



THE HUTTI GOLD MINES COMPANY LIMITED

CIN U85110KA1947SGC001321

77TH ANNUAL REPORT – FY 2022-23

Registered Office : 3rd Floor, KHB Shopping Complex, National Games Village,
Koramangala, Bangalore-560 047
Phone: (080) 2571 0501 Fax: (080) 25707380
Email : rohgmil@gmail.com
Website: www.huttigold.co.in

Mines : Hutti – 584 115, Raichur Dist.



THE HUTTI GOLD MINES COMPANY LIMITED

(A Govt. of Karnataka Undertaking)

Regd. Office : No 3rd Floor, KHB Shopping Complex,
National Games Village, Koramangala,

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77th ANNUAL REPORT & AUDITED ACCOUNTS FOR FINANCIAL YEAR 2022-23

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THE HUTTI GOLD MINES COMPANY LIMITED

(A Govt. of Karnataka Undertaking)

CIN No. U85110KA1947SGC001321

NOTICE OF ANNUAL GENERAL MEETING

To

The Members of
The Hutti Gold Mines Co Ltd

NOTICE is hereby given that the **SEVENTY SEVENTH Annual General Meeting** of the Members of The Hutti Gold Mines Co Ltd will be held on **Friday, the 29th December, 2023 at 12.00 Noon** through Video Conferencing or Other Audio Visual Means.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial statement comprising Audited Balance Sheet as at 31st March, 2023 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, 2023 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, 2023.

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.801.48/- per Equity Share of Rs.100/- each (801.48%) on 296203-5/7 Equity Shares of the Company, out of the current profits of the Company for the year ended 31st March, 2023 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 **22.12.2023**, in proportion to the amount paid up thereon."

Registered Office : 3rd Floor, KHB Shopping Complex, National Games Village, Koramangala, Bengaluru - 560 047
Phone : 080-25710501, 28055007 E-mail : regdoffice-hgml@ka.gov.in, rohgmil@gmail.com
Website : www.huttigold.karnataka.gov.in

PO HUTTI - 584 115., Raichur District, Karnataka, India
Ph : 08537-275022 Fax : 08537-275054 E-mail : huttimdoffice@gamil.com

The Hutti Gold Mines Co. Ltd.

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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 2023-24 be fixed by the Board of Directors."

Place: Bengaluru
Dated: 04.12.2023

By the Order of the Board

(Sanjay B Shettennavar, IAS)
Managing Director
DIN: 08416823

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.**

The Hutti Gold Mines Co. Ltd.

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3. Members are requested to send their email address to regdoffice-hgml@ka.gov.in by **26.12.2023 by 5:00 PM** to send the meeting link.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. All the documents referred to in the accompanying Notice and other statutory registers shall be available for inspection through electronic mode, basis the request being sent to the Company.
7. **BOOK CLOSURE:** The Register of Members of the Company will remain closed from **22.12.2023 to 29.12.2023** both days inclusive, to determine the Members entitled to receive dividend which will be declared at the Annual General Meeting.
8. **RECORD DATE** has been fixed **22.12.2023**, 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.
9. **DIVIDEND:** Dividend to be declared at this meeting, will subject to the provisions of section 126 of the Companies Act, 2013, dividend will be paid **before 28.01.2024** 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 **22.12.2023**. 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.
10. **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 <https://huttigold.karnataka.gov.in/>. Members are encouraged to view the list and lodge their claim for payment of unclaimed dividend. Dividend for the year ended 31st March, 2016, which was declared at the 71st Annual General Meeting held on 28.12.2017 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.

11. **WEBSITE:** The Company's website is <https://huttigold.karnataka.gov.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.
12. **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.
13. **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 **22.12.2023**.
 - 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 rohgmil@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.

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- 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.

ATTENDANCE SLIP

77th ANNUAL GENERAL MEETING

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

Name (s) in full
Company

Name & Address as registered with the

1. _____	_____
2. _____	_____
3. _____	_____

I hereby record my presence at the meeting of the 77th Annual General Meeting of shareholders of The Hutti Gold Mines Co. Ltd will be held on Friday, 29th December, 2023 through Video Conferencing or Other Audio Visual Means.

Please tick in the box

Equity shareholder

Proxy

Equity Shareholder's signature

Proxy's signature

Notes:

- 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:0x8a20903e473a770618m2!3d12.9440736!4d77.6235645>

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 **77th Annual General Meeting** of the company, to be held Friday, 29th December, 2023 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 31 st March, 2023 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.801.48 per Equity Share of Rs.100/- each (801.48%) on 296203-5/7 Equity Shares of the Company, out of the current profits of the Company for the year ended 31 st March, 2023 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 22.12.2023, 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 2023-24 be fixed by the Board of Directors."		

Signed this _____ day of _____ 2023 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.



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CIN: U85110KA1947SGC001321

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors have immense pleasure in presenting the 77th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March 2023.

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:

(Rs.in lakhs)

Particulars	FY 2021-22	FY 2022-23	Remarks
I. Quantitative parameters			
1) Production			
a) Ore Treated (MT)	478514	605976	(i) Increase in ore treatment due to commencement of normal operations, post COVID pandemic
b) Gold Production (kgs)	1236.81	1411.42	
c) Net recovery grade (Gms/MT)	2.58	2.33	(ii) Gold production increased due to increased ore treatment. However mine development ore grade was less due to encountering of lean zone.
d) Wind Power generated (lakh KWH)	208.05	218.34	Increase of 10.29 LKWH. Depends on wind velocity
2) Sales			
a) Sale of gold (kgs)	1200.45	1412.29	The sales quantity increased due to increase in gold production
b) Sale of Wind Power (lakh KWH)	208.05	218.34	All the generated units are exported to BESCO.



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II. Financial parameters			
A. Income			
1) Revenue from Operations			
(i) Sale of gold including silver	58199.75	77057.67	(i) Increase in quantity of gold sales was 211.84 Kgs. Impact on revenue due to increase in sales quantity is Rs.10255.60 lakhs (ii) Increase in average selling price was Rs.608.29 per gram. Impact on revenue due to increase in average selling price is Rs.8590.75 lakhs
(ii) Sale of Wind Power	707.38	742.35	All the generated units are sold to BESCO at the rate of Rs.3.40/KWH as per PPA.
(iii) Sale of sand	0.00	11.18	
Total	58907.13	77811.20	
2) Other Income			
(i) Income from investments	3224.32	4200.52	(i) GMS interest (+) Rs.508.68 lakhs (ii) Interest on FDs, margin money deposits and flexi account (+) Rs.467.52lakhs (iii) Average rate of interest was @ 4.95% against 4.09% earned during previous year on FDs, margin money deposits and flexi account. (iv) Average investments in FDs, margin money deposits and flexi account for the FY 2022-23 was Rs.63406.87 lakhs against Rs.65367.42 lakhs during previous year
(ii) Sale of Scrap etc.	125.68	107.31	
(iii) Other non-operating Income	344.75	754.51	(1) Int on IT refund (+) Rs.218.64 lakhs (2) Others (+) Rs.190.82 lakhs
Total	3694.75	5062.34	
Total Income	62601.88	82873.54	Increase of Rs.20271.66 lakhs (32.38%)
B. Expenditure			
(i) Materials consumed	4183.64	6045.37	The cost/ MT during the FY 2022-23 was Rs.998/- as against Rs.874/- reported during FY 2021-22.



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(ii) Employee Benefit Expenses	28064.00	33678.10	(i) Payment of interim relief (IR) to staff and workers and contribution to PF on IR- Rs.3482.50 (ii) Increase in salary, allowances and contributions Rs.1787.52 lakhs (iii) Increase in welfare and medical expenses Rs.169.29 lakh
(iii) Power & Fuel	5239.52	6718.00	The average rate increased by Rs.0.49 per unit. The consumption increased by 93.63 lakh units.
(iv) Royalty, DMF & NMET	3084.15	3915.08	(i) Royalty (4% of LMV value of gold content in the ore) - Rs.2960.63 lakhs, (ii) DMF (30% of Royalty) - Rs.888.19 lakhs and (iii) NMET (2% of Royalty) - Rs.59.21 lakhs (iv) Royalty and DMF of sand - Rs.7.04 lakhs
(v) Transportation , Repairs & Maintenance, other mining, Drilling and Windmill operation	2710.35	3251.73	(i) Diamond drilling of Expenses (+) Rs.486.88 lakhs (ii) Sand extraction expenses (+) Rs.98.58 lakhs (iii) Transportation expense (+) Rs.86.22 lakhs (iv) Reduction in repairs, maintenance, others (-) Rs.130.28 lakhs
(vi) Other Administrative and Misc. Expenses	1061.57	1791.37	(i) Payment of court fees (+) Rs.272.58 lakhs (ii) Afforestation and environment expenses (+) Rs.316.10 lakhs (iii) Advertisement expense (+)61.87 (iv) Bank charges and others (+) Rs.73.32 lakhs
(vii) Depreciation and amortization	1998.33	1851.26	Previous year the depreciation was more due to impairment reported during revaluation of the asset
(viii) Donations	552.00	270.07	
(ix) CSR	619.56	226.69	
Total Expenditure	47513.11	57747.67	



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Inventory changes	(-)154.31	(-)1660.15	(i) Accretion in value of gold by Rs.1928.67 lakhs. (ii) Decretion in value of silver by Rs.0.07 lakhs. (iii) Decretion in value of gold in process by Rs.24.80 lakhs (iv) Decretion in value of stock of ore by Rs.361.82 lakhs. (v) Accretion in value of sand by Rs.118.17 lakhs
C. Profit Before Tax	15243.08	26786.02	
Provision for tax	4126.77	7002.50	
D. Profit After Tax	11116.31	19783.52	
E. Earnings per share (Rs.)	3752.93	6679.02	
F. Book value per share(Rs)	54111.73	59735.17	
G. Segment wise Profitability			
(i) Gold (Rs./gm)			
a) average selling price	4841	5450	1) Segment profitability arrived excluding RO expenses
b) total expenses	3667	3961	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.
c) profit	1174	1489	3) The profit from gold division was Rs.22830.64 lakhs and that of wind mill Rs.177.73 lakhs for the year.
(ii) Wind (Rs./kwh)			4) Total expenses per gram shown is exclusive of accretion/ decretion to ore stock
a) selling price	3.40	3.40	
b) total expenses	2.53	2.59	
c) profit	0.87	0.81	
H. Transfer to Reserves	1500.00	2700.00	

3. 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.



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4. Dividend

Your Board of Directors has recommended a dividend at the rate of 801.48% on Paid up Equity Capital, amounting to Rs.2374.02 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 27.00 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, 2023, Unclaimed Dividend amounting to Rs.42.36 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.

5. 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 Manappa D Vajjal, Ex-MLA	24.11.2020	22.05.2023	Chairman
2.	Sri Prabhuling Kavalikatti, IAS	16.02.2021	24.10.2022	Managing Director
3.	Sri Sanjay B Shettenavar, IAS	15.11.2022	-	Managing Director
4.	Dr. Ekroop Caur, IAS	05.09.2019	29.08.2023	Director
5.	Sri Kudligere S Halesh	16.10.2020	22.05.2023	Director
6.	Sri Srinivasraj Desai	30.11.2020	22.05.2023	Director
7.	Dr. Prabhakar Sangoormath	23.03.2021	22.05.2023	Director
8.	Sri Pankaj Kumar Pandey, IAS	31.05.2021	17.06.2023	Director
9.	Sri Srikar Sridhar Mysore, IAS	22.06.2022	25.05.2023	Director
10.	Smt. Vinothpriya Ramaiah, IAS	27.07.2022	15.09.2023	Director
11.	Dr. Mamballi Rajaratnam Ravi, IAS	15.02.2022	-	Director
12.	Sri. Gautham Bagadi, IAS	22.11.2022	15.09.2023	Director
13.	Sri. Ramesh D S, IAS	20.06.2022	22.11.2022	Director
14.	Smt. B B Cauvery, IAS	08.11.2021	27.07.2022	Director
15.	Sri. Ponnuraj Velusamy, IAS	11.10.2021	22.06.2022	Director
16.	Sri. Ramprasath Manohar V, IAS	08.11.2021	20.06.2022	Director

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



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6. Directors' Responsibility Statement:

In compliance with 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.

