THE HUTTI GOLD MINES COMPANY LIMITED

CIN U85110KA1947SGC001321

75TH ANNUAL REPORT – FY 2020-21

Registered Office : 3rd Floor, KHB Shopping Complex, National Games Village,
Koramangala, Bangalore-560 047
Phone: (080) 25705723 Fax: (080) 25707380
Email : rohgml@gmail.com
Website: www.huttigold.co.in

Mines : Hutti – 584 115, Raichur Dist.

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(A Govt. of Karnataka Undertaking)
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75th ANNUAL REPORT & AUDITED ACCOUNTS

FOR FINANCIAL YEAR 2020-21

INDEX

Sl. No.	CONTENTS	PAGE NOS.	
		From	To
1	Notice	1	4
2	Attendance Slip	5	6
3	Proxy Form (MGT-11)	7	8
4	Report of the Board of Director's	9	42
5	Independent Auditors Report	43	65
6	Replies to Independent Auditors Report	66	67
8	Secretarial Auditors Report	68	86
9	**Audited Accounts for FY 2020-21**		
	a) Significant Accounting Policies	87	92
	b) Audited Accounts	93	105
	c) Notes forming part of the Accounts	106	116

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Notice of Annual General Meeting

To
The Members of
The Hutti Gold Mines Co Ltd

NOTICE is hereby given that the **SEVENTY FIFTH Annual General Meeting** of the Members of The Hutti Gold Mines Co Ltd will be held on **Thursday** the **23rd December, 2021 at 12:00 PM,** through Video Conferencing or Other Audio Visual Means. You are requested to send your email address to regdoffice-hgml@ka.gov.in by **10th December, 2021 by 5:00 PM** to send the meeting link.

Business for transaction: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial statement comprising Audited Balance Sheet as at 31st March, 2021 and the statement of Profit & Loss and Cash Flow statement for the year ended on the date along with Reports of the Board of Directors, Statutory Auditors thereon and the Comments of the Comptroller and Auditor General of India.

   To pass the following resolution with or without modification(s) as an **Ordinary Resolution.**

   "RESOLVED THAT the Audited Financial Statements including Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Statutory Auditors and also the comments of the C & AG, be and are hereby received, considered and adopted."

2. **To declare dividend for the year ended 31st March, 2021.**

   To pass the following resolution with or without modification(s) as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the recommendation of the Directors, dividend at the rate of Rs.1504.34/- per Equity Share of Rs.100/- each (1504.34%) on 296203-5/7 Equity Shares of the Company, out of the

current profits of the Company for the year ended 31st March, 2021 be and is hereby declared and that the same be paid to those Members whose names appear on the Company's Register of Members as on Record Date of 16th December, 2021, in proportion to the amount paid up thereon."

3. To fix the remuneration of Statutory Auditor.

To pass the following resolution with or without modification(s) as an **Ordinary Resolution.**

"RESOLVED THAT the remuneration of the Statutory Auditor appointed by C&AG for the year 2021-22 be fixed by the Board of Directors."

By the Order of the Board

Place: Bengaluru
Dated: 30.11.2021

Sd/-
(Prabhulinga Kavalikatti, IAS)
Managing Director
DIN: 09102902

NOTES FORMING PART OF NOTICE:

1. **PROXY:**

A Member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a Proxy to attend and vote instead of himself / herself and the Proxy need not be a Member.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.

The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the meeting and can vote only on a poll.

2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

3. **BOOK CLOSURE:** The Register of Members of the Company will remain closed from **16th December, 2021 to 23rd December, 2021** both days inclusive, to determine the Members entitled to receive dividend which will be declared at the Annual General Meeting.

4. **RECORD DATE** has been fixed **16th December, 2021,** to determine the Members entitled to vote on the resolutions mentioned in this Notice and for payment of dividend to be declared in this meeting.

5. **DIVIDEND:** Dividend to be declared at this meeting, will subject to the provisions of section 126 of the Companies Act, 2013, be deposited with the Bank within **28th December, 2021** and dividend will be paid **before 22nd January, 2021** i.e. within 30 days of the date of the Annual General Meeting, to those Members whose names appear on the Register of Members on Record Date of **16th December, 2021**. Payment of dividend will be rounded off pursuant to the provisions of Section 288B of the Income Tax Act, 1961. Dividend Tax will be paid by the Company pursuant to section 115O of the Income Tax Act, 1961.

6. **UNCLAIMED DIVIDEND:** Details of dividend unclaimed by Members for the past years which have not yet been transferred to the Central Government have been uploaded on the Company's website www.huttigold.co.in. Members are encouraged to view the list and lodge their claim for payment of unclaimed dividend. Dividend for the year ended 31st March, 2014, which was declared at the Annual General Meeting held on 20th September, 2014 and remaining unclaimed will be transferred to the Investor Education and Protection Fund pursuant to the provisions of section 124 of the Companies Act, 2013. Thereafter no claim shall lie on this dividend from the Members.

7. **WEBSITE:** The Company's website is www.huttigold.co.in. Annual Reports of the Company, unclaimed dividend list, standard downloadable forms and other Shareholder communication will be made available on the Company's website.

8. **CORPORATE REPRESENTATION:** A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section 113 of the Companies Act, 2013 i.e. only if the Corporate Member sends a certified true copy of the resolution passed by the Board of Directors of the Company or a Power of Attorney authorizing the Representative to attend and vote at the meeting on behalf of the Corporate Member.

9. **OTHER INFORMATION**

   a. The voting rights of the members shall be in proportion to their share of Paid up Equity Share Capital of the Company as on Record Date.

   b. Members are requested to bring their copy of the Annual Report and Attendance Slip duly completed and signed for the meeting.

c. Members seeking clarification on the Annual Report are requested to send in written queries to the Company at least one week before the date of the meeting i.e. on or before **16th December, 2021.**

d. A member desirous of appointing a proxy to attend the Annual General Meeting may furnish the name in the prescribed proxy format (MGT-11) sent here with separately.

e. The Company has designated its email ID called rohgml@gmail.com for redressal of shareholders/investors complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at this e-mail address.

f. In terms of Sections 101 & 136 of the Companies Act, 2013, the members are required to register their e-mail address/ID with the Company so as to serve the annual reports and other communications through electronic mode.

g. Members are requested to quote their folio number in all correspondences.

h. Members are requested to notify immediately any change of their addresses and bank particulars to the Company.

i. Members are requested to note that **NO GIFT/COUPONS** will be distributed at the meeting.

j. The Register of Directors and Key Management Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection at the AGM and will be made accessible to any person attending the meeting.

k. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available at the AGM and will remain open and accessible during the continuance of the meeting to any member having the right to attend the meeting.

l. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company till the date of AGM.

m. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days' notice in writing of the intention to inspect is given to the Company.

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ATTENDANCE SLIP

75th ANNUAL GENERAL MEETING

L .F. No._____ No. of shares held _____

Name (s) in full Name & Address as registered with the Company

1._____ _____

2._____ _____

3._____ _____

I hereby record my presence at the meeting of the 75th Annual General Meeting of shareholders of The Hutti Gold Mines Co Ltd will be held on **Thursday** the **23rd December, 2021 at 12.00 PM,** through Video Conferencing or Other Audio Visual Means.

Please tick □in the box

☐ Equity shareholder ☐ Proxy

_____

Equity Shareholder's signature

_____

Proxy's signature

Notes:

1. Equity shareholders/proxies are requested to submit this slip with them.

ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING



Link of the route map:

https://www.google.co.in/maps/place/Hutti+Gold+Mines+Company+Limited/@12.9447785,77.6232994,18z/data=!4m5!3m4!1s0x3bae145ba859c02b:0x8a20903e473a7706!8m2!3d12.9440736!4d77.6235645

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FORM MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies [Management and Administration) Rules, 2014]

Name of the Member (s)	
Registered Address	
Email ID	
Folio No.	
No. of shares	
I / We, being a member/members of above named Company, hereby appoint	
1. Name	
Address	
Email ID	Signature :
Or failing him/her	
2. Name	
Address	
Email ID	Signature :
Or failing him/her	
3. Name	
Address	
Email ID	Signature :
Or failing him/her	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **75th Annual General Meeting** of the company, to be held **on Thursday** the

23rd December, 2021 at 12.00 PM, through Video Conferencing or Other Audio Visual Means and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1	"RESOLVED THAT the Audited Financial Statements including Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Statutory Auditors and also the comments of the C & AG, be and are hereby received, considered and adopted."		
2	"RESOLVED THAT pursuant to the recommendation of the Directors, dividend at the rate of Rs.1504.34/- per Equity Share of Rs.100/- each (1504.34%) on 296203-5/7 Equity Shares of the Company, out of the current profits of the Company for the year ended 31st March, 2021 be and is hereby declared and that the same be paid to those Members whose names appear on the Company's Register of Members as on Record Date of 16th December, 2021, in proportion to the amount paid up there on."		
3	"RESOLVED THAT the remuneration of the Statutory Auditor appointed by C&AG for the year 2021-22 be fixed by the Board of Directors."		

Signed this _____ day of _____ 2021 Signature of Member _____

Affix Re.0.15 Revenue Stamp

Signature of proxy_____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office/ Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3*. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

****

The Hutti Gold Mines Company Limited

CIN: U85110KA1947SGC001321

09

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors have immense pleasure in presenting the 75th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March 2021.

1. Corporate Vision and Mission

- **Corporate vision** - to become one of the most vibrant, self-reliant mining giants.
- **Corporate mission**- to improve productivity and profitability and ensure steady growth & development to provide long term stability; provide safe & healthy mining environment; promote harmonious and cordial industrial relationship to promote Human Resource Development; promote welfare and community development in and around Hutti; introduction of modern and effective management control systems.

2. Operational & Financial highlights:

Particulars	FY 2019-20	FY 2020-21	Remarks
I. Quantitative parameters			
1) Production			
a) Ore Treated (MT)	638540	453328	Due to COVID lock down, there is a decrease in production of ore and gold.
b) Gold Production (kgs)	1724.64	1113.58	
c) Net recovery grade (Gms/MT)	2.70	2.46	The decrease in gold recovery grade is due to exhaustion of stopes above 20th level, awaiting stoping permissions below 20th level.
d) Wind Power generated (lakh KWH)	229.30	185.23	Decrease of 44.07 LKWH. Depends on wind velocity

2) Sales			
a) Sale of gold (kgs)	1894.53	1100.42	The sales quantity decreased due to reduction in gold production
b) Sale of Wind Power (lakh KWH)	229.30	185.23	All the generated units are exported to BESCOM.
II. Financial parameters **A. Income** **1) Revenue from Operations**			Rs. in lakhs
(i) Sale of gold Including silver	70683.79	54713.48	(i) Increase in average selling price was Rs.1240/- gram. Impact on revenue due to increase in average selling price is Rs.13645.33 lakhs (ii) Decrease in quantity of gold sales was 794.11 Kgs. Impact on revenue due to decrease in sales quantity is about Rs.29587.08 lakhs
(ii) Sale of Wind Power	779.62	629.77	All the generated units are sold to BESCOM at the rate of Rs.3.40/KWH as per PPA.
Total	**71463.41**	**55343.25**	
2) Other Income			
(i) Income from investments	4931.99	4126.38	(i) GMS interest (+) Rs.228.80 lakhs (ii) Interest on FDs and flexi account (-) Rs.1034.41 lakhs (iii) Average rate of interest was @ 4.99% against 6.98% earned during previous year on FDs and flexi account.
(ii) Sale of Scrap etc.	31.79	14.19	Normal activities.
(iii) Other non-operating Income	538.08	484.81	(1) Int on IT refund (-) Rs.292.16 lakhs (2) Other int income (+) Rs.138.87 lakhs (3) Penalty income (+) Rs.51.29 lakhs (4) Others (+) Rs.48.73 lakhs
Total	**5501.86**	**4625.38**	
Total Income	**76965.27**	**59968.63**	Decrease of Rs.16996.64 lakhs (22.08%)

B. Expenditure			
(i) Materials consumed	5030.68	3920.74	Decrease in expenses due to decrease in production. The cost/ MT during the FY 2020-21 was Rs.865/- as against Rs.788/- reported during FY 2019-20 an increase of 9.77%
(ii) Employee Benefit Expenses	28889.88	27067.27	(1) Reduction in salary, allowances and contributions Rs.1263.20 lakhs (2) Reduction in welfare and medical expenses Rs.559.41 lakhs
(iii) Power & Fuel	5593.81	4936.44	The average rate increased by Rs.0.13/- per unit. The consumption decreased by 99.55 lakh units
(iv) Royalty, DMF & NMET	3183.65	2724.53	Royalty (4% of LMV value of gold content in the ore) Rs.2064.05lakhs, DMF (30% of Royalty) Rs.619.21 lakhs and NMET (2% of Royalty) Rs.41.28 lakhs
(v) Transportation , Repairs &Maintenance, other mining, Drilling and Windmill operation	2503.96	1718.74	(1) South Hutti mining expenses (-) Rs.1267.49 lakhs (2) Diamond drilling (+) Rs.299.32 lakhs (3) Repairs and maintenance (+) Rs.213.46 lakhs (4) Transportation and others (-) Rs.30.51 lakhs
(vi) Other Administrative and Misc. Expenses	1044.82	1256.65	(i) Impervious laying expenses of Rs.319.15 lakhs incurred during the year (ii) Increase in storage insurance – Rs.61.09 lakhs (iii) Reduction in travelling expenses by Rs.74.14 lakhs (iv)others (-)Rs.94.27 lakhs
(vii) Depreciation and amortization	1953.33	1761.35	Decrease due to retirement of assets
(viii) Donations	400.00	0.00	Contributions made under CSR
(ix) CSR	43.87	568.86	(i) Rs 500 lakhs released towards disaster management fund. (ii) Rs 64.20 lakhs food kits to vulnerable groups (iv)Rs.4.66 lakhs released towards projects sanctioned during previous years
Total Expenditure	**48644.00**	**43954.58**	

Inventory changes	1407.05	(-)4842.28	(i) Accretion to stock of gold by Rs.4964.83 lakhs due to increase in quantity and closing stock valuation rate. (ii) Accretion of sock of silver by Rs.19.21 lakhs due to increase in quantity and closing stock valuation rate. (iii)Decretion in value of gold in process by Rs.9.32 lakhs (iv)Decration in value of stock of ore by Rs.132.45 lakhs.
C. Profit Before Tax	26914.22	20856.33	
Provision for tax	9389.91	6003.28	
D. Profit After Tax	17524.31	14853.05	
E. Earnings per share (Rs.)	5916.34	5014.48	
F. Book value per share(Rs)	46359.85	51801.56	
G. Segment wise Profitability (i) Gold (Rs./gm) a) average selling price b) total expenses c) profit (ii) Wind (Rs./kwh) a) selling price b) total expenses c) profit	 3726 2732 994 3.40 2.29 1.11	 4966 3817 1149 3.40 2.77 0.63	1. Segment profitability arrived excluding RO expenses 2. Expenses of Chitradurga Unit, which are directly allocable to windmill have been allocated to wind operation. Other expenses have been apportioned on approximate basis. 3. The profit from gold division was Rs.17068.08 lakhs and that of wind mill Rs.116.03 lakhs for the year.
H. Transfer to Reserves	2700.00	2100.00	

3. Dividend

Your Board of Directors has recommended a dividend at the rate of 1504.34percent on Paid up Equity Capital, amounting to Rs.4455.93 Lakhs, subject to approval of the Members at the Annual General Meeting. During the year the amount transferred to General Reserve is 10% amounting to Rs 21.00 Crores. The dividend lying unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund as per the provisions of Section of 124 of Companies Act, 2013. As on 31st March, 2021, Unclaimed Dividend amounting to Rs.13.92 Lakhs has not been claimed and the same will be remitted to the Central Government on the respective due dates.

Your Board has reviewed the status of the Equity Shares of the Company which are not listed on any Stock Exchanges, leading to a situation of there being no liquidity for any Shareholders to exit and encash their holdings. Certain shareholders who have been with the Company for a very long time as Shareholders had requested the Company to provide options including Initial Public Offer (IPO) or such other modes. Your Board carefully has considered such requests and will suitably facilitate Buyback of Equity Shares from the Shareholders as per the Companies Act, 2013.

4. Directors and Key Managerial Personnel

During the year, the following changes have been made in respect of the Directors:

Sl. No.	Name	Date of Appointment	Date of Cessation	Nature of appointment
1.	Sri M Maheshwar Rao, IAS	30.07.2019	24.09.2020	Chairman
2.	Sri G Kumar Naik, IAS	24.09.2020	24.11.2020	Chairman
3.	Sri Manappa D Vajjal, Ex-MLA	24.11.2020	-	Chairman
4.	Smt. Salma K Fahim, IAS	06.09.2019	16.02.2021	Managing Director
5.	Sri Prabhuling Kavalikatti, IAS	16.02.2021	-	Managing Director
6.	Sri M Maheshwar Rao, IAS	20.03.2019	24.11.2020	Director
7.	Sri G Kumar Naik, IAS	24.11.2020	31.05.2021	Director
8.	Sri Pankaj Kumar Pandey, IAS	31.05.2021	-	Director
9.	Dr. S. Selva Kumar, IAS	05.11.2019	-	Director
10.	Sri Ganga Ram Baderiya, IAS	18.05.2019	-	Director
11.	Sri M S Srikar, IAS	-	-	Director
12.	Dr.V Ram Prasath Manohar, IAS	25.06.2021	-	Director
13.	Sri Naveen Raj Singh, IAS	17.01.2018	-	Director
14.	Sri Shivananda Kapashi, IAS	21.06.2021	-	Director
15.	Dr. Ekroop Caur, IAS	05.09.2019	-	Director
16.	Dr N Shivashankara, IAS	19.11.2019	-	Director
17.	Sri D S Ramesh, IAS	24.09.2020	07.05.2021	Director
18.	Sri Ravindra P. N., IAS	31.05.2021	-	Director
19.	Sri Kudligere S Halesh	16.10.2020	-	Director
20.	Sri Srinivasraj Desai	30.11.2020	-	Director
21.	Dr. Prabhakar Sangurmath	23.03.2021	-	Director

In addition to the above, the Key Managerial Personnel consisted of Sri Prakash, I/c. Executive Director during the year.

Your Board places on record its deep appreciation for the services rendered by all the outgoing Directors and other Key Managerial Personnel.

5. Directors' Responsibility Statement:

In compliance of Section 134 (5) of Companies Act, 2013, the Directors 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a 'going concern' basis.

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. Auditors

(i) Statutory Audit

Your Company being a Government Company, the Statutory Auditors to audit the accounts of the Company are appointed by the Comptroller and Auditor General of India under Section 139 of the Companies Act, 2013.

Accordingly, Messrs B V C & Co Chartered Accountants, Bangalore were appointed as the Statutory Auditors for the FY 2020-21. The Auditors Report for the year ended 31.03.2021 is annexed herewith as **Annexure-I.**

Suitable explanations have been furnished to the views expressed by the Statutory Auditors.

(ii) Supplementary Audit

The Accountant General of Karnataka has conducted Supplementary Audit on the accounts of the Company for the year ended 31.03.2021 as per the provisions of Section 143 (6) (b) of the Companies Act, 2013. The report of the CAG is yet to be received and will be annexed as **Annexure-II** forming part of this report.

