



DHANADA CORPORATION LIMITED

**34th
Annual Report
2019-2020**

Our Mission

Create financial wealth for our shareholders,

Act with integrity, competence and dignity,

Practise and encourage others to practise in a
professional and ethical manner.

Use reasonable care and exercise
independent professional judgement.

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Notice of Annual General Meeting

The 34th Annual General Meeting of DHANADA CORPORATION LIMITED will be held on Wednesday, 30th December 2020 at 4:00 p.m. through Video Conference (VC) / Other Audio Visual Means (OAVM) facility 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 2020 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.

SPECIAL BUSINESS:

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

“WHEREAS Shri. Ramesh R. Havele (DIN 00007580), Managing Director of the Company was re-appointed as Managing Director of the Company by the Board of Directors w.e.f. 25th October 2020,

WHEREAS pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel,) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), the re-appointment of Managing Director shall be approved by the shareholders of the Company,

NOW THEREFORE IT IS RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel,) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and the recommendation / approval given by the Nomination and Remuneration Committee and the Board of Directors, consent of the Company be and is hereby given for re-appointment of Shri. Ramesh R. Havele (DIN 00007580) as Managing Director of the Company with effect from 25th October 2020 for a further period of 5 (Five) years.

RESOLVED FURTHER THAT Shri. Ramesh R. Havele (DIN 00007580) shall be entitled to such remuneration and perquisites as may be determined from time to time within the prescribed maximum limits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to decide and approve the manner of payment of remuneration and perquisites.”

By order of the Board of Directors
DHANADA CORPORATION LIMITED

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

Place : Pune
Date : 11th November 2020

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May 2020 read with circulars dated 8th April 2020 and 13th April 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 34th AGM of the Company is being held through VC / OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 34th AGM shall be the Registered Office of the Company.
2. 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 34th 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 34th AGM through VC/OAVM facility and e-Voting during the 34th AGM.
3. 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@cssanjanahinge.in with a copy marked to ghanada@ghanadacorp.com and evoting@nsdl.co.in
4. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum for 34th AGM as per Section 103 of the Act.
5. Since the AGM will be held through VC / OAVM facility, the Route Map is not annexed in the Notice.
6. NSDL will be providing facility for voting through remote e-Voting, for participation in the 34th AGM through VC / OAVM facility and e-Voting during the 34th AGM.
7. In line with the MCA Circulars and SEBI Circular, the Notice of the 34th AGM and Annual Report for FY 2019-20 will be available on the Company’s website www.ghanadacorp.com, on the website of the Bombay Stock Exchange Limited and on the website of the NSDL and Link Intime India Private Limited.
8. 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 34th AGM and the Company may close the window for joining the VC / OAVM facility 15 minutes after the scheduled time to start the 34th AGM.
9. 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 34th AGM without any restriction on account of first-come first- served principle.

10. The cut-off date (record date) shall be 22nd December 2020 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. Pursuant to MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the 34th AGM along with the Annual Report for F.Y. 2019-20 are being sent only by email to the Members, whose email addresses are registered with the Company/ Depositories. Therefore, 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 34th AGM and the Annual Report for F.Y. 2019-20 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 dhanada@dhanadacorp.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. At the 30th Annual General Meeting held on 30th September 2016, M/s. Shashank Patki and Associates, Chartered Accountants, having Firm Registration No. 122054W of Pune were appointed as Statutory Auditors of the Company to hold office till the conclusion of 35th Annual General Meeting. The ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required, in terms of Notification No. S.O. 1833(E) dated 07.05.2018 issued by the Ministry of Corporate Affairs and accordingly the item has not been included in the Ordinary Business of the Notice.
15. 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.
16. 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.
17. The Registers of the Members, Share Transfer Register and shareholders book of the Company will remain closed from 23rd December 2020 to 30th December 2020, both days inclusive.

18. 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.
19. 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.
20. 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.
21. MEMBERS REQUIRING INFORMATION ON THE AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020 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.
22. 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.
23. Ms. Sanjana Hinge, Practicing Company Secretary 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.

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

Item No. 3

Shri. Ramesh R. Havele (DIN 00007580) is the promoter and Managing Director of Dhanada Corporation Limited.

He 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. He has made significant contribution to the growth of the Company. He has skillfully managed the performance of the Company against all odds.

Considering the above, the Board of Directors has re-appointed Shri. Ramesh R. Havele as Managing Director w.e.f. 25th October 2020.

In the interest of efficient management and further progress of your Company, your Board of Directors recommended for the re-appointment of Shri. Ramesh R. Havele as a Managing Director of the Company.

Pursuant to Section 196 read with Schedule V of the Companies Act, 2013 approval of the shareholders is being sought for said re-appointment. Accordingly, the Board recommends the resolution set forth in Item No. 3 for the approval of the shareholders.

None of the Director or Key Managerial Personnel, or their respective relatives is, in any way, interested or concerned in the resolution *except* Mr. Ramesh R. Havele, Mrs. Veena R. Havele, Dhanada Holdings Private Limited and Ms. Gautami R. Havele.

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):

1. Mrs. Veena Ramesh Havele (DIN 00007593)

Date of Birth: 28th August 1965

Date of Appointment: 25th October 2005

Nature of experience:

She is a Bachelor of Commerce (B. COM). She is a promoter 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.

Directorship in other Companies:

Dhanada Holdings Private Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune – 411004.

Dhanada Engineering Private Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune – 411004.

Dhanada Education Private Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune – 411004.

Dhanada Clean Energy (India) Private Limited
Kiran 4, Sthairya Society, Karvenagar, Pune – 411052.

Committee Position held:

Membership: Audit Committee of Dhanada Corporation Ltd.

Membership: Stakeholders' Relationship Committee of Dhanada Corporation Ltd.

Membership: Nomination and Remuneration Committee of Dhanada Corporation Ltd.

Relationship with other directors 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.

Number of meeting of the Board attended during the year:

Mrs. Veena R. Havele (DIN 00007593) has attended all 4 (Four) Board Meetings held during the financial year 2019 – 20.

Details of shares / other instruments held by the Non-executive Director:

Mrs. Veena R. Havele (DIN 00007593) does not hold any shares in the Company.

2. Mr. Ramesh R. Havele (DIN 00007580)

Date of Birth: 3rd February 1961

Date of Appointment: 25th October 2005

Nature of experience:

He 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. He commenced his career with LIC of India. During his service he handled various responsibilities in the field of actuarial science. Subsequently, he was with Maharashtra Pollution Control Board and then with Bajaj Auto Limited till December 1992. During this period, he handled various responsibilities in the field of Statistical Quality Control, Quality Management Systems and ISO 9000. He promoted Dhanada Portfolio Management Ltd. (Now, Dhanada Holdings Private Ltd.) in November 1994 to provide portfolio management services to high net-worth, individuals and corporate clients.

Directorship in other Companies:

Dhanada Holdings Private Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune – 411004.

Dhanada Engineering Private Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune – 411004.

Dhanada Education Private Limited
5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandawane,
Near Shyamaprasad Mukharji Garden, Pune – 411004.

Dhanada Clean Energy (India) Private Limited
Kiran 4, Sthairya Society, Karvenagar, Pune – 411052.

Committee Position held: Nil

Relationship with other directors of the Company:

Mr. Ramesh R. Havele (DIN 00007580) is husband of Mrs. Veena R. Havele (DIN 00007593), Director of the Company.

Number of meeting of the Board attended during the year:

Mr. Ramesh R. Havele has attended all 4 (Four) Board Meetings held during the financial year 2019-20.

Details of shares / other instruments held by the Director:

Mr. Ramesh R. Havele (DIN 00007580) holds 3089949 Equity shares in the Company.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 27th December 2020 at 9:00 A.M. and ends on 29th December 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services 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	16 Digit Beneficiary ID For example if your Beneficiary ID is

CDSL.	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. Your password details 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.
 - 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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.: 1800-222-990 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 ghanada@dhanadacorp.com
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 dhanada@dhanadacorp.com

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 the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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 (Company email id). The same will be replied by the Company suitably.

DIRECTORS' REPORT

To,
The Members,
DHANADA CORPORATION LIMITED

The Board of Directors of your Company has pleasure in presenting the 34th Annual Report of the Company together with the Audited statements of accounts for the year ended on 31st March 2020.

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	2019 – 20	2018 – 19
Turnover	9.28	11.22
Profit / (Loss) before Finance charges, Tax, Depreciation / Amortization	0.97	2.37
Finance Charges	3.54	3.04
Profit / (Loss) before Tax, Depreciation / Amortization	(2.57)	(0.67)
Depreciation	0.76	0.98
Profit / (Loss) before Tax	(3.33)	(1.65)
Provision for Tax	Nil	Nil
Profit / (Loss) after Tax	(3.33)	(1.65)
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 2020.

3. Reserves:

No amount is proposed to be transferred to the Reserves.

4. State of Affairs (Standalone):

As per the Order passed 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. During the year under review, the turnover of the Company has substantially gone down as compared to the previous year. The revenue from Food & Beverages decreased in this year also. Room revenue also declined significantly 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 hospitality sector sailed smoothly into January 2020, after a record year in 2019, with 2020 set to be “even bigger”. The country first started feeling the ripple effects of the global COVID-19 turmoil towards the end of February 2020, which worsened at the beginning of March. The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, Government had imposed stringent lockdown, restricted travel, mandated extreme ‘social distancing’ measures and reduced demand supply chains.

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.

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 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 has 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 on 3rd November 2018 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 had not taken place.

Further, pursuant to the order, 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.

On 24th May 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 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. The Court of District and Session Judge, Aurangabad has passed an order dated 24th October 2019 to make payments to the applicants of the case out of the amount deposited in Court. The Company has not received any intimation from the court authority till date about any payments made under MPID Act to the applicants.

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 of 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 Section 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.

14. Auditors:Statutory Auditors

M/s. Shashank Patki and Associates, Chartered Accountants, Pune were appointed as Statutory Auditors of the Company in the 30th Annual General Meeting held on 30th September 2016 to hold office till the conclusion of 35th Annual General Meeting. The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S. O. 1833 (E) dated May 7, 2018, issued by the Ministry of Corporate Affairs.

Secretarial Auditor

Mr. Rohit Kulkarni, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2019 – 2020, as required under Section 204 of the Companies Act, 2013 and rules made there under. The Secretarial Audit Report for the financial year 2019 – 2020 in Form MR-3 is attached as Annexure 1 to the Directors' Report.