7. 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 and Co., Chartered Accountants, Bangalore were appointed as the Statutory Auditors for the FY 2022-23. The Auditors Report for the year ended 31.03.2023 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 31.03.2023 as per the provisions of Section 143 (6) (b) of the Companies Act, 2013. The report of the CAG is received and will be annexed as **Annexure-II** forming part of this report.



The Hutti Gold Mines Company Limited

(iii) Secretarial Audit

As per the provisions of Section, 204, of the Companies Act, 2013, the Board has appointed CS Parameshwar G Bhat, Company Secretary as Secretarial Auditors for FY 2022-23. The Secretarial Auditors Report for FY 2022-23 is yet to be received and will be annexed to this Report as **Annexure-III**.

In respect of the comments made by the Secretarial Auditors, necessary explanations have been furnished by the Board.

(iv) Internal Audit

The Internal Auditors Messrs. M/s. Bhadri Madhusudan & Srinivasan, 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.

8. 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.

9. Presentation of Financial Statements

The Financial Statements of the Company for the year ended 31st March, 2023 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 2022-23 is attached forming part of the Balance Sheet.

10. 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.



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11. 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 Shareholders of the Company, declaration of Independence is not required to be obtained.

12. Company's Policy on Directors Appointment and Remuneration

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

13. 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.

14. 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.

15. Responsibilities

The day-to-day affairs of the Company are vested with the Board of Directors. 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.



The Hutti Gold Mines Company Limited

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) Smt Vinothpriya R., IAS | - | Member |
| 3) Sri Sanjay B Shettennavar, 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 three (3) Directors as under:

- | | | |
|-----------------------------------|---|----------|
| 1) Sri. Pankaj Kumar Pandey, IAS | - | Chairman |
| 2) Smt Vinothpriya R., IAS | - | Member |
| 4) Sri Sanjay B Shettennavar, 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 500 Lakhs towards CSR activities, based on the 2% of the average profits of previous three years of Rs.420.06 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 six (6) meetings were held on 23.05.2022, 27.06.2022, 05.08.2022, 23.08.2022, 29.09.2022 & 30.01.2023.

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.



The Hutti Gold Mines Company Limited

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

Nil.

- 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) **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.



The Hutti Gold Mines Company Limited

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.



The Hutti Gold Mines Company Limited

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 Stakeholders Relationship Committee is not formed as the Company has only 101 shareholders as against to the requirement of more than 1000 shareholders.

17. Manpower:

The total man power as on 31.03.2023 is 3763. The break-up of employees on 31.03.2023 is given below:

Particulars	Total	SC	Percentage	ST	Percentage
Officers	134	24	18%	12	9%
Ministerial Staff	108	22	20%	05	5%
Supervisory Staff	436	110	25%	33	8%
Others	3085	786	25%	475	15%
Total	3763	942	25%	525	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 114 applications out of that 109 applications have been disposed of and 5 were pending as on 31.03.2023.

19. Projects under Implementation

(Rs. in Crores.)		
Sl. No.	Projects	Cost Estimates
1.	2 Nos. of 50 TPH Ball Mills at Hutti	59.40
2.	Construction of 80 quarters	9.83
3.	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-oxidized 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. Reservation and Renewal of Leases

a) Reservation of lease areas:

Total of 67 Application made under 17(A)(2A) of MMDR Act for exploration and mining of gold in the Hutti-Maski Schist Belt and other areas of Karnataka.

b) Deemed Extension of lease areas as per MM(D&R) Amendment ACT, 2015:

There are 3 mining applications with 685.81 Ha of land which are at final stages of 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.



The Hutti Gold Mines Company Limited

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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

(S S Mallikarjun)
Chairman
DIN: 00451644

Bengaluru
Date : 04.12.2023



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 2023, the statement of Profit and Loss including Comprehensive income, the Cash Flow statement, notes to IND AS financial statements, the Statement of Changes in Equity for the year then ended, 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, 2023, 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 Company has not obtained balance confirmation from Trade payables Rs. 1640.81 Lakhs (Note.20), Capital creditors Rs. 4518.91 Lakhs (Note.21), Trade/security deposits Rs. 3663.68 Lakhs (Note.22) and Creditors for expenses Rs. 4628.18 Lakhs (Note.22) as on 31.03.2023. Due to lack of audit evidence with respect to the above, 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. 35(2) {b1 to b8} to the IND AS financial statements, which discloses the contingent liability of prior year demands of Rs. 38,963.08 lakhs with respect to income tax, excise, service tax matters, majority of which are pending for a substantial period and contested by the Company.
- b. We draw attention to Note. 35(8) {c} 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. 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 Gold bars economically. 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)

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.
- 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, 2020 ("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.

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 IND AS 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 35(2)(iii)(a) & 35 (2)(b)
 - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses
 - 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as





provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not deposited the declared dividend in a separate scheduled bank account within the timeline stipulated in section 123(4). Therefore, dividend declared or paid during the year by the Company is not in compliance with section 123 of the Companies Act 2013.
- vi. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to the Company vide notifications no. GSR. 463 (E) dated 05.06.2016
- vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For BVC & Co.,
Chartered Accountants
FRN: 008154S



CA Chandrashekara Shetty

Partner

Membership No: 216516

UDIN: 232165168GNHML3980

Place: Bangalore

Date: 20th September, 2023



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, 2023.

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. a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanation given to us, the property, plant and equipment have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its Property, plant, and equipment and Intangible assets during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of its inventories:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Inventory of the Company has been physically verified during the year by the management at regular intervals and the procedures of physical verification of inventories followed by the management reasonable and adequate in relation to the size of the Company and nature of this business.

b) According to the information and explanations given to us and on the basis of our



examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Hence, paragraph 3 clause (ii)(b) of the Order is not applicable to the Company.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security, or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Hence paragraph 3 clause (iii)(a)(b)(c)(d)(e)(f) of the Order is not applicable to the Company
- iv. The Company has not given loans, guarantees or securities or made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply. Hence, paragraph 3 clause (iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, and the directives issued by the Reserve Bank of India are applicable. Hence paragraph 3 clause (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us the provisions of sub section (1) of Section 148 of the Companies Act, 2013 with regard to maintenance of cost records are not applicable to the Company. Accordingly, paragraph 3 clause (vi) of the Order is not applicable to the Company.
- 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, 2023 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 c) A.Y 2018-19 c) A.Y 2020-21	Hon'ble High Court of Karnataka Commissioner of Income Tax (Appeals) Commissioner of Income Tax (Appeals) Commissioner of Income Tax (Appeals)	a) 776.00 b) 256.23 c) 24.3 d) 16.43	Appeal by the revenue
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 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	The case is pending before CESTAT
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	Commissioner 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	Central Excise, Appellate Tribunal, Bangalore	8,363.98	Company filed Appeal during July 2018 and deposited Rs.627.30 lakhs on 20-07-2018.



		on sale of bullion for the period from 01/07/2012 to 30/06/2017			
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.
8	The Central Goods and Services Act, 2017	Disallowance of CENVAT credit availed by the Company through FORM TRAN-1.	Assistant Commissioner of Central Tax	24.22	The Company has filed its reply, pending final verdict.
9	The Central Goods and Services Act, 2017	GST on Royalty, DMF and NMET	The High Court of Karnataka, Dharwad Bench	641.73	The Company has filed a writ petition, pending for final verdict.

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- ix. According to the information and explanations given to us and on the basis of our examinations of records, the Company does not have loans or other borrowings from any



lenders, therefore, paragraph 3 clause (ix) (a)(b)(c)(d)(e)(f) of the order is not applicable to the Company.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under para 3 clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under para 3 clause (x)(b) of the Order is not applicable.
- xi. (a) 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.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the Company has not received any whistle blower complaints.
- 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 disclosed in the IND AS Financial statements etc. as required by the applicable Accounting Standards.
- xiv. (a) Based on information and explanations provided to us and in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit report of the Company issued till date for the period under audit.



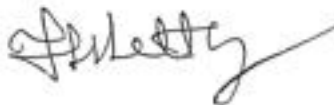
- xv. According to the information and explanations given to us and on the basis of our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 clause (xv) of the Order is not applicable to the Company.
- xvi. (a) 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) (a) of the Order is not applicable to the Company.
- (b) 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) (b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly paragraph 3 clause (xvi) (c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of records, the Group does not have any CIC. Accordingly, paragraph 3 clause (xvi) (d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability



of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) In our opinion and according to the information and explanations given to us, the Company has not obtained utilization certificate and FORM CSR-1 from each and every beneficiary relating to CSR expenses of the year. As there have been cases of non-obtainment of utilization certificates in previous years also, we are unable to quantify with certainty the amount of shortfall that may have occurred on amount payable towards CSR expenditure of the year. Therefore, we are unable to comment whether there is unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any ongoing project or other than ongoing project for the financial year covered by our audit.

For BVC & Co.,
Chartered Accountants
FRN: 008154S



CA Chandrashekara Shetty
Partner
Membership No: 216516
UDIN: 2321651686VHML3980

Place: Bangalore
Date: 20th September, 2023



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, 2023

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, 2023 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.



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.

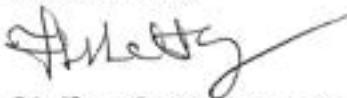
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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.

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, 2023, 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 Balance Confirmations with respect to balances of Trade payables Rs1640.81 lakhs (Note 20), Capital creditors Rs. 4518.91lakhs (Note 21), Trade/security deposits Rs. 3663.68 lakhs (Note 22) and Creditors for expenses Rs. 4628.18 lakhs (Note 22) have not been obtained by the Company. This indicates absence of proper monitoring and reconciliation on timely basis of the aforesaid balances.

For BVC & Co.,
Chartered Accountants
FRN: 008154S





CA Chandrashekara Shetty

Partner

Membership No: 216516

UDIN: 23216516BGNHML3980

Place: Bangalore

Date: 20th September, 2023



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.	<p>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.</p> <p>Therefore, for better control, an integrated software covering all the processes with seamless flow of data may be implemented.</p> <p>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</p>
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).	<p>i) There are no loans availed by the Company.</p> <p>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.</p> <p>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.</p>
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.



	properly accounted for/utilized as per its term and conditions? List the cases of deviation.	
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Additional Company Specific Directions:

Sl.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?	<p>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.</p> <p>The process of obtaining Environmental Clearance as per Environment Impact Assessment (EIA) - 2006 for enhanced production is under progress.</p>





D	<p>Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.</p>	<p>As per the information and explanation received, the company does not have disbanded and discontinued mines.</p> <p>The Company was awarded 9 mining leases, 7 for gold mining and 2 for copper mining.</p> <p>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.</p> <p>The rest of the mining leases are not operational, for which the dead rent is being paid</p>
E	<p>Whether the company has effective system for physical verification, valuation stock and accounting the effect of shortages/ excess noticed during verification</p>	<p>Yes. The company has an effective system for physical verification, valuation of stock and accounting the effect of shortages/excess noticed during verification.</p> <p>Non-moving inventory for a period more than 36 months has been estimated and disclosed in Note. 35 (9){c} to the IND AS financial statements.</p> <p>The stock of stores is being valued on weighted average method.</p> <p>The finished goods stock is being valued at cost or net realizable value whichever is lower.</p>





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.
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?	NA
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.

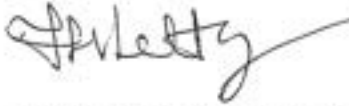




Sl.no	Bank Name	Account Number	Amount (Rs.)
1	Karnataka Vikas Grameena Bank	89150717229	Rs. 20,00,00,000/-
2	HDFC Bank	50300702580188	Rs. 80,00,00,000 /-
3	Canara Bank	18063070000024	Rs. 2,60,09,100.00/-
4	Canara Bank	18063210000010	Rs. 21,18,25,509.72 /-
5	Karnataka Grameen Bank	10664110000009	Rs. 2,36,86,799.43/-

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? NA

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





CA Chandrashekara Shetty
Partner

Membership No: 216516

UDIN: 23216516B6VHML3980

Place: Bangalore

Date: 20th September, 2023.

