



THE HUTTI GOLD MINES COMPANY LIMITED

CIN U85110KA1947SGC001321

79TH ANNUAL REPORT – FY 2024-25

Registered Office : 3rd Floor, KHB Shopping Complex, National Games Village,
Koramangala, Bangalore-560 047
Phone: (080) 2571 0501
Email : rohgml@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,

BANGALORE-560 047

Phone: 2571 0501 Fax: 25707380

Email: rohgmil@gmail.com Website: www.huttigold.co.in

CIN: U85110KA1947SGC001321

79th ANNUAL REPORT & AUDITED ACCOUNTS FOR FINANCIAL YEAR 2024-25

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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 NINTH Annual General Meeting** of the Members of The Hutti Gold Mines Co Ltd will be held on **Monday, the 29th December, 2025 at 2:30 P.M.** at the Registered Office of the Company through Video Conferencing or Other Audio Visual Means.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements comprising Audited Balance Sheet as at **31st March, 2025** 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, 2025** 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, 2025.**

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

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, rohgm@gmail.com
Website : www.huttigold.karnataka.gov.in

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

"RESOLVED THAT pursuant to the recommendation of the Directors, dividend at the rate of **Rs. 4416.60 per Equity Share of Rs.100/- each (4416.60%)** on **296203-5/7 Equity Shares of the Company**, out of the current profits of the Company for the year ended **31st March, 2025** 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 **22.12.2025** in proportion to the amount paid up thereon."

3. To fix the remuneration of Statutory Auditor.

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

"RESOLVED THAT the remuneration of the Statutory Auditor appointed by C&AG for the year **2025-26** be fixed by the Board of Directors."

By the Order of the Board

R. Shilpa

R. SHILPA, KAS
Managing Director
DIN: 10783235

Place: Bengaluru
Dated: 04.12.2025

NOTES FORMING PART OF NOTICE:

1. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. Members are requested to send their email address to regdoffice-hgml@ka.gov.in by **22.12.2025** to send the Meeting link.
3. 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.
4. 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.
5. **BOOK CLOSURE:** The Register of Members of the Company will remain closed from **22.12.2025 to 29.12.2025** both days inclusive, to determine the Members entitled to receive dividend which will be declared at the Annual General Meeting.
6. **RECORD DATE** has been fixed **22.12.2025** 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.
7. **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 28th January, 2026 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 22.12.2025**. 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.

8. **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, 2018, which was declared at the 73rd Annual General Meeting held on 4th November, 2019 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.

9. **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.

10. **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.

11. **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 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 **22.12.2025**.

c. The Company has designated its email ID called rohgm1@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.

d. 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.

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

f. Members are requested to notify immediately any change of their addresses and bank particulars to the company **on or before 22.12.2025**.

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

h. 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.



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REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors have immense pleasure in presenting the 79th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March 2025.

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 2023-24	FY 2024-25	Remarks
I. Quantitative parameters			
1) Production			
a) Ore Treated (MT)	718281	683701	1. Decrease in ore treatment by 34580 MT (4.81%) 2. Increase in Gold production by 53.25 Kgs (3.43%%)
b) Gold Production (kgs)	1553.05	1606.30	
c) Net recovery grade (Gms/MT)	2.16	2.35	
d) Sand extraction (MT)	417389	114244	
d) Wind Power generated (lakh KWH)	232.48	203.06	Decrease of 29.45 LKWH. Depends on wind velocity
2) Sales			
a) Sale of gold (kgs)	1528.00	1600.25	The sales quantity increased due to increase in gold production
b) Sale of sand (MT)	243938	159602	Sand sales was through online booking by the buyers.
b) Sale of Wind Power (lakh KWH)	232.48	203.06	All the generated units are exported to



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			BESCOM.
II. Financial parameters			
A. Income			
1) Revenue from Operations			
(i) Sale of gold including silver	93333.84	122475.28	(i) Increase in quantity of gold sales was 72.26 Kgs. Impact on revenue due to increase in sales quantity is Rs.4408.37 lakhs (ii) Increase in average selling price was Rs.1544.07 per gram. Impact on revenue due to increase in average selling price is Rs.24709.08 lakhs
(ii) Sale of sand	1707.57	1117.21	Sand sales was @700/MT, which is the rate fixed by the Government of Karnataka
(iii) Sale of Wind Power	790.44	690.41	All the generated units are sold to BESCOM at the rate of Rs.3.40/KWH as per PPA.
Total	95831.85	124282.90	
2) Other Income			
(i) Income from investments	7417.24	9692.61	Increase is due to increase in average investment in FDs, margin money & flexi deposits
(ii) Sale of Scrap etc.	448.06	12.36	
(iii) Other non-operating Income	1550.33	302.36	(i) Interest on IT refund (-) Rs.871.07 lakhs (ii) Sale of sandal wood (-) Rs.170 lakhs
Total	9415.63	10007.33	
Total Income	105247.48	134290.23	
B. Expenditure			
(i) Materials consumed	6727.88	7230.01	Cost of consumption of materials per MT of ore, during the FY 2024-24 works out to Rs.1057/- as against Rs.937/- reported during FY 2023-24.
(ii) Employee Benefit Expenses	45288.44	41883.79	During previous year the increase was due to provision of wage revision arrears of staff and workers. However, the net reduction during current year after considering revision impact, current year allowances & benefits and previous year provision is Rs.3383.90 lakhs
(iii) Power & Fuel	7368.40	6960.13	The average rate decreased by Rs.0.55 per unit and consumption decreased by 46.01



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			lakh units
(iv) Royalty, DMF & NMET	5205.30	7000.04	(i) Royalty, DMF and NMET on gold and silver – Rs.6859.59 lakhs (ii) Royalty and DMF on sand – Rs.140.45 lakhs
(v) Transportation, Repairs & Maintenance, other mining, drilling, sand mining and Windmill operation	4604.52	3688.78	(i) Reduction in sand mining expenses due to reduction in sand extraction and sand sales (-) Rs.837.58 lakhs (ii) Diamond drilling expenses (-) Rs.202.23 lakhs (iii) Repairs & Maintenance and other expenses (-) Rs.367.23 lakhs (iv) Transport & conveyance (-) Rs.61.18 lakhs (iv) Ventilation cross cut expense (+) Rs.552.48 lakhs
(vi) Other Administrative and Misc. Expenses	1814.73	1836.23	
(vii) Depreciation and amortization	4163.17	5298.42	Increase is due to capitalisation of Ball Mill project and shafts at Uti and Hira-buddine Mines. During current year depreciation on these assets amounted to Rs.856.27 lakhs. Depreciation on capitalisation of other assets amounted to Rs.198.93 lakhs
(viii) Donations	454.56	597.14	
(ix) CSR	552.13	499.04	
Total Expenditure	76179.13	74993.58	
Inventory changes	(-)2409.45	6.70	(i) Accretion in value of gold by Rs.195.77 lakhs (ii) Accretion in value of silver by Rs.6.08 lakhs (iii) Accretion in value of gold in process by Rs.72.31 lakhs (iv) Decreton in value of ore stock by Rs.173.03 lakhs (v) Decreton in value of sand stock by Rs.107.83 lakhs
C. Profit Before Tax	31477.80	59289.96	
Provision for tax	7532.33	15682.81	
D. Profit After Tax	23945.47	43607.14	
E. Earnings per share (Rs.)	8084.12	14722.01	
F. Book value per share(Rs)	66265.96	71853.13	



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G. Segment wise Profitability			1. Segment profitability arrived excluding RO expenses
(i) Gold (Rs./gm)			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.
a) average selling price	6101	7645	
b) total expenses	4676	4472	
c) profit	1425	3173	
(ii) Wind (Rs./kwh)			3. The profit from gold division was Rs.50,748.78 lakhs and that of wind mill Rs.166.68 lakhs for the year.
a) selling price	3.40	3.40	
b) total expenses	2.46	2.58	
c) profit	0.94	0.82	4. Total expenses per gram shown is exclusive of accretion/decretion to ore stock
H. Transfer to Reserves	3150.00	5930.00	

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.

4. Dividend

Your Board of Directors has recommended a dividend at the rate of 4416.60% on Paid up Equity Capital, amounting to Rs.13082.14 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 59.30 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, 2025, Unclaimed Dividend amounting to Rs.78.91 Lakhs has not been claimed and the same will be remitted to the Central Government on the respective due dates.

Your Directors are further pleased to recommend a Dividend of 7720.53% on the Paid up Equity Capital amounting to Rs. 228.69 Crores as SPECIAL DIVIDEND subject to approval of the members at the Annual General Meeting.

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



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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 Pankaj Kumar Pandey, IAS	30.05.2023	14.06.2023	Chairman
3.	Sri S S Mallikarjun, Mines Minister	14.06.2023	29.01.2024	Chairman
4.	Sri J T Patil, MLA	29.01.2024	-	Chairman
5.	Sri Sanjay B Shettenavar, IAS	15.11.2022	09.09.2024	Managing Director
6.	Smt R Shilpa, KAS	09.09.2024	-	Managing Director
7.	Dr. Ekroop Caur, IAS	05.09.2019	29.08.2023	Director
8.	Dr P C Jaffer, IAS	29.08.2023	-	Director
9.	Sri Kudligere S Halesh	16.10.2020	22.05.2023	Director
10.	Sri Srinivasraj Desai	30.11.2020	22.05.2023	Director
11.	Dr. Prabhakar Sangoormath	23.03.2021	22.05.2023	Director
12.	Sri Pankaj Kumar Pandey, IAS	31.05.2021	17.06.2023	Director
13.	Dr Richard Vincent D'Souza, IAS	17.06.2023	19.07.2024	Director
14.	Sri Vipul Bansal, IAS	19.07.2024	07.01.2025	Director
15.	Sri Srikar Sridhar Mysore, IAS	22.06.2022	22.05.2023	Director
16.	Sri Jayaram N. IAS	25.05.2023	22.02.2024	Director
17.	Dr. K V Thrilok Chandra, IAS	22.02.2024	04.12.2024	Director
18.	Smt. Vinothpriya Ramaiah, IAS	27.07.2022	15.09.2023	Director
19.	Sri Jayavibhavaswamy, IAS	15.09.2023	10.02.2025	Director
20.	Dr. Mamballi Rajaratnam Ravi, IAS	15.02.2022	22.02.2024	Director
21.	Dr. B C Sateesha	22.02.2024	09.09.2024	Director
22.	Smt Khushboo G Chowdhary, IAS	09.09.2024	-	Director
23.	Sri. Gautham Bagadi, IAS	22.11.2022	15.09.2023	Director
24.	Sri Girish R, IAS	15.09.2023	-	Director
25.	Shri Ramandeep Chowdary, IAS	07.01.2025	16.06.2025	Director
26.	Shri Mahantesh Bilagi, IAS	10.02.2025	-	Director
27.	Smt. B B Cauvery, IAS	04.12.2024	-	Director
28.	Sri Sameer Shukla, IAS	16.06.2025	-	Director



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

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 P.K.Rungta & Co., Chartered Accountants, Bangalore were appointed as the Statutory Auditors for the FY 2024-25. The Auditors Report for the year ended 31.03.2025 is annexed herewith as **Annexure-I**.