15. 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 – 23 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 the year, in the last week of March 2020 (23rd March 2020) there was lockdown announced due to Covid-19. Further 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 session judge. This created an impact on the operations of the concern; financial implication not ascertainable.*

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

- c. *Auditors Comment – Due to Covid-19, a lockdown was announced w.e.f. 23rd March 2020 throughout the state of Maharashtra. 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 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 judgement 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 Comments – 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 Comments – 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. 5 of Note no. 7, Balances with Banks in current account include an amount of Rs. 179,75,000/- lakhs kept in bank account in the individual name of 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.*

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. 23 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.*

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. 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. 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 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, 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 – Point No. m in the Auditor’s Report related to non-compliance of provisions of Section 185 and 186 of the Companies Act, 2013

The Company had entered into a Tri-partite Financial Liability Takeover Agreement with Mr. Ramesh R. Havele and M/s. Dhanada Holdings Private Ltd. (DHPL) to swap the financial liability by which DHPL took over the financial facilities of Mr. Havele which were due against the Company. The necessary effect in the books of accounts of the Company was given on the basis of the agreement by passing a mere book entry. There was no actual fund flow in the entire transaction. During the audit period, the Auditors have informed the management that, in their opinion, the transaction executed is in non-compliance of provisions of Sections 185 and 186 of the Companies Act, 2013. The Company had already obtained the approval of shareholders u/s 186(2) of the said Act vide passing special resolution. Further, the management is of the opinion and belief that the said transaction does not attract the provisions of Section 186 of the Companies Act, 2013. 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 the arrangement and has given the corresponding effect of cancellation in the books of accounts of the Company as on 30.06.2020 by rectifying the book entry. Hence, as on date there is no non-compliance of Section 186 of the Companies Act, 2013 as commented by Auditors.

n. Auditors Comment – Note No. 23(B)(I) – Compilation of Accounts

The management is taking every effort to protect the interest of all stakeholders of the Company and to remedy the situation as early as possible. Further, the working of the hotel has not suffered. The management believes that there will be no significant impact on accounts (financial as well as disclosure) of the Company.

o. 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 are either self-explanatory or are dealt with in the above comments.

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

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 Company had entered into a Tri-partite Financial Liability Takeover Agreement with Mr. Ramesh R. Havele and M/s. Dhanada Holdings Private Ltd. (DHPL) to swap the financial liability by which DHPL took over the financial facilities of Mr. Havele which were due against the Company. The necessary effect in the books of accounts of the Company was given on the basis of the agreement by passing a mere book entry. There was no actual fund flow in the entire transaction. 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 the arrangement and has given the corresponding effect of cancellation in the books of accounts of the Company as on 30.06.2020 by rectifying the book entry. The Company may be liable for a fine for violation of Section 185 of the Companies Act, 2013.

Non – publishing notices etc. in the newspapers as required under the Companies Act, 2013 and rules made thereunder:

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

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.

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.

Entered into certain material related party transactions without obtaining approval from the shareholders under Regulation 23(4) of SEBI (LODR) Regulations, 2015:

The Company will obtain the approval of shareholders in the ensuing Annual General Meeting to ratify such related party transactions.

Non – submission of disclosures of related party transactions to the stock exchanges under Regulation 23(9) of SEBI (LODR) Regulations, 2015:

The non-submission was made due to oversight.

Non – submission of disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarter ended on 31st March 2020 under Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular:

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 details required for such disclosure. The necessary disclosure is now submitted by the Company.

Hundred percent of shareholding of promoters and promoters group is not in dematerialized form:

As explained earlier, 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.

Delay in submission of audited annual and quarterly financial results for the year ended 31st March 2019 under Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015

The delay was due to oversight.

Non – submission of cash flow statement by way of a note as a part of financial results for the half year ended on 31st March 2019 under Regulation 33(3)(f) of SEBI (LODR) Regulations, 2015:

The non-submission was made due to oversight.

Non – submission of Annual Report with BSE for the year ended 31st March 2019 in XBRL mode that are required to be submitted at the time of filing of Form AOC-4 with Ministry of Corporate Affairs, in addition to the submission of Annual Report PDF format under Regulation 34 of SEBI (LODR) Regulations, 2015 read with Circulars dated 08.02.2019 and 16.05.2019:

The Company has submitted Annual Report to BSE for the year ended 31st March 2019 in PDF format only.

Submission of shorter period notice of book closure to BSE for the Annual General Meeting held on 28th September 2019 under Regulation 42(2) of SEBI (LODR) Regulations, 2015:

The delay was due to oversight.

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.

The disclosures under the Regulation 29(2) of SEBI (SAST) Regulations, 2011 was not notified to BSE within the prescribed time limit:

The delay was due to some technical issues.

The disclosures under the Regulation 7(2) of SEBI (PIT) Regulations, 2015 was not notified to BSE within the prescribed time limit:

The delay was due to some technical issues.

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 are self-explanatory or dealt with / replied earlier in this Report.

17. Share Capital:

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

18. Extract of the Annual Return:

The extract of annual return as on the financial year ended on 31st March 2020 in Form No. MGT-9 is enclosed as Annexure 2 and forms part of the Directors' Report.

19. 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

20. Corporate Social Responsibility (CSR):

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

21. Directors:

Change in Directors and Key Managerial Personnel (KMP)

Mr. Shreeniwas G. Kale (DIN 00150957) was appointed as a Non – Executive Independent Director for further term of 5 (Five) consecutive years with effect from 30th September 2019.

No other changes were made during the year under review.

Appointments

Mrs. Veena R. Havele (DIN 00007593) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Your Directors recommend her re-appointment.

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>

22. Number of meetings of Board of Directors:

During the financial year 2019 – 2020, 4 (Four) meetings of the Board of Directors were held.

23. 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.

24. Stakeholders Relationship Committee:

The Stakeholders Relationship 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 are no investor complaints received during the year.

25. Nomination and Remuneration Committee:

The Nomination and Remuneration 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.

26. 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>

27. 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.

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>

28. Managerial Remuneration:

No director draws any remuneration from the Company.

Remuneration of Key Managerial Personnel (KMP)

Name of KMP	Designation	Remuneration in 2019 – 20 (Rs.)	Remuneration in 2018 – 19 (Rs.)	% Increase of remuneration
Mr. Ramesh Pradhan	Chief Financial Officer	5,82,644	5,77,604	0.87
Mrs. Smita Mishra	Company Secretary	3,95,044	2,14,004	84.60

Median Remuneration of Employees (MRE) was Rs. 12,950/- and Rs. 12,723/- in the financial year 2019-20 and 2018-19 respectively. The increase in MRE in the financial year 2019-20, as compared to financial year 2018-19 is 1.78%.

The number of permanent employees on the rolls of the Company as on 31.03.2020 and 31.03.2019 are 38 and 28 respectively.

The revenue of the Company has declined by 17.68%. The Company has suffered losses. The remuneration of the employees has increased by 5.37%.

The closing price of the Company's equity shares on BSE as of 31.03.2020 was Rs.1.69 representing 83.10% decrease over IPO price.

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

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.

29. 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>

30. 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.

31. 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.

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint was received or filed under the Act during the year.

33. 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.

34. General Information:

During the year, 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. Subsequently, 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 session judge. The Company is yet to assess the status of collection of these stay charges from SDO.

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.

35. Acknowledgements:

The Directors express their sincere thanks to Dhanada Holdings Private Limited, the parent 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

Place : Pune
Date : 17th August 2020

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

Veena R. Havele
Director
(DIN 00007593)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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]

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** (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 Company¹ 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 2020**, 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 Company¹ for the financial year ended on 31st March 2020 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;

¹Certain documents / papers / data / records / Minutes / Statutory Registers are under the custody of Deputy Collector of Pune. Hence, they were not made available to me for examination. The report is made subject to the said deficiency / limitations.

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 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; and
 - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR) Regulations, 2015).
- 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, 2009;
 - 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, 1998; 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;
 - b. Food Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011 and Food Safety and Standards (Packing & Labelling) Regulations, 2011;

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 BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 has advanced various amounts to the Managing Director during the year. As on 30th March 2020, the outstanding amount advanced to Managing Director was Rs. 3,01,44,128/-. This is contravention of the provisions of Section 185 of the Companies Act, 2013. On 31st March 2020, the Company had entered into a Tri-partite Financial Liability Takeover Agreement with Mr. Ramesh R. Havele and M/s. Dhanada Holdings Private Ltd. (DHPL) to swap the financial liability by which DHPL took over the financial facilities of Mr. Havele which were due against the Company. The Company has executed this transaction without obtaining approval of shareholders by special resolution as per Section 185(2)(a) of the Act. Further, the loan to DHPL has been utilized to swap the loan given to the Managing Director and not for the principle business activity of the borrowing company as per Section 185(2)(b) of the Act.
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.
4. The Company has not published notices for book closure in the newspapers required u/s 91 of the Act and rules made there under.
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 Company has entered into certain material related party transactions without obtaining approval from the shareholders under Regulation 23(4) of SEBI (LODR) Regulations, 2015.
8. The Company has not submitted disclosures of related party transactions to the stock exchanges that are required to be submitted within 30 days of the publication

of financial results for the half year ended on 31st March 2019 under Regulation 23(9) of SEBI (LODR) Regulations, 2015. Also, the said are not published on its website.

9. The Company has not yet submitted disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarter ended on 31st March 2020 that are required to be submitted within 7 days of the end of the quarter under Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated 21.11.2019.
10. Only 74.61% 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.
11. The Company has not submitted audited annual and quarterly financial results for the year ended 31st March 2019 that are required to be submitted within 60 days from the end of the financial year under Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.
12. The Company has not submitted cash flow statement by way of a note as a part of financial results for the half year ended on 31st March 2019 under Regulation 33(3)(f) of SEBI (LODR) Regulations, 2015.
13. The Company has not submitted Annual Report with BSE for the year ended 31st March 2019 in XBRL mode that are required to be submitted at the time of filing of Form AOC-4 with Ministry of Corporate Affairs, in addition to the submission of Annual Report PDF format under Regulation 34 of SEBI (LODR) Regulations, 2015 read with Circulars dated 08.02.2019 and 16.05.2019.
14. The Company has submitted shorter period notice of book closure to BSE for the Annual General Meeting held on 28th September 2019 that are required to be submitted in advance of at least 7 working days under Regulation 42(2) of SEBI (LODR) Regulations, 2015.
15. The Company has not published notices of meetings, book closure, quarterly unaudited financial results and audited financial statements etc. in the newspapers as required under Regulation 47 of SEBI (LODR) Regulations, 2015.
16. The disclosures under the Regulation 29(2) of SEBI (SAST) Regulations, 2011 was not notified to BSE within the prescribed time limit.
17. The disclosures under the Regulation 7(2) of SEBI (PIT) Regulations, 2015 was not notified to BSE within the prescribed time limit.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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 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 has received Final Notice dated 15th December 2017 from the said authority under Section 46 of the Maharashtra Stamp Act, 1958 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. No attachment is yet made as per the information of 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 investigation is under process.
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. 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

as per the order of session judge. The Company is yet to assess the status of collection of these stay charges from SDO.