Replies to the Independent Auditor's Report

Sl.No.	Qualified opinion of the Auditor	Replies of the Company
1	<p>The Company has not obtained balance confirmation from Trade payables Rs. 1640.81 Lakhs (Note.20), Capital creditors Rs. 4518.91 Lakhs (Note.21), Trade/security deposits Rs. 3663.68 Lakhs (Note.22) and Creditors for expenses Rs. 4628.18 Lakhs (Note.22) as on 31.03.2023. Due to lack of audit evidence with respect to the above, we are unable to comment on the accuracy and the impact if any on the IND AS financial statements.</p>	<p>Company has sent letters seeking confirmations from vendors / contractors in most of the cases. However response/confirmations have not been received.</p> <p>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.</p> <p>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.</p> <p>Sundry creditors for expenses includes outstanding bills towards power consumption, salary payable, EPF (Loan) refundable, outstanding various expenses etc., Obtaining confirmation for this type of outstanding 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.</p>

Sd/-
Managing Director



BY REGISTERED POST
CONFIDENTIAL

48

No. PAG (Audit-II)/AMG-II/CA-II//2023-24/E-2(230)/52

Date:04.12.2023

To
The Managing Director,
The Hutti Gold Mines Company Limited,
3rd Floor, KHB Shopping Complex,
National Games Village, Koramangala,
Bengaluru-560 047

Sub: Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of **The Hutti Gold Mines Company Limited, Bangalore** for the year ended 31 March 2023.

Sir,

I forward herewith **Comments** under section 143(6) (b) of the Companies Act, 2013 on the accounts of **The Hutti Gold Mines Company Limited, Bangalore** for the year ended **31 March 2023**.

A copy of the proceedings of the Annual General Meeting adopting the certified accounts, Auditors Report thereon and the Comments of the Comptroller and Auditor General of India may be forwarded to this office immediately after the conclusion of the Annual General Meeting. Six copies of the printed Annual Reports may also be sent to this office.

Receipt of the letter and the enclosures may please be acknowledged.

Yours faithfully

(VIMALENDRA A. PATWARDHAN)
Pr. ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU

ಆಡಿಟ್ ಭವನ, 3ನೇ ಮಹಡಿ, "ಸಿ" ಬ್ಲಾಕ್, ಅಂಚೆ ಪೆಟ್ಟಿಗೆ ಸಂಖ್ಯೆ 5398, ಬೆಂಗಳೂರು-560 001

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF THE HUTTI GOLD MINES COMPANY LIMITED,
BANGALORE FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of **The Hutti Gold Mines Company Limited, Bangalore** for the year ended **31 March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **20 September 2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the of the financial statements of **The Hutti Gold Mines Company Limited, Bangalore** for the year ended **31 March 2023** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6) (b) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**



**(VIMALENDRA A. PATWARDHAN)
Pr. ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU**

**Bengaluru
Date: 04.12.2023**

PARAMESHWAR G. BHAT

B.Com., LLB, ML, MBA, FCS

Company Secretary

496/4, II Floor, 10th Cross 50
Near Bashyam Circle, Sadashivanagar,
Bangalore - 560 080
Tel : +91 80 23610847
Telefax : +91 80 41231106
e-mail : parameshwar@vjkt.in
parameshwar.g.bhat@gmail.com

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To
The Members
The Hutti Gold Mines Co. Ltd

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by bearing The Hutti Gold Mines Co. Ltd, CIN: U85110KA1947SGC001321 (hereinafter called 'the Company'). The Company is a 'Government Company' as defined under Section 2(45) of the Companies Act, 2013. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2023 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made there under;
- (ii). The industry specific laws applicable to the Company are as follows:
 - > Mines Act, 1952
 - > Mines and Minerals (Development and Regulation) Act, 1957



(iii). The other general laws as may be applicable to the Company including the following:

- The ESI Act & General Regulations
- The Employees Provident Funds & Miscellaneous Provisions Act
- The Minimum Wages Act & Rules
- The Payment of Wages Act & Rules
- The Payment of Gratuity Act & Rules
- The Payment of Bonus Act & Rules
- The Maternity Benefit Act.
- The Equal Remuneration Act
- The Employment Exchanges (CNV) Act & Rules
- Industrial Employment Standing Orders Act
- The Karnataka (National & Festival) Holidays Act & Rules
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act.
- For majority of Central Labour Laws, the States have introduced Rules [names of each of the Rules is not included here]

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable. In my opinion, the Company needs to strengthen the compliances under the Act read with the Rules thereto, and the Secretarial Standards as well as other laws including HR and Labor Law.

Certain non-material findings made during the course of the audit relating to the provisions of the Companies Act, 2013, HR and Labour Laws were noted which have been communicated to the Company.

Following observations have been brought before the shareholders, which are treated as material in nature:

1. *The Company falls under the criteria of appointing Independent Directors; however, no Independent Directors are appointed on the Board.*



2. *Nomination and Remuneration Committee is not constituted and CSR Committee and Audit Committee constitutions are not in compliance as there are no Independent Directors on the Committees.*
3. *The Secretarial Standards 1 and 2 need to be strengthened.*
4. *There were some delays in filing of the returns with the Ministry of Corporate Affairs with relating to the change in Directors etc.*
5. *The Company has to take steps to transfer the all the Shares in respect of the dividend was not claimed or paid for 7 years to Investor Education and Protection Fund.*
6. *There were some requests for share transfers and transmissions which were pending and one such matter is pending before the National Company Law Tribunal (NCLT). The Company has to take necessary steps to close the above matters.*

I, further state that during the period under the review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable Labour laws, environmental laws and other applicable laws as mentioned above.

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except Independent Directors as mentioned above.

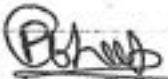
As per the information received from the Company, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.



Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such instance.

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

Place: Bangalore
Date: 18.11.2023


Parameshwar G Bhat
FCS No.: 8860; C P No.: 11004
Peer Review Certificate No. 585/2019
UDIN: F008860E001973856



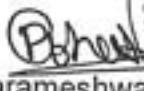
Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.


'Annexure'

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Goods and Services Tax Act.
4. Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 18.11.2023


Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004



ANNEXURE - IV TO DIRECTOR'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2022-23

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.21003.20 lakhs
3.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 420.06 lakhs
4.	Details of CSR spent during the financial year:2022-23	Rs. 226.69 lakhs
	Total amount sanctioned/spent for the financial year	Rs. 501.69 / 226.69 lakhs
	Amount unspent, if any	Rs. 275.00 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 2022-23

Sl. No.	Sector in which the projects are covered	No. of Projects	Activities involved	Projects, where undertaken	Amount Sanctioned and Spent on the project	Amount Released 2022-23	Remarks
(Rs. in lakhs)							
Zone-I Government Sector							
1	Hira-Buddinni Schools.	1	Purchase of office equipments	Hira and Buddinni	3.69	3.69	
Zone-I Private Sector							
1	Sri. Vidhya Bharathi Education Trust, B Ganekal,	1	Construction of 4 Class Rooms	Devadurga Tq, Raichur Dt	12	12	
2	Indian Public English Medium School	1	Construction of Class Rooms	Lingsugur, Raichur Dist	25	25	
3	Aftab Education Institute, Yermarus Raichur.	1	Purchase of School Bus	Yermarus, Raichur Dist	10	10	
4	Sri Yogiraj Education and Development Trust	1	Construction of Class Rooms	Maladkal, Raichur Dist	12	12	
5	Sri Vidhya Gurukulam Public School Gabbur,	1	Construction of Class Rooms	Devadurga Tq, Raichur Dt	13	13	
6	Vishveshwaraya PU College, Lingsugur Tagore Memorial Education, Gejjalagatta Basava Education and Charitable Trust	3	Contribution towards providing furniture to various private schools	Raichur District	20	20	
Zone-II Government							
1	Institute of Gastroenterology Sciences and Organ Transplant	1			50	50	
2	Karnataka Institute of Medical Sciences (KIMS)	1	Department of Anaesthesia Department of Ophthalmology	Hubballi Hubballi	25 25	25 25	
Zone-II Private							
1	Sai Ashraya Trust,	1	Construction of Super Specialty Hospital	Vemagal, Kolar District	25	25	
2	Kunduru Haalu Upadakara Sangha, Haveri	1	Construction of Conference Hall	Haveri District	6	6	
					226.69	226.69	

Sd/-
DGM (Finance)

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, offices and colony.
2. Utilizing alternate source of energy,
 - i. Wind mills at Chitradurga unit are generating on an average 2,08,05,151 units annually from installed capacity of 11.4 MW.
 - ii. The tender for the project for installing 29 MWp Solar PV plant at Hutti is in process.
3. Capital investments on energy conservation,

Sl. No.	Particulars	Amount
I	Proposal to commission 29 MWp Solar PV Project at Hutti through Group Captive structure	Estimated cost 897 lakhs, which will be 26 % equity of the total project cost at equity – debt ratio of 30:70.
II	Installation of LED lights	Estimated cost Rs. 8.00 lakhs
III	Energy Audit at HGML	Estimated cost Rs. 25.66 lakhs
IV	Water Audit at HGML	Estimated cost Rs. 5.00 lakhs
V	Installation of Variable Frequency Drive	Estimated cost Rs. 16.00 lakhs

B. Technology Absorption:

1. The company is executing new circular shaft at Hutti at an estimated cost of Rs. 23500 lakhs and it is in commissioning stage.
2. The execution of 2 X 50 TPH Ball Mill Project is under progress at an estimated cost of Rs. 5940 lakhs.

C. Foreign exchange Earnings and Outgo-

1. Earnings - Nil
2. Outgoes - Nil

ANNEXURE-VI TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on **31st March, 2023**

[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	3 rd Floor, KHB Shopping Complex, National Games Village,	
Town / City	Koramangala, Bengaluru	
State / Pin Code	Karnataka / 560 047	
Country Name /Code	India / 91	
Telephone With STD	(080) Area Code	2571 0501 Number
Fax Number	(080) Area Code	2570 7380 Number
Email Address	rohgml@gmail.com	
Website, if any	https://huttigold.karnataka.gov.in/ .	

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	
1	2	3	4	5	6	7	8	9	10
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 Invcls	-	-	-	-	-	-	-	-	-
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 Share holding	-	-	-	-	-	-	-	-	-
I. Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
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	-

1	2	3	4	5	6	7	8	9	10
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 Share holding (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.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	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	NIL			
	Date wise Increase / Decrease in Promoters Shareholding 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)				

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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	N I L			
	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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	N I L			
	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)				

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	N I L			
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				
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:

Sno.	Particulars of Remuneration	(Rs.in lakhs)		
		Managing Director		Total
	Name	Sri.Prabhuling Kavalikatti IAS 01.04.2022 to 23.10.2022	Sri Sanjay B Shettennavar, IAS 24.10.2022 to 31.03.2023	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.91	10.39	23.30
	(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	1.49	-	1.49
	Total (A)	14.40	10.39	24.79
	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 –					1.40
	1.Sri.Manappa D Vajjal - ₹ 0.18 lakhs					
	2.Sri.Pankaj Kumar Pandey, IAS - ₹ 0.16 lakhs					
	3.Dr.Ekroop Caur , IAS - ₹ 0.10 Lakhs					
	4.Sri.M S Srikar, IAS - ₹ 0.10 Lakhs					
	5.Smt Vinothpriya R, IAS - ₹ 0.12 Lakhs					
	6.Smt.B.B.Cauvery, IAS – ₹ 0.02 Lakhs					
	7.Dr. M R Ravi, IAS - ₹ 0.08 Lakhs					
	8.Sri.D S Ramesh, IAS - ₹ 0.08 Lakhs					
	9.Sri.Bagadi Gautham, IAS - ₹ 0.02 Lakhs					
	10.Sri.Kudligere S Halesh - ₹ 0.18 Lakhs					
	11.Sri.Srinivasraj Desai - ₹ 0.18 Lakhs					
	12.Dr.Prabhakar Sangurmath - ₹ 0.18 Lakhs					
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)	-	-	-	-	1.40
	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	
		Shri.Prakash	Total Amount
	Name	Shri.Prakash	
	Post held	Executive Director	
1	1. Gross salary	₹ in Lakhs	₹ in Lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.59	27.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.47	2.47
	(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	6.99	6.99
	b) PL Encashment paid on retirement as terminal benefit	--	--
	Total	37.05	37.05

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/-

Sr. Manager

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, 2023 along with comparative information for the year ended 31st March, 2022. 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



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

- 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 The Company has taken a policy with ICICI prudential insurance for administrating the employees special superannuation benefit. Part funding is also made with LIC P&GS Unit. The expenses as per actuarial valuation is charged to Statement of Profit & Loss.
- 8.5 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.
- 8.6 Provision towards twenty-five years long service award is made in the year of eligibility.

