VITS Hotel and took possession and management of day-to-day operations of the hotel. An amount of Rs. 96,41,993/- has been transferred to account of "Additional session judge Aurangabad" till 31st March 2021 pursuant to order passed by session judge under MPID dated 24.05.2019. The same is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payments to the applicants of the case out of this amount. The Company has not received any intimation from the court authority till date about any payments made under MPID Act to the applicants. Most of the business sectors are suffered due to COVID 19 pandemic. The tourism and hospitality sectors
ii.	Inventory Turnover	0.016	0.011	45	-	
iii.	Interest Coverage Ratio	-0.44	0.06	-833	EBIT margin was substantially decreased due to non payment of interest to bank / financial institution. Therefore, the ratio is significantly decreased.	
iv.	Current Ratio	0.25	0.31	-19	-	
v.	Debt Equity Ratio	5.88	2.34	151	Loans liabilities are increased by provision of interest on borrowed capital. Due to financial difficulties, all such liabilities i.e. interest and principal are not discharged till 31 st March 2021. Consequently, Debt equity ratio is being increased.	
vi.	Operating Profit Margin (%)	-59.89	2.30	-2704	Turnover of the Company is significantly decreased due to revenue from room and food sale declined as compared to previous year. The company could not pay off the payments of banks / financial	

					institution. Therefore, the ratio is significantly decreased.	were first to be affected by COVID-19. Due to all these adverse circumstances, day to day business activity of the Company is largely affected.
vii.	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-1.96	-0.36	-444	Revenue from room and food sale is declined as compared to previous year. Therefore, the ratio is significantly decreased.	

11. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Particulars	31.03.2021	31.03.2020	% of change	Explanation
Return on Net worth	-117.04	-30.25	-286	The Company suffers losses due to increase in fix and variable cost as compared to turnover achieved. Therefore, return on Net worth is decreased significantly.

12. Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, competition, significant changes in economic environment in India, regulatory provisions, tax laws, litigations, exchange rate fluctuations, interest and other costs.

REPORT ON CORPORATE GOVERNANCE**1. Philosophy on Corporate Governance**

The Company's philosophy on corporate governance is to achieve business excellence and stakeholders' welfare through good corporate governance. Corporate Governance is a set of principles, processes and systems to be followed by the directors, management and all employees of the Company for enhancement of shareholders value, keeping in view interest of other stakeholders. Your Company strives to embody these principles and practices in its philosophy on corporate governance and endeavors to practice Good Corporate Governance. The Board of Directors fully supports and endorses corporate governance practices.

2. Board of Directors**a. Composition and Category of Directors:**

The Board consists of 4 Directors. Mr. Ramesh R. Havele (DIN 00007580) is the Chairman and Managing Director of the Company. All Directors except Managing Director are Non-executive Directors. Mr. Shreeniwas G. Kale (DIN 00150957) and Mr. Dilip A. Prabhune (DIN 01779383) are Independent Directors.

Name of Director	DIN	Category
Mr. Ramesh R. Havele	00007580	Executive Director
Mrs. Veena R. Havele	00007593	Non – executive Director
Mr. Shreeniwas G. Kale	00150957	Independent Director
Mr. Dilip A. Prabhune	01779383	Independent Director

b. Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting:

The details of the attendance of the Directors in their meeting and in the last Annual General Meeting are given below:

Sr. No.	Name of Director	Category	Attendance	
			Board Meeting	AGM
1.	Mr. Ramesh R. Havele	Executive	6	Yes
2.	Mrs. Veena R. Havele	Non –Executive	6	Yes
3.	Mr. Shreeniwas G. Kale	Independent	6	Yes
4.	Mr. Dilip A. Prabhune	Independent	6	Yes

c. Number of other Board of Directors or Committees in which a director is a member or chairperson:

Sr. No.	Name of Director	Category	Other Directorship/ Committee membership	
			Other Directorship*	Committee Chairmanship / Membership*
1.	Mr. Ramesh R. Havele	Executive	Nil	Nil
2.	Mrs. Veena R. Havele	Non –Executive	Nil	2
3.	Mr. Shreeniwas G. Kale	Independent	Nil	2
4.	Mr. Dilip A. Prabhune	Independent	Nil	2

* Excluding directorships in Private Limited Companies, Membership of Nomination and Remuneration Committee of various bodies.

- d. Number of meetings of the board of directors held and dates on which held:

During the financial year 2020 – 2021, your Board met 6 (Six) times on following dates:

30th July 2020, 17th August 2020, 25th August 2020, 24th October 2020, 11th November 2020, 14th February 2021.

- e. Disclosure of relationships between directors inter-se:

Mr. Ramesh R. Havele (DIN 00007580) and Mrs. Veena R. Havele (DIN 00007593) are related to each other as husband and wife.

- f. Number of shares and convertible instruments held by non – executive directors:

Name of Director	Category	Number of shares held Equity shares of Re.1/- each
Mrs. Veena R. Havele	Non-Executive	NIL
Mr. Shreeniwas G. Kale	Independent	87,449
Mr. Dilip A. Prabhune	Independent	NIL

- g. Web link where details of familiarisation programmes imparted to independent directors is disclosed
<http://www.dhanadacorp.com/pdf/Details%20of%20Familiarisation%20programme%20for%20IDs.pdf>

- h. A chart or a matrix setting out the skills / expertise / competence of the Board of Directors specifying the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business and sector for it to function effectively and those actually available with the board along with the names of directors who have such skills / expertise / competence:

Board Parameter	Specific skills / expertise / competency	Mr. Ramesh R. Havele (Executive Director)	Mrs. Veena R. Havele (Non-Executive Non-Independent Director)	Mr. Shreeniwas G. Kale (Non-executive Independent Director)	Mr. Dilip A. Prabhune (Non-executive Independent Director)
	Understanding of the relevant laws, rules, regulations, policies	✓	✓	✓	✓

	applicable to the organization and status of compliances thereof by the organization				
Industry knowledge & experience	Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the organization	✓	✓	✓	✓
	Understanding of business ethics, ethical policies, codes and practices of the organization	✓	✓	✓	✓
	Understanding of the structures and systems which enable the organization to effectively identify, assess and manage risks and crises	✓	✓	✓	✓
	Understanding of international practice	✓	✓	✓	✓

- i. In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

3. Audit Committee

- a. Terms of reference:

The terms of reference of Audit Committee are as specified under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and Section 177 of the Companies Act, 2013.

- b. Composition, name of members and Chairperson:

The Audit Committee consists of 3 members. Mr. Dilip A. Prabhune, Independent Director, is the Chairman of the Committee. The composition of Audit Committee is as under:

Name of Director	DIN	Member / Chairman
Mr. Dilip A. Prabhune	01779383	Chairman
Mrs. Veena R. Havele	00007593	Member
Mr. Shreeniwas G. Kale	00150957	Member

- c. Meetings and attendance during the year:

During the financial year 2020 – 21, 5 (Five) Audit Committee meetings were held on the following dates, including those before finalization of Accounts and adoption of the Quarterly financial results by the Board.

30th July 2020, 17th August 2020, 25th August 2020, 11th November 2020, 14th February 2021.

The attendance of the members is as follows:

Sr. No.	Name of Directors	Held during the year	Attended
1.	Mrs. Veena R. Havele	5	5
2.	Mr. Shreeniwas G. Kale	5	5
3.	Mr. Dilip A. Prabhune	5	5

4. Nomination and Remuneration Committee

a. Terms of reference:

The terms of reference of the Nomination and Remuneration Committee are as prescribed under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and Section 178 of the Companies Act, 2013.

b. Composition, name of members and Chairperson:

The Nomination and Remuneration Committee consists of 3 members. Mr. Shreeniwas G. Kale, Independent Director, is the Chairman of the Committee. The composition of Nomination and Remuneration Committee is as under:

Name of Director	DIN	Member / Chairman
Mr. Shreeniwas G. Kale	00150957	Chairman
Mrs. Veena R. Havele	00007593	Member
Mr. Dilip A. Prabhune	01779383	Member

c. Meetings and attendance during the year:

During the financial year 2020 – 21, 2 (Two) Nomination and Remuneration Committee meetings were held on 30th July 2020 and 24th October 2020.

The attendance of the members is as follows:

Sr. No.	Name of Directors	Held during the year	Attended
1.	Mrs. Veena R. Havele	2	2
2.	Mr. Shreeniwas G. Kale	2	2
3.	Mr. Dilip A. Prabhune	2	2

d. Performance evaluation criteria for independent directors:

The Committee has formulated policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees including criteria for determining qualifications, positive attributes and independence of director, performance evaluation and other matters in compliance with Section 178 of the Companies Act, 2013 read with rules made there under and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

The said policy is also available on the website of the Company. A web link thereto is: <http://www.dhanadacorp.com/pdf/Nomination%20and%20Remuneration%20Policy.pdf>

5. Remuneration of Directors:

None of the directors draws any remuneration from the Company.

6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted under the Chairmanship of Mr. Shreeniwas G. Kale (DIN 00150957), Non – executive Director.

During the financial year 2020 – 21, 1 (One) Stakeholders Relationship Committee meeting was held on 30th July 2020.

The attendance of the members is as follows:

Sr. No.	Name of Directors	Held during the year	Attended
1.	Mrs. Veena R. Havele	1	1
2.	Mr. Shreeniwas G. Kale	1	1
3.	Mr. Dilip A. Prabhune	1	1

Mrs. Smita A. Mishra, Company Secretary was Compliance Officer of the Company till 7th December 2020. Thereafter, the Company has appointed Ms. Parul Rathore as Company Secretary and Compliance Officer w.e.f. 9th April 2021.

There are no investor complaints pending as on 31st March 2021.

7. General Body Meetings

The details of Annual General Meeting held during the last 3 years are as follows:

AGM / Year	Venue	Date	Time
2017 – 2018	“Dhanada”, 16/6, Erandwana Hsg. Soc., Plot No. 8, Patwardhan Baug, Pune – 411004.	29 th September 2018	4.00 p.m.
2018 – 2019	Tejas Bhavan, Tejas Soc., Kothrud, Pune – 411038.	28 th September 2019	4.00 p.m.
2019 – 2020	Through VC / OAVM Facility deemed to be held at the registered office of the Company.	30 th December 2020	4.00 p.m.

Details of Special Resolutions passed in the previous three Annual General Meetings:

Date of Annual General Meeting	Details of Special Resolution passed
29 th September 2018	Nil
28 th September 2019	Reappointed Mr. Shreeniwas G. Kale (DIN 00150957) as an Independent Director of the Company for a further term of 5 (Five) consecutive years w.e.f. 30 th September 2019.
30 th December 2020	Nil

The Company did not pass any special resolution during the last year through postal ballot.

8. Means of Communication

The Company has been sending the quarterly / half yearly reports to Bombay Stock Exchange, the principal Stock Exchange where the shares of the Company are listed, immediately after approval by the Board.

The Company puts forth vital information about it on its website www.dhanadacorp.com regularly for the benefit of its shareholders and public at large.

9. Disclosures

- (a) Audit Committee reviews periodically the significant related party transactions. There were no materially significant transactions by the Company, during the financial year, with its related parties such as promoters, directors, key managerial personnel, relatives or subsidiaries that could have potential conflict of interest with the Company. Details of related party transactions are provided in **Note B - j of Note 23 of the Notes forming part of the Financial Statements** in accordance with provisions of Accounting Standard 18, issued by the Institute of the Chartered Accountants of India.
- (b) No penalty or strictures were imposed on the Company by Stock Exchange, SEBI or any statutory body on any matter related to Capital Market during the last three years.
- (c) The Company has a Vigil Mechanism and Whistle Blower Policy in place which can be accessed on the Company's website www.dhanadacorp.com. It is affirmed that no personnel has been denied access to the Chairman of the audit committee in terms of the policy. During the year, no complaints were filed under the said policy.
- (d) The details of non – compliance of certain mandatory requirements are given in Point No. 14 below. Also, the extent to which non – mandatory requirements are adopted by the Company is given in Point No. 15 below.
- (e) Web link where policy for determining 'material' subsidiaries is disclosed http://www.dhanadacorp.com/pdf/Policy_for_determining_Material_Subsiary.pdf
The Company has no subsidiary w.e.f. 14th November 2017.
- (f) Web link where policy on dealing with related party transactions is disclosed <http://www.dhanadacorp.com/pdf/Related-Party-Transactions-Policy-Amended.pdf>
- (g) The Company's financial statements are prepared in accordance with Generally Accepted Accounting Principles and comply with the Accounting Standards as prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 which are in line with the Accounting Standards recommended by the Institute of the Chartered Accountants of India. No accounting treatment was different from that prescribed in the Accounting Standards.
- (h) The declaration by the Chief Executive Officer stating that all the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31st March 2021 is annexed to the Corporate Governance Report.
- (i) A certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or

continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

- (j) The Board had accepted all the recommendation made by the committees of the Board during the financial year.
- (k) The Company has paid total fees of Rs. 5,35,000/- to the Statutory Auditors for all services.
- (l) No complaint was received or filed under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year.

