

DHANADA CORPORATION LIMITED

(CIN: L55101PN1986PLC133909)

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

Part Erandawane, near Shyamaprasad Mukharji Garden,

Pune – 411004. Phone No. 9822037104

Email : dhanada@dhanadacorp.com Website : www.dhanadacorp.com



DHANADA

Date: 17.09.2022

To
Bombay Stock Exchange Limited
Listing Compliance
P. J. Towers, Dalal Street, Fort,
Mumbai – 400001.

Sub.: Copy of Notice of 36th Annual General Meeting and Annual Report along with other documents pursuant to Regulations 30, 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Enclose please find copy of Notice of 36th Annual General Meeting and Annual Report of the Company for the Financial Year ended on 31st March 2022 along with other documents pursuant to Regulations 30, 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The 36th Annual General Meeting of the Company will be held on Friday, 30th September 2022 at 4.00 p.m. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Notice of 36th Annual General Meeting and Annual Report of the Company for the Financial Year ended on 31st March 2022 along with other documents are being sent by email only to those shareholders whose email addresses are registered with the Depository Participant(s) / Company / Registrar and Share Transfer Agent of the Company. The said Notice and Annual Report are also uploaded on the website of the Company i.e. www.dhanadacorp.com.

Kindly take the above on record.

Thanking you,

Yours sincerely,
For **DHANADA CORPORATION LIMITED**

Parul Rathore

Digitally signed by Parul Rathore
DN: cn=Parul Rathore, o=IN, st=Madhya
Pradesh, ou=Personal, title=3258,
serialNumber=1413a86298d1cd070c280a0e49
07a65e97b25167b6a6c21f8b1c2d84c0d818
Date: 2022.09.17 16:46:38 +05'30'

Parul Rathore
Company Secretary & Compliance Officer



DHANADA CORPORATION LIMITED

36th Annual Report

2021-2022

Our Mission

Create financial wealth for our shareholders,
act with integrity, competence and dignity,
practice and encourage others to practice
in a professional and ethical manner.
Use reasonable care and exercise
independent professional judgement.

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Email : dhanada@dhanadacorp.com Website : www.dhanadacorp.com

NOTICE OF 36TH ANNUAL GENERAL MEETING

The 36th Annual General Meeting (AGM) of **DHANADA CORPORATION LIMITED** will be held on Friday, 30th September 2022 at 4:00 p.m. through Video Conference (VC) / Other Audio Visual Means (OAVM) facility deemed to be held at the registered office of the Company at 5B/14, Laxminarayan Nagar, S. No. 11/12, Part Erandvane, Pune – 411004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended on 31st March 2022 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.

By order of the Board of Directors
DHANADA CORPORATION LIMITED

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

Place : Pune
Date : 12th August 2022

NOTES:

1. In view of the ongoing threat posed by the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021 and 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022 ('SEBI Circulars') has permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with these MCA and SEBI Circulars, applicable provisions of the Act (including any statutory modifications or re-enactments thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the 36th AGM of the Company is being conducted through VC / OAVM on Friday, 30th September 2022 at 4.00 p.m. (IST). The deemed venue for the 36th AGM shall be the Registered Office of the Company.

2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since this AGM is being held pursuant to the MCA circulars through VC / OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this 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 36th AGM through VC / OAVM facility and e-Voting during the 36th AGM.
3. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. PURSUANT TO THE PROVISIONS OF SECTION 108 OF THE COMPANIES ACT, 2013 READ WITH RULE 20 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (AS AMENDED) AND REGULATION 44 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS 2015 (AS AMENDED), AND THE CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS DATED APRIL 08, 2020, APRIL 13, 2020 AND MAY 05, 2020, THE COMPANY IS PROVIDING FACILITY OF REMOTE E-VOTING TO ITS MEMBERS IN RESPECT OF THE BUSINESS TO BE TRANSACTED AT THE AGM. FOR THIS PURPOSE, THE COMPANY HAS ENTERED INTO AN AGREEMENT WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) FOR FACILITATING VOTING THROUGH ELECTRONIC MEANS, AS THE AUTHORIZED AGENCY. THE FACILITY OF CASTING VOTES BY A MEMBER USING REMOTE E-VOTING SYSTEM AS WELL AS VENUE VOTING ON THE DATE OF THE AGM WILL BE PROVIDED BY NSDL.
6. In line with the MCA Circulars and SEBI Circulars, the Notice of the 36th AGM and Annual Report for F.Y. 2021-22 will be available on the Company's website www.dhanadacorp.com, on the website of the Bombay Stock Exchange Limited and on the website of the NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. 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 csdhanadacorp@gmail.com and evoting@nsdl.co.in.
8. The cut-off date (record date) shall be 22nd September 2022 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.

9. 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.
10. In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. And those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 36th AGM and the Annual Report 2021-22 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:
 - a. For the Members holding shares in physical form by sending an email to csdhanadacorp@gmail.com mentioning therein the Name of the Member and / or Joint holder along with Ledger Folio Number.
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
11. 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.
12. SEBI vide Circulars dated November 3, 2021 and December 14, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile number, bank account details) and nomination details by holders of physical securities through prescribed forms. PAN details are to be compulsorily linked to Aadhaar by March 31, 2023 or any other date specified by Central Board of Direct Taxes. Folios wherein any of the above cited documents / details are not available, on or after April 1, 2023, shall be frozen as per the aforesaid circular. Effective from January 1, 2022, any service requests / complaints received from a Member holding physical securities will not be processed by the Company's RTA till the aforesaid details / documents are provided to it. Members holding shares of the Company in physical form are requested to furnish the abovementioned details. Members can contact Company's RTA for assistance in this regard.
13. Members are also requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registration of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Company's RTA in case the shares are held in physical form, in the prescribed form, pursuant to the SEBI Circular dated November 3, 2021. Changes intimated to the DP will then be automatically reflected in the Company's records.
14. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, all requests for transfer of securities shall be processed only if the securities are held in dematerialized form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat / electronic form to get inherent benefits of dematerialisation since physical transfer of equity shares / issuance of equity shares in physical form have been disallowed by SEBI. Members can contact Company's RTA for assistance in this regard.
15. Members may please note that SEBI vide its Circular dated January 25, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed

- Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition.
16. The Registers of the Members, Share Transfer Register and shareholders book of the Company will remain closed from 23rd September 2022 to 30th September 2022, both days inclusive.
 17. 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.
 18. 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.
 19. MEMBERS REQUIRING INFORMATION ON THE AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022 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.
 20. 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.
 21. During the 36th AGM, Members may access the copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, by writing to the Company at csdhanadacorp@gmail.com. The other documents referred to in the Notice, if any, will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
 22. Ms. Sanjana Hinge, Practicing Company Secretary and Secretarial Auditor of the Company is appointed as Scrutinizer to scrutinize the e-voting process and vote casted through e-voting during the meeting in a fair and transparent manner.
 23. 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.
 24. Since the AGM will be conducted through VC / OAVM means, to conduct the AGM in a smooth and seamless manner only those shareholders will be allowed to speak at the AGM who have pre-registered themselves for the same with the Company. The Company hence requests members to opt any one of the following methods for obtaining answers to their queries / making suggestions:
 - Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 5.00 p.m. on 24th September 2022 through email on csdhanadacorp@gmail.com and such email shall mandatorily mention the name of the shareholder, demat account number / folio number, email id and contact number of the shareholder. The same will be replied by the Company suitably.
 - Members who intend to speak at the AGM shall register with the Company by sending an email on or before 5.00 p.m. on 24th September 2022 through email on csdhanadacorp@gmail.com.

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

Members are requested to discuss or ask queries only on the accounts or business of the Company or any other agenda of the 36th AGM so that effective question answer session can take place and queries posed by majority shareholders are addressed. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

25. At the 35th Annual General Meeting held on 30th September 2021, M/s. Shashank Patki and Associates, Firm of Chartered Accountants, having Firm Registration No. 122054W of Pune were appointed as Statutory Auditors of the Company for the further period of 5 years i.e. to hold office up to the conclusion of 40th 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.

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

| Particulars | Profile of Director |
|---|---|
| Name of the Director | Mrs. Veena Ramesh Havele |
| DIN | 00007593 |
| Date of Birth | 28 th August 1965 |
| Age | 56 Years |
| Date of Appointment on the Board | 25 th October 2005 |
| Area of expertise / Work 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. |
| Name of other companies in which the Director holds Directorship | 1. Dhanada Holdings Private Limited 2. Dhanada Engineering Private Limited 3. Dhanada Education Private Limited 4. Dhanada Clean Energy (India) Private Limited |
| Name of the other committees in which Chairman | Nil |
| Name of the other committees in which Member | 1. Audit Committee of Dhanada Corporation Ltd. 2. Stakeholders' Relationship Committee of Dhanada Corporation Ltd. 3. Nomination & Remuneration Committee of Dhanada Corporation Ltd. |
| Category of Director | Non – Executive Non – Independent Director |
| Remuneration last drawn | Nil |
| Relationship with other Directors, Manager and Key Managerial Personnel of the Company | Mrs. Veena R. Havele (DIN 00007593) is wife of Mr. Ramesh R. Havele (DIN 00007580), Chairman, Managing Director and CEO of the Company. |
| Number of Board Meetings attended during the F.Y. | Attended all 8 Board Meetings held in the F.Y. 2021 – 22. |
| Number of Shares held in the Company | Nil |
| Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements | Not Applicable |

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

The remote e-voting period begins on Tuesday, 27th September 2022 at 9:00 A.M. and ends on Thursday, 29th September 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September 2022.

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

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




Step 1: Access to NSDL e-Voting system

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

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

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

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be |

| | |
|---|---|
| | <p>redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.
How to Log-in to NSDL e-Voting website?

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "[Forgot User Details / Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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

DHANADA CORPORATION LIMITED

(CIN: L55101PN1986PLC133909)

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

Part Erandvane, Pune – 411004. Phone No. 9822037104

Email: dhanada@dhanadacorp.com Website: www.dhanadacorp.com

DIRECTORS' REPORT

To,
The Members,
DHANADA CORPORATION LIMITED

The Board of Directors of your Company has pleasure in presenting the 36th Annual Report of the Company together with the Audited statements of accounts for the year ended on 31st March 2022.

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 | 2021 – 22 | 2020 – 21 |
|--|------------------|------------------|
| Turnover | 4.88 | 2.94 |
| Profit / (Loss) before Finance charges, Tax, Depreciation / Amortization | (0.84) | (1.10) |
| Finance Charges | 4.77 | 4.10 |
| Profit / (Loss) before Tax, Depreciation / Amortization | (5.61) | (5.21) |
| Depreciation | 0.67 | 0.70 |
| Profit / (Loss) before Tax | (6.28) | (5.91) |
| Provision for Tax | Nil | Nil |
| Profit / (Loss) after Tax | (6.28) | (5.91) |
| 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 2022.

3. Reserves:

No amount is proposed to be transferred to the Reserves.

4. State of Affairs (Standalone):

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 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 and further permitted by the Court to continue the supervision of the Hotel premises and manage the day-to-day financial operations of the Company.

In the last week of March 2021, the COVID – 19 2nd wave affected and cases were increased due to which lockdown and strict restriction were again imposed by the Government of India. The guests' bookings were reduced and mostly cancelled. In the month of July 2021, there is relief granted to the people but no bookings were accelerated in nearby months. Subsequently in the month of January 2022, 3rd wave of COVID-19 hit the country due to which restriction was imposed to the people by the state government. During the year under review, the turnover of the Company in respect of accommodation and food & beverages has been increased in the current year as compared to the previous year. Operating margins are continued to be under pressure. The Company has suffered losses.

Finance

The shortage of finance continues to be the major challenge before the Company. The promoter 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 rich and varied culture of India makes it a major travel destination for many international tourists. The year 2021 turned out to be a recovery year for the Indian travel and hospitality sector post the 2020 pandemic.

The Tourism and Hospitality industry is one of the largest service industries in India. For the past decade, the tourism sector accounted for about 7% of India's GDP. In FY2020, the industry accounted for 39 million jobs, which is projected to increase to 53 million jobs by 2027.

While the earlier part of Q4 started to witness an impact due to the Omicron wave, the quarter was the best performing period of the year bolstered by long weekends, festivals and social gatherings. The sector witnessed a doubling of Revenue Per Available Room (RevPAR).

The hotel industry in India is expected to reach a value of INR 1.2 trillion by the end of 2023 owing to the high arrival rate of foreign tourists and business delegates. The 100% FDI in the hotel and tourism sector will lead to more investments in the country through the automatic route.

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

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

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

Nil. No such material changes and commitments have occurred.

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

The Court of District and Session Judge, Aurangabad had passed an order for attachment and sale of the property / assets of the Company under Maharashtra Protection of Interest of Depositors (In Financial Establishment) Act, 1999 (MPID Act). The 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 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 and further permitted by the Court to continue the supervision of the Hotel premises and manage the day-to-day financial operations of the Company. Further, the Court of District and Session Judge, Aurangabad 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 been running the hotel under an arrangement with Vitzen Hotels Ltd. (VHL) to whom Management and other charges are payable. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VHL to deposit an amount of Rs. 41.56 lakhs with the Competent Authority. Against this, VHL has deposited an amount of Rs. 76.99 lakhs which has been included in amount with 'Additional Session Judge Aurangabad'. On 16th November 2021, the Court has ordered to make the payment to the applicants of the case out of the amount deposited in the Court by the Competent Authority. The Company has not received any intimation from the court authority till date about any payments made under MPID Act to the applicants.

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. Further, on 24th February 2022, the application moved by the independent director of the Company before the Court of District and Session Judge, Aurangabad seeking cancellation of attachment of the property and sought for interim stay to the auction process is dismissed by the said Court, as the order of attachment is already confirmed by the Supreme Court and the challenges / writ petitions filed by the Company / accused before Hon'ble High Courts of Mumbai and Aurangabad are also turned down.

Further, the Company's borrowings from banks and financial institutions have been classified by the lenders as non-performing assets. The Bankers / lenders have taken symbolic possession of the assets of the Company under SARFAESI Act and passed it over to an Asset Reconstruction Company. The assets and accounts of the Company / its directors are seized under the MPID Act. The Company is in the process of initiating One Time Settlement (OTS) with the banks / lenders. Some of the banks / lenders have approached Government Authorities in respect of the Company's borrowings.

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

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

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

Explanation to Auditor's comment on Internal Financial Controls:

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

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

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

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

Not Applicable.

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

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

12. Deposits:

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

13. Auditors:

Statutory Auditors

M/s. Shashank Patki and Associates, Firm of Chartered Accountants, having Firm Registration No. 122054W of Pune were re-appointed as Statutory Auditors of the Company in the 35th Annual General Meeting held on 30th September 2021 for the further period of 5 years i.e. to hold office up to the conclusion of 40th 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.