(iii) Secretarial Audit

As per the provisions of Section, 204, of the Companies Act, 2013, the Board has appointed Messrs TSDJ & Associates, Company Secretaries as Secretarial Auditors for FY 2020-21. The Secretarial Auditors Report for FY 2020-21 is yet to be received and will be annexed to this Report as **Annexure-III.**

In respect of the views expressed by the Secretarial Auditors, necessary explanations have been given there under, and the Company shall take all steps to comply with Section 124(6) of the Act.

(iv) Internal Audit

The Internal Auditors Messrs P.K. Subramaniam & Co., Chartered Accountants, Bangalore have undertaken internal audit as per the provisions of Section 138 of the Companies Act, 2013 at periodical intervals and the same were reviewed at the level of Audit Committee and the Board from time to time.

(v) Cost Audit

The provisions of Section 148 of the Companies Act, 2013 do not apply to the Company.

7. Adequacy of Internal Financial Controls

The Company has in place adequate internal Financial Controls with reference to Financial Statements and the same were adequate and operating effectively.

8. Presentation of Financial Statements

The Financial Statements of the Company for the year ended 31st March, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act, 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Cash flow statement for FY 2020-21 is attached forming part of the Balance Sheet.

9. Secretarial Standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has notified the Secretarial Standards on both the Meetings of the Board of Directors and the General Meetings to be effective from 1st July, 2015. The Company is complying with the same.

10. Declaration on meeting the criteria of Independence as per the Companies Act, 2013

Since, all the Directors are appointed by the Government of Karnataka, Majority Shareholder of the Company, declaration of Independence not required to be obtained.

11. Company's Policy on Directors Appointment and Remuneration

All Directors are appointed by the Government of Karnataka, Majority Shareholder of the Company. Therefore, no separate policy on Directors appointment and remuneration is adopted by the Company.

12. Risk Management Policy

The mining operations particularly in underground areas are considered one of the most hazardous activities. The management has formulated safety management plan to ensure safety of men and equipment as per the guidelines issued by the Directorate General of Mines Safety. The Tripartite meeting between the Management, Union and Director General of Mines Safety is held every year, where, amongst others, safety measures are discussed and remedial measures introduced immediately thereafter. It is proposed to integrate the output parameters on existing incidents monitoring system. Periodical consultations are made with Employees and Union in the matters relating to safety, health and safe handling/use of explosives and chemicals and other substances, besides adequate trainings being conducted in the matter of maintaining safe and healthy working conditions in HGML.

13. Environment Management Policy

The Company follows integration of environmental, social and economic considerations into decision – making and management, consistent with the objectives of sustainable development as under;

- Compliance with all statutory requirements.

- A continually improving environmental excellence with safer working environment.
- Openness, transparency, and improved accountability through environmental performance by engaging with the community.

14. Responsibilities

The day-to-day affairs of the Company are vested with the Board of Directors. The Managing Director is the Chief Executive Officer (CEO) of the Company, who is assisted by other Senior Officers in managing the day- to-day affairs. All the major policy decisions are taken with the approval of the Board. Your Board of Directors are required to comply with the directives and other instructions issued by Government of Karnataka and Shareholders from time to time. Your Board of Directors represent the interests of the Company, the Government of Karnataka and the Shareholders, in optimizing long term value by formulating policies, plans, long term strategies, guidance, advice and timely implementation of plans. The composition of Board is a mixture of management, administration, financial and technical expertise.

15. Future Outlook

India is the second largest consumers of gold next only to China. The production of gold by HGML will meet just ½ % of gold demand in India. There is a huge scope of opening up of gold sector in India.

But, the gold prices in India are dependent on the ruling international gold prices and vary based on changes in the global economic factors. As the production of gold by HGML is very minimal compared to a total demand and supply position of gold, the external factors will affect its operations only in case of substantial fall in gold prices from the present level. Your Company has a regular review of movement in gold prices and will take suitable/needful actions to sustain its operations including cost reduction measures, in case of adverse movements in the market.

16. Disclosures

a) Audit Committee

The Audit Committee as at present consists of three (3) Directors as under:

1) Sri. Pankaj Kumar Pandey, IAS	-	Chairman
2) Sri. Shivanand Kapashi, IAS	-	Member
3) Sri. Prabhuling Kavalikatti, IAS	-	Member

The Committee will meet periodically to transact business in terms of business referred by the Board as per the provisions of Section 177 of the Companies Act, 2013.

b) CSR Committee

The CSR Committee as at present consists of 3 (three) Directors as under:

1) Sri. Pankaj Kumar Pandey, IAS	-	Chairman
2) Sri. Shivanand Kapashi, IAS	-	Member
3) Sri. Prabhuling Kavalikatti, IAS	-	Member

c) Corporate Social Responsibility

The Committee has formulated and recommended to Board, a CSR policy indicating the activities to be undertaken by the Company which have been approved by the Board. During the year, the Company has earmarked Rs.300.00 Lakhs towards CSR activities, based on the 2% of the average profits of previous three years of Rs.291.15 Lakhs as per the provisions of Section 135 of the Companies Act, 2013. The focus areas of the Company for utilizing the earmarked CSR funds are in accordance with Schedule-VII of the Act, read with the Company Policy thereon. The Policy may be accessed on Company's website :https://huttigold.karnataka.gov.in/. The disclosure as per rule 9 of the Company's (CSR) Rules, 2014 on CSR activities is annexed herewith as **Annexure-IV** and forms an integral part of this Board's Report.

d) **Board Meetings**

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review 5 (FIVE) meetings were held on 16.06.2020; 20.08.2020; 03.11.2020, 05.12.2020; 30.03.2021.

Agenda and notes there on for the Meeting were circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated and maintained according to the provisions of Secretarial Standards and the Companies Act, 2013.

e) **Particulars of loans given, investments made, guarantees given and securities provided:-**

Nil during the year.

f) **Energy conservation, technology absorption and foreign exchange earnings and outgo:**

The particulars relating to Energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Act are provided in **Annexure-V** to this report.

g) **Extract of Annual Return**

As required under Section 92(3) of the Companies Act, 2013 and rule 12 of the Companies (Management and Administration) Rules, 2014 read with Companies Amendment Act, 2020, an annual return in MGT-7 is placed in the website of the Company i.e. :https://huttigold.karnataka.gov.in/

h) **Particulars of employees and related disclosures**

None of the employees of the Company are covered for required disclosures in terms of Section 197 of the Companies Act, 2013 and rules thereunder.

i) **Corporate Governance**

As the shares of the Company are unlisted, the standards on Corporate Governance as set out by SEBI, are not applicable. Similarly, business responsibility statement and management discussion and analysis reports are also not applicable.

j) **Consolidated Financial Statement**

As the Company has no subsidiaries, joint ventures and associate companies, the relevant provisions of the Companies Act read with related Accounting Standards are not applicable.

k) **Vigil Mechanism**

The vigilance mechanism policy is in force in the Company.

l) **Other General Disclosures**

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to fixed deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. There are no offences of fraud reported by the Auditor/s during the year.
7. There are no related party transactions during the year in terms of Section 188 of the Companies Act, 2013.
8. There are no material changes or commitments affecting the financial position of the Company between the end of the financial year to the date of this report.
9. The company is looking to improve its vendor base under MSME category in the procurement of goods and services. The details required to be furnished in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) will be furnished at appropriate time.
10. There has been no change in the nature of business for the year under review.
11. There is no change in the share capital of the Company. The transfers of shares are effected as applicable.
12. The details as required under Section 67 (3) of the Companies Act, 2013 in respect of any scheme of provision of money for purchase of own share by the employees or by the Trustees for the benefit of employees are not applicable to the Company.
13. The disclosure with respect to demat suspense account / unclaimed suspense account as provided in part-F of schedule V of the listing regulations is not applicable to the company.
14. The requirements as to its own formal annual evaluation of the Board and its committees are not applicable as the paid up capital of the Company is Rs.2.96 cr.is less than the required level of Rs.25.00 cr. and all the Directors are appointed by the Government of Karnataka.

15. As the shares of the Company are unlisted the compliance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Business Responsibility statement is not applicable to the Company.
16. The details as regards to deviation / variation in use of proceeds of an issue as per regulation 32 (4) of the listing regulations is not applicable to us.
17. The disclosure as regards to Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 are not applicable to the Company.
18. The disclosure note as regards to the employee stock option / purchase scheme is not applicable to the company.
19. There is no Nomination and Remuneration Committee as all the Directors of the Company are appointed by the Government of Karnataka. Similarly Stake-holders Relationship Committee is not formed as the Company has only101 shareholders as against to the requirement of more than 1000 shareholders.

17. Manpower:

The total man power as on 31.03.2021 is 3910. The break-up of employees on 31.03.2021 is given below:

Particulars	Total	SC	Percentage	ST	Percentage
Officers	151	28	19%	12	8%
Ministerial	215	56	26%	16	7%
Supervisory	519	139	27%	40	8%
Others	3025	780	26%	462	15%
Total	**3910**	**1003**	**26%**	**530**	**14%**

18. Right to Information Act (RTI)

As a Government Undertaking, your Company has taken necessary action to comply with provisions of Right to Information Act (RTI) 2005. During the year under report, your Company received 112 applications and 103 applications have been disposed off & 09 were pending as on 31.03.2021.

19. Projects under Implementation

Sl.No.	Projects	Cost Estimates (Rs. in Crores.)
1.	Construction of New Circular Shaft at Hutti	232.12
2.	2 Nos. of 50 TPH Ball Mills at Hutti	59.40
3.	Design, manufacture, supply, installation and commissioning of the underground crushing and conveying system for 2nd phase mining at Hutti Mine	11.55
4.	Construction of 80 quarters	9.83
5.	Implementation of ERP	8.64

20. Chitradurga Gold Unit

The Government of Karnataka had leased 38.04 Hects. of land to the Company for mining operations at Ajjanahalli, Tumkur District. The Company started its mining operations in 1995, but the same was stopped in 2002 as the operations were not viable due to uneconomical and un-oxidised grade of gold ore in this area. However, it is proposed to revive the operations, if found viable, after processing the existing stock of 2,64,000 MTs of low grade gold ore lying at Ajjanahalli, 75 kms away from Ingaldhal. Accordingly, the Company is pursuing various clearances both at the State and Central Governments.

21. Renewal of Leases

a) RP to PL areas :

There are Nil applications with Nil Ha of land which are at various stages for approval at Government level.

Note: Earlier we had 08 RP to PL application. But, as per New MMDR Amendment Act, 2021, these applications got lapsed.

Sl.No.	Name of the area	Area (Ha)	Remarks
1	Chinmulgund, Hirekerur Taluk, Haveri District	242.00	
2	Kengond, Kalledevar, Haveri Taluk & District	257.00	
3	Hiregonigere, Honnali Taluk, Davanagere District	312.00	
4	Kodikoppa, Honnali Taluk, Davanagere District	1077.00	
5	Barasiddanahalli & Kotegalla, Chikkanayakanahalli Taluk, Tumkur District	52.00	
6	Mutugadahalli-Ambarapura (Bellara), Tumkur District	53.00	
7	Hosahalli & Haragondanahalli, Chikkanayakanahalli Taluk, Tumkur District	51.00	
8	Kuderekonda, Honnali, Davanagere Dist.	2300.00	

b) Deemed extension areas (as per MM (D&R) Amendment Act, 2015):

There are 06 mining applications with **454.934** Ha of land which are at final stages for approval at Government level.

22. Event Based Disclosures:

There were no such events during the year to disclose under this Section.

23. Fraud Reporting (Required By Companies Amendment Bill, 2014):

There was no report of embezzlement of money during the year.

24. Revision of financial statement or the Report:

As per the Secretarial standards-4 in case the company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

In your Company there is no revision of Financial Statement took place in any of the three preceding financial years under consideration.

25. Corporate Insolvency Resolution process Initiated under the Insolvency and Bankruptcy Code, 2016 (IBC):

There is no such process initiated during the year, therefore said clause is not applicable to the Company.

26. Failure to Implement any Corporate Action:

There were no such events took place during the year under consideration.

27. Credit Rating of Securities:

Your Company has not obtained any rating from the credit rating agency for the securities during the year. Therefore, the said clause is not applicable to the Company.

28. Acknowledgements

Your Directors are grateful to the Government of India (including Ministries of Mines, Environment and Labour), Government of Karnataka, Karnataka State Pollution Control Board, Director General of Mines Safety, comptroller and Auditor General of India, Statutory Auditors, Internal Auditors, Legal Advisors,

Consultants, Bankers, Insurers, Shareholders, Customers, Suppliers and all others associated with the Company for their continued valuable guidance, advice, co-operation and timely support. Your Directors also wish to place on record the in appreciation for the un-stinted co-operation and support extended by all the employees and officers in achieving the performance of your Company during the year.

For and on behalf of the Board

(Manappa Vajjal)
Chairman
DIN: 09310283

Bengaluru

Date:

ANNEXURE - IV TO DIRECTOR'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects of programs and the composition of CSR Committee.	CSR policy is made available in Company's website
2.	Average net profit of the Company for last three financial years	Rs.14557.40 lakhs
3.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs.291.15 Lakhs
4.	Details of CSR spent during the financial year:	549.80 lakhs
	Total amount sanctioned/spent for the financial year	649.80 lakhs
	Amount unspent, if any	Rs.100.00 lakhs
	Manner in which the amount spent during the financial year	Details shown below

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2020-21

(₹in Lakhs)

Sl. No	Sector in which the projects are covered	No. of projects	Activities involved	Projects, where undertaken	Amount sanctioned & spent on the project	Amount released	Implementing agency
1.	**Zone II** Govt. Sector	3	Karnataka State Disaster Management Account To control the spread of Covid - 19 pandemic disease in the State	Chief Ministers Relief Fund - Covid 19	500.00	500.00	
			Advanced Life Support Ambulance in Mundargi, Nargand, Rona and Sirahatti taluks of district	District Commissioner, Gadag	100.00	59.76	
			Distribution of 5000 nos. of food kits to vulnerable groups during Covid-19	Dist. Administration, Raichur	49.80	49.80	
	Total				**649.80**	**609.56**	

Sd/-
Manager (Admin)

ANNEXURE – V to DIRECTORS REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the companies (Accounts) Rules, 2014

A. Conservation of energy:

1. The steps taken on conservation of Energy.
   i. The process of replacing energy efficient motors continued during the year.
   ii. Phase wise replacement of conventional lights with LED lights in the industry, office's and colony.

2. Utilizing alternate source of energy:
   i. Wind mills at Chitradurga unit are generating on an average 1,85,22,709 units annually from installed capacity of 11.4 MW.
   ii. The proposal for setting up of solar power plant to meet the captive requirement of HGML through Group Captive (PPP) is in process.

3. Capital investments on energy conservation

Sl. No.	Particulars	Amount
I.	Proposal to setting up of solar power plant at Hutti through Croup Captive (PPP)	Estimated cost Rs. 835 lakhs i.e 26% equity of total project cost.
II.	Installation of LED lights	Estimated cost Rs. 15.00 lakhs
III.	Proposal for consultancy to carry out the detailed study on the power requirement of HGML and address the total energy requirement through renewable resources like Solar & Wind for captive requirement.	Estimated cost Rs. 4.94 lakhs
IV.	Energy audit at HGML	Estimated cost Rs. 25.66 lakhs

B. Technology absorption:

1. The company is executing new circular shaft at Hutti at an estimated cost of Rs. 23500 lakhs and is in final stage of execution.
2. The execution of 2x50 TPH Ball Mill project at Hutti is under progress at an estimated cost of Rs. 5940 Lakhs.

C. Foreign exchange Earnings and Outgo

1. Earnings – Nil
2. Outgoes – Nil

Sd-

Dy. General Manager (Engg.)

ANNEXURE VI TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on **31st March, 2021**

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule **12(1)** of the Companies (Management and Administration) Rules, **2014**]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:	**U85110KA1947SGC001321**
Foreign Company Registration Number/GLN:	**N.A.**
ii) Registration Date	**8th July, 1947**
iii) Name of the Company:	**The Hutti Gold Mines Co Ltd**

iv) **Category of the Company**: - [Pl. tick]

1. Public Company	(✓)
2. Private company	( )

Sub Category of the Company:- [Please tick whichever are applicable]

1) Government Company	(✓)
2) Small Company	( )
3) One Person Company	( )
4) Subsidiary of Foreign Company	( )
5) NBFC	( )
6) Guarantee Company	( )
7) Limited by shares	( )
8) Unlimited Company	( )
9) Company having share capital	( )
10) Company not having share capital	( )
11) Company Registered under Section 8	( )

v) REGISTERED OFFICE ADDRESS AND CONTACT DETAILS:

Address Town / City	3rd Floor, KHB Shopping Complex, National Games Village, Koramangala, Bengaluru	
State Pin Code	Karnataka 560 047	
Country Name Country Code	India 91	
Telephone With STD	(080) Area Code	2570 5723 Number
Fax Number	(080) Area Code	2570 7380 Number
Email Address Website, if any	rohgml@gmail.com www.huttigold.co.in	

vi) Whether shares listed on recognized Stock Exchange(s) - ~~Yes~~/No

If yes, details of stock exchanges where shares are listed .....