Suitable explanations have been furnished to the views expressed by the Statutory Auditors in **Annexure - IA**



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(ii) Supplementary Audit

The Accountant General of Karnataka has conducted Supplementary Audit on the accounts of the Company for the year ended 31.03.2025 as per the provisions of Section 143 (6) (b) of the Companies Act, 2013. The report of the CAG is received and annexed as **Annexure-II** forming part of this report.

(iii) Secretarial Audit

As per the provisions of Section, 204, of the Companies Act, 2013, the Board has appointed CS Vishwanathan, Company Secretary as Secretarial Auditors for FY 2024-25. The Secretarial Auditors Report for FY 2024-25 is received and 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 – **Annexure IIIA**

(iv) Internal Audit

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

(v) Cost Audit

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

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, 2025 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 2024-25 is attached forming part of the Balance Sheet.



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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.

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.



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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.

16. Disclosures

a) Audit Committee

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

- | | | |
|------------------------------------|---|-------------|
| 1) Smt.Rohini Sindhuri Dasari, IAS | - | Chairperson |
| 2) Sri Mahantesh Bilagi, IAS | - | Member |
| 3) Smt R Shilpa, KAS | - | 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) Smt.Rohini Sindhuri Dasari, IAS | - | Chairperson |
| 2) Sri Mahantesh Bilagi, IAS | - | Member |
| 3) Smt R Shilpa, KAS | - | 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 600.00 Lakhs towards CSR activities, based on the 2% of the average profits of previous three years of Rs.489.79 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



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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 seven (7) meetings were held on 13.06.2024, 10.09.2024, 15.10.2024, 04.12.2024, 07.01.2025, 20.01.2025 & 07.03.2025.

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

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

Nil.

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.



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i) Corporate Governance

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

j) Consolidated Financial Statement

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

k) Vigil Mechanism

The vigilance mechanism policy is in force in the Company.

l) Other General Disclosures

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

1. Details relating to fixed deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. There are no offences of fraud reported by the Auditor/s during the year.
7. There are no related party transactions during the year in terms of Section 188 of the Companies Act, 2013.
8. There are no material changes or commitments affecting the financial position of the Company between the end of the financial year to the date of this report.



The Hutti Gold Mines Company Limited

CIN: U85110KA1947SGC001321

9. The company is looking to improve its vendor base under MSME category in the procurement of goods and services. The details required to be furnished in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) will be furnished at appropriate time.
10. There has been no change in the nature of business for the year under review.
11. There is no change in the share capital of the Company. The transfers of shares are effected as applicable.
12. The details as required under Section 67 (3) of the Companies Act, 2013 in respect of any scheme of provision of money for purchase of own share by the employees or by the Trustees for the benefit of employees are not applicable to the Company.
13. The disclosure with respect to demat suspense account / unclaimed suspense account as provided in part-F of schedule V of the listing regulations is not applicable to the company.
14. The requirements as to its own formal annual evaluation of the Board and its committees are not applicable as the paid up capital of the Company is Rs.2.96 cr.is less than the required level of Rs.25.00 cr. and all the Directors are appointed by the Government of Karnataka.
15. As the shares of the Company are unlisted the compliance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Business Responsibility statement is not applicable to the Company.
16. The details as regards to deviation / variation in use of proceeds of an issue as per regulation 32 (4) of the listing regulations is not applicable to us.
17. The disclosure as regards to Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 are not applicable to the Company.
18. The disclosure note as regards to the employee stock option / purchase scheme is not applicable to the company.
19. There is no Nomination and Remuneration Committee as all the Directors of the Company are appointed by the Government of Karnataka. Similarly Stakeholders Relationship Committee is not formed as the Company has only 101 shareholders as against to the requirement of more than 1000 shareholders.



The Hutti Gold Mines Company Limited

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17. Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) act, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

No complaint pertaining to sexual harassment was reported during the year 2024-25.

SI No	Category	Number Of Cases
1.	Number of complaints of sexual harassment received in the year;	1
2.	Number of complaints disposed off during the year;	1
3.	Number of cases pending for more than 90 days	NIL

18. Statement with respect to the compliance of the provisions relating to The Maternity Benefit Act 1961:

There are 13 employees who are coming under the requirements of availing the benefits of the Maternity Benefit Act 1961 during the year. However, the Company has made all the arrangements required to be provided to the employees who need the Maternity Benefit Act 1961.

19. Number of employees as on the closure of Financial Year:

SL. No.	Employees Details	Number
1	Female	366
2	Male	3264
3	Transgender	-

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The Hutti Gold Mines Company Limited

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	Total	3630
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20. Manpower:

The total man power as on 31.03.2025 is 3630. The break-up of employees on 31.03.2025 is given below:

Particulars	Total	SC	Percentage	ST	Percentage
Officers	154	28	18%	14	9%
Ministerial Staff	166	40	24%	10	6%
Supervisory Staff	413	99	24%	34	8%
Others	2897	751	26%	445	15%
Total	3630	918	25%	503	14%

21. 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 184 applications out of that 165 applications have been disposed of and 19 were pending as on 31.03.2025.

22. Projects under Implementation

(Rs. in Crores.)

Sl. No.	Projects	Cost Estimates
1.	Construction of integrated township at Hutti	998.50
2.	Implementation of ERP	8.64
3.	Development of underground mine and construction of shaft at Hire-Buddini Gold Mines	175.74
4.	Water supply from Krishna River	135.00

23. 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.

24. Reservation and Renewal of Leases

a) Reservation of lease areas:



The Hutti Gold Mines Company Limited

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Total of 12 Application made under 17(A)(2A) of MMDR Act for exploration and mining of gold in the Hutti-Maski Schist Belt on priority and another 55 other areas of Karnataka.

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

Received deemed extension in respect of 03 mining leases (Uti Gold Mine(ML No. 2668), Wondali Gold Mine(ML.No2031) and Hira-Buddinni Gold Mine (ML No. 2578). The process of supplementary lease deed execution of these lease is under process.

25.Event Based Disclosures:

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

26.Fraud Reporting (Required by Companies Amendment Bill, 2014):

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

27.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.

28.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.

29.Failure to Implement any Corporate Action:

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

30.Credit Rating of Securities:



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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.

31. 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 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

(J T Patil)
Chairman
DIN: 00535538

Bengaluru
Date : 25.11.2025

K. RUNGTA & CO.
CHARTERED ACCOUNTANTS

No.598/599
1st Maim, 15th Cross
HSR Layout, Sector-6
Bengaluru – 560 102
Tel: 080 – 31197184
E-mail: capkrungta@gmail.com
Firm Registration No: 0034985

REVISED INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF THE HUTTI GOLD MINES COMPANY LIMITED
BANGALORE.**

Qualified Opinion.

Report on the Ind AS Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **THE HUTTI GOLD MINES COMPANY LIMITED** ('the Company') which comprise the Balance Sheet as at 31 March 2025, the statement of Profit and Loss (including other Comprehensive income), the Statement of Changes in Equity, the Cash Flow statement, notes to IND AS financial statements, for the year then ended, including a summary of material accounting policies and other explanatory information prepared in accordance with the requirement of the Companies Act 2013 (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date

This report supersedes our Independent Auditor's Report dated September 02, 2025 on the financial statements of the Company for the year ended 31st March 2025, which has been revised in the light of observations arising from the audit by Comptroller & Auditor General of India.

Basis for Qualified opinion

1. (a) Company has spent Rs. 80.18 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. This has resulted in overstatement of profit by Rs.80.18 Lakhs.

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(b) The Company has paid ₹ 19.07 lakhs to M/s KUWS & DB for preparation of a DPR for the water supply project from Krishna River at Tamankal to Hutti. The project has been abandoned, and a new DPR has been prepared by M/s National Projects Construction Corporation Limited (NPCC). Accordingly, the expenditure recognized as work in progress is no longer valid and should be written off or provided for in the Profit and Loss account. This has resulted in overstatement of profit by Rs.19.07 Lakhs.

2. (a) The Company has not obtained any written confirmation regarding the advance pending refund of Rs.100 Lakhs from Suvarna Arogya Suraksha Trust (SAST) and the same is outstanding since November 2021. As the amount has been pending recovery for more than 03 years, recovery of the same is doubtful and necessary provision is not made in the financial statements.

(b) The Company has not recovered Rent, Electricity and Other dues amounting to approximately ₹ 120.54 lakhs in respect of quarters allotted to various departments. These amounts have remained outstanding for several years (more than 3 years). In our view, the recovery of the said dues is doubtful. However, the Company has not made any provision for doubtful recovery of such dues in the financial statements. Consequently, the assets and the profit for the year are overstated to that extent.

3. The Company has not obtained balance confirmation from Capital creditors amounting to ₹ 1,928.11 Lakhs (Note.21), Trade/security deposits ₹ 4,197.52 Lakhs and Creditors for expenses ₹ 10,017.82 Lakhs (Note.22), Trade payables ₹ 2,125.76 Lakhs (Note.20), as on 31.03.2025. 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. The Management has represented that they are in the process of obtaining the confirmations from the respective parties and that confirmations have been received only for approximately 20-25% of the outstanding balances of Trade payables.
4. The Company has made a provision for ex-gratia as per Note no. 35(5) of the financial statements regarding the provision for ex-gratia payments totaling Rs. 1,763.10 lakhs for the years 2022-23 (Rs. 597.87 lakhs), 2023-24 (Rs. 587.34 lakhs), and 2024-25 (Rs. 577.89 lakhs), which has been recognized in the books of accounts pending approval from the Government of Karnataka.
5. The Company has not paid, dead rent of ₹ 339.09 lakhs to Department of Mines & Geology (GoK). As per the Mines and Minerals (Development and Regulation) Act, 1957, and the Mineral (Mining by Government Company) Rules, 2015, all mining leases are granted for a period of fifty years, and holders of mining leases are required to pay dead rent or royalty, whichever is higher. The dead rent rate for non-operative mines was revised vide Gazette of India Notification dated 02.09.2019 from Rs. 2,000 per hectare per annum to Rs. 4,000 per hectare per annum (5th year onwards).

The company holds six mining leases where no activity is being carried out, and dead rent has continued to be accounted at the old rate of Rs. 2,000 per hectare per annum from 02.09.2019 to 31.03.2025. Consequently, the revised dead rent payable for non-operative mines has neither been paid nor provided in the books of accounts, resulting in understatement of dead rent payable and dead rent expenses and overstatement of profit by Rs.339.09 Lakhs.

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6. (a) during the previous financial year 2023–24, the Company had created a provision for income tax amounting to ₹8,600.00 lakhs based on the estimated liability at that time. Upon finalization of the tax audit and computation during the current financial year, the actual income tax liability was determined at ₹8,288.00 lakhs, resulting in an excess provision of ₹312.00 lakhs. The Company has adjusted this excess provision directly against Retained Earnings, considering it as pertaining to the previous year, instead of recognizing it in the Statement of Profit and Loss for the current year. This has resulted in understatement of profit after tax by Rs.312 Lakhs.