Secretarial Auditor

Ms. Sanjana D. Hinge, Practicing Company Secretary, having CP No. 14437, was appointed to conduct the secretarial audit of the Company for the financial year

2021 – 2022, as required under Section 204 of the Companies Act, 2013 and rules made there under. The Secretarial Audit Report for the financial year 2021 – 2022 in Form MR-3 is attached as an Annexure 1 to the Directors' Report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All the outstanding balances of debtors are from ordinary course of business activity of the Company.

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.

- k. *Auditors Comment: An advance given to Director was outstanding as on 31st March, 2022 of Rs. 1,51,67,554.77 which is, in our opinion, in contravention of Section 185 of the Companies Act, 2013. As mentioned in our audit reports for earlier years, this has been a continuing contravention of Section 185 of the Companies Act, 2013. Further, interest, fines and penalties for contravention of the provisions of Section 185 of the Companies Act, 2013, if any, is not ascertainable. Impact on accounts is not ascertainable.*

The Company has started trading activities / treasury business operations pursuant to the compliance of applicable provisions of the Companies Act and clauses of Memorandum of Association. Considering the expertise in the field of Investment Analysis and Portfolio Management of Mr. Ramesh R. Havele (DIN 00007580), Chairman and Managing Director, the Company has given advance to him for doing securities trading business on its behalf and on the terms and conditions that he will utilise those funds for trading operations on behalf of the Company considering the opportunities and market risks and conditions as in the best interest and beneficial for the Company. The necessary amount shall be advanced to him from time to time as per the requirements. He would be the custodian of such funds to be advanced by the Company to him and of the debit balance, if any, outstanding in his account for such advanced funds. The amount shall not be treated as a loan in any case. Necessary approvals of the Audit Committee, Board of Directors and the Shareholders of the Company are obtained. The advance as aforesaid given to the Managing Director for securities trading purpose.

Further, as per the notification issued by Reserve Bank of India (RBI) dated 06.08.2020 and subsequently intimation from AU Small Finance Bank, to continue Current Account and execute transactions, the Company is required to maintain minimum 10% share of the total credit facility with such bank. However, the Company has already availed credit facility of more than Rs. 5 Cr. from other banks. All the assets and bank accounts of the Company are seized by the Police Authority under MPID Act. Due to this, the Company is not in a position to maintain and comply the minimum credit exposure criteria with AU Small Finance Bank. Consequently, the said Bank prohibited to execute transactions through the Current Account of the Company, resulting the outstanding balance is there as on 31.03.2022. The management believes that the said transaction is out of the ambit of the provisions of Section 185 of the Companies Act, 2013.

- l. *Auditors Comment: As mentioned in Foot note 4 of Note no. 6, The company has been running the hotel under an arrangement with Vitizen Hotels Ltd. (VHL) to whom Management and other charges are payable. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VHL to deposit an amount of Rs. 41.56 lakhs with the Competent Authority. Against this, VHL has deposited an amount of Rs. 76.99 lakhs which has been included in amount with 'additional session judge Aurangabad'. Management and other charges in respect of revenue from the Doctors stay at*

Hotel during pandemic have not been accounted for pending discussion with VHL. VHL has now submitted their account statement which is in the process of reconciliation. In view of the foregoing, the account of VHL is subject to confirmation, reconciliation and consequential adjustments, if any. Impact on accounts is not ascertainable.

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

- m. Auditors Comment: As mentioned in Foot note 9 of Note 4, An amount of Rs 140.90 lakhs (Previous Year Rs. 96.42 lakhs) has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2022, pursuant to an order dated 24.05.2019 and 17-03-2021, passed by the Sessions Judge under MPID Act. The balance is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payment to the applicants of the said case under MPID Act, out of this amount deposited in the Court. The Company has not received any intimation from the Court Authority till date about any payments made under MPID Act to the applicants. Pending such intimation, the amount is shown as advance in the name of Spl. Judge, MPID Aurangabad. As informed to us, on receiving the official intimation, appropriate accounting would be done. Impact on accounts is not ascertainable.*

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

- n. Auditors Comment: Delay in payment of statutory dues*

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

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

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

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

1. *An amount of Rs. 1,51,67,554.77 is advanced to the Managing Director. The transaction may be treated as contravention of the provisions of Section 185 of the Companies Act, 2013. Further, interest, fines and penalties for contravention of the provisions of Section 185 of the Companies Act, 2013, if any, is not ascertainable.*

Please refer to the explanation given above under Point No. 14 (k).

2. *Non – publishing of notices etc. in the newspapers regarding availability of electronic voting facility, cut-off date etc. required u/s 108 of the Act and rule 20 of Companies (Management & Administration) Rules, 2014 read with circulars issued by MCA and SEBI for conducting of general meetings through VC / OAVM and Secretarial Standards.*

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

3. *Non – publishing of book closure notice in the newspapers as required u/s 91 of the Act and rules made there under read with Secretarial Standards.*

Due to financial difficulties, the Company did not publish book closure notice in the newspapers.

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

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

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

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

6. *The disclosures under regulation 29(2) of SEBI (SAST) Regulations, 2011 for changes made in shareholding of promoters were not notified to BSE within the prescribed time limit.*

The delay was due to some technical issues.

7. *The promoters of the Company have not submitted the required disclosure / letter under the regulation 31(4) of SEBI (SAST) Regulations, 2011 for the year ended 31.03.2020 and 31.03.2021.*

The non – submission was due to oversight. Further, the Promoters have not made any encumbrance / pledge on the shares held by them in the Company, directly or indirectly, during the financial year ended on 31.03.2020 and 31.03.2021.

8. *The disclosures under the regulation 7(2) of SEBI (PIT) Regulations, 2015 for changes made in shareholding of promoters were not notified to BSE within the prescribed time limit.*

The delay was due to some technical issues.

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

Due to financial difficulties, the delay was made in payment of Annual Listing Fees (ALF) to the Bombay Stock Exchange Limited.

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

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

11. *Delay in submission of audited annual and quarterly financial results for the year ended 31.03.2021 along with Statement on Impact of Audit Qualifications pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.*

Inadvertently, the Statement on Impact of Audit Qualifications was not submitted along with the results. The said non – compliance was rectified by it later on. Further, the Company has paid necessary penalty to BSE for late submission.

12. *Dealings with unclaimed shares.*

The compliance with the said regulation and Schedule is under process.

13. *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.

14. *Certain information required to be placed / updated on the website of the Company mandatorily under the provisions of the Companies Act, 2013 and SEBI Regulations are not disclosed / updated. The website of the Company needs to be modified / updated according to the applicable regulatory provisions.*

Due to financial difficulties / technical issues, certain information is not yet placed / updated on the website of the Company by the web page authority. The management will resolve the issue soon.

15. *Delay in submission of disclosure / undertaking for Large Corporate Entities for the year ended on 31.03.2021 as required under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018.*

The delay was due to oversight. Further, the Company is not falling under the criteria of Large Corporate Entities. Hence, the Company was not required to submit any disclosure to the exchange under SEBI circular.

16. *Non-renewal of registration of ID data bank maintained with the Indian Institute of Corporate Affairs in respect of Independent Directors of the Company*

The renewal of ID data bank is in process and same would be done in the near future. However, the names of the Independent Directors of the Company are still appearing in the ID data bank maintained with the Institute.

17. Complaints against Chairman, Directors and the Company

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

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

16. Share Capital:

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

17. Extract of the Annual Return:

Pursuant to the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company in Form No. MGT-7 filed with the Registrar of Companies, Pune for the F.Y. 2020 – 21 is available on the website of the Company. The web link thereto is http://www.dhanadacorp.com/pdf/Form%20MGT-7_2021_DCL_Signed.pdf. As the ensuing Annual General Meeting of the Company is proposed to be held on 30th September 2022, the Company shall upload a copy of Annual Return for the F.Y. 2021 – 22 on its website as soon as it has been filed with the Registrar of Companies, Pune.

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

The Company through constant monitoring, selection of energy saving equipments and education of staff and guests endeavors to conserve and optimize the use of energy. The Company does not undertake any research and development activity neither does it use any imported technology.

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Nil

19. Corporate Social Responsibility (CSR):

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

20. Directors:

Change in Directors and Key Managerial Personnel (KMP)

Mr. Dilip A. Prabhune (DIN 01779383), was re-appointed as an Independent Director of the Company w.e.f. 30th September 2021 for a further period of 5 (Five) years.

The Company has appointed Ms. Parul Rathore as Company Secretary and Compliance Officer of the Company w.e.f. 9th April 2021.

Appointments

Mrs. Veena R. Havele (DIN 00007593), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself

for re-appointment. The Board recommends her re-appointment at the ensuing Annual General Meeting.

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 meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Relationship between directors inter-se

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

Formal Annual Evaluation

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

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

Details of familiarisation programmes of Independent Directors

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

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

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

21. Number of meetings of Board of Directors:

During the financial year 2021 – 2022, the Board of Directors met 8 (Eight) times on 9th April 2021, 6th May 2021, 30th June 2021, 14th August 2021, 13th November 2021, 9th December 2021, 20th January 2022 and 14th February 2022 and all the directors were present at the meeting.

22. Audit Committee:

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

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

23. Stakeholders Relationship Committee:

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

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

24. Nomination and Remuneration Committee:

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

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

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

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

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

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

26. Particulars of contracts or arrangements with related parties:

The particulars of the contracts or transactions entered into by the Company during the year under review as referred to in Section 188 of the Companies Act, 2013 are given in Form AOC-2 attached as an Annexure 2 to the Directors Report.

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

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

27. Managerial Remuneration:

No director draws any remuneration from the Company.

Remuneration of Key Managerial Personnel (KMP)

| Name of KMP | Designation | Remuneration in 2021 – 22 (Rs.) | Remuneration in 2020 – 21 (Rs.) | % Increase of remuneration |
|--------------------|-------------------------|---------------------------------|---------------------------------|----------------------------|
| Mr. Ramesh Pradhan | Chief Financial Officer | 9,16,872 | 5,73,048 | 60% |
| Ms. Parul Rathore* | Company Secretary | 3,93,000 | Nil | NA |

*Appointed w.e.f 9th April 2021

Median Remuneration of Employees (MRE) was Rs. 16,595/- and Rs. 13,535/- in the financial year 2021-22 and 2020-21 respectively. The increase in MRE in the financial year 2021-22, as compared to financial year 2020-21, is 22.61%.

The number of permanent employees on the rolls of the Company as on 31.03.2022 and 31.03.2021 are 44 and 42 respectively.

The revenue of the Company has increased by 66.30%. The Company has suffered losses. The remuneration of the employees has increased by 17.30%.

The closing price of the Company's equity shares on BSE as of 31.03.2022 was Rs.6.21 representing 37.90% decrease over IPO price.

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

A statement showing information of the top ten employees of the Company in terms of remuneration drawn is attached as Annexure 3 to the Directors Report. Further, no employee of the Company is receiving remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. Risk Management Policy:

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

29. Corporate Governance and Management Discussion and Analysis Report:

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

30. Directors' Responsibility Statement:

The Directors of the Company hereby state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

32. Maintenance of Cost Records:

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

33. Compliance with Secretarial Standard:

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

34. Investor Education and Protection Fund (IEPF):

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

35. Appointment of relative of directors to an office or place of profit:

The Company has appointed Mrs. Gautami Ajinkya Ranade, relative of directors, as an Administrative Head of the Company w.e.f. 1st November 2021 pursuant to the recommendations made by the Nomination and Remuneration Committee and Audit Committee and pursuant to Section 188 read with the rules made thereunder and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

36. Special resolutions passed by the shareholders in the general meetings held during the year under review but which have not been acted upon and the reasons therefor:

The shareholders of the Company have passed a special resolution in the Extra – ordinary General Meeting held on Friday, 31st December 2021 related to making an investment in the securities of M/s. Dhanada Holdings Private Limited, promoter company, by way of acquisition, purchase or otherwise. However, the said resolution is not acted upon yet due to some financial and technical issues.

37. Acknowledgements:

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

For & on behalf of the Board of Directors
DHANADA CORPORATION LIMITED

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

Mrs. Veena R. Havele
Director
(DIN 00007593)

Place : Pune
Date : 12.08.2022

Annexure 1

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DHANADA CORPORATION LIMITED** having CIN L55101PN1986PLC133909 (hereinafter called 'the Company') for the year ended on **31st March 2022**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

*Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

*I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (**the 'Act'**) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**SCRA**) rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**SEBI Act**):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (hereinafter referred as SEBI (SAST) Regulations, 2011);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (hereinafter referred as SEBI (PIT) 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, as amended from time to time; and
 - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR) Regulations, 2015), as amended from time to time.

- v. The following laws / regulations / guidelines, though prescribed by the Government in the format of Secretarial Audit Report, **were not applicable** to the Company during the audit period under review as no event took place under these regulations during the audit period:
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Non – Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - 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:
- Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011, as amended from time to time; and
 - Food Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011 and Food Safety and Standards (Packing & Labelling) Regulations, 2011, as amended from time to time.

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

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

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

- There has been occasional delay in filing certain forms with Registrar of Companies, Pune.*
- An amount of Rs. 1,51,67,554.77 is advanced to the Managing Director. The transaction may be treated as contravention of the provisions of Section 185 of the Companies Act, 2013. Further, interest, fines and penalties for contravention of the provisions of Section 185 of the Companies Act, 2013, if any, is not ascertainable.*
- The Company has not issued public notice in newspapers regarding availability of electronic voting facility, cut-off date etc. required u/s 108 of the Act and rule 20 of Companies (Management & Administration) Rules, 2014 read with circulars issued by MCA and SEBI for conducting of general meetings through VC / OAVM and Secretarial Standards.*
- The Company has not published book closure notice in the newspapers as required u/s 91 of the Act and rules made there under read with Secretarial Standards.*

5. The Company has not yet filed Form PAS – 3 (erstwhile Form-2) for allotment of Equity shares made on 30th April 2010 to Dr. Laxman V. Kulkarni against the land acquired from him pursuant to the Scheme of Arrangement and Amalgamation sanctioned by Hon'ble High Court, Bombay dated 16th July 2009.
6. There are certain discrepancies in the issued share capital and listed share capital of the Company as reported in Reconciliation of Share Capital Audit Report submitted quarterly to the Bombay Stock Exchange Limited.
7. The disclosures under regulation 29(2) of SEBI (SAST) Regulations, 2011 for changes made in shareholding of promoters were not notified to BSE within the prescribed time limit.
8. The promoters of the Company have not submitted the required disclosure / letter under the regulation 31(4) of SEBI (SAST) Regulations, 2011 for the year ended 31.03.2020 and 31.03.2021.
9. The disclosures under the regulation 7(2) of SEBI (PIT) Regulations, 2015 for changes made in shareholding of promoters were not notified to BSE within the prescribed time limit.
10. There was a delay in payment of Annual Listing Fees (ALF) to the Bombay Stock Exchange Limited under regulation 14 of SEBI (LODR) Regulations, 2015.
11. Only 72.84% 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.
12. The Company has submitted audited annual and quarterly financial results for the year ended 31.03.2021 within the prescribed time limit. However, the Statement on Impact of Audit Qualifications were not enclosed. The Company has submitted the said results again along with the Statement on Impact of Audit Qualifications later on with a delay pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.
13. The Company has received letters from BSE / Authorised person regarding furnishing of data, information and documents pertaining to compliance with regulation 39(4) and Schedule VI of SEBI (LODR) Regulations, 2015 relating to dealings with unclaimed shares.
14. The Company has not published notices of meetings, book closure, financial results etc. in the newspapers pursuant to regulation 47 of SEBI (LODR) Regulations, 2015.
15. It is observed that certain information, documents, certificates, statements, results, notices etc. required to be submitted under SEBI (SAST) Regulations, 2011, SEBI (LODR) Regulations, 2015 and SEBI (PIT) Regulations, 2015 were submitted with BSE with some minor delay.
16. It is observed that certain information required to be placed / updated on the website of the Company mandatorily under the provisions of the Companies Act, 2013 and SEBI Regulations are not disclosed / updated. The website of the Company needs to be modified / updated according to the applicable regulatory provisions.
17. The Company has not filed disclosure / undertaking for Large Corporate Entities for the year ended on 31.03.2021 within the prescribed time limit as required under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors subject to the following observation. 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.