10. Management Discussion and Analysis

The Management Discussion and Analysis given separately and the same is annexed and forms part of Directors' Report.

11. Compliance Certificate of the Auditors

The Company has obtained a Certificate from the Statutory Auditors confirming compliance with conditions of Corporate Governance and the same is annexed and forms part of Directors' Report.

12. Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account

The Company is in the process of transfer of certain unclaimed equity shares to Demat Suspense Account / Unclaimed Suspense Account, as the case may be, pursuant to compliance with regulation 39(4) and Schedule VI of SEBI (LODR) Regulations, 2015.

13. General Shareholders Information

- (i) Date of meeting of the Board of Directors in which Accounts for the year 2020 – 21 were approved 30th June 2021
- (ii) Date of Annual General Meeting 30th September 2021
 Venue Through VC / OAVM facility deemed to be held at the registered office of the Company
 Time 4 p.m.
- (iii) Financial Calendar for 2021 – 22 (Tentative)

1 st quarterly results	Second Week of August 2021
2 nd quarterly results	Second Week of November 2021
3 rd quarterly results	Second Week of February 2022
4 th quarterly results	Last Week of May 2022
Annual results for the year ending 31 st March 2022	Last Week of May 2022

- (iv) No dividend is recommended for the Equity shareholders of the Company.
- (v) Book Closure for Annual General Meeting: The book closure is from 23rd September 2021 to 30th September 2021 (both days inclusive).
- (vi) Listing
 Shares are listed on Bombay Stock Exchange (BSE).
 Stock Code: 531198

The listing fee of the Bombay Stock Exchange is duly paid.

(vii) Dematerialization

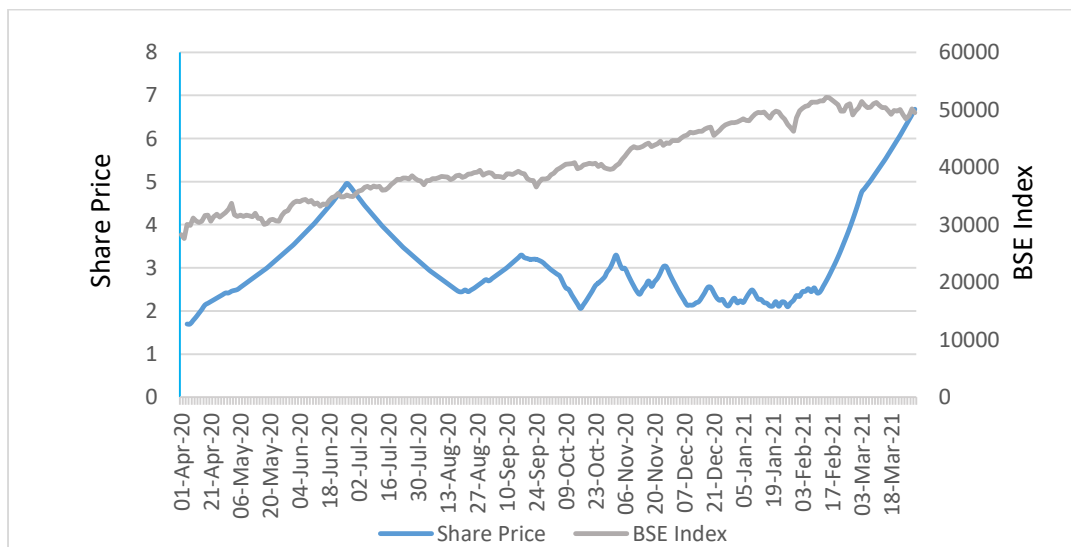
The Company has entered into dematerialization agreements with NSDL and CDSL (ISIN: INE041F01015). The shareholders are welcome to send their shares to any of the depositories for dematerialization. As on 31st March 2021, 74.48% (41660255) shares are held in demat form.

(viii) Market Price data

The monthly high / low prices of share of the Company on BSE from 1st April 2020 to 31st March 2021 are given below:

Sr. No.	Month	High (Rs.)	Low (Rs.)	Volume of Shares
1	April 2020	2.46	1.62	49,462
2	May 2020	3.42	2.46	44,543
3	June 2020	5.05	3.48	1,41,707
4	July 2020	4.72	3.12	33,691
5	August 2020	3.12	2.41	1,07,330
6	September 2020	3.36	2.70	1,81,135
7	October 2020	3.05	2.06	47,809
8	November 2020	3.46	2.34	57,766
9	December 2020	2.88	2.02	1,78,308
10	January 2021	2.54	2.00	2,21,262
11	February 2021	4.12	2.15	3,75,606
12	March 2021	6.68	4.32	2,74,240

Performance in comparison to broad-based indices such as BSE Sensex for the period 1st April 2020 to 31st March 2021.



(ix) Share transfer system

The Company has appointed M/s. LINK INTIME INDIA PRIVATE LIMITED as Registrar & Transfer Agents to maintain and manage share transfer facility. Applications for transfer of shares in physical form are processed and registered within 15 days from the date of receipt, if the applications are in order.

(x) Share holding pattern as on 31st March 2021

Distribution of shareholding as on 31st March 2021

Share Range	No. of Shareholder	% of Total Shareholder	No. of Shares	% to total Shares
1-1000	3498	81.7290	1164895	2.08
1001-2000	221	5.1636	341550	0.61
2001-3000	79	1.8458	200181	0.35
3001-4000	40	0.9346	145925	0.26
4001-5000	51	1.1916	241221	0.43
5001-10000	88	2.0561	650977	1.16
10001 and above	303	7.0794	53188832	95.09

(xi) Categories of shareholders as on 31st March 2021

Category	No. of shares Held	Percentage of Shareholding
Promoter's Holding		
Indian Promoters	30037501	53.70%
Non-promoter's Holding		
Institutional Investors	Nil	N.A.
Mutual Funds and UTI	127500	0.23%
Banks, Financial Institutions, Insurance Companies	Nil	N.A.
(Central/State Govt. Institutions/ Non-govt. Institutions)	Nil	N.A.
FIs	Nil	N.A.
NBFCs registered with RBI	Nil	N.A.
Other Corporate Bodies	110632	0.21%
Indian Public	24969993	44.64%
NRIs / OCBs	124950	0.22%
HUF	544433	0.97%
Any Other	18572	0.03%
TOTAL	55933581	100.00

(xii) Location of Plant (Hotel):

Hotel VITS, Aurangabad
S. No. 18349/1/1+2+3,
Station Road,
Aurangabad – 431005.

(xiii) Address for Correspondence:

Dhanada Corporation Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune 411004.
Email: dhanada@dhanadacorp.com

(xiv) Share Transfer Agents:

Link Intime India Private Ltd.

Head Office: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.

Pune Address: Block No. 202, 2nd Floor, Akshay Complex, Off. Dhole Patil Road, Near Ganesh Temple, Pune 411001.

14. Non – compliance of any requirement of SEBI (LODR) Regulations, 2015, with reasons thereof

1. There was no qualified Company Secretary as Compliance Officer during the period 07.12.2020 to 08.04.2021 pursuant to regulation 6 of SEBI (LODR) Regulations, 2015 due to the resignation of previous Company Secretary. The vacancy was filled by the Company in the Board Meeting held on 09.04.2021. The said non – compliance is rectified now.
2. Due to financial difficulties, the delay was made in payment of Annual Listing Fees (ALF) to the Bombay Stock Exchange Limited.
3. There was a delay in submission of disclosures of related party transactions to BSE for the half year period ended on 31.03.2020 and 30.09.2020 pursuant to regulation 23(9) of SEBI (LODR) Regulations, 2015, due to COVID-19 situations / oversight.
4. There was a delay in submission of the disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarter ended on 31.03.2020 to BSE pursuant to regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019 because the office was closed due to the lockdown announced by the Government due to COVID-19 pandemic. The management was not able to collect the necessary information / figures required for such disclosure within the prescribed time limit.
5. The Company has not submitted disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarters ended on 30.06.2020, 30.09.2020 and 31.12.2020 pursuant to regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019, due to oversight.
6. Due to technical issues, entire / 100% of shareholding of promoters / promoters group are not in dematerialized form.
7. The Company has submitted audited annual and quarterly financial results for the year ended 31.03.2020 within the prescribed time limit. However, inadvertently, the Statement on Impact of Audit Qualifications were not enclosed. The Company has submitted the said results again along with the Statement on Impact of Audit Qualifications later on with delay of 8 days pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 and rectified the non-compliance.
8. The financial results in respect of the last quarter along-with the results for the entire financial year ended on 31.03.2020 submitted by the Company did not contain a note that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015, due to oversight.

9. Due to some technical issues, there was a delay in serving of / submission of Annual Report for the year ended on 31.03.2020 along with the Notice of Annual General Meeting to the shareholders and BSE pursuant to regulations 34 and 36 of SEBI (LODR) Regulations, 2015. The Annual Report and Notice were not served / submitted within the prescribed time limit i.e. 21 days before the Annual General Meeting. The said notice and documents were served / submitted at a shorter period.
10. The Company has not submitted notice of book closure to BSE for the Annual General Meeting held on 30.12.2020 that are required to be submitted in advance of atleast 7 working days pursuant to regulation 42(2) of SEBI (LODR) Regulations, 2015, due to oversight.
11. Due to financial difficulties, the Company has not published notices of meetings, book closure, financial results etc. in the newspapers pursuant to regulation 47 of SEBI (LODR) Regulations, 2015.
12. The Company has received letter / email from BSE on 08.01.2021 about payment of fine for non – submission / late submission of disclosures / documents required under regulations 23(9) and 34 of SEBI (LODR) Regulations, 2015. The fine was required to be paid within 15 days of the letter / email. However, due to financial difficulties, the Company is not in a position to pay the amount of fine. The management will request BSE to waive the fine amount.

15. Non – mandatory / Discretionary Requirements

a. The Board

Whether Chairman of the Board is entitled to maintain a Chairman's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties.	Not Applicable. As the Chairman of the Board is Executive.
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b. Shareholder Rights

The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders.	No. The Company's half yearly financial results are displayed on its website i.e. www.dhanadacorp.com
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c. Modified opinion(s) in audit report

The Company may move towards a regime of financial statements with unmodified audit opinion.	Due to financial difficulties the Company is unable to remove certain qualification by the Auditor.
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d. Reporting of Internal Auditor

The internal auditor may report directly to the Audit Committee.	Yes. The internal auditor has direct access to the Audit Committee's Chairman and members.
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DECLARATION

**(under Regulation 34(3) read with Clause D of Schedule V to
SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015**

I, Ramesh Ramchandra Havele (DIN 00007580), Managing Director and Chief Executive Officer of Dhanada Corporation Limited hereby confirm that:

The Board of Directors of Dhanada Corporation Limited has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The said Code of Conduct has also been posted on the Company's website www.dhanadacorp.com.

All the Board members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the year ended on 31st March 2021.

Date : 14th August 2021

Ramesh R. Havele

Place : Pune

Chairman, Managing Director & CEO
(DIN 00007580)

**ANNEXURE TO THE REPORT OF THE DIRECTORS
CERTIFICATE FROM AUDITORS REGARDING
COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Shareholders of Dhanada Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Dhanada Corporation Limited, for the year ended on 31st March 2021, as prescribed in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned LODR *subject to the exceptions as detailed in Point No. 14 of Report on Corporate Governance*.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Shashank Patki & Associates
Chartered Accountants
Firm's registration number: 122054W

Place : Pune

Shashank Patki

Date : 30th June 2021

Partner

Membership number: 035151

UDIN: 21035151AAAAW2527

CERTIFICATE OF NON – DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
DHANADA CORPORATION LIMITED
5B/14, Laxminarayan Nagar, S. No. 11/12,
Part Erandvana, Pune – 411004.

*I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DHANADA CORPORATION LIMITED having CIN L55101PN1986PLC133909 and having registered office at 5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandvana, Pune – 411004 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name	DIN	Date of appointment / re-appointment in the Company
1.	Mr. Ramesh Ramchandra Havele	00007580	*25.10.2020
2.	Mrs. Veena Ramesh Havele	00007593	25.10.2005
3.	Mr. Shreeniwas Gajanan Kale	00150957	*28.09.2019
4.	Mr. Dilip Arvind Prabhune	01779383	30.09.2016

*Original date of appointment is 25.10.2005

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune
Date : 14th August 2021

Sanjana D. Hinge
Practicing Company Secretary
M. No. A21824 / CP No. 14437
UDIN – A021824C000786269

**Certain documents / papers / data / records / minutes / forms / returns / statutory registers were not made available to me for examination due to some technical or legal issues. The report is made subject to the said deficiency / limitations. The certificate is given on the basis of the information provided by the management of the Company.*

INDEPENDENT AUDITOR'S REPORT

To the Members of **Dhanada Corporation Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dhanada Corporation Limited ("the Company"), which comprise of the Balance sheet as at 31st March 2021, and the statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of cash flows for the year ended on that date with notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as 'financial statements').