10. The Company and its' Directors, CFO and Company Secretary 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. The investigation is still under process.

**FOR ROHIT KULKARNI AND ASSOCIATES
COMPANY SECRETARIES**

CS ROHIT R. KULKARNI

ACS: 33568 CP: 16206

Date : 7th September 2020

Place : Pune

UDIN: A033568B000675737

Note:

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 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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. 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.

**FOR ROHIT KULKARNI AND ASSOCIATES
COMPANY SECRETARIES**

**CS ROHIT R. KULKARNI
ACS: 33568 CP: 16206**

Date : 7th September 2020

Place : Pune

Form No. MGT-9**EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March 2020***[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. Registration and other details:**

i	CIN	L55101PN1986PLC133909
ii	Registration Date	14.07.1986
iii	Name of the Company	DHANADA CORPORATION LIMITED
iv	Category / Sub-Category of the Company	Public Company / Limited by shares / having share capital
v	Address of the Registered office and contact details Name of the person Designation Tele No. Email id	FL - D2, Jaiprakash Apt., SN 54/6, Wadgaon Budruk, Near Garve Hyundai, Near Tol Naka, Pune – 411041. Ramesh R. Havele Chairman, Managing Director & CEO 9822037104 dhanada@dhanadacorp.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Head Office: C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083. (022) 49186000 Pune Office: Block No. 202, 2nd Floor, Akshay Complex, Off. Dhole Patil Road, Near Ganesh Temple, Pune – 411001. (020) 26161629

II. Principal business activities of the Company:

The Company is exclusively engaged in the business of Hospitality / Hotel.

All the Business activities contributing 10% or more of the total turnover of the Company are:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Short term accommodation	551	73.05%
2.	Food & Beverage Services	561	26.22%

III. Particulars of holding, subsidiary and associate companies:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Dhanada Holdings Private Ltd. FL - D2, Jaiprakash Apt., SN 54/6, Wadgaon Budruk, Near Garve Hyundai, Near Tol Naka, Pune – 411041.	U67190PN1994PTC083166	Holding	53.04%	2(46)

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	30201	2900879	2931080	5.24%	193310	2900879	3094189	5.53%	0.29
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	26689686	5417000	32106686	57.40%	24254156	5417000	29671156	53.04%	-4.35%
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	26719887	8317879	35037766	62.64%	24447466	8317879	32765345	58.58%	-4.06%
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	26719887	8317879	35037766	62.64%	24447466	8317879	32765345	58.58%	-4.06%
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	Nil	127500	127500	0.23%	Nil	127500	127500	0.23%	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(I):-	Nil	127500	127500	0.23%	Nil	127500	127500	23%	Nil
2. Non-Institutions									
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	1084276	21100	1105376	1.98%	97679	21100	118779	0.21%	-1.76%
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5226463	2805279	8031742	14.36%	6554343	2793379	9347722	16.71%	2.35%
ii) Individual shareholders	8248263	2902369	11150632	19.94	10213305	2902369	13115674	23.45%	3.51%

holding nominal share capital in excess of Rs 1 lakh									
NBFCs registered with RBI	2094	Nil	2094	0.00%	Nil	Nil	Nil	Nil	0.00%
c) Others (specify)									
Clearing Member	16670	Nil	16670	0.03%	2802	Nil	2802	0.00%	-0.02%
Non Resident Indians	35860	89800	125660	0.22%	35860	89800	125660	0.22%	0.00%
Hindu Undivided Family (HUF)	311242	24899	336141	0.60%	305200	24899	330099	0.59%	-0.01%
Sub-total (B)(2):-	14924868	5843447	20768315	37.13%	17209189	5831547	23040736	41.19%	4.06%
Total Public Shareholding (B)=(B)(1)+(B)(2)	41644755	14288826	55933581	100%	41656655	14276926	55933581	100%	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	41644755	14288826	55933581	100%	41656655	14276926	55933581	100%	Nil

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Dhanada Holdings Private Limited	32106686	57.40%	Nil	29671156	53.04%	Nil	-4.36%
2	Mr. Ramesh R. Havele	2908834	5.21%	Nil	2909754	5.21%	Nil	Nil
3	Mr. Ramesh R. Havele J/w Mrs. Veena R. Havele	18006	0.03%	Nil	180095	0.32%	Nil	0.29%
4	Ms. Gautami R. Havele	4240	0.00%	Nil	4340	0.00%	Nil	Nil
	Total	35037766	62.64%	Nil	32765345	58.58%	Nil	-4.07%

iii) Change in Promoters' Shareholding (please specify, if there is no change) –

Sl. No.		Shareholding at the beginning of the year		Date	Increase / (Decrease) during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
I.	Dhanada Holdings Private Limited							
	At the beginning of the year	33091416	59.16%				33091416	59.16%

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			05-04-2019	(549724)	Sale	32541692	58.18%
				12-04-2019	(160110)	Sale	32381582	57.89%
				19-04-2019	(110258)	Sale	32271324	57.70%
				26-04-2019	(168728)	Sale	32102596	57.39%
				03-05-2019	(639002)	Sale	31463594	56.25%
				10-05-2019	(196060)	Sale	31267534	55.90%
				17-05-2019	(88127)	Sale	31179407	55.75%
				24-05-2019	(226)	Sale	31179181	55.74%
				21-06-2019	(746120)	Sale	30433061	54.41%
				29-11-2019	(3280)	Sale	30429781	54.40%
				06-12-2019	(29960)	Sale	30399821	54.35%
				27-12-2019	(52832)	Sale	30346989	54.26%
				06-03-2020	(292744)	Sale	30054245	53.73%
				13-03-2020	(1000)	Sale	30053245	53.73%
				20-03-2020	(370124)	Sale	29683121	53.07%
				27-03-2020	(9165)	Sale	29673956	53.05%
			31.03.2020	(2800)	Sale	29671156	53.05%	
	At the end of the year						29671156	53.05%
2.	Ramesh R. Havele							
	At the beginning of the year	2925840	5.23%				2925840	5.23%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			12-04-2019	4089	Purchase	2929929	5.24%
				19-04-2019	81697	Purchase	3011626	5.38%
				03-05-2019	16000	Purchase	3027626	5.41%
				10-05-2019	10000	Purchase	3037626	5.43%
				05-07-2019	10000	Purchase	3047626	5.45%
				19-07-2019	30580	Purchase	3078206	5.52%
				22-11-2019	10000	Purchase	3088206	5.52%
				21-02-2020	300	Purchase	3088506	5.52%
				28-02-2020	233	Purchase	3088739	5.52%
				06-03-2020	300	Purchase	3089039	5.52%
				20-03-2020	450	Purchase	3089489	5.52%
				27-03-2020	260	Purchase	3089749	5.52%
				31-03-2020	100	Purchase	3089849	5.52%
	At the end of the year						3089849	5.52%
2.	Gautami R. Havele							
	At the beginning	4240	0.00%				4240	0.00%

	of the year							
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			27-12-2019	100	Purchase	4340	0.00%
	At the end of the year	4240	0.00%				4340	0.00%

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) during the year	Reason	Cumulative Shareholding during the year / at the end of the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Laxman V. Kulkarni	6371692	11.39%	Nil	Nil	Nil	6371692	11.39%
2	Mr. Sudhir T. Deshpande	1264769	2.26%	Nil	Nil	Nil	1264769	2.26%
3	Mr. Prafulla A. Madiwale	401907	0.72%	05-04-2019	(212)	Sale	401695	0.72%
4	Mr. Vasant M. Tambe	2004	0.00%	05-04-2019	313968	Purchase	315973	0.56%
5	Mr. Giridhar Lolage	211482	0.39%	10-05-2019	60764	Purchase	272246	0.48%
6	Mr. Ashutosh A. Dahale	161291	0.29%	03-05-2019	43572	Purchase	204863	0.37%
7	Mr. Anilkumar B. Parekh (HUF)	200000	0.36%	Nil	Nil	Nil	200000	0.36%
8	Mr. Sanjay S. Diwanji	221512	0.40%	04-10-2019	(500)	Sale	221012	0.40%
				01-11-2019	(75)	Sale	220937	0.40%
				08-11-2019	(120025)	Sale	100912	0.18%

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Ramesh R. Havele				
	At the beginning of the year	2926840	5.24%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	+163009 (Purchase of Shares during the year)	+0.29%	3089849	5.53%
	At the End of the year	3089849	5.53%		
2	Mrs. Veena R. Havele				
	At the beginning of the year	Nil	N.A.		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Nil	N.A.
	At the End of the year	Nil	N.A.		
3	Mr. Shreeniwas G. Kale				
	At the beginning of the year	Nil	N.A.		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Nil	N.A.
	At the End of the year	Nil	N.A.		
4	Mr. Dilip A. Prabhune				
	At the beginning of the year	Nil	N.A.		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Nil	N.A.
	At the End of the year	Nil	N.A.		
5	Mr. Ramesh M. Pradhan				
	At the beginning of the year	97989	0.18%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Nil	N.A.
	At the End of the year	97989	0.18%		
6.	Mrs. Smita A. Mishra				
	At the beginning of the year	145	0.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Nil	N.A.
	At the End of the year	145	0.00%		

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payments:

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,13,62,429	2,54,188	Nil	10,16,16,617
ii) Interest due but not paid	11,90,06,361	Nil	Nil	11,90,06,361
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	22,03,68,790	2,54,188	Nil	22,06,22,978
Change in Indebtedness during the financial year				
• Addition	3,54,19,942	Nil	Nil	3,54,19,942
• (Reduction)	Nil	Nil	Nil	Nil
Net Change	3,54,19,942	Nil	Nil	3,54,19,942
Indebtedness at the end of the financial year				
i) Principal Amount	10,13,62,429	2,54,188	Nil	10,16,16,617
ii) Interest due but not paid	15,44,26,303	Nil	Nil	15,44,26,303
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	25,57,88,732	2,54,188	Nil	25,60,42,920

VI. Remuneration of directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total amount
1.	Gross salary	Nil	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit -others, specify		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors Fee for attending board / committee meetings Commission Others, please specify	Nil	
	Total(1)		
	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify		
	Total(2)		
	Total(B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ramesh Pradhan CFO	Mrs. Smita Mishra CS	Total
1.	Gross salary Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under Section 17(3) Income tax Act, 1961	5,82,644	3,95,044	9,77,688
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify.			
5.	Others, please specify			
	Total	5,82,644	3,95,044	9,77,688

VII. Penalties / Punishment / Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For & 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)

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. During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.20 per cent year-on-year. During 2019, FEEs from tourism increased 4.8 per cent year-on-year to Rs. 1,94,881 Crore (US\$ 29.96 billion). In 2019, arrivals through e-Tourist Visa increased by 23.6 per cent year-on-year to 2.9 million.