9. PREPAID EXPENSES

Expenses, in excess of ₹5000, whereof benefits accrue in the subsequent years, are treated as Prepaid Expenses. The settlements/adjustment expected to be made in 12 months are treated 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 treated 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, 2023

CN : U85110KA19475GC001321

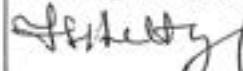
₹ in Lakhs

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	1,26,466.95	1,04,201.32
Capital Work-in-Progress-Tangible	3	13,458.13	33,545.05
Other Intangible Assets	4	42.73	30.13
Intangible assets under development	5	-	-
Financial Assets			
Investments	6	2.50	2.50
Other financial assets	7	1,818.88	2,317.38
Deferred Tax Assets (Net)	19	-	523.70
Other Non-current Assets	8	37,884.79	36,821.81
Current assets			
Inventories	9	19,009.75	15,845.55
Financial Assets			
Trade Receivables	10	302.10	135.54
Cash and Cash Equivalents	11	30,315.04	23,386.17
Other Bank Balances	12	50,000.00	46,593.90
Other Financial Assets	13	4.92	1,154.46
Current Tax Assets (Net)	14	-	614.43
Other Current assets	15	8,387.45	7,207.58
Total Assets		2,87,693.24	2,72,379.53
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	296.20	296.20
Other Equity	17	2,65,292.62	2,50,893.03
Non-Current Liabilities			
Financial Liabilities			
Borrowing		-	-
Trade payable		-	-
Other Financials Liabilities		-	-
Provisions	18	3,503.29	5,554.93
Deferred Tax Liabilities (Net)	19	509.22	-
Other Non-Current Liabilities		-	-
Current Liabilities			
Financial Liabilities:			
Borrowing		-	-
Trade Payables	20	-	-
A) Total outstanding dues of MSME		82.28	166.43
B) Total outstanding dues of other than MSME		1,558.53	2,031.67
Other Financial Liabilities	21	4,561.27	4,637.06
Current Tax Liabilities (Net)	14	236.62	-
Other Current Liabilities	22	11,653.21	8,800.20
Provisions	23	-	-
Total Equity and Liabilities		2,87,693.24	2,72,379.53
Significant accounting policies			
	1		
Notes to accounts			
	35		

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 0081545


[CA Chandrashekara Shetty]

Partner

Membership No.216516

UDIN:- 2321651686WHML3980

Place : Bangalore

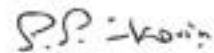
Date : 20-09-2023




[Sagar B. Shettennavar, IAS]

Managing Director

DIN: 08416823



[S.S. Mallikarjun]

Chairman

DIN: 00451644

THE HUTTI GOLD MINES COMPANY LIMITED
Statement of Profit & Loss for the Year ended 31st Mar , 2023

CIN : U85110KA19475GC001321

₹ in Lakhs

Particulars	Notes	Year Ended 31st Mar, 2023	Year Ended 31st Mar, 2022
Revenue from Operations	24	77,811.20	58,907.13
Other Income	25	5,062.34	3,694.75
Total Income		82,873.54	62,601.88
EXPENDITURE			
Cost of Materials Consumed	26	6,045.37	4,183.64
Purchase of Stock in Trade		-	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	27	(1,660.15)	(154.31)
Employee Benefit Expenses	28	33,678.10	28,064.00
Finance Costs	29	42.77	16.21
Depreciation and Amortization Expenses	30	1,851.26	1,998.33
Other Expenses	31	16,130.18	13,250.94
Total Expenses		56,087.52	47,358.79
Profit/(Loss) before exceptional items and tax		26,786.02	15,243.07
Exceptional Items		-	-
Profit/(Loss) Before Tax		26,786.02	15,243.07
Tax Expense:			
Current Tax		6,145.00	4,000.00
Deferred tax	32	857.50	126.77
Profit / (Loss) for the year		19,783.52	11,116.30
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)	33	526.51	64.82
Total Comprehensive Income for the Year		20,310.03	11,181.12
Earnings per Share			
Basic	34	6,679.02	3,752.92
Diluted		6,679.02	3,752.92

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 0081545

(Signature)
(CA Chandrashekar Shetty)
Partner
Membership No. 216516

UDIN : 23216516BGVHML3980
Place : Bangalore
Date : 20-09-2023



(Signature)
(Sanjay S. Shettennavar, IAS)
Managing Director
DIN: 08416823

(Signature)
(S.S. Mailikarjun)
Chairman
DIN: 00451644

THE HUTTI GOLD MINES COMPANY LIMITED
Cash Flow Statement for the year ended 31st March, 2023

CIN : U85110KA19475GC001321

₹ in Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	26786.02	15243.07
<u>Adjustments for:</u>		
Depreciation and amortisation	1,851.26	1,998.33
(Profit) / loss on sale / write off of assets	(38.91)	-
Finance costs	42.77	16.21
Interest income	(4,444.39)	(3,250.41)
Dividend Income	-	-
Gain on sale of investments	-	-
Depreciation adjustment Reserve	-	-
Adjustment of prior period item	-	117.58
Operating profit / (loss) before working capital changes	24,196.75	14,124.78
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(3,164.20)	11,535.76
Financial Assets	-	-
Trade Receivables	(166.56)	(98.76)
Current Tax Assets (Net)	614.43	1,408.53
Other Current Assets	(1,179.86)	(2,575.85)
Other financial assets	1,648.04	(2,483.38)
Other Non-Current Assets	(1,062.97)	(15,592.70)
Assets held for sale	-	-
<u>Adjustments for increase / (decrease) in operating liabilities:</u>	(3,311.13)	(7,806.40)
Financial Liabilities	-	-
Borrowing	-	-
Trade Payables	(557.29)	(421.64)
Current Tax Liabilities (Net)	236.62	-
Other Financial Liabilities	(96.87)	335.93
Other Current Liabilities	2,853.01	50.81
Provisions	(1,525.14)	(890.30)
Adjustment of income-tax / Deferred Tax Provision	177.10	1.68
Other Current Liabilities	-	-
Cash generated from operations	1,087.43	(923.50)
Net income tax (paid) / refunds	21,973.05	5,394.90
Net cash flow from / (used in) operating activities (A)	(6,145.00)	(4,000.00)
B. Cash flow from investing activities	15,828.05	1,394.90
Current investments	-	-
Capital expenditure on property, plant & equipment, including capital advances	(6,619.34)	(5,113.69)
Interest received	-	-
- From Bank Deposits & Others	4,444.39	3,250.41
Dividend Income	-	-
Term Deposits	(3,406.10)	18,406.10
(Profit) / loss on sale / write off of assets	38.91	-
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) investing activities (B)	(5,542.15)	16,542.81



Particulars	As at 31st March, 2023	As at 31st March, 2022
C. Cash flow from financing activities		
Finance cost	(42.77)	(16.21)
Dividends / Tax on dividend paid	(3,314.27)	(4,448.56)
Net cash flow from / (used in) financing activities (C)	(3,357.04)	(4,464.76)
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	6,928.87	13,472.95
Cash and cash equivalents at the beginning of the year	23,386.18	9,913.23
Cash and cash equivalents at the end of the year	30,315.04	23,386.18
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents:		
Cash on hand	4.66	4.11
Gold coins on hand	0.04	1.38
Balances with banks:		
In current & flexi accounts	30,310.35	23,380.68
In deposit accounts (Maturing in less than 3 months)	-	-
	30,315.04	23,386.18

To be read with our report of even date

For and on behalf of the Board

For BVC & CO.,
Chartered Accountants
ICAI Firm Reg.No 0081545

[Signature]
(CA Chandrashekara Shetty)

Partner
Membership No.216516
UDIN :- 23216516861VHML3980
Place : Bangalore
Date : 20-09-2023



[Signature]
(C. Srikanth Reddy)
DGM (Finance)

[Signature]
(Sanjay B. Shettennavar, IAS)
Managing Director
DIN: 08416823

[Signature]
(S.S.Mallikarjun)
Chairman
DIN: 00451644

THE HUTTI GOLD MINES COMPANY LIMITED
Statement of Changes in Equity for the Year Ended 31st March, 2023

CIN : U85110KA19475GC001321

A) Equity Share Capital

₹ in Lakhs

(1) Current reporting period

Particulars	Note No.	Amount
Balance at the beginning of current reporting period	15	296.20
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the current reporting period	15	296.20
Changes in equity share capital during the year		-
Balance at the end of the current reporting period		296.20

(2) Previous reporting period

Particulars	Note No.	Amount
Balance at the beginning of previous reporting period	15	296.20
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the previous reporting period	15	296.20
Changes in equity share capital during the previous year		-
Balance at the end of the previous reporting period		296.20

Refer Note No.15

B) Other Equity

(1) Current reporting period

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve	
Restated balance at the beginning of the reporting period	1.11	12.79	25,245.04	1,34,725.81	90,908.30	2,50,893.05
Additions due to revaluation of assets during 2022-23 - Net						
Add: Profit / (Loss) for the year				19,783.52		19,783.52
Less: Other Comprehensive Income (net of tax)				526.51		526.51
Transfer to General Reserve			2,700.00	(2,700.00)		-
Less: Depreciation on revalued assets					(2,257.27)	(2,257.27)
Add: Adjustments relating to prior years				(19.03)		(19.03)
Less: Dividend (including DOT) for 2021-22				(3,335.35)		(3,335.35)
Less: Income Tax adjustment for prior years				(298.80)		(298.80)
Total	1.11	12.79	27,945.04	1,48,682.65	88,651.02	2,65,292.62
Balance as at 31 March 2023	1.11	12.79	27,945.04	1,48,682.65	88,651.02	2,65,292.62

(2) Previous reporting period

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve	
Restated balance at the beginning of the reporting period	1.11	12.79	23,745.04	1,29,582.99	65,635.55	2,18,777.48
Additions due to revaluation of assets during 2021-22 - Net					27,946.51	27,946.51
Add: Profit / (Loss) for the year				11,116.30		11,116.30
Less: Other Comprehensive Income (net of tax)				64.83		64.83
Transfer to General Reserve			1,500.00	(1,500.00)		-
Less: Depreciation on revalued assets					(2,673.76)	(2,673.76)
Less: Dividend (including DOT) for 2020-21				(4,455.91)		(4,455.91)
Add: Income Tax adjustment for prior years				117.58		117.58
Total	1.11	12.79	25,245.04	1,34,725.79	90,908.30	2,50,893.03
Balance as at 31 March 2022	1.11	12.79	25,245.04	1,34,725.79	90,908.30	2,50,893.03

To be read with our report of even date

For and on behalf of the Board

For BVC & CO.,
Chartered Accountants
ICAI Firm Reg. No 0081545

(Signature)
(CA Chandrashekhara Shetty)
Partner
Membership No.216516
UDIN:- 23216516 BGNHML3980
Place : Bangalore
Date : 20-09-2023



(Signature)
(Sanjay B. Shettennavar, IAS)
Managing Director
DIN: 08416823

(Signature)
(S.S. Mallikarjun)
Chairman
DIN: 00451644

NON CURRENT ASSETS
For Current reporting period
Note 2. Property, plant and equipment