Subject to the matters of concern specified in Basis of Opinion paragraph and also in various notes to the financial statements (financial impact mentioned therein, wherever ascertainable), in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules, 2015, as amended and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and the loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Matters of concern:

- a. As mentioned in note no. I of Note – 22 B, the accounts have been compiled on the basis of the records and documents available with the Company due to seizure of records and documents by various authorities on various occasions. The impact on accounts (financial as well as disclosure) due to such non-availability of the records is not ascertainable.
- b. During last year, in the last week of March 2020 (23rd March 2020), there was lockdown announced due to Covid-19. Further vide the order of SDO dated 05.05.2020 the hotel has been declared as a Covid centre for the stay of doctors, as per the order

of session judge. The hotel was occupied for the doctors stay till February 2021. This created an impact on the operations of the concern; financial implication of the same is not ascertainable.

- c. As mentioned hereinabove, a lockdown was announced w.e.f. 23rd March 2020 throughout the state of Maharashtra., and the same was reimposed again in April 2021. Due to the restriction on inter-district movements, we could not visit the Place of business at Aurangabad. We have carried out our audit on the basis of the accounts maintained in the system and scanned copies of various records and documents submitted to us. As far as the bills, vouchers and documents pertaining to the business place at Aurangabad are concerned, we have been constrained to keep reliance on the internal audit reports and stock verification reports submitted by an independent firm of Chartered Accountants appointed as Internal Auditors of the Company. Our audit and certification is subject to the non-availability of these records also.
- d. As mentioned in foot note no. 1 of Note no. 1 and foot note no. 2 of Note no. 8, pending conveyance of land at Nande, pending payment of stamp duty applicable to scheme of arrangement & amalgamation sanctioned by Hon'ble Bombay High Court vide their judgment dated 16th July 2009 and pending legal formalities of allotment of shares (the subject matter of the aforesaid scheme), accounting has been done of Fixed Assets (Land) of Rs. 1,59,65,999.74, Issued, Subscribed and Paid up Share Capital of Rs. 17,96,254.00, Share Premium of Rs. 1,06,69,748.76 and Current Liabilities (Amount payable to Dr. Laxman V. Kulkarni) of Rs. 34,99,996.98. Pending completion of all legal formalities, the respective amounts on the aforesaid accounts are overstated to that extent.
- e. In the absence of the records, the nature of Capital Work in Progress (pending since long), as mentioned in foot note no. 3 of Note no. 1, could not be ascertained. As such the probable accounting thereof, capital or revenue, is pending. Further, the impairment of Assets (including Capital Work in Progress), if any, as per the requirements of Ind AS 36 has not been ascertained, and as such, the consequent financial impact on accounts is not ascertainable.
- f. Details and supporting documents of the amount of Rs. 3,91,00,000/- paid as Advance to Dr. Laxman V. Kulkarni (Foot note 2 of Note no. 4) are not available with the Company. As such, we are unable to express our opinion on the genuineness of the payment, recoverability thereof and correctness of the accounting treatment. Financial impact on accounts is not ascertainable.
- g. As mentioned in foot note no. 6 of Note no. 7, Balances with Banks in current account include as amount of Rs. 179,75,000/- kept in bank account in the individual name of a director. As informed to us, this amount has been kept in No Lien Account as part of the negotiation with a lender bank for One Time Settlement. Further, this account is subject to confirmation, reconciliation and consequential adjustments, if any. Financial impact on accounts is not ascertainable. The Company has assured us that no such other bank account (other than those recorded in the books of the Company) has been opened by the Company, on which reliance has been placed.
- h. As mentioned in foot note no. f of Note no. 22 B, the outstanding balances of sundry creditors, sundry debtors, and advances (taken or given), bank current accounts (as

specified in foot note 8 and 9 of Note 7), bank deposit accounts, all loan/overdraft accounts are subject to confirmation, reconciliation and consequential adjustments if any. Financial impact on accounts is not ascertainable.

- i. As mentioned in various notes, no provision has been made for interest on Sales Tax Deferment and interest / penalties for non-payment / late payment of statutory dues and for non-compliance of legal formalities under different statutes and laws, interest payable to MSME creditors etc., if any. The amount is not ascertainable. Financial impact on accounts is not ascertainable.
- j. As mentioned in Note no. 16 and 20, in the absence of details, the interest on borrowings and on bank deposits has been accounted for at contractual rates. Financial impact on accounts is not ascertainable.
- k. The company's gross investments in equity shares of the then three subsidiary companies of Rs. 883.13 lakhs were sold during the Financial Year 2017-18 for an amount of Rs. 0.48 lakh only. The value of these investments was diminished progressively by charging to profit and loss accounts for the years from 2014-15 to 2017-18. We have not examined the propriety of this sale, which was based on the management's assessment on the recoverability of these financial assets and of the consequent loss.
- l. The Company has not obtained confirmations from debtors and other parties for the amount due from them. Further, in the absence of the records, seized by various authorities at various points of time, the recoverability of these amounts could not be ascertained. The company has written off / provided for the credit loss and non-recoverability of debtors, based on its own assessment. However, the company has not applied any scientific / verifiable basis for arriving at such write off or provision for doubtful of recovery.
- m. In the earlier years, an advance was paid to a Director (outstanding balance as on 31st March, 2020 – Rs. 3,01,44,128/- swapped in the name of Dhanada Holding Pvt. Ltd. in earlier year and again transferred during the year in the name of the director) which was in contravention of Section 185 of the Companies Act, 2013. As mentioned in note no. 'j' of Note no. 22 B, the director has cleared this advance by bringing in money from his own business activity at various times in the current year.

In the absence of any supporting documentary evidence, we are constrained to rely on the declaration of the Director that the said amount has been brought in from his own business activity.

Out of such money brought in by the director, the cheques amounting to Rs. 2,59,04,128/- were lying with the company as at the Balance Sheet date. They are reflected as Cheques on Hand as at 31st March, 2021. However, the amounts have actually been credited in the bank account in the months of April and May 2021. Further, pay-in-slips for these credits have not been produced for our verification. Though there are actual credits in the bank statements in the ensuing months, we are unable to ascertain whether really these were the cheques on hand as at 31st March, 2021.

Further, any interest, fines and penalties for contravention of the provisions of Section 185 & 186 (for a small intervening period) of the Companies Act, 2013, if any, is not ascertainable. Impact on accounts is not ascertainable.

- n. As mentioned in Foot note 4 of Note no. 6, the company has been running the hotel under an arrangement with Vitizen India Pvt. Ltd. (VIPL) to whom Management and other charges are payable. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VIPL to deposit an amount of Rs. 41.00 lakhs with the Competent Authority. Against this, VIPL has deposited an amount of Rs. 32.52 lakhs which has been included in amount with 'additional session judge Aurangabad'. Management and other charges in respect of revenue from the Doctors stay at Hotel during pandemic have not been accounted for pending discussion with VIPL. VIPL has now submitted their account statement which is in the process of reconciliation. In view of the foregoing, the account of VIPL is subject to confirmation, reconciliation and consequential adjustments, if any. Impact on accounts is not ascertainable.
- o. As mentioned in Foot note 9 of Note 4, An amount of Rs. 96.42 lakhs (Previous Year Rs. 63.90 lakhs) has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2021, pursuant to an order dated 24.05.2019 and 17-03-2021, passed by the Sessions Judge under MPID Act. The balance is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payment to the applicants of the said case under MPID Act, out of this amount deposited in the Court. The Company has not received any intimation from the Court Authority till date about any payments made under MPID Act to the applicants. Pending such intimation, the amount is shown as advance in the name of Spl. Judge, MPID Aurangabad. As informed to us, on receiving the official intimation, appropriate accounting would be done. Impact on accounts is not ascertainable.

Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described herein below to be the key audit matters to be communicated in our report.

The Key Audit Matters	How the matter was addressed in our audit
<p>1. Seizure of records</p> <p>The company's records were seized by government and police authorities. They had records at two places: Head Office-Pune and Hotel operations- Aurangabad. The head office at Pune was sealed by the authorities in the earlier years and the company had almost no access to the same. During the year</p>	<p>The transactions at Head office were verified based on the records available with the company. Wherever the records were not made available or were not available at the company office has been mentioned specifically by the company (in the notes to account). Audit procedures included:</p>

<p>2017-18 the same were partially released and the company has been accounting for the transactions on the basis of available data and records. The details have been mentioned in the notes to account of the previous year. The list of documents and records seized / taken possession of by various authorities is not readily available with the Company.</p> <p>In the year 2018-19, the hotel operations at Aurangabad were also seized and bank account operations were frozen by the police authorities following an order of the High court, Aurangabad. Later a person at district collector office was appointed to release the payments for expenditures that were incurred at hotel.</p>	<ul style="list-style-type: none"> - Verification of various records, documents, transactions statements, bank reconciliations of now available bank statements and verifying its impact - Verification of the records and documents, the Company could get hold of and ensuring the accounting arising thereof even for earlier accounting periods - Perusal of various supporting statements to disclosures required. - During last year, in the last week of March 2020 (23rd March 2020) there was lockdown announced due to Covid-19. Further vide the order of SDO dated 05.05.2020, the hotel has been declared as a Covid centre for the stay of doctors, as per the order of session judge. This created an impact on the operations of the concern; financial implication of the same is not ascertainable. The hotel was occupied for the doctors stay till February 2021. - As mentioned hereinabove, a lockdown was announced w.e.f. 23rd March 2020 throughout the state of Maharashtra. and the same was reimposed again in April 2021, Due to the restriction on inter-district movements, we could not visit the Place of business at Aurangabad. Further, the bills, vouchers and documents pertaining to the business place at Aurangabad were not produced for our verification. As such, we have been constrained to keep reliance on the internal audit reports and stock verification reports submitted by an independent firm of Chartered Accountants appointed as Internal Auditors of the Company. Our audit and certification is subject
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	<p>to the non availability of these records also.</p> <ul style="list-style-type: none"> - In respect of Audit of transactions at Hotel at Aurangabad we have carried out substantive testing on the basis of selected samples of transactions and tested that the impact is recognized in accordance with the standard accounting procedures. Significant observations in internal audit report related to revenue and mitigation thereof were considered.
<p>2. Recoverability of Indirect tax receivables</p> <p>The company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Notes 4 and 14 to the financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> - Obtained understanding of key uncertain tax positions; and - We read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; - Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and - Assessed management's estimate of the possible outcome of the disputed cases;
<p>3. Impact of Covid 19 Pandemic</p> <p>Note in Other Matters no. B(n) to the standalone financial statements.</p>	<p>We draw attention to Note n of Note 22 B in which the Company describes the impact arising from the COVID 19 pandemic. We have considered the same and our report is not modified in respect of this matter.</p>

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters

that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Company's borrowings from banks and financial institutions have been classified by the lenders as non-performing assets during the year. We were informed that the Company is also in the process of initiating One Time Settlement (OTS) with the banks. As informed to us, some of the lenders have approached Government Authorities in respect of the Company's borrowings.

Also the property of the Company Hotel VITS located at Aurangabad is currently the place of business of the company. Consequent to the Session court order by Additional Sessions Judge, Aurangabad dated 05.02.2019 the competent authority after attaching VITS Hotel has taken its possession and management of day to day affairs of the said hotel operations.

The Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad has issued notice for e-Auction of the hotel property of the Company at Aurangabad. The e-Auction process has been conducted on 22nd February 2019 and 8th March 2019. The e-Auction of the said property of the Company could not, reportedly be materialized.

The company has assessed the impact of Covid-19 pandemic on the financial statements, however has not assessed the future impact of this pandemic on the operations of the company.

The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statements on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

Subject to the Matters of concern mentioned in the para 'Basis for Opinion', Key Audit Matters and Other Matters mentioned hereinabove,

- (a) We have sought and obtained the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, only to the extent the record was available with the Company.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet, the Statement of profit and loss (including other comprehensive income), Statement of cash flow and the Statement of changes in equity dealt with by this Report, except disclosure of unrealised income on derivatives (financial instruments) are in agreement with the books of account;

- (d) In our opinion, the aforesaid Ind AS financial statements, except the disclosure requirement of Statement of Other comprehensive income, comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”, and
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with section 197 (16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
 - (h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, subject to Note a of Matters of Concern mentioned in the para Basis for Opinion hereinabove:
 - i. The Company has disclosed the fact of pending litigations against the Company (subject to Note m (vi) of Note 22 B) . However, financial impact thereof on its financial position has not been ascertained.
 - ii. As informed to us, there was no derivative contract outstanding on the date of Balance Sheet. As informed to us, the Company has not ascertained the material foreseeable losses, if any, on long-term contracts for proposed project and consultancy for financial arrangements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B**, a statement on the matters specified in the paragraph 3 and 4 of the order.