International hotel chains are increasing their presence in the country, and it will account for around 50 per cent share in the tourism and hospitality sector of India by 2022.

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. During 2019-20, an additional fund Rs. 1,854.67 crore (US\$ 269.22 million) was sanctioned for new projects under the Swadesh Darshan scheme. Ministry of Tourism sanctioned 18 projects covering all the North Eastern States for Rs. 1,456 crore (US\$ 211.35 million) to develop and promote of tourism in the region under Swadesh Darshan and PRASHAD schemes. Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018 and the total revenue generated till November 2019 stood at Rs. 82.51 crore (US\$ 11.81 million).

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

- 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.
- Ministry of Tourism launched Audio Guide facility App called Audio Odigos for 12 sites in India (including iconic sites).
- Prime Minister, Mr. Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- 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.
- In 2019, Government reduced GST on hotel rooms with tariffs of Rs. 1,001 (US\$ 14.32) to Rs. 7,500 (US\$ 107.31) per night to 12 per cent and those above Rs. 7,501 (US\$ 107.32) to 18 per cent to increase India's competitiveness as a tourism destination.
- In September 2019, Japan joined a band of Asian countries, including Taiwan and Korea among others, to enter India's tourism market.

The hospitality sector sailed smoothly into January 2020, after a record year in 2019, with 2020 set to be "even bigger". The country first started feeling the ripple effects of the global COVID-19 turmoil towards the end of February 2020, which worsened at the beginning of March. The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, Government had imposed stringent lockdown, restricted travel, mandated extreme 'social distancing' measures and reduced demand supply chains. The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession.

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.

The standard operating procedures will be significantly transformed to promote enhanced hygiene standards and to adopt technology to support social distancing policies. Hotels have served quarantine facilities with providing rooms for the "Vande Bharat Mission" and for health staff and medical practitioners.

The occupancy across hotels in key cities declined rapidly. The overall occupancy in the branded hotels segment in 2020 is estimated to decline by 16.7 – 20.5 percentage points over 2019, while ADRs are estimated to decline by 7% to 8% for the year. As a result, RevPAR will witness a significant decline of 31% to 36.2%.

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 2019 – 20. 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. During the year under review, the sales / turnover of Dhanada Corporation Ltd. has 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 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 performance of the Company has decrease as compared to the previous year.

The financial performance declined due to 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 72 employees as on 30th July 2020.

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
		31.03.2020	31.03.2019	% of change		
i.	Debtors Turnover	0.17	0.14	21	Debtors Turnover ratio marginally increased. Outstanding Recoveries from debtors are under process.	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. 63,89,509/- has been transferred to account of 'Additional session judge Aurangabad' till 31 st March 2020 pursuant to order passed by session judge under MPID dated 24.05.2019. The same is subject to confirmation. Vide
ii.	Inventory Turnover	0.011	0.009	22	-	
iii.	Interest Coverage Ratio	0.06	0.46	-87	EBIT margin was substantially decreased due to non payment of interest to bank / financial institution. Therefore, the ratio is significantly decreased.	
iv.	Current Ratio	0.31	0.31	0	-	
v.	Debt Equity Ratio	2.34	1.54	52	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 2020. Consequently, Debt equity ratio is being increased.	

vi.	Operating Profit Margin (%)	2.30	12.20	-81	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.	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. Due to all of these
vii.	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-0.36	-0.15	-140	Revenue from room and food sale is declined as compared to previous year. Therefore, the ratio is significantly decreased.	adverse circumstances, day to day business activity of the Company is predominantly affected.

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	31.03.2020	31.03.2019	% of change	Explanation
Return on Net worth	-30.25	-11.57	-162	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.	Ramesh R. Havele	Executive	4	Yes
2.	Mrs. Veena R. Havele	Non –Executive	4	Yes
3.	Shreeniwas G. Kale	Independent	4	Yes
4.	Dilip A. Prabhune	Independent	4	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 Director -ship*	Committee Chairmanship / Membership*
1.	Ramesh R. Havele	Executive	Nil	Nil
2.	Mrs. Veena R. Havele	Non –Executive	Nil	2
3.	Shreeniwas G. Kale	Independent	Nil	2
4.	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 2019 – 2020, your Board met 4 (Four) times on following dates:

30th May 2019, 13th August 2019, 14th November 2019, 11th February 2020.

- 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
Shreeniwas G. Kale	Independent	NIL
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:

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)
Industry knowledge & experience	Understanding of the relevant laws, rules, regulation policies applicable to the organization and status of compliances thereof by the organization	✓	✓	✓	✓
	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 2019 – 20, 4 (Four) 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 May 2019, 13th August 2019, 14th November 2019, 11th February 2020.

The attendance of the members is as follows:

Sr. No.	Name of Directors	Held during the year	Attended
1.	Mrs. Veena R. Havele	4	4
2.	Shreeniwas G. Kale	4	4
3.	Dilip A. Prabhune	4	4

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 2019 – 20, Nomination and Remuneration Committee meetings were held on 30th May 2019, 13th August 2019.

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.	Shreeniwas G. Kale	2	2
3.	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 2019 – 20, Stakeholders Relationship Committee meetings were held on 11th February 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.	Shreeniwas G. Kale	1	1
3.	Dilip A. Prabhune	1	1

Mrs. Smita A. Mishra, Company Secretary, is Compliance Officer.

There are no investor complaints pending as on 31st March 2020.

7. General Body Meetings

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

AGM / Year	Venue	Date	Time
2016 – 2017	“Gautami”, 16/6, Erandwana Hsg. Soc., Plot No. 12, Patwardhan Baug, Pune – 411004.	29 th September 2017	4.00 p.m.
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.

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 2017	Nil
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.

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. 13 below. Also, the extent to which non – mandatory requirements are adopted by the Company is given in Point No. 14 below.
- (e) Web link where policy for determining 'material' subsidiaries is disclosed http://www.dhanadacorp.com/pdf/Policy_for_determining_Material_Subsiidiary.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 2020 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. General Shareholders Information

- | | | |
|------|--|--------------------------------|
| (i) | Date of meeting of the Board of Directors in which Accounts for the year 2019 – 2020 were approved | 30 th July 2020 |
| (ii) | Date of Annual General Meeting | 30 th December 2020 |
| | Venue | Through VC / OAV means |
| | Time | 4 p.m. |

(iii) Financial Calendar for 2020 – 21 (Tentative)

1 st quarterly results	Last Week of August 2020
2 nd quarterly results	Second Week of November 2020
3 rd quarterly results	Second Week of February 2021
4 th quarterly results	Last Week of May 2021
Annual results for the year ending 31 st March 2021	Last Week of May 2021

(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 December 2020 to 30th December 2020 (both days inclusive).

(vi) Listing

Shares are listed on Bombay Stock Exchange (BSE).

Stock Code: 531198

The listing fee for of Bombay Stock Exchange is still pending due to insufficient funds.

(vii) Dematerialization

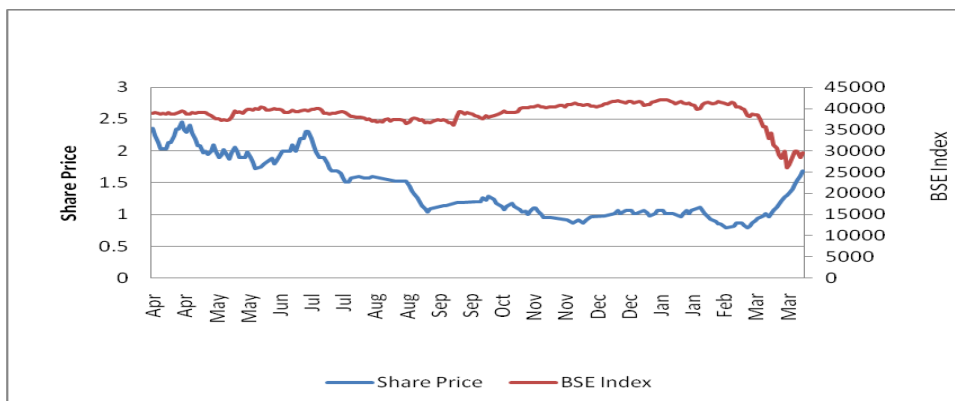
The Company has entered into dematerialization agreements with NSDL and CDSL (ISIN: INE041F01015). The shareholders are welcome to send their shares to any of the depositories for dematerialization. As on 31st March 2020, 74.48% (41656655) shares are held in demat form.

(viii) Market Price data

The monthly high / low prices of share of the Company on BSE from 1st April 2019 to 31st March 2020 are given below:

Sr. No.	Month	High (Rs.)	Low (Rs.)	Volume of Shares
1	April 2019	2.53	2.04	350165
2	May 2019	2.20	1.73	173548
3	June 2019	2.42	1.65	5096
4	July 2019	2.42	1.50	3397
5	August 2019	1.68	1.14	4483
6	September 2019	1.19	1.04	869
7	October 2019	1.32	1.00	16433
8	November 2019	1.15	0.87	1265
9	December 2019	1.07	0.87	15905
10	January 2020	1.12	0.94	10324
11	February 2020	1.16	0.79	18178
12	March 2020	1.69	0.82	94985

Performance in comparison to broad-based indices such as BSE Sensex for the period 1st April 2019 to 31st March 2020.