PARTICULARS	1st April, 2022	Withdrawal of revaluation of reserve	Additions	Disposal	Excess Depreciation withdrawn	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	₹ in Lakhs
Gross Block								31st March 2023
Free Hold Land	80,566.79	-	-	-	-	-	-	80,566.79
Buildings	9,541.13	-	701.33	-	-	-	-	10,242.45
Plant & Equipment	34,437.76	-	16,347.99	69.16	-	-	-	50,735.62
Furniture & Fixtures	435.48	-	15.84	-	-	-	-	451.32
Vehicles	728.16	-	83.10	102.44	-	-	-	710.82
Electrical Installations	2,477.23	-	898.83	-	-	-	-	3,376.07
Shaft & Inclines	1,976.47	-	7,723.14	-	-	-	-	9,699.61
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	-	16.21
Roads & Drains	525.66	-	605.46	-	-	-	-	1,131.12
Internal Water Distributions	89.60	-	-	-	-	-	-	89.60
11.4 MW Wind Farm (CGU)	6,812.81	-	-	-	-	-	-	1,331.12
Total	1,17,398.31		26,377.79	175.60				6,812.81
Accumulated Depreciation								31st March 2023
Free Hold Land	-	-	-	-	-	-	-	1,63,804.43
Buildings	2,343.70	-	183.71	-	-	-	-	-
Plant & Equipment	22,359.01	-	1,048.97	65.96	-	-	257.41	2,964.88
Furniture & Fixtures	325.08	-	18.38	-	-	-	1,873.26	25,255.30
Vehicles	492.38	-	37.88	99.07	-	-	3.30	344.76
Electrical Installations	2,025.67	-	39.03	-	-	-	0.92	432.11
Shaft & Inclines	759.10	-	220.71	-	-	-	18.98	2,108.68
Surface Track Lines	-	-	-	-	-	-	34.44	1,014.24
Krishna River Water Supply	16.21	-	-	-	-	-	-	-
Roads & Drains	485.25	-	6.37	-	-	-	-	16.21
Internal Water Distributions	42.43	-	4.23	-	-	-	0.93	494.55
11.4 MW Wind Farm (CGU)	4,348.08	-	306.95	-	-	-	0.64	47.33
Total	33,396.29		1,848.21	165.03			49.37	4,764.41
Net Block								31st March 2023
Free Hold Land	80,566.79	-	-	-	-	-	2,457.37	83,024.16
Buildings	6,997.37	-	-	-	-	-	-	7,694.64
Plant & Equipment	12,078.76	-	-	-	-	-	-	25,501.31
Furniture & Fixtures	110.41	-	-	-	-	-	-	106.54
Vehicles	235.78	-	-	-	-	-	-	278.71
Electrical Installations	451.54	-	-	-	-	-	-	1,272.99
Shaft & Inclines	1,217.37	-	-	-	-	-	-	8,685.37
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	-	-	-	-	-	-	-	-
Roads & Drains	40.41	-	-	-	-	-	-	636.58
Internal Water Distributions	38.16	-	-	-	-	-	-	33.27
11.4 MW Wind Farm (CGU)	2,467.73	-	-	-	-	-	-	2,108.40
Total	1,04,291.32							1,24,468.95

For previous reporting period
Note 2. Property, plant and equipment

PARTICULARS	1st April, 2021	Withdrawal of revaluation of reserve	Additions	Disposal	Excess Depreciation withdrawn	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	₹ in Lakhs
Gross Block								31st March 2022
Free Hold Land	80,543.12	82,262.90	-	-	-	-	-	80,566.79
Buildings	8,029.38	1,976.15	39.55	7.38	-	-	79,286.57	9,541.13
Plant & Equipment	29,338.15	5,135.59	728.34	365.90	-	-	3,455.73	34,437.76
Furniture & Fixtures	553.01	103.06	4.99	25.59	-	-	3,872.88	435.48
Vehicles	651.83	102.20	182.09	7.50	-	-	6.07	728.16
Electrical Installations	3,046.43	859.17	21.66	3.30	-	-	4.00	2,477.23
Shaft & Inclines	1,339.34	-	466.20	-	-	-	371.40	1,976.47
Surface Track Lines	-	-	-	-	-	-	170.93	-
Krishna River Water Supply	16.21	-	-	-	-	-	-	16.21
Roads & Drains	688.49	171.88	-	-	-	-	9.65	525.66
Internal Water Distributions	80.61	7.64	-	-	-	-	7.82	89.60
11.4 MW Wind Farm (CGU)	6,871.05	2,367.14	-	-	-	-	508.89	6,812.81
Total	1,16,157.67	72,185.85	1,442.68	402.68			508.89	6,812.81
Accumulated Depreciation								31st March 2022
Free Hold Land	-	-	-	-	-	-	93,593.54	1,67,438.32
Buildings	2,831.47	793.31	166.10	7.07	-	-	286.58	2,543.76
Plant & Equipment	23,975.19	4,670.88	1,545.51	258.35	-	-	2,166.75	22,359.01
Furniture & Fixtures	408.87	87.65	27.44	23.05	-	-	1.47	325.08
Vehicles	549.81	96.45	34.26	7.46	-	-	1.23	492.38
Electrical Installations	2,086.40	831.50	125.98	3.30	-	-	36.10	2,025.67
Shaft & Inclines	584.59	-	140.07	-	-	-	34.44	759.10
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	0.00	-	-	-	-	16.21
Roads & Drains	632.06	169.42	21.69	-	-	-	0.93	485.25
Internal Water Distributions	40.34	2.30	4.20	-	-	-	0.64	42.43
11.4 MW Wind Farm (CGU)	4,071.07	855.08	282.71	-	-	-	0.00	4,348.08
Total	35,699.30	7,548.47	1,991.97	401.23			49.37	4,348.08
Net Block								31st March 2022
Free Hold Land	80,543.12	-	-	-	-	-	2,677.51	83,220.63
Buildings	5,197.52	-	-	-	-	-	-	6,997.37
Plant & Equipment	5,362.96	-	-	-	-	-	-	12,078.76
Furniture & Fixtures	144.13	-	-	-	-	-	-	110.41
Vehicles	111.01	-	-	-	-	-	-	235.78
Electrical Installations	348.03	-	-	-	-	-	-	451.54
Shaft & Inclines	754.75	-	-	-	-	-	-	1,217.37
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	-	-	-	-	-	-	-	-
Roads & Drains	56.43	-	-	-	-	-	-	40.41
Internal Water Distributions	40.88	-	-	-	-	-	-	38.16
11.4 MW Wind Farm (CGU)	3,899.99	-	-	-	-	-	-	2,467.73
Total	79,458.42							1,04,291.32



Note 3. Capital Work-in-Progress

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
Buildings	1,028.43	541.89
Plant & Machinery	6,538.38	7,085.16
Shaft & Inclines	5,315.93	25,705.12
Roads & Drains	97.51	193.85
Capital Goods & Equipment in Transit	258.80	-
Krishna Water Supply - WIP	19.07	19.07
Total	13,458.12	33,545.09

For ailing schedule refer 7(a) of note no.32 - other notes forming part of the accounts

Note 4. Other Intangible Assets

PARTICULARS	₹ in Lakhs							
	1st April, 2022	Withdrawal of revaluation of reserve	Additions	Disposal	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	Revaluation of Assets	31st March 2023
Gross Block								
Computer Software	382.59		11.62					394.21
Total	382.59		11.62					394.21
Accumulated Depreciation								
Computer Software	352.45		3.04					355.49
Total	352.45		3.04					355.49
Net Block								
Computer Software	30.14							38.72
Total	30.14							38.72

For previous reporting period

Note 4. Other Intangible Assets

PARTICULARS	₹ in Lakhs							
	1st April, 2021	Withdrawal of revaluation of reserve	Additions	Disposal	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	Revaluation of Assets	31st March 2022
Gross Block								
Computer Software	353.45	6.28	38.17	1.75				396.59
Total	353.45	6.28	38.17	1.75				396.59
Accumulated Depreciation								
Computer Software	335.98	10.21	30.44	3.75				380.38
Total	335.98	10.21	30.44	3.75				380.38
Net Block								
Computer Software	17.47							16.20
Total	17.47							16.20

Note 5. Intangible assets under development

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
Intangible assets under development	-	-
Total	-	-



FINANCIAL ASSETS

Note 6 : Investment

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
At Amortized Cost:		
Investment in Equity Instruments		
Un-Quoted Investments:		
Hutti Gold Mines Employees' Consumers' Co-operative Society Ltd. (250 shares of ₹ 1000/- each)		
At Fair Value through Other Comprehensive Income:	2.50	2.50
At Fair Value through Profit or Loss:	-	-
Total	2.50	2.50

Note 7 : Other Financial Assets

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Deposits with bank maturity more than 1 year		
Bank deposits offered as security for BG, maturity more than 1 year	556.84	1,610.77
Unpaid dividend accounts	1,219.79	685.38
Doubtful:		
Intercompany Deposits	42.26	21.23
Others	-	-
Others	100.00	100.00
Less: Provision for doubtful debts	9.50	9.50
Total	(109.50)	(109.50)
	1,818.88	2,317.38

Note 8 : Other non-current assets

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Unsecured & Considered good:		
Security Deposits		
Deposit with JMFC court for Land Acquisition Cases	1,074.25	744.05
Deposit with Central Excise Department	3,109.75	-
VAT / ET Receivable	736.63	736.63
Income Tax Refunds receivable net - prior years	140.91	140.91
Prepaid Expenses (Non-current)	6,492.70	15,915.73
Others *	99.94	53.91
Total	14,230.60	24,210.60
	37,884.79	36,821.81

*Details of other deposits:

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Gold Deposited under GMS		
Deposit of 250378.05 (995 purity) Grams of Gold in Gold Monetization Scheme with SBI on 08.08.2019. The Cost Price is Rs.2191.07 / Gram. The SBI has valued Gold at Rs.3553.47/Gram and total value is Rs.8957.11 Lakhs. The quantity of Gold on conversion to 1000 purity is 248126.16 Grams.	5458.53	5458.53
Deposit of 250678.77 (995 purity) Grams of Gold in Gold Monetization Scheme with SBI on 16.09.2020. The Cost Price is Rs.2191.07 / Gram. The SBI has valued Gold at Rs.5220.21 / Gram and total value is Rs.13080.49 Lakhs. The quantity of Gold on conversion to 1000 purity is 248320.896 Grams.	5462.79	5462.79
Deposit of 501637.21 (995 purity) Grams of Gold in Gold Monetization Scheme with SBI on 22.02.2022. The Cost Price is Rs.2637.70 / Gram. The SBI has valued Gold at Rs.5030.67 / Gram and total value is Rs.25235.70 Lakhs. The quantity of Gold on conversion to 1000 purity is 499129.02 Grams.	13309.28	13309.28
Total	24,230.60	24,230.60

CURRENT ASSETS

Note 9 : Inventories

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Work-in-progress		
Ore		
Incidental Ore	461.21	299.92
Bullion-in-process	-	387.46
Finished goods:		
Stock of Fine Gold	248.67	273.47
Stock of Silver	-	-
Stock of Sand	12,068.81	10,140.14
Stock of Spores:		
Stores & Spares:		
Stores & Spares in stock	78.47	78.54
Stores & Spares-in-transit	118.17	-
	5,395.50	3,504.23
Total	638.52	651.85
	19,009.75	15,845.55



FINANCIAL ASSETS

Note 10: Trade Receivables

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Unsecured & Considered good:		
Debts outstanding for more than 6 months	-	-
Others	-	-
Total	302.10	135.54
For ageing schedule refer 22 of note no.31 - other notes forming part of the accounts	302.10	135.54

Note 11: Cash and Cash equivalents

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Cash and Cash Equivalents:		
Cash on hand		
Gold coins on hand	4.68	4.11
Balances with banks:	0.04	1.98
In current & flexi accounts	-	-
Total	30,310.35	23,380.68
	30,315.04	23,386.17

Note 12: Other Bank Balances

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Balances with banks on deposit accounts (Maturity more than 3 months less than 1 year)	50,000.00	46,593.90
Total	50,000.00	46,593.90

Note 13: Other Financial Assets

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Bank deposits offered as security for bank guarantees	4.92	1,154.48
Total	4.92	1,154.48

Note 14: Current Tax Assets (Net)

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
a) Current Year		
Advance Income Tax & TDS	5,908.38	4,614.43
Less: Provisions	(6,145.06)	(4,000.00)
Total	(236.62)	614.43