UDIN: 21035151AAAAAW2527
For Shashank Patki & Associates
Chartered Accountants
Firm’s registration number: 122054W

Shashank Patki
Partner
Membership number: 035151

Pune, 30th June 2021

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Dhanada Corporation Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the said financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management including board of directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the internal financial controls system with reference to financial statements as of 31st March 2021, especially in respect of:

- i. Sale and cash/revenue collection
- ii. All sorts of receivables and advances (capital or trade) by whatever name called,
- iii. All sorts of creditors and payables by whatever name called and
- iv. Control, identification and verification of property, plant and equipments including capital work in progress and/or additions to fixed & intangible assets

need to be reviewed and substantially strengthened so as to be commensurate with the size and nature of the business of the Company to be in line with the essential components of internal control stated in the Guidance Note on Audit of Internal controls over financial reporting issued by the Institute of Chartered Accountants of India.

UDIN: 21035151AAAAAW2527
For Shashank Patki & Associates
Chartered Accountants
Firm's registration number: 122054W

Shashank Patki

Partner
Membership number: 035151

Pune, 30th June 2021

Annexure - B to the Independent Auditors' Report

With reference to the Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2021, we report that:

- (i)
 - (a) In view of the seizure of the records of the Company by the Police authorities, the Fixed Assets Register could not be verified.
 - (b) As informed to us, the physical verification of fixed assets was not carried out during the year.
 - (c) As mentioned in footnote 1 of Note No 1 Property Plant and Equipment, the land at Nande has not yet been transferred in the name of the Company, pending execution of conveyance deed. As mentioned in footnote 2 of Note No 1 Property Plant and Equipment, the property at Aurangabad has not yet been transferred in the name of the Company. According to the information and explanations given to us and on the basis of our examination of the available records of the Company, the title deeds of other immovable properties are held in the name of the Company.
- (ii)
 - (a) As per the information and explanations given to us, the Inventories were physically verified by the management during the year, at reasonable intervals.
 - (b) As informed to us, discrepancies noticed on physical verification of inventories were not material and the same have properly been dealt with.
- (iii) The Company had given advance to a Director of the Company. During the earlier year, as mentioned in Footnote 8 of Note no. 4 Current Assets, as on 31st March 2020, the entire advance to the director was swapped in the name of the Holding Company viz., Dhanada Holdings Private Limited, again transferred in the name of the director during the year. The advance to Director was given without mention of any interest and any repayment period. In our opinion, the said advance is prima facie prejudicial to the interest of the Company. The said advance is fully repaid by the director as on 31st March, 2021. For our detailed qualified opinion, please refer to para m of Matters of Concern under Basis for qualified opinion of this report. As per information and explanations given to us, except these loan transactions, the Company has not made any transaction with the parties mentioned in the register maintained u/s 189 of the Act.
- (iv) The provisions of Section 185 and 186 have not been complied with in respect of advance given to a director and the same swapped to the holding Company in earlier year as mentioned in Footnote 8 of Note no. 4 Current Assets. Please refer to para m of Matters of Concern under Basis for qualified opinion for details of non-compliance.
- (v)

On the basis of the available records and as per the information and explanations given to us, the Company has not accepted any deposits from the public (as appearing in the books of the Company) during the year. As such, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have been delays in payment of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues with the appropriate authorities.

Sale Tax Deferment dues of Rs. 2,54,188/- are outstanding for a period of more than six months from the date they became payable. Similarly, Sales tax and VAT/CST dues of Rs. 3,59,944/- are outstanding pursuant to the final order of Sales Tax Authorities, for a period of more than six months from the date they became payable. Except this, according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Disputed income tax liability against income tax assessment order passed by Income Tax officer.

Name of the statute	Nature of dues	Amount	F.Y.	Forum where dispute is pending
Income Tax Act, 1961	Assessment dues	1,96,01,345	201 1-12	Commissioner of Income Tax (Appeals) – Aurangabad
Income Tax Act, 1961	Assessment dues	74,34,315	201 2-13	Commissioner of Income Tax (Appeals) – Aurangabad
Income Tax Act, 1961	Assessment dues	49,75,050	201 3-14	Commissioner of Income Tax (Appeals) – Aurangabad

(viii). In our opinion and according to the information and explanations given to us the company has defaulted in repayment of dues to the following parties:

Name of Financial institution/ Govt. Authority	Amount defaulted as at the balance sheet date	Period of default	Remarks
Bank of Maharashtra - Loan	10,74,60,840	Since 2014-15	Symbolic possession has been taken on mortgaged Asset.
- Overdraft	1,16,26,046.44	Since 2014-15	No information available, but treated as default since credit term expired.
Phoenix ARC Pvt. Ltd	17,38,46,368.44	Since 2012-13	Symbolic possession has been taken on mortgaged Asset
HDFC Bank Overdraft	21,06,101.00	Since 2014-15	Fixed Deposit Receipt Assigned (Seized under MPID Act)
Overdraft	28,788.00	Since 2014-15	Seized by Sales Tax Department
ICICI Bank - Overdraft	17,63,012.61	Since 2018	Fixed Deposit Receipt Assigned (Seized under MPID Act)
Sales Tax Deferment	2,54,188.02	Since 2004	Interest over and above this amount not paid nor provided.
Special Incentive	25,00,000.00	Since 2008	-

- (ix). The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x). According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi). According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration.
- (xii). In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii). Subject to our comment in para m in Matters of concern- of Basis of qualified opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the recorded transactions with the Director in earlier year were not pre-authorized but ratified in the subsequent audit committee meetings, that too, to the extent of Rs. 99.34 lakhs only as against total advance paid of Rs. 118.09 lakhs during that year. The transaction of swapping the

director's advance to the holding company was also not pre-authorized but ratified by the Board of Directors. Thus, in our opinion, there was a contravention of provisions of Section 177 and 188 of the Act. During the year, the director has repaid the advance which has been recorded in the register. The applicable details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) As mentioned in Footnote 8 of Note no. 4 Current Assets, as on 31st March 2020, the entire advance to the director has been swapped in the name of the Holding Company viz., Dhanada Holdings Private Limited which has been again re-transferred in the name of the director during the year, by a mere book entry. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not, during the year, entered into any other non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

UDIN: 21035151AAAAAW2527
For Shashank Patki & Associates
Chartered Accountants
Firm's registration number: 122054W

Shashank Patki
Partner
Membership number: 035151

Pune, 30th June 2021

Balance Sheet as at 31st March 2021

Particulars	Note No.	As as 31st March 2021 Rupees	As as 31st March 2020 Rupees
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	229,784,320.18	236,749,568.53
Capital Work in Progress	1	18,107,796.40	18,107,796.40
Intangible Assets	1	40,046.47	55,879.80
		247,932,163.05	254,913,244.73
<u>Financial Assets:</u>			
Investments	2	5,000.00	5,000.00
Other Financial Assets	3	-	-
Tax Assets (Net)		3,911,782.44	3,649,299.70
Other Non Current Assets	4	44,366,799.16	44,366,799.16
		48,283,581.60	48,021,098.86
Current Assets			
Inventories	5	493,489.44	1,004,107.83
<u>Financial Assets:</u>			
Trade Receivable	6	9,226,080.82	15,802,784.01
Cash and Cash Equivalents	7	51,364,913.04	22,732,382.11
Bank Balances other than Cash and Cash Equivalents	7	7,988,862.61	6,986,062.79
Other Financial Assets	3	62,260.92	128,081.11
Other Current Assets	4	11,396,046.77	38,216,971.64
		80,531,653.60	84,870,389.49
TOTAL ASSETS		376,747,398.25	387,804,733.08
EQUITY AND LIABILITIES			
Equity			
Equity Shares Capital	8	55,933,581.00	55,933,581.00
Other Equity	9	(5,430,726.30)	53,676,194.77
Total Equity		50,502,854.70	109,609,775.77
Non-Current Liabilities			
<u>Financial Liabilities:</u>			
Borrowings	10	-	-
Other Financial Liabilities	11	3,499,996.98	3,499,996.98
Employee Benefit Obligations	12	5,010,954.00	4,773,713.00
		8,510,950.98	8,273,709.98
Current Liabilities			
<u>Financial Liabilities:</u>			
Borrowings	10	297,085,345.28	256,042,919.90
Trade Payables	13	5,983,397.09	4,720,518.11
Other Financial Liabilities		-	-
Other Current Liabilities	14	14,664,850.20	9,157,809.32
		317,733,592.57	269,921,247.33
TOTAL EQUITY AND LIABILITIES		376,747,398.25	387,804,733.08

As per our report of even date

For M/s. Shashank Patki & Associates
Chartered Accountants
Firm Registration No. 122054W

Shashank Patki
(Partner)
M. No. 035151
UDIN: 21035151AAAAAW2527

Place : Pune
Date : 30th June 2021

For and on behalf of the Board of Directors

Ramesh R. Havele
Managing Director
(DIN: 00007580)

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Veena R. Havele
Director
(DIN: 00007593)

Parul Rathore
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2021

Particulars	Note No.	Year Ended 31st March 2021 Rupees	Year Ended 31st March 2020 Rupees
INCOME:			
Revenue from operations	15	29,353,680.33	92,755,747.47
Other Income	16	806,821.00	854,909.57
Total Income		30,160,501.33	93,610,657.04
EXPENSES:			
Food and Beverage Consumed	17	3,135,398.29	12,333,449.28
Securities Trading expenses	18	1,624,036.24	28,429.71
Employee benefit expense	19	15,196,458.00	21,897,416.30
Financial costs	20	41,044,481.38	35,419,942.05
Depreciation and amortization expense	1	7,017,870.48	7,580,171.42
Other Operating and General Expenses	21	21,249,318.95	49,616,103.74
Total Expenses		89,267,563.34	126,875,512.50
Profit/(Loss) before exceptional Item and Tax		(59,107,062.01)	(33,264,855.46)
Exceptional Items		-	-
Profit/(Loss) before tax		(59,107,062.01)	(33,264,855.46)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total Tax Expenses		-	-
Profit/(Loss) after Tax for the period		(59,107,062.01)	(33,264,855.46)
Other Comprehensive Income, (Net of Tax):			
Items that will not be reclassified to profit and loss			
Actuarial Loss/(Gain) on employee gratuity (net of tax)		-	-
Items that will not be reclassified to profit and loss			
Unrealised Profit/(Loss) on Foreign Exchange (Net of tax)		140.93	-
Total Other Comprehensive Income		140.93	-
Total Comprehensive Income for the period		(59,106,921.08)	(33,264,855.46)
Earnings Per Share:			
No. of equity shares of Re.1/- each		55,933,581	55,933,581
i) Basic		(1.06)	(0.59)
ii) Diluted		(1.06)	(0.59)

As per our report of even date

For M/s. Shashank Patki & Associates
Chartered Accountants
Firm Registration No. 122054W

For and on behalf of the Board of Directors

Shashank Patki
(Partner)
M. No. 035151
UDIN: 21035151AAAAAW2527

Place : Pune
Date : 30th June 2021

Ramesh R. Havele
Managing Director
(DIN: 00007580)

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Veena R. Havele
Director
(DIN: 00007593)

Parul Rathore
Company Secretary

Standalone Cash Flow Statement for the Year Ended 31st March 2021

PARTICULARS	Year Ended 31st March 2021	March 31, 2020 Rupees
(A) CASH FLOW FROM OPERATING ACTIVITY		
Profit/(Loss) before Tax and Other Comprehensive Income	(59,107,062.01)	(33,264,855.46)
Adjustments for:		
Depreciation and Amortisation Expenses	7,017,870.48	7,580,171.42
Accounts Written off and Provision for Doubtful debts	1,543,870.38	2,347,972.06
Interest Expenses	41,044,481.38	35,419,942.05
Interest Earned	(531,404.00)	(533,024.00)
Operating profit before Working Capital changes	(10,032,243.77)	11,550,206.07
Adjustments for:		
Trade Receivables	5,032,832.81	(1,522,618.65)
Inventories	510,618.39	74,116.69
Non-Current and Current Financial Assets	(936,979.63)	(508,532.51)
Other Non-current and current assets	26,558,583.07	(14,942,454.79)
Other Current Liabilities	5,507,040.88	(939,583.86)
Employee benefit obligations	237,241.00	1,051,074.00
Trade payables	1,262,878.98	1,573,568.05
Cash generated from operations	28,139,971.73	(3,664,225.00)
Taxes Paid	-	-
Net Cash Flow from Operating Activity	28,139,971.73	(3,664,225.00)
(B) CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets/addition to CWIP	(36,788.80)	(184,370.29)
Interest Received	531,404.00	533,024.00
Net Cash Flow from Investing Activity	494,615.20	348,653.71
(C) CASH FLOW FROM FINANCING ACTIVITY		
Short term loans raised / (repaid)	523,618.00	446,664.00
Interest and Finance charges paid	(525,674.00)	(446,664.00)
Net Cash Flow from Financing Activity	(2,056.00)	0.00
(D) NET INCREASE IN CASH AND CASH EQUIVALENT	28,632,530.93	(3,315,571.29)
Cash and Cash equivalents as at beginning of the year	22,732,382.11	26,047,953.40
Cash and Cash equivalents as at end of the year	51,364,913.04	22,732,382.11