(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 2020

Distribution of share holding as on 31st March 2020

No. of Equity Shares	No. of Members	% to total Members	No. of Shares	% to total Shares
Upto 10000	3855	93.98	2668167	4.76
10001 – 50000	155	3.76	3491699	6.26
50001 & above	90	2.26	49773715	88.98
Total	4100	100	55933581	

(xi) Categories of shareholders as on 31st March 2020

Category	No. of shares Held	Percentage of Shareholding
Promoter's Holding		
Indian Promoters	32765345	58.58%
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.
FII's	Nil	N.A.
NBFCs registered with RBI	Nil	N.A.
Other Corporate Bodies	118779	0.21%
Indian Public	22463396	40.16%
NRIs / OCBs	125660	0.22%
HUF	330099	0.59%
Any Other	2802	0.01%
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.

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

- a. The Company has not submitted disclosures of related party transactions to the stock exchanges that are required to be submitted within 30 days of the publication of financial results for the half year ended on 31st March 2019 under Regulation 23(9) of SEBI (LODR) Regulations, 2015. Also, the said are not published on its website, due to oversight.
- b. Due to some technical issues, entire / 100% of shareholding of promoters / promoters group are not in dematerialized form.
- c. The Company did not publish notices of meetings, book closure, quarterly unaudited financial results and audited financial statements etc. in the newspapers, due to financial difficulties.
- d. The Company has entered into certain material related party transactions without obtaining approval from the shareholders, due to oversight. The Company will obtain the approval of shareholders in the ensuing Annual General Meeting to ratify such related party transactions.
- e. The Company has not yet submitted disclosure of default on payment of interest / repayment of principal amount on loans from banks / financial institutions for the quarter ended on 31st March 2020 that are required to be submitted within 7 days of the end of the quarter 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 details required for such disclosure. The disclosure would be made at the earliest.

- f. The Company has not submitted audited annual and quarterly financial results for the year ended 31st March 2019 within the prescribed time limit pursuant Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015. The delay was due to oversight.
- g. The Company has not submitted cash flow statement by way of a note as a part of financial results for the half year ended on 31st March 2019 Regulation 33(3)(f) of SEBI (LODR) Regulations, 2015, due to oversight.
- h. The Company has not submitted Annual Report with BSE for the year ended 31st March 2019 in XBRL mode that are required to be submitted at the time of filing of Form AOC-4 with Ministry of Corporate Affairs, in addition to the submission of Annual Report PDF format Regulation 34 of SEBI (LODR) Regulations, 2015 read with Circular dated 08.02.2019 and 16.05.2019, due to oversight. The Company has submitted Annual Report for the year ended 31st March 2019 in PDF format only.
- i. The Company has submitted shorter period notice of book closure to BSE for the Annual General Meeting held on 28th September 2019, due to oversight.

14. 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. Separate posts of chairman and chief executive officer

The Company may appoint separate persons to the post of Chairman and Chief Executive Officer.	No. The Company has appointed same person as Chairman, Managing Director and Chief Executive Officer.
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e. 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 2020.

Date : 17th August 2020

Place : Pune

Ramesh R. Havele

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 2020, 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. 13 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

Shashank Patki
Partner
Membership number: 035151
UDIN : 20035151AAAABK8062

Place : Pune

Date : 30th July 2020

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 Erandawane,
Near ShyamaprasadMukharji Garden, 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 Erandawane, Near ShyamaprasadMukharji Garden, 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 2020 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	*24.10.2015
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 : 21st August 2020

Sanjana D. Hinge
Practicing Company Secretary
M. No. A21824 / CP No. 14437
UDIN – A021824B000602151

**Certain documents / papers / data / records / minutes / forms / returns / statutory registers are under the custody of Deputy Collector of Pune. Hence, they were not made available to me for examination. 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 2020, 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 2020 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 – 23 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 the year, in the last week of March 2020(23rd March 2020) there was lockdown announced due to Covid-19. Further 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 session judge. This created an impact on the operations of the concern; financial implication not ascertainable.

- c. Due to Covid-19, a lockdown was announced w.e.f. 23rd March 2020 throughout the state of Maharashtra. 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 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 judgement 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. 5 of Note no. 7, Balances with Banks in current account include as amount of Rs. 179,75,000/- lakhs kept in bank account in the individual name of 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.
- h. As mentioned in foot note no. f of Note no. 23 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, 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. As mentioned in note 4, Other Current assets included an amount of Rs. 2,08,36,128/- as on 01st April 2019 due from a Director. The summarized position as on 31st March 2020 of the aforementioned advance due from a director was as under:

Opening balance of Advance due from a director (as on 01.04.2019) Rs.	2,08,36,128
Add: Paid by the company to the director during the year Rs.	1,18,09,000
Less: Received from the director in cash towards advance due during the year Rs.	25,01,000
Closing balance of Advance due from a Director (as on 30.03.2020) Rs.	301,44,128
Book entry on 31.03.2020 of transfer to Holding Company – M/s Dhanada Holdings Private Ltd. pursuant to an agreement mentioned herein below dated 31 st March 2020 Rs.	301,44,128
Closing balance of Advance due from a Director (as on 31.03.2020) Rs.	Nil

As seen from the above table, various amounts were paid during the year to a Director without any supporting/ transaction underlying the said payment. As mentioned herein above, supposedly some payments were received from the same director; the entries thereof were found to be made on various different dates in the books of account. In our opinion, the internal control on the cash payment and receipt system needs to be strengthened.

In our opinion, all the above transactions constitute a continuing offence under section 185 of the Companies Act, 2013.

On 31st March 2020 the company entered into a tri-partite agreement for takeover of financial liability on a stamp paper of Rs. 100/- dated 3rd April 2019. Vide this agreement M/s Dhanada Holdings Private Ltd.(the holding company) agreed to takeover the liability of the director to the company. According to the said agreement the loan to the director was converted as an unsecured interest free loan repayable by the holding company over a period of 5 years. The agreement has been executed by same director (who incidentally is the relative of the director to whom loan was given) on behalf of both the companies. On the basis of the said agreement the amount due from director of Rs. 3,01,44,128/- has been transferred in the name of M/s Dhanada Holdings Private Ltd by passing a mere book-entry.

The company has given effect to the transaction, reportedly on the basis of a legal opinion obtained from a Company Secretary. However, in our opinion, amongst various other provisions of Companies Act, 2013 the company has failed to comply more specifically with the following provisions of the Companies Act, 2013:

- i. Section 185(2)(a): Special resolution is not passed by the company in general meeting. As informed to us, the company is proposing to pass a special resolution in ensuing annual general meeting to ratify the transaction/agreement.
- ii. Section 185(2)(b): The loan to M/s Dhanada Holdings Private Ltd has been utilized by them to swap the loan to the director and not for the principle business activity of the borrowing company.
- iii. Section 186(5): Prior approval of public financial institution was not found obtained although there is a term loan subsisting in the books of account of the company.
- iv. Section 186(7): Loan is given to M/s Dhanada Holdings Private Ltd (holding company) without any interest where as the provision states that no loan shall be given at a rate of interest lower than the prevailing yield of one,three, five,ten year government security closest to the tenor of loan.
- v. Section 186(8) : The company and its directors are a party to the dispute raised under MPID and there is a case standing against the company / director under MPID. In such a case, it could not be ascertained whether and how the company can give such loan under this section.

In view of the foregoing, we are unable to ascertain the legality and validity of the agreement that has been given effect to. The financial liabilities on account of penalties, if any, have not been quantified and recognised in the accounts.

As mentioned in hereinabove the transaction of takeover of financial liability is accounted for by merely a book entry. As such we are unable to ascertain the recoverability of this amount. This may have an impact on the profitability and financial position of the company.

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.</p> <p>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 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>	<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> <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 the 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. - As mentioned hereinabove, a lockdown was announced w.e.f. 23rd March 2020 throughout the state of Maharashtra. 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 to the non

	<p>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. Also 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.</p> <p>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 Other Matters B(n) to the standalone financial statement 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 23 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.

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

Shashank Patki
Partner
Membership number: 035151
UDIN: 20035151AAAABK8062

Pune, 30th July 2020

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 2020 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 authorisations 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 2020, 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.

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

Shashank Patki

Partner

Membership number: 035151

UDIN: 20035151AAAABK8062

Pune, 30th July, 2020

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 2020, 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, the discrepancies noticed on physical verification of inventories were not material and the same have properly been dealt with in the accounts.
- (iii) The Company had given advance to a Director of the Company. During the year, 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. The advance to Director was given without mention of any interest and any repayment period. The advance now transferred to the Holding Company is interest-free and to be repaid over a period of 5 years without any schedule. In our opinion, the advance to director given earlier and the advance now transferred to the holding company are prima facie prejudicial to the interest of the Company. Also please refer to para m of Matters of Concern under Basis for qualified opinion. 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 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 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 dues of Rs. 2,68,666/- (1998-99), Rs. 75,576/- (1999-2000) and Rs. 12,049/- (2001-02) are outstanding pursuant to the final order of Sales Tax Authorities. 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 2020 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	2011-12	Commissioner of Income Tax (Appeals) – Aurangabad
Income Tax Act, 1961	Assessment dues	74,34,315	2012-13	ITAT – Pune
Income Tax Act, 1961	Assessment dues	49,75,050	2013-14	ITAT – Pune

(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	9,37,29,403.47	Since 2014-15	Symbolic possession has been taken on mortgaged Asset. No information available, but treated as default since credit term expired.
- Overdraft	96,52,413.77		
Phoenix ARC Pvt. Ltd	14,90,32,631.03	Since 2012-13	Symbolic possession has been taken on mortgaged Asset
HDFC Bank - Overdraft	18,25,536.00	Since 2014-15	Fixed Deposit Receipt Assigned (Seized under MPID Act) Seized by Sales Tax Department
- Overdraft	24,180.00	Since 2014-15	
ICICI Bank - Overdraft	15,24,567.61	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 are not pre-authorised 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 the year. The transaction of swapping the director's advance to the holding company is also not pre-authorised but ratified by the Board of Directors. Thus, in our opinion, there is contravention of provisions of Section 177 and 188 of the Act. 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 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.