Note 15: Other Current Assets

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Prepaid expenses		
Accrued interest	277.71	329.04
Less: Provision for Doubtful Interest on Intercompany Loans	1,995.29	1,150.48
Other Receivables (Rent & Electricity Charges)	(11.15)	(11.15)
Debits over six months	-	-
Less than six months	158.85	126.92
Advances:	25.04	31.61
Education loan	-	-
Advance to employees	-	-
Advance to vendors	815.36	603.15
Others	872.58	1,775.23
Balances with Government authorities	902.81	440.50
ITC Account Balance	-	-
Total	3,351.21	3,721.80
	8,387.46	7,207.58
*Details of Accrued Interest etc.		
Bank Deposits	892.93	437.75
Others	1,092.17	701.58
Inter Corporate Loans	11.15	11.15
Total	1,995.19	1,150.48



EQUITY
Note 16 : Share Capital

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
a) Authorised 10,00,000 Equity Shares of Rs.100/- each		
10,00,000 non Convertible, Redeemable Cumulative Preference Shares of Rs.100/- each	1,000.00	1,000.00
	1,000.00	1,000.00
b) Issued 307989-2/7 Equity Shares of Rs.100/- each	307.93	307.93
c) Subscribed and paid up 296209 5/7 Equity shares of Rs.100 each fully paid up (of which 281482 3/7 Equity Shares of Rs.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 :		
At the beginning of the year	296209-5/7	296209-5/7
Addition/deletion during the year	-	-
At the end of the year	296209-5/7	296209-5/7

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, 2023		As at 31st March, 2022	
	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. KSIDC	57,500	19.41	57,500	19.41
iii. Karnataka State Mineral Corporation	15,000	5.06	15,000	5.06

Promoter name	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
i. Govt. of Karnataka	2,20,186	74.34	2,20,186	74.34
ii. KSIDC	57,500	19.41	57,500	19.41
iii. KSMCO	15,000	5.06	15,000	5.06

Note: During the year no changes in % of share holdings by the promoters

Note 17 : Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve	
Restated balance at the beginning of the reporting period	1.11	12.79	25,245.04	1,34,725.81	90,908.30	2,50,893.05
Additions due to revaluation of assets during 2021-22 - Net						
Add: Profit / (Loss) for the year				19,783.52		19,783.52
Less: Other Comprehensive Income (net of tax)				526.51		526.51
Transfer to General Reserve			2,700.00	(2,700.00)		
Less: Depreciation on revalued assets					(2,257.27)	(2,257.27)
Add: Adjustment relating to Deferred Tax of previous year						
Add: Adjustments relating to prior years				(19.09)		(19.09)
Less: Dividend (including DDT) for 2021-22				(3,335.35)		(3,335.35)
Less: Revenue adjustments pertaining to previous year						
Less: Income Tax adjustment for prior years				(398.80)		(398.80)
Total	1.11	12.79	27,945.04	1,48,682.55	88,651.03	2,65,292.52
Balance as at 31 March 2023	1.11	12.79	27,945.04	1,48,682.55	88,651.03	2,65,292.52
Balance as at 31 March 2022	1.11	12.79	25,245.04	1,34,725.79	90,908.30	2,50,893.03

NON-CURRENT LIABILITIES

Note 18 : Provisions

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits:		
Provision for Gratuity - Refer Note No.32 (15)	925.79	2,934.19
Provision for Leave Encashment - Refer Note No.32 (15)	108.26	(90.08)
Provision for Special Superannuation Benefit - Refer Note No.32 (15)	2,409.90	2,649.90
Provision for 25 years long service award	65.34	70.92
Total	3,509.29	5,554.93

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

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability		
Depreciation		
Gross Deferred Tax Liability	1,197.39	854.86
Deferred Tax Asset	(1,197.39)	(854.86)
Provision of Gratuity & Other Employee Benefits		
Other Timing Differences	865.26	1,380.22
Other Comprehensive Income		
Gross Deferred Tax Asset	(177.10)	(1.68)
Total	685.55	1,378.54
	509.22	(523.70)



CURRENT LIABILITIES

Note 20: Trade Payables

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of MSME		
Total outstanding dues of other than MSME	82.28	166.43
Total	1,558.93	2,091.67
* Refer notes on accounts no. 32 (20) & (21)	1,640.81	2,198.39

Note 21: Other Financial Liabilities

All amounts in Indian Rupees, unless otherwise stated.

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend		
Capital Creditors	42.36	21.28
Total	4,518.93	4,615.78
	4,561.27	4,637.06

Note 22: Other Current Liabilities

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues payable		
Trade/ Security Deposits received	1,793.43	1,343.42
Creditors For Expenses	3,662.68	2,090.67
Employee Benefits Payable*	4,628.18	3,955.94
Total	1,567.92	1,510.18
	11,653.21	8,809.20

*Detailed break up of Employee Benefits Payable:

Provision for Bonus		
Production Linked Incentive for 2010-11 (left Service)	4.30	5.13
Production Linked Incentive for 2011-12	-	5.13
Production Linked Incentive for 2016-17	-	14.99
Production Linked Incentive for 2017-18	-	17.82
Production Linked Incentive for 2018-19	-	10.24
FIB Payable 08-09	-	3.62
FIB Payable 09-10	-	4.77
FIB Payable 10-11	-	5.48
FIB Payable 12-13	-	10.00
Bonus Payable (FY 2017-18)	-	19.02
Ex gratia 2008-09	1.41	1.41
Ex gratia 2009-10	-	4.23
Ex gratia 2010-11	-	4.21
Ex gratia Payable 2011-12	-	9.13
Ex gratia Payable 2012-13	-	8.72
Ex gratia Payable 2015-16	-	15.15
Ex gratia Payable 2016-17	22.17	22.17
Ex gratia Payable 2017-18	0.34	29.34
Ex gratia Payable 2017-18	9.93	9.93
Provision for Ex gratia (15 Employees)	283.31	46.29
Wage Revision Arrears	0.17	450.55
Ex gratia Payable 2019-20	12.34	75.74
Production Linked Incentive for 2019-20	0.17	21.25
Ex gratia Payable 2020-21	20.08	20.08
Bonus Payable for 2021-22	0.12	84.46
Ex gratia Payable 2021-22	3.34	3.68
Bonus Payable for 2022-23	607.65	607.66
Ex gratia Payable for 2022-23	3.88	-
Total	1,567.92	1,510.18

Note 23: Provisions

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Provision for gratuity - Refer Note No.32 (14)	-	-
Provision for Leave Encashment - Refer Note No.32 (14)	-	-
Provision for Special Super annuitation - Refer Note No.32 (14)	-	-
Provision for 25 years long service award (Refer note)	-	-
Provision for Obsolete Assets	-	-
Total	-	-



Note 24 : Revenue from Operations

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Sale of Products (Gross)		
Sale of Gold		
Sale of silver	76,963.91	58,117.56
Sale of Power	93.74	82.20
Sale of Sand	742.35	797.38
Total	31.18	-
	77,811.20	58,907.14

Note 25 : Other Income

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Profit on Sale of Assets		
Interest received from:	39.91	-
Deposits with Banks		
Interest on GMS	3,138.22	2,670.70
Deposits with KPTCL	1,062.30	553.62
Income Tax Refund	25.24	26.10
Others	238.64	-
Sale of Scrap	300.00	302.51
Penalty based Income	507.31	525.68
Income on letting out quarters	88.11	22.05
Reversal of provisions	76.77	71.86
Miscellaneous Income	1.84	10.97
Canteen & Guest House Recoveries	146.79	51.27
Total	59.02	59.19
	5,062.94	3,694.75

Note 26 : Cost of materials consumed

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Consumption of stores & spares		
Total	6,045.37	4,183.64
	6,045.37	4,183.64

Note 27 : Changes in Inventory of Finished Goods, Work-in-progress & Ore at Mines

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Opening Stock		
Gold		
Silver	10,140.14	23,171.14
Work-in-progress	78.54	77.05
Stock of ore at Mines	273.47	294.31
Stock of incidental ore	399.92	273.35
Add: incidental ore obtained during the year	387.44	642.00
Less: Deposit in GMS	35.67	-
Less: Closing Stock	-	(13,308.28)
Gold	-	-
Add: Adjustment for Refinery Loss	(12,068.81)	(10,140.14)
Silver	-	(23.71)
Add: Adjustment for Refinery Loss	(78.47)	(78.54)
Work-in-progress	-	(1.70)
Stock of ore at Mines	(248.67)	(273.47)
Stock of incidental ore	(461.21)	(399.92)
Stock of Sand	-	(387.44)
Net (Increase)/Decrease in stock	(518.17)	-
	(1,660.15)	(154.31)

Note 28 : Employee Benefit Expenses

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Salaries, Wages and Bonus	27,749.75	22,701.40
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits*	4,442.18	4,038.94
Staff Welfare Expenses	1,486.16	1,323.65
Total	33,678.10	28,064.99

*The Various Funds in which the contributions for Employee benefits were made by the company are as below:

	2023	2022
Contribution to Provident Fund	2,042.39	1,540.55
Contribution to Employee Pension Scheme	494.54	408.16
Contribution to Employees Deposit Linked Insurance Scheme/General Insurance Scheme	185.00	164.96
Contribution to GMS	4.79	5.15
Provident Fund inspection charges	32.00	33.29
Employees Deposit Linked Insurance Scheme inspection charges	0.39	0.39
Employees' Service Gratuity	1,051.89	1,253.65
Employees' special superannuation scheme	378.63	359.89
Workmen's Compensation	37.51	2.82
25 Years continuous long service award	7.62	7.44
Contribution to Superannuation Fund	207.42	262.65
Total	4,442.18	4,038.99

Note 29 : Finance Costs

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Bank Commission and LC Charges	42.77	16.21
Total	42.77	16.21



Note 30 : Depreciation and Amortization Expenses

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Depreciation and amortization expenses		
Total	1,851.26	1,998.33

* Refer note no.2 & 4

Note 31 : Other Expenses

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
A. Other Mining and Operating Expenses		
Transport and conveyance	423.86	337.44
Diamond drilling expenses	504.17	17.29
Sand Extraction Expenses	98.58	-
Royalty, DMF & HMET	3,915.08	3,084.15
Power and Fuel	6,718.00	5,239.53
Repairs and Maintenance:		
Plant, Property & Equipment	-	-
Wind Mill Operating & Maintenance Expenses	1,949.68	2,088.12
Other	199.62	198.09
Transformer replace exp-KEB	36.04	71.41
	13,884.82	11,034.02
B. Administrative expenses		
Rates and Taxes	306.81	18.48
Insurance	26.79	49.53
Travelling and Conveyance	113.26	65.82
Printing and Stationery	31.11	33.92
Communication Expenses	17.82	16.43
Dead rent	59.39	64.13
Advertisement and tender notification	114.33	52.48
Auditor's Remuneration		
Statutory Audit	-	-
Tax Audit	2.00	2.00
Expenses	0.80	0.80
Other Audit	0.25	0.20
Secretarial Audit	0.52	0.31
Professional Fees and Expenses	0.50	0.50
Legal Fees	145.24	202.85
Director Sitting Fees	23.05	12.12
Travelling Expenses - Directors	1.40	0.88
AGM Expenses	-	0.52
Board Meeting expenses	0.34	1.25
Plant, property and equipment written off	2.11	0.92
Afforestation Expenses	-	0.85
Environment Maintenance Expenditure	277.82	0.00
Donations	96.71	58.37
Corporate Social Responsibility	270.07	352.00
Others	226.88	829.56
	430.90	384.34
C. Selling and Distribution Expenses		
Gold Storage Insurance	97.46	76.48
	97.46	76.48
Total	16,130.18	13,250.94

Note 32 : Deferred Tax Liabilities/Tax Assets (Net)

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability		
Depreciation	1,197.39	854.84
Gross Deferred Tax Liability	1,197.39	854.84
Deferred Tax Asset		
Provision of Gratuity & Other Employee Benefits	865.16	1,380.22
Other Timing Differences	-	-
Other Comprehensive Income	(177.30)	(1.68)
Gross Deferred Tax Asset	687.86	1,378.54
Total	509.53	(523.70)
Deferred Tax Liability - Profit & Loss A/c	857.60	126.71

Note 33 : Other Comprehensive Income

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Remeasurement of net defined benefit liability/(asset)		
On Service Gratuity	404.88	201.27
On Employees Special Superannuation Scheme	298.73	(134.77)
Less: Tax thereon	(177.30)	(1.68)
Total	526.31	64.82