Matters of Concern – The renewed registration certificates of ID data bank maintained with the Indian Institute of Corporate Affairs in respect of Independent Directors of the Company are not available. The management has provided me a representation that such renewal is in process and same would be done in the near future. The management has also represented and ensured that the names of the Independent Directors of the Company are still appearing in the ID data bank maintained with the Institute. Considering the same, the impact of absence of ID data bank renewal certificates in respect of Independent Directors of the Company is not ascertainable.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

However, the following matters, though some of them have not occurred during the audit period or related to the above referred laws, rules, regulations, guidelines, standards etc. 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 / lenders have taken symbolic possession of the assets of the Company under SARFAESI Act and passed it over to an Asset Reconstruction Company. The assets and accounts of the Company / its directors are seized under the MPID Act. As per the information received from the management, the Company is in the process of initiating One Time Settlement (OTS) with the banks / lenders. Some of the lenders have approached Government Authorities in respect of the Company's borrowings.
2. There are civil and criminal cases filed against the directors of the Company. However, the matters are still pending with respective Court/s. The Company is an accused in

one case.

3. The Company was unable to pay stamp duty on the Order passed by the High Court for sanctioning the Scheme of Arrangement and Amalgamation against the Demand Notice received from Collector of Stamps, Mumbai. The Company had received Final Notice dated 18.05.2021 from Collector of Stamps, Mumbai as per Maharashtra Land Revenue Code 1966 u/s 180 & 181 regarding execution of the warrant of distraint of movable property, attachment of immovable property or warrant of arrest under Section 179 to 184 and / or other relevant provisions of Maharashtra Land Revenue Code, 1966 if the Company fails to pay the dues within 48 hours of the notice. The Company has submitted reply to the authority against the said Demand Notice. No further action is yet initiated by the said authority as per the information received from the management.
4. On 20th December 2016, the Police authorities had seized the records and documents of the Company, now partially released. Further, on 5th November 2018, the Deputy Collector of Pune has attached / taken under his custody / sealed the properties of Mr. Ramesh Havele, Managing Director (DIN 00007580), associate company and other group companies and certain documents / papers / data / records / Minutes / Statutory Registers etc. of the Company, associate company and other group companies under Maharashtra Protection of Interest of Depositors (In Financial Establishment) Act, 1999 (MPID), though partially released, the most of the records having been stored in the old registered office of the Company, which has been taken possession of by the Authority. The list of the documents and records seized / taken possession of by the various authorities is not readily available with the Company.
5. On 31st December 2018, the Bank of Maharashtra, Tilak Road Branch, Pune has lodged First Information Report (FIR) / compliant to CBI, EOW, Mumbai under Section 120-B of Indian Penal Code (IPC) read with Section 420 of IPC and substantial offences thereof against the Company, its directors and others for criminal conspiracy and cheating in the matter of Term Loan availed by the Company. The charge sheet was filed in the Court. No further action is yet initiated by the said authority as per the information received from the management.
6. The Office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad had taken possession of the Hotel premises and attached / frozen the bank accounts of the Company 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 and further permitted to continue the supervision of the Hotel premises and manage the day-to-day financial operations of the Company.
7. Pursuant to the order of the Court of District and Session Judge, Aurangabad certain amount has been deposited / transferred to the account head 'Additional Session Judge Aurangabad'. On 16th November 2021, the Court has ordered to the Competent Authority to make the payment to the applicants of the case out of the amount deposited in the Court. The Company has not received any intimation from the court authority till date about any payments made under MPID Act to the applicants.
8. 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. Further, on 24th February 2022, the application moved by

the independent director of the Company before the Court of District and Session Judge, Aurangabad seeking cancellation of attachment of the property and sought for interim stay to the auction process is dismissed by the said Court, as the order of attachment is already confirmed by the Supreme Court and the challenges / writ petitions filed by the Company / accused before Hon'ble High Courts of Mumbai and Aurangabad are also turned down.

9. In February 2020, the Company and its Directors and other officers have received Summons u/s 207(3) read with Section 206(4) of the Companies Act, 2013 from the office of Registrar of Companies, Pune directing to appear before them to give evidences and other available records and documents. Accordingly, the directors and officers of the Company appeared before the authority and submitted copies of all required documents, records and evidences. No further action is yet initiated by the said authority as per the information received from the management.
10. In October 2020, the Directors and officers of the Company have received summons from Enforcement Directorate, Ministry of Finance, Government of India, Mumbai directing to appear before them to give evidences and other available records and documents in pursuance of the investigation under the provisions of Prevention of Money Laundering Act, 2002. Accordingly, the directors and officers of the Company appeared before the authority and submitted copies of all required documents, records and evidences. No further action is yet initiated by the said authority as per the information received from the management.

Date : 12.08.2022
Place : Pune

Sanjana D. Hinge
Practicing Company Secretary
ACS – 21824 CP – 14437
UDIN – A021824D000785532

Notes –

**Certain documents / papers / data / records / minutes / forms / returns / statutory registers were not made available to me for examination due to some technical or legal issues. Hence, I am not able to verify the same / original records of the Company. The report is made on the basis of only those information / documents / representation letter provided by the management of the Company and subject to the said deficiency / limitations and the non-compliances, remarks, qualifications that are given in this report and Auditors Report, Notes to the accounts of the Company and annexures / attachments thereto for the F.Y. ended on 31.03.2022 also as some of the qualifications / remarks given in them are not repeated here.*

***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 those evidences collected, information received and audit of the relevant records maintained and furnished to me by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed.
5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 12.08.2022
Place : Pune

Sanjana D. Hinge
Practicing Company Secretary
ACS – 21824 CP – 14437
UDIN – A021824D000785532

Annexure 2

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the financial year ended on 31st March 2022, which were not at arm's length basis.

2. Details of contracts or arrangement or transactions at arm's length basis:

| | | |
|---|--|---|
| a | Name(s) of the related party and nature of relationship | Mrs. Gautami A. Ranade Daughter of Mr. Ramesh Havele, Managing Director and Mrs. Veena Havele, Director. |
| b | Nature of contracts / arrangements / transactions | Salary paid |
| c | Duration of the contracts / arrangements / transactions | 01.11.2021 to 31.03.2022 |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | Appointed as an Administrative Head of the Company. Her services are beneficial for the Company. <u>Value of transaction</u> Rs. 1,83,820/- |
| e | Date(s) of approval by the Board | 13.11.2021 |
| f | Amount paid as advances, if any | Nil |

For & on behalf of the Board of Directors
DHANADA CORPORATION LIMITED

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

Mrs. Veena R. Havele
Director
(DIN 00007593)

Place : Pune
Date : 12.08.2022

Annexure 3

Statement showing information of the top ten employees of the Company in terms of remuneration drawn
(Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

| Sr. No. | Name | Designation | Remuneration Per Year (in Rs.) | Qualification | Experience (in years) | Date of joining of the Company | Age (in years) | Last Employment |
|---------|-------------------------|-------------------------|--------------------------------|-------------------|-----------------------|--------------------------------|----------------|------------------------------------|
| 1 | Sibaprasad B. Pasupalak | General Manager | 9,98,988/- | Hotel Management | 31 | 01-06-2008 | 58 | President Park, Aurangabad |
| 2 | Ramesh M. Pradhan | Chief Financial Officer | 9,16,872/- | B.Com | 25 | 13-02-2015 | 50 | - |
| 3 | Kishori S. Marathe | Account Officer | 7,72,872/- | B.Com | 23 | 01-10-2016 | 51 | - |
| 4 | Vijaykumar Vishkarma | F & B Manager | 4,10,783/- | Hotel Management | 17 | 01-08-2019 | 38 | Grand Hotel, Latur |
| 5 | Parul Rathore* | Company Secretary | 3,68,567/- | Company Secretary | 1 | 09-04-2021 | 25 | - |
| 6 | Sharnappa C. Unnur | Office Assistant | 3,36,000/- | Matriculation | 22 | 01-10-2016 | 49 | - |
| 7 | Sharad B. Patil | HR Executive | 2,86,854/- | B. A. | 21 | 15-06-2009 | 53 | The Meadows Aurangabad |
| 8 | Babar Khan Lal Khan | Housekeeping Manager | 2,81,462/- | B. A. | 26 | 17-06-2015 | 51 | President Park Aurangabad |
| 9 | Anshuman Saxena | Sales Manager | 2,73,429/- | M.B.A. | 11 | 01-07-2016 | 43 | E- Medi Tex India TPA Service Ltd. |
| 10 | Yogesh D. Desai | Accounts Manager | 2,54,503/- | B.Com | 14 | 01-04-2015 | 38 | Hotel Green Olive |

*Joined w. e. f. 9th April 2021

Notes:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments

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

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

Global scenario

According to the World Travel & Tourism Council (WTTC), the global Travel & Tourism sector is expected to contribute \$8.35 trillion in 2022 and \$9.6 trillion in 2023 to the global economy, a return to its pre-pandemic level. In 2019, tourism accounted for a tenth of global GDP and jobs. In 2020, the pandemic led to a 49% or \$4.5 trillion decline in travel and tourism due to lockdowns and mobility restrictions, leaving 62 million people jobless.

As the pandemic is no longer acute, the global travel and tourism market is expected to recover and reach pre-pandemic levels in 2023. As per the WTTC, the continuation of the ongoing vaccine and booster rollout, and easing of restrictions to international travel, could result in 58 million new jobs in 2022, to reach more than 330 million jobs, almost at pre-pandemic levels.

In Asia-Pacific region, the hospitality industry will likely be \$3.4 trillion in 2023, above the \$3.3 trillion size in 2019. Compared with North America and Europe, travel has lagged in the Asia-Pacific region because of strict border restrictions in many countries. In Southeast Asia, travel has restarted as entry and COVID-19 quarantine rules are eased.

Over the long-term, the travel and tourism industry is expected to post an annual average growth rate of 5.8% from 2022 to 2032 versus the 2.7% increase in global GDP, and create 126 million new jobs within the next decade.

Indian scenario

The rich and varied culture of India makes it a major travel destination for many international tourists. The year 2021 turned out to be a recovery year for the Indian travel and hospitality sector post the 2020 pandemic.

The Tourism and Hospitality industry is one of the largest service industries in India. For the past decade, the tourism sector accounted for about 7% of India's GDP. In FY2020, the industry accounted for 39 million jobs, which is projected to increase to 53 million jobs by 2027.

While the earlier part of Q4 started to witness an impact due to the Omicron wave, the quarter was the best performing period of the year bolstered by long weekends, festivals and social gatherings. The sector witnessed a doubling of Revenue Per Available Room (RevPAR).

Outlook

The hotel industry in India is expected to reach a value of INR 1.2 trillion by the end of 2023 owing to the high arrival rate of foreign tourists and business delegates. Leading hotel companies are leveraging advance technologies such as artificial intelligence, machine learning, internet of things, near-field communication, mobile payment and data analytics to increase online reservations, improve the return on advertising spend, better understand guest preferences and build stronger customer relationships.

There is significant pent-up demand for tourism in the domestic market due to restrictions imposed over the last two years caused by the pandemic. Also, the diversion of outbound leisure travel to domestic tourism has been positive for the Indian hospitality sector. Therefore, domestic tourism is expected to recover faster than international travel.

The 100% FDI in the hotel and tourism sector will lead to more investments in the country through the automatic route. Announcements around PM Gati Shakti for multi modal transport, 400 new Vande Bharat trains, integrated connectivity between railway stations and PM's Development Initiatives for North-East, etc. will have medium to long term growth implications for tourism in India. The Ministry of Tourism has been allocated INR 2,400 crore in the Union Budget which is 18.42% higher than the allocation for FY21- 22. The Swadesh Darshan Scheme and the PRASHAD Scheme are among the major initiatives taken by the government.

The Government's Incredible India campaign, extension of e-tourist visa facility to 171 countries, increasing medical tourism and coastal tourism through promotion of intra-regional trade among Indian Ocean Rim countries are expected to drive global tourists to India.

Industry Trends Post Pandemic

The increased emphasis on digital channels to establish a distinct online presence is extremely beneficial to business. The epidemic has driven customers to use digital booking mediums after carefully reading online reviews, which eventually influence their booking decision.

- The growing middle class, rising levels of their disposable income, increasing interest among millennials to travel in their home country are a few major reasons that are making the domestic travel industry more profitable.
- In the aftermath of the epidemic, guests' top priorities are sanitation, safety, and contactless services. As a response, the industry is embracing technology at a rapid speed in order to keep up with guest changing expectations.
- One of the significant changes brought about by the pandemic is the way people work. With the rise of the hybrid working model, people are experimenting with their work settings by traveling to new locations and working from there.

The Ministry of Tourism is currently focusing on promotion of domestic tourism. The Ministry has launched the *Dekho Apna Desh* initiative under which various promotional activities like webinars, online pledge and Quiz programmes to generate awareness among the public about the country and its tourism destinations / products including lesser known destinations are carried out. Dekho Apna Desh initiative is being promoted extensively on social media platforms and website of the Ministry and also by the Domestic India Tourism offices.

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

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

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

2. Opportunities and Threats

Travel restrictions owing to COVID-19 continue to impact hospitality, travel and tourism sectors within India and around the world. 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 2021 – 22. The management is taking every effort to remedy the situation as early as possible.

4. Segment-wise or product-wise performance

The Company works in Hospitality segment. In the last week of March 2021, the COVID – 19 2nd wave affected and cases were increased due to which lockdown and strict restriction were again imposed by the Government of India. The guests' bookings were reduced and mostly cancelled. In the month of July 2021, there is relief granted to the people but no bookings were accelerated in nearby months. Subsequently in the month of January 2022, 3rd wave of COVID-19 hit the country due to which restriction was imposed to the people by the state government. During the year under review, the turnover of the Company in respect of accommodation and food & beverages has been increased in the current year has substantially gone down as compared to the previous year. Operating margins are continued to be under pressure. The Company has suffered losses.