Sl. No.	Stock Exchange Name	Stock Exchange Code
	N.A.	N.A.

vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any:

Name of Registrar & Transfer Agents	N.A
Address Town / City	
State Pin Code	
Country Name Country Code	
Telephone With STD	
Fax Number	
Email Address Website, if any	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Extraction of Gold & Silver	07295	———
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1		--- NIL ------			
2					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual / HUF									
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	220.18	220.18	74.34	-	220.18	220.18	74.34	Nil
d) KSSIDC		57.50	57.50	19.41	-	57.50	57.50	19.41	Nil
e))KSMCL	-	15.00	15.00	5.06		15.00	15.00	5.06	Nil
f) Banks / FI	-	-	-	-	-	-	-	-	-
g)Any Other Private Invdls	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	292.68	292.68	98.81	-	292.68	292.68	98.81	Nil

(2) **Foreign**	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	292.68	292.68	98.81	-	292.68	292.68	98.81	Nil
Total share holding of Promoter (A)=(A)(1)+(A)(2)	-	292.68	292.68	98.81	-	292.68	292.68	98.81	Nil
B. **Public Shareholding**	-	-	-	-	-	-	-	-	-
1. **Institutions**	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others									
a) Trust		0.03	0.03	0.01		0.03	0.03	0.01	
b) Fin. Services		0.43	0.43	0.15		0.68	0.68	0.23	
Sub-total (B)(1)	-	**0.46**	**0.46**	**0.16**	-	**0.71**	**0.71**	**0.24**	-

2. **Non-Institutions**	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	3.06	3.06	1.03	-	2.81	2.81	0.95	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**296.20**	**296.20**	**100.00**	-	**296.20**	**296.20**	**100.00**	**Nil**

ii. Shareholding of Promoters

Sl No.	Share holder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Govt. of Karnataka	220186	74.34	-	220186	74.34	-	Nil
2	KSIIDC	57500	19.41	-	57500	19.41	-	Nil
3	KSMCL	15000	5.06	-	15000	5.06	-	Nil
	TOTAL	292686	98.81	-	292686	98.81	-	Nil

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NIL			
	At the End of the year				

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the End of the year (or on the date of separation, if separated during the year)				

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
			NIL		
	At the End of the year				

vi. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year		NIL		
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

vii. REMUNERATION OF DIRECTORS AND THEIR EQUIVALENTS

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

(Rs.in lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
	Name	Smt Salma K Fahim, IAS	Sri Prabhuling Kavalikatti, IAS	
	Period	01.04.2020 to 15.02.2021	16.02.2021 to 31.03.2021	
1	1. Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28.29	2.02	30.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Contribution to funds / pension schemes	2.91	0.22	3.13
	Total (A)	31.20	2.24	33.44
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount Rs.in lakhs
		----	----	----	----	
1	Independent Directors	-	-	-	-	-
	• Fee for attending board / committee meetings					-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings					
1	Sri Manappa D Vajjal	0.06				
2	Sri C G Kumar Naik, IAS	0.10				
3	Sri M Maheshwar Rao, IAS	0.06				
4	Sri Gangaram Baderiya, IAS	0.02				
5	Dr S Selvakumar, IAS	0.12				
6	Sri Naveen Raj Singh, IAS	0.12				
7	Dr. Ekroop Caur, IAS	0.08				0.85
8	Dr. N Shivashankar, IAS	0.04				
9	Sri M S Srikar, IAS	0.04				
10	Sri D S Ramesh, IAS	0.06				
11	Sri Kudligere S Halesh	0.09				
12	Sri Srinivasraj Desai	0.03				
13	Dr Prabhakar Sangurmath	0.03				
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)	-	-	-	-	0.85
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		MD	ED	GM(M)	
	Name		Sri Prakash		
	Post held		I/c. ED		
1	1. Gross salary	Rs.	Rs.	Rs.	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		29.46		29.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2.63		2.63
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-		-
2	Stock Option		-		-
3	Sweat Equity		-		-
4	Commission		-		-
	- as % of profit		-		-
	- others, specify...		-		-
5	Others, please specify		-		-
	Contribution to the funds and EPS		6.32		6.32
	PL encashment paid on retirement as terminal benefit		-		-
	Total		**38.41**		**38.41**

viii. **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

Sd/-

Manager (Admin)

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HUTTI GOLD MINES COMPANY LIMITED

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying IND AS financial statements of **THE HUTTI GOLD MINES COMPANY LIMITED** ('the Company') which comprise the Balance Sheet as at 31 March 2021, the statement of Profit and Loss including Comprehensive income, the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion section of our report ,the aforesaid financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for Qualified opinion

1) The following discrepancies with respect to Fixed deposits and Interest on Fixed deposits were observed:

a) The interest certificates with respect to the Interest income received from Karnataka Vikas Gramin Bank and Canara Bank do not agree with the Interest income as per Company's books of accounts for the year ended 31.03.2021 as detailed below:

Sl.no	Name of the bank	Account No/Customer ID Number	Interest income as per books of accounts for the year ended 31.03.2021	Interest income as per interest certificates for the year ended 31.03.2021	Difference
1	Karnataka Vikas Gramin Bank, Dharwad	89118464368	Rs. 1,76,42,864/-	Rs.2,21,88,278/-	Rs. 45,45,414/-
2	Canara Bank – NGV	219601242	Rs. 12,09,81,687/-	Rs. 12,35,26,189/-	Rs. 25,44,502/-

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b) Fixed deposits balance confirmations and interest income certificates were not provided for our verification in certain cases, the details of which has been reported in **Annexure C (II)** of our report u/s 143(5)

The aforesaid difference may have an impact on the financial statements as the audit evidence received from bank confirmations are persuasive and not conclusive, the impact on financial statements cannot be quantified.

2) The Company has not obtained balance confirmation from Trade payables Rs. 2,619.75 Lakhs (Note.20), Capital creditors Rs. 4,279.86 Lakhs (Note.21), Trade/security deposits Rs. 1,945.27 Lakhs (Note.22) and Creditors for expenses Rs. 4,040.55 Lakhs (Note.22) as on 31.03.2021. Due to lack of audit evidence, we are unable to comment on the accuracy and the impact if any on the IND AS financial statements.

We conducted our audit in accordance with the standards on auditing (SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditors 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the matter

a. We draw attention to Note. 32 (2) {b3 to b8} to the IND AS financial statements, which discloses the contingent liability of prior year demands of Rs. 38,256.40 lakhs with respect to income tax, excise, service tax matters pending for a substantial period and contested by the Company.

b. We draw attention to Note. 32 (25) to the IND AS financial statements, which states that the Company has spent Rs. 65.49 lakhs towards installation of captive Gold Refinery plant and had a trial run of refinery plant during 2018-19 and subsequently stopped the refining process, the Plant is neither capitalized nor depreciated and the amount is held as CWIP as on the Balance Sheet date.

Our opinion is not modified with respect to the above matters (a-b)

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Key audit matters

Key audit matters 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures to board's report, business responsibility report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management's and Those Charged with Governance for the Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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 are 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.

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- 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 also 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.

Report on other legal and regulatory requirements

As required by the **Companies (Auditor's Report) Order, 2016 ("the Order")**, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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As required by section 143(5) of the Companies Act, 2013, we give in "Annexure C", a statement on directions/sub directions issued by the Comptroller and Auditor General of India.

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

(a) Except for the effects of the matter described in the basis for qualified opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the effects of the matter described in the basis for qualified opinion paragraph above, 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, the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) The matters described in the basis for qualified opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.

(f) Disqualification of directors stated under section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate affairs dated 05/06/2015.

(g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the basis for qualified opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(i) 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements vide Note no 32(2)(a) & (b)

ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.



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iii. There has been no delay in transferring amount that is required to be transferred, to the Investor Education and Protection Fund by the Company.

For B V C & Co.,
Chartered Accountants
FRN: 008154S

BVC & CO. Bangalore Chartered Accountants

CA Chandrashekara Shetty
Partner
Membership No: 216516
UDIN: 21216516AAAAUS1432
Place: Bangalore
Date: 5th October, 2021

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ANNEXURE - A

Annexure A referred to in our report on the financial statements of **THE HUTTI GOLD MINES COMPANY LIMITED** for the year ended March 31, 2021.

According to the information and explanations given to us and based on the books and records examined by us and to the best of our knowledge and belief, we report as under:

i. In respect of its Fixed Assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) According to the information and explanation given to us, the fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size and nature of the Company and the nature of its assets. There we no material discrepancies which were noticed on such physical verification as compared with the Fixed Assets register.

   c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the immoveable property are held in the name of the company.

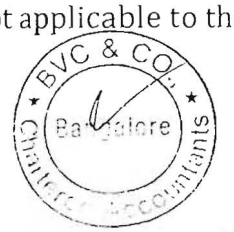
ii. In respect of its inventories:

   a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable considering the size of the Company and the nature of its business. There were no material discrepancies which were noticed on such physical verification.

iii. The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Act; and accordingly, clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the order is not applicable.

iv. The company has not advanced any loans secured or unsecured, given any guarantees and security to the parties, in terms of Section 185 and 186 of the Act. Accordingly reporting under clause 3 (iv) of the Order is not applicable.

v. The Company has not accepted any deposits in terms of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Hence paragraph 3 clause (v) of the Order is not applicable to the Company.



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vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that *prima facie*, the prescribed accounts have been made and maintained.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues towards Income Tax, Service tax and Duty of Excise dues which have not been deposited by the Company on account of disputes are as under:

Sl. No.	NAME OF THE STATUES	NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	AMOUNT (Rs. in Lakhs)	REMARKS
1	2	3	4	5	6
1	Income Tax Act	Income Tax for a) A.Y 2010-11 b) A.Y 2017-18	Commissioner of Income Tax (Appeals), Bangalore	a) 776.00 b) 256.24	Appealed before CIT (Appeals)
2	Central Excise Act	a) Excise Duty on sale of bullion for the year 2006-07 to 2011-12 b) Penalty	Central Excise Appellate Tribunal Bangalore	a) 14,137.27 b) 14,137.27	The Commissioner of Central Excise & Customs Belgaum has passed order on 26.3.2013, for levying excise duty from 01.01.2007 to 31.12.2011

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					by rejecting reply submitted by the company towards show-cause notice. Company has filed appeal before Tribunal. Tribunal has granted stay.
3	The Service Tax Act	a) Disallowing certain Cenvat credits for the period from 2012-2014 b) Penalty	Commissioner of Central Excise (Appeals), Belgaum	a) 93.32 b) 49.89	Appeal is pending before Commissioner of Central Excise
4	The Service Tax Act	Disallowing CENVAT credit availed by the Company on services availed for construction of circular shaft for the period from July 2014 to December 2015	Commission er of Central Excise, Belgaum	258.48	The Company filed its reply on 30/1/2017. Case hearing is completed and reserved for the orders.
5	The Central Excise Act	Disallowance Of concessional rate of Excise Duty paid by the company on sale of bullion for the	Central Excise, Appellate Tribunal, Bangalore	8,363.98	Company filed Appeal during July 2018 and deposited Rs.627.30 lakhs on 20-07-2018.

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		period from 01/07/2012 to30/06/2017			
7	The Service Tax Act	Disallowance of CENVAT credit availed by the Company on Services availed for construction of circular shaft for the period from Jan 2016 to June 2017.	Additional Commissioner of Central Excise, Belgaum	183.96	The Company has filed its reply to SCN. The case is pending for hearing.

viii. According to the information and explanations given to us and on the basis of our examination of records, the Company has not obtained any funds from financial institution, banks, government or debenture holders, therefore paragraph 3 clause (viii) of the order is not applicable to the Company.

ix. According to the information and explanations given to us and on the basis of our examination of records, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loan during the year. Accordingly, paragraph 3 clause (ix) of the order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Being a Government Company, provision of Sec 197 does not apply vide notifications no. GSR. 463 (E) dated 05.06.2016

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, accordingly, paragraph 3 clause (xii) of the order is not applicable to the Company.

xiii. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been

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disclosed in the IND AS Financial statements etc. as required by the applicable Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence paragraph 3 clause (xiv) is not applicable

xv. According to the information and explanations given to us and on the basis of our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, paragraph 3 clause (xv) is not applicable.

xvi. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3 clause (xvi) of the order is not applicable to the Company.

For B V C & Co.,
Chartered Accountants
FRN: 008154S

BVC & CO. Bangalore Chartered Accountants

CA Chandrashekara Shetty
Partner
Membership No: 216516
UDIN: 21216516AAAAUS1432

Place: Bangalore
Date: 5th October, 2021

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ANNEXURE - B

Annexure B referred to in our Auditor's report to the members of The Hutti Gold Mines Company Limited ("the Company") for the year ended 31st March, 2021

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

We have audited the internal financial controls over financial reporting of **THE HUTTI GOLD MINES COMPANY LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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 over financial reporting 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 unauthorized 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 Over Financial Reporting.

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Chartered Accountants

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Ph. : 0820-2526563

Opinion

Except for matters stated below wherein weakness are observed on adequacy of internal financial controls over financial reporting, In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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.

i) The interest certificates and fixed deposit confirmations with respect to interest income and fixed deposits held in certain bank accounts were not received. There were differences in interest income accounted in books and interest as per interest certificates received from bank. This indicates that there are no periodic reconciliations and timely receipt of the confirmations and interest certificates in certain cases. (Refer Annexure C-II to our Audit report u/s 143(5))

ii) The Balance Confirmations with respect to balances of Trade payables Rs. 2,619.75 lakhs, Capital creditors Rs. 4,279. 86 lakhs, Trade/security deposits Rs. 1,945.27 lakhs and creditors for expenses Rs. 4,040.55 lakhs have not been obtained by the Company. This indicates absence of proper monitoring and reconciliation on timely basis of the aforesaid balances.

For B V C & Co.,
Chartered Accountants
FRN: 008154S

B V C & CO. Bangalore Chartered Accountants

CA Chandrashekara Shetty
Partner
Membership No: 216516
UDIN: 21216516AAAAUS1432
Place: Bangalore
Date: 5th October, 2021

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ANNEXURE – C
Directions under section 143(5) of Companies Act 2013

Sl. No.	Directions	Auditors comments
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Except as given in Note.1 below, there is a system in place to process all the accounting transactions through IT system. However, separate software's are used for different processes such as Human resources, Costing, Inventory, Fixed Assets. This may lead to data redundancy and incorrect inputs which flow from one process to another. Therefore, for better control, an integrated software covering all the processes with seamless flow of data may be implemented. Note.1 - With respect to accounting of employee leaves, the leave accounting is still manual and therefore could be brought under IT system. in the absence of adequate information, we are unable to quantify the impact on financial statements if any
2	Whether there is any restructuring of an existing loan or cases of waiver/write off to debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company).	i) There are no loans availed by the Company. ii) There are no cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan. iii) There are no cases of waiver/write off of debts/loans/interest etc. made by the Company to other individuals/entity during the year.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were	There were no Grants/ subsidies received for specific schemes from Central/State Government or its agencies.

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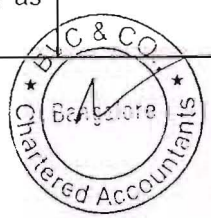
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	properly accounted for/utilized as per its term and conditions? List the cases of deviation.	

Additional Company Specific Directions:

SI.No	Directions	Compliance
A	All items with regard to Cash and Bank balances as per Annexure-1 shall be verified and the cases of specific non-compliances to be reported. Details of unexplained balances/balances operated under suspense head may also be examined.	**As per Annexure – C(1)**
B	Whether the company has an approved mine closure plan for rehabilitation activities and the provision thereof is adequate?	Yes. The Company has an approved mine closure plan and rehabilitation plan which is approved by Indian Bureau of Mines, Bangalore vide letter No 279/356/92/BNG/442/ dated 30/09/2020 which is valid for a period of 3 years (2020-21 to 2022-23)
C	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations and has taken steps to reduce the adverse impact on environment as per established norms?	Yes, the Company has obtained environmental clearance vide letter No. J-11015/13/2003.IA.11/M/dated 17-11-2004. As per the statutory requirement, the Company has obtained Environmental Clearance (EC) as per Environment Impact Assessment (EIA) – 2006.



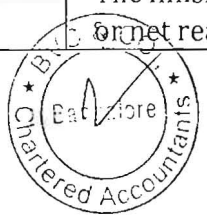
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D	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	As per the information and explanation received, the company does not have disbanded and discontinued mines. The Company was awarded 9 mining leases, 7 for gold mining and 2 for copper mining. Out of those 9 Mining Leases, 3 mining leases are for gold mineralization at Hutti Maski Schist Belt which are operational and royalty is being paid. The rest of the mining leases are not operational, for which the dead rent is being paid
E	Whether the company has effective system for physical verification, valuation stock and accounting the effect of shortages/ excess noticed during verification	Yes. The company has an effective system for physical verification, valuation of stock and accounting the effect of shortages/excess noticed during verification. Non-moving inventory for a period more than 36 months has been estimated and disclosed in Note. 32 (7){b} to the IND AS financial statements. The stock of stores is being valued on weighted average method. The finished goods stock is being valued at cost or net realizable value whichever is lower.



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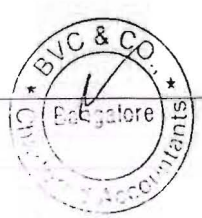
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Annexure – C (1)

Sl. No	Items in Check list	Remarks
1	Whether all Banks Accounts/Fixed Deposits have been opened with banks/ proper authorization and approvals as per the aforesaid delegation of powers?	Yes
2	Whether there was a periodical system of preparation of Bank reconciliation statement and whether they were produced for verification to audit?	Yes
3	Whether Bank reconciliation of the Main account and all subsidiary bank accounts were done?	Yes
4	Was the authorization to operate the bank accounts were given to a single signatory?	No
5 .	Whether the interest for the entire duration of Fixed Deposits was accounted in the books of accounts?	Yes
6	Whether physical verification of cash has taken place periodically?	Yes
7	Whether the cash in hand as shown in the Balance Sheet tallies with the certificate of physical verification of cash?	Yes.
8	Is there a register of Fixed Deposits showing amounts, maturity dates, rates of interest and dates for payment of interest?	Yes
9.	Is there a follow-up system to ensure that interest on Fixed Deposits is received on due dates?	Yes
10.	Is there a follow-up system to ensure that transfer of matured amount of Fixed Deposits is done without any delay?	Yes
11.	Whether bank confirmation statements are obtained periodically from the banks for all accounts: SB accounts, Current Accounts and Fixed deposits?	Yes
12.	Whether confirmations of balances in respect of all bank balances tally with the Bank statements?	Yes
13.	Whether Fixed Deposits and interests as per Fixed Deposits Register tally with the confirmation/certificate issued by the bank?	Yes, fixed deposits and interests as per Fixed deposit register tally with the confirmation certificate issued by the Bank. However, cases where the details of Interests as per fixed deposit register which are not tallying with confirmations/ certificates have been detailed in **Annexure – C (II)** The differences given therein may have impact on financial statements. As the audit evidence received from bank



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		confirmations are persuasive and not conclusive, the impact on financial statements cannot be quantified.
14.	Whether the confirmation statements received from banks are authenticated and in the letter head by the bank?	Yes
15.	In case of any difference observed in the above check, whether the same was adjusted in the subsequent year?	No
16.	Whether external confirmations were obtained from Banks in the test checked cases, if so details thereof with.	Yes. External confirmations were received from various Bank. Details of few test checked cases are given below.