As per our report of even date

For M/s. Shashank Patki & Associates
Chartered Accountants
Firm Registration No. 122054W

Shashank Patki
(Partner)
M. No. 035151
UDIN: 21035151AAAAW2527

Place : Pune
Date : 30th June 2021

For and on behalf of the Board of Directors

Ramesh R. Havele
Managing Director
(DIN: 00007580)

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Veena R. Havele
Director
(DIN: 00007593)

Parul Rathore
Company Secretary

Statement of Changes in Equity as at March 31, 2021

(All amounts are in Rs., unless otherwise stated)

Particulars	Equity Shares Capital Subscribed	Reserves and Surplus				Total Equity
		Amalgamation Reserve	Security Premium Account	Profit/(Loss) B/F	Total Reserves and Surplus	
Balance at the beginning of the year (April 1, 2018)	55,933,581.00	2,634,000.00	288,864,684.02	(188,023,381.79)	103,475,302.24	159,408,883.24
Add : Profit/(Loss) for the Year	-	-	-	(16,534,252.00)	(16,534,252.00)	(16,534,252.00)
Other Comprehensive Income for the year	-	-	-	-	-	-
Closing Balance as on March 31, 2019	55,933,581.00	2,634,000.00	288,864,684.02	(204,557,633.79)	86,941,050.24	142,874,631.24
Add : Profit/(Loss) for the Year	-	-	-	(33,264,855.46)	(33,264,855.46)	(33,264,855.46)
Other Comprehensive Income for the year	-	-	-	-	-	-
Closing Balance as on March 31, 2020	55,933,581.00	2,634,000.00	288,864,684.02	(237,822,489.24)	53,676,194.78	109,609,775.78
Add : Profit/(Loss) for the Year	-	-	-	(59,107,062.01)	(59,107,062.01)	(59,107,062.01)
Other Comprehensive Income for the year	-	-	-	140.93	-	-
Closing Balance as on March 31, 2021	55,933,581.00	2,634,000.00	288,864,684.02	(296,929,410.31)	(5,430,867.24)	50,502,713.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rs., unless otherwise stated)

NOTE - 1 : Property, Plant and Equipment (Owned, unless otherwise Stated) and Intangible Assets									
	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Sub Total (A)	Capital Work in Progress (B)	Intangible Assets - Software (C)	Total (A + B + C)
Gross Block at Cost									
At April 1, 2020	44,366,791.00	234,704,187.66	113,152,878.54	49,292,453.85	1,494,921.00	443,011,232.05	18,107,796.40	1,042,786.00	462,161,814.45
Additions	-	-	36,788.80	-	-	36,788.80	-	-	36,788.80
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2021	44,366,791.00	234,704,187.66	113,189,667.34	49,292,453.85	1,494,921.00	443,048,020.85	18,107,796.40	1,042,786.00	462,198,603.25
Depreciation for the year									
At April 1, 2020	-	64,070,218.49	94,499,525.16	46,271,745.54	1,420,174.33	206,261,663.52	-	986,906.20	207,248,569.72
Charge for the Year	-	3,731,251.89	3,020,080.75	250,704.51	-	7,002,037.15	-	15,833.33	7,017,870.48
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2021	-	67,801,470.38	97,519,605.91	46,522,450.05	1,420,174.33	213,263,700.67	-	1,002,739.53	214,266,440.20
Net Block									
At March 31, 2020	44,366,791.00	170,633,969.17	18,653,353.38	3,020,708.31	74,746.67	236,749,568.53	18,107,796.40	55,879.80	254,913,244.73
At March 31, 2021	44,366,791.00	166,902,717.28	15,670,061.43	2,770,003.80	74,746.67	229,784,320.18	18,107,796.40	40,046.47	247,932,163.05

Foot Notes:

- Free Hold Land includes Cost of Land Rs. 159.66 lakhs As per Clause No. 4.4.5 (b) of the Scheme of Arrangement and Amalgamation sanctioned by Hon'able High Court, Bombay dated 16th July 2009, the Company has acquired land from Dr. Laxman V. Kulkarni and allotted equity shares as a consideration for land so acquired on 30th April 2010. However, execution of the conveyance deed, payment of stamp duty and filing of return of allotment with Registrar of Companies (ROC) is pending.
- In respect of property at Ward D-9, D 0032642, the name on the property card is M/s Vedant Hotels Ltd., Aurangabad, and the formality of name change on the property card is pending.
- Capital WIP includes cost of development of land - Rs. 87.69 lakhs, various Professional Charges - Rs. 66.13 lakhs and Construction of Wall compound Rs. 26.12 lakhs, survey charges Rs. 0.60 lakh and soil testing charges Rs. 0.54 lakh for proposed Hotel project at Nande, Pune, pending since long.
- Additions to Plant and Equipments include purchase of Water Pump and Scanner.
- On transition to Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rs., unless otherwise stated)

NOTE - 2 : INESTMENTS	Face Value Rs.	As at March 31, 2021		As at March 31, 2020	
		Holding	Rs.	Holding	Rs.
<u>INVESTMENT IN EQUITY SHARES</u>					
Unquoted - Others					
Saraswat Co. Op. Bank Ltd.	10	2,500	25,000.00	2,500	25,000.00
Total	-	2,500	25,000.00	2,500	25,000.00
Less: Provision for Impairment of Investment	10	2,500	25,000.00	2,500	25,000.00
Total	-	-	-	-	-
<u>INVESTMENTS IN OTHER INSTRUMENTS</u>					
National Saving Certificate (NSC)	-	-	5,000.00	-	5,000.00
Total	-	-	5,000.00	-	5,000.00
Total Non Current Investments	-	-	5,000.00	-	5,000.00

Foot Notes :

1. Saraswat co. Op. Bank Ltd. has assigned Term Loans to Phoenix ARC Pvt. Ltd. , in earlier years. As such provision for impairment of Investment was made in Financial Year 2018-19 as status of recoverability of investment is not ascertainable.

2. The Company has invested Rs. 5,000/- in National Saving certificate Scheme for the purpose of Bar License and certificate issued in the name of one of the Director of the Company as per requirement of concerned bar license issuing authority. The said Investment is matured on 15th April 2020 and yet to liquidate.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rs., unless otherwise stated)

NOTE - 3 : OTHER FINANCIAL ASSETS	As at March 31, 2021	As at March 31, 2020
(A) Non Current	-	-
	-	-
(B) Current		
Accrued Interest	62,260.92	128,081.11
	62,260.92	128,081.11

Foot Note:

1. Accrued interest includes of Rs. 0.60 lakhs (Previous Year Rs. 1.26 lakh) on account of interest on security deposit kept with Maharashtra State Electricity Distribution Company Limited (MSEDCL).

NOTE - 4 : OTHER ASSETS	As at March 31, 2021	As at March 31, 2020
(A) Other Non Current Assets		
Capital Advances	39,760,000.00	39,760,000.00
Security Deposits	1,974,573.60	1,974,573.60
VAT Credit Receivable	2,629,885.56	2,629,885.56
GST - Cess Credit Receivable	2,340.00	2,340.00
	44,366,799.16	44,366,799.16
(B) Other Current Assets		
Prepaid Expenses	142,206.52	535,678.02
Advance to Employee	1,632.00	41,000.00
Security Deposits	563,822.20	466,143.00
GST Credit Receivable	23,652.16	-
Payment against sales tax notice - 2007-08	202,023.00	202,023.00
Advance to Trade Suppliers	751,480.78	425,499.08
Advance to Visconti Industries, Inc.	3,686,655.63	3,686,655.63
Dhanada Holdings Private Limited	-	30,144,128.00
Advance to Consultants for Statutory Payments	-	2,653.00
Balance with Spl. Judge, MPID Aurangabad	9,641,993.00	6,389,509.00
Balance with Securities Trading Accounts	69,237.11	10,338.54
	15,082,702.40	41,903,627.27
Less: Provision for Doubtful Recovery	3,686,655.63	3,686,655.63
	11,396,046.77	38,216,971.64

Foot Note:

1. All the loans and advances are unsecured considered good, unless otherwise stated. There are no loans and advances with significant increase in credit risk, as compared to previous year.

2. Capital advances include advance given to Laxman V. Kulkarni of Rs. 391.00 lakhs in earlier years for resolving the dispute of effecting conveyance deed of the land as per the Scheme of Arrangement and Amalgamation sanctioned by Hon'able High Court, Bombay dated 16th July 2009. However, the registration of the conveyance deed is still pending therefore the amount is reported as capital advance.

3. Security Deposits in Non-current assets include Rs. 13.90 lakhs (Previous Year Rs. 13.90 lakhs) with MSEDCL towards HT electricity line for hotel operations.

4. Security Deposits in Non-current assets include Rs. 5.00 lakhs (Previous Year Rs. 5.00 lakhs) with Vitizen Hotels Ltd. (Operating Agency) as per term of agreement for day to day operations of the Hotel.

5. VAT Credit Receivable represents Rs. 24.69 lakhs for F.Y. 2008-09 and Rs. 1.60 Lakhs for F.Y. 2007-08, against which appeals are pending with Dy. Commissioner of Sales Tax, Aurangabad.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**(All amounts are in Rs., unless otherwise stated)**

6. Advance to Visconti Industries, Inc. is for mobilisation and professional fees for sourcing of funds in the form of foreign Equity and ECB. The management had taken possible efforts to materialise the said transactions but due to various legal issues, the Company could not execute the same till the date of Balance Sheet. In the opinion of the management, this advance is credit impaired, provision for doubtful advances has been made therefor.

7. During the previous few years, the accounts had been compiled only on the basis of the records and documents then available with the Company due to seizure of records and documents by Police authorities, partially released and most of the records having been stored in the registered office of the Company, which were taken in possession of by the Competent Authority, Pune. The books of account (financial as well as disclosure) are subject to availability of these and various other documents. During the year there was lockdown announced since April 2020 due to covid-19, and also as per the order of SDO dated 05.05.2020 the hotel was announced as Covid Centre for the stay of doctors as per the order of the Session Judge of Aurangabad. The Hotel was occupied by Doctors till February 2021.

8. The Company, its Holding Company viz., Dhanada Holdings Private Limited and a Director to whom the advance was given, had entered into a tripartite agreement. As per this agreement, the outstanding balance of Rs. 301.44 lakhs receivable from a director as on 31st March 2020 was taken over by and to be repaid by the Holding Company - Dhanada Holding Private Limited. The effect of the said transactions had been given in the Books of Account of the Company as on 31st March 2020. Consequently, the advance from the director had been nullified and the balance of Rs. 301.44 lakhs had been shown as receivable from the holding company viz., Dhanada Holdings Private Limited. Special resolution as per the provisions of section 186 had been passed by the company. However, considering the legal advice and to avoid further complications and consequences and as a precautionary measure, all the parties to the agreement have mutually decided to terminate / cancel the arrangement. The corresponding effect of cancellation has been given in the books of accounts of the Company as on 30th June 2020 by rectifying the book entry. However, during the year, Ramesh R. Havele, the director has repaid the entire outstanding balance receivable of Rs. 301.44 lakhs to the Company till 31st March 2021. There were some cheques received from the director in the month of January, February and March 2021 which were presented for payment to the bank only in the month of April, May 2021, as such the same stand as cheques on hand in the books of account, However they are subsequently presented for payment in April & May 2021 and are cleared, as such the outstanding balance in the books of account due from director stands NIL as on 31st March 2021.