5. Outlook

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

6. Risks and concerns

Apart from the general economic situation, seasonality, growing competition, the socio-political situation, governmental restrictions, changes in government norms and policies, power and water shortages and lack of infrastructure facilities, high interest rate and borrowing cost, fluctuation in foreign exchange rates, global recession, pandemic

situations, and natural calamities are some of risks, which could affect the performance of the Company. Further, terrorist attacks, biological outbreaks and incidents of political or social violence can not only significantly impact specific locations but can also have a more widespread chilling impact on leisure travel behavior across a region or even globally.

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

7. Internal control systems and their adequacy

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

8. Discussion on financial performance with respect to operational performance

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

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

The Company under the guidance of Vitizen Hotels Limited has appointed the necessary staff required for the Hotel. The training and development of the personnel is looked after by Vitizen Hotels Limited. The Company has 86 employees as on 31st March 2022.

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:

Please refer Note no 'r' of Note No. 22B of the Financial Statements.

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

Please refer Note no 'r' of Note No. 22B of the Financial Statements.

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

Dhanada Corporation Limited believes that good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. The Company's philosophy on Corporate Governance revolves around fair and transparent governance and disclosure practices in line with the principles of 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.

The Composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015.

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

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

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

| Sr. No. | Name of Director | Category | Attendance | |
|---------|------------------------|----------------|---------------|-----|
| | | | Board Meeting | AGM |
| 1. | Mr. Ramesh R. Havele | Executive | 8 | Yes |
| 2. | Mrs. Veena R. Havele | Non –Executive | 8 | Yes |
| 3. | Mr. Shreeniwas G. Kale | Independent | 8 | Yes |
| 4. | Mr. Dilip A. Prabhune | Independent | 8 | Yes |

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

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

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

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

During the financial year 2021 – 2022, your Board met 8 (Eight) times on following dates:

9th April 2021, 6th May 2021, 30th June 2021, 14th August 2021, 13th November 2021, 9th December 2021, 20th January 2022 and 14th February 2022.

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

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

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

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

- g) Web link where details of familiarisation programmes imparted to independent directors is disclosed

<http://www.dhanadacorp.com/pdf/Details%20of%20Familiarisation%20programme%20for%20IDs.pdf>

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

| Board Parameter | Specific skills / expertise / competency | Mr. Ramesh R. Havele (Executive Director) | Mrs. Veena R. Havele (Non-Executive Non-Independent Director) | Mr. Shreeniwas G. Kale (Non-executive Independent Director) | Mr. Dilip A. Prabhune (Non-executive Independent Director) |
|---------------------------------|---|---|---|---|--|
| Industry knowledge & experience | Understanding of the relevant laws, rules, regulations, 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 Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Companies Act, 2013, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations applicable to the Company and reviewed from time to time.

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 2021 – 22, 8 (Eight) 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.

9th April 2021, 6th May 2021, 30th June 2021, 14th August 2021, 13th November 2021, 9th December 2021, 20th January 2022 and 14th February 2022.

The attendance of the members is as follows:

| Sr. No. | Name of Directors | Held during the year | Attended |
|---------|------------------------|----------------------|----------|
| 1. | Mrs. Veena R. Havele | 8 | 8 |
| 2. | Mr. Shreeniwas G. Kale | 8 | 8 |
| 3. | Mr. Dilip A. Prabhune | 8 | 8 |

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 2021 – 22, 3 (Three) Nomination and Remuneration Committee meetings were held on 9th April 2021, 13th November 2021 and 14th August 2021.

The attendance of the members is as follows:

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

d. Performance evaluation criteria for independent directors:

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

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

5. Remuneration of Directors:

None of the directors draws any remuneration from the Company.

6. Stakeholders Relationship Committee

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

During the financial year 2021 – 22, 1 (One) Stakeholders Relationship Committee meeting was held on 16th September 2021.

The attendance of the members is as follows:

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

Ms. Parul Rathore is the Company Secretary and Compliance Officer of the Company.

There are no investor complaints pending as on 31st March 2022.

7. General Body Meetings

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

| AGM / Year | Venue | Date | Time |
|-------------|---|---------------------------------|-----------|
| 2018 – 2019 | Tejas Bhavan, Tejas Soc., Kothrud, Pune – 411038. | 28 th September 2019 | 4.00 p.m. |
| 2019 – 2020 | Through VC / OAVM Facility deemed to be held at the registered office of the Company. | 30 th December 2020 | 4.00 p.m. |
| 2020 – 2021 | Through VC / OAVM Facility deemed to be held at the registered office of the Company. | 30 th September 2021 | 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 |
|---------------------------------|--|
| 28 th September 2019 | Reappointed Mr. Shreeniwas G. Kale (DIN 00150957) as an Independent Director of the Company for a further term of 5 (Five) consecutive years w.e.f. 30 th September 2019. |
| 30 th December 2020 | Nil |
| 30 th September 2021 | <ol style="list-style-type: none"> 1. Re-appointment of Mr. Dilip A. Prabhune (DIN 01779383) as an Independent Director of the Company for a further term of five consecutive year w.e.f. 30th September 2021. 2. Approval to the borrowing of monies upto Rs. 8,000,000,000/- (Rupees Eight Hundred Crores Only) in excess of the aggregate of paid – up capital and free reserves pursuant to Section 180(1)(c) of the Companies Act, 2013. 3. Approval to the creation of charge on the assets of the Company / provide security in favour of the lenders pursuant to Section 180(1)(a) of the Companies Act, 2013. |

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

8. Means of Communication

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

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

9. Disclosures

- (a) Audit Committee reviews periodically the significant related party transactions. There were no materially significant transactions by the Company, during the financial year, with its related parties such as promoters, directors, key managerial personnel, relatives or subsidiaries that could have potential conflict of interest with the Company. Details of related party transactions are provided in **Note B - j of Note 22 of the Notes forming part of the Financial Statements** in accordance with provisions of Accounting Standard 18, issued by the Institute of the Chartered Accountants of India.
- (b) No penalty or strictures were imposed on the Company by Stock Exchange, SEBI or any statutory body on any matter related to Capital Market during the last three years.
- (c) The Company has a Vigil Mechanism and Whistle Blower Policy in place which can be accessed on the Company's website www.dhanadacorp.com. It is affirmed that no personnel has been denied access to the Chairman of the audit committee in terms of the policy. During the year, no complaints were filed under the said policy.
- (d) The details of non – compliance of certain mandatory requirements are given in Point No. 14 below. Also, the extent to which non – mandatory requirements are adopted by the Company is given in Point No. 15 below.
- (e) Web link where policy for determining 'material' subsidiaries is disclosed http://www.dhanadacorp.com/pdf/Policy_for_determining_Material_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 2022 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 and Tax Auditors for all services.
- (l) No complaint was received or filed under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year.

10. Management Discussion and Analysis

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

11. Compliance Certificate of the Auditors

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

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

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

13. General Shareholders Information

✓ Annual General Meeting Details

| | |
|--|--|
| Date of meeting of the Board of Directors in which Accounts for the year 2021 – 22 were approved | 30 th May 2022 |
| Date of Annual General Meeting | 30 th September 2022 |
| Venue | Through VC / OAVM facility deemed to be held at the registered office of the Company |
| Time | 4 p.m. |

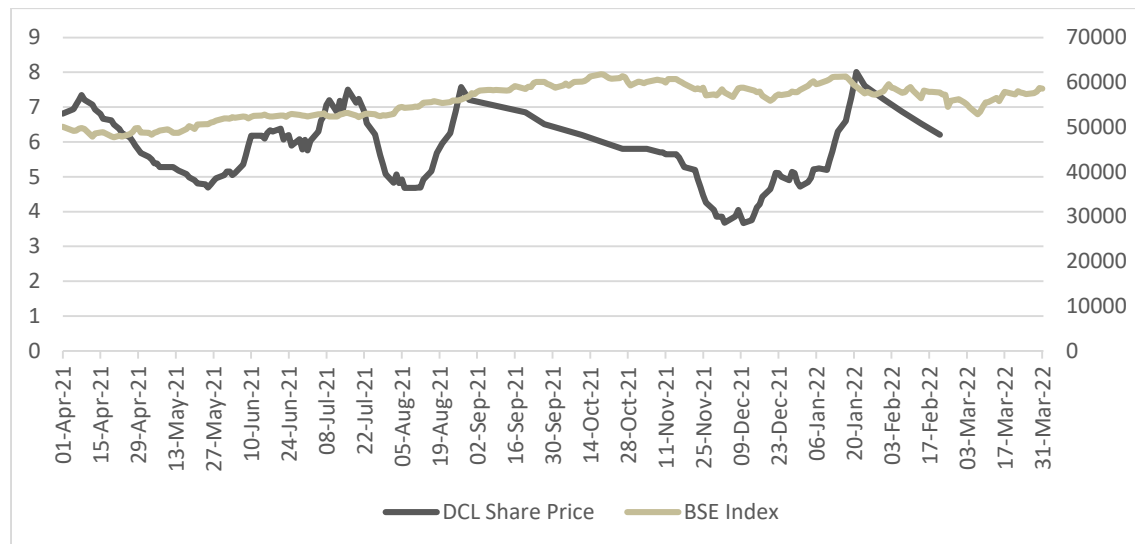
✓ Financial Calendar for 2022 – 23 (Tentative)

| | |
|--|------------------------------|
| 1 st quarterly results | Second Week of August 2022 |
| 2 nd quarterly results | Second Week of November 2022 |
| 3 rd quarterly results | Second Week of February 2022 |
| 4 th quarterly results | Last Week of May 2023 |
| Annual results for the year ending 31 st March 2023 | Last Week of May 2023 |

- ✓ No dividend is recommended for the Equity shareholders of the Company.
- ✓ Book Closure for Annual General Meeting: The book closure is from 23rd September 2022 to 30th September 2022 (both days inclusive).
- ✓ Listing: Shares are listed on Bombay Stock Exchange (BSE).
- ✓ Stock Code: 531198
The listing fee of the Bombay Stock Exchange is duly paid.
- ✓ 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 2022, 74.76% (41815140) shares are held in demat form.
- ✓ Market Price data
The monthly high / low prices of share of the Company on BSE from 1st April 2021 to 31st March 2022 are given below:

| Sr. No. | Month | High (Rs.) | Low (Rs.) | Volume of Shares |
|---------|----------------|------------|-----------|------------------|
| 1 | April 2021 | 7.49 | 5.68 | 1,24,940 |
| 2 | May 2021 | 5.68 | 4.69 | 22,857 |
| 3 | June 2021 | 6.50 | 4.85 | 77,916 |
| 4 | July 2021 | 7.65 | 5.08 | 89,921 |
| 5 | August 2021 | 7.95 | 4.58 | 1,35,411 |
| 6 | September 2021 | 7.20 | 6.51 | 220 |
| 7 | October 2021 | 6.20 | 5.80 | 1,500 |
| 8 | November 2021 | 5.80 | 3.85 | 25,903 |
| 9 | December 2021 | 5.39 | 3.66 | 86,235 |
| 10 | January 2022 | 8.41 | 4.50 | 2,14,027 |
| 11 | February 2022 | 6.87 | 6.21 | 2,660 |
| 12 | March 2022 | - | - | - |

Performance in comparison to broad-based indices such as BSE Sensex for the period 1st April 2021 to 31st March 2022.



✓ 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.

✓ Share holding pattern as on 31st March 2022

Distribution of shareholding as on 31st March 2022

| Share Range | No. of Shareholder | % of Total Shareholder | No. of Shares | % to total Shares |
|----------------|--------------------|------------------------|---------------|-------------------|
| 1 to 500 | 3223 | 72.88 | 795438 | 1.42 |
| 501 to 1000 | 437 | 9.88 | 370972 | 0.66 |
| 1001 to 2000 | 216 | 4.88 | 331371 | 0.59 |
| 2001 to 3000 | 87 | 1.97 | 219739 | 0.39 |
| 3001 to 4000 | 36 | 0.81 | 130922 | 0.23 |
| 4001 to 5000 | 54 | 1.22 | 253607 | 0.45 |
| 5001 to 10000 | 83 | 1.87 | 618140 | 1.10 |
| 10001 to above | 287 | 6.48 | 53213392 | 95.13 |

- ✓ Categories of shareholders as on 31st March 2022

| Category | No. of shares Held | Percentage of Shareholding |
|--|--------------------|----------------------------|
| Promoter's Holding | | |
| Indian Promoters | 30624851 | 54.75% |
| Non-promoter's Holding | | |
| Institutional Investors | Nil | N.A. |
| Mutual Funds and UTI | 127500 | 0.23% |
| Banks, Financial Institutions, Insurance Companies | Nil | N.A. |
| (Central/State Govt. Institutions/ Non-govt. Institutions) | Nil | N.A. |
| FIs | Nil | N.A. |
| NBFCs registered with RBI | Nil | N.A. |
| Other Corporate Bodies | 110632 | 0.20% |
| Indian Public | 24382540 | 43.59% |
| NRIs / OCBs | 114215 | 0.20% |
| HUF | 573843 | 1.03% |
| TOTAL | 55933581 | 100.00 |

- ✓ Location of Plant (Hotel):

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

- ✓ Address for Correspondence:

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

- ✓ Share Transfer Agents:

Link Intime India Private Ltd.
Head Office: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.
Pune Address: Block No. 202, 2nd Floor, Akshay Complex, Off.
Dhole Patil Road, Near Ganesh Temple, Pune 411001.

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

- Due to financial difficulties, the delay was made in payment of Annual Listing Fees (ALF) to the Bombay Stock Exchange Limited.
- Due to technical issues, entire / 100% of shareholding of promoters / promoters group are not in dematerialized form.
- The Company has submitted audited annual and quarterly financial results for the year ended 31.03.2021 within the prescribed time limit. However, inadvertently, the Statement on Impact of Audit Qualifications were not enclosed. The Company has submitted the said results again along with the Statement on Impact of Audit Qualifications later on with delay of a day pursuant to regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 and rectified the non-compliance.

- Due to financial difficulties, the Company has not published notices of meetings, book closure, financial results etc. in the newspapers pursuant to regulation 47 of SEBI (LODR) Regulations, 2015.
- Certain information, documents, certificates, statements, results, notices etc. were submitted with BSE with some minor delay, due to some technical issues / oversight.

15. Non – mandatory / Discretionary Requirements

a) The Board

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

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 |
|---|--|

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. |
|--|---|

d) Reporting of Internal Auditor

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

**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 2022, as prescribed in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

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

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

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

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

Shashank Patki
Partner
Membership number: 035151
UDIN: 22035151AJWUH02513

Place : Pune
Date : 30th May 2022

**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 2022.

Date : 12th August 2022
Place : Pune

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

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 Erandvane, 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 Erandvane, 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 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name | DIN | Date of appointment / re-appointment in the Company |
|---------|------------------------------|----------|---|
| 1. | Mr. Ramesh Ramchandra Havele | 00007580 | 25.10.2020* |
| 2. | Mrs. Veena Ramesh Havele | 00007593 | 30.09.2021* |
| 3. | Mr. Shreeniwas Gajanan Kale | 00150957 | 28.09.2019* |
| 4. | Mr. Dilip Arvind Prabhune | 01779383 | 30.09.2021** |

*Original date of appointment is 25.10.2005

**Original date of appointment is 30.09.2016

Matters of Concern – The renewed registration certificates of ID data bank maintained with the Indian Institute of Corporate Affairs in respect of Independent Directors of the Company are not available. The management has provided me a representation that such renewal is in process and same would be done in the near future. The management has also represented and ensured that the names of the Independent Directors of the Company are still appearing in the ID data bank maintained with the Institute. Considering the same, the impact of absence of ID data bank renewal certificates in respect of Independent Directors is not ascertainable.