Sl.no	Bank Name	Account Number	Amount (Rs.)
1	Canara Bank	04761010000885	Rs. 1,68,490.42/-
2	State Bank of India	62011539211	Rs. 2,55,81,020.22/-
3	Canara Bank	18063210000010	Rs. 1,00,000/-
4	Canara Bank	18063070000024	Rs. 52,82,998.55/-
5	State Bank of India	39373779945	Rs. 38,18,20,615/-

17.	Whether any of the aforesaid lapses were brought out in the Report of the Internal Financial controls by the Statutory Auditor, if not, whether Audit Enquiry was issued?	Yes

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Annexure – C (II)

Cases where the details of interest income as per fixed deposit register which are not tallying with confirmations/ certificates as on 31.03.2021:

a) Interest on fixed deposits:

Sl No.	NAME OF BANK	Account Number/Customer ID Number	Interest Amount as per Books for the FY 20-21	Interest Amount as per Interest Certificate for the FY 20-21	Difference in F.D Interest Amount
1	Karnataka Vikas Gramin Bank, Dharwad	89118464368	Rs. 1,76,42,864/-	Rs. 2,21,88.278/-	Rs. 45,45,414/-
2	Canara Bank - NGV	219601242	Rs. 12,09,81,687/-	Rs. 12,35,26,189/-	Rs. 25,44,502/-

Cases where the Fixed deposit balance confirmation as on 31.03.2021 and interest income certificates for the year ended 31.03.2021 were not provided for our verification:

a) Fixed Deposits

Sl No.	NAME OF BANK	Fixed Deposit balance as per books of accounts as on 31.03.2021
1	Canara Bank – Chitradurga Unit	Rs. 4,92,480/-

b) Interest Income

Sl No.	NAME OF BANK	FDR Number/Account Number	Interest Amount as per Books for the FY 20-21
1	Punjab & Sind Bank	3481400003682	Rs. 54,23,235/-

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2	State Bank of India	38706571653	Rs. 4,01,935/-
3	State Bank of India	38706572942	Rs. 4,01,935/-
4	State Bank of India	38706574279	Rs. 4,01,935/-
5	State Bank of India	38706575738	Rs. 4,01,935/-
6	State Bank of India	38706576708	Rs. 4,01,935/-
7	State Bank of India	38706577587	Rs. 4,01,935/-
8	State Bank of India	38706578321	Rs. 4,01,935/-
9	State Bank of India	38706579299	Rs. 4,01,935/-
10	State Bank of India	38706581436	Rs. 4,01,935/-
11	State Bank of India	38706582826	Rs. 4,01,935/-
12	State Bank of India	38706584335	Rs. 4,01,935/-
13	State Bank of India	38706585180	Rs. 4,01,935/-
14	State Bank of India	38706587381	Rs. 4,01,935/-
15	State Bank of India	38706588759	Rs. 4,01,935/-
16	State Bank of India	38706589832	Rs. 4,01,935/-
17	State Bank of India	38706591513	Rs. 4,01,935/-
18	State Bank of India	38706592266	Rs. 4,01,935/-
19	State Bank of India	38706593032	Rs. 4,01,935/-
20	State Bank of India	38706593848	Rs. 4,01,935/-
21	State Bank of India	38706594955	Rs. 4,01,935/-
22	Canara Bank, Koramangala	0885401008436/1 - 121	Rs. 8,38,57,195/-
23	Canara Bank, Koramangala	0885401008489/1 - 34	Rs. 2,92,61,168/-
24	Canara Bank, Madhavanagar	0788401006058/1 - 45	Rs. 3,90,14,888/-
25	State Bank of India Margin money Fixed deposits	62310578386	Rs. 6,95,706/-
26	State Bank of India Margin money Fixed deposits	62501868262	Rs. 15,110/-

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27	State Bank of India Margin money Fixed deposits	62469449826	Rs. 75,718/-
28	State Bank of India Margin money Fixed deposits	62470087542	Rs. 49,893/-
29	State Bank of India Margin money Fixed deposits	39621016621	Rs. 11,184/-
30	State Bank of India Margin money Fixed deposits	39879458350	Rs. 27,984/-
31	State Bank of India Margin money Fixed deposits	39879459182	Rs. 56,289/-

For B V C & Co.,
Chartered Accountants
FRN: 008154S

BVC & CO. Bangalore Chartered Accountants

CA Chandrashekara Shetty
Partner
Membership No: 216516
UDIN: 21216516AAAAUS1432

Place: Bangalore
Date: 5th October, 2021

Replies to the Independent Auditor's Report

<table>
<tr><th>Sl.No.</th><th>Qualified opinions of the Auditor</th><th>Replies of the Company</th></tr>
<tr><td>1</td><td>
The following discrepancies with respect to Fixed deposits and Interest income on Fixed deposits were observed :
(a) The interest certificate with respect to the interest income received from Karnataka Vikas Gramin Bank and Canara Bank do not agree with the interest income as per Company's books of accounts for the year ended 31.03.2021 as detailed below :
<table>
<tr><th>Name of the Bank</th><th>Account No/Customer ID Number</th><th>Interest income as per books of accounts for the year ended 31.03.2021</th><th>Interest income as per interest certificates for the year ended 31.03.2021</th><th>Difference</th></tr>
<tr><td>Karnataka Vikas Gramina Bank, Dharwad</td><td>89118464368</td><td>Rs.1,76,42,864</td><td>Rs.2,21,88,278</td><td>Rs.45,45,414</td></tr>
<tr><td>Canara Bank NGV</td><td>219601242</td><td>Rs.12,09,81,687</td><td>Rs.12,35,26,189</td><td>Rs.25,44,502</td></tr>
</table>
(b) Fixed deposits balance confirmations and interest income certificates were not provided for our verification in certain cases, the details of which has been reported in Annexure – C (II) of our report u/s 143(5)

The afore said difference may have an impact on the financial statements as the audit evidence received from bank confirmations are persuasive and not conclusive, the impact on financial statements cannot be qualified.
</td><td>
The Fixed deposits and interest incomes have been reconciled with respect to individual statement of accounts issued by the banks, confirmation of balances, 26 AS and maturity value realized and said documents were provided to Audit. However the Statutory Auditors asked for the interest confirmation letters after completion of the audit and thus there was delay in providing the interest confirmation letters to the Auditors. This was the first time the Auditors have asked for separate interest confirmation letters from the Banks.

Rs.45,45,414/- was the net accrued interest income for the FY 2019-20 and same was accounted during previous year itself. Thus there is no short accounting.

The customer ID 219601242 referred in the audit report has the transaction of fixed deposits as well as flexi deposit transactions. The revised interest confirmation certificate dated 16.10.2021 obtained from the bank and according to which the total intrest income is Rs.12,09,81,687. This consist of interest earned on fixed deposits Rs.3,39,60041 and Rs.8,70,21,646 earned on flexi deposits. This duly matches with interest accounted in the books of accounts.

As mentioned above, the individual bank statements, confirmation of balances, bank statements for realization of maturity value and 26 AS was provided to Auditors. The Statutory Auditors asked for the separate interest confirmation letters after completion of the audit and thus there was delay in obtaining interest confirmation letters from the banks. This is the first time the Auditors asked for interest confirmation letters from the Banks. However same were obtained and provided to Audit after completion of the audit.

The company is awaiting for the comments of the CAG in this regard.
</td></tr>
</table>

2	The Company has not obtained balance confirmation from Trade payables Rs.2619.75 lakhs (Note.20), Capital Creditors Rs.4279.86 lakhs (Note 21), Trade/security deposits Rs.1945.27 lakhs (Note 22) and Creditors for expenses Rs.4040.55 lakhs (Note 22) as on 31.03.2021. Due to lack of audit evidence, we are unable to comment on the accuracy and the impact if any on the IND AS financial statements.	The Company has the practice of seeking the confirmations for advances and deposits. This is the first time the Audit has sought the confirmations for payables. In case of trade payable and capital creditors, the outstanding bills and its subsequent settlement were readily available for audit verification. The trade payable was inclusive of provision towards goods in transit and details/schedule of which was made available for audit. The bills, Goods receipt notes, purchase vouchers and payment vouchers for settlement of these bills were also readily available for audit verification. The trade / security deposits are the EMD/SD amounts, and documents for receipts of EMD and bills for recovery of SD and its subsequent settlement on completion works/contracts were readily available for audit verification. Sundry creditors for expenses includes outstanding bills towards power consumption, salary payable for the month of march, EPF/EPS payable, outstanding various expenses etc., The confirmation from parties for all the creditors for expense may not be feasible. However the company has the schedules, bills, records, working sheets, estimates and other documentary evidences for these provisions and subsequent payment details for audit verification.

Managing Director
The Hutti Gold Mines Co. Ltd.

TSDJ & ASSOCIATES
Company Secretaries

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2020-21

To
The Members,
M/s. The Hutti Gold Mines Company Limited
3rd Floor, KHB Shopping Complex, National Games Village,
Koramangala, Bangalore -560025.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. The Hutti Gold Mines Company Limited, **(Herelnafter called the Company).** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. The Hutti Gold Mines Company Limited ("the Company") for the financial year ended on 31st March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

TSDJ & ASSOCIATES
Company Secretaries

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) 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;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Employees Provident Funds & Miscellaneous Provisions Act, 1952

(vii) Laws pertaining to Goods and Services Tax

We have restricted our scope of Audit to compliances under the Companies Act, 2013 and rules made there under, Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Laws pertaining to Goods and Services Tax which are applicable to the company.

The provisions of Clause (ii), (iii), (iv) and Clause (v) are not applicable for this company.

A separate annexure is annexed to this report.

No 158-35/3, 3rd Main, Industrial Town, Rajajinagar, Bangalore – 560044.
Phone No: 080 – 23500243. E-Mail Id.: tsdjassociates@gmail.com

TSDJ & ASSOCIATES
Company Secretaries

Matter for Emphasis:

1. *In terms of provisions of Section 178 of the Companies Act, 2013 the Company was required to constitute a Nomination and Remuneration Committee. The same has not been complied with. Based on the explanations provided by the management, the appointments of managing directors and other directors are appointed by the Government of Karnataka through Notification and the terms of their appointment and their remuneration is determined by the rules prevailing in the Government.*

2. *The Company is required to appoint independent directors as provided under sub section 4 of Section 149 of the Companies Act 2013. In terms of Section 177 of the Companies Act the Audit Committee shall consist of minimum three directors with independent directors forming a majority. Further in terms of Section 135 of the Companies Act 2013 the Corporate Social Responsibility Committee shall consist of three or more directors out of which at least one director shall be an independent director The same has not been complied with. Based on the explanation given by the Management, a letter for appointment of Independent Director is sent to the Government and Government approval is awaited.*

3. *The company in its 415th board meeting held on 18th of February 2020 approved for dematerialisation of securities and board approved to engage the services of Canbank Computer Services as RTA for the same. The process of Dematerialization of the shares is not yet completed based on the explanation given by the Management, due to the Covid-19 and frequent transfer of the Directors nominated by the Government of Karnataka, De-mat process has been delayed.*

4. *There were two Notifications issued by the Government dated 13.02.2021 and 01.03.2021 stating appointment of Mr. Prabhuling Kavalikatti and cessation of Mrs Salma K Fahim. In the 420th Board meeting the board noted that the effective date of Appointment as 01.03.2021. However it was observed that while filing of form DIR-12 the date of appointment was mentioned as 13.02.2021.*

5. *The Company has filed Form DIR-12 for appointment of Mr. Prabhuling Kavalikatti, I.A.S and Cessation of Mrs. Salma K Fahim I.A.S on 12.03.2021. The said form was digitally signed by Mrs. Salma K Fahim I.A.S. on 12.03.2021. However she had ceased to be*

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Company Secretaries

director of the Company with effect from 13.02.2021 as mentioned in form and therefore she does not have authority to sign the form.

6. *In the Minutes of the 420th Board Meeting held on 30th March 2021, Mr. Naveen Raj Singh I.A.S and Mr. Srikar M S I.A.S do not appear in the Directors present column and neither they have been granted leave of absence. Both of them were directors as on the date of the Meeting.*

7. *Mr. Gangaram Baderia's name still appears on the Mater Data of the Company on the MCA portal even though he has resigned from his directorship. Form DIR-12 has not been filed for his cessation.*

8. *In the Minutes of the 418th Board Meeting held on 3rd November 2020 Mr. Srikar M S, I.A.S name as in the directors present column but his appointment was neither noted in any of the meetings nor form DIR-12 filed for his appointment with Ministry of Corporate Affairs.*

9. *The company has not filed MGT-14 for the appointment of New Managing Director as required under Clause (c) of Sub Section(3) of Section117 of Companies Act 2013*

10. *The company has not maintained requisite Index of registers required as per Sub-section (2) of section 88 read with rule 6 of Companies (Management and Administration) Rules, 2014 .*

11. *The Company has not maintained the Register of Members as per form MGT-1 as required under rule 3 Companies (Management and Administration) Rules, 2014 .*

12. *The Share register of the company has not been maintained properly. The ledger folio of as per the Share Register Maintained starts from 249 and ends on 297. The earlier ledger folios which are still existing have not been shown in the register.*

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Company Secretaries

13. *There were differences between the Share register and the previous annual return filed by the company with respect to the shareholding of the following shareholders with no corresponding share transfers.*

Sl No	*Name of the Share Holder*	*Folio No*	*Number of Shares as per Share register*	*Number of Shares as per previous Annual return*
1	*Surendra Kumar Jagdishlal Gandhi*	*288 & 291*	*13*	*9*
2	*Pushpa V Makhija and Vinod V Makhjija*	*278*	*7*	*11*

During the period under review with the exception of the points mentioned under Matters of Emphasis the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that:

.The Board of Directors of the Company is duly constituted being nominees of the Government, The Company has no independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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.

We 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.

We further report that during the audit period the Company has-

1. Not issued Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
2. No Redemption / buy-back of securities

No 158-35/3, 3rd Main, Industrial Town, Rajajinagar, Bangalore – 560044.
Phone No: 080 – 23500243. E-Mail Id.: tsdjassociates@gmail.com

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3. No Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
4. No Merger / amalgamation / reconstruction, etc.
5. No Foreign technical collaborations.

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Dhiren N P
Partner
Membership No: F 8620
CP No: FCS9611
FRN No.P2015KR043500
UDIN No:F008620C001187567

Place: Bangalore
Date: 16/10/2021

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

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"Annexure A"

To
The Members,
M/s. The Hutti Gold Mines Company Limited
3rd Floor, KHB Shopping Complex, National Games Village,
Koramangala, Bangalore, Karnataka-560025.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Whenever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither as 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.

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Company Secretaries

Dhiren N P
Partner
Membership No: F 8620
CP No: FCS9611
FRN No.P2015KR043500
UDIN No:F008620C001187567

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"Annexure B"

1: Company Information

Sl.No.	Particulars	
1.	Name of the Company	THE HUTTI GOLD MINES CO LTD
2.	CIN No. of the Company	U85110KA1947SGC001321
3.	Date of Incorporation	08/07/1947
4.	Authorized Share Capital	20,00,00,000
5.	Subscribed Share Capital	2,96,20,371
6.	Paid Up Share Capital	2,96,20,371
7.	Registered Office Address	3RD FLOOR, KHB SHOPPING COMPLEX, NATIONAL GAMES VILLAGE, KORAMANGALA, BANGALORE – 560025.

2: Changes in Capital Structure during 01/04/2020 to 31/03/2021.

CAPITAL STRUCTURE (In Rupees)					
Particulars	**As on 01/04/2020**	**Add: increase in capital (if any)**	**Less: reduction in capital (if any)**	**Date of passing Resolution**	**Capital as on 31/03/2021**
Authorized Capital	20,00,00,000	-	-	-	20,00,00,000
Equity	2,96,20,371	-	-	-	2,96,20,371
Unclassified	-	-	-	-	-
Issued Capital	2,96,20,371	-	-	-	2,96,20,371

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Subscribed Capital	2,96,20,371	-	-	-	2,96,20,371
Paid-up Capital	2,96,20,371	-	-	-	2,96,20,371
Public Issue	-	-	Not Applicable	-	-
Rights Issue	-	-	Not Applicable	-	-
Bonus Issue	-	-	Not Applicable	-	-
Private Placement/ Preferential Allotment (other than conversion)	-	-	Not Applicable	-	-
Private Placement/ Preferential Allotment (arising out of conversion) .	-	-	Not Applicable	-	-
Allotment of shares pursuant to ESOP	-	-	Not Applicable	-	-
Allotment consequent to Scheme of Arrangement/ Merger/ Amalgamation etc.	-	-	Not Applicable	-	-
Buy back of shares	-	Not Applicable	-	-	-
Reduction of Capital	-	Not Applicable	-	-	-
Share Forfeited	-	-	-	-	-

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3: Directors & KMP (Existing and any change made between 01/04/2020 to 31/03/2021)

Sl. No.	Name & Designation	Address	Date of Appointment	Date of Cessation
1	Selvakumar Seeranganarayan Nominee Director DIN: 00962240	Deputy Commissioner Official Residence, Jala Kannika, Vinoba Road, Mysore , 570005	05/11/2018	-
2	Ekroop Caur Nominee Director DIN : 02168955	No 72, 2nd Cross, MCHS Layout, Jakkur Road Bangalore North BengaluruKarnataka India 560064	23/04/2019	-
3	Gangaram Baderiya Nominee Director DIN : 075076633	31 vikram vilas MHC society 14th main road, opposite HSR layout BDA Complex HSR Layout Sector 4 Bangalore	18/05/2019	-
4	Kavalikatti Prabhuling Nominee Director DIN : 09102902	#506, A3, Sharavathi Block, National Games Village Kormangala, Bangalore South Karnataka560047	13/02/2021 (Effective 01/03/2021)	-
5	Siddaramappa Halesh Nominee Director DIN : 09114373	Basaveshwara Beedi, kudligere,Shivamogga Karnataka-577233	16/10/2020	-
6	Prabhakar Shivaputrayya Sangoormath Nominee Director DIN : 09259779	No.51, 2nd Cross, Lake Shore Garden, Thindlu,Vidhyaranyapura Bangalore,Karnataka India560097	23/03/2021	-
7	Srinivas Raj Nominee Director DIN : 09293673	Maladakal, Deodurga Taluk,Raichur Karnataka,India 584113	30/11/2020	-
8	Manappa Devappa Vajjal Nominee Director DIN : 09310283	Friends Colony, Gulbarga Main Road, Lingasugur RaichurKarnataka India-584122	24/11/2020	-

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Company Secretaries

9	Ekroop Caur Nominee director DIN: 02168955	No 72 2nd Cross, MCHS Layout Jakkur Road Bangalore	23/04/2019	-
10	Naveen Raj Singh Nominee director DIN: 06854287	C 9/A, 4th Main, 8th Cross Near Aane Park, Jayamahal Bengaluru 560046 KA IN	17/01/2018	-
11	Kumar Naik G Chairman DIN:01918435	No 62, 16th Cross, 14th Main, HSR Layout Sector 4 Near BDA complex, Bangalore South-560102	24/09/2020	31/03/2021
12	Maheshwar Rao M Nominee Director DIN: 00324069	No 306, 15th Cross, 5th main, RMV 2nd stage New BEL road, Bangalore-560094	25/02/2019	24/09/2020
13	Ramesh D S Nominee Director DIN:07963359	#131, Gnanabharathi Mian Road, Dhanvantri Layout Mariyappana Palya Bangalore-560056	24/09/2020	07/05/2021
14	Salma Fahim Khaja Managing Director DIN : 07773934	No 230 B-4 Ghataprabha Block, National Games Village Koramangala Bangalore	19/09/2019	13/02/2021

4: List of Share Holding pattern as on close of the financial year

Government Holding (State): 74.34%

Government Companies: 24.47%

Other Shareholders (Other than those listed above): 1.19%

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5: Transfers and Transmission during the Year:

Transfers-The Company has effected 2 Share Transfers during the reporting year which is tabled below

Sl no	Transferor	Transferee	No of Shares
1	Mr Sandip Ginodia	Mr.Priyansh Desai	01
2	3A Financial Services Limited	Mr. Sohil N Desai	01

Transmission-No transmissions took during the reporting year

6: Forms, Returns filed by the company between 01/04/2020 to 31/03/2021.