(b) for Assessment Year 2008–09, the Company had recognized an income tax refund receivable of ₹6,70,19,264/-. Pursuant to the Income Tax Assessment Order dated 25 June 2024, passed by the Deputy Commissioner of Income Tax, Circle 7(1)(1), Bengaluru, the refund determined by the Department amounted to ₹10,21,41,149/-, resulting in a difference of ₹3,51,21,885/-. In the absence of specific details or breakup for the difference amount and considering that the refund pertains to a prior period, the Company has transferred the differential amount to Retained Earnings instead of routing it through the Statement of Profit and Loss, in order to avoid misstatement of the current year's results. This has resulted in understatement of profit by Rs.351.21 Lakhs.

(c) The Company has adjusted an amount of ₹85.01 lakh representing reversal of accrued interest directly against Retained Earnings during the current financial year. The said income had been recognized in earlier years, and the reversal pertains to the waiver of interest and any reversal of income recognized from a financial asset should be charged to the Statement of Profit and Loss in the year of reversal and not adjusted through Other Equity / Retained Earnings. This has resulted in overstatement of profit by Rs.85.01 Lakhs.

Further, Considering the above adjustments, the net aggregate impact on the profit for the year is overstatement of ₹ 80.68 lakhs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 on the financial statements.

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Key audit matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Emphasis of the matter:

1. We draw attention to Note 22 of the financial statements regarding the wage revision approved by the Government of Karnataka on 06th December, 2024 and the Memorandum of Understanding signed with the workers' union on 23rd December, 2024. The Company has made a provision of ₹84.22 crores towards arrears for the period 01 April 2021 to 30 November 2024 without deducting EPF on the wage's arrears. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's 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 management discussion and analysis, Board's Report including Annexures to Board's Report, Business responsibility and sustainability report, corporate governance and shareholder's information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 and Board of Directors for the standalone Financial Statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 Ind AS 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 standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 standalone 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.

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- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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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(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 including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) 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) 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

P.K. RUNGTA & CO.
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Firm Registration No: 003498S

- (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 standalone financial statements. Refer Note no 35 (2) (b) to the standalone financial statements.
 - 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.

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- v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act 2013 as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention

For P.K. RUNGTA & CO,
Chartered Accountants
(Firm's Registration No.003498S)

ASHISH RUNGTA

Digitally signed by ASHISH
RUNGTA
Date: 2025.11.10 17:53:55 +05'30'

CA. ASHISH RUNGTA
Partner
Membership No. 236749

Place of Signature: Bengaluru
Date: 10/11/2025
UDIN: 25236749BMISLK3197

ANNEXURE 'A' to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the **M/s. THE HUTTI GOLD MINES COMPANY LIMITED** on the standalone Ind AS financial statements for the year ended 31 March 2025, we report that:

- (i) (a)(A) The company has maintained proper records showing full particulars, including quantitative details and situation of property and Plant & Equipments.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us the Company has a regular programme of Physical verification of these properties and plant & Equipments. These fixed assets are verified in a phased manner over a year of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies found on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets.
- (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 properties (other than properties where the company is the lessee and the lease agreement are duly executed in favor of the lessee) disclosed in the financial statements are held 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 all of 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, the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 Of 1988) and rules made thereunder.
- (ii) (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 or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of the company.

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CHARTERED ACCOUNTANTS

No.598/599

1st Maim, 15th Cross
 HSR Layout, Sector-6
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 Tel: 080 – 31197184

E-mail: capkrungta@gmail.com
 Firm Registration No: 003498S

- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3(iii) of the order is not applicable to the company.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guaranties and securities. Further, the Company has not given loans, guarantees or securities or made investments.
- (v) The Company has not accepted any deposits from the public. Accordingly, reporting under clause 3(v) of the order is not applicable to the company.
- (vi) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 and maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, GST, and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, GST, and other statutory dues were in arrears as at 31st March 2025 for a year 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 (₹ in Lakhs)	REMARKS
1	Income Tax Act	Income Tax for a) A.Y 2010-11 b) A.Y 2017-18 c) A.Y 2018-19	Hon'ble High Court of Karnataka. Commissioner of Income Tax (Appeals) Commissioner of Income Tax	a) 776.00 b) 256.23 c) 24.3	Appeal by the revenue

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		d) A.Y 2020-21	(Appeals) Commissioner of Income Tax (Appeals)	d) 16.43	
2	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) 50.88	The case is pending before CESTAT
3	The Service Tax Act	Disallowing CENVAT credit availed by the Company	Commissioner of Central Excise, Belgaum	258.48	The Company filed its reply on 30/1/2017. Case hearing is completed during February 2017 and reserved for the orders.
		on services availed for construction of circular shaft for the period from July 2014 to December 2015			
4	The Central Excise Act	Disallowance of concessional rate of Excise Duty paid by the company on sale of bullion for period from 01/07/2012 to 30/06/2017	Commissioner of Central Tax and Central Excise	2,440.73 Plus applicable interest.	The Company has filed the appeal before the Hon'ble High Court of Karnataka at Dharwad Vide FRN No.100010/24 dated 12.09.2024 and paid the duty amount under protest.

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5	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 Jan 2017.	Additional Commissioner of Central Excise, Belgaum.	183.96	The Company has filed its Reply to SCN. The case is pending for hearing.
6	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.
7	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 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. (43 of 1961).

(ix) a) 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 this clause of the Order is not applicable to the Company.

b) The company has not been declared wilful defaulter by any bank or financial institutions or other lender.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any term loan during the year.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the fund raised on short term basis have been not utilized for long term purposes.

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- e) The company has no subsidiaries, associates or joint ventures. Therefore, paragraph 3(ix)(e) and (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. Hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause 3(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 on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (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) As per the information provided by the Management, there is no whistle blower complaints during the year.
- (xii) In our opinion and according to the information and the explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transaction with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) 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 entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year.

(xix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and we are in the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a year of one year from the balance sheet date.

(xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) 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 ongoing projects 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 P.K. RUNGTA & CO,
Chartered Accountants
Firm Registration No.: 003498S

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C.A. ASHISH RUNGTA

Partner

Membership No. 236749

Place of signature: Bangalore

Date: 10/11/2025

UDIN: 25236749BMISLK3197

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E-mail: capkrungta@gmail.com
Firm Registration No: 003498S

Annexure 'B' to Independent Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal controls over financial reporting of **The Hutti Gold Mines Company Limited** ("the company") as of March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (ICAI). These responsibilities include the design, implementations and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

4. 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 risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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.

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E-mail: capkrungta@gmail.com
Firm Registration No: 0034985

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

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

8. 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, 2025, 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.

For P.K. RUNGTA & CO,
Chartered Accountants
(Firm's Registration No. 0034985)

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CA ASHISH RUNGTA
Partner
Membership No. 236749

Place of Signature: Bangalore
Date: 10/11/2025
UDIN: 25236749BMISLK3197

Annexure C:
Directions under sub-section (5) of section 143 of the Companies Act, 2013

SI No	Directions	Compliance
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	As statutory auditors, our audit scope is limited to the financial statements of the Company. The Company transfers funds to its respective employee benefit trusts based on the independent actuarial valuation reports received. The respective trusts are independent entities governed by their own trust deeds and are responsible for investing the funds in accordance with the investment guidelines prescribed under the trust and applicable laws. Verification of investments made by these independent trusts does not fall within the purview of the statutory audit of the Company's financial statements. Accordingly, we are unable to comment on the investments made by the trusts.
2	Whether the company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Except as given in Note.1 below, there is a system in place to process all the accounting transactions through IT system. However, separate software's are used for different processes such as Human resources, Costing, Inventory and Fixed Assets. This may lead to data redundancy and incorrect inputs which flow from one process to another. Therefore, for better control, an integrated software covering all the processes with seamless flow of data may be implemented. Note.1 - With respect to accounting of employee leaves, the leave accounting is still manual and therefore could be brought under IT system. in the absence of adequate information, we are unable to quantify the impact on financial statements if any
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	There were no Grants/ subsidies received for specific schemes from Central/State Government or its agencies.

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 Tel: 080 – 31197184
 E-mail: capkrungta@gmail.com
 Firm Registration No: 003498S

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4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has formulated and implemented Safety Management Plan (SMP) as per the guidelines of the Directorate General Mines Safety (DGMS). Hazard identification and Risk Assessment has been carried out in respect of all industrial activities pertaining to HGML and Mitigation measures has been engaged and is practiced.
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	The Hutti Gold Mines company is not a listed company. However, company is complying with all applicable statutory requirement.
Additional Company Specific Directions:		
i	All items with regard to Cash and Bank balances as per Annexure-I shall be verified and the cases of specific non-compliances to be reported.	As per Annexure – D (1)
ii	Whether the Company has an effective system to deal with misappropriation/fraud cases and whether the losses, if any, were properly accounted for in the books of accounts? Details of unexplained balances/balances operated under Suspense head may be examined.	YES, The Company has an effective system to deal with misappropriation/fraud cases.
iii	Whether the Company has an approved mine closure plan for rehabilitation activities and provision thereof is adequate?	The company has approved the mine closure plan. Since Hutti Gold Mines Company is engaged in underground gold mining activities, the issue of rehabilitation does not arise.
iv	Whether the Company had obtained the requisite statutory compliances that were required under the mining and environmental rules and regulations and has taken steps to reduce the adverse	The Hutti Gold Mines Ltd has consistently adhered to all statutory requirements mandated under the Mines and Minerals (Development and Regulation) Act, 1957, the Environment (Protection) Act, 1986, and other relevant rules and guidelines issued by

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	<p>impact on environment as per established norms?</p>	<p>regulatory authorities including the Ministry of Environment, Forest and Climate Change (MoEFCC), Karnataka State Pollution Control Board (KSPCB),</p> <p>Statutory Compliance:</p> <ul style="list-style-type: none"> • All necessary environmental clearances, have been duly obtained. • Periodic compliance reports, environmental statements, and returns are submitted to the respective authorities within stipulated timelines. • The Company maintains a zero-non-compliance record, with regular internal audits and third-party assessments to ensure continued adherence. <p>Environmental Safeguards:</p> <ul style="list-style-type: none"> • Implementation of a comprehensive Environmental Management Plan (EMP), including air and water quality monitoring, noise control, and waste management. • Adoption of best practices in tailings disposal, effluent treatment, and hazardous waste handling in line with standard norms. • Active afforestation programs, biodiversity conservation efforts, and community engagement initiatives to promote sustainable development. • Deployment of energy-efficient technologies and dust suppression systems to minimize ecological footprint. <p>We remain committed to upholding the highest standards of environmental stewardship and regulatory compliance.</p>
v	<p>Whether the Company has surrendered discontinued mines, else the payment of corresponding dead rent there against may be verified.</p>	<p>The company has not surrendered the non-operational mines, as an economic feasibility study of these blocks considering current market rate is being assigned to a central government agency. Based on the outcome of this report, a decision will be made on whether to retain the mining lease for future mining activities or to surrender it.</p>