Ensuring the eligibility 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 : 12.08.2022

Sanjana D. Hinge
Practicing Company Secretary
M. No. A21824 / CP No. 14437
UDIN – A021824D000785631

**Note – Certain documents / papers / data / records / minutes / forms / returns / statutory registers were not made available to me for examination due to some technical or legal issues. The Certificate is given only on the basis of those information and documents provided by the management of the Company and subject to the said deficiency / limitations and remarks that are given in this Certificate.*

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 2022, 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 Other Matters 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 2022 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. l of Note – 22 B, the accounts have been compiled on the basis of the records and documents available with the Company due to seizure of records and documents by various authorities on various occasions. The impact on accounts (financial as well as disclosure) due to such non-availability of the records is not ascertainable.
- b. As mentioned in note no. p of Note – 22 B, the hotel was partially available for guests for a certain period and as such, revenue and operational expenses for the intervening period are not comparable.
- c. As mentioned in foot note no. 1 of Note no. 1 and foot note no. 2 of Note no. 8, pending conveyance of land at Nande, pending payment of stamp duty applicable to scheme of arrangement & amalgamation sanctioned by Hon'ble Bombay High Court vide their judgment dated 16th July 2009 and pending legal formalities of allotment of shares (the

subject matter of the aforesaid scheme), accounting has been done of Fixed Assets (Land) of Rs. 1,59,65,999.74, Issued, Subscribed and Paid up Share Capital of Rs. 17,96,254.00, Share Premium of Rs. 1,06,69,748.76 and Current Liabilities (Amount payable to Dr. Laxman V. Kulkarni) of Rs. 34,99,996.98. Pending completion of all legal formalities, the respective amounts on the aforesaid accounts are overstated to that extent.

- d. 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.
- e. 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.
- f. As mentioned in foot note no. 6 of Note no. 7, Balances with Banks in current account include as amount of Rs. 179,75,000/- kept in bank account in the individual name of a director. As informed to us, this amount has been kept in No Lien Account as part of the negotiation with a lender bank for One Time Settlement. Further, this account is subject to confirmation, reconciliation and consequential adjustments, if any. Financial impact on accounts is not ascertainable. The Company has assured us that no such other bank account (other than those recorded in the books of the Company) has been opened by the Company, on which reliance has been placed.
- g. As mentioned in foot note no. f of Note no. 22 B, the outstanding balances of sundry creditors, sundry debtors, and advances (taken or given), bank current accounts (as specified in foot note 8 and 9 of Note 7), bank deposit accounts, all loan/overdraft accounts are subject to confirmation, reconciliation and consequential adjustments if any. Financial impact on accounts is not ascertainable.
- h. 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.
- i. As mentioned in foot notes of 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.
- j. 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.
- k. The Company has not obtained confirmations from debtors and other parties for the amount due from them. Further, in the absence of the records, seized by various authorities at various points of time, the recoverability of these amounts could not be ascertained. The company has written off / provided for the credit loss and non-recoverability of debtors,

based on its own assessment. However, the company has not applied any scientific / verifiable basis for arriving at such write off or provision for doubtful of recovery.

- l. An advance given to Director was outstanding as on 31st March, 2022 of Rs. 1,51,67,554.77 which is, in our opinion, in contravention of Section 185 of the Companies Act, 2013. As mentioned in our audit reports for earlier years, this has been a continuing contravention of Section 185 of the Companies Act, 2013. Further, interest, fines and penalties for contravention of the provisions of Section 185 of the Companies Act, 2013, if any, is not ascertainable. Impact on accounts is not ascertainable. Certain payments on behalf of the Company seem to have been made by the director from this advance. Documentary evidence for these payments has not been produced for our verification.
- m. As mentioned in Foot note 4 of Note no. 6, The company has been running the hotel under an arrangement with Vitizen Hotels Ltd. (VHL) to whom Management and other charges are payable. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VHL to deposit an amount of Rs. 41.56 lakhs with the Competent Authority. Against this, VHL has deposited an amount of Rs. 76.99 lakhs which has been included in amount with 'additional session judge Aurangabad'. Management and other charges in respect of revenue from the Doctors stay at Hotel during pandemic have not been accounted for pending discussion with VHL. VHL has now submitted their account statement which is in the process of reconciliation. In view of the foregoing, the account of VHL is subject to confirmation, reconciliation and consequential adjustments, if any. Impact on accounts is not ascertainable.
- n. As mentioned in Foot note 9 of Note 4, An amount of Rs. 140.90 lakhs (Previous Year Rs. 96.42 lakhs) has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2022, pursuant to an order dated 24.05.2019 and 17-03-2021, passed by the Sessions Judge under MPID Act. The balance is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payment to the applicants of the said case under MPID Act, out of this amount deposited in the Court. The Company has not received any intimation from the Court Authority till date about any payments made under MPID Act to the applicants. Pending such intimation, the amount is shown as advance in the name of Spl. Judge, MPID Aurangabad. As informed to us, on receiving the official intimation, appropriate accounting would be done. Impact on accounts is not ascertainable.
- o. Tax adjustment pertaining to prior years of Rs. 2.00 lakhs has been made directly in Note 9, Other Equity instead of routing through Profit & Loss Account. Consequently, Loss for the year is understated to that extent.
- p. The final accounts are prepared as per amended schedule III of the companies Act 2013 subject to non-disclosure of the age wise bifurcation of debtors & creditors.

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 period from March 2020 to August 2021, due to COVID pandemic, there were restrictions on inter-district movements and as such, we could not visit the Place of business at Aurangabad. Further, the bills, vouchers and documents pertaining to the business place at Aurangabad for that period were not produced for our verification. As such, we had 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. - In respect of Audit of transactions at Hotel at Aurangabad we have carried out substantive testing on the basis of selected samples of transactions and tested that the impact is recognized in accordance with the standard accounting procedures. Significant observations in internal audit report related to revenue and mitigation thereof were considered. |
| <p>2. Recoverability of Indirect tax receivables</p> <p>The company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Notes 4 and 14 to the financial statements.</p> | <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> - Obtained understanding of key uncertain tax positions; and - We read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; - Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and - Assessed management's estimate of the possible outcome of the disputed cases; |

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.

As mentioned in note no. q of Note – 22 B, the net worth of the Company is fully eroded,

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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**", and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with section 197 (16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, subject to Note a of Matters of Concern mentioned in the para Basis for Opinion hereinabove:
- i. The Company has disclosed the fact of pending litigations against the Company (subject to Note m (vi) of Note 22 B). However, financial impact thereof on its financial position has not been ascertained.
 - ii. As informed to us, there was no derivative contract outstanding on the date of Balance Sheet. As informed to us, the Company has not ascertained the material foreseeable losses, if any, on long-term contracts for proposed project and consultancy for financial arrangements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B**, a statement on the matters specified in the paragraph 3 and 4 of the order.

UDIN: **22035151AJWUHO2513**

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

Shashank Patki

Partner

Membership number: 035151

Pune, 30th May 2022

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 2022 in conjunction with our audit of the said financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the internal financial controls system with reference to financial statements as of 31st March 2022, especially in respect of:

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

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

UDIN:**22035151AJWUHO2513**

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

Shashank Patki

Partner
Membership number: 035151
Pune, 30th May 2022

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 31stMarch 2022, we report that:

- (i)
- (a) In view of the seizure of the records of the Company by the various authorities from time to time, the Registers of Property, Plant & Equipment and of Intangible assets could not be verified. As such, we are unable to comment on maintenance thereof.
 - (b) As informed to us, the physical verification of Property, Plant & Equipment was not carried out by the management 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, in respect of the property at Aurangabad the name has not been got changed from erstwhile Vedant Hotels Ltd. to Dhanada Corporation Ltd. 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.

| Description of Property | Gross Carrying Value | Held in the Name | Whether Promoter, Director or their Relative or Employee | Period held indicate Range, where Appropriate (in Days) | Reason for not being held in the Name of Company |
|---|-----------------------------|-------------------------|---|--|---|
| Land - Survey No. 35/multiple in number | 1,59,66,000/- | Laxman V. Kulkarni | Not Applicable | 5112 | Disputed, Please refer footnote 1 of Note No 1 |

- (d) The company has not revalued its property, Plant and Equipment (including right to use asset) or intangible assets or both during the year.
 - (e) On the basis of the examination of the records of the Company, made available to us, and as per information and explanations given to us, no proceedings have been initiated or are pending against the company under Benami transaction (Prohibition) Act.
- (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. In our opinion, the procedures are reasonable considering the nature and volume of inventories vis-à-vis the business of the Company. As explained to us, discrepancies observed on physical verification were not significant and have been properly dealt with in the books of account.
 - (b) The company has not been sanctioned working capital Limit in excess of five crores in aggregate from bank or financial institutions on the basis of security of current assets, during the year.

- (iii) The company has not made any investment in, provided any guarantee or security or granted loans or advances in the nature of loan, secured, unsecured to companies, firms, Limited, liability partnership or any other parties, except an advance given to Mr. Ramesh Havele, a promoter director. During the year an advance of Rs. 288.45 lakhs was paid to him, outstanding balance at the end of the year being Rs. 151.67 lakhs. As mentioned in Footnote 8 of Note no. 4 Current Assets, this advance was paid for security trading on behalf of the Company, partially utilized for payment of expenses and payment of creditors of the Company and the same could not be repaid due to technical difficulties elaborated in the said footnote. The said advance is unsecured, interest-free and no terms or period has been stipulated for the repayment thereof.
- (iv) The provisions of Section 185 have not been complied with in respect of advance given to a director (referred to in para iii hereinabove). Please refer to para I 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. However, as mentioned in note no. I of Note – 22 B, 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. The management is of prima-facie opinion that this notification is not tenable and the Company has challenged the same before appropriate authority.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have been delays in payment of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues with the appropriate authorities.

Sale Tax Deferment dues of Rs. 2,54,188/- are outstanding for a period of more than six months from the date they became payable. Similarly, Sales tax and VAT/CST dues of Rs. 3,59,944/- are outstanding pursuant to the final order of Sales Tax Authorities, for a period of more than six months from the date they became payable. Except this, according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2022 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 | Financial Year | 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 | Commissioner of Income Tax (Appeals) – Aurangabad |
| Income Tax Act, 1961 | Assessment dues | 49,75,050 | 2013-14 | Commissioner of Income Tax (Appeals) – Aurangabad |

(viii) As per the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the income tax assessment under the income tax act 1961.

(ix) (a)

On the basis of the examination of the books and according to the information and explanations given to us, the company has defaulted in repayment of dues to the following parties:

| Nature of borrowing, including debt securities | Name of lender | Amount not paid on due date | Whether principal or interest | No. of days delay or unpaid | Remarks, if any |
|---|-----------------------|------------------------------------|--------------------------------------|------------------------------------|--|
| Over Draft | Bank of Maharashtra | 1,40,03,356.65 | Principal and Interest | Unpaid | Symbolic possession has been taken on mortgaged asset by lender. Assets Seized under MPID Act. |
| Term Loan | Bank of Maharashtra | 12,32,04,317.69 | Principal and Interest | Unpaid | Symbolic possession has been taken on mortgaged asset by lender. Assets Seized under MPID Act. |
| Term Loan | Phoenix ARC Pvt. Ltd. | 8,34,10,573.73 | Principal and Interest | Unpaid | Symbolic possession has been taken on mortgaged asset by lender. Assets Seized under MPID Act. |
| Term Loan | Phoenix ARC Pvt. Ltd. | 11,93,80,991.90 | Principal and Interest | Unpaid | Symbolic possession has been taken on mortgaged asset by lender. Assets Seized under MPID Act. |
| Over Draft | HDFC Bank Ltd. | 24,41,046.00 | Principal and Interest | Unpaid | Fixed Deposit Receipt Assigned against Over Draft facility. Account seized under MPID Act |
| Over Draft | HDFC Bank Ltd. | 34,420.00 | Principal and Interest | Unpaid | Seized by Sales Tax Department. Account seized under MPID Act. |

| | | | | | |
|------------|-----------------|--------------|------------------------|--------|---|
| Over Draft | ICICI Bank Ltd. | 20,39,362.61 | Principal and Interest | Unpaid | Fixed Deposit Receipt Assigned against Over Draft facility. Account seized under MPID Act |
|------------|-----------------|--------------|------------------------|--------|---|

- (b) The records of the company have been seized by various authorities. As mentioned in the Notes, the Company has not been able to obtain from the banks and lending institutions, even a confirmation of balance, details of interest charged etc. As such, we have relied on the management representation that the Company has not been declared as wilful defaulter by any bank or financial institution or other lenders.
- (c) The company has not availed any term loan during the year. The loans outstanding are in respect of earlier years. The records of the company have been seized by various authorities. In the absence of such records, we are unable to ascertain whether the term loans were utilised for the purpose they were sanctioned in the respective years.
- (d) The company has not taken any short term loan during the year. The loans outstanding are in respect of earlier years. The records of the company have been seized by various authorities. In the absence of such records, we are unable to ascertain whether the term loans were utilised for the purpose they were sanctioned in the respective years.
- (e) On the basis of the examination of the records and as per the information and explanations given to us the company, has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised any loan during the year.
- (x) (a) 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.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- (xi) (a) 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 year.
- (b) No report or ADT 4 has been filed under section 143(12) of the companies act 2013 by the auditors.
- (c) As informed to us, no whistle blower complaint has been received by the Company during the year.
- (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) Transactions with related parties (recorded in the books) other than advance to a Director entered into during the year are in compliance with Section 177 and 188 of the Companies Act, 2013 and the same are appropriately disclosed in the notes as required by Accounting Standard AS 18. The advance to director, in our opinion, is covered u/s 185 of the Companies Act, 2013 where there is a contravention of those sections as mentioned in our comment in para I in Matters of concern- of Basis of qualified opinion.