Sl. No.	Form No.	Section & Rule Applicable	Particulars of Filing	Date of Filing	Whether filed within the prescribed time	SRN	Status
1	MSME FORM-I	Sec 405	Outstanding Payments to Micro or Small Enterprises	15/05/2020	Yes	-	Filed

No 158-35/3, 3rd Main, Industrial Town, Rajajinagar, Bangalore – 560044. Phone No: 080 - 23500243
Mail Id.: tsdjassociates@gmail.com

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2	MSME FORM-I	Sec 405	Outstanding Payments to Micro or Small Enterprises	06/11/2020	Yes	R70197090	Filed
3	MGT-14	Sec 94(1) and 117(1)	Filing of Resolutions and agreements to the Registrar	01/02/2021	No	R93936631	Filed
4	MGT-14	Sec 94(1) and 117(1)	Filing of Resolutions and agreements to the Registrar	06/01/2021	No	R82931585	Filed
5	MGT-14	Sec 94(1) and 117(1)	Filing of Resolutions and agreements to the Registrar	06/01/2021	No	R82933771	Filed
6	Form MGT-7	Sec 92	Annual Return	03/02/2021	Yes	R94852589	Filed
7	Form AOC-4 XBRL	Sec 137	Form for filing XBRL document in respect of financial statement and other documents with the Registrar for financial year 2019-20	18/01/2021	No	R83125120	Filed
8	Form DIR-12	Sec 152 and Sec 168	Appointment of Kumar Naik and Ramesh D S and Cessation ofMaheshwar Rao	16/02/2021	No	T22294862	Filed

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Mail Id.: tsdjassociates@gmail.com

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9	Form DIR-12	Sec 152 and Sec 168	Appointment of Kavalikatti Prabhuling and Cessation of Salma Fahim Khaja	15/03/2021	Yes	T08459927	Filed
10	Form DIR-12	Sec 152 and Sec 168	Appointment of Siddaramappa Halesh	29/03/2021	No	T10549244	Filed

7: Board Meeting Minutes

MINUTES							
Board Meeting							
Date of Meeting	**Gap Between the two Board Meetings**	**Has the notice been served on time**	**Place of Meeting**	**Total No. of Directors on the Board on date of Meeting**	**Leave of Absence Granted to Director**	**Total No. of Directors Present**	**Chairman of the Meeting**
16/06/2020	117 Days	Yes	Vikas Soudha Bangalore	07	01	06	Sri Maheshwar Rao
20/08/2020	64 Days	Yes	Virtual (Zoom)	07	01	06	Sri Maheshwar Rao
03/11/2020	74 Days	Yes	Virtual (Zoom)	08	02	06	Kumar Naik

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Company Secretaries

05/12/2020	31 Days	Yes	Virtual (Zoom)	10	02	08	Manappa D Vajjal
30/03/2021	114 Days	Yes	Video Conference	09	00	09	Manappa D Vajjal

8. Audit Committee Meeting Details:

Date of Meeting	Has the notice been served on time	Place of Meeting	Total No. of Directors constituting the Audit Committee	Leave of Absence Granted to Director	Total No. Of directors Present	Chairman of the Meeting
20/08/2020	Yes	Virtual (Zoom)	3	0	3	Sri.Maheshwar Rao
05/12/2020	Yes	Virtual (Zoom)	3	1	2	Sri Kumar Naik

9: Annual/Extra Ordinary General Meeting Minutes

Date of Meeting	Date of serving the Notice	Place of Meeting	No. of Members Attended the Meeting	No. of Proxy attended the Meeting	Chairman of the Meeting
07/12/2020	17/11/2020	Registered Office (ZOOM)	26	1	Sri Maheshwar Rao

10. Resolution by Circulation: During the year of report the Company has passed 04 Resolutions by Circulation

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Company Secretaries

11: Details Regarding Office of Place of Profit:

HGML being a government company, the above provision is not applicable. All the directors are Government representative, there is no interest being government nominees.

12: KEY MANAGERIAL PERSONNEL

1)Name of Person /PAN: KAVALIKATTI PRABHULING
Qualification: IAS Officer
Age : 42 Years
Designation: Managing Director
Date of Appointment: 13/02/2021, Date of Cessation:Nil
Remuneration as per last Salary drawn: Additional Charge Allowance paid
Date of filing of MGT-14 and DIR12 : Filed DIR 12 as per Companies Act 2013.
No. of shares held: Nil

2)Name of Person/PAN : SALMA K FAHIM
Qualiication:IAS Officer
Age:39 Years
Designation : Managing Director
Date of Appointment : 19/09/2019,Date of Cessation:13/02/2021
Remuneration as per last Salary drawn : Additional Charge Allowance paid
Date of filing of MGT-14 and DIR12 : Filed DIR 12 as per Companies Act 2013.
No. of shares held: Nil

13: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Date of Meeting	Has the notice been served on time	Place of Meeting	Total No. of Directors constituting the Corporate Social Committee	Leave of Absence Granted to Director	Total No. Of directors Present	Chairman of the Meeting

No 158-35/3, 3rd Main, Industrial Town, Rajajinagar, Bangalore – 560044. Phone No: 080 - 23500243
Mail Id.: tsdjassociates@gmail.com

TSDJ & ASSOCIATES
Company Secretaries

05/12/2020	-	Virtual (Zoom)	3	1	2	Kumar Naik G

The company has a CSR policy in place and is adhering the CSR guidelines. The provision relating to having minimum one independent director in the committee has not been followed by the company

14. Charge Creation/ Satisfaction Details:

Sl. No.	Charge ID	Date of Charge Creation/ Modification	Charge amount secured	Charge Holder	Address	Service Request Number (SRN)
1	80018886	11/06/2011	6,00,00,000	STATE BANK OF HYDERABAD	Industrial Finance Branch, No.85, 1st Floor, Sheriff House, Richmond Road, Bangalore, Karnataka-560025.	B16447385

Note: - The aforesaid loan has been sanctioned however the loan has not been utilised and has been kept on standby.

15. GST Filing Details

Sl No.	Month	GSTR-1	GSTR-3B
1	Apr-20	Filed on Time	Filed on Time
2	May-20	Filed on Time	Filed on Time
3	Jun-20	Filed on Time	Filed on Time
4	Jul-20	Filed on Time	Filed on Time
5	Aug-20	Filed on Time	Filed on Time
6	Sep-20	Filed on Time	Filed on Time

TSDJ & ASSOCIATES
Company Secretaries

7	Oct-20	Filed on Time	Filed on Time
8	Nov-20	Filed on Time	Filed on Time
9	Dec-20	Filed on Time	Filed on Time
10	Jan-21	Filed on Time	Filed on Time
11	Feb-21	Filed on Time	Filed on Time
12	Mar-21	Filed on Time	Filed on Time

16. Filing of PF Return in Form ECR

Sl.no	Months	Amount(Rs)	Due Date	Date of payment	Remarks
1	Apr-20	50,20,304	15-05-2020	16-05-2020	Filed on later date
2	May-20	49,78,701	15-06-2020	15-06-2020	Filed on time
3	Jun-20	48,86,445	15-07-2020	14-07-2020	Filed on time
4	July-20	48,12,630	15-08-2020	14-08-2020	Filed on time
5	Aug-20	47,76,547	15-09-2020	14-09-2020	Filed on time
6	Sept-20	47,60,943	15-10-2020	15-10-2020	Filed on time
7	Oct-20	55,82,548	15-11-2020	16-11-2020	Filed on later date
8	Nov-20	47,95,439	15-12-2020	14-12-2020	Filed on time

TSDJ & ASSOCIATES
Company Secretaries

9	Dec-20	47,21,335	15-01-2021	13-01-2021	Filed on time
10	Jan-21	47,74,332	15-02-2021	15-02-2021	Filed on time
11	Feb-21	47,73,875	15-03-2021	12-03-2021	Filed on time
12	Mar-21	47,80,534	15-04-2021	12-04-2021	Filed on time

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NOTE: 1

I. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING SYSTEM:

a. Basis of Presentation:

The accompanying financial statements have been presented for the year ended 31st March, 2021 along with comparative information for the year ended 31st March, 2020. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Expenses accruing in the financial year and ascertainable with reasonable accuracy on the cut-off date are provided for in the accounts.

b. Use of Estimates:

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise and if material, their effects are disclosed in the notes to the financial statements.

2. REVENUE RECOGNITION

In general, revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts and sales returns if any.

2.1. Sales are accounted net of discount and taxes.

2.2. Sale of Gold is accounted on the basis of weekly closing average standard rate (999 purity) of Mumbai Bullion Market of that week or average rate till date of preparation of invoice.

2.3. Sale of Silver is accounted on the basis of closing rate (999 purity) of Mumbai bullion market prevailing on the day of preparation of invoice.

2.4. Sale of wind power is accounted on accrual basis as per B-Form issued by KPTCL, and rate as per Power Purchase Agreement.

2.5. Sale of scrap is recognised on the basis of delivery.

2.6. Revenue grants are recognised over the periods in which they are spent to match to the related costs.

2.7. Insurance claims are recognised during the year of settlement.

2.8. The penalty and/or liquidated damage (LD) recoveries/claims of suppliers/ service providers/contractors are accounted on actual recovery or adjustment against any dues. In case of disputes the accounting will be deferred till settlement of disputes. The refunds if any made or to be made are accounted on actual refund or on approval for such refunds.

3. PROPERTY, PLANT & EQUIPMENT

3.1 Property, plant and equipment (Tangible and Intangible) are carried at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. The cost of accessories & spares received along with equipment if any and expenditure incurred during construction period has been added to the cost of the assets. Capital work-in-progress are recorded at historical cost.

Land, Building, Furniture & Fixtures and Plant & Machinery are carried at revalued amount and the surplus on revaluation is credited to Revaluation Reserve account.

The useful lives of the depreciable assets remain to be the same as that of prior to revaluation in terms of Schedule II Part C of the Companies Act

3.2 Values of abandoned Fixed Assets and Capital Work-in-progress are charged off in the year in which the same are identified as redundant.

3.3 Expenditure during period of construction for expansion/ modernisation/ mechanisation of existing unit is capitalised on successful completion of the concerned project.

3.4 Expenditure incurred on Mine Deepening of existing shafts are treated as revenue expenditure.

4. DEPRECIATION

4.1 Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Fixed assets are depreciated over the revised remaining useful lives. Fixed assets having nil useful life has been charged to the opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of Schedule II of the Companies Act 2013.

4.2 Depreciation on the value of Revaluation is reduced from revaluation Reserve.

4.2 For the depreciation under component accounting, the component life and values are estimated by the internal technical departments. The components, whose

02

estimated costs are more than 10% of the original cost of the principal assets are considered as significant components.

5. INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current investments. Current investments are carried at lower of cost or fair value/ market value, determined on an individual investment basis. Non-Current Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Profit/loss on sale of investments is computed with reference to their average cost.

6. The gold deposited under gold monetisation scheme which are having locking period of more than one year have been accounted under other non-current assets, at cost.

7. VALUATION OF INVENTORIES:

7.1 STORES, SPARE PARTS & LOOSE TOOLS.

7.1.1 Stores and Spare parts purchased are valued at Weighted Average Cost.

7.1.2 Spare parts / Consumables manufactured are valued at Cost.

7.1.3 Loose Tools, unit cost of which is ₹5000 or less are charged off in the accounts at the time of issue from Stores. Loose Tools whose value is more than `.5000 is charged off at the rate of 50% per year on reducing balance method till such time the Written down Value comes to `.5000 and then charged off in full.

7.2 FINISHED GOODS:

7.2.1 Gold: At lower of cost or net realisable value (Mumbai Bullion closing price for standard gold as on 31st March less discount).

7.2.2 Silver: Lower of average selling price for the year or closing Mumbai Bullion market rate of fine silver.

7.3 **WORK IN PROCESS**: Lower of estimated cost or net realisable value.

7.4 **STOCK OF ORE ON SURFACE**: Lower of cost or net estimated realisable value.

7.5 **STOCK OF INCIDENTAL ORE**:- The value of the inventory of the 'incidental ore' obtained during the course of shaft development work is considered as revenue earned in the course of asset creation activity; and accordingly the value of such inventory is reduced from the cost of capital work in progress or capital cost of the asset creation

7.6 **GOODS-IN-TRANSIT**: At Cost.

7.7 Medicines, Canteen and Stationery items are charged off at purchase price since the same are meant for immediate consumption and not for resale.

8. EMPLOYEE RETIREMENT BENEFITS:

The Company's contribution to retirement benefits is covered under defined contribution /benefits plan and is recognised as employees benefit expenses in statement of profit and loss account of the corresponding year

Bangalore Chartered Accountants

8.1 Gratuity liability is covered by Group Gratuity Policy issued by LIC of India and administered through approved Gratuity Trust. Current Service Cost based on Actuarial Valuation is charged to the Statement of Profit & Loss.

8.2 Company's contributions to Provident Fund have been made to an approved Trust/Provident Fund Authorities. The contribution is charged off to the Statement of Profit & Loss.

8.3 The liability on account of Leave Encashment entitlements of the employees is covered by policy with LIC. Current Service Cost based on Actuarial Valuation is charged to the Statement of Profit & Loss.

8.4 Company's contribution to Superannuation in the case of eligible Officers (based on a percentage of basic pay and dearness allowance) is made to an approved Trust and administered by LIC of India. Annual contribution is charged to Statement of Profit & Loss.

8.5 Provision towards twenty-five years long service award is made in the year of eligibility.

9. PREPAID EXPENSES

Expenses, in excess of Rs.5000, whereof benefits accrue in the subsequent years, are treated as Prepaid Expenses. The settlements/adjustment expected to be made in 12 months are treatcd as current and for more than 12 months as non-current

10. FOREIGN EXCHANGE TRANSACTIONS.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency (INR) by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange Differences is charged to the statement of profit and loss except arising on account of such conversion related to the purchase of fixed assets is adjusted therewith , and other long term monetary items is adjusted in the Foreign Currency Monetary Item Translation Difference Account.

11. DEFERRED TAX LIABILITY AND CURRENT TAX PROVISION

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Current Tax and Deferred tax liability is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the carrying amount deferred tax at each Balance Sheet date.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities.

In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognised nor disclosed.

13. EARNINGS PER SHARE.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. IMPAIRMENT OF ASSETS

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine,

a. The provision for impairment loss, if any, required or
b. The reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the Statement of Profit & Loss with a corresponding credit to the Provision for Depreciation.

15. EXPLORATION AND EVALUATION OF MINERAL RESOURCES

a. The exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits. All exploration and evaluation expenses for new mines till high degree of confidence is achieved are expensed. The exploration and evaluation expenditure are capitalised as Intangible assets when there is a high degree of confidence that the project is commercially viable. The carrying values of capitalised exploration and evaluation expenditure are reviewed for impairment every year by management
b. The drilling and / development expenses of existing mines are treatcd as revenue expenses and charged off in the year of incurrence.

16. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments..The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

THE HUTTI GOLD MINES COMPANY LIMITED

Balance Sheet as at 31st March, 2021

CIN : U85110KA1947SGC001321

₹ in Lakhs

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	79,458.36	81,251.98
Capital Work-in-Progress-Tangible	3	29,912.58	24,917.31
Other Intangible Assets	4	17.48	20.48
Intangible assets under development	5	-	-
Financial Assets			
Investments	6	2.50	2.50
Other financial assets	7	821.69	721.96
Deferred Tax Assets (Net)	19	652.14	1,358.04
Other Non-current Assets	8	21,229.12	13,726.66
Current assets			
Inventories	9	27,381.31	28,330.17
Financial Assets			
Trade Receivables	10	36.78	21.92
Cash and Cash Equivalents	11	9,913.23	20,216.56
Other Bank Balances	12	65,000.00	55,850.00
Other Financial Assets	13	166.77	166.77
Current Tax Assets (Net)	14	2,022.96	773.44
Other Current assets	15	4,631.73	8,025.54
Total Assets		2,41,246.65	2,35,383.33
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	296.20	296.20
Other Equity	17	2,18,777.48	2,03,264.44
Non-Current Liabilities			
Financial Liabilities			
Provisions	18	6,510.05	7,010.45
Deferred Tax Liabilities (Net)	19	-	-
Other Non-Current Liabilities		-	-
Current Liabilities			
Financial Liabilities:			
Trade Payables	20		
A) Total outstanding dues of MSME		90.35	53.47
B) Total outstanding dues of other than MSME		2,529.40	1,321.22
Other Financial Liabilities	21	4,293.78	4,088.43
Other Current Liabilities	22	8,749.39	19,349.12
Provisions	23	-	-
Total Equity and Liabilities		2,41,246.65	2,35,383.33
Significant accounting policies	1		
Notes to accounts	32		

To be read with our report of even date

For B V C & CO.,
Chartered Accountants
ICAI Firm Reg.No 008154S

BVC & CO. Bangalore Chartered Accountants

(CA Chandrashekara Shetty)
Partner
Membership No.216516

For and on behalf of the Board

(Prabhuling Kavalikatti, IAS)
Managing Director
DIN: 09102902

(Manappa D. Vajjal)
Chairman
DIN: 09310283

Place : Bangalore
Date :05.10.2021

THE HUTTI GOLD MINES COMPANY LIMITED

Statement of Profit & Loss for the Year ended 31st Mar , 2021

U85110KA1947SGC001321

₹ in Lakhs

Particulars	Notes	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Revenue from Operations	24	55,343.25	71,463.41
Other Income	25	4,625.38	5,501.86
Total Income		**59,968.63**	**76,965.27**
EXPENDITURE			
Cost of Materials Consumed		3,920.74	5,030.68
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	26	(4,842.28)	1,407.05
Employee Benefit Expenses	27	27,067.27	28,889.88
Finance Costs		15.35	15.15
Depreciation and Amortization Expenses	28	1,761.35	1,953.33
Other Expenses	29	11,189.87	12,754.96
Total Expenses		**39,112.30**	**50,051.05**
Profit/(Loss) before exceptional items and tax		**20,856.33**	**26,914.22**
Exceptional Items		-	-
Profit/(Loss) Before Tax		**20,856.33**	**26,914.22**
Tax Expense:			
Current Tax		5,250.00	10,709.38
Tax relating to earlier years		-	-
Deferred tax		753.28	(1,319.47)
Profit / (Loss) for the year		**14853.05**	**17524.31**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability/asset (net of tax)	30	(140.86)	(2356.38)
Total Comprehensive Income for the Year		**14,712.19**	**15,167.93**
Earnings per Share			
Basic	31	5,014.48	5,916.34
Diluted			

To be read with our report of even date

For B V C & CO.,
Chartered Accountants
ICAI Firm Reg.No 008154S

(CA Chandrashekara Shetty)
Partner
Membership No.216516

BVC & CO. Bangalore

For and on behalf of the Board

(Prabhuling Kavalikatti, IAS)
Managing Director
DIN: 09102902

(Mahappa D. Vajjal)
Chairman
DIN: 09310283

Place : Bangalore
Date :05.10.2021

THE HUTTI GOLD MINES COMPANY LIMITED

Statement of Changes in Equity for the Year Ended 31st March, 2021

CIN : U85110KA1947SGC001321

a) Equity Share Capital

All amounts in Indian Rupees, unless otherwise stated.