9. An amount of Rs. 96.42 lakhs (Previous Year Rs. 63.90 lakhs) has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2021, pursuant to an order dated 24.05.2019 and 17-03-2021, passed by the Sessions Judge under MPID Act. The balance is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payment to the applicants of the said case under MPID Act, out of this amount deposited in the Court. The Company has not received any intimation from the Court Authority till date about any payments made under MPID Act to the applicants. Pending such intimation, the amount is shown as advance in the name of Spl. Judge, MPID Aurangabad. On receiving the official intimation, appropriate accounting would be

NOTE - 5 : INVENTORIES	As at March 31, 2021	As at March 31, 2020
(As taken and certified by the management) Food and Beverages, Stores and Operating Supplies	493,489.44	1,004,107.83
	493,489.44	1,004,107.83
NOTE - 6 : TRADE RECEIVABLES	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	9,226,080.82	15,802,784.01
With significant increase in credit risk which are Credit impaired	1,138,042.19	506,328.51
	10,364,123.01	16,309,112.52
Less: Provision for doubtful of recovery:	1,138,042.19	506,328.51
	9,226,080.82	15,802,784.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rs., unless otherwise stated)

Foot Note :

1. Trade Receivables includes debts in the ordinary course of business.
2. Trade Receivables include an amount of Rs. 56,44,902.95 (Previous Year Rs. 40,94,729.96) outstanding over six months from the date they were due for payment.
3. Trade Receivable forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for doubtful of recovery and allowance for same using expected credit loss method. However the assessment and evaluation of credit loss is not based on any mathematical model but is made considering the historical data and experience of the customers.
4. Trade receivables include amount due from online portal bookings, the payment from online portal customers goes directly in the account of Vitizen Hotels Ltd., after deduction of payment by Vits hotel towards management fees and incentives the amount is remitted to VITS Hotel (Dhanada Corporation Ltd.), the total amount outstanding is Rs. 13,68,910.38 as on 31st March 2021. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VIPL to deposit an amount of Rs. 41.00 lakhs with the Competent Authority. Against this, VIPL has deposited an amount of Rs. 32.52 lakhs which has been included in amount with 'additional session judge Aurangabad'. Management and other charges in respect of revenue from the Doctors stay at Hotel during pandemic have not been accounted for pending discussion with VIPL. VIPL has now submitted their account statement which is in the process of reconciliation. In view of the foregoing, the account of VIPL is subject to confirmation , reconciliation and consequential adjustments, if any.

NOTE - 7 : CASH AND BANK BALANCES	As at March 31, 2021	As at March 31, 2020
Cash and Cash equivalents		
Cash on Hand	613,647.70	565,743.50
Balances with banks in current account	24,847,137.34	22,166,638.61
Cheques on Hand	25,904,128.00	-
	51,364,913.04	22,732,382.11
Bank balances other than cash and cash equivalents		
Earmarked balances with bank	7,988,862.61	6,986,062.79
	7,988,862.61	6,986,062.79

Foot Note :

1. Term deposits with Axis Bank Ltd. of Rs. 10 lakhs are for a period of 5 years. After the expiry of the term, it is then renewed for same period.
2. Term deposits with AU Small Finance Bank of Rs. 5 lakhs is for a period of 5 years.
3. The initial term deposit of Rs. 1 lakh was kept with Saraswat Bank for a period of one year from the date of issue and it is renewed after the expiry and the same is for the purpose of Bank Guarantee of Rs. 1 lakh for the purpose of obtaining bar license. The balance is Rs. 2.29 lakhs (Including part of accrued interest thereon) as on 31st March 2021.
4. The initial term deposits with HDFC Bank Ltd. of Rs. 10 lakhs are kept as lien for Over draft facility against the same. The balance as on 31st March 2021 is Rs.16.45 Lakhs (including part of accrued interest thereon)
5. Term deposits with ICICI Bank Ltd. of Rs. 11.50 lakhs have a lien for Over draft facility against the same.
6. Balances with banks include an amount of Rs. 179.75 lakhs kept in a bank account in the individual name of a director. This amount has been kept in a No Lien account as a part of the negotiations with a lender bank for One Time Settlement. This balance is also subject to confirmation, reconciliation and consequential adjustments, if any, financial implication is not ascertainable.
7. Axis Bank account carries an amount of Rs. 3.25 lakhs maintained as earmarked funds.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**(All amounts are in Rs., unless otherwise stated)**

8. An amount of Rs. 31.10 lakhs (Previous year - Rs. 26.42 lakhs) has been reflected as Accrued Interest on the aforesaid fixed deposits included in earmarked bank balances. Part of the Accrued interest has been transferred to respective Fixed Deposit Accounts during the year. Banks have given balance confirmation and or interest certificate in respect of the same, except interest certificate of ICICI Bank. Since, the current account and Fixed Deposit Account of ICICI Bank are seized under MPID Act, the concerned bank has not provided necessary interest certificate as such the same is accounted at original contractual rate.

9. Balances with banks in respect of following bank accounts are subject to balance confirmation, reconciliation and consequential adjustments if any:

Bank and Account number	Balance as on 31.03.2021 as per books (in Rupees)	Balance as on 31.03.2020 as per books (in Rupees)
Axis Bank	325,594.05	325,594.05
IDBI Bank, Pune	274,090.00	274,090.00
Havele Ramesh R (BOM Loan Repay A/c)	17,975,000.00	17,975,000.00
ICICI BANK Current A/c	1,763,012.61	1,524,567.61

10. As per para 14 of the order dated 05.02.2019 by Additional Sessions Judge, a competent authority after attaching VITS Hotel and its Bank accounts, has taken its possession and managing its (Hotel VITS, Aurangabad) day to day affairs.

11. The cheques on hand reflect the cheques received from Mr. Havele against the advance due from him, the cheques were not presented for payment to bank before march 2021 as such the same are shown as cheques on hand.

NOTE - 8 : EQUITY SHARE CAPITAL	As at March 31, 2021	As at March 31, 2020
(A) Authorised Share Capital		
Ordinary Shares:		
Equity shares of Re. 1/- each with voting rights	108,000,000.00	108,000,000.00
Preference Shares		
8% Cumulative Convertible Preference Shares of Re. 1/- each	50,000,000.00	50,000,000.00
	158,000,000.00	158,000,000.00
(B) Issued Share Capital		
5,59,33,581 (5,59,33,581) equity shares of Re. 1/- each	55,933,581.00	55,933,581.00
	55,933,581.00	55,933,581.00
(C) Subscribed and Paid Up		
5,59,33,581 (5,59,33,581) equity shares of Re. 1/- each fully paid up	55,933,581.00	55,933,581.00
	55,933,581.00	55,933,581.00

Foot Note :

1. The Company has one class of equity shares having a par value of Re. 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2. As per Clause No. 4.4.5 (b) of the Scheme of Arrangement and Amalgamation sanctioned by Hon'able High Court, Bombay dated 16th July 2009, the Company has acquired land from Dr. Laxman V. Kulkarni and allotted 17,96,254 equity shares of Re. 1/- each (alongwith share premium of Rs. 5.94 per share) as a consideration for land so acquired on 30th April 2010. However, execution of the conveyance deed, payment of stamp duty and filing of return of allotment of shares is pending.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rs., unless otherwise stated)

NOTE NO. 8 : SHARES CAPITAL	As at 31st March 2021		As at 31st March 2020	
			No.s	Amount
(A) Authorised:				
Equity shares of Re. 1/- each with voting rights	108,000,000	108,000,000.00	108,000,000	108,000,000.00
8% Cumulative Convertible Preference Shares of Re. 1/- each	50,000,000	50,000,000.00	50,000,000	50,000,000.00

(B) Issued, Subscribed & Fully Paid Up:

Equity shares of Re. 1/- each with voting rights	55,933,581	55,933,581.00	55,933,581	55,933,581.00
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(C) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares			
	As at 31st March 2021		As at 31st March 2020	
	No.s	Amount	No.s	Amount
Shares outstanding at the beginning of the year	55,933,581	55,933,581.00	55,933,581	55,933,581.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	55,933,581	55,933,581.00	55,933,581	55,933,581.00

(D) Share Capital held by Holding Company

Particulars	Nature of Relationship	As at 31st March 2021	As at 31st March 2020
		No.s	No.s
Equity Shares: Dhanada Holdings Pvt. Ltd.	Holding Company	26,921,002	29,671,156
Total		26,921,002	29,671,156

(E) Shares in the Company held by each shareholder holding more than 5 % shares:

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31st March 2021		As at 31st March 2020	
	No of Shares held	% of holding	No of Shares held	% of holding
Promoter: Dhanada Holdings Pvt. Ltd.	26,921,002	48.13	29,671,156	53.05
Ramesh R. Havele	3,112,159	5.56	3,089,849	5.52
Non-Promoter: Laxman V. Kulkarni	6,371,692	11.39	6,371,692	11.39
Total	36,404,853	65.09	39,132,697	69.96

Foot Note:

1. Fully paid up equity shares without payment in cash:

Particulars	2020-21	2019-20	2018-19	2017-18
Equity Shares				
Fully Paid up pursuant to contract(s) without payment being received in cash (See note below)	4,697,133	4,697,133	4,697,133	4,697,133
Fully Paid up by way of bonus shares	Nil	Nil	Nil	Nil
Share bought back	Nil	Nil	Nil	Nil

2. The Company has one class of equity shares having a par value of Re. 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

3. As per Clause No. 4.4.5 (b) of the Scheme of Arrangement and Amalgamation sanctioned by Hon'able High Court, Bombay dated 16th July 2009, the Company has acquired land from Dr. Laxman V. Kulkarni and allotted 17,96,254 equity shares of Re. 1/- each (alongwith share premium of Rs. 5.94 per share) as a consideration for land so acquired on 30th April 2010. However, execution of the conveyance deed, payment of stamp duty and filing of return of allotment of shares is pending.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rs., unless otherwise stated)

NOTE - 9 : OTHER EQUITY	As at March 31, 2021	As at March 31, 2020
Reserves & Surplus:		
Securities Premium Account	288,864,684.02	288,864,684.02
Revenue Reserve (Created out of Scheme of Amalgamation)	2,634,000.00	2,634,000.00
	291,498,684.02	291,498,684.02
Retained Earnings:		
Surplus/ (Deficit) in the Profit And Loss	(237,822,489.24)	(204,557,633.79)
Add: Current Year profits / (losses)	(59,107,062.01)	(33,264,855.46)
	(296,929,551.25)	(237,822,489.25)
Other Comprehensive Income (Net of Taxes)	140.93	-
TOTAL OTHER EQUITY	(5,430,726.30)	53,676,194.77

PURPOSE OF RESERVE

1. SECURITIES PREMIUM ACCOUNT: Securities premium is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
2. REVENUE RESERVE : The reserve is created and is to be utilised as per the Scheme of Amalgamation

NOTE - 10 : BORROWINGS	As at March 31, 2021	As at March 31, 2020
(A) Long term borrowings - Secured		
Term Loan from ARC		
Phoenix ARC Pvt. Ltd. - I	71,505,071.18	61,298,890.01
Phoenix ARC Pvt. Ltd. - II	102,341,297.26	87,733,741.02
Term Loan From Bank		
Bank of Maharashtra	107,460,840.77	93,729,403.47
	281,307,209.21	242,762,034.50
Less: Current maturities of Long term borrowings (shown under Other current financial liabilities)	281,307,209.21	242,762,034.50
Total Long term borrowings	-	-
Short term borrowings		
From Bank - Secured		
Over Draft against Banks Fixed Deposit	3,869,113.61	3,350,103.61
Over Draft - Bank of Maharashtra	11,626,046.44	9,652,413.77
Current Maturities of Term Loan from Bank, (Transferred from Long Term Borrowings)	281,307,209.21	242,762,034.50
From Bank - Unsecured		
HDFC Bank Ltd.	28,788.00	24,180.00
From Others - Unsecured		
Sales Tax Deferment	254,188.02	254,188.02
Total Short term borrowings	297,085,345.28	256,042,919.90

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**(All amounts are in Rs., unless otherwise stated)****Foot Note :**

1. Term Loan I and II from Phoenix ARC Pvt. Ltd. are secured by Mortgage of Hotel Property and hypothecation of movable of Assets and personal guarantee of Directors and Corporate Guarantee of M/s. Dhanada Holdings Pvt. Ltd. and has taken symbolic possession by an assignment from Saraswat Co.Op. Bank Ltd. of all the mortgaged assets. As the Company is in default of Payments of entire outstanding amount the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 regarding recovery procedure will be applicable. Terms of Repayment - 5 years from 2009-10. Rate of Interest - 15.50% per annum. The entire outstanding balance is due for payment as there is no repayment during the year. In the absence of the statements from the lender, Interest is being accounted for at the original contractual rates.

2. Term Loan from Bank of Maharashtra is secured by Mortgage of Land situated at Village Mauje Nande, Pune. Entire outstanding balance is due for payment (including interest). Bank of Maharashtra has issued notice for sale of mortgaged property under Security Interest (Enforcement) Rules, 2002. As the Company is in default of Payments of entire amount, the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 regarding recovery procedure will be applicable. Term of Repayment - 7 years from October 2012. Rate of Interest 13.75% per annum. Interest is being accounted for at the original contractual rates.

3. Term Loan from Phoenix ARC Pvt. Ltd. (ARC) is secured by Mortgage of Hotel Property and hypothecation of movable assets. ARC has taken symbolic possession of these assets under an assignment from Saraswat Co-op. Bank Ltd. The ARC had approached the Sessions Court, Aurangabad for vacating the possession, of the hotel premises, taken by the Competent Authority, wherein the Additional Sessions Judge, Aurangabad has passed an order directing the Competent Authority to settle claims of ARC from the proceeds of the proposed e-Auction of the hotel property.