- (xiv) (a) The company has an internal audit system commensurate with the size and nature of business.
- (b) The internal auditors' reports for the period under audit were considered by us.
- (xv) On the basis of the examination of the books of account of the Company and as per the information and explanations given to us, the company has not entered into any non-cash transaction with directors or persons connected with directors.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) The Company has not carried out any non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India.
- (d) As informed to us, there are no CICs in the group.
- (xvii) The company has incurred cash losses in FY 2021-22 of Rs. 5,61,18,844/- and in FY 2020-21 of Rs. 5,20,89,192/-.
- (xviii) There has been no resignation by statutory auditors during the year.
- (xix) The Company's borrowings from banks and financial institutions have been classified by the lenders as non-performing assets. 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. As mentioned in Other Matters in our Independent Auditor's Report, there is uncertainty about the Company's ability to continue as a going concern. As such, in our opinion, uncertainty exists on the date of the audit report that the Company is capable of meeting its liabilities on the date of the Balance Sheet, already due and becoming due in the ensuing period.
- (xx) The activities of CSR are not mandatory for the company as such the clause is not applicable.
- (xxi) As on the date of Balance Sheet, the Company does not have any subsidiary company. As such, the clause is not applicable.

UDIN: **22035151AJWUHO2513**

For Shashank Patki & Associates

Chartered Accountants

Firm's registration number: 122054W

Shashank Patki

Partner

Membership number: 035151

Pune, 30th May 2022

Balance Sheet as at March 31, 2022

| Particulars | Note No. | As at 31st March 2022 (Rs. in Lakhs) | As at 31st March 2021 (Rs. in Lakhs) |
|---|----------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 1 | 2,232.09 | 2,297.84 |
| (b) Capital Work in Progress | 1 | 188.03 | 181.08 |
| (c) Intangible Assets | 1 | 0.39 | 0.40 |
| (d) <u>Financial Assets:</u> | | | |
| (i) Investments | 2 | 0.05 | 0.05 |
| (ii) Other Financial Assets | 3 | - | - |
| (e) Tax Assets (Net) | | 38.71 | 39.12 |
| (f) Other Non Current Assets | 4 | 437.34 | 443.65 |
| Total Non-Current Assets | | 2,896.61 | 2,962.14 |
| Current Assets | | | |
| (a) Inventories | 5 | 6.43 | 4.93 |
| (b) <u>Financial Assets:</u> | | | |
| (i) Trade Receivable | 6 | 98.91 | 92.26 |
| (ii) Cash and Cash Equivalents | 7 | 221.27 | 513.65 |
| (iii) Bank Balances other than Cash and Cash Equivalents | 7 | 80.12 | 79.89 |
| (iv) Other Financial Assets | 3 | 0.56 | 0.62 |
| (c) Other Current Assets | 4 | 307.26 | 113.98 |
| Total Current Assets | | 714.55 | 805.33 |
| TOTAL ASSETS | | 3,611.16 | 3,767.47 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Shares Capital | 8 | 559.34 | 559.34 |
| (b) Other Equity | 9 | (684.62) | (54.31) |
| Total Equity | | (125.28) | 505.03 |
| Non-Current Liabilities | | | |
| (a) <u>Financial Liabilities:</u> | | | |
| (i) Borrowings | 10 | - | - |
| (ii) Other Financial Liabilities | 11 | 35.00 | 35.00 |
| (b) Employee Benefit Obligations | 12 | 62.65 | 50.11 |
| Total Non-Current Liabilities | | 97.65 | 85.11 |
| Current Liabilities | | | |
| (a) <u>Financial Liabilities:</u> | | | |
| (i) Borrowings | 10 | 3,447.68 | 2,970.85 |
| (ii) Trade Payables | 13 | | |
| (a) Total Outstanding Dues of Micro and Small Enterprises | | 2.05 | 2.51 |
| (b) Total Outstanding Dues Other than Micro and Small Enterprises | | 40.61 | 57.32 |
| (iii) Other Financial Liabilities | | - | - |
| (b) Other Current Liabilities | 14 | 148.45 | 146.65 |
| Total Current Liabilities | | 3,638.79 | 3,177.33 |
| TOTAL EQUITY AND LIABILITIES | | 3,611.16 | 3,767.47 |

As per our report of even date

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

For and on behalf of the Board of Directors

 Shashank Patki
 (Partner)
 M. No. 035151
 UDIN: 22035151AJWUH02513
 Place : Pune
 Date : 30th May 2022

 Ramesh R. Havele
 Managing Director
 (DIN: 00007580)

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

 Ramesh M. Pradhan
 Chief Financial Officer

 Parul Rathore
 Company Secretary

Statement of Profit and Loss for the year ended March 31, 2022

| Particulars | Note No. | Year ended 31st March 2022 (Rs. in Lakhs) | Year ended 31st March 2021 (Rs. in Lakhs) |
|---|----------|---|---|
| INCOME: | | | |
| Revenue from operations | 15 | 487.75 | 293.53 |
| Other Income | 16 | 13.80 | 8.07 |
| Total Income | | 501.55 | 301.60 |
| EXPENSES: | | | |
| Food and Beverage Consumed | 17 | 62.83 | 31.37 |
| Securities Trading expenses | 18 | 40.97 | 16.24 |
| Employee benefit expense | 19 | 177.84 | 151.96 |
| Financial costs | 20 | 477.11 | 410.44 |
| Depreciation and amortization expense | 1 | 67.12 | 70.18 |
| Other Operating and General Expenses | 21 | 303.99 | 212.49 |
| Total Expenses | | 1,129.86 | 892.68 |
| Profit/(Loss) before exceptional Item and Tax | | (628.31) | (591.08) |
| Exceptional Items | | - | - |
| Profit/(Loss) before tax | | (628.31) | (591.08) |
| Tax expense: | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Total Tax Expenses | | - | - |
| Profit/(Loss) after Tax for the period | | (628.31) | (591.08) |
| Other Comprehensive Income, (Net of Tax): | | | |
| Items that will not be reclassified to profit and loss | | | |
| Actuarial Loss/(Gain) on employee gratuity (net of tax) | | - | - |
| Items that will not be reclassified to profit and loss | | | |
| Unrealised Profit/(Loss) on Foreign Exchange (Net of tax) | | - | - |
| Total Other Comprehensive Income | | - | - |
| Total Comprehensive Income for the period | | (628.31) | (591.08) |
| Earnings Per Share: | | | |
| i) Basic | | (1.12) | (1.06) |
| ii) Diluted | | (1.12) | (1.06) |

As per our report of even date

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

For and on behalf of the Board of Directors

 Shashank Patki
 (Partner)
 M. No. 035151

UDIN: 22035151AJWUH02513

 Ramesh R. Havele
 Managing Director
 (DIN: 00007580)

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

 Place : Pune
 Date : 30th May 2022

 Ramesh M. Pradhan
 Chief Financial Officer

 Parul Rathore
 Company Secretary

Standalone Cash Flow Statement for the Year Ended March 31, 2022

| Particulars | Year ended 31st March 2022 (Rs. in Lakhs) | Year ended 31st March 2021 (Rs. in Lakhs) |
|---|---|---|
| (A) CASH FLOW FROM OPERATING ACTIVITY | | |
| Profit/(Loss) before Tax and Other Comprehensive Income | (628.31) | (591.07) |
| Adjustments for: | | |
| Depreciation and Amortisation Expenses | 67.12 | 70.18 |
| Accounts Written off and Provision for Doubtful debts | 5.55 | 15.44 |
| Balances Written Back & Other Reversal | (7.65) | - |
| Interest Expenses | 477.11 | 410.43 |
| Interest Earned | (5.94) | (5.31) |
| Operating profit before Working Capital changes | (92.12) | (100.33) |
| Adjustments for: | | |
| Trade Receivables | (7.71) | 60.12 |
| Inventories | (1.50) | 5.11 |
| Non-Current and Current Financial Assets | (4.42) | (9.13) |
| Other Non-current and current assets | (186.57) | 265.59 |
| Other Non-current and current financial liabilities | - | - |
| Other Current Liabilities | 1.80 | 55.07 |
| Employee benefit obligations | 12.54 | 2.37 |
| Trade payables | (9.52) | (47.20) |
| Cash generated from operations | (287.50) | 231.60 |
| Taxes Paid | - | - |
| Net Cash Flow from Operating Activity | (287.50) | 231.60 |
| (B) CASH FLOW FROM INVESTING ACTIVITY | | |
| Purchase of Fixed Assets/addition to CWIP | (8.31) | (0.37) |
| (Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent) | (0.23) | (10.03) |
| Interest Received | 5.94 | 5.31 |
| Net Cash Flow from Investing Activity | (2.60) | (5.09) |
| (C) CASH FLOW FROM FINANCING ACTIVITY | | |
| Short term loans raised / (repaid) | 6.17 | 5.25 |
| Interest and Finance charges paid | (6.45) | (5.26) |
| Prior Years Income Tax Refund Adjustment | (2.00) | - |
| Net Cash Flow from Financing Activity | (2.28) | (0.01) |
| (D) INCREASE IN CASH AND CASH EQUIVALENT | (292.38) | 226.50 |
| Cash and Cash equivalents as at beginning of the year | 513.65 | 227.32 |
| Cash and Cash equivalents as at end of the year | 221.27 | 513.65 |
| Net increase / (decrease) in cash and cash equivalents | (292.38) | 286.33 |

As per our report of even date

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

For and on behalf of the Board of Directors

 Shashank Patki
 (Partner)
 M. No. 035151
 UDIN: 22035151AJWUH02513

 Ramesh R. Havele
 Managing Director
 (DIN: 00007580)

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

 Place : Pune
 Date : 30th May 2022

 Ramesh M. Pradhan
 Chief Financial Officer

 Parul Rathore
 Company Secretary

Statement of Changes in Equity as at March 31, 2022
 (All amounts are in Rs. Lakhs, 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, 2020) | 559.34 | 26.34 | 2,888.65 | (2,378.22) | 536.77 | 1,096.10 |
| Add : Profit/(Loss) for the Year | - | - | - | (591.08) | (591.08) | (591.08) |
| Add: Other comprehensive Income for the year | - | - | - | - | - | - |
| Closing Balance as on March 31, 2021 | 559.34 | 26.34 | 2,888.65 | (2,969.30) | (54.31) | 505.02 |
| Add : Profit/(Loss) for the Year | - | - | - | (628.31) | (628.31) | (628.31) |
| Add : Prior period Tax adjustment | - | - | - | (2.00) | (2.00) | (2.00) |
| Add: Other Comprehensive Income for the year | - | - | - | - | - | - |
| Closing Balance as on March 31, 2022 | 559.34 | 26.34 | 2,888.65 | (3,599.61) | (684.62) | (125.29) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

| NOTE - 1 : Property, Plant and Equipment & Intangible Assets (Owned, unless otherwise Stated) | | | | | | | | | |
|--|-----------------------|------------------|----------------------------|-------------------------------|-----------------|----------------------|-------------------------------------|---|--------------------------|
| Particulars | 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, 2021 | 443.67 | 2,347.04 | 1,131.90 | 492.92 | 14.95 | 4,430.48 | 181.08 | 10.43 | 4,621.99 |
| Additions | - | - | 1.33 | 0.03 | - | 1.36 | 6.95 | - | 8.31 |
| Disposals | - | - | - | - | - | - | - | - | - |
| At March 31, 2022 | 443.67 | 2,347.04 | 1,133.23 | 492.95 | 14.95 | 4,431.84 | 188.03 | 10.43 | 4,630.30 |
| Depreciation for the year: | | | | | | | | | |
| At April 1, 2021 | - | 678.01 | 975.20 | 465.23 | 14.20 | 2,132.64 | - | 10.03 | 2,142.67 |
| Charge for the Year | - | 37.31 | 28.19 | 1.61 | - | 67.11 | - | 0.01 | 67.12 |
| Disposals | - | - | - | - | - | - | - | - | - |
| At March 31, 2022 | - | 715.32 | 1,003.39 | 466.84 | 14.20 | 2,199.75 | - | 10.04 | 2,209.79 |
| Net Block: | | | | | | | | | |
| At March 31, 2021 | 443.67 | 1,669.03 | 156.70 | 27.69 | 0.75 | 2,297.84 | 181.08 | 0.40 | 2,479.32 |
| At March 31, 2022 | 443.67 | 1,631.72 | 129.84 | 26.11 | 0.75 | 2,232.09 | 188.03 | 0.39 | 2,420.51 |

CWIP Aging:

| CWIP | Amount in CWIP for a Period of (Refer Foot no. 3 below) | | | | Total |
|---|--|------------|------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | |
| Project in Progress - Hotel VITS Aurangabad (In Operation) | 6.95 | - | - | - | 6.95 |
| Project temporary Suspended - Proposed Project at Nande, Pune | - | - | - | 181.08 | 181.08 |
| Total | 6.95 | - | - | 181.08 | 188.03 |

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, survey charges Rs. 0.60 lakh and soil testing charges Rs. 0.54 lakh for proposed Hotel project at Nande, Pune, pending since long. The amount of Rs. 6.36 lakhs represents the material purchased for elevator to be installed at Hotel VITS Aurangabad. An amount of Rs. 0.60 lakhs towards purchase and installation of finance model software at hotel VITS Aurangabad and the same is not yet put to use.

4. Additions to Plant and Equipments include purchase of Laptop.

5. 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, 2022
(All amounts are in Rs. Lakhs, unless otherwise stated)

| NOTE - 2 : INESTMENTS | Face Value Rs. | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-------------------|----------------------|-------------|----------------------|-------------|
| | | Holding | Rs. | Holding | Rs. |
| <u>INVESTMENT IN EQUITY SHARES</u> | | | | | |
| Unquoted - Others | | | | | |
| Saraswat Co. Op. Bank Ltd. | 10 | 2,500 | 0.25 | 2,500 | 0.25 |
| Total | - | 2,500 | 0.25 | 2,500 | 0.25 |
| Less: Provision for Impairment of Investment | 10 | 2,500 | 0.25 | 2,500 | 0.25 |
| Total | - | - | - | - | - |
| <u>INVESTMENTS IN OTHER INSTRUMENTS</u> | | | | | |
| National Saving Certificate (NSC) | - | - | 0.05 | - | 0.05 |
| Total | - | - | 0.05 | - | 0.05 |
| Total Non Current Investments | - | - | 0.05 | - | 0.05 |

Foot Notes :

1. Saraswat co. Op. Bank Ltd. has assigned Term Loans to Phoenix ARC Pvt. Ltd., in earlier years. As such provision for impairment of Investment was made in Financial Year 2018-19 as status of recoverability of investment is not ascertainable.
2. The Company has invested Rs. 5,000/- in National Saving certificate Scheme for the purpose of Bar License and certificate issued in the name of one of the Director of the Company as per requirement of concerned bar license issuing authority. The said Investment is matured on 15th April 2020 and yet to liquidate.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

| NOTE - 3 : OTHER FINANCIAL ASSETS | As at March 31, 2022 | As at March 31, 2021 |
|--|---------------------------------|---------------------------------|
| (A) Non Current | - | - |
| | - | - |
| (B) Current | | |
| Accrued Interest | 0.56 | 0.62 |
| | 0.56 | 0.62 |

Foot Note:

1. Accrued interest includes of Rs. 0.53 lakhs (Previous Year Rs. 0.60 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, 2022 | As at March 31, 2021 |
|---|---------------------------------|---------------------------------|
| (A) Other Non Current Assets | | |
| Capital Advances | 391.00 | 397.60 |
| Security Deposits | 19.75 | 19.74 |
| VAT Credit Receivable | 26.29 | 26.29 |
| GST - Cess Credit Receivable | 0.30 | 0.02 |
| | 437.34 | 443.65 |
| (B) Other Current Assets | | |
| Prepaid Expenses | 1.25 | 1.42 |
| Advance to Employee | - | 0.02 |
| Security Deposits | 4.66 | 5.66 |
| GST Credit Receivable | - | 0.24 |
| Payment against sales tax notice - 2007-08 | 2.02 | 2.02 |
| Advance to Trade Suppliers | 5.40 | 7.51 |
| Advance to Visconti Industries, Inc. | 36.87 | 36.87 |
| Advance to a Director (Ramesh R. Havele) | 151.68 | - |
| Advance to Consultants for Statutory Payments | 1.35 | - |
| Balance with Spl. Judge, MPID Aurangabad | 140.90 | 96.42 |
| Balance with Securities Trading Accounts | - | 0.69 |
| | 344.13 | 150.85 |
| Less: Provision for Doubtful Recovery | 36.87 | 36.87 |
| | 307.26 | 113.98 |

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. Details and supporting documents of the amount paid as Advance to Dr. Laxman V. Kulkarni are not available with the Company.