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Annexure – D (1):

SI 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 bank balances accounted in the books are in agreement with the external confirmations obtained by the auditors from the banks.	Yes. External confirmations were received from various Bank. Details of few tests checked cases are given below
17	Whether any of the aforesaid lapses were brought out in the Report of the Internal Financial controls?	NA

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List of external confirmations obtained by the auditors from the banks:

SI No	Bank Name	Account Number	Amount (₹)
1	Canara Bank	18063070000024	4,08,752
2	Canara Bank	18063210000010	12,23,785.10

For P.K. RUNGTA & CO,
 Chartered Accountants
 (Firm's Registration No.003498S)

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 Date: 2025.11.10 17:55:01 +05'30'

CA. ASHISH RUNGTA
 Partner
 Membership No. 236749
 Place of Signature: Bengaluru
 Date: 10/11/2025
 UDIN: 25236749BMISLK3197

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Annexure - IIIA

Replies to the Independent Auditor's Report

Sl.No.	Qualified opinion of the Auditor	Replies of the Company
1	<p>(a) Company has spent Rs. 80.18 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. This has resulted in overstatement of profit by Rs.80.18 Lakhs.</p> <p>(b) The Company has paid ₹ 19.07 lakhs to M/s KUWS & DB for preparation of a DPR for the water supply project from Krishna River at Tamankal to Hutti. The project has been abandoned, and a new DPR has been prepared by M/s National Projects Construction Corporation Limited (NPCC). Accordingly, the expenditure recognized as work in progress is no longer valid and should be written off or provided for in the Profit and Loss account. This has resulted in overstatement of profit by Rs.19.07 Lakhs.</p>	<p>(a) The Company has accounted Rs.65.49 lakhs under Capital Work in progress (CWIP), after availing the input tax credit (ITC) of Rs.15.43 lakhs. However, the amount shown in the Audit report is without considering the ITC.</p> <p>The Company has formed a Board-sub committee to study and report on the refinery project. The Board sub-committee is expected submit its report shortly to the Board. After submission of the report by the sub-committee and based on the decision of management of the Company, appropriate accounting treatment will be made in the books of accounts.</p> <p>(b) The company has paid Rs.19.07 lakhs to M/s. KUWS & DB for preparation of the project report for water supply project from Krishna River. This has been accounted under Capital work in progress (CWIP), since project is yet to be completed. However, the company has opted for appointment of PMC through tender process and issued LOI to M/s. National Projects Construction Corporation Limited (NPCC). As per the scope of work, M/s.NPCC has to prepare and submit the DPR for the project apart from other works such as preparation of NIT, tendering for the work, selection of</p>

		<p>the agency for executing the project, certification of bills, monitoring & completion of work etc.,</p> <p>After receipt of DPR from the M/s.NPCC further action as to charge off the amount paid to M/s KUWS & DB or otherwise will be taken, based on DPR.</p>
2	<p>(a)The Company has not obtained any written confirmation regarding the advance pending refund of Rs.100 Lakhs from Suvarna Arogya Suraksha Trust (SAST) and the same is outstanding since November 2021. As the amount has been pending recovery for more than 03 years, recovery of the same is doubtful and necessary provision is not made in the financial statements.</p> <p>(b) The Company has not recovered Rent, Electricity and Other dues amounting to approximately ₹ 120.54 lakhs in respect of quarters allotted to various departments. These amounts have remained outstanding for several years (more than 3 years). In our view, the recovery of the said dues is doubtful. However, the Company has not made any provision for doubtful recovery of such dues in the financial statements. Consequently, the assets and the profit for the year are overstated to that extent.</p>	<p>(a)Suvarna Arogya Suraksha Trust (SAST) is a Government agency. The Company is regularly making follow-up with the SAST authorities and authorities are processing for refunding the amount. The refund will be received shortly.</p> <p>(b)The Company has further intensified and strengthened the recovery process and also initiated legal process for recovering the balance amounts from the defaulters. In respect of dues from government employees, correspondence is made with concerned drawing officers to get the HRA amount. The recoveries made from April to till end of October 2025 was Rs.57.27 lakhs, out of which Rs.53.03 lakhs belongs to the parties whose outstanding were more than three years.</p>
3	<p>The Company has not obtained balance confirmation from Capital creditors amounting to ₹ 1,928.11 Lakhs (Note.21), Trade/security deposits ₹ 4,197.52 Lakhs and Creditors for expenses ₹ 10,017.82 Lakhs (Note.22), Trade payables ₹ 2,125.76 Lakhs (Note.20), as on 31.03.2025. Due to lack of audit</p>	<p>The Company has entrusted the work of obtaining the confirmation from sundry creditors to a third party agency i.e to a consulting company. Despite of repeated follow-ups by the consulting company the confirmation to the extent 35% creditors (i.e excluding creditors for expenses) was obtained. The response from the parties were</p>

<p>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. The Management has represented that they are in the process of obtaining the confirmations from the respective parties and that confirmations have been received only for approximately 20-25% of the outstanding balances of Trade payables.</p>	<p>not encouraging.</p> <p>The consulting company has reported that they were able to reach to 204 vendors having outstanding balance of Rs.50.03crores for external confirmations and received external confirmations to the extent of Rs.28.86 crores i.e about 58%. For the balance outstanding amounts, the consulting company conducted repeated multiple follow-ups with the other non-responsive vendors. Even though balance confirmation was not received from the vendors, the outstanding balance can be authenticated by reviewing subsequent payments in the following year thereby confirming majority of the vendor's balances.</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 provisions towards power consumption, salary payable, EPF (Loan)</p>
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		<p>refundable, salary arrears provision of retired employees, outstanding various expenses etc., Obtaining confirmation for this type of outstanding provisions is not 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>
4	<p>The Company has made a provision for ex-gratia as per Note no. 35(5) of the financial statements regarding the provision for ex-gratia payments totalling Rs. 1,763.10 lakhs for the years 2022-23 (Rs. 597.87 lakhs), 2023-24 (Rs. 587.34 lakhs), and 2024-25 (Rs. 577.89 lakhs), which has been recognized in the books of accounts pending approval from the Government of Karnataka.</p>	<p>The HGML is a profitmaking Company and has a constructive obligation for payment of exgratia to its employees. The Company has fulfilled all the conditions required for payment of exgratia i.e dividend payment, allocable surplus, loan repayment, if any etc., and submitted the proposal in the prescribed format to the Government for approval.</p> <p>The Company is making regular follow-up with the Government authorities for obtaining the approval. The approval will be obtained shortly.</p>
5	<p>The Company has not paid, dead rent of ₹ 339.09 lakhs to Department of Mines & Geology (GoK). As per the Mines and Minerals (Development and Regulation) Act, 1957, and the Mineral (Mining by Government Company) Rules, 2015, all mining leases are granted for a period of fifty years, and holders of mining leases are required to pay dead rent or royalty, whichever is higher. The dead rent rate for non-operative mines was revised vide Gazette of India Notification dated 02.09.2019 from Rs. 2,000 per hectare per annum to Rs. 4,000 per hectare per annum (5th year onwards).</p>	<p>The Company is remitting the dead rent for non-operating mines within due date as per Notification dated September 2014. The DMG is conducting yearly audit of remittance of Royalty and dead rent and issuing the Audit report.</p> <p>The Audit observation is noted regarding enhancement of dead rent vide notification of September 2019. Considering the applicability of revised dead rent and effective date of implementation, necessary provision in the books of accounts will be</p>

	<p>The company holds six mining leases where no activity is being carried out, and dead rent has continued to be accounted at the old rate of Rs. 2,000 per hectare per annum from 02.09.2019 to 31.03.2025. Consequently, the revised dead rent payable for non-operative mines has neither been paid nor provided in the books of accounts, resulting in understatement of dead rent payable and dead rent expenses. This has resulted in overstatement of profit by Rs.339.09 Lakhs.</p>	<p>made during FY 2025-26, in consultation with DMG.</p>
6	<p>(a) during the previous financial year 2023-24, the Company had created a provision for income tax amounting to ₹8,600.00 lakhs based on the estimated liability at that time. Upon finalization of the tax audit and computation during the current financial year, the actual income tax liability was determined at ₹8,288.00 lakhs, resulting in an excess provision of ₹312.00 lakhs. The Company has adjusted this excess provision directly against Retained Earnings, considering it as pertaining to the previous year, instead of recognizing it in the Statement of Profit and Loss for the current year.</p>	<p>(a)At the time of finalization of the financial statements for FY 2023-24, the Company had created a provisionally estimated Income Tax provision of Rs.8600 lakhs based on available information. Subsequently, at the time of finalization of the tax audit and computation, the actual income tax liability was determined at Rs.8288.00 lakhs. Accordingly, there was an excess provision of Rs.312.00 lakhs. This excess provision does not represent income of the current year, but merely a reversal of a tax liability no longer required. As per P&L format of Schedule III of the Companies Act, the Income-tax provisions appear, after arriving the PBT and accounting of such reversals in the P&L would have distorted the results of current year operation. The accounting treatment was finalised, after having the discussion with the audit team. However, the audit suggestion is noted and similar transaction, if any will be accounted,</p>

<p>(b) for Assessment Year 2008–09, the Company had recognized an income tax refund receivable of ₹6,70,19,264/-. Pursuant to the Income Tax Assessment Order dated 25 June 2024, passed by the Deputy Commissioner of Income Tax, Circle 7(1)(1), Bengaluru, the refund determined by the Department amounted to ₹10,21,41,149/-, resulting in a difference of ₹3,51,21,885/-. In the absence of specific details or breakup for the difference amount and considering that the refund pertains to a prior period, the Company has transferred the differential amount to Retained Earnings instead of routing it through the Statement of Profit and Loss, in order to avoid misstatement of the current year's results. This has resulted in under statement of profit by Rs.351.21 lakhs.</p>	<p>as per audit suggestion, in future.</p> <p>(b)For the A.Y.2008-09 the tax refund receivable was Rs.6,70,19,264/-. Subsequently, as per Income Tax Assessment order dated 25.06.2024, the department determined the refund payable at Rs.10,21,41,149/- without awarding any additional interest under Section 244 A of the Income Tax Act ,1961. The details were not available for difference amount of Rs.3,51,21,885. In the absence of details for excess amount, the difference amount has been transferred to retained earnings rather than routing it through profit and loss account, to avoid misstatement of current year's results.</p> <p>Since, the refund was relating to very old period i.e AY 2008-09 and in the absence of supporting break-up or specific attribution to prior years for the difference amount, the company has taken a conservative approach by adjusting it to retained earnings.</p> <p>The accounting treatment was finalised after consulting the audit team. However, the efforts will be made to get the details and required adjustments, if any, based on such details will be made during FY 2025-26.</p>
<p>(c)The Company has adjusted an amount of ₹85.01 lakh representing reversal of accrued interest directly against Retained Earnings during the current financial year. The said income had been recognized in earlier years, and the reversal pertains to the waiver of</p>	<p>(c)The Company has recognised the interest income in the earlier years and therefore the its reversal has been adjusted against the accumulated profit of previous years i.e</p>