Particulars	Note No.	₹ in Lakhs
Balance as at 1 April 2019	16	296.20
Changes in Equity Share Capital		
Balance as at 31 March 2020	16	296.20
Changes in Equity Share Capital		
Balance as at 31 March 2021		296.20

b) Other Equity

Refer Note No.17 ₹ in Lakhs

Particulars	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve	Total
Balance as at 1 April 2019	1.11	12.79	18,945.04	1,03,281.03	67,163.40	1,89,403.37
Add: Profit / (Loss) for the year				17,524.31		17,524.31
Less: Other Comprehensive Income (net of tax)				(2,356.38)		(2,356.38)
Less: Net Adjustment of prior period items (Net of tax)				(1.45)		(1.45)
Transfer to General Reserve			2,700.00	(2,700.00)		-
Less: Depreciation on revalued assets				-	(922.23)	(922.23)
Add: Reduction in revalued assets due to disposal / scrap						-
Less: Dividend (including DDT) for 2018-19				(357.09)		(357.09)
Less: Income Tax adjustment for prior years				(26.09)		(26.09)
						-
Balance as at 31 March 2020	1.11	12.79	21,645.04	1,15,364.33	66,241.17	2,03,264.44
Restated balance at the begining of the reporting period	1.11	12.79	21,645.04	1,15,364.33	66,241.17	2,03,264.44
Add: Profit / (Loss) for the year				14,853.05		14,853.05
Less: Other Comprehensive Income (net of tax)				(140.86)		(140.86)
Less: Net Adjustment of prior period items (Net of tax)				(44.86)		(44.86)
Transfer to General Reserve			2,100.00	(2,100.00)		-
Less: Depreciation on revalued assets					(605.92)	(605.92)
Adj: Adjustment of Scrap Asset Written-Off - 2020-21					0.30	0.30
Add: Reduction in revalued assets due to disposal / scrap						-
Less: Dividend (including DDT) for 2019-20				(1,481.02)		(1,481.02)
Add: Income Tax adjustment for prior years				2,932.35		2,932.35
						-
Total	1.11	12.79	23,745.04	1,29,382.99	65,635.55	2,18,777.48
Balance as at 31 March 2021	1.11	12.79	23,745.04	1,29,382.99	65,635.55	2,18,777.48

To be read with our report of even date

For B V C & CO.,
Chartered Accountants
ICAI Firm Reg.No 008154S

(CA Chandrashekara Shetty)
Partner
Membership No.216516

Place : Bangalore
Date :05.10.2021

For and on behalf of the Board

(Prabhuling Kavalikatti, IAS)
Managing Director
DIN: 09102902

(Mallappa D. Vajjal)
Chairman
DIN: 09310283

THE HUTTI GOLD MINES COMPANY LIMITED

Cash Flow Statement for the year ended 31st March, 2021

CIN : U85110KA1947SGC001321

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	**20,856.33**	**26,914.22**
Adjustments for:		
Depreciation and amortisation	1,761.35	1,953.33
(Profit) / loss on sale / write off of assets	-	(4.01)
Finance costs	15.35	15.15
Interest income	(4,253.99)	(5,362.92)
Dividend Income	-	-
Gain on sale of investments	-	-
Depreciation adjustment Reserve	-	-
Adjustment of prior period item	2,887.49	(27.54)
Operating profit / (loss) before working capital changes	**21,266.53**	**23,488.23**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	948.86	6,491.83
Financial Assets		
Trade Receivables	(14.86)	(0.81)
Current Tax Assets (Net)	(1,249.52)	(3,111.27)
Other Current Assets	3,393.81	(858.13)
Other financial assets	(99.73)	(15.30)
Other Non-Current Assets	(7,502.46)	(5,023.91)
Assets held for sale	-	-
	(4,523.90)	**(2,517.59)**
Adjustments for increase / (decrease) in operating liabilities:		
Financial Liabilities	-	-
Borrowing	-	-
Trade Payables	1,245.06	(1,164.14)
Other Financial Liabilities	199.82	144.90
Other Current Liabilities	(10,599.73)	5,014.05
Provisions	(641.26)	850.58
Adjustment of Income-tax / Defered Tax Provision	(47.38)	(1,265.47)
Other Current Liabilities	-	-
	(9,843.49)	3,579.92
Cash generated from operations	**6,899.14**	**24,550.56**
Net income tax (paid) / refunds	(5,250.00)	(10,709.38)
Net cash flow from / (used in) operating activities (A)	**1,649.14**	**13,841.18**
B. Cash flow from investing activities		
Current investments	-	-
Capital expenditure on property, plant & equipment, including capital advances	(5,565.61)	(4,433.15)
Interest received		
- From Bank Deposits & Others	4,253.98	5,364.75
Dividend Income	-	-
Term Deposits	(9,150.00)	(4,150.00)
(Profit) / loss on sale / write off of assets	-	4.02
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) investing activities (B)	(10,461.63)	(3,214.38)

Particulars	As at 31st March, 2021	As at 31st March, 2020
C. Cash flow from financing activities		
Finance cost	(15.35)	(15.15)
Dividends / Tax on dividend paid	(1,475.49)	(357.54)
	(1,490.84)	(372.69)
Net cash flow from / (used in) financing activities (C)	**(1,490.84)**	**(372.69)**
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(10,303.33)**	**10,254.11**
Cash and cash equivalents at the beginning of the year	20,216.56	9,962.45
Cash and cash equivalents at the end of the year	**9,913.23**	**20,216.56**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents:		
Cash on hand	5.12	4.38
Gold coins on hand	1.54	1.54
Balances with banks:		
In current & flexi accounts	9,906.57	20,210.64
In deposit accounts (Maturing in less than 3 months)	-	-
	9,913.23	**20,216.56**

To be read with our report of even date

For B V C & CO.,
Chartered Accountants
ICAI Firm Reg.No 008154S

(CA Chandrashekara Shetty)
Partner
Membership No.216516

BVC & CO. Bangalore Chartered Accountants

For and on behalf of the Board

(Prabhuling Kavalikatti, IAS)
Managing Director
DIN: 09102902

(Manappa D. Vajjal)
Chairman
DIN: 09310283

Place : Bangalore
Date :05.10.2021

NON CURRENT ASSETS

Note 2. Property, plant and equipment

₹ in Lakhs

PARTICULARS	1st April, 2020	Additions	Disposal	Excess Depreciation withdrawn	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	31st March 2021
Gross Block							
Free Hold Land	63,543.12						63,543.12
Buildings	8,025.94	6.70	3.26	-	-	-	8,029.38
Plant & Equipment	28,836.85	516.12	14.82	-	-	-	29,338.15
Furniture & Fixtures	534.75	18.25	-	-	-	-	553.00
Vehicles	622.20	29.62	-	-	-	-	651.82
Electrical Installations	3,046.43	-	-	-	-	-	3,046.43
Shaft & Inclines	1,339.34	-	-	-	-	-	1,339.34
Surface Track Lines	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	16.21
Roads & Drains	688.49	-	-	-	-	-	688.49
Internal Water Distributions	80.61	-	-	-	-	-	80.61
11.4 MW Wind Farm (CGU)	8,871.05	-	-	-	-	-	8,871.05
Total	1,15,604.99	570.69	18.08		-	-	1,16,157.60
Previous Year	*1,15,373.59*	*296.06*	*64.63*	-	-	-	*1,15,605.01*
Accumulated Depreciation							
Free Hold Land	-	-		-	-	-	-
Buildings	2,559.85	274.88	3.26	-	-	-	2,831.47
Plant & Equipment	22,735.21	1,254.77	14.78	-	-	-	23,975.20
Furniture & Fixtures	375.73	33.14	-	-	-	-	408.87
Vehicles	508.77	32.04	-	-	-	-	540.81
Electrical Installations	2,570.05	128.35	-	-	-	-	2,698.40
Shaft & Inclines	453.47	131.12	-	-	-	-	584.59
Surface Track Lines	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	16.21
Roads & Drains	600.63	31.43	-	-	-	-	632.06
Internal Water Distributions	35.75	4.80	-	-	-	-	40.55
11.4 MW Wind Farm (CGU)	4,497.34	473.74	-	-	-	-	4,971.08
Total	34,353.02	2,364.27	18.04	-	-	-	36,699.24
Previous Yeor	*31,540.09*	*2,866.39*	*53.50*	-	-	-	*34,352.98*
Net Block							
Free Hold Land	63,543.12	-	-	-	-	-	63,543.12
Buildings	5,466.09	-	-	-	-	-	5,197.91
Plant & Equipment	6,101.64	-	-	-	-	-	5,362.95
Furniture & Fixtures	159.02	-	-	-	-	-	144.13
Vehicles	113.43	-	-	-	-	-	111.01
Electrical Installations	476.38	-	-	-	-	-	348.03
Shaft & Inclines	885.87	-	-	-	-	-	754.75
Surface Track Lines	-	-	-	-	-	-	-
Krishna River Water Supply	-	-	-	-	-	-	-
Roads & Drains	87.86	-	-	-	-	-	56.43
Internal Water Distributions	44.86	-	-	-	-	-	40.06
11.4 MW Wind Farm (CGU)	4,373.71	-	-	-	-	-	3,899.97
Total	81,251.98	-	-	-	-	-	79,458.36
Previous Year	*83,833.50*	-	-	-	-	-	*81,252.03*

Note 3. Capital Work-In-Progress

₹ in Lakhs

Particulars	31st March 2021	31st Mar 2020
Buildings	166.64	5.62
Plant & Machinery	4,668.68	1,334.18
Shaft & Inclines	25,011.10	23,554.08
Capital Machinery & Equipment in Stock	33.91	10.25
Solar Plant (14MW) - WIP	13.18	13.18
Krishna Water Supply - WIP	19.07	-
Total	29,912.58	24,917.31

Note 4. Other Intangible Assets

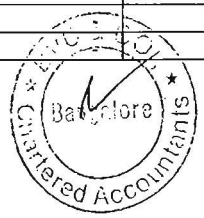
₹ in Lakhs

PARTICULARS	1st April, 2020	Additions	Disposal	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	31st March 2021
Gross Block						
Computer Software	353.45					353.45
Total	353.45	-	-	-	-	353.45
Previous Year	*343.96*	*9.49*	-	-	-	*353.45*
Accumulated Depreciation						
Computer Software	332.97	3.00				335.97
Total	332.97	3.00	-	-	-	335.97
Previous Year	*331.64*	*1.34*	-	-	-	*332.98*
Net Block						
Computer Software	20.48					17.48
Total	20.48	-	-	-	-	17.48
Previous Year	*12.33*	-	-	-	-	*20.47*

Note 5. Intangible assets under development

₹ in Lakhs

Particulars	31st March 2021	31st Mar 2020
Intangible assets under development	-	-
Total	-	-



FINANCIAL ASSETS

Note 6 : Investment

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
At Amortized Cost:		
Investment in Equity Instruments		
Un-Quoted Investments:		
Hutti Gold Mines Employees Consumers' Co-operative Society Ltd. (250 shares of ₹.1000/- each)	2.50	2.50
At Fair Value through Other Comprehensive Income:	-	-
At Fair Value through Profit or Loss:	-	-
Total	**2.50**	**2.50**

Note 7 : Other Financial Assets

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with bank maturity more than 1 year	94.22	91.93
Bank deposits offered as security for BG, maturity more than 1 year	685.38	621.63
Unpaid dividend accounts	42.09	8.40
Doubtful:		
Intercorporate Deposits	100.00	100.00
Others	9.50	9.50
Less: Provision for doubtful debts	(109.50)	(109.50)
Total	**821.69**	**721.96**

Note 8 : Other non-current assets

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured & Considered good:		
Security Deposits	650.01	666.30
Deposit with Central Excise Department	737.76	737.76
VAT / ET Receivable	140.91	140.91
Income Tax Refunds receivable net - prior years	8,771.55	6,720.11
Prepaid Expenses (Non-current)	7.57	3.05
Others *	10,921.32	5,458.53
Total	**21,229.12**	**13,726.66**

**Details of other deposits:*		
Gold Deposited under GMS	-	-
Deposit of 250378.05 (995 purity) Grams of Gold in Gold Monitization Scheme with SBI on 08.08.2019. The Cost Price is ₹2191.07 / Gram. The SBI has valued Gold at ₹ 3553.47/Gram and total value is ₹ 8897.11 Lakhs. The quantity of Gold on conversion to 1000 purity is 249126.16 Grams.	*5,458.53*	*5,458.53*
Deposit of 250573.77 (995 purity) Grams of Gold in Gold Monitization Scheme with SBI on 16.09.2020. The Cost Price is ₹ 2191.07 / Gram. The SBI has valued Gold at ₹ 5220.21 / Gram and total value is ₹ 13080.49 Lakhs. The quantity of Gold on conversion to 1000 purity is 249320.896 Grams.	*5,462.79*	-
Total	*10,921.32*	*5,458.53*

CURRENT ASSETS

Note 9 : Inventories

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials - Ore	273.35	405.79
Stores & Spares:		
Stores & Spares in Stock	3,121.79	3,703.53
Stores & Spares-in-transit	441.65	171.86
Work-in-progress	294.33	303.65
Finished goods:		
Stock of Fine Gold	23,173.14	23,686.91
Stock of Silver	77.05	58.43
Total	**27,381.31**	**28,330.17**

FINANCIAL ASSETS

Note 10 : Trade Receivables ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured & Considered good:		
Debts outstanding for more than 6 months	-	0.17
Others	36.78	21.75
Total	**36.78**	**21.92**

Note 11 : Cash and Cash equivalents ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalents:		
Cash on hand	5.12	4.38
Gold coins on hand	1.54	1.54
Balances with banks:		
In current & flexi accounts	9,906.57	20,210.64
In deposit accounts (Maturing in less than 3 months)	-	-
Total	**9,913.23**	**20,216.56**

Note 12 : Other Bank Balances ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks on deposit accounts (Maturity more than 3 months less than 1 year)	65,000.00	55,850.00
Total	**65,000.00**	**55,850.00**

Note 13 : Other Financial Assets ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank deposits offered as security for bank guarantees	166.77	166.77
Total	**166.77**	**166.77**

Note 14: Current Tax Assets (Net) ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Current Year		
Advance Income Tax & TDS	7,272.96	11,483.44
Less: Provisions	(5,250.00)	(10,710.00)
Total	**2,022.96**	773.44

Note 15 : Other Current Assets ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid expenses	410.86	324.97
Accrued Interest *	1,067.12	1,755.90
Less: Provision for Doubtful Interest on Intercorporate Loans	(11.15)	(11.15)
Other Receivables (Rent & Electricity Charges)		
Debts over six months	90.14	57.28
Less than six months	30.01	25.75
Advances:		
Advance to employees	196.40	3,647.45
Advance to vendors	454.39	104.67
Others	165.35	88.83
Balances with Government authorities		
ITC Account Balance	2,228.61	2,031.84
Total	**4,631.73**	**8,025.54**

**Details of Accrued Interest on:*		
Bank Deposits	*732.53*	*1,577.49*
Others	*323.44*	*167.26*
Inter Corporate Loans	*11.15*	*11.15*
Total	*1,067.12*	*1,755.90*

EQUITY

Note 16 : Share Capital

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Authorised		
10,00,000 Equity Shares of ₹ 100/- each	1,000.00	1,000.00
10,00,000 non Convertible, Redeemabale Cumulative Preference Shares of ₹100/- each	1,000.00	1,000.00
	2,000.00	**2,000.00**
b) Issued		
307933-2/7 Equity Shares of ₹ 100/- each	307.93	307.93
c) Subscribed and paid up		
296203 5/7 Equity shares of ₹100 each fully paid up (of which 281482 3/7 Equity Shares of ₹100 each are allotted as fully paid up for consideration other than cash)	296.20	296.20
	296.20	**296.20**

d) Reconciliation of number of shares and Equity Shares outstanding :	As at 31st March, 2021	As at 31st March, 2020
At the beginning of the year	296203-5/7	296203-5/7
Addition/deletion during the year	-	-
At the end of the year	**296203-5/7**	**296203-5/7**

e) Details of Shareholders holding more than 5% shares in the Equity Share Capital of the company:

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% to Equity	No. of Shares	% to Equity
- Equity shares with voting rights:				
i. Govt. of Karnataka	2,20,186	74.34	2,20,186	74.34
ii. KSIIDC	57,500	19.41	57,500	19.41
iii. Karnataka State Mineral Corporation	15,000	5.06	15,000	5.06

NON-CURRENT LIABILITIES

Note 18 : Provisions

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee Benefits:		
Provision for Gratuity - Refer Note No.32 (14)	3,585.12	3,750.20
Provision for Leave Encashment - Refer Note No.32 (14)	244.65	642.49
Provision for Special Superannuation Benefit - Refer Note No.32 (14)	2,608.46	2,541.44
Provision for 25 years long service award	71.82	76.32
Total	6,510.05	7,010.45

Note 19 : Deferred Tax Liabilities/Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liability		
Depreciation	1,015.61	1,574.74
Gross Deferred Tax Liability	**1,015.61**	**1,574.74**
Deferred Tax Asset		
Provision of Gratuity & Other Employee Benefits	1,620.37	1,667.31
Other Comprahensive Income	47.38	1,265.47
Gross Deferred Tax Asset	**1,667.75**	**2,932.78**
Total	**(652.14)**	**(1,358.04)**

CURRENT LIABILITIES

Note 20 : Trade Payables

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of MSME	90.35	53.47
Total outstanding dues of other than MSME	2,529.40	1,321.22
Total	2,619.75	1,374.69

* Refer notes on accounts no. 32 (20)

Note 21 : Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unpaid Dividend	13.92	8.39
Capital Creditors	4,279.86	4,080.04
Total	**4,293.78**	**4,088.43**

Note 22 : Other Current Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues payable	1,293.12	823.00
Trade/ Security Deposits received	1,945.27	2,065.78
Creditors For Expenses	4,040.55	3,350.46
Employee Benefits Payable*	1,470.45	13,109.88
Total	**8,749.39**	**19,349.12**

*Detailed break up of Employee Benefits Payable:		
Provision for Bonus	*5.12*	*12.60*
Production Linked Incentive for 2010-11 (Left Service)	*5.13*	*53.24*
Production Linked Incentive for 2011-12	*14.99*	*451.62*
Production Linked Incentive for 2016-17	*17.82*	*310.44*
Production Linked Incentive for 2017-18	*10.14*	*451.08*
Production Linked Incentive for 2018-19	*3.61*	*4.44*
PLIB Payable 08-09	*4.77*	-
PLIB Payable 09-10	*5.48*	-
PLIB Payable 10-11	*10.00*	-
PLIB Payable 12-13	*19.02*	-
Bonus Payable (FY 2017-18)	*1.41*	-
Exgratia 2008-09	*4.23*	*151.22*
Exgratia 2009-10	*4.21*	*191.53*
Exgratia 2010-11	*9.13*	*246.16*
Exgratia Payble 2011-12	*8.72*	-
Exgratia Payble 2012-13	*15.15*	*303.73*
Exgratia Payable 2015-16	*22.17*	*427.83*
Exgratia Payable 2016-17	*29.34*	*20.30*
Exgratia Payable 2017-18	*9.93*	*426.71*
Provisions for Exgratia (LS Employees)	*34.97*	*29.21*
Exgratia Payable 2018-19	*14.60*	*450.45*
Wage Revision Arrears	*60.88*	*8,429.97*
Exgratia Payable 2019-20	*21.28*	*639.55*
Production Linked Incentive for 2019-20	*507.57*	*509.80*
Exgratia Payable 2020-21	*630.78*	-
Total	*1,470.45*	*13,109.88*

Note 23 : Provisions

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for gratuity - Refer Note No.32 (14)	-	-
Provision for Leave Encashment - Refer Note No.32 (14)	-	-
Provision for Special Super annutation - Refer Note No.32 (14)	-	-
Total	-	-

Note 24 : Revenue from Operations

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Sale of Products (Gross)		
Sale of Gold	54,645.06	70,586.80
Sale of silver	68.42	96.99
Sale of Power	629.77	779.62
Total	**55,343.25**	**71,463.41**