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. Lakhs, unless otherwise stated)

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

7. During the previous few years, the accounts had been compiled only on the basis of the records and documents then available with the Company due to seizure of records and documents by Police authorities, partially released and most of the records having been stored in the registered office of the Company, which were taken in possession of by the Competent Authority, Pune. The books of account (financial as well as disclosure) are subject to availability of these and various other documents.

8. During the year, Ramesh R. Havele, the director has taken advance for security trading on behalf of the Company which is partially used for payment towards expenses and payment of creditors of the Company. . Most of the assets and bank accounts of the Company have been seized by the various authorities under MPID Act. As such the Company wanted to open and operate a separate account with AU Bank. However, due to recent restrictions of RBI, AU Bank refused the Company to operate such a separate bank account. As such, the director could not repay the advance by depositing into this bank account. In the opinion of the management, the amount paid is in the form of advance for business purpose and as such, no terms of repayment have been specified.

9. An amount of Rs. 140.90 lakhs (Previous Year Rs. 96.42 lakhs) has been transferred to the account of 'Additional Sessions Judge Aurangabad' till 31st March 2022, pursuant to an order dated 24.05.2019 and 17-03-2021, passed by the Sessions Judge under MPID Act. The balance is subject to confirmation. Vide order dated 24.10.2019, Spl. Judge (MPID), Aurangabad has ordered to make payment to the applicants of the said case under MPID Act, out of this amount deposited in the Court. The Company has not received any intimation from the Court Authority till date about any payments made under MPID Act to the applicants. Pending such intimation, the amount is shown as advance in the name of Spl. Judge, MPID Aurangabad. On receiving the official intimation, appropriate accounting would be done.

| NOTE - 5 : INVENTORIES | As at March 31, 2022 | As at March 31, 2021 |
|--|---------------------------------|---------------------------------|
| (As taken and certified by the management) | | |
| Food and Beverages, Stores and Operating Supplies | 6.43 | 4.93 |
| | 6.43 | 4.93 |
| NOTE - 6 : TRADE RECEIVABLES | As at March 31, 2022 | As at March 31, 2021 |
| Unsecured | | |
| Considered Good | 98.91 | 92.26 |
| With significant increase in credit risk which are Credit impaired | 8.73 | 11.38 |
| | 107.64 | 103.64 |
| Less: Provision for doubtful of recovery: | 8.73 | 11.38 |
| | 98.91 | 92.26 |

Foot Note :

1. Trade Receivables includes debts in the ordinary course of business.
2. Trade Receivables include an amount of Rs. 51,34,927.28 (Previous Year Rs. 56,44,902.95) outstanding over six months from the date they were due for payment.
3. Trade Receivable forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for doubtful of recovery and allowance for same using expected credit loss method. However the assessment and evaluation of credit loss is not based on any mathematical model but is made considering the historical data and experience of the customers.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. Lakhs, unless otherwise stated)

4. Trade receivables include amount due from online portal bookings, the payment from online portal customers goes directly in the account of Vitizen Hotels Ltd. (VHL), after deduction of payment by Vits hotel towards management fees and incentives fees the amount is remitted to VITS Hotel (Dhanada Corporation Ltd.), the total amount outstanding is Rs.14,55,427.20 (including online portal managed by VHL) as on 31st March 2022. Sessions Court, Aurangabad, under the ongoing MPID case, had appointed an independent auditor to examine the books of the Company. Pursuant to his audit report, the Court ordered VHL to deposit an amount of Rs. 41.56 lakhs with the Court. Against this, VHL has deposited an amount of Rs. 76.99 lakhs till 31st March 2022 which has been included in amount with 'Additional Session Judge Aurangabad'. VHL has submitted their account statement which is in the process of reconciliation. Other online portal balances which are managed by VHL are under reconciliation. In view of the foregoing, the account of VHL is subject to confirmation, reconciliation and consequential adjustments, if any.

| NOTE - 7 : CASH AND BANK BALANCES | As at March 31, 2022 | As at March 31, 2021 |
|---|---------------------------------|---------------------------------|
| Cash and Cash equivalents | | |
| Cash on Hand | 4.49 | 6.14 |
| Balances with banks in current account | 216.78 | 248.47 |
| Cheques on Hand | - | 259.04 |
| | 221.27 | 513.65 |
| Bank balances other than cash and cash equivalents | | |
| Earmarked balances with bank | 80.12 | 79.89 |
| | 80.12 | 79.89 |

Foot Note :

1. Term deposits with Axis Bank Ltd. of Rs. 10 lakhs are for a period of 5 years. After the expiry of the term, it is then renewed for same period.
2. Term deposits with AU Small Finance Bank of Rs. 15 lakhs was kept during the year and it is liquidated before 31st March 2022.
3. The initial term deposit of Rs. 1 lakh was kept with Saraswat Bank for a period of one year from the date of issue and it is renewed after maturity. The same is kept for Bank Guarantee of Rs. 1 lakh for the purpose of bar license.
4. The initial term deposits with HDFC Bank Ltd. of Rs. 10 lakhs are kept as lien and Over draft facility availed against the same. The balance as on 31st March 2021 is Rs.16.45 Lakhs (including part of accrued interest thereon)
5. Term deposits with ICICI Bank Ltd. of Rs. 11.50 lakhs kept as lien and Over draft facility availed against the same.
6. Balances with banks include an amount of Rs. 179.75 lakhs kept in a bank account in the individual name of a director. This amount has been kept in a No Lien account as a part of the negotiations with a lender bank for One Time Settlement. This balance is also subject to confirmation, reconciliation and consequential adjustments, if any, financial implication is not ascertainable.
7. Axis Bank account carries an amount of Rs. 3.25 lakhs maintained as earmarked funds.
8. An amount of Rs. 36.52 lakhs (Previous year - Rs. 31.10 lakhs) is Accrued Interest on the aforesaid fixed deposits included in earmarked bank balances. Banks have given balance confirmation and or interest certificate in respect of the same, except interest certificate of ICICI Bank. Since, the current account and Fixed Deposit Account of ICICI Bank are seized under MPID Act, the concerned bank has not provided necessary interest certificate as such the same is accounted at original contractual rate.
9. Balances with banks in respect of following bank accounts are subject to balance confirmation, reconciliation and consequential adjustments if any:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

| Bank and Account number | Balance as on 31.03.2022 as per books (in Rupees) | Balance as on 31.03.2021 as per books (in Rupees) |
|--------------------------------------|---|---|
| Axis Bank | 3.26 | 3.26 |
| IDBI Bank, Pune | 2.74 | 2.74 |
| Havele Ramesh R (BOM Loan Repay A/c) | 179.75 | 179.75 |
| ICICI BANK Current A/c | 20.39 | 17.63 |

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

| NOTE - 8 : EQUITY SHARE CAPITAL | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (A) Authorised Share Capital | | |
| Ordinary Shares: | | |
| Equity shares of Re. 1/- each with voting rights | 1,080.00 | 1,080.00 |
| Preference Shares | | |
| 8% Cumulative Convertible Preference Shares of Re. 1/- each | 500.00 | 500.00 |
| | 1,580.00 | 1,580.00 |
| (B) Issued Share Capital | | |
| 5,59,33,581 (5,59,33,581) equity shares of Re. 1/- each | 559.34 | 559.34 |
| | 559.34 | 559.34 |
| (C) Subscribed and Paid Up | | |
| 5,59,33,581 (5,59,33,581) equity shares of Re. 1/- each fully paid up | 559.34 | 559.34 |
| | 559.34 | 559.34 |

Foot Note :

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in Rs. Lakhs, unless otherwise stated)

| NOTE NO. 8 : SHARES CAPITAL | As at 31st March 2022 | | As at 31st March 2021 | |
|--|-----------------------|----------|-----------------------|----------|
| | No. of Shares | Amount | No. of Shares | Amount |
| (A) Authorised: | | | | |
| a. Equity shares of Re. 1/- each with voting rights | 10,80,00,000 | 1,080.00 | 10,80,00,000 | 1,080.00 |
| b. 8% Cumulative Convertible Preference Shares of Re. 1/- each | 5,00,00,000 | 500.00 | 5,00,00,000 | 500.00 |

| | | | | |
|--|-------------|--------|-------------|--------|
| (B) Issued, Subscribed & Fully Paid Up: | | | | |
| Equity shares of Re. 1/- each with voting rights | 5,59,33,581 | 559.34 | 5,59,33,581 | 559.34 |

(C) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

| Particulars | Equity Shares | | | |
|---|-----------------------|--------|-----------------------|--------|
| | As at 31st March 2022 | | As at 31st March 2021 | |
| | No.s | Amount | No.s | Amount |
| Shares outstanding at the beginning of the year | 5,59,33,581 | 559.34 | 5,59,33,581 | 559.34 |
| Shares Issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 5,59,33,581 | 559.34 | 5,59,33,581 | 559.34 |

(D) Share Capital held by Holding Company

| Particulars | Nature of Relationship | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------------|------------------------|-----------------------|-----------------------|
| | | No.s | No.s |
| Equity Shares: Not Applicable | Not Applicable | - | - |
| Total | | - | - |

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

| Name of Shareholder | Equity Shares | | Equity Shares | | % Change during the year |
|----------------------------|-----------------------|--------------|-----------------------|--------------|--------------------------|
| | As at 31st March 2022 | | As at 31st March 2021 | | |
| | No of Shares held | % of holding | No of Shares held | % of holding | |
| Promoter: | | | | | |
| Dhanada Holdings Pvt. Ltd. | 2,68,16,191 | 47.94 | 2,69,21,002 | 48.13 | (0.39) |
| Ramesh R. Havele | 38,04,320 | 6.80 | 31,12,159 | 5.56 | 22.24 |
| Sub Total | 3,06,20,511 | 54.74 | 3,00,33,161 | 53.69 | 1.96 |
| Non-Promoter: | | | | | |
| Laxman V. Kulkarni | 63,71,692 | 11.39 | 63,71,692 | 11.39 | |
| Total | 3,69,92,203 | 66.14 | 3,64,04,853 | 65.09 | |

Foot Note:

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

| Particulars | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|---|-----------|-----------|-----------|-----------|
| 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, 2022
 (All amounts are in Rs. Lakhs, unless otherwise stated)

| NOTE - 9 : OTHER EQUITY | As at March 31, 2022 | As at March 31, 2021 |
|---|---------------------------------|---------------------------------|
| Reserves & Surplus: | | |
| Securities Premium Account | 2,888.65 | 2,888.65 |
| Revenue Reserve (Created out of Scheme of Amalgamation) | 26.34 | 26.34 |
| Sub Total - A | 2,914.99 | 2,914.99 |
| Retained Earnings: | | |
| Surplus / (Deficit) in the Profit And Loss | (2,969.30) | (2,378.22) |
| Less: Prior Years TDS and TCS Receivable adjustment on Income Tax Refund | (2.00) | - |
| Add: Current Year profits / (losses) | (628.31) | (591.08) |
| i | (3,599.61) | (2,969.30) |
| Other Comprehensive Income (Net of Taxes) - ii | - | - |
| B = i + ii | (3,599.61) | (2,969.30) |
| TOTAL OTHER EQUITY - A + B | (684.62) | (54.31) |

PURPOSE OF RESERVE

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

| NOTE - 10 : BORROWINGS | As at March 31, 2022 | As at March 31, 2021 |
|---|---------------------------------|---------------------------------|
| (A) Long term borrowings - Secured | | |
| Term Loan from ARC | | |
| Phoenix ARC Pvt. Ltd. - I | 834.11 | 715.05 |
| Phoenix ARC Pvt. Ltd. - II | 1,193.81 | 1,023.41 |
| Term Loan From Bank | | |
| Bank of Maharashtra | 1,232.05 | 1,074.61 |
| | 3,259.97 | 2,813.07 |
| Less: Current maturities of Long term borrowings (shown under Other current financial liabilities) | 3,259.97 | 2,813.07 |
| Total Long term borrowings | - | - |
| Short term borrowings | | |
| From Bank - Secured | | |
| Over Draft against Banks Fixed Deposit | 44.80 | 38.69 |
| Over Draft - Bank of Maharashtra | 140.03 | 116.26 |
| Current Maturities of Term Loan from Bank, (Transferred from Long Term Borrowings) | 3,259.97 | 2,813.07 |
| From Bank - Unsecured | | |
| HDFC Bank Ltd. | 0.34 | 0.29 |
| From Others - Unsecured | | |
| Sales Tax Deferment | 2.54 | 2.54 |
| Total Short term borrowings | 3,447.68 | 2,970.85 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. Lakhs, 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 Assets and personal guarantee of Directors and Corporate Guarantee of M/s. Dhanada Holdings Pvt. Ltd. ARC has taken symbolic possession of these assets by an assignment from Saraswat Co.Op. Bank Ltd. 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. 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.

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. 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).

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

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

6. Over draft facility was availed from AU Small Finance Bank against Fixed Deposit of Rs. 15 lakhs. During the year fixed deposit accounts are liquidated and overdraft facility is discontinued accordingly.

7. 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.