<p>interest and any reversal of income recognized from a financial asset should be charged to the Statement of Profit and Loss in the year of reversal and not adjusted through Other Equity / Retained Earnings. This has resulted in overstatement of profit by Rs.85.01 Lakhs.</p>	<p>retained earnings. As mentioned above, this was reversal of prior year income, adjustment against interest income would have distorted the current year interest income. The Audit suggestion is noted for future compliance of similar transactions, if any arise.</p>
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Sl.No.	Emphasis of the matter in the Audit report	Replies of the Company
1	<p>We draw attention to Note 22 of the financial statements regarding the wage revision approved by the Government of Karnataka on 06th December, 2024 and the Memorandum of Understanding signed with the workers' union on 23rd December, 2024. The Company has made a provision of ₹84.22 crores towards arrears for the period 01 April 2021 to 31 March 2024 without deducting EPF on the wage's arrears. Our opinion is not modified in respect of this matter.</p>	<p>The actual payment of arrears was made on 16th April 2025. The EPF deduction will happen during actual disbursement of the salary and accordingly the EPF has been deducted while releasing the arrears payment to employees i.e during April 2025. Since, the actual disbursement of arrears were completed before approving the accounts of the Company for the FY 2024-25 and hence provision for salary arrears made in the books of accounts as on 31.03.2025.</p>

Sd/-
Managing Director



CONFIDENTIAL

No. PAG (AUDIT-II) /AMG-II/TSC-2(232)/2025-26/209

Date: 21.11.2025

To
The Managing Director,
The Hutti Gold Mines Company Limited,
3rd Floor, KHB Shopping Complex,
National Games Village, Koramangala,
Bengaluru-560047

Sub: Comments of the Comptroller & 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** for the year ended **31 March 2025**.

Sir,

I forward herewith **Comments** under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of **The Hutti Gold Mines Company Limited** for the year ended **31 March 2025**.

2. 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. Three copies of the printed Annual Reports may also be sent to this office.

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

Yours faithfully,

(ASHOK SINHA)

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

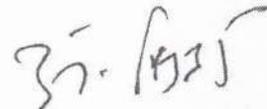
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE HUTTI GOLD MINES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of **The Hutti Gold Mines Company Limited** for the year ended **31 March 2025** 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 Revised Audit Report dated **10 November 2025** which supersedes their earlier Audit Report dated **2 September 2025**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **The Hutti Gold Mines Company Limited** for the year ended **31 March 2025** 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.

In view of the **revision made in the Statutory Auditors' Report**, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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



**(ASHOK SINHA)
Pr. ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU**

**Bengaluru
21 November 2025**



SWAYAMBHU VISWANATHAN
Company Secretary in Practice

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Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Mallewaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2025

*[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 **The Hutti Gold Mines Co. Ltd (CIN: U85110KA1947SGC001321)** (hereinafter called the 'Company') having its Registered Office at 3rd Floor, KHB Shopping Complex, National Games Village, Koramangala, Bangalore, Karnataka, India, 560025

The Company is an Unlisted Public Company and Government Company, with Government of Karnataka holding 74.34% of the paid-up capital. It is engaged in mining of Gold and other minerals and precious stones in Karnataka State. Besides the Companies Act, 2013 and other applicable laws, the Company is required to comply with directions issued by the Government of Karnataka from time to time in the interest of the Company. The Company has no foreign investment. By Notifications No GSR 463(E) dated 5.6.2015, as amended, Government Companies have been exempted from certain provisions of the Companies Act, 2013 and Rules made thereunder.

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2025, 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, 31st March, 2025 according to the applicable provisions of:



SWAYAMBHU VISWANATHAN

Company Secretary in Practice

Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **NOT APPLICABLE**.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **NOT APPLICABLE** since there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Regulations and Guidelines issued thereunder: **NOT APPLICABLE**

I visited the mines site at Hutti and discussed with concerned officials to ascertain applicability of other laws specifically applicable to mines industry and applicability of other general laws.

I have also examined the **systems and processes** established by the Company for ensuring compliances under the following other Laws, Acts and Rules specifically applicable to the Company/Mining Industry.

The Industry specific laws applicable to the Company, as reported by the Company, are as follows:

1. Mines Act, 1952
2. Mines and Minerals (Development and Regulation) Act, 1957
3. Explosives Act, 1884
4. Pollution Control Act, 1961
5. Forest (Conservation) Act, 1980

The following other Labour and General Laws are also applicable to the Company, as reported by the Company :-

1. Right to Information Act, 2005
2. The Contract Labour (Regulation and Abolition) Act, 1970 (Karnataka Rules)
3. The Workmen's Compensation Act, 1923
4. Payment of Bonus Act, 1965
5. Maternity Benefit Act, 1961
6. Minimum Wages Act, 1948/Karnataka Minimum Wages Act, 1948
7. Payment of Wages Act, 1936
8. The Labour Welfare Act, 1948
9. Inter-state Migrant Workmen (Regulation of Employment & Conditions of Services) Act, 1979
10. Industrial Dispute Act, 1947/Karnataka Industrial Dispute Act, 1947
11. The Employees Provident Fund & Miscellaneous Provisions Act, 1952



SWAYAMBHU VISWANATHAN

Company Secretary in Practice

*Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950*

12. The Employees Family Pension Act, 1971
13. Karnataka Transparency in Public Procurement Act, 1999
14. GeM Portal
15. Indian Contracts Act 1872
16. The Water (Prevention & Control of Pollution) Act, 1974, read with Water (prevention & control of Pollution) Rules, 1975
17. Environment (Protection Act), 1986
18. The Air (Prevention & Control of Pollution) Act, 1981, read with the Air (Prevention & Control of Pollution) Rules, 1982
19. The Negotiable Instrument Act, 1881
20. Karnataka Shops and Commercial Establishment Act, 1961
21. The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976
22. Trade Marks Act, 1999
23. The Apprentices Act, 1961
24. The Payment of Gratuity Act & Rules, 1972
25. The Equal Remuneration Act, 1976
26. Employment Exchanges (CNV) Act & Rules Industrial Employment Standing Orders Act, 1959
27. Karnataka Industrial Establishments (National & Festival Holidays) Act & Rules, 1963
28. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
29. Transfer of Property Act, 1882
30. Karnataka Employment Exchanges (Compulsory Notification Vacancies Act, 1959
31. Occupational Safety, Health and Working Conditions Code, 2020
32. Karnataka Trade Union Act, 1926

I have also examined compliance with the Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the observations/Audit qualification/Reservation/Adverse Remarks in Annexure B: -

I further report that, subject to the observations/Audit qualification/Reservation/Adverse Remarks, contained in Annexure B and the following observations:

- (a) The Board at present consists of Seven Nominee Directors (Non-Executive Directors) and one Managing Director (Executive Category).
- (b) The Board does not have Independent Directors (Non-Executive Directors). The Company is advised to take necessary action for appointment of Independent Directors (Non- Executive Directors).



SWAYAMBHU VISWANATHAN

Company Secretary in Practice

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Sushree Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950

Board of Directors of the Company is duly constituted.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

It was observed that Seven days notices of Board Meetings and Agenda and detailed notes on Agenda were not given/sent in a few cases to all Directors to ensure that 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.

After discussion, decisions of the Board are taken unanimously and, therefore, the question of capturing and recording the dissenting members' views as part of the minutes, does not arise.

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

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, during the Audit period, the Company has not made:-

- (a) Public/Right/Preferential issue of shares/debentures/sweat equity etc,
- (b) Redemption/buyback of securities
- (c) Any borrowings under Section 180 of the Companies Act.
- (d) Any merger/amalgamation/reconstruction, etc
- (e) Any foreign technical collaborations.

SWAYAMBHU
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VISWANATHAN
AN

Digitally signed
by SWAYAMBHU
VISWANATHAN
Date: 2025.10.25
11:43:26 +05'30'

Swayambhu Viswanathan
Practicing Company Secretary
Membership No: F12190
CP No: 5284
UDIN: F012190G001645415

Place: Bangalore
Date: 25.10.2025

Encl:

Annexure A and B - forming part of Secretarial Audit Report



SWAYAMBHU VISWANATHAN
Company Secretary in Practice

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*Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950*

Annexure A

To
The Members
The Hutti Gold Mines Co. Ltd.

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 my audit.
- 2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure 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.

SWAYAMBHU Digitally signed by
SWAYAMBHU
VISWANATHA VISWANATHAN
N Date: 2025.10.25
11:42:24 +05'30'

Swayambhu Viswanathan
Practicing Company Secretary
Membership No: F12190
CP No: 5284
UDIN: F012190G001645415

Place: Bangalore
Date: 25.10.2025



SWAYAMBHU VISWANATHAN
Company Secretary in Practice

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Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950

Annexure B

To Secretarial Audit Report for The HUTTI Gold Mines Limited for the financial
year ended 31.03.2025 - Non compliances/Audit
Qualifications/Reservations/Adverse
Remarks/Observations/suggestions/Recommendations

I-Non Compliances/Audit Qualifications:-

1. Constitution of Board of Directors - Non- Appointment of Independent Directors.

As per Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, read with Section 149 of the Companies Act, 2013, a Public Company having a turnover of Rs. 100 Crores or more, is required to have at least 2 **Independent Directors** on the Board. During the period under review, the Board of the Company did not have any Independent Director(s).

In this connection, enclosed is a copy of Circular No. FD 91 INV 2023 dated 12.09.2023 issued by the Finance Department of Government of Karnataka on the subject of appointment of Independent Directors by Karnataka Government Companies.

The Company is advised to comply with Rule 4 of the Companies (Appointment and Qualification) Rules 2014, read with Section 149 of the Companies Act, 2013 and the above Circular issued by the Finance Department of Government of Karnataka.

2. Constitution of Audit Committee:-

As per Section 177(2), the Audit Committee shall consist of minimum 3 Directors out of which, 2 should be **Independent Directors**. During the period under review, the Audit Committee did not consist of two (2) Independent Directors.

In this connection, enclosed is a copy of Circular No. FD 114 INV 2023 dated 05.01.2024 issued by the Finance Department of Government of Karnataka on the subject of appointment of Independent Directors on Audit Committee.

The Company is advised to comply with Section 177(2), of the Companies Act, 2013 and the above Circular issued by the Finance Department of Government of



SWAYAMBHU VISWANATHAN
Company Secretary in Practice

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Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950

Karnataka.

3. Constitution of Nomination and Remuneration Committee:-

As per Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, Every Public Company having a turnover of Rs. 100 Crore or more is required to constitute Nomination and Remuneration Committee consisting of 3 or more **non-executives Directors out of which not less than one half shall be Independent Directors.** The Company has not constituted Nomination and Remuneration Committee.