4. Term Loan from Bank of Maharashtra is secured by Mortgage of Land situated at Village Nande, Pune and has called back entire loan outstanding amount (including interest) for which Bank of Maharashtra has issued notice for sale of mortgaged property under Security Interest (Enforcement) Rules, 2002. As the Company is in default of payments of entire outstanding amount, the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 regarding recovery procedure will be applicable.

5. Overdraft from Bank of Maharashtra is secured by Mortgage of Land situated at Village Nande, Pune. Entire outstanding balance is due for payment (including interest).

6. Over draft facility availed from HDFC Bank Ltd. is against Fixed Deposit of Rs. 10 lakhs.

7. Over draft facility availed from ICICI Bank Ltd. is against Fixed Deposit of Rs. 11.50 lakhs.

8. Over draft facility availed from AU Small Finance Bank is against Fixed Deposit of Rs. 5 lakhs.

9. Sales Tax deferment scheme was availed by the Company along with Special Capital Incentive scheme. Term of repayment is over and remaining amount of Rs. 2.54 lakhs is still payable. However the interest due on total amount of Rs. 21.04 lakhs is not provided for.

10. All the borrowings are subject to confirmation, reconciliation and consequential adjustments, if any. Financial implication is not ascertainable.

NOTE - 11 : OTHER FINANCIAL LIABILITIES	As at March 31, 2021	As at March 31, 2020
A) Non Current financial liabilities		
Payable to Dr. Laxman V. Kulkarni	3,499,996.98	3,499,996.98
	3,499,996.98	3,499,996.98
B) Current financial liabilities		
	-	-
	-	-

Foot Note:

1. This amount is shown as payable as a part of consideration of Land acquired by the Company under the scheme of amalgamation sanctioned by Honorable High Court, Bombay dated 16th July 2009, as referred to in Note 8 (3) - Equity Share Capital.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rs., unless otherwise stated)

NOTE - 12 : PROVISION FOR EMPLOYEE BENEFITS	As at March 31, 2021	As at March 31, 2020
Non Current		
Gratuity	3,440,513.00	2,906,850.00
Leave Encashment	1,570,441.00	1,866,863.00
	5,010,954.00	4,773,713.00

Foot Note :

1. The Company has obtained Valuation of Gratuity and Leave encashment from Actuarial Valuer and provisions of the same are made till the end of Financial Year 2020-21. The Company has not yet established any Gratuity Trust, hence, outstanding amount of Gratuity and Leave Encashment is not yet funded.

NOTE - 13 : TRADE PAYABLES	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Dues to Micro and Small Enterprises	250,968.86	157,929.70
Others	5,732,428.23	4,562,588.41
Total Trade Payables	5,983,397.09	4,720,518.11

Foot Note :

1. The amount due if any to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" is determined to the extent such parties have been identified on the basis of information received by the Company.

NOTE - 14 : OTHER CURRENT LIABILITIES	As at March 31, 2021	As at March 31, 2020
Current		
Special Capital Incentive refundable due	2,500,000.00	2,500,000.00
Electricity Expenses Payable	1,657,920.00	871,540.00
Salary & Wages Payable	4,696,050.00	1,376,535.00
Stipend Payable	-	39,042.00
Bonus Payable	1,548,269.00	882,587.00
Other Payable	792.00	20,186.00
GST Payable	172,944.39	240,452.12
Profession Tax Payable	94,125.00	43,900.00
TDS/Payable	289,448.00	248,422.00
VAT/CST Payable	15,701.70	27,223.62
ESI Payable	152,259.00	81,589.00
Provident Fund Payable	801,238.00	234,411.00
Sales Tax Payable for earlier years	344,242.00	344,242.00
Customer Advance / Refund Payable	2,085,410.81	2,234,679.58
Misc. Expenses Payable / Provisions	77,864.61	13,000.00
Payable to Consultants - Statutory Payments	6,152.00	-
Havele Ramesh R. (Advance Taken for Security Trading)	208,233.86	-
Havele Ramesh R. (Advance Taken for Company Expenses)	14,199.83	-
	14,664,850.20	9,157,809.32

Foot Note :

1. Special Capital incentive Rs. 25 lakhs was received for construction of Hotel and term of repayment is over and entire balance is due for repayment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**(All amounts are in Rs., unless otherwise stated)**

NOTE - 15 : REVENUE FROM OPERATIONS	Year ended March 31, 2021	Year ended March 31, 2020
Food & Beverage	16,772,188.22	21,431,359.00
Liquor Sale	543,282.70	2,893,899.03
Room Revenue	11,009,846.31	64,468,843.37
Banquet Sale	912,854.48	3,293,329.08
Sale of Scrap	3,666.66	27,776.20
Other Miscellaneous Income - Hotel Activity	111,841.96	640,540.79
Sub-Total (A)	29,353,680.33	92,755,747.47
Income from Trading in Financial Securities	-	-
Sub-Total (B)	-	-
Total (A + B)	29,353,680.33	92,755,747.47

NOTE - 16 : OTHER INCOME	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income:		
On Bank Fixed Deposits	531,404.00	533,024.00
Other Interest	-	882.00
Other Misc. Income :		
Creditors and Misc. balances written back	-	313,354.57
Leave Encashment Reversal of Provision	275,417.00	-
Sales Tax Amnesty Scheme Benefit Income	-	7,649.00
	806,821.00	854,909.57

Foot Note:

1. Interest income includes an amount of Rs. 1.28 lakh earned from Fixed Deposit kept with ICICI Bank. On seizure of Bank Account under MPID Act, the lien has been created by bank on Fixed Deposit Account. Interest income for the Financial Year 2018-19 and 2020-21 has not been credited by bank to the said Fixed Deposit Account. The Company has made provision of interest income at the contractual rate of Fixed Deposit kept with the Bank.

2. On valuation of Leave encashment, Rs. 2.75 lakhs recognised as income for Financial Year 2020-21 and the said amount is reversed and considered as income.

NOTE - 17 : FOOD AND BEVERAGE CONSUMED	Year ended March 31, 2021	Year ended March 31, 2020
Food, Beverage Liquor Consumed:		
Opening Stock	1,004,107.83	1,078,224.52
Add : Purchases	2,624,779.90	12,259,332.59
Less : Closing Stock	493,489.44	1,004,107.83
	3,135,398.29	12,333,449.28

NOTE - 18 : DERIVATIVE TRADING EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Trading in Financial Securities	1,623,935.09	28,224.31
Securities Trading Expenses	101.15	205.40
	1,624,036.24	28,429.71

NOTE - 19 : EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Ex-gratia	13,680,214.00	18,881,905.00
Employers' Contributions to Provident Fund	434,984.00	1,064,511.00
Employers' Contributions to ESIC	280,332.00	413,049.00
Gratuity and Leave encashment	586,105.00	1,243,910.00
Staff welfare and Other expenses	214,823.00	294,041.30
	15,196,458.00	21,897,416.30

Foot Note:

1. As per the valuation reports of Gratuity and Leave Encashment, expenses of Rs.5.86 lakhs towards Gratuity are recognised and there is no expense recognised towards Leave encashment for the Financial Year 2020-21.

2. The Company has not paid any managerial remuneration and sitting fees to the Directors during the year and previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rs., unless otherwise stated)

NOTE - 20 : FINANCIAL COST	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Bank Overdraft	2,499,306.67	2,086,829.82
Interest on Term loan	38,545,174.71	33,333,112.23
	41,044,481.38	35,419,942.05

Foot Note:

1. Provision of interest of Rs. 19.74 lakhs for financial year 2020-21 is made at contractual rate on Bank Over draft facility availed from Bank of Maharashtra.
2. Provision of interest of Rs. 137.31 lakhs for financial year 2020-21 is made at contractual rate on Term Loan taken from Bank of Maharashtra.
3. Provision of interest of Rs. 248.14 lakhs for financial year 2020-21 is made at contractual rate on Term Loans of Phoenix ARC Private Limited. The said term loan assigned by Saraswat Co-op. Bank Ltd. to Phoenix ARC Private Limited at same terms and conditions.

NOTE - 21 : OTHER OPERATING AND GENERAL EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
Operating Expenses:		
Direct Expenses	992,142.21	2,030,646.41
Housekeeping	180,000.00	190,000.00
Linen and Laundry	262,888.12	1,330,449.28
Power and Fuel	9,126,432.69	18,164,764.70
Repairs to Building	262,280.08	819,445.88
Repairs to Machinery and Others	693,548.40	2,386,506.75
Commission & Sales Promotion	-	2,651,892.85
Security and Labour Hire	1,534,014.70	2,848,085.16
Administration and General Expenses:		
Administration Expenses	1,807,453.31	7,697,299.25
Advertisement and Publicity	-	61,056.00
Auditors Remuneration:		
- Statutory Audit Fee	385,000.00	385,000.00
- Tax Audit Fee and Tax Consultancy	150,000.00	150,000.00
Amounts Written off	564,730.57	1,841,643.55
Provision for Doubtful Debts	979,139.81	506,328.51
Bank Commission and Charges	73,948.33	397,059.88
Insurance	450,008.00	341,169.00
Interest on Tax Payments	51,074.00	45,547.00
License Fees	366,432.69	798,450.99
Printing and Stationary	9,834.00	171,410.00
Professional Fees	3,173,158.17	6,006,861.00
Rates and Taxes	60,510.00	338,251.00
Office Rent	-	52,500.00
Communication Expenses	106,783.87	210,768.03
Travelling and Lodging	19,940.00	190,968.50
	21,249,318.95	49,616,103.74

NOTE – 22: General Information, Significant Accounting Policies and Other Notes.**A. General Information and Significant Accounting Policies****a. General Information**

- i. Dhanada Corporation Ltd. (“the Company”) was incorporated on 14th July 1986 in the state of Maharashtra, India. The Company is primarily engaged in the business of Hospitality.
- ii. The statements were authorized for issue in accordance with a resolution of the Board of Directors passed on June 30, 2021.

b. Significant Accounting Policies:**1. Statement of compliance:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016 and the Company restated the previous Indian GAAP accounts to Ind AS compliant accounts for the financial year ended March 31, 2017.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company, the reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS, and details of first-time adoption exemptions availed by the Company are given in the Notes Part B, herein below.

2. Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments measured at fair value other than those with carrying amounts that are reasonable approximations of fair values.

3. Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

4. Classification of Assets and Liabilities into current and Non-current:

The company presents its assets and liabilities in the Balance Sheet based on current/noncurrent classification;

An asset is treated as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realized within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when it is:

- a) It is expected to be settled in normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. Based on the services rendered and their realizations in cash and cash equivalents, the Company has ascertained its operating cycle is 12 months for the purpose of current - non-current classification of assets and liabilities.

5. Exceptional Items:

Items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as exceptional items.

6. Revenue Recognition:

- a) Revenue from Hotel activity (net of Taxes) is recognized on rendering of services and billing to the customer at the rates negotiated with each customer.
- b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- c) Income from Derivative/Securities Trading is recognized on settlement of transaction.

7. Property, Plant and Equipment:

- a. Property, Plant and Equipment are stated at cost less accumulated depreciation. The cost includes all direct costs relating to the acquisition and installation of fixed assets. Interest on borrowed funds, if any, used to finance the acquisition of fixed assets, is capitalized up to the date the assets are ready for commercial use. Under-utilized assets are recorded at estimated realizable value.

- b. Direct expenditure during construction period attributable to the cost of assets under construction is considered as capital work in progress and indirect expenditure is included under expenditure during construction period pending allocation.
- c. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

8. Intangible Assets

- a. Intangible assets are carried at cost, net of credit availed in respect of any taxes and duties, less accumulated amortization. Computer software is classified under "Intangible Assets".
- b. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

9. Depreciation and Amortization:

The Company provides depreciation on all its assets on the Straight Line method at the rates and useful life of Assets in the manner specified in Schedule II of the Companies Act, 2013, proportionate from the date they are put to use.

10. Investments:

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature. Current investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

11. Provisions:

Provisions are recognized when the Company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimates can be made for the amount of the obligation.

12. Retirements Benefits:

i. Gratuity:

The Company provides for gratuity, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to gratuity plan are determined based on actuarial valuation carried out by independent actuary as at the Balance Sheet date.

Actuarial gains and losses are recognized in full in the Profit and Loss account for the year in which they occur.

ii. **Provident Fund:**

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary (currently at 12% of the basic salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and are charged to profit or loss account.

iii. **Leave Encashment:**

Employees are eligible for Leave Encashment. The Company has provided Leave Encashment benefit on the basis of actuarial valuation.

iv. **Employees' State Insurance Scheme (ESIS):**

Employees' State Insurance Scheme (ESIS) is the defined contribution scheme offered by the Company. The contribution to this scheme is charged to the profit or loss account of the year in which contribution to such scheme becomes due.