8. 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, 2022 | As at March 31, 2021 |
|--|---------------------------------|---------------------------------|
| A) Non Current financial liabilities | | |
| Payable to Dr. Laxman V. Kulkarni | 35.00 | 35.00 |
| | 35.00 | 35.00 |
| B) Current financial liabilities | - | - |
| | - | - |

Foot Note:

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

| NOTE - 12 : PROVISION FOR EMPLOYEE BENEFITS | As at March 31, 2022 | As at March 31, 2021 |
|--|---------------------------------|---------------------------------|
| Non Current | | |
| Gratuity | 39.78 | 34.41 |
| Leave Encashment | 22.87 | 15.70 |
| | 62.65 | 50.11 |

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 2021-22. The Company has not yet established any Gratuity Trust, hence, outstanding amount of Gratuity and Leave Encashment is not yet funded.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in Rs. Lakhs, unless otherwise stated)

| NOTE - 13 : TRADE PAYABLES | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|---------------------------------|---------------------------------|
| Trade Payables | | |
| Dues to Micro and Small Enterprises | 2.05 | 2.51 |
| Others | 40.61 | 57.32 |
| Total Trade Payables | 42.66 | 59.83 |

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 and available with the Company.

| NOTE - 14 : OTHER CURRENT LIABILITIES | As at March 31, 2022 | As at March 31, 2021 |
|---|---------------------------------|---------------------------------|
| Current | | |
| Special Capital Incentive refundable due | 25.00 | 25.00 |
| Electricity Expenses Payable | 14.54 | 16.58 |
| Salary & Wages Payable | 41.69 | 46.96 |
| Stipend Payable | 0.60 | - |
| Bonus Payable | 23.04 | 15.48 |
| Other Payable | 0.15 | 0.01 |
| GST Payable | 4.21 | 1.73 |
| Profession Tax Payable | 0.34 | 0.94 |
| TDS/Payable | 2.25 | 2.89 |
| VAT/CST Payable | 0.24 | 0.16 |
| ESI Payable | 1.03 | 1.52 |
| Provident Fund Payable | 3.56 | 8.01 |
| Sales Tax Payable for earlier years | 3.45 | 3.45 |
| Customer Advance / Refund Payable | 23.59 | 20.85 |
| Misc. Expenses Payable / Provisions | 4.62 | 0.78 |
| Payable to Consultants - Statutory Payments | 0.14 | 0.07 |
| Havele Ramesh R. (Advance Taken for Security Trading) | - | 2.08 |
| Havele Ramesh R. (Advance Taken for Company Expenses) | - | 0.14 |
| | 148.45 | 146.65 |

Foot Note :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in Rs. Lakhs, unless otherwise stated)

| NOTE - 15 : REVENUE FROM OPERATIONS | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Food & Beverage | 139.09 | 167.72 |
| Liquor Sale | 13.30 | 5.43 |
| Room Revenue | 314.65 | 110.09 |
| Banquet Sale | 17.63 | 9.13 |
| Sale of Scrap | 0.11 | 0.04 |
| Other Miscellaneous Income - Hotel Activity | 2.97 | 1.12 |
| Sub-Total (A) | 487.75 | 293.53 |
| Income from Trading in Financial Securities | - | - |
| Sub-Total (B) | - | - |
| Total (A + B) | 487.75 | 293.53 |

| NOTE - 16 : OTHER INCOME | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Interest Income: | | |
| On Bank Fixed Deposits | 5.95 | 5.32 |
| Other Interest | 0.02 | - |
| Other Misc. Income : | | |
| Creditors and Misc. balances written back | 5.59 | - |
| Prior Year's Bad Debts Written Off Reversal | 2.05 | - |
| Other Misc. Income | 0.19 | - |
| Leave Encashment Reversal of Provision | - | 2.75 |
| | 13.80 | 8.07 |

Foot Note:

1. Interest income includes an amount of Rs. 1.38 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. 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, 2022 | Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Food, Beverage Liquor Consumed: | | |
| Opening Stock | 4.93 | 10.04 |
| Add : Purchases | 64.33 | 26.26 |
| Less : Closing Stock | 6.43 | 4.93 |
| | 62.83 | 31.37 |

| NOTE - 18 : DERIVATIVE TRADING EXPENSES | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Loss on Trading in Financial Securities | 39.73 | 16.24 |
| Securities Trading Expenses | 1.24 | - |
| | 40.97 | 16.24 |

| NOTE - 19 : EMPLOYEE BENEFITS EXPENSES | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Salaries, Wages and Ex-gratia | 146.98 | 136.80 |
| Employers' Contributions to Provident Fund | 8.71 | 4.35 |
| Employers' Contributions to ESIC | 2.57 | 2.80 |
| Gratuity and Leave encashment | 16.02 | 5.86 |
| Staff welfare and Other expenses | 3.56 | 2.15 |
| | 177.84 | 151.96 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in Rs. Lakhs, unless otherwise stated)

Foot Note:

1. As per the valuation reports of Gratuity and Leave Encashment, net expenses of Rs.8.35 lakhs towards Leave Encashment and Rs. 7.66 lakhs towards Gratuity are recognised for the Financial Year 2021-22.
2. The Company has not paid any managerial remuneration and sitting fees to the Directors during the year and previous year.

| NOTE - 20 : FINANCIAL COST | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Interest on Bank Overdraft | 30.22 | 25.00 |
| Interest on Term loan | 446.89 | 385.44 |
| | 477.11 | 410.44 |

Foot Note:

1. Provision of interest of Rs. 23.77 lakhs for financial year 2021-22 is made at contractual rate on Bank Over draft facility availed from Bank of Maharashtra.
2. Provision of interest of Rs. 157.43 lakhs for financial year 2021-22 is made at contractual rate on Term Loan taken from Bank of Maharashtra.
3. Provision of interest of Rs. 289.45 lakhs for financial year 2021-22 is made at contractual rate on Term Loans of Phoenix ARC Private Limited. The said term loan assigned by Saraswat Co-op. Bank Ltd. to Phoenix ARC Private Limited at same terms and conditions.

| NOTE - 21 : OTHER OPERATING AND GENERAL EXPENSES | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Operating Expenses: | | |
| Direct Expenses | 11.44 | 9.91 |
| Housekeeping | 1.65 | 1.80 |
| Linen and Laundry | 7.19 | 2.63 |
| Power and Fuel | 120.33 | 91.27 |
| Repairs to Building | 6.23 | 2.63 |
| Repairs to Machinery and Others | 20.88 | 6.94 |
| Commission & Sales Promotion | 0.90 | - |
| Security and Labour Hire | 22.73 | 15.34 |
| Administration and General Expenses: | | |
| Administration Expenses | 33.80 | 18.08 |
| Auditors Remuneration: | | |
| - Statutory Audit Fee | 3.85 | 3.85 |
| - Tax Audit Fee and Tax Consultancy | 1.50 | 1.50 |
| Amounts Written off | 1.07 | 5.64 |
| Provision for Doubtful Debts | 4.49 | 9.79 |
| Bank Commission and Charges | 2.59 | 0.74 |
| Insurance | - | 4.50 |
| Interest on Tax Payments | 0.66 | 0.51 |
| License Fees | 3.54 | 3.66 |
| Printing and Stationary | 0.06 | 0.10 |
| Professional Fees | 49.70 | 31.72 |
| Rates and Taxes | 9.66 | 0.60 |
| Communication Expenses | 1.29 | 1.07 |
| Travelling and Lodging | 0.43 | 0.20 |
| | 303.99 | 212.49 |

NOTE – 22: General Information, Significant Accounting Policies and Other Notes:

A. General Information and Significant Accounting Policies

a. General Information

- i. Dhanada Corporation Ltd. ("the Company") was incorporated on 14th July 1986 in the state of Maharashtra, India. The Company is primarily engaged in the business of Hospitality.
- ii. The statements were authorized for issue in accordance with a resolution of the Board of Directors passed on May 30, 2022.

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/non-current 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) Expected to be settled in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) 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 provides for 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 2022 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 31.03.2022 | As of 31.03.2021 |
|--|-----------------------------|-----------------------------|
| Discount Rate | 7.20 | 6.90% |
| Rate of increase in compensation levels | 10.00% | 10% |
| Expected average remaining working lives of employees (in years) | 13.49 | 11.30 |

| Change in present value of obligations | 01-04-2021 to 31.03.2022 | 01-04-2020 to 31.03.2021 |
|---|-------------------------------------|-------------------------------------|
| Present Value of Obligation as at the beginning of period | 34,40,513 | 2,906,850 |

| | | |
|---|------------|-----------|
| Interest Expenses | 2,32,508 | 1,87,241 |
| Current Service Cost | 4,98,268 | 3,58,747 |
| Benefits Paid | (1,41,678) | (52,542) |
| Re-measurements on obligation - (Gain) / Loss | (52,503) | 40,117 |
| Present Value of Obligations at the end of the period | 39,77,108 | 34,40,513 |

| The Amount to recognized in the Balance Sheet | 01-04-2021 to 31.03.2022 | 01-04-2020 to 31.03.2021 |
|---|---------------------------------|---------------------------------|
| Present Value of Obligation as at the end of the period | 39,77,108 | 34,40,513 |
| Fair Value of Plan Assets as at the end of the year | - | - |
| Surplus / (Deficit) | (39,77,108) | (34,40,513) |
| Current Liability | 2,78,609 | 2,82,975 |
| Non-Current Liability | 36,98,499 | 31,57,538 |
| Net Asset / (Liability) Recognized in the Balance Sheet | (39,77,108) | (34,40,513) |

| Expenses recognized in the Statement of Profit and Loss | 01-04-2021 to 31.03.2022 | 01-04-2020 to 31.03.2021 |
|---|---------------------------------|---------------------------------|
| Service Cost | 4,98,268 | 3,58,717 |
| Interest (Income)/Expenses | 2,32,508 | 1,87,241 |
| Net periodic benefit cost recognised in the statement of profit & loss at the end of period | 7,30,776 | 5,45,988 |

- 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 2022 is Rs. 22,87,462/- (Previous Year Rs. 15,70,441/-).
- c. Amount recognized as an expense in respect of defined Contribution plans are as under:

| Particulars | 2021-22 | 2020-21 |
|--|----------------|----------------|
| Contribution to Govt. Provident Fund | 8,71,092 | 4,34,984* |
| Employees' State Insurance Scheme (ESIS) | 2,57,263 | 2,80,332 |

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

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

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

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

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

Transactions with related parties:

| Name of Party | (Rs. In Lakhs) | | |
|---|----------------------------------|----------------------------|-------------------|
| | Ramesh R. Havele | Ramesh R. Havele | Gautami A. Ranade |
| Nature of Transaction | Advance Taken – Security Trading | Advance Taken for Expenses | Salary (Gross)* |
| Opening Balance | 2.08 Credit Balance | 0.14 | - |
| Additions / Adjustments | 288.45 | 2.63 | - |
| Repaid/Adjustments | 134.70 | 2.77 | - |
| Closing Balance 31 st March 2022 | 151.67 Debit Balance | Nil | - |
| During FY 2021-22 | - | - | 1.84 |

* Mrs. Gautami A. Ranade is appointed as Administrative Head w.e.f. 1st November 2021.

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

k. Impairment of Fixed Assets:

The Fixed assets specifically Land, Building, and Plant and Machinery of the Company have been reassessed by the management and there is no impairment of assets in the current year. Under-utilized assets are recorded at estimated realizable value.

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 had 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 | 2021-22 Rupees | 2020-21 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. There is no substantial income from any other segment except 'Hospitality'. As such, disclosure of segment wise results is not given.**

- o. The company has carried out foreign exchange derivative trading through OCTA FX Trading Account. The realized profit / loss on derivative trading is accounted for through OCTA FX Trading Account.

p. Impact of Covid-19 (Pandemic)

Since March 2020 to almost August 2021, the hotel, though operational, was partially available to guests. As such, revenue and operational expenses for the intervening period are not comparable.

- q. Although the Company's net worth has been fully eroded, the management is confident of recouping its losses in the near future. As such, the accounts have been prepared on going concern basis.

r. Key Financial Ratios:

| Particulars | Unit of Measurement | 2021-22 | 2020-21 | % Variance |
|----------------------------------|---------------------|----------|----------|------------|
| Current Ratio | In Multiple | 0.20 | 0.25 | (20.00) |
| Debt-Equity Ratio | In Multiple | (27.52) | 5.88 | (568.03) |
| Debt Service Coverage Ratio | In Multiple | (0.26) | (0.35) | 25.71 |
| Return on Equity (%) | In % | (330.91) | (73.83) | (348.21) |
| Inventory Turnover Ratio | In Multiple | 75.86 | 59.54 | 27.41 |
| Trade Receivables Turnover Ratio | In Multiple | 4.93 | 3.18 | 55.03 |
| Trade Payables Turnover Ratio | In Multiple | 1.54 | 0.35 | 340.00 |
| Net Capital Turnover Ratio | In Multiple | (0.17) | (0.12) | (41.67) |
| Net Profit Margin (%) | In % | (128.82) | (201.37) | 36.03 |
| Return on Capital Employed (%) | In % | 120.32 | (35.80) | 436.09 |
| Return on Investment (%) | In % | (13.57) | (12.79) | (6.10) |

Since past few years, the Office of the Sub Divisional Officer and Competent Authority (MPID Act), Aurangabad had taken possession of the Hotel pursuant to the Order passed by the Court of District and Session Judge, Aurangabad. The Competent Authority supervising the Hotel premises and managing the day-to-day financial operations / affairs of the Company. Further, the Deputy Collector of Pune has attached / taken under his custody / sealed records and documents, partially released, stored in the old registered office of the Company. The Company / Board of Directors / Officers do not interfere in the management of the Hotel and even the said competent authorities do not intimate / update regarding the operations / management of the affairs of the Hotel premises. Hence, the information is given subject to the said limitations and on the basis of our knowledge and awareness of matters / information to us.

Formulas for Computation of ratios are as under:

| Particulars | Numerator | Denominator |
|----------------------------------|---|---|
| Current Ratio | Current Assets | Current Liabilities |
| Debt-Equity Ratio | Paid-up debt capital (Long term borrowings + Short term borrowings) | Shareholder's Equity (Total Equity) |
| Debt Service Coverage Ratio | Profit after tax + Finance costs + Depreciation and amortization expenses + Loss/(Gain) on sale of Property Plant & Equipment + Exceptional items | Finance Costs + lease payments + Scheduled principal repayments of long term borrowings |
| Return on Equity (%) | Profit for the year | Average Shareholder's Equity |
| Inventory Turnover Ratio | Revenue from operations | Average Inventory |
| Trade Receivables Turnover Ratio | Revenue from operations | Average trade receivables |
| Trade Payables Turnover Ratio | Total Purchases for material consumed + closing inventory*-Opening inventory* (* inventory excluding Finished Goods & Stock in process) | Closing Trade Payables |
| Net Capital Turnover Ratio | Revenue from operations | Working Capital + current maturities of long term borrowings |
| Net Profit Margin (%) | Profit for the year | Revenue from operations |
| Return on Capital Employed (%) | Earnings before interest and taxes | Tangible Net Worth + Total Debt + Deferred Tax Liabilities |
| Return on Investment (%) | Income generated from invested funds | Time weighted average invested funds in investments |

s. 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)
M. No. 035151

Ramesh R. Havele
Managing Director
(DIN: 00007580)

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

UDIN: 22035151AJWUH02513

Place: Pune
Date: 30th May 2022

Ramesh M. Pradhan
Chief Financial Officer

Parul Rathore
Company Secretary

DHANADA CORPORATION LIMITED

(CIN: L55101PN1986PLC133909)

Regd./Corporate Office: 5B/14, Laxminarayan Nagar, S. No. 11/12,
Part Erandawane, Near Shyamaprasad Mukharji Garden, Pune 411004.

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