4. Constitution of CSR Committee:-

As per Section 135 of the Companies Act 2013, Every Company having a turnover of Rs. 1000 Crores or more or net profit before tax of Rs. 5 Crores or more is required to constitute Corporate Social Responsibility Committee of the Board consisting of 3 or more Directors, **out of which at least one Director shall be an Independent Director.** The CSR Committee constituted by the Board does not include an **Independent Director.**

5. Transfer of shares relating to unpaid/unclaimed dividend to Investor Education and Protection Fund:-

As per Section 124 (6) read with Rule 6 of Companies (Management and Administration) Rules 2014, if any dividend on shares remain unpaid or unclaimed for 7 consecutive years, the **shares** related to such unpaid/unclaimed dividend must be transferred to the Investor Education and Protection Fund. **The Company is advised to transfer such shares to Investor Education and Protection Fund.**

In this connection, I enclose a copy of Notification No. G.S.R. 733(E) dated 01.10.2025 issued by the Ministry of Corporate Affairs amending Form IEPF - 5 (Application to the Authority for claiming unpaid amounts and shares out of Investor Education and Protection Fund)

II- Observations/Suggestions:-

1. Gap between two Board Meetings:-

As per Section 173 (1) of Companies Act 2013, "Every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that **not more than one hundred and twenty days** shall intervene between two consecutive meetings of the Board.



SWAYAMBHU VISWANATHAN

Company Secretary in Practice

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Susheel Chandra Apartments, Flat B,
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The gap between the Board Meetings held on 20.09.2023 and 13.06.2024 was more than 120 days.

The Company is advised to hold Board Meetings as per the provisions of Section 173(1) so that **not more than one hundred and twenty days** shall intervene between two consecutive meetings of the Board.

2. Maintenance of Minutes of Board Meetings of Board and Shareholders as per Secretarial Standards 1 and 2:-

As per the Secretarial Standards SS-1 and SS-2 issued by the Institute of Companies Secretaries of India, in respect of minutes of Meetings of Board and its sub committees and Minutes of General Meetings, **the pages of such minutes are required to be consecutively numbered and properly bound to prevent any tampering** and since the minutes are permanent records and are treated as valid evidence in case of any dispute at a later date. The Company is advised to comply with Secretarial Standard SS-1 and SS-2.

3. Maintenance and Updation of Statutory Registers prescribed under Companies (Management and Administration) Rules, 2014

The Company is advised to maintain and update Statutory Registers such as Registers of Members, Register of Share Transfers, Register of Share Certificates, including duplicate Share Certificates, etc. as per forms prescribed under Companies (Management and Administration) Rules, 2014

4. Discontinuance of Form MGT-9 (Extract of Annual Return) and Uploading of form MGT-7 (Annual Return) on the website of the Company:

The requirement of attaching form MGT-9 (Extract of Annual Return) to the Directors Report has been discontinued. On the other hand, the Company is required to upload form MGT-7 (Annual Return) on the website of the Company. In the case of Hutti Gold Mines Limited, MGT-9 continued to be attached to the Directors Report for the financial year ended 31.03.2024.

The Company is advised to discontinue attachment of Form MGT-9 (Extract of Annual Return with the Directors Report for the financial year ended 31.03.2025 and also to upload Form MGT-7 (Annual Return) on the website of the Company.

5. Opening of Separate bank account for payment of Dividend.

As per Section 123(4) of the Companies Act, 2013, "The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate



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Susheel Chandra Apartments, Flat B,
17th 'A' Cross, 10th 'A' Main,
Malleswaram, Bangalore-560055
E Mail Id: cs_viswanathan@yahoo.com
Tel: 41674875 Mobile: 98452-20950

account within five days from the date of declaration of such dividend."

It was observed that the Company did not open a separate Dividend Payment Account with a Scheduled bank, but dividend was deposited into the previously designated dividend account and disbursed from that account. The Company is advised to comply with the provisions of 123 (4) in future.

6. CSR Expenditure and filing of Form CSR-2 (Reporting on Corporate Social Responsibility (CSR))

The Company reported an expenditure of Rs. 499 lakhs on CSR activities during the financial year ended 31.03.2025, being 2% of the average net profit before tax of the preceding 3 financial years. The Company also submitted a statement showing breakup of CSR amount of Rs. 499 lakhs paid to various agencies on 27/28th March 2025 for carrying out CSR ongoing projects, as per statements enclosed.

It is observed that:

(a) The CSR amounts were released on 27/28th March 2025 to various agencies for implementing CSR projects. The amount of Rs. 499 lakhs released on 27/28th March 2025 can therefore be treated as CSR expenditure "ongoing projects"

(b) Since the CSR expenditure is being incurred through various agencies for ongoing projects, the agencies concerned should be requested to submit periodical reports to the Company about the progress of implementation and utilization of the CSR amounts sent to each of them. The CSR committee and the Board of Directors of the Company should also monitor and review utilization of the CSR amounts sent to various agencies.

(c) The Company should check whether the agencies to whom CSR amounts have been sent have filed form CSR-1 with ROC for registration with the Ministry of Corporate Affairs.

(d) The Company should file form CSR-2 (Reporting on Corporate Social Responsibility (CSR)) for the financial year ended 31.03.2025.

(e) We enclose a blank form CSR-2 and also a copy of schedule 7 to the Companies Act 2013 Against column 7(b)(i), the Company should give details of the CSR expenditure on ongoing projects as follows:

- (i) SL No.
- (ii) Project Id
- (iii) Item from the list of activities in schedule VII



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- (iv) Name of the Project
- (v) Local Area
- (vi) Location of the project – State and District
- (vii) Project duration (in months)
- (viii) Amount spent in the Financial Year (in INR)
- (ix) Mode of Implementation -Direct (Yes/No)
- (x) Mode of Implementation -Through Implementing Agency - CSR Registration No - Name

In terms of Rule 9, the Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee; CSR Policy and Projects approved by the Board on their website, if any, for public access. The Company is advised to disclose Committee; CSR Policy and Projects approved by the Board on their website, if any, for public access.

7. NCLT and Legal Cases:-

The National Company Law Tribunal (NCLT), Bengaluru Bench, has passed and delivered Order dated 20.06.2024 in C.P(IB) No. 100/BB/2021 in the matter of Mrs. Nafeesa Masood Ali and Mr. Asif Alladin, Petitioners Versus The Hutti Gold Mines Company Ltd. and Mr. Pinakin Chimanlal Shah regarding transfer/transmission of shares as follows:-

"In the result, the instant Company Petition bearing CP No 100/BB/ 2021 is disposed of with the following directions:

1. The Company (Respondent No. 1) is directed to furnish copies of all documents submitted by the Second Respondent, to the Petitioners herein, within a period of two weeks from the date of this order;
2. The Petitioners are granted further six weeks' time to submit the relevant documents, especially Succession Certificate obtained from Competent Civil Court, duly impleading the Company and Second Respondent in the case.
3. The Company should also give fair opportunity to Respondent No. 2 so as to submit his contentions.
4. After submitting the relevant documents by the Parties, the Company is directed to take a final decision as per law by passing speaking order
5. Any Party aggrieved by final decision of the Company to be taken, is granted liberty to approach this Tribunal, in accordance with law.
6. The Company is further directed to maintain status quo with regard to dealing with shares in question till a final decision is taken by the Company in terms of this order.
7. This Instant Petition CP No. 100/BB/2021 is disposed of, along with any IA's"

Mrs. Nafeesa Masood Ali and Mr. Asif Alladin (Petitioners) appealed against the above Order before National Company Law Appellate Tribunal (NCLAT),



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Tel: 41674875 Mobile: 98452-20950*

Chennai. NCLAT vide its Order dated 23.08.2024 passed the following orders:-

"In fact, by the direction issued in para 12 as extracted above, there has been no adjudication of lis on merits; rather only a procedural formality was Directed to be complied with before talking a call on the proceeding in accordance with the provisions under section 58 & 59 of the Companies Act. The Appellant has certain reservations with regards to the Directions issued under subclause 2 of para 12 of the order for the purpose of procurement of 'Succession Certificate' to substantiate his right of inheritance. After arguing for some time, the learned counsel for the Appellant, upon instruments from the Appellant seeks permission to withdraw the appeal with the liberty that if he prefers application for the grant of succession Certificate as per Sub clause 2 of Para 12 of the Impugned Judgement, the competent Civil Court dealing with the process of granting the Succession Certificate may expedite the proceedings so as to get the same within the prescribed time limit as in the NCLT Order. Since the said request being routine in nature, a request is made to the Competent Civil Court having jurisdiction to grant the relevant Succession Certificate, to decide on the application and to issue the same as expeditiously as possible. It is made clear that we have not ventured into the merits of the matter at all at this stage. Accordingly, Comp. App (AT) (CH) No. 53/2024 is dismissed as withdrawn subject to the aforesaid liberty."

Thereafter, Mrs. Nafeesa Masood Ali and Mr. Asif Alladin (Petitioners) filed an O.P No. 44/2024 for grant of succession certificate under Section 372 of the Indian Succession Act 925 before the learned III senior Civil Judge, City Civil Court, Secunderabad. The said petition is still pending consideration.

Mrs. Nafeesa Masood Ali and Mr. Asif Alladin (Petitioners) sought extension of time from NCLT Bangalore. NCLT vide its Order dated 21.03.2025 passed the following orders:

"The matter be listed on 04.06.2025 in the meanwhile, the time for submission of succession certificate and documents pertaining thereto by the petitioners with Respondents is extended till today and hereafter for another 10 weeks Let the Respondents Nos. 1 and 2 to be notified by the Petitioner."

The Company is advised to follow up the matter for early decision.

8. Monitoring of compliances with other General and Industry Specific laws:-

The Company has engaged the services of a retired District Judge to oversee and ensure compliance with mining industry specific laws and other general laws, including labor laws. Certificates of Compliances of various applicable laws are



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obtained from the concerned Departmental Heads on a quarterly basis and placed before Board Meetings. The Company is also preparing a periodical statement about the status of legal cases for and against the Company.

Most of the pending legal cases against the Company relates to compensation or employment for land acquired by the Company.

9. Disclosure by Directors in form MBP-1 of their Interest in other Companies etc.

As per Section 184 of the Companies Act 2013, every Director is required to submit to the Company Form MBP-1 (Disclosure of Interest by Directors) at the first Board Meeting of each Financial Year, to disclose his interest as Director in any other Company, partner in any Partnership Firm etc, to enable the Company to ascertain related party transaction.

It is observed that the Company is not obtaining Form MBP-1 from the Directors and not placing the same before the first Board Meeting of each financial year for the Board to take on record such disclosures. The Company is advised to comply with the provisions of Section 184.

10. Proper balance of Executive Directors and Non-Executive Directors

As per Form No. MR-3 (Secretarial Audit Report), the Secretarial Auditor is required to report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. In the case of Hutti Gold Mines Limited all the Directors, except the Managing Director, are Non-Executive Nominee Directors. To achieve a proper balance between Executive and Non-Executive Directors and as a good Corporate Governance Practice, the Company is advised to consider designating the Executive Director and DGM (Finance) as whole time Directors (Executive) on the Board and file form DIR-12. Central Public Sector Undertakings follow the practice of appointment of Executive Director and Director Finance as Executive Directors.