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

Shashank Patki

Partner

Membership number: 035151

UDIN: 20035151AAAABK8062

Pune, Date: 30th July 2020

Balance Sheet as at 31st March 2020

Particulars	Note No.	As at 31st March 2020 Rupees	As at 31st March 2019 Rupees
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	23,67,49,568.53	24,41,29,492.95
Capital Work in Progress	1	1,81,07,796.40	1,81,07,796.40
Intangible Assets	1	55,879.80	71,756.51
		25,49,13,244.73	26,23,09,045.86
<u>Financial Assets:</u>			
Investments	2	5,000.00	5,000.00
Other Financial Assets	3	-	-
Tax Assets (Net)		36,49,299.70	34,06,888.78
Other Non Current Assets	4	4,43,66,799.16	4,42,77,732.42
		4,80,21,098.86	4,76,89,621.20
Current Assets			
Inventories	5	10,04,107.83	10,78,224.52
<u>Financial Assets:</u>			
Trade Receivable	6	1,58,02,784.01	1,61,30,397.42
Cash and Cash Equivalents	7	2,27,32,382.11	2,60,47,953.40
Bank Balances other than Cash and Cash Equivalents	7	69,86,062.79	64,92,761.79
Other Financial Assets	3	1,28,081.11	1,12,849.60
Other Current Assets	4	3,82,16,971.64	2,36,05,994.52
		8,48,70,389.49	7,34,68,181.25
TOTAL ASSETS		38,78,04,733.08	38,34,66,848.31
EQUITY AND LIABILITIES			
Equity			
Equity Shares Capital	8	5,59,33,581.00	5,59,33,581.00
Other Equity	9	5,36,76,194.77	8,69,41,050.24
Total Equity		10,96,09,775.77	14,28,74,631.24
Non-Current Liabilities			
<u>Financial Liabilities:</u>			
Borrowings	10	-	-
Other Financial Liabilities	11	34,99,996.98	34,99,996.98
Employee Benefit Obligations	12	47,73,713.00	37,22,639.00
		82,73,709.98	72,22,635.98
Current Liabilities			
<u>Financial Liabilities:</u>			
Borrowings	10	25,60,42,919.90	22,06,22,977.85
Trade Payables	13	47,20,518.11	31,46,950.06
Other Financial Liabilities		-	-
Other Current Liabilities	14	91,57,809.32	95,99,653.18
		26,99,21,247.33	23,33,69,581.09
TOTAL EQUITY AND LIABILITIES		38,78,04,733.08	38,34,66,848.31

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)
Membership No. 035151
UDIN: 20035151AAAABK8062

Ramesh R. Havele
Managing Director
(DIN: 00007580)

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

Place : Pune
Date : 30th July 2020

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Smita A. Mishra
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2020

Particulars	Note No.	Year ended 31st March 2020 Rupees	Year ended 31st March 2019 Rupees
INCOME:			
Revenue from operations	15	9,27,55,747.47	11,21,66,366.65
Other Income	16	8,54,909.57	15,55,060.21
Total Income		9,36,10,657.04	11,37,21,426.86
EXPENSES:			
Food and Beverage Consumed	17	1,23,33,449.28	1,39,52,476.82
Securities Trading expenses	18	28,429.71	-
Employee benefit expense	19	2,18,97,416.30	2,31,39,563.00
Financial costs	20	3,54,19,942.05	3,04,06,887.85
Depreciation and amortization expense	1	75,80,171.42	97,92,858.68
Other Operating and General Expenses	21	4,96,16,103.74	5,29,38,892.51
Total Expenses		12,68,75,512.50	13,02,30,678.86
Profit/(Loss) before exceptional Item and Tax		(3,32,64,855.46)	(1,65,09,252.00)
Exceptional Items	22	-	25,000.00
Profit/(Loss) before tax		(3,32,64,855.46)	(1,65,34,252.00)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total Tax Expenses		-	-
Profit/(Loss) after Tax for the period		(3,32,64,855.46)	(1,65,34,252.00)
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)		-	-
Total Comprehensive Income for the period		(3,32,64,855.46)	(1,65,34,252.00)
Earnings Per Share:			
No. of equity shares of Re.1/- each		5,59,33,581	5,59,33,581
i) Basic		(0.59)	(0.30)
ii) Diluted		(0.59)	(0.30)

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)
Membership No. 035151
UDIN: 20035151AAAABK8062

Ramesh R. Havele
Managing Director
(DIN: 00007580)

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

Place : Pune
Date : 30th July 2020

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Smita A. Mishra
Company Secretary

Statement of Cash Flow for the Year Ended 31st March 2020

PARTICULARS	Year ended 31st March 2020 Rupees	Year ended 31st March 2019 Rupees
(A) CASH FLOW FROM OPERATING ACTIVITY		
Profit/(Loss) before Tax and Other Comprehensive Income	(3,32,64,855.46)	(1,65,34,252.00)
Adjustments for:		
Depreciation and Amortisation Expenses	75,80,171.42	97,92,858.68
Provision for Diminution in Value of Investment in Subsidiaries	-	25,000.00
Accounts Written off and Provision for Doubtful debts	23,47,972.06	8,75,098.78
Interest Expenses	3,54,19,942.05	3,04,06,887.85
Interest Earned	(5,33,024.00)	(4,47,793.00)
Operating profit before Working Capital changes	1,15,50,206.07	2,41,17,800.31
Adjustments for:		
Trade Receivables	(15,22,618.65)	(82,97,152.33)
Inventories	74,116.69	1,19,327.21
Non-Current and Current Financial Assets	(5,08,532.51)	1,70,94,128.64
Other Non-current and current assets	(1,49,42,454.79)	(2,05,12,732.38)
Non-current and current financial liabilities	-	-
Other Current Liabilities	(9,39,583.86)	16,17,139.15
Employee benefit obligations	10,51,074.00	8,56,689.00
Trade payables	15,73,568.05	(23,47,691.53)
Cash generated from operations	(36,64,225.00)	1,26,47,508.07
Taxes Paid	-	-
Net Cash Flow from Operating Activity	(36,64,225.00)	1,26,47,508.07
(B) CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets/addition to CWIP	(1,84,370.29)	(5,59,487.16)
Interest Received	5,33,024.00	4,47,793.00
Net Cash Flow from Investing Activity	3,48,653.71	(1,11,694.16)
(C) CASH FLOW FROM FINANCING ACTIVITY		
Short term loans raised / (repaid)	4,46,664.00	9,33,734.61
Interest and Finance charges paid	(4,46,664.00)	(3,78,555.00)
Net Cash Flow from Financing Activity	0.00	5,55,179.61
(D) NET INCREASE IN CASH AND CASH EQUIVALENT	(33,15,571.29)	1,30,90,993.52
Cash and Cash equivalents as at beginning of the year	2,60,47,953.40	1,29,56,959.88
Cash and Cash equivalents as at end of the period	2,27,32,382.11	2,60,47,953.40

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)
Membership No. 035151
UDIN: 20035151AAAABK8062

Ramesh R. Havele
Managing Director
(DIN: 00007580)

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

Place : Pune
Date : 30th July 2020

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Smita A. Mishra
Company Secretary

Statement of Changes in Equity as at March 31, 2020

(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)	5,59,33,581.00	26,34,000.00	28,88,64,684.02	(18,80,23,381.79)	10,34,75,302.24	15,94,08,883.24
Add : Profit/(Loss) for the Year	-	-	-	(1,65,34,252.00)	(1,65,34,252.00)	(1,65,34,252.00)
Other Comprehensive Income for the year	-	-	-	-	-	-
Closing Balance as on March 31, 2019	5,59,33,581.00	26,34,000.00	28,88,64,684.02	(20,45,57,633.7850)	8,69,41,050.24	14,28,74,631.24
Add : Profit/(Loss) for the Year	-	-	-	(3,32,64,855.46)	(3,32,64,855.46)	(3,32,64,855.46)
Other Comprehensive Income for the year	-	-	-	-	-	-
Closing Balance as on March 31, 2020	5,59,33,581.00	26,34,000.00	28,88,64,684.02	(23,78,22,489.24)	5,36,76,194.78	10,96,09,775.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(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, 2018	4,43,66,791.00	23,43,22,487.66	11,29,27,931.59	4,91,70,243.35	14,94,921.00	44,22,82,374.60	1,81,42,796.40	9,92,786.00	46,14,17,957.00
Additions	-	3,81,700.00	48,556.66	1,14,230.50	-	5,44,487.16	(35,000.00)	50,000.00	5,59,487.16
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2019	4,43,66,791.00	23,47,04,187.66	11,29,76,488.25	4,92,84,473.85	14,94,921.00	44,28,26,861.76	1,81,07,796.40	10,42,786.00	46,19,77,444.16
Additions	-	-	1,76,390.29	7,980.00	-	1,84,370.29	-	-	1,84,370.29
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2020	4,43,66,791.00	23,47,04,187.66	11,31,52,878.54	4,92,92,453.85	14,94,921.00	44,30,11,232.05	1,81,07,796.40	10,42,786.00	46,21,61,814.45
Depreciation for the year									
At April 1, 2018	-	5,65,99,558.21	8,62,85,957.37	4,47,74,006.82	12,80,857.60	18,89,40,380.00	-	9,35,159.62	18,98,75,539.62
Charge for the Year	-	37,29,185.71	49,56,991.91	9,55,241.63	1,15,569.56	97,56,988.81	-	35,869.87	97,92,858.68
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2019	-	6,03,28,743.92	9,12,42,949.28	4,57,29,248.45	13,96,427.16	19,86,97,368.81	-	9,71,029.49	19,96,68,398.30
Depreciation (Accumulated)									
Charge for the Year	-	37,41,474.57	32,56,575.88	5,42,497.09	23,747.17	75,64,294.71	-	15,876.71	75,80,171.42
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2020	-	6,40,70,218.49	9,44,99,525.16	4,62,71,745.54	14,20,174.33	20,62,61,663.52	-	9,86,906.20	20,72,48,569.72
Net Block									
At March 31, 2019	4,43,66,791.00	17,43,75,443.74	2,17,33,538.97	35,55,225.40	98,493.84	24,41,29,492.95	1,81,07,796.40	71,756.51	26,23,09,045.86
At March 31, 2020	4,43,66,791.00	17,06,33,969.17	1,86,53,353.38	30,20,708.31	74,746.67	23,67,49,568.53	1,81,07,796.40	55,879.80	25,49,13,244.73

Foot Notes:

1. 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.
2. 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.
3. 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 for proposed Hotel project at Nande, Pune, pending since long.
4. Additions to Plant and Equipments include purchase of Desktop Computer and other items.
5. Additions to Furniture and Fixtures include purchase of CC TV Cemas.
6. 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, 2020

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

NOTE - 2 : INESTMENTS	Face Value Rs.	As at March 31, 2020		As at March 31, 2019	
		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 Licence and certificate issued in the name of one of the Director of the Company as per requirement of concerned bar license issuing authority.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