Note 25 : Other Income

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit on Sale of Assets	-	4.01
Interest received from:		
Advance to Employees	-	-
Deposits with Banks	3,768.15	4,802.56
Interest on GMS	358.23	129.43
Deposits with KPTCL	28.43	39.59
Income Tax Refund	99.18	391.34
Others	140.70	1.83
Sale of Scrap	14.19	31.79
Penalty based Income	68.99	17.69
Income on letting out quarters	72.58	49.87
Reversal of provisions	5.68	-
Discounts received	-	2.32
Miscellaneous Income	67.26	28.83
Canteen & Guest House Recoveries	1.99	2.60
Total	4,625.38	5,501.86

Note 26 : Changes in Inventory of Finished Goods, Work-in-progress & Ore at Mines

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Stock		
Gold	23,686.91	30,800.13
Silver	58.43	72.05
Work-in-progress	303.65	285.79
Stock of ore at Mines	405.79	185.28
Deposit in GMS	5,458.53	-
Less: Closing Stock		
Gold	(23,173.14)	(23,686.91)
Add: Adjustment for Deposit in GMS	(10,921.32)	(5,458.53)
Add: Adjustment for Refinery Loss	(15.81)	(20.66)
Silver	(77.05)	(58.43)
Add: Adjustment for Refinery Loss	(0.60)	(2.23)
Work-in-progress	(294.33)	(303.65)
Stock of ore at Mines	(273.35)	(405.79)
Net (Increase)/Decrease in stock	(4,842.29)	1,407.05

Note 27 : Employee Benefit Expenses

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries, Wages and Bonus	22,180.47	23,276.25
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits*	3,928.76	4,062.22
Staff Welfare Expenses	958.04	1,551.41
Total	27,067.27	28,889.88

The Various Funds in which the contributions for Employee benefits were made by the company are as below:		
Contribution to Provident Fund	*1,483.28*	*1,176.16*
Contribution to Employee Pension Scheme	*526.93*	*550.89*
Contribution to Employees Deposit Linked Insurance Scheme/General Insurance Scheme	*163.66*	*134.62*
Contribution to GSLIS	*5.60*	*5.65*
Provident Fund Inspection charges	*41.15*	*28.10*
Employees Deposit Linked Insurance Scheme Inspection charges	*0.35*	*2.25*
Employees' Service Gratuity	*1,159.08*	*1,593.32*
Employees' special superannuation scheme	*352.91*	*293.41*
Workmen's Compensation	-	-
25 Years continuous long service award	*1.86*	*5.04*
Contribution to Superannuation Fund	*193.94*	*272.78*
Total	*3,928.76*	*4,062.22*

Note 28 : Depreciation and Amortisation Expenses

₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Depreciation and amortisation expenses	1,761.36	1,953.33
Total	1,761.36	1,953.33

* Refer note no.2 & 4

Note 29 : Other Expenses ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Other Mining and Operating Expenses		
Transport and conveyance	321.67	338.09
Main reef mining expenses	-	-
Diamond drilling expenses	299.33	-
Royalty, DMF & NMET	2,724.53	3,183.65
Power and Fuel	4,936.44	5,593.81
Repairs and Maintenance:		
Plant , Property & Equipment	842.68	629.22
Grey/South Hutti mines expenses	-	1,267.49
Wind Mill Operating & Maintenance Expenses	197.95	184.19
Other	57.11	84.97
Transformer replace exp-KEB		
	9,379.71	**11,281.42**
B. Administrative expenses		
Rates and Taxes	14.04	48.81
Insurance	25.33	51.43
Travelling and Conveyance	60.82	134.96
Printing and Stationery	27.50	36.84
Communication Expenses	17.34	16.93
Dead rent	64.12	65.25
Advertisement and tender notification	40.10	58.63
Auditor's Remuneration		
Statutory Audit	1.50	1.77
Tax Audit	0.60	0.89
Expenses	0.24	0.36
Other Audit	0.64	0.24
Secretarial Audit	1.10	1.05
Professional Fees and Expenses	172.59	115.80
Legal Fees	11.44	13.15
Director Sitting Fees	0.85	0.28
Travelling Expenses - Directors	-	19.10
AGM Expenses	0.23	0.67
Board Meeting expenses	1.09	1.05
Plant, property and equipment written off	0.34	-
Afforestation Expenses	49.66	0.04
Industrial Pollution	366.25	70.40
Donations	-	400.00
Corporate Social Responsibility	568.86	43.87
Others	288.98	341.53
	1,713.62	**1,423.05**
C. Selling and Distribution Expenses		
Carriage Outwards	0.05	15.09
Gold Storage Insurance	96.49	35.40
	96.54	**50.49**
Total	**11,189.87**	**12,754.96**

Note 30 : Other Comprehensive Income ₹ in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Remeasurement of net defined benefit liability/(asset)		
On Service Gratuity	(247.41)	(2,985.90)
On Employees Special Superannuation Scheme	59.17	(635.95)
Less: Tax thereon	47.38	1,265.47
Total	**(140.86)**	**(2,356.38)**

Note 31 : Earnings per Share ₹ in Lakhs

The calculation of Earnings per share (basic and diluted) are based on the Earnings and number of shares as computed below.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Reconciliation of earnings		
Profit/(Loss) for the period	14,853.05	17,524.31
Net profit attributable to equity shareholders	**14,853.05**	**17,524.31**
Reconciliation of number of shares	Shares	Shares
Shares outstanding at the beginning of the year (in Lakhs)	2.96	2.96
Shares outstanding at the end of the year (in Lakhs)	2.96	2.96
Weighted average number of equity shares	**2.96**	**2.96**
Basic and Diluted Earnings Per Share (in rupees)	5,014.48	5,916.34
[Nominal value of shares ₹ 100 /- each]		

RVC & Co. Chartered Accountants

CIN No.U85110KA1947SGC001321

Note:- 32

Other Notes forming part of the Accounts

Sl. No	Particulars	CURRENT YEAR ₹ in lakhs	PREVIOUS YEAR ₹ in lakhs
1	Estimated amount of Contracts remaining to be executed on Capital account and not provided for (net of advances)	8806.99	10,311.34
2	Contingent Liability not provided for:		
	(i) Letter of credit outstanding	Nil	Nil
	(ii) Bank guarantees	852.18	788.40
	(iii) Claims against Company not acknowledged as debts		
	a) Labour & other disputes pending with various Authorities/Tribunals/Courts.	Not quantifiable	Not quantifiable
b 1	The EPF case of CGU has been closed during the year and company has remitted the difference amount of ₹ 7.64 lakhs	Nil	9.03
b 2	Excess liabilities assessed by Income-Tax department/ Authorities and contested by company.		
	i) AY 2010-11	776.00	776.00
	ii) AY 2017-18	256.23	256.23
b 3	The Company had submitted its reply to the Commissioner of Central Excise & Customs, Belgaum on 30.8.2012, for the show cause notice issued by the Director General of Central Excise Intelligence, for levying of excise duty on sale of gold from 1.1.2007 to 31.12.2011.The Commissioner had passed an order on 26.3.2013, rejecting the grounds of the Company. The Company had filed an appeal before Customs, Excise & Service-Tax Appellate Tribunal (Tribunal) on 20.06.2013. The Tribunal granted the stay with the condition to deposit an amount of ₹ 100 Lakhs, vide its order number MISC ORDER Nos. 20363-20365/2014 dated 12.2.2014. According to the stay order the amount attributable to normal period of limitation is ₹ 417.36 Lakhs and out of which the company has already paid an amount of ₹.354.61 Lakhs and balance payable was ₹ 62.74 Lakhs and thus the Tribunal ordered to deposit ₹ 100 Lakhs to grant the stay. The company in compliance with the conditions for granting stay order has deposited ₹ 100 Lakhs on 11th March 2014. The Tribunal vide order nos.20240-20251 dt 12.02.2018 & 20206/2019 dt.03.04.2019 has directed for early hearing of the case. During the FY 2020-21 Company has filed application for early hearing two times. However the Tribunal directed to list the appeal when physical hearing starts. The case is pending for final hearing.		
	i) Excise Duty and Cess	14,137.27	14,137.27
	ii) Penalty	14,137.27	14,137.27

b 4	Joint Commissioner of Central Excise & Service Tax, Belgaum confirmed the disallowances of CENVAT credit availed by the Company on services used for construction of New Circular shaft and premium paid to LIC towards the Gratuity, PL Encashment and EDLIS policies, of the company, vide order No.BEL-EXCUS-000-DIV-GLB-JTC-RSR-56-2016-17 C.EX dated 28/12/2016. The Company has filed the appeal before Commissioner of Central Tax (Appeals), Belgaum vide appeal No.202/17/BM/CE dated 04.04.2017 contesting the order passed by the Joint Commissioner of Central Excise & Service Tax, Belgaum (Period July 2012 to June 2014). The commissioner (Appeals) has allowed the cenvat benefit in respect of service tax for insurance services and upheld the demand in respect of new circular shaft, vide order no.BEL-EXCUS-000-APP-MSC-207-2018-19 dt.05.08.2018. The company has contested the disallowance of centvat credit on circular shaft project before the CESTAT, Bangalore on 19.11.2018, by depositing ₹.9.53 Lakhs - Disallowed CENVAT Amount (Excluding interest) - Penalty	 93.32 49.89	 93.32 49.89
b 5	Show cause notice issued by the Commissioner of Central Excise, Belgaum vide SCN No.102/2016-Commr.(C.Ex) dated 29/7/2017 disallowing the CENVAT credit availed by the Company on services used for construction of New Circular Shaft, for the period from July 2014 to December 2015, excluding interest and penalty (Interest and penalty not quantified). The Company filed its reply on 30/1/2017.The case hearing completed during Feb.2017 and reserved for order	258.48	258.48
b 6	Show cause notice issued by the Assistant Commissioner of Central Excise, Bellary vide SCN No.BLY/52/2016-17(AC) dated 04/11/2016 disallowing the CENVAT credit availed by the Company on steel items used by the Company for its underground operation for the period from July 2014 to November 2015 (Interest and penalty not quantified). The Company had filed its reply on 18/8/2017.The Dy. Commissioner issued order in original, vide OIO BEL-EXCUS-000-DIVB-ASC-Dr.A-04-17-18 dt.27.12.2017 confirming the demand. The company has filed appeal before Commissioner of (Appeals), Belgaum during March 2018 and deposited ₹1.13 Lakhs. The Commissioner (Appeals) has referred back the matter to Assistant Commissioner of Central Tax &CE (AC),Bellary to examine the actual usage of impugned goods and accordingly can allow the eligible Cenvat credit. The Company has submitted the related documents for claiming the Cenvat credit during February 2019. The AC,Bellary after examining the documents submitted by the company ordered to drop the demand vide order No.C.No.IV/08/123/2016-B.1/1608 dated 03.12.2019. The Assistant Commissioner (Appeal & Review) Belgavi had filed an application before Commissioner of (Appeals), Belagavi challenging the order passed by the AC, Bellary. The commissioner of (Appeals) vid order No.BEL-EXCUS-000-APP-MSC-037-2020-21 dated 12.10.2020 rejected the appeal filed by the department. Thus the case is closed.	Nil	15.11

b 7	Show cause notice issued by the Principal Additional Director General of Directorate General of Goods & Service Tax Intelligence (DGGSTE) vide SCN No.30/2017-18 dated 05/08/2017 disallowing the concessional rate of duty paid by the Company on clearance of gold bars for the period from 1st July 2012 to 30th June 2017, Interest and penalty not quantified). The Company had filed the reply on 23.01.2018 before the Commissioner of Central Excise, Belgaum. The Commissioner of Central Tax confirmed the demand vide order no,011/17-18(CX) dated 23.03.2018. The company has filed the appeal before the CESTAT, Bangalore on 20.07.2018. Further as per the order of the commissioner, the company has deposited ₹ 627.30 Lakhs on 20.07.2018. During the year Company has filed application for early hearing two times. However the Tribunal directed to list the appeal when physical hearing starts.	8,363.98	8,363.98
b8	Show cause notice issued by the Additional Commissioner of Central Excise, Belgaum vide SCN No.38/2017-18 JCC.EX dated 29/01/2018 disallowing the CENVAT credit availed by the Company on services used for construction of New Circular Shaft, for the period from January 2016 to June 2017, excluding interest and penalty (Interest and penalty not quantified). The Company has suitably replied to the SCN stating that Company is not liable for payment of the demand raised by the Dept. The case is pending for hearing	183.96	183.96
b 9	Amount payable towards NMET for the period from 12.01.2015 to 31.3.2015 is not applicable as per the court order	Nil	7.31

3. **Proposed Dividend**

	For the year ended 31.03.2021	For the year ended 31.03.2020
The dividend proposed for the year is as follows:		
On equity Share of ₹100 each:		
Amount of Dividend Proposed	₹ 4455.93 lakhs	₹ 1481.02 lakhs
Dividend per Equity Share	₹ 1504.34 Per Share	₹ 500 Per Share

AS per IND AS, proposed Dividend does not form liability until it is approved by the share holders in the AGM and hence no provision is made in this regard

4. a.The exgratia and PLIB proposals for the period from FY 2008-09 to FY 2018-19, which were pending before the Government for its approval, were placed before the Board. It is noted by the Board that the payments against these provisions have been made and payments have been accounted as advances to the employees. It is also noted that the Government of Karnataka for the exgratia proposals of the FY 2008-09, 2009-10, 2010-11 and 2012-13, vide its letter No.CI 15 CMC 2019 dated 25.11.2019 has informed that there is no action before the Government and this is to be placed before the Board for decision. The Board in its 420th meeting held on 30.03.2021 has agreed to close the exgratia and PLIB provision and corresponding advance accounts from FY 2008-09 to 2018-19. Accordingly, all exgratia and PLIB provisions and corresponding advance accounts have been closed as on 31.03. 2021.The short provision amounting to Rs 44.86 lakhs has been adjusted against the retained earnings.

b. The provision for exgratia amounting to Rs.630.78 lakhs for the FY 2020-21 has been made in the books of accounts, pending approval from the Government of Karnataka

5.a After verifying the records, the company has claimed the refund of ₹128.19 Lakhs in respect of KTEG and KST vide its letter no.HGM/FD/TAX/VAT/2017-18/KST&KTEG/726/18 dt.02.06.2018. The subject of refund is in correspondence in the commercial tax department. Against the above refund dues, the advances in the books of accounts as on balance sheet date is ₹ 93.40 Lakhs. These advance accounts will be adjusted and or closed, on receipt of refunds.

b) The Status of Income – Tax Assessments:-

₹ in Lakhs

Assessment Year	Provision as per books	Tax assessed by Assessing Officer	Estimated Tax Liability Post CIT order	Present Status / Remarks
2010-11	4,230.00	5,006.00	4,230.00	Case is pending before the ITAT
2015-16	3005.65	3017.10 (Estimated)	3,005.65	Asset and liability continued in the books, since order giving effect from department for CIT order is yet to be received
2016-17	631.77	-	-	Assessment is yet to be taken
2017-18	1,690.01	1,946.24		Appeal is pending before CIT (Appeals)
2018-19	1,306.20	--	--	Scrutiny Assessment is taken. Assessment order is yet to be received
2019-20	4,270.00	---		Assessment is yet to be completed
2020-21	7777.65			Assessment is yet to be completed

c) As per SLNo.21 of the 2nd schedule of the notification of the Ministry of Mines, Royalty is payable on the gold metal in ore produced. Further as per the provisions of section 9 of MMDR Act, the Royalty is payable in respect of any mineral removed or consumed by the holder of mining lease. The Company is discharging the Royalty on monthly basis on ore milled quantity. As per the advice of the audit, the clarifications with respect to said MMDR Act read with notification was sought from the Dept. of Mines and Geology, Raichur. Pending receipt of the reply, the company has continued its existing accounting treatment on Royalty.

6. a) The Mines being operated by the company are established and commercially operating ones. As such, the day-to-day costs of drilling and other development are being charged to revenue. The detailed exploration and evaluation of mineral reserves will be carried out as and when new mines are sanctioned to company in terms of IND AS 106.

b) The Company had entrusted the revaluation of assets to Government registered independent valuer. The firm has carried out the revaluation of assets as per IND AS requirement, as on 31.03.2016. As reported by the valuer, the valuer has done the appraisal of fair valuation of land and arrived at their best judgemental appraisal value, for the company for Financial reporting purpose, considering the guidelines rates published by the departments of stamps & registration for collection of tax, with due weightage for various parameters published by Government of Karnataka for non-agriculture land and various other factors such as usage of land, developments in nearby locality, amenities, infrastructure, availability of land, commercial real estate, affordability, social and environmental factors, purpose & quantum of land owned by the company, etc., The Company has relied upon the reports prepared by the valuer and accounted accordingly.

c) In respect of assets whose lives have been completed, the revaluation surplus is depreciated for the remaining useful lives reported by the valuer in the valuation report.

d) The 250HP Thyrister controlled double drum winder having book value of ₹ 7.07 Lakhs, being 5% of original cost (P.Y ₹ 7.07 Lakhs) as at Balance sheet date, was transferred from Chitradurga gold unit, for Hutti Gold operation during March 1994. However the company is of the opinion that the machinery is more suitable for its satellite mine at Uti. The equipment will be installed at Uti after completion of the underground development works. The asset is not put to use during the year.

e) Operations in Chitradurga Gold Unit have been temporarily suspended and the company has installed the wind mills. The book values of the assets used for gold operation, except buildings, as at Balance-sheet date are either 5% or less than 5% of the respective assets original cost

f) During physical verification of fixed assets as on 31.03.2021, the assets worth (book value) of ₹ 8.62 Lakhs (P.Y ₹ 1.73 Lakhs) have been reported to be redundant. Pending detailed examination and decision thereon, no provision is made in the books of accounts.

7. a)As per the requirements of Indian Bureau of Mines (IBM) and as a part of mining plans, the company has submitted the progressive mine closer plans for Hutti, Uti and Hirabuddini mines. The technical committee constituted to study the financial and cost impact of progressive mine closer plans, reported that the mines have the life between 17 to 29 years and therefore the estimation of financial / cost implication at this juncture would not be advisable. As per the guidelines of IBM the cost estimation can be initiated at least 2-5 years before the final closer activities starts. The total financial assurance (FA) to be provided by the Company to the IBM, for the working mines is estimated to be ₹ 685.38 Lakhs, and same has been provided by the company in the form of Bank Guarantees (BG). The Mining leases for Wandali, Ajjanahalli, Mangalur Gold mines and Ingaldal copper mines are pending for renewal and presently the company is not carrying out the mining operations here. The required FAs for these mines will be submitted, once the MLs are renewed.

   b) The non moving store inventory for a period of more than 36 months as on 31.03.2021 is estimated to be ₹1.73 Lakhs (P.Y ₹ 5.21 Lakhs). Pending detailed examination of its further usage and / or its disposal no provision is made in the books of accounts.

   c) The approximate Stock of Copper Ore Tailing at CGU is 521361 MT (P.Y 521361 MT) and at Kalyadi Copper Unit is 500000 MT (P.Y 500000 MT) value not determined. The revenue to be realised on disposal of this COT will be accounted during the year of actual realisation as per Accounting Policy No.2.5.

8. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on appropriate basis. Certain items those are not specifically allocable to individual segments, are separately disclosed as 'unallocated'. The Company has considered business segment as the primary segment for disclosure. There are no other reportable segments.

Segment Information (₹ in Lakhs)

	Current Year – 2020-21			Previous Year – 2019-20		
Particulars	Gold Unit	Wind Farm	Total	Gold Unit	Wind Farm	Total
Segment Revenue	54,727.67	629.77	55,357.44	70,715.59	779.62	71,495.21
Segment Expenditure*	37,659.59	513.76	38,173.35	48,552.41	526.37	49,051.77
Segmental Results	17,068.08	116.03	17,184.11	22,190.18	253.27	22,443.44
Un-allocable Income			4,611.19			5,471.57
Un-allocable Expenditure*			939.01			994.23
Profit before taxation			20,856.29			26,920.78
Taxes			6,003.28			9,389.92
Profit after taxation			14,853.01			17,530.86
Comprehensive income			(140.86)			(2,356.37)
Total Comprehensive income			14,712.19			15,174.49
Segment Assets	1,59,754.89	4,735.16	1,64,490.05	1,53,143.65	5,212.57	1,58,356.21
Un-allocable Assets			76,756.60			76,834.45
Total Assets			2,41,246.65			2,35,190.66
Segment Liabilities	22,164.82	8.15	22,172.97	31,617.21	6.33	31,623.55
Un-allocable Liabilities						
Total Liabilities			22,172.97			31,623.54
Capital Expenditure	30,426.67	19.30	30,445.97	25,192.64	19.30	25,211.94
Depreciation	1478.64	282.72	1761.36	1,669.91	283.45	1,953.35

* Note

(i) Registered Office expenses have been considered as un-allocable. The expenses of Chitradurga unit, which are directly identifiable with wind mill operations have been allocated to wind operation and other expenses have been apportioned to wind mill on approximation.

(ii) The Gold unit expenses are net of stock adjustment.

(iii) Previous years amounts have been reapportioned and restated, wherever necessary.

9. The Company has made an Inter-Corporate Loan of ₹ 100 Lakhs to Mysore Lamp Works Limited, a Government Company, the winding up process of which has been initiated. The Company has lodged its claim before the official liquidator. Pending the settlement, the Inter Corporate Loan outstanding amounting to ₹ 111.15 Lakhs including interest up to the year 1998-99 is considered doubtful and fully provided for. Consequently no interest is provided from the year 1999-2000. Suitable adjustments will be made on settlement of dues.

10. a) Value of imports calculated on CIF basis.

Description	Current Year. ₹ in Lakhs	Previous Year. ₹ in Lakhs
1. Spare parts	Nil	Nil
2. Capital Goods	Nil	Nil

b) Imported and indigenous Stores and spare parts consumption:

Description	Current Year		Previous Year	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
i) Indigenous	3920.74	100	5030.68	100.00
ii) Imported	Nil	0.00	Nil	0.00
Total	3920.74	100.00	5030.68	100.00

c) Earnings in Foreign currency - Nil.

d) Expenditure in Foreign currency:-

(i) CIF value of spare parts imported - ₹ Nil (Previous Year - ₹ Nil Lakhs)

(ii) Foreign travel expenses – ₹ Nil (Previous Year ₹ 30.44 Lakhs)

11. The Company has budgeted CSR expenditure of ₹ 300 Lakhs (P.Y ₹ 125 Lakhs), considering 2% of the average profits of the previous 3 years as per Section 135 of the Companies Act, 2013. The Company has sanctioned ₹ 649.80 Lakhs for the FY 2020-21 for various projects & contributions and released ₹ 564.20 Lakhs. Further during the year company has also released ₹4.66 lakhs towards projects sanctioned during the previous year. The value of work completed till 31.03.2021 and the balance amount payable, based on work completion, for these projects have not been assessed. The details of amount spent towards CSR during the FY 2020-21 is as under

(a) The Gross amount required to be spent by the company during the year was ₹ 291.15 Lakhs (P.Y ₹ 139.54 Lakhs)

(b) Amount spent during the year on:

₹ in Lakhs

Sl.No.	Particulars	Paid during previous years	Paid during the year	Yet to be paid in cash*	Total
1	Purchase of equipment for medical college and research institute	6.25	0.00	12.50	18.75
2	Solar lighting / ramp works	4.00	0.00	2.00	6.00
3	Food items for schools	5.00	0.00	5.00	10.00
4	Infrastructure facilities for Schools	0.00	0.00	68.80	68.80
5	Construction of orphanage	0.00	1.33	2.67	4.00
6	Elevators for Hospital	0.00	3.33	6.67	10.00
7	Energy foods for dietary deficit	0.00	0.00	9.94	9.94
8	Advanced life support ambulances for hospitals	0.00	0.00	100.00	100.00
9	Food kits to vulnerable groups	0.00	64.20	0.00	49.80

*Indicates the difference between sanctioned amount and released amount.

In addition to above, ₹500 Lakhs has been contributed towards State Disaster Management Fund under the CSR. Thus, the total amounts released during the year 2020-21 is ₹ 568.86 Lakhs.

12. Details of maintenance and other expenditure on Township and other social overheads.

REVENUE:

Particulars	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Maintenance materials	38.96	38.95
Salaries, Wages & benefits	1570.82	1,619.23
Water Supply	167.26	136.33
Electricity Charges	530.12	509.10
Repairs & Maintenance of Buildings & Roads	30.68	50.50
Depreciation	136.51	134.14
Medical facilities	584.45	879.01
Expenses on Social & Cultural activities	727.87	797.27
Total	3750.66	4,164.53
Less: Township recoveries:	45.37	21.02
Net: Township Expenses:	3705.29	4,143.51

CAPITAL:

Particulars	Current Year – ₹ in lakhs		Previous Year – ₹ in lakhs	
	Gross Block as at 31-03-21	Depreciation Up-to 31-03-21	Gross Block as at 31-03-20	Depreciation Up-to 31-03-20
Township	3592.29	1558.64	3,425.99	1,383.45
Hosp. School &	914.91	447.37	1,035.99	484.37
Social & cultural	142.47	96.13	143.70	96.69
Total	4650.28	2102.14	4,605.69	1,964.51

13. In terms of Memorandum of Settlement on Wages, signed on 31/03/2003 between the management and HGM S & E Union, management had agreed and framed a special superannuation benefit scheme. A Trust has been registered for administering the fund through Prudential ICICI. ₹ 351.35 Lakhs (P.Y ₹ 293.41 Lakhs) for the year 2020-21, being the current year service cost, as per actuarial valuation, is provided.

14. Detailed information as per IND AS -19 on Employees Benefits.

The company has defined benefit plans comprising of Service Gratuity, Privilege leave benefit & Employees superannuation scheme. The valuation of liabilities have been arrived using Projected Unit Credit Actuarial Method.

₹ in lakhs

Sl. No	Particulars	Current Year – 2020-21			Previous Year – 2019-20		
		Service Gratuity	PL Benefit	E.S.S.	Service Gratuity	PL Benefit	E.S.S.
A	Changes in the Defined Obligation (DBO) during the period						
	DBO, beginning of period	14679.22	2918.78	3066.61	11,009.04	2,223.10	2,233.42
	Net current service cost	867.00	217.06	182..40	671.28	165.33	137.66
	Interest cost on DBO	982.12	196.95	205.97	845.66	171.10	172.88
	Benefits paid	(1684.07)	(679.51)	(225.17)	(772.83)	(349.42)	(114.03)
	Actuarial (Gains)/Loss	259.83	429.76	(64.87)	2,926.07	708.67	636.67
	DBO, end of period	15104.10	3083.04	3164.94	14,679.22	2,918.78	3,066.61
B	Change in fair value of Plan Assets during the period						
	Fair value of plan assets, beginning of period.	10929.02	2276.30	525.16	9686.33	1914.45	0.97
	Interest income on plan assets	736.62	153.42	37.02	749.72	148.18	17.13
	Actual company contributions	1525.00	601.03	225.17	1325.63	300.02	599.00
	Benefits paid	(1684.07)	(210.99)	(225.17)	(772.83)	(80.35)	(92.66)
	Actuarial (Gain)/Loss	12.42	18.64	(5.71)	(59.82)	(6.00)	0.73
	Fair value of plan assets, end of period	11518.99	2838.39	556.48	10929.03	2276.30	525.17
C	Amounts in Balance Sheet at period end						
	Defined benefit obligation	--	3083.04	--	--	2918.78	--
	Fair value of plant assets		2838.39	--	--	2276.30	--
	(Asset)/Liability recognized in the Balance Sheet	--	244.65	--	--	642.48	--

D	Amount recognized in Statement of Profit & Loss at period end						
	Service cost	--	217.06	--	--	165.33	--
	Net interest cost	--	43.53	--	--	22.92	--
	Remeasurements	--	411.13	--	--	714.67	--
	Total expenses/(Income) included in "Employee benefit expenses"	--	671.72	--	--	902.92	--
E	Amount recognized in statement of financial position at period end						
	Present value of funded defined benefit obligation	15104.10	--	3164.94	14679.22	--	3066.61
	Fair value of plant assets	11518.98	--	556.48	10929.02	--	525.16
	Net defined benefit (Asset)/Liability recognized in the statement of financial position	3585.12	--	2608.46	3750.20	--	2541.45
F	Net defined benefit cost/(income) included in statement of Profit & Loss at period end						
	Service cost	867.01	--	182.40	671.28	--	137.66
	Net interest cost	245.50	--	168.95	95.94	--	155.75
	Total defined benefit cost /(income) included in Profit & Loss expenses	1112.51		351.35	767.22	*	293.41
G	Principal Actuarial Assumptions						
	Discount Rate	7.05%	7.05%	7.05	6.74%	6.74%	6.74%
	Mortality Rate	IALM (2012-14) Ultimate			IALM (2012-14) Ultimate		
	Salary escalation	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
	Expected rate of return on assets	7.05%	7.05%	7.05%	6.74%	6.74%	6.74%

* The benefits paid includes ₹ 468.52 Lakhs (P.Y ₹ 269.08 Lakhs) settled by company.
E.S.S. stands for Employees Special Superannuation Scheme.

15. The remuneration of Directors and key managerial personal as per IND AS 24 is as under

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

Sl. no.	Particulars of Remuneration	Managing Directors		
	Name	Smt.Salma.K.Fahim IAS	Sri.Prabhuling Kavalikatti IAS	Total
	Period	01.04.2020 to 15.02.2021	16.02.2021 to 31.03.2021	Total
1	1. Gross salary	₹ in lakhs	₹ in lakhs	₹ in lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28.29	2.02	30.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify: -	-	-	-
	(a) contributions to funds/pensions schemes	2.91	0.22	3.13
	Total (A)	31.20	2.24	33.44
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Directors				Total Amount ₹ in lakhs
		----	----	----	----	
1	Independent Directors	-	-	-	-	-
	• Fee for attending board / committee Meetings					--
	• Commission	-	-	-	-	-
	• Others, please specify:	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee Meetings – 1.Sri.Manappa D Vajjal - ₹ 0.06 lakhs 2.Sri.C.G.Kumar Naik, IAS - ₹ 0.10 Lakhs 3.Sri.M Maheshwar Rao, IAS - ₹ 0.06 Lakhs 4. Sri.Ganga Ram Baderiya, IAS - ₹ 0.02 Lakhs 5.Dr.S.Selvakumar , IAS - ₹ 0.12 Lakhs 6.Sri.Naveen Raj Singh, IAS - ₹ 0.12 Lakhs 7.Dr.Ekroop Caur , IAS - ₹ 0.08 Lakhs 8.Dr.N Shivashankar , IAS - ₹ 0.04 Lakhs 9.Sri.M.S.Sirikar, IAS - ₹ 0.04 Lakhs 10.Sri.D.S.Ramesh, IAS – ₹ 0.06 Lakhs 11.Sri.Kudligere S Halesh - ₹ 0.09 Lakhs 12.Sri.Srinivasraj Desai - ₹ 0.03 Lakhs 13.Dr.Prabhakar Sangurmath -₹ 0.03 Lakhs					0.85
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)	-	-	-	-	0.85
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
	Name	Shri.Prakash	
	Post held	I/c.E.D	
1	1. Gross salary	₹ in lakhs	₹ in lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.46	29.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.63	2.63
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	- as % of profit	--	--
	- others, specify...	--	--
5	Others, please specify- :	--	--
	(a) Contributions to the funds and EPS	6.32	6.32
	(b) PL Encashment paid on retirement as terminal benefit	--	--
	Total	38.41	38.41

16. Payment to Auditors

Particulars	31st March 2021	31st March 2020
i. Statutory Audit	1.50	1.50
ii. Tax Audit	0.60	0.60
iii. Other taxation matters	--	--
iv. Other Audits	0.35	---
v. Reimbursement of expenses	0.24	0.36

The above expense are exclusive of taxes

17. The Company has invested ₹ 65,946.37 Lakhs in fixed deposits (FDs) including FDs offered as security for bank guarantees in various banks on 31.03.2021 (P.Y ₹ 56730.33 Lakhs). The details of these deposits included in financial statements are as under:

₹ in Lakhs

Sl. No.	Particulars	Note No.	As at end of 31.03.2021	As at end of 31.03.2020
1	Cash and cash equivalent (maturity less than 90 days)	11	Nil	Nil
2	Other bank balances (maturity less than one year)	12	65000.00	55,850.00
3	Other financial assets – non-current assets (maturity more than one year)	7	94.22	91.93
4	FDs offered as security for bank guarantees	7 & 13	852.15	788.40

18. Balance of sundry creditors, loans & advances, deposits paid are subject to confirmation and reconciliation if any.

19. The outstanding Earnest Money/Security Deposits for more than five years and for which no claims are anticipated in near future is estimated to be about ₹ 12.31 Lakhs (P.Y ₹ 2.81 Lakhs). Similarly the estimated unclaimed credit balance of various parties for more than 5 years and for which no claims are anticipated in near future is about ₹ 29.87 Lakhs.(P.Y.₹3.04 lakhs). These two unclaimed amounts have been accounted as income during the year. The liability if any arises or if any payments happens by the Company in future will be accounted as expenses during the year of payments.

20. Information relating to Micro, Small and Medium Enterprises Development Act,2006 is as under

Sl.No.	Particulars	₹ in Lakhs
1	Principal amount remaining unpaid to any supplier at the end of financial year	90.35
2	Interest due remaining unpaid to any supplier at the year of the year	Nil
3	Amount of the interest paid by the buyer in terms of section 16 of the Act, along with amount of payment made beyond the appointed date during the year	Nil
4	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	Nil
5	Amount of interest accrued and remaining unpaid at the end of each financial year	Nil
6	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	Nil

The above information has been given of such vendors to the extent they could be identified as Micro and Small Enterprises on the basis of information available to the Company.

21. The figures for the previous year have been regrouped and rearranged wherever necessary.

22. Amounts have been rounded off to the nearest two decimal points of lakh of rupees.

23. The gold production shown at sl.no.26 of Note 32 is exclusive of adjustment of opening and closing stock of work in process. The opening and closing stock of work in process gold was 14587.92 grams and 11283.15 grams respectively.

24. The MCA vide notification no. G.S.R.419 (E) dated 18th June 2021 has carried out amendments to the following IND AS:

- IND AS 101 - First Time Adoption of IND AS
- IND AS 102 - Share Based Payments
- IND AS 102 - Business Combinations
- IND AS 104 - Insurance Contracts
- IND AS 105 - Non Current Assets Held for Sale & Discontinued Operations
- IND AS 106 - Exploration for and Evaluation of Mineral Resources
- IND AS 107 - Financial Instruments – Disclosures
- IND AS 109 - Financial Instruments
- IND AS 111 - Joint Arrangements
- IND AS 114 – Regulatory Deferral Accounts
- IND AS 115 – Revenue from Contracts with Customers
- IND AS 116 – Leases
- IND AS 1 - Presentation of Financial Statements
- IND AS 8 - Accounting Policies, Changes in Accounting Estimates & Errors
- IND AS 12 - Income Taxes
- IND AS 16 - Property, Plant & Equipment
- IND AS 27 - Separate Financial Statements
- IND AS 28 - Investment in Associates and Joint Ventures
- IND AS 34 - Interim Financial Reporting
- IND AS 37 - Provisions, Contingent Liabilities and Contingent Assets
- IND AS 38 - Intangible Assets
- IND AS 40 – Investment Property

The amendments issued to the above IND AS which are not yet made effective as on the date of Balance sheet are not expected to have any significant impact on the Company's financial statements.

25. The Capital work in progress includes ₹.65.49 lakhs accounted for gold refinery project. The trail run of the plant was made during FY 2018-19. The plant could not be commissioned due to technical problems. The expert / consultant appointed by the company has reported that the plant is not feasible and viable to continue refining of dore bars economically. The company has issued the show cause notice to the agency. Pending settlement of dispute with the agency, no provision for redundancy is made in the books of accounts as on 31.03.2021

26. PRODUCTION, STOCKS AND SALES

	Class of Goods	Unit	Current Year			Previous year		
			Hutti	Chitradurga	Total	Hutti	Chitradurga	Total
Quantitative Particulars								
Milling	Ore	Tons	453328		453328	638540		638540
Actual Production	Gold	Grams	1113575.97		1113575.97	1724641.93		1724641.93
	Silver	Grams	118677.44		118677.44	187180.42		187180.42
	Wind Energy	KWH		18522713	18522713		22930086	22930086
Opening Stock	Gold	Grams	1081427.08		1081427.08	1501384.09		1501384.09
	Silver	Grams	148715.16		148715.16	192530.36		192530.36
Closing Stock	Gold	Grams	844539.73		844539.73	1330553.24		1330553.24
	Silver	Grams	149957.23		149957.23	148715.16		148715.16
Sales	Gold	Grams	1100421.07		1100421.07	1894530.04		1894530.04
	Silver	Grams	115917.20		115917.20	225296.50		225296.50
	Wind Energy	KWH		18522713	18522713		22930086	22930086
Value Particulars								₹ in lakhs
Opening Stock	Gold		29145.44		29145.44	30800.13		30800.13
	Silver		58.43		58.43	72.05		72.05
Closing Stock	Gold		23173.14		23173.14	29145.44		29145.44
	Silver		77.05		77.05	58.43		58.43
Sales	Gold		54645.06		54645.06	70586.81		70586.81
	Silver		68.42		68.42	96.99		96.99
Sales	Wind Energy			629.77	629.77		779.62	779.62

Gold Under Gold Monetization Scheme — **₹ in lakhs**

Particulars	995 purity	Converted to 1000 purity	Cost Value	Value as per certificate	Remarks
Opening stock (Grams)	250378.05	249126.16	5458.53	8897.11	Certificates issued for 995 purity
Closing stock (Grams)	500951.82	498447.06	10921.33	21977.60	

Note Number 1-32 forms part of the accounts

To be read with our report of even date

for and on behalf of the Board

For B V C & Co.,

Chartered Accountants
ICAI Firm Reg.No 008154S

BVC & CO. Bangalore Chartered Accountants

(CA Chandrashekara Shetty)
Partner
Membership No.216516

(Prabhuling Kavalikatti, IAS)
Managing Director
DIN.09102902

(Manappa.D.Vajjal)
Chairman
DIN.09310283

BANGALORE
DATED : 05.10.2021