13. Inventories:

Stock of food and beverages and operating supplies is carried at weighted average cost or net realizable value whichever is lower.

14. Research and Development:

The Company does not have a separate Research and Development department and has not incurred any expenditure on Research and Development.

15. Taxation on Income:

Deferred tax resulting from timing differences between book profits and taxable profits is accounted for using the tax rates that have been enacted or substantially enacted by the Balance Sheet date to the extent such differences are reversible in subsequent period. Deferred Tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their carrying values at each Balance Sheet date.

16. Earnings per Share:

a) **Basic earnings per share:** Basic earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity share holders by weighted average number of equity shares outstanding during the period.

b) **Diluted earnings per share:** Diluted earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

17. Contingent Assets and Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more

uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

18. Financial Assets:

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

19. Financial liabilities:

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

20. Significant accounting judgements, estimates and assumptions:

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be

reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

B. Other Notes forming part of the Balance Sheet as at 31st March 2021 and Profit and Loss Account for the year ended on that date:

a. Exemptions applied

Ind AS 101 on First Time adoption of Ind AS allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has adopted the following exemptions:

- I. Deemed cost of Property, Plant and Equipment (“PPE”)/Capital Work-in-Progress (“CWIP”) and Intangible Assets.

There is no change in the functional Currency of the Company and accordingly, it has elected to continue with the carrying values for all of its property, plant and equipment and intangible assets as recognized in its Indian statements as the deemed cost at the transition date. Accumulated depreciation was calculated on that amount as at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset using the depreciation policy adopted by the company in accordance with Ind AS.

- II Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the transition to Ind AS.

- III. Classification and measurement of financial assets

The Company has classified the financial assets in accordance to Ind AS 109 on the basis of the facts and circumstances that exist on the date of transition to Ind AS.

- b. Managerial Remuneration:**

No managerial remuneration is paid or payable for the current year (Previous year: Nil).

- c. C.I.F. Values of Imports and Expenditure in foreign currency: NIL**

- d. F.O.B value of Exports and Earning in Foreign Exchange: NIL**

- e. Provision for Taxation:**

Current Tax: As there is no taxable income or Book Profit; provision for Income Tax has not been made.

Deferred Tax Assets are not recognized as there is no reasonable certainty of realization.

- f. The outstanding balances of sundry creditors, sundry debtors, and advances (taken or given), bank current accounts, bank deposit accounts, all loan/overdrafts accounts are**

subject to reconciliation, confirmations and consequential adjustment if any. Financial implication is not ascertainable.

- g. The Company has identified suppliers or service providers whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006" and the amount overdue at the year end is disclosed to Note No. 13 to the financial statements. Interest on these creditors are not been provided for in the books as the company is confident of waiver of such interest by these creditors.
- h. Employee Benefits (As per IND AS 19):

Following information is based on the report of Actuary and relied upon by the Auditors:

- a. Defined benefit plans of Gratuity:

Assumptions	As of 31.03.2021	As of 31.03.2020
Discount Rate	6.90%	6.50%
Rate of increase in compensation levels	10%	10%
Expected average remaining working lives of employees (in years)	11.30	9.76

Change in present value of obligations	01-04-2020 to 31.03.2021	01-04-2019 to 31.03.2020
Present Value of Obligation as at the beginning of period	2,906,850	21,25,409
Interest Expenses	1,87,241	1,59,245
Current Service Cost	3,58,747	3,10,751
Benefits Paid	(52,542)	(60,155)
Re-measurements on obligation - (Gain) / Loss	40,117	3,71,600
Present Value of Obligations at the end of the period	34,40,513	29,06,850

The Amount to recognized in the Balance Sheet	01-04-2020 to 31.03.2021	01-04-2019 to 31.03.2020
Present Value of Obligation as at the end of the period	34,40,513	29,06,850
Fair Value of Plan Assets as at the end of the year	-	-
Surplus / (Deficit)	(34,40,513)	(29,06,850)
Current Liability	2,82,975	1,83,328
Non Current Liability	31,57,538	27,23,522
Net Asset / (Liability) Recognized in the Balance Sheet	(34,40,513)	(29,06,850)
Expenses recognized in the Statement of Profit and Loss	01-04-2020 to 31.03.2021	01-04-2019 to 31.03.2020
Service Cost	3,58,717	3,10,751
Interest (Income)/Expenses	1,87,241	1,59,245
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	5,45,988	4,69,996

- b. Employees are eligible for Leave Encashment. The Company has provided Leave Encashment benefit on actuarial value basis. The present Value of Obligation as on 31st March 2021 is Rs. 15,70,441/- (Previous Year Rs. 18,66,863/-).
- c. Amount recognized as an expense in respect of defined Contribution plans are as under:

Particulars	2020-21	2019-20
Contribution to Govt. Provident Fund	4,34,984*	10,64,511*
Employees' State Insurance Scheme (ESIS)	2,80,332	4,13,049

* Due to COVID 19 outbreak, Central Government has announced certain reliefs to the Companies by paying provident fund contributions payments directly to the EPFO accounts of eligible employees as defined in the notification issued in the month of March 2020. Therefore, the Company has not deducted provident fund from eligible employee's salary for the month of March 2020. However, as per notifications issued by Central Government from time to time in Financial Year 2020-21, such benefits are extended till August 2020.

- i. The Company had availed Term Loan from Saraswat Co.-Op. Bank Ltd. for refurbishment of hotel and Saraswat Co.-Op. Bank Ltd. has assigned and transferred the said loan in favour of Phoenix ARC Pvt. Ltd. The entire underlying securities such as Land, Building, Plant and Machinery etc. situated at C.T.S. No. 18349/1/1+2+3 at Aurangabad are mortgaged to Phoenix ARC Pvt. Ltd. as per assignment agreement dated 9th April 2014.

- j. Related Party Disclosures:

Disclosures as required under Ind AS 24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

The list of related parties as per the declarations filed by the respective directors:

Sr. no.	Name of related party	Relation
1	Ramesh Havele	Director
2	Veena Havele	Director
3	Gautami Havele	Daughter
4	Dhanada Holdings Private Limited	Holding Company in which Directors are directors
5	Shreeniwas Kale	Director
6	Dhanada Education Private limited	A Company in which Directors are directors
7	Dhanada Clean Energy Private Limited	A Company in which Directors are directors
8	Dhanada Engineering Private Limited	A Company in which Directors are directors
9	Dilip Arvind Prabhune	Director

Transactions with related parties:

(Rs. In Lakhs)

Name of Party	Ramesh R. Havele*	Dhanada Holdings Private Limited *	Ramesh R. Havele	Ramesh R. Havele
Nature of Transaction	Advance Given	Receivable	Advance Taken – Security Trading	Advance Taken for Expenses
Opening Balance	Nil	304.44	Nil	Nil
Additions / Adjustments *	304.44	-	7.33	21.87
Repaid/Adjustments *	304.44	304.44	5.25	21.73
Closing Balance 31 st March 2021	Nil	Nil	2.08	0.14

* The Company, its Holding Company viz., Dhanada Holdings Private Limited and Ramesh R. Havele, Director of the Company have entered into a tri-partite agreement in respect of takeover of financial liability. As per this agreement, the outstanding balance of Rs. 301.44 lakhs receivable from Ramesh R. Havele as on 31st March 2020 shall be taken over and repay by Holding Company viz., Dhanada Holding Private Limited to the Company. The effect of the aforesaid transaction has been given in the Books of Account of the Company as on 31st March 2020. Subsequently, considering the legal advice and to avoid further complications and consequences and as a precautionary measure, all the parties to the agreement have mutually decided to terminate / cancel the arrangement. The corresponding effect of cancellation has been given in the books of accounts of the Company as on 30th June 2020 by rectifying the book entry. However, Ramesh R. Havele, Director repaid the entire outstanding balance receivable from him of Rs. 301.44 lakhs to the Company till 31st March 2021.

No remuneration/sitting fees paid to the Directors of the Company. (Previous Year Rs. Nil).

k. Impairment of Fixed Assets:

The Fixed assets specifically Land, Building, and Plant and Machinery of the Company have been reassessed by the management and there is no impairment of assets in the current year.

l. Compilation of Accounts:

Notification has been published in Official Gazette dated 7th May 2016 under Maharashtra Protection of Interest of Depositors in Financial Establishment Act, 1999 attaching the properties of the Company, its Subsidiary Companies and its Directors. The management is of prima-facie opinion that this notification is not tenable and the Company has challenged the same before appropriate authority. On 20th December, 2016, the Police authorities have seized the records and documents of the Company, now partially released. Further, on 5th November, 2018, the Competent Authority Pune had taken possession of the registered office of the Company. Most of the records of the Company are stored in the said premises so taken possession of. The Company could get some of the records partially released. As such, the accounts have been compiled on the basis of only the information and records currently available with the Company. The impact on accounts (financial as well as disclosure) due to such non-availability of the records is not ascertainable.

The property of the Company Hotel VITS is located at Aurangabad being currently the place of business of the company. Subsequent to the Session court order by Additional Sessions Judge, Aurangabad dated 05.02.2019 the competent authority after attaching VITS Hotel has taken its possession and management of day to day affairs of the said hotel operations.

The Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad has issued notice for e-Auction of property of the Company i.e. Hotel VITS CTS No. 18349/1+2+3, Vedant Nagar, Railway Station Road, Aurangabad. The e-Auction process has been conducted on 22nd February 2019 and 8th March 2019. The e-Auction of the said property of the Company could not be materialized. The Company is taking necessary action to protect the interest of all stake holders of the Company.

m. Provisions, Contingent Liabilities and Contingent Asset:**i. Contingent Liabilities and Contingent Assets:**

Contingent Liabilities and Assets not provided for	2020-21 Rupees	2019-20 Rupees
Contingent Liability - Income Tax	3,20,10,710	3,20,10,710
Contingent Assets - VAT Refund	20,82,689	20,82,689
Contingent Liability – Interest / Penalties on non-payment / delayed payment of statutory dues and non-compliances of various provisions under different statutes and laws and on Sales tax deferment	Not ascertained	Not ascertained

In the opinion of the Management, the above legal matters when ultimately concluded will not have material effect on the results of the operations or the financial position of the Company.

- ii. There are civil and criminal cases filed against the directors of the Company. However, the matters are still pending with respective courts.
- iii. The Company has defaulted in payment of statutory dues and term loan accounts; there may be penalties for statutory dues and related recovery actions under provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 in this respect. As financial impact is not certain the amounts are not provided in books of accounts.
- iv. Financial penalties and other such liabilities for contravention of Section 185 of Companies Act, 2013 could not be quantified.
- v. The Company has availed Bank Guarantee of Rs. 1,00,000/- from Saraswat Co-operative Bank for the purpose of Bar License.
- vi. The above contingent liabilities do not include claims against the Company not acknowledged as debts, if any, which could not be ascertained in the absence of complete records in view of the seizure of records of the Company by various authorities as mentioned in the financial statements and notes.

n. Impact of Covid-19 (Pandemic)

Inventories Rs. 4,93,489.44 (Previous year Rs. 10,04,107.83)

Inventories consist of foods and beverages. These inventories as at 31st March 2021 have been physically verified by the Internal auditors. Considering the nature of the inventory the company believes that there is no impact of Covid 19 pandemic on the same.

Balances with securities trading account Rs. 69,237.11 (Previous Year Rs. 10,338.54)

The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in currency trading accounts and since the amounts held are not material, any material volatility is not expected.

Non Financial Assets, Property, Plant Equipment and Intangible Assets

The Company does not foresee any large-scale contraction in demand in long run which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant.

Revenue Recognition

During the year FY 2019-20, in the last week of March 2020 (23rd March 2020) there was lockdown announced due to Covid-19 pandemic. The guests' bookings were cancelled and no fresh bookings were taken till 31st July 2020. Subsequently as per the order of SDO dated 05.05.2020, the hotel was announced as Covid centre for the stay of doctors / medical officers till February 2021.

- o. Previous year's figures are regrouped, reworked and rearranged wherever necessary.

As per our report of even date Annexed

UDIN: 20035151AAAABK8062

For Shashank Patki & Associates
Chartered Accountants
(Firm Registration No. 122054W)

For and on behalf of the Board of Directors

Shashank Patki
(Partner)
M. No. 035151

Ramesh R. Havele
Managing Director
(DIN: 00007580)

Mrs. Veena R. Havele
Director
(DIN: 00007593)

Place: Pune
Date: 30th June 2021

Ramesh M. Pradhan
Chief Financial Officer

Parul Rathore
Company Secretary

DHANADA CORPORATION LIMITED

(CIN: L55101PN1986PLC133909)

Regd./Corporate Office: 5B/14, Laxminarayan Nagar, S.No. 11/12,
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