Note 34 : Earnings per Share

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

₹ in Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Reconciliation of earnings		
Profit/(Loss) for the period		
Net profit attributable to equity shareholders	19,783.52	11,316.30
	19,783.52	11,116.30
Reconciliation of number of shares		
	Shares	Shares
Shares outstanding at the beginning of the year		
Shares outstanding at the end of the year	2,96,204	2,96,204
Weighted average number of equity shares	2,96,204	2,96,204
	2,96,204	2,96,204
Basic and Diluted Earnings Per Share (in rupees)		
(Nominal value of shares: Rs.100/- each)	6,679.52	3,752.92



CIN No.U85110KA1947SGC001321

Note:- 35

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)	3270.53	7227.25
2	Contingent Liability not provided for:		
	(i) Letter of credit outstanding	563.49	660.61
	(ii) Bank guarantees	1163.20	1839.84
	(iii) Claims against Company not acknowledged as debts		
	a) Labour & other disputes pending with various Authorities/Tribunals/Courts.	Not quantifiable	Not quantifiable
b 1	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
	iii) AY 2018-19	24.30	24.30
	iv) AY 2020-21	16.43	Nil
b 2	<p>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.</p> <p>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.</p> <p>The company in compliance with the conditions for granting stay order has deposited ₹ 100 Lakhs on 11th March 2014.</p> <p>The case hearing is completed on 31.08.2023 and 01.09.2023 and reserved for the order</p>		
	i) Excise Duty and Cess	14,137.27	14,137.27
	ii) Penalty	14,137.27	14,137.27



b 3	<p>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.</p> <p>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 centvat 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-MS-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. The case is pending before CESTAT.</p> <p>- Disallowed CENVAT Amount (Excluding interest) - Penalty</p>	93.32 49.89	93.32 49.89
b 4	<p>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).</p> <p>The Company filed its reply on 30/1/2017.The case hearing completed during Feb.2017 and reserved for order.</p>	258.48	258.48
b 5	<p>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).</p> <p>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.</p> <p>For early hearing appeal of the Company was allowed. The case is pending for final hearing</p>	8,363.98	8,363.98
b 6	<p>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 filed its reply the SCN. The case is pending for hearing</p>	183.96	183.96
b 7	<p>Show cause notice SCN/01/2021-22-GST issued by the Assistant Commissioner of Central Tax & Central excise disallowing certain CENVAT credits availed by the Company through TRAN-1. Company has filed its reply on 19.5.2022. The case hearing held on 10.04.2023. Reserved for the order.</p>	24.22	24.22



b 8	<p>During the period 01.07.2017 to 31.12.2018, the Company discharged GST liability on DMF and NMET @ 5%. Thereafter, Central Board of Indirect Taxes and Customs issued Circular No.164/20/2021-GST dated 06.10.2021 clarifying that the service by way of grant of mineral exploration and mining rights most appropriately falls under service code 997337 i.e. 'Licensing services for the right to use minerals including its exploration and evaluation' and the same is taxable @ 18% for the period from 01.07.2017 to 31.12.2018. The Additional/Joint Commissioner of Central Tax & Central Excise, Belagavi has issued Show Cause Notice dated 11.02.2022 proposing to demand GST of ₹ 6,41,72,924/- along with applicable interest and penalty on the Royalty, DMF and NMET.</p> <p>The Company has filed a writ petition challenging the issued Show Cause Notice dated 11.02.2022 and the validity of the above circular before the Hon'ble High Court of Karnataka, Dharwad Bench on 23.04.2022 vide FR.No.101964/2022. The case is pending for hearing.</p> <p>The liability as per show cause notice is ₹ 641.73 lakhs and company has paid ₹ 173.88 lakhs.</p> <p>Liability as per Company's calculation is ₹ 113.40 lakhs.</p> <p>The difference is due to GST on Royalty, which the Company has discharged @ 18% during the relevant period. However, the Department has not considered it in the Show Cause Notice.</p>	641.73	641.73
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3. Proposed Dividend

**For the year ended
31.03.2023**

**For the year ended
31.03.2022**

The dividend proposed for the year is as follows:

On equity Share of ₹ 100 each:

Amount of Dividend Proposed

₹ 2374.02 lakhs

₹ 3334.89 lakhs

Dividend per Equity Share

₹ 801.48 Per Share

₹ 1125.88 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 The provision for exgratia amounting to ₹ 607.65 lakhs and Rs.597.87 lakhs respectively for the FY 2021-22 and 2022-23 have 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 Hon'ble High Court of Karnataka
2017-18	1,690.01	1,946.24	-	Appeal is pending before CIT (Appeals)
2018-19	1284.32	1308.62	-	Appeal is pending before CIT (Appeals)
2019-20	4306.99	-	-	Assessment order is yet to be received
2020-21	7777.65	7794.08		The appeal is pending before CIT (Appeals).
2021-22	5117.31	-		Assessment is yet to be completed
2022-23	4000.00			Assessment is yet to be completed



- c) As per Sl.No.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. 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.
7. a) 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 01.04.2021. As reported by the valuer, the valuer has done the appraisal of fair valuation of assets by in-depth study of Fixed Assets Registers, Discussions with technical persons, inspection of the PPEs, indexation, 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., and arrived at their best judgemental appraisal value, for the company for Financial reporting purpose. The Company has relied upon the reports prepared by the valuer and accounted accordingly.
- b) 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.
- c) The 250HP Thyristor 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. The retrofitting work of the said winder has been outsourced and as on 31.03.2023, the retrofitting work is in progress.
- d) During physical verification of fixed assets as on 31.03.2023, the assets worth (book value) of ₹ 15.77 Lakhs (P.Y ₹ 23.49 Lakhs) have been reported to be redundant. Pending detailed examination and decision thereon, no provision is made in the books of accounts.

8.a) Capital Work in progress aging schedule

Capital Work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3869.99	2002.25	2258.24	5262.15	13392.63
Projects temporarily suspended	-	-	-	65.49	65.49

b).Capital Work in progress whose completion are overdue

Capital Work in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Const. of 80 Nos. New Labour Quarters	768.12	-	-	-
Inst. & Comm. of 50 TPH (2 nos) Ball Mill	4739.56	-	-	-
Inst. & Comm. of LPDT	358.05	-	-	-
Total	5865.73	-	-	-



c) The Capital work in progress includes ₹ 65.49 lakhs accounted for gold refinery project. The trial 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 31.03.2023

9. 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 ₹ 1158.25 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) During the year incidental ore of 702 MT was obtained from the UTI underground development project. The ore is valued at departmental cost of ore extraction of UTI mines of ₹ 5081.11/- MT. The ore is brought to books by adjusting against the respective capital working progress account.

c) The non-moving store inventory for a period of more than 36 months as on 31.03.2023 is estimated to be ₹ 46.42 Lakhs (P.Y ₹ 3.90 Lakhs). The user departments have reported that these materials will be required for future operation hence no provision is made in the books of accounts.

d) The approximate Stock of Copper Ore Tailing at CGU is 4,42,376.22 MT (P.Y 4,42,376.22 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.

10. 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

Particulars	Current Year - 2022-23				Previous Year - 2021-22			
	Gold Unit	Wind Farm	Sand Mining	Total	Gold Unit	Wind Farm	Sand Mining	Total
Segment Revenue	77164.98	742.35	11.18	77918.51	58325.43	707.38	-	59,032.81
Segment Expenditure*	54334.34	564.62	75.23	54974.19	45202.63	527.30	-	45729.93
Segmental Results	22830.64	177.73	(64.05)	22944.32	13122.80	180.08	-	13302.88
Un-allocable Income				4955.03				3569.07
Un-allocable Expenditure*				1113.33				1628.87
Profit before taxation				26786.02				15243.08
Taxes				7002.50				4126.77
Profit after taxation				19783.52				11116.31
Comprehensive income				526.51				64.83
Total Comprehensive income				20310.02				11181.13
Segment Assets	205929.99	4152.89	14.30	210097.18	197520.67	4390.19	-	201910.86
Un-allocable Assets				77596.06				70468.14
Total Assets				287693.24				272379.00
Segment Liabilities	21358.10	0.13	0.35	21358.58	21190.29	0.00	-	21190.29
Un-allocable Liabilities				745.84				--
Total Liabilities				22104.32				21190.29
Capital Expenditure	13360.62	0	0	13360.62	33280.90	19.30	-	33300.21
Depreciation	1539.68	306.96	4.63	1851.26	1715.60	282.72	-	1998.33



* Note

1. 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.
2. The Gold unit expenses are net of stock adjustment.
3. Previous years amounts have been reapportioned and restated, wherever necessary.

11. 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.

12.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	6045.37	100.00	4183.64	100.00
ii) Imported	Nil	0.00	Nil	0.00
Total	6045.37		4183.74	

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 – ₹ 19.36 lakhs (Previous Year ₹ Nil)

13. The Company has budgeted CSR expenditure of ₹ 500 Lakhs (P.Y ₹ 400 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 ₹ 501.69 lakhs for the FY 2022-23 for various projects and released ₹ 226.69 lakhs. The details of amount spent towards CSR during the FY 2022-23 is as under

(a) The Gross amount required to be spent by the company during the year was ₹ 420.06 Lakhs (P.Y ₹ 402.26 lakhs)

(b) Amount spent during the year on:

Sl.No.	Particulars	Sanctioned amount ₹	₹ in Lakhs		
			Paid during previous years	Paid during the year	Yet to be paid in cash
1	Class rooms, compound walls and furniture to schools	95.69	0.00	95.69	0.00
2	Infrastructure facilities to Hospitals	250.00	0.00	125.00	125.00
3	Medical camps and treatments	75.00	0.00	0.00	75.00
4	Sponsorship to students/schools/colleges	75.00	0.00	0.00	75.00
5	Building infrastructure at rural areas	6.00	0.00	6.00	0.00

The company has spent excess during previous year and the short fall of current year will get adjusted against excess spent during previous year.



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

REVENUE:

Particulars	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
Maintenance materials	29.18	8.81
Salaries, Wages & benefits	1857.49	1796.03
Water Supply	192.20	180.77
Electricity Charges	560.47	532.61
Repairs & Maintenance of Buildings & Roads	267.33	44.71
Depreciation	167.66	143.05
Medical facilities	731.58	728.55
Expenses on Social & Cultural activities	1275.74	1356.92
Total	5081.95	4791.45
Less: Township recoveries:	117.17	145.32
Net: Township Expenses:	4964.78	4646.13

CAPITAL:

Particulars	Current Year – ₹ in Lakhs		Previous Year – ₹ in Lakhs	
	Gross Block as at 31-03-23	Depreciation Up-to 31-03-23	Gross Block as at 31-03-22	Depreciation Up-to 31-03-22
Township	4060.77	1938.74	3606.02	1645.15
Hosp. School & Social & cultural	1076.45	564.77	1049.00	496.15
	147.13	111.17	145.78	103.85
Total	5284.34	2447.02	4800.80	2245.15

15. 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.