11. Non-Submission of Management Replies to Secretarial Auditor's Qualified Report as Required under Section 134(3)(f) of the Companies Act, 2013.

It has been observed that the management has not submitted its replies to the qualifications made in the Secretarial Auditor's Report for the financial year 2023-24. Consequently, the said management replies have not been annexed to the Board's Report for the year 2023-24, as required under Section 134(3)(f) of the Companies Act, 2013. This constitutes a non-compliance with the statutory



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disclosure requirements pertaining to the inclusion of explanations or comments by the Board on every qualification, reservation, or adverse remark made by the Secretarial Auditor.

12. Appointment of whole time Company Secretary

Section 203 of the Companies Act 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 requires every Public Company with a paid-up capital of Rs. 10 Crore or more to appoint a whole time Company Secretary as Key Managerial Personal.

The paid-up capital of the Hutti Gold Mines Limited is Rs. 2,96,20,371, which is less than Rs. 10 crores. Hence, it is not mandatory for the Company to appoint a whole time Company Secretary as Key Managerial Personal. However, considering the size of operations of the company and the nature of its activities, it is desirable to appoint a whole time Company Secretary to ensure timely and effective compliance with Companies Act and Corporate laws.

SWAYAMBHU Digitally signed
by SWAYAMBHU
VISWANATHA VISWANATHAN
N Date: 2025.10.25
11:41:31 +05'30'

Swayambhu Viswanathan
Practicing Company Secretary
Membership No: F12190
CP No: 5284
UDIN: F012190G001645415

Place: Bangalore

Date: 25.10.2025



The Hutti Gold Mines Company Limited

ANNEXURE-III

IIA

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Sl. No	Secretarial Auditor observation	Management's reply
1.	<p><u>Constitution of Board of Directors – Non-Appointment of Independent Directors.</u></p> <p>As per Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, read with Section 149 of the Companies Act, 2013, a Public Company having a turnover of Rs. 100 Crores or more, is required to have at least 2 Independent Directors on the Board. During the period under review, the Board of the Company did not have any Independent Director(s).</p> <p>In this connection, enclosed is a copy of Circular No. FD 91 INV 2023 dated 12.09.2023 issued by the Finance Department of Government of Karnataka on the subject of appointment of Independent Directors by Karnataka Government Companies.</p> <p>The Company is advised to comply with Rule 4 of the Companies (Appointment and Qualification) Rules 2014, read with Section 149 of the Companies Act, 2013 and the above Circular issued by the Finance Department of Government of Karnataka.</p>	<p>The Company is 'Government Company'. The Board will initiate steps on this matter. All the Directors normally are nominated by the Government of Karnataka.</p>
2.	<p><u>Constitution of Audit Committee:-</u></p> <p>As per Section 177(2), the Audit Committee shall consist of minimum 3 Directors out of which, 2 should be Independent Directors. During the period under review, the Audit Committee did not consist of two (2) Independent Directors.</p> <p>In this connection, enclosed is a copy of</p>	<p>Post appointment of Independent Director, the Company will take necessary steps in re-constitution of the Committee.</p>



The Hutti Gold Mines Company Limited

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	<p>Circular No. FD 114 INV 2023 dated 05.01.2024 issued by the Finance Department of Government of Karnataka on the subject of appointment of Independent Directors on Audit Committee.</p> <p>The Company is advised to comply with Section 177(2), of the Companies Act, 2013 and the above Circular issued by the Finance Department of Government of Karnataka.</p>	
3.	<p><u>Constitution of Nomination and Remuneration Committee:-</u></p> <p>As per Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, Every Public Company having a turnover of Rs. 100 Crore or more is required to constitute Nomination and Remuneration Committee consisting of 3 or more non-executives Directors out of which not less than one half shall be Independent Directors. The Company has not constituted Nomination and Remuneration Committee.</p>	<p>Post appointment of Independent Director the Company will take necessary steps in re-constitution of the Committee.</p>
4.	<p><u>Constitution of CSR Committee:-</u></p> <p>As per Section 135 of the Companies Act 2013, Every Company having a turnover of Rs. 1000 Crores or more or net profit before tax of Rs. 5 Crores or more is required to constitute Corporate Social Responsibility Committee of the Board consisting of 3 or more Directors, out of which at least one Director shall be an Independent Director. The CSR Committee constituted by the Board does not include an Independent Director.</p>	<p>Post appointment of Independent Director the Company will take necessary steps in re-constitution of the Committee.</p>
5.	<p><u>Transfer of shares relating to unpaid/unclaimed dividend to Investor</u></p>	



The Hutti Gold Mines Company Limited

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Education and Protection Fund:-

As per Section 124 (6) read with Rule 6 of Companies (Management and Administration) Rules 2014, if any dividend on shares remain unpaid or unclaimed for 7 consecutive years, the **shares** related to such unpaid/unclaimed dividend must be transferred to the Investor Education and Protection Fund. **The Company is advised to transfer such shares to Investor Education and Protection Fund.**

In this connection, I enclose a copy of Notification No. G.S.R. 733(E) dated 01.10.2025 issued by the Ministry of Corporate Affairs amending Form IEPF – 5 (**Application to the Authority for claiming unpaid amounts and shares out of Investor Education and Protection Fund**)

The Company will take necessary steps in transferring such shares to Investor Education and Protection Fund.

ANNEXURE - IV TO DIRECTOR'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2024-25

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.24,489.33 lakhs
3.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 489.79 lakhs
4.	Details of CSR spent during the financial year:2024-25	Rs. 499 lakhs
	Total amount sanctioned/spent for the financial year	Rs. 499 lakhs
	Amount unspent, if any	Nil
	Manner in which the amount spent during the financial year	Details shown below

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2024-25

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 2024-25	Remarks
Zone-I Government Sector							
1	Deputy Commissioner, Raichur	1	Construction of Multipurpose Playground (Stadium) at Yermarus Govt School area of Raichur Mahanagar Palike ward no 33	Raichur Dt.	180.00	180.00	
2	Deputy Commissioner, Raichur.	1	Construction of 1 Classroom, Kitchen and Compound wall at Amaravathi Pothgal Govt Primary School of Raichur Mahanagara Palike ward no 33	Raichur Dt.	40.00	40.00	
3	Deputy Commissioner, Raichur.	1	Construction of Hitech Library and 2 classrooms at Sankarur Govt Higher primary School of Raichur Taluk-	Raichur Dt.	40.00	40.00	
4	Deputy Commissioner, Raichur.	1	Drinking water facility, CC Camera, Projector, Computer and Rangamandira.	Raichur Dt.	20.00	20.00	
5	KRIDL, Bengaluru	1	Construction of Panchayat Building at Yadahalli Village, Bilagi Tq. Bagalkot Dist.	Bagalkot Dist.	50.00	50.00	
6	KRIDL, Bengaluru	1	Construction of a classroom in the Government Higher Primary School in B. Kalpanahalli village.	Davangere Dist	15.00	15.00	
7	KRIDL, Bengaluru	1	Construction of a Govt.Anganwadi building in Halekadlebalu village.	Davangere Dist	15.00	15.00	
8	KRIDL, Bengaluru	1	Construction of a Govt.Anganwadi building in	Davangere	15.00	15.00	

9	KRIDL, Bengaluru		1	Doddaobajji village. Construction of a classroom at the Government Higher Primary School in Halebathi Guddadha Camp.	Davangere Dist	15.00	15.00		15.00
10	KRIDL, Bengaluru		1	Construction of a Govt. Anganwadi building in Kadajji village.	Davangere Dist	15.00	15.00		15.00
Zone-I Private Sector									
1	Sharanbasaveshwara Janakalyana Sanga, Hutti.		1	To procure computers, printers, Xerox machine & others for the Dept. of Science to be started by the Sharanbasaveshwara Janakalyana Sanga, Hutti.	Raichur Dt.	20.00	20.00		20.00
2	Anjuman Flahul Muslimoon Association @, Sindhanoor.		1	Construction and renovation work of Iqra primary and high school.	Raichur Dt.	15.00	15.00		15.00
3	Valmiki Vidya Samste, Devadurga.		1	Construction of Hostel Building.	Raichur Dt.	5.00	5.00		5.00
4	Sri Amreshwara Vidyavardhaka Sanga, Lingsugur.		1	Purchase of Computers, Printers and equipments for smart class for Amreshwara English medium Primary School.	DC Raichur Raichur Dt.	10.00	10.00		10.00
5	Valla Ballari Channabasaveshwara Shikshana Samste, Lingsugur.		1	Construction of 3 class rooms and purchase of computers.	DC Raichur Raichur Dt.	20.00	20.00		20.00
6	Shri. Kaginele Mahasamasthana Kanaka Gurupeetha, Tinthini Bridge, Devadurga		1	Construction of Dasoha Mandira for Poor Students of Sri Mata Kaalidasa Residential School.	KRIDL, Bengaluru	10.00	10.00		10.00
7	Public Affairs Centre (PAC), Raichur District.		1	Financial assistance for the project "Empowering Women and Enhancing the Culture of Craftsmanship" in Raichur Dist.	PAC Raichur Dt	14.00	14.00		14.00
						94.00	94.00		94.00
Grand Total						499.00	499.00		499.00

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 2,04,18,755 units annually from installed capacity of 11.4 MW.
 - ii. Setting up of Solar Power Plant at Hutti for captive requirement is in process.
3. Capital investments on energy conservation,

Sl. No.	Particulars	Amount
1	Proposal to setting up of Solar Project at Hutti through Group Captive Structure	Estimated cost Rs. 114.93 crore.
2	Installation of roof top solar panels at Kendriya Vidyalaya, Hutti	Estimated cost Rs. 3.75 lakhs

B. Technology Absorption:

- a. The company has commissioned a new circular shaft with the latest winder system at Hutti.
- b. The company has commissioned the 2 X 50 TPH Ball Mill project at Hutti.
- c. The company has commissioned 400 TPH crushing and conveying system at 2700 L below ground.