NOTE - 3 : OTHER FINANCIAL ASSETS	As at March 31, 2020	As at March 31, 2019
(A) Non Current	-	-
(B) Current	-	-
Accrued Interest	1,28,081.11	1,12,849.60
	1,28,081.11	1,12,849.60

Foot Note:

1. Accrued interest includes of Rs.1.26 lakhs (Previous Year Rs. 1.11 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, 2020	As at March 31, 2019
(A) Other Non Current Assets		
Capital Advances	3,97,60,000.00	3,97,60,000.00
Security Deposits	19,74,573.60	18,63,698.00
VAT Credit Receivable	26,29,885.56	26,29,885.56
GST Credit Receivable	2,340.00	24,148.86
	4,43,66,799.16	4,42,77,732.42
(B) Other Current Assets		
Prepaid Expenses	5,35,678.02	10,66,329.87
Advance to Employee	41,000.00	72,891.00
Loans to Employee	-	78,260.00
Security Deposits	4,66,143.00	3,83,043.00
Payment against sales tax notice - 2007-08	2,02,023.00	2,02,023.00
Advance to Trade Suppliers	4,25,499.08	9,67,319.65
Advance to Visconti Industries, Inc.	36,86,655.63	36,86,655.63
Advance to a Director (Ramesh R. Havele)	-	2,08,36,128.00
Dhanada Holdings Private Limited	3,01,44,128.00	-
Advance to Consultants for Statutory Payments	2,653.00	-
Balance with Spl. Judge, MPID Aruangabad	63,89,509.00	-
Balance with Securities Trading Accounts	10,338.54	-
	4,19,03,627.27	2,72,92,650.15
Less: Provision for Doubtfull Recovery	36,86,655.63	36,86,655.63
	3,82,16,971.64	2,36,05,994.52

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. 12.79 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.

6. Advance to Visconti Industires, Inc. is for mobilisation and professional fees for sourcing of funds in the form of foreign Equity and ECB. The mangement 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**(All amounts are in Rs., unless otherwise stated)**

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 in the month of March, 2020, there was lockdown announced 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.

8. The Company, its Holding Company viz., Dhanada Holdings Private Limited and a Director to whom the advance was given, have 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 is taken over by and to be repaid by the Holding Company - Dhanada Holding Private Limited. The effect of the said transactions has been given in the Books of Account of the Company as on 31st March 2020. Consequently, the advance from the director has been nullified and the balance of Rs. 301.44 lakhs has been shown as receivable from the holding company viz., Dhanada Holdings Private Limited Special resolution as per the provisions of section 186 has been passed by the company in the year 2015.

9. An amount of Rs. 63,89,509/- has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2020, pursuant to an order dated 24.05.2019, 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. 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 Aruangabad.

NOTE - 5 : INVENTORIES	As at March 31, 2020	As at March 31, 2019
(As taken and certified by the management)		
Food and Beverages, Stores and Operating Supplies	10,04,107.83	10,78,224.52
	10,04,107.83	10,78,224.52

NOTE - 6 : TRADE RECEIVABLES	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered Good	1,58,02,784.01	1,61,30,397.42
With significant increase in credit risk which are Credit impaired	5,06,328.51	5,51,766.45
	1,63,09,112.52	1,66,82,163.87
Less: Provision for doubtful of recovery:	5,06,328.51	5,51,766.45
	1,58,02,784.01	1,61,30,397.42

Foot Note :

- Trade Receivables includes debts in the ordinary course of business.
- Trade Receivables include an amount of Rs. 40,94,729.96 (Previous Year Rs. 29,16,428.54) outstanding over six months from the date they were due for payment.
- 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.

NOTE - 7 : CASH AND BANK BALANCES	As at March 31, 2020	As at March 31, 2019
Cash and Cash equivalents		
Cash on Hand	5,65,743.50	9,88,086.00
Balances with banks in current account	2,21,66,638.61	2,50,59,867.40
	2,27,32,382.11	2,60,47,953.40
Bank balances other than cash and cash equivalents		
Earmarked balances with bank	69,86,062.79	64,92,761.79
	69,86,062.79	64,92,761.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**(All amounts are in Rs., unless otherwise stated)****Foot Note :**

1. Term deposits with Axis Bank Ltd. of Rs. 10 lakhs are for a period of 5 years from the date of issue. After the expiry of the term, it is then renewed for same period.
2. 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. 2.24 lakhs (Including part of accrued interest thereon) as on 31st March 2020.
3. 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 2020 is Rs.16.45 Lakhs (including part of accrued interest thereon)
4. Term deposits with ICICI Bank Ltd. of Rs. 11.50 lakhs have a lien for Over draft facility against the same.
5. 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.
6. Axis Bank account carries an amount of Rs. 3.25 lakhs maintained as earmarked funds
7. An amount of Rs. 26.42 lakhs (Previous year - Rs. 28.88 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.
8. Balances with banks in respect of following bank accounts are subject to balance confirmation, reconciliation and subsequential adjustments if any:

Bank and Account number	Balance as on 31.03.2020 as per books	Balance as on 31.03.2019 as per books
Axis Bank	3,25,594.05	3,25,594.05
IDBI Bank, Pune	2,74,090.00	2,74,090.00
Havele Ramesh R (BOM Loan Repay A/c)	1,79,75,000.00	1,79,75,000.00
ICICI BANK Current A/c	15,24,567.61	13,17,587.61

9. 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.

NOTE - 8 : EQUITY SHARE CAPITAL	As at March 31, 2020	As at March 31, 2019
(A) Authorised Share Capital		
Ordinary Shares:		
Equity shares of Re. 1/- each with voting rights	10,80,00,000.00	10,80,00,000.00
Preference Shares		
8% Cumulative Convertible Preference Shares of Re. 1/- each	5,00,00,000.00	5,00,00,000.00
	15,80,00,000.00	15,80,00,000.00
(B) Issued Share Capital		
5,59,33,581 (5,59,33,581) equity shares of Re. 1/- each	5,59,33,581.00	5,59,33,581.00
	5,59,33,581.00	5,59,33,581.00
(C) Subscribed and Paid Up		
5,59,33,581 (5,59,33,581) equity shares of Re. 1/- each fully paid up	5,59,33,581.00	5,59,33,581.00
	5,59,33,581.00	5,59,33,581.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	Nos	Amount	Nos	Amount
(A) Authorised:				
Equity shares of Re. 1/- each with voting rights	10,80,00,000	10,80,00,000.00	10,80,00,000	10,80,00,000.00
8% Cumulative Convertible Preference Shares of Re. 1/- each	5,00,00,000	5,00,00,000.00	5,00,00,000	5,00,00,000.00

(B) Issued, Subscribed & Fully Paid Up:

Equity shares of Re. 1/- each with voting rights	5,59,33,581	5,59,33,581.00	5,59,33,581	5,59,33,581.00
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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		Equity Shares	
	As at 31st March 2020		As at 31st March 2019	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	5,59,33,581	5,59,33,581.00	5,59,33,581	5,59,33,581.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	5,59,33,581	5,59,33,581.00	5,59,33,581	5,59,33,581.00

(D) Share Capital held by Holding Company

Particulars	Nature of Relationship	As at 31st March 2020	As at 31st March 2019
		Nos	Nos
Equity Shares: Dhanada Holdings Pvt. Ltd.	Holding Company	2,96,71,156	3,30,91,416
Total		2,96,71,156	3,30,91,416

(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 2020		As at 31st March 2019	
	No of Shares held	% of holding	No of Shares held	% of holding
Promoter:				
Dhanada Holdings Pvt. Ltd.	2,96,71,156	53.05	3,30,91,416	59.16
Ramesh R. Havele	30,89,849	5.52	29,26,840	5.23
Non-Promoter:				
Laxman V. Kulkarni	63,71,692	11.39	63,71,692	11.39
Total	3,91,32,697	69.96	4,23,89,948	75.79

Foot Note:

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

Particulars	2019-20	2018-19	2017-18	2016-17
Equity Shares				
Fully Paid up pursuant to contract(s) without payment being received in cash (See note below)	46,97,133	46,97,133	46,97,133	46,97,133
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, 2020

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

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.

NOTE - 9 : OTHER EQUITY	As at March 31, 2020	As at March 31, 2019
Reserves & Surplus:		
Securities Premium Account	28,88,64,684.02	28,88,64,684.02
Revenue Reserve <i>(Created out of Scheme of Amalgamation)</i>	26,34,000.00	26,34,000.00
	29,14,98,684.02	29,14,98,684.02
Retained Earnings:		
Surplus/ (Deficit) in the Profit And Loss	(20,45,57,633.79)	(18,80,23,381.79)
Add: Current Year profits / (losses)	(3,32,64,855.46)	(1,65,34,252.00)
	(23,78,22,489.25)	(20,45,57,633.79)
Other Comprehensive Income (Net of Taxes)	-	-
Total Comprehensive Income	-	-
TOTAL OTHER EQUITY	5,36,76,194.77	8,69,41,050.24

PURPOSE OF RESERVE

1. SECURITIES PREMIUM ACCOUNT: Securities premium is used to record the premium on issue of shares. The
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, 2020	As at March 31, 2019
(A) Long term borrowings - Secured		
Term Loan from ARC		
Phoenix ARC Pvt. Ltd. - I	6,12,98,890.01	5,25,27,426.57
Phoenix ARC Pvt. Ltd. - II	8,77,33,741.02	7,51,79,626.22
Term Loan From Bank		
Bank of Maharashtra	9,37,29,403.47	8,17,21,869.48
	24,27,62,034.50	20,94,28,922.27
Less: Current maturities of Long term borrowings <i>(shown under Other current financial liabilities)</i>	24,27,62,034.50	20,94,28,922.27
Total Long term borrowings	-	-
Short term borrowings		
From Bank - Secured		
Over Draft against Banks Fixed Deposit	33,50,103.61	29,07,402.61
Over Draft - Bank of Maharashtra	96,52,413.77	80,12,247.95
Current Maturities of Term Loan from Bank, (Transferred from Long Term Borrowings)	24,27,62,034.50	20,94,28,922.27
From Bank - Unsecured		
HDFC Bank Ltd.	24,180.00	20,217.00
From Director - Unsecured		
Ramesh R. Havele	-	-
From Others - Unsecured		
Sales Tax Deferment	2,54,188.02	2,54,188.02
Total Short term borrowings	25,60,42,919.90	22,06,22,977.85

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
(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 guarante 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. 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.