Sl. No	Particulars	Current Year – 2021-22			Previous Year – 2020-21		
		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	15407.01	3141.54	3240.85	15104.10	3083.04	3164.94
	Net current service cost	807.64	244.66	187.29	854.40	229.28	180.15
	Interest cost on DBO	1094.57	230.08	234.40	1046.94	214.39	221.24
	Benefits paid	(2001.81)	*(1088.42)	(332.60)	(1360.64)	(534.07)	(453.26)
	Actuarial (Gains)/Loss	(507.24)	830.72	(302.45)	(237.79)	148.90	127.78
	DBO, end of period	14800.17	3358.58	3027.49	15407.01	3141.54	3240.85
B	Change in fair value of Plan Assets during the period						
	Fair value of plan assets, beginning of period.	12482.82	3231.62	590.94	11518.99	2838.39	556.48
	Interest income on plan assets	929.97	240.76	43.07	812.09	200.11	41.46
	Actual company contributions	2565.76	200.63	325.90	1548.91	201.56	453.25
	Benefits paid	(2001.81)	(416.22)	(332.60)	(1360.64)	(18.17)	(453.26)
	Actuarial Gain/(Loss)	(102.36)	(6.47)	(3.72)	(36.52)	9.74	(6.99)
	Fair value of plan assets, end of period	13874.38	3250.32	623.59	12482.82	3231.63	590.94
C	Amounts in Balance Sheet at period end						
	Defined benefit obligation	--	3358.58	--	--	3141.54	--
	Fair value of plant assets	--	3250.32	--	--	3231.62	--
	(Asset)/Liability recognized in the Balance Sheet	--	108.26	--	--	(90.08)	--
D	Amount recognized in Statement						



	of Profit & Loss at period end					
	Service cost	--	244.66	--	--	229.28
	Net interest cost	--	(10.68)	--	--	14.29
	Remeasurements	--	837.20	--	--	139.16
	Total expenses/(Income) included in "Employee benefit expenses"	--	1071.18	--	--	382.72
E	Amount recognized in statement of financial position at period end					
	Present value of funded defined benefit obligation	14800.17	--	3027.49	15407.01	--
	Fair value of plant assets	13874.38	--	623.59	12482.82	--
	Net defined benefit (Asset)/Liability recognized in the statement of financial position	925.79	--	2403.90	2924.19	--
F	Net defined benefit cost/(income) included in statement of Profit & Loss at period end					
	Service cost	807.64	--	187.29	854.40	--
	Net interest cost	164.59	--	191.34	234.85	--
	Total defined benefit cost/(income) included in Profit & Loss expenses	972.23	--	378.63	1089.25	--
G	Principal Actuarial Assumptions					
	Discount Rate	7.33	7.33	7.33	7.45	7.45
	Mortality Rate	IALM (2012-14) Ultimate		IALM (2012-14) Ultimate		
	Salary escalation	7.00	7.00	7.00	7.00	7.00
	Expected rate of return on assets	7.33	7.33	7.33	7.45	7.45

* The benefits paid includes ₹ 672.20 Lakhs (P.Y ₹ 515.89 Lakhs) settled by company.
E.S.S. stands for Employees Special Superannuation Scheme.

16. 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 Director		
		Sri.Prabhuling Kavalikatti IAS 01.04.2022 to 23.10.2022 ₹ in Lakhs	Sri.Sanjay Shettannavar IAS 24.10.2022 to 31.03.2023 ₹ in Lakhs	Total ₹ in Lakhs
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.91	10.39	23.30
	(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	1.49	-	1.49
	Total (A)	14.40	10.39	24.79
	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 –					1.40
	1.Sri.Manappa D Vajjal - ₹ 0.18 lakhs					
	2.Sri.Pankaj Kumar pandey, IAS - ₹ 0.16 Lakhs					
	3.Dr.Ekroop Caur , IAS - ₹ 0.10 Lakhs					
	4.Sri.M.S.Srikar, IAS - ₹0.10 Lakhs					
	5.Smt.Vinoth Priya R, IAS - ₹0.12 Lakhs					
	6.Smt.B.B.Kauvery, IAS – ₹ 0.02 Lakhs					
	7.Dr.M.R.Ravi, IAS - ₹0.08 Lakhs					
	8.Sri.D.S.Ramesh, IAS - ₹ 0.08 Lakhs					
	9.Sri.Bagadi Gautham, IAS - ₹ 0.02 lakhs					
	10.Sri.Kudligere S Halesh - ₹ 0.18 Lakhs					
	11.Sri.Srinivasraj Desai - ₹ 0.18 Lakhs					
	12.Dr.Prabhakar Sangurmth - ₹ 0.18 Lakhs					
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)	-	-	-	-	1.40
	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	
		Name	Total Amount
	Name	Shri.Prakash	
	Post held	I/c. Executive Director	
1	1. Gross salary	₹ in Lakhs	₹ in Lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.59	27.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.47	2.47
	(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	6.99	6.99
	(b) PL Encashment paid on retirement as terminal benefit	--	--
	Total	37.05	37.05



17. Payment to Auditors

Particulars	31 st March 2023	31 st March 2022
i. Statutory Audit	2.00	2.00
ii. Tax Audit	0.80	0.80
iii. Other taxation matters		--
iv. Other Audits/other services	0.00	0.15
v. Reimbursement of expenses	0.25	0.20

The above expense are exclusive of taxes

18. The Company has invested ₹ 51781.56 Lakhs in fixed deposits (FDs) including FDs offered as security for bank guarantees in various banks on 31.03.2023 (P.Y ₹ 50044.51 Lakhs). The details of these deposits included in financial statements are as under:

Sl. No.	Particulars	Note No.	₹ in Lakhs	
			As at end of 31.03.2023	As at end of 31.03.2022
1	Cash and cash equivalent (maturity less than 90 days)	11	Nil	Nil
2	Other bank balances (maturity less than one year)	12	50000.00	46593.90
3	Other financial assets – non-current assets (maturity more than one year)	7	556.84	1610.77
4	FDs offered as security for bank guarantees	7 & 13	1224.72	1839.84

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

20. 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 ₹ 25.42 lakhs (P.Y ₹ 11.43 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 ₹ 36.26 lakhs. (P.Y. ₹ 16.73 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.

21. 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	82.28
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.



22. Trade payable aging schedule

₹ in lakhs

Particulars	Outstanding for following periods from due date of payments as at 31.03.2023				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i) MSME	4.05	0.78	0.00	0.18	5.02
(ii) Others	269.50	1.78	17.62	34.71	323.62
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	3.32	218.15	221.47
Total	273.56	2.57	20.94	253.04	550.10

The outstanding shown above includes the amounts withheld due to non-compliance of PO terms/ conditions/short supply/rejection etc.,

23. Trade receivables ageing schedule

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	302.10	-	-	-	-	302.10
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	302.10	-	-	-	-	302.10

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

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

26. The gold production shown at sl.no.30 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 10795.72 grams and 8225.56 grams respectively.

27. Financial Ratios:

Ratio	Numerator	Denominator	31st March, 2023	31st March, 2022
Current Ratio (in times)	Current assets	Current liabilities	5.97	6.07
Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	11.73	7.09



Inventory turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventories	4.46	2.73
Trade Payables turnover ratio (in times)	COGS (Excluding Depreciation being non cash expenses)	Average Trade payables	26.92	17.81
Net Capital turnover ratio (in times)	Gross Revenue from sale of products and services	Working Capital (Current assets-Current liabilities)	0.87	0.74
Net Profit ratio (in %)	Profit for the year	Gross Revenue from sale of products and services	25.43	18.87
Return on Capital employed (in %)	Profit before interest and taxes	Average Capital employed	15.89	9.72

- (i) Debt-Equity Ratio and Debt Service Coverage Ratio are not relevant for the Company as it has no debts (borrowings)
- (ii) Trade receivable turnover ratio not shown since trade receivable are not significant.
- (iii) Return on investment is not shown since the company has no investments in securities. The company has invested its surplus funds in fixed deposits with banks
- (iv) Reasons for significant changes in ratios:
- Return on equity - Due to increase in total income, the net profit has increased and there by an increase in return on equity
 - Inventory turnover – Due to increase in gross revenue from sale of products and reduction in average inventory, the inventory turnover in terms of times has improved
 - Trade payable turnover ratio – Due to reduction in trade payables, the ratio has increased
 - Net Capital turnover ratio - Due to increase in net output of the company, the revenue has increased and thereby the Net Capital turnover has improved
 - Net Profit ratio – Due in increase in volume of output, sales volume and average selling price, the profit has increased and there by the ratios has increased significantly
 - Return on capital employed – Due to increase in profitability of the company, the return on capital employed has increased significantly

28. The MCA vide notification no.G.S.R 242 E dated 31st March 2023 has carried out amendments to the following IND AS :

- IND AS 101 - First Time Adoption of IND AS
- IND AS 102 - Share Based Payment
- IND AS 103 - Business Combinations
- IND AS 107 - Financial Instruments - Disclosure
- IND AS 109 - Financial Instruments – Valuation
- IND AS 115 - Revenue from Contracts with Customers
- IND AS 1 - Presentation of Financial Statements
- IND AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- IND AS 12 - Income Taxes
- IND AS 34 - Interim Financial Reporting

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.



29. Disclosures under amended Schedule III

Note on immovable properties not held in the name of the Company:

Not applicable, since there are no immovable properties which are not held in the name of the company

Note on loans and advances granted to promoters, directors, Key Managerial Persons:

Company has not granted any loans and advances to promoters, directors, Key Managerial Persons.

Note on borrowings from banks or financial institutions on the basis of security of current assets:

Company has not borrowed any loan from banks.

Note on proceedings under Benami Transactions Act:

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

Note on Wilful Defaulter:

The company is not declared as wilful defaulter by any bank or financial institution or other lender.

Note on registration of charges or satisfaction with Registrar of Companies:

Charges of Rs.600 lakhs on Company's properties has been created with SBI, IFB Bangalore on 15.10.1993 and modified on 11.06.2011. The charges has been satisfied on 04.08.2023 and memorandum of satisfaction of charges has been obtained from Ministry of Corporate Affairs.

Note on compliance with layer of companies u/s 2(87)

The company has no subsidiary company.

Note on Compliance with approved schemes of arrangement:

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

Note on Utilization of Borrowed funds and share premium:

Not applicable since Company has not borrowed any funds and does not have any share premium

Note on Undisclosed Income:

The company has no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note on Crypto Currency or Virtual Currency:

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

Transactions with Struck companies :

Based on the information / records made available by the vendors/contractors and buyers, the company does not have any transactions with struck companies .



30. PRODUCTION, STOCKS AND SALES

	Class of Goods	Unit	Current Year			Previous year		
			Hutti	Chitradurga	Total	Hutti	Chitradurga	Total
Quantitative Particulars								
Milling	Ore	Tons	605976		605976	478514		478514
Actual Production	Gold	Grams	1411423.00		1411423.00	1236806.65		1236806.65
	Silver	Grams	147361.88		147361.88	126402.90		126402.90
	Wind Energy	KWH		21833890	21833890		20805150	20805150
Opening Stock	Gold	Grams	380873.63		380873.63	844539.73		844539.73
	Silver	Grams	145216.79		145216.79	149957.23		149957.23
Closing Stock	Gold	Grams	380006.28		380006.28	380873.63		380873.63
	Silver	Grams	145294.77		145294.77	145216.79		145216.79
Sales	Gold	Grams	1412290.36		1412290.36	1200454.58		1200454.58
	Silver	Grams	147283.90		147283.90	128494.30		128494.30
	Wind Energy	KWH		21833890	21833890		20805150	20805150
Value Particulars ₹ in Lakhs								
Opening Stock	Gold		10140.14		10140.14	23173.14		23173.14
	Silver		78.53		78.53	77.05		77.05
Closing Stock	Gold		12068.81		12068.81	10140.14		10140.14
	Silver		78.47		78.47	78.53		78.53
Sales	Gold		76963.91		76963.91	58117.56		58117.56
	Silver		93.76		93.76	82.20		82.20
	Wind Energy			742.35	742.35		707.38	707.38
Gold Under Gold Monetization Scheme ₹ in Lakhs								
Particulars	995 purity (Grams)	Converted to 1000 purity (Grams)	Cost Value	Value as per certificate	Remarks			
Opening stock	1002589.02	997576.07	24230.60	47213.29	Certificates issued for 995 purity			
Closing stock	1002589.02	997576.07	24230.60	47213.29				
Details of sand Mining								
Extracted		Sales		Closing stock				
Qty (MT)	₹ in Lakhs	Qty (MT)	₹ in Lakhs	Qty (MT)	₹ in Lakhs			
47476.81	129.35	1597	11.18	45879.81	118.17			

Note Number 1-35 forms part of the accounts

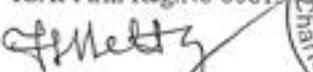
To be read with our report of even date

for and on behalf of the Board

For B V C & Co.,

Chartered Accountants

ICAI Firm Reg.No 008154



(CA Chandrashekara Shetty)

Partner

Membership No.216516

DGM(Finance)

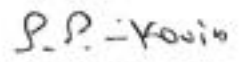
UDIN :- 2321651686VHML3980

BANGALORE

DATED : 20-09-2022



 (Sanjay B. Shettennavar, IAS)
 Managing Director
 DIN.08416823


 (S.S. Mallikarjun)
 Chairman

DIN.00451644