C. Foreign exchange Earnings and Outgo-

1. Earnings - Nil
2. Outgoes - Nil

NOTE: 1**I. MATERIAL ACCOUNTING POLICY INFORMATION****1. ACCOUNTING SYSTEM:****a. Basis of Presentation:****Statement of Compliance:**

The accompanying financial statements have been presented for the year ended 31st March, 2025 along with comparative information for the year ended 31st March, 2024. 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.
- 4.3 For the depreciation under component accounting, the component life and values are estimated by the internal technical departments. The components, whose



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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 administering 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

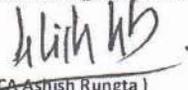
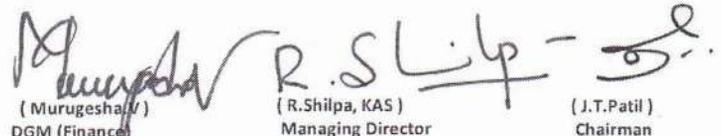
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities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



THE HUTTI GOLD MINES COMPANY LIMITED
Balance Sheet as at 31st March, 2025

CIN : U85110KA19475GC001321

₹ in Lakhs

Particulars	Notes	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	1,33,437.58	1,26,355.59
Capital Work-in-Progress-Tangible	3	2,890.35	12,850.36
Other Intangible Assets	4	32.83	37.78
Intangible assets under development	5	520.35	98.70
Financial Assets			
Investments	6	2.50	2.50
Other financial assets	7	1,442.63	18,639.22
Deferred Tax Assets (Net)	19	501.16	1,301.72
Other Non-current Assets	8	33,818.17	30,776.29
Current assets			
Inventories	9	21,765.90	22,189.43
Financial Assets			
Trade Receivables	10	53.09	682.05
Cash and Cash Equivalents	11	28,960.99	7,488.39
Other Bank Balances	12	1,01,000.00	85,000.00
Other Financial Assets	13	4.92	4.92
Current Tax Assets (Net)	14	-	1,221.73
Other Current assets	15	14,839.28	11,504.98
Total Assets		3,39,269.76	3,18,153.65
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	296.20	296.20
Other Equity	17	2,98,314.54	2,83,051.18
Non-Current Liabilities			
Financial Liabilities			
Borrowing		-	-
Trade payable		-	-
Other Financials Liabilities		-	-
Provisions	18	6,751.42	7,831.30
Deferred Tax Liabilities (Net)	19	-	-
Other Non-Current Liabilities		-	-
Current Liabilities			
Financial Liabilities:			
Borrowing		-	-
Trade Payables	20	-	-
A) Total outstanding dues of MSME		206.72	219.01
B) Total outstanding dues of other than MSME		1,919.04	1,219.58
Other Financial Liabilities	21	2,007.02	4,363.03
Current Tax Liabilities (Net)	14	2,648.13	-
Other Current Liabilities	22	27,126.68	21,173.35
Provisions	23	-	-
Total Equity and Liabilities		3,39,269.76	3,18,153.65
Material accounting policy information			
	1		
Notes to accounts			
	35		
To be read with our report of even date		For and on behalf of the Board	
For M/s. P.K.Rungta & Co, Chartered Accountants ICAI Firm Reg.No 0034985			
			
(CA Ashish Rungta) Partner Membership No.236749		(R.Shilpa, KAS) Managing Director DIN: 10783235	
		(J.T.Patil) Chairman DIN: 00535538	
Place : Bangalore Date : 02.09.2025			



THE HUTTI GOLD MINES COMPANY LIMITED
Statement of Profit & Loss for the Year ended 31st Mar , 2025

CIN : U85110KA1947SGC001321

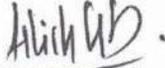
₹ in Lakhs

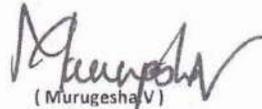
Particulars	Notes	Year Ended 31st Mar, 2025	Year Ended 31st Mar, 2024
Revenue from Operations	24	1,24,282.91	95,831.84
Other Income	25	10,007.33	9,415.64
Total Income		1,34,290.24	1,05,247.48
EXPENDITURE			
Cost of Materials Consumed	26	7,230.01	6,727.88
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	27	6.70	(2,409.45)
Employee Benefit Expenses	28	41,883.79	45,288.44
Finance Costs	29	0.81	1.01
Depreciation and Amortization Expenses	30	5,298.42	4,163.17
Other Expenses	31	20,580.55	19,998.62
Total Expenses		75,000.28	73,769.68
Profit/(Loss) before exceptional items and tax		59,289.96	31,477.80
Exceptional Items		-	-
Profit/(Loss) Before Tax		59,289.96	31,477.80
Tax Expense:			
Current Tax		14,800.00	8,600.00
Tax relating to earlier years		0.00	0.00
Deferred tax	32	882.81	(1,067.67)
Profit / (Loss) for the year		43,607.14	23,945.47
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	(244.58)	(2,209.96)
Total Comprehensive Income for the Year		43,362.56	21,735.51
Earnings per Share (in ₹)			
Basic	34	14,722.01	8,084.11
Diluted	34	14,722.01	8,084.11

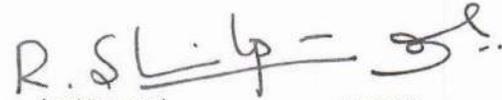
To be read with our report of even date

For and on behalf of the Board

For M/s. P.K.Rungta & Co,
Chartered Accountants
ICAI Firm Reg.No 0034985


(CA Ashish Rungta)
Partner
Membership No.236749


(Murugesha V)
DGM (Finance)


(R. Shilpa, KAS)
Managing Director
DIN: 10783235


(J.T. Patil)
Chairman
DIN: 00535538

Place : Bangalore
Date : 02.09.2025



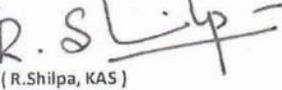
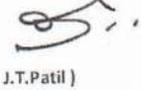
THE HUTTI GOLD MINES COMPANY LIMITED
Cash Flow Statement for the year ended 31st March, 2025

CIN : U85110KA1947SGC001321

₹ in Lakhs

Particulars	As at 31st March, 2025	As at 31st March, 2024
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	59289.96	31,477.80
<i>Adjustments for:</i>		
Depreciation and amortisation	5,298.42	4,163.17
(Profit) / loss on sale / write off of assets	-	-
Finance costs	0.81	1.01
Interest income	(9,808.86)	(8,397.50)
Operating profit / (loss) before working capital changes	54,780.33	27,244.48
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	423.53	(3,502.30)
Financial Assets		
Trade Receivables	628.95	(379.94)
Current Tax Assets (Net)	1,221.73	(1,221.73)
Other Current Assets	(3,334.30)	(2,794.91)
Other financial assets	17,196.58	(16,820.34)
Other Non-Current Assets	(3,041.87)	7,108.49
Assets held for sale	-	-
	13,094.62	(17,610.72)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Financial Liabilities	-	-
Borrowing	-	-
Trade Payables	687.18	(202.22)
Current Tax Liabilities (Net)	2,648.13	(236.62)
Other Financial Liabilities	(2,391.61)	(199.19)
Other Current Liabilities	5,953.33	9,520.14
Provisions	(1,324.46)	2,118.05
Adjustment of Income-tax / Deferred Tax Provision	(82.26)	(743.27)
Other Current Liabilities	-	-
	5,490.31	10,256.89
Cash generated from operations	73,365.26	19,890.65
Net income tax (paid) / refunds	(14,800.00)	(8,600.00)
Net cash flow from / (used in) operating activities (A)	58,565.26	11,290.65
B. Cash flow from investing activities		
Capital expenditure on property, plant & equipment, including capital advances	(3,543.78)	(5,145.28)
Interest received		
- From Bank Deposits & Others	9,808.86	8,397.50
Dividend Income		
Term Deposits	(16,000.00)	(35,000.00)
Net cash flow from / (used in) investing activities (B)	(9,734.92)	(31,747.78)



Particulars	As at 31st March, 2025	As at 31st March, 2024
C. Cash flow from financing activities		
Finance cost	(0.81)	(1.01)
Dividends / Tax on dividend paid	(27,356.93)	(2,368.50)
	(27,357.74)	(2,369.52)
Net cash flow from / (used in) financing activities (C)	(27,357.74)	(2,369.52)
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	21,472.60	(22,326.65)
Cash and cash equivalents at the beginning of the year	7,488.39	30,315.04
Cash and cash equivalents at the end of the year	28,960.99	7,488.39
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents:		
Cash on hand	2.23	2.79
Gold coins on hand	2.90	0.04
Balances with banks:		
In current & flexi accounts	28,955.86	7,485.56
In deposit accounts (Maturing in less than 3 months)	-	-
	28,960.99	7,488.39
To be read with our report of even date	For and on behalf of the Board	
For M/s. P.K.Rungta & Co, Chartered Accountants ICAI Firm Reg.No 0034985		
 (CA Ashish Rungta) Partner Membership No.236749	 (Murugesha V) DGM (Finance)	 (R.Shilpa, KAS) Managing Director DIN: 10783235
		 (J.T.Patil) Chairman DIN: 00535538
Place : Bangalore Date : 02.09.2025		



THE HUTTI GOLD MINES COMPANY LIMITED
Statement of Changes in Equity for the Year Ended 31st March, 2025

CIN : U85110KA19475GC001321

A) Equity Share Capital

(1) Current reporting period

Particulars	₹ in Lakhs	
	Note No.	Amount
Balance at the beginning of current reporting period	16	296.20
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the current reporting period	16	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	₹ in Lakhs	
	Note No.	Amount
Balance at the beginning of previous reporting period	16	296.20
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the previous reporting period	16	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.16

B) Other Equity

(1) Current reporting period (Refer Note N.17)

Particulars	Reserves and Surplus					Total
	Capital Reserv	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve	
Restated balance at the begining of the reporting period	1.11	12.79	31,095.04	1,64,877.09	87,065.16	2,83,051.18
Less: Assets withdrawn due to scrap etc					(1.87)	(1.87)
Add: Profit / (Loss) for the year				43,607.14		43607.14
Less: Other Comprehensive Income (net of tax)				(244.58)		(244.58)
Transfer to General Reserve			5,930.00	(5,930.00)		-
Less: Depreciation on revalued assets					(1,284.17)	(1,284.17)
Add: Excess IT provision withdrawn - F.Y.2023-24				312.01		312.01
Add: IT refund pertaining to earlier year				351.22		351.22
Less: Dividend for 2023-24				(12,061.65)		(12,061.65)
Less: Interim Dividend for 2024-25				(15,330.88)		(15,330.88)
Less: Interest written-back on SEPC				(85.01)		(85.01)
Add: Adjustment towards depreciation on assets				1.17		1.17
Total	1.11	12.79	37,025.04	1,75,496.50	85,779.11	2,98,314.54
Balance as at 31 March 2025	1.11	12.79	37,025.04	1,75,496.50	85,779.11	2,98,314.54

(2) Previous reporting period

Particulars	Reserves and Surplus					Total
	Capital Reserv	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve	
Restated balance at the begining of the reporting period	1.11	12.79	27,945.04	1,48,682.65	88,651.02	2,65,292.62
Less: Assets withdrawn due to scrap etc					(17.70)	(17.70)
Add: Profit / (Loss) for the year				23,945.47		23945.47
Less: Other Comprehensive Income (net of tax)				(2,209.96)		(2,209.96)
Transfer to General Reserve			3,150.00	(3,150.00)		0.00
Less: Depreciation on revalued assets					(1,568.18)	(1,568.18)
Add: Adjustments relating to prior years				(19.50)		(19.50)
Less: Dividend (Including DDT) for 2022-23				(2,369.46)		(2,369.46)
Less: Exgratia 21-22 (Ref: Pmt Vr.No.1051 & 1148 / Oct 22)				(2.12)		(2.12)
Total	1.11	12.79	31,095.04	1,64,877.09	87,065.15	2,83,051.18
Balance as at 