9. 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, 2020	As at March 31, 2019
A) Non Current financial liabilities		
Payable to Dr. Laxman V. Kulkarni	34,99,996.98	34,99,996.98
	34,99,996.98	34,99,996.98
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 Honourable High Court, Bombay dated 16th July 2009, as referred to in Note 8 (3) - Equity ShareCapital.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

NOTE - 12 : PROVISION FOR EMPLOYEE BENEFITS	As at March 31, 2020	As at March 31, 2019
Non Current		
Gratuity	29,06,850.00	21,25,409.00
Leave Encashment	18,66,863.00	15,97,230.00
	47,73,713.00	37,22,639.00

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 2019-20. 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, 2020	As at March 31, 2019
Trade Payables		
Dues to Micro and Small Enterprises	1,57,929.70	1,91,010.70
Others	45,62,588.41	29,55,939.36
Total Trade Payables	47,20,518.11	31,46,950.06

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, 2020	As at March 31, 2019
Current		
Special Capital Incentive refundable due	25,00,000.00	25,00,000.00
Electricity Expenses Payable	8,71,540.00	14,04,850.00
Salary & Wages Payable	13,76,535.00	11,84,657.00
Stipend Payable	39,042.00	83,683.00
Bonus Payable	8,82,587.00	7,44,233.00
Other Payable	20,186.00	10,578.00
GST Payable	2,40,452.12	7,12,115.00
Profession Tax Payable	43,900.00	17,250.00
TDS/Payable	2,48,422.00	2,62,514.00
VAT/CST Payable	27,223.62	39,065.10
ESI Payable	81,589.00	63,278.00
Provident Fund Payable	2,34,411.00	1,89,164.00
Sales Tax Payable for 1997-98, 1999-00 & 2001-02	3,44,242.00	3,56,291.00
Customer Advance / Refund	22,34,679.58	19,96,399.08
Misc. Expenses Payable	13,000.00	35,576.00
	91,57,809.32	95,99,653.18

Foot Note :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

NOTE - 15 : REVENUE FROM OPERATIONS	Year ended March 31, 2020	Year ended March 31, 2019
Food & Beverage	2,14,31,359.00	2,67,55,521.77
Liquor Sale	28,93,899.03	35,75,269.03
Room Revenue	6,44,68,843.37	7,77,60,900.58
Banquet Sale	32,93,329.08	35,02,105.71
Sale of Scrap	27,776.20	61,421.46
Other Miscellaneous Income - Hotel Activity	6,40,540.79	5,11,148.10
Sub-Total (A)	9,27,55,747.47	11,21,66,366.65
Income from Trading in Financial Securities	-	-
Sub-Total (B)	-	-
Total (A + B)	9,27,55,747.47	11,21,66,366.65

NOTE - 16 : OTHER INCOME	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income:		
- On Bank Fixed Deposits	5,33,024.00	4,47,793.00
- Other Interest	882.00	14,138.00
Creditors and Misc. balances written back	3,13,354.57	10,93,129.21
Sales Tax Amnesty Scheme Benefit Income	7,649.00	-
	8,54,909.57	15,55,060.21

Foot Note:

1. Interest income includes an amount of Rs. 1.19 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 2019-20 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.

NOTE - 17 : FOOD AND BEVERAGE CONSUMED	Year ended March 31, 2020	Year ended March 31, 2019
Food, Beverage Liquor Consumed:		
Opening Stock	10,78,224.52	11,97,551.73
Add : Purchases	1,22,59,332.59	1,38,33,149.61
Less : Closing Stock	10,04,107.83	10,78,224.52
	1,23,33,449.28	1,39,52,476.82

NOTE - 18 : DERIVATIVE TRADING EXPENSES	Year ended March 31, 2020	Year ended March 31, 2019
Loss on Trading in Financial Securities	28,224.31	-
Securities Trading Expenses	205.40	-
	28,429.71	-

NOTE - 19 : EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Ex-gratia	1,88,81,905.00	1,99,65,831.00
Employers' Contributions to Provident Fund	10,64,511.00	11,72,676.00
Employers' Contributions to ESIC	4,13,049.00	5,76,903.00
Gratuity and Leave encashment	12,43,910.00	10,97,660.00
Staff welfare and Other expenses	2,94,041.30	3,26,493.00
	2,18,97,416.30	2,31,39,563.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Foot Note:

1. As per the valuation reports of Acturial Valuer, expenses of Rs.8.42 lakhs towards Gratuity and Rs.4.02 lakhs towards Leave encashment are recognised for the Financial Year 2019-20.
2. During the year and previous year, the Company has not paid any managerial remuneration and sitting fees.

NOTE - 20 : FINANCIAL COST	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Bank Overdraft	20,86,829.82	17,36,078.32
Interest on Term loan	3,33,33,112.23	2,86,70,809.53
	3,54,19,942.05	3,04,06,887.85

Foot Note:

1. Provision of interest of Rs. 16.40 lakhs for financial year 2019-20 is made at contractual rate on Bank Overdraft facility availed from Bank of Maharashtra.
2. Provision of interest of Rs. 120 lakhs for financial year 2019-20 is made at contractual rate on Term Loan taken from Bank of Maharashtra.
3. Provision of interest of Rs. 213 lakhs for financial year 2019-20 is made at contractual rate on Term Loans of Phoenix ARC Private Limited. The said term loan assigned by Saraswaat 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, 2020	Year ended March 31, 2019
Operating Expenses:		
Direct Expenses	20,30,646.41	17,00,614.51
Housekeeping	1,90,000.00	1,49,185.00
Linen and Laundry	13,30,449.28	13,27,877.25
Power and Fuel	1,81,64,764.70	1,85,22,139.38
Repairs to Building	8,19,445.88	13,68,440.92
Repairs to Machinery and Others	23,86,506.75	20,38,621.81
Commission & Sales Promotion	26,51,892.85	17,60,119.65
Security and Labour Hire	28,48,085.16	31,52,447.59
Administration and General Expenses:		
Administration Expenses	76,97,299.25	94,36,528.52
Advertisement and Publicity	61,056.00	4,49,582.25
Auditors Remuneration:		
Statutory Audit Fee	3,85,000.00	3,85,000.00
Tax Audit Fee and Tax Consultancy	1,50,000.00	1,50,000.00
Amounts Written off	18,41,643.55	3,23,332.33
Provision for Doubtful Debts	5,06,328.51	5,51,766.45
Bank Commission and Charges	3,97,059.88	4,78,939.95
Insurance	3,41,169.00	3,27,335.00
Interest on Tax Paymets	45,547.00	27,833.00
Licence Fees	7,98,450.99	7,04,007.01
Printing and Stationary	1,71,410.00	2,05,956.00
Professional Fees	60,06,861.00	86,60,101.60
Rates and Taxes	3,38,251.00	3,95,602.00
Office Rent	52,500.00	4,32,000.00
Communication Expenses	2,10,768.03	2,36,066.29
Travelling and Lodging	1,90,968.50	1,55,396.00
	4,96,16,103.74	5,29,38,892.51

NOTE - 22 : EXCEPTIONAL ITEMS	Year ended March 31, 2020	Year ended March 31, 2019
Provison of Diminution/Impairment in Value of Investment	-	25,000.00
	-	25,000.00

NOTE – 23: 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 July 30, 2020.

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 2020 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 31.03.2020	As of 31.03.2019
Discount Rate	6.50%	7.60%
Rate of increase in compensation levels	10%	10%
Expected average remaining working lives of employees (in years)	9.76	9.07

Change in present value of obligations	01-04-2019 to 31.03.2020	01.04.2018 to 31.03.2019
Present Value of Obligation as at the beginning of period	21,25,409	15,88,869
Interest Expenses	1,59,245	1,18,268
Current Service Cost	3,10,751	2,32,492
Benefits Paid	(60,155)	(65,428)
Re-measurements on obligation - (Gain) / Loss	3,71,600	2,51,208
Present Value of Obligations at the end of the period	29,06,850	21,25,409

The Amount to recognized in the Balance Sheet	01-04-2019 to 31.03.2020	01.04.2018 to 31.03.2019
Present Value of Obligation as at the end of the period	29,06,850	21,25,409
Fair Value of Plan Assets as at the end of the year	-	-
Surplus / (Deficit)	(29,06,850)	(21,25,409)
Current Liability	1,83,328	1,83,541
Non Current Liability	27,23,522	19,41,868
Net Asset / (Liability) Recognized in the Balance Sheet	(29,06,850)	(21,25,409)

Expenses recognized in the Statement of Profit and Loss	01-04-2019 to 31.03.2020	01.04.2018 to 31.03.2019
Service Cost	3,10,751	2,32,492
Interest (Income)/Expenses	1,59,245	1,18,268
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	4,69,996	3,50,760

- 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 2020 is Rs. 18,66,863/- (Previous Year Rs. 15,97,230/-).
- c. Amount recognized as an expense in respect of defined Contribution plans are as under:

Particulars	2019-20	2018-19
Contribution to Govt. Provident Fund	10,54,511*	11,72,676
Employees' State Insurance Scheme (ESIS)	4,13,049	5,76,903

* Due to COVID 19 outbreak, Central Government has given 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.

- 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 *
Nature of Transaction	Advance Given	Receivable
Opening Balance	208.36	Nil
Additions / Adjustments *	118.09	301.44
Recovered/Adjustments *	326.45	-
Closing Balance 31 st March 2020	Nil	301.44

* 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 repaid 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. Now the amount receivable from Dhanada Holdings Private Limited is Rs. 301.44 lakhs as on 31st March 2020. The term of this agreement is that, Dhanada Holdings Private Limited shall repay this entire outstanding amount to the Company within next 5 years from the date of execution of the Agreement without any interest.

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	2019-20 Rupees	2018-19 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. 10,04,107.83

Inventories consist of foods and beverages. These inventories as at 31st March 2020 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. 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, 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 as per the order of session judge. The company is yet to assess the status of collection of these stay charges from SDO.

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

As per our report of even date Annexed

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

For and on behalf of the Board of Directors

Shashank Patki
(Partner)
Membership No. 035151
UDIN: 20035151AAAABK8062

Ramesh R. Havele
Managing Director
(DIN: 00007580)

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

Place: Pune
Date: 30th July 2020

Ramesh M. Pradhan
Chief Financial Officer

Mrs. Smita A. Mishra
Company Secretary



DHANADA CORPORATION LIMITED

(CIN: L55101PN1986PLC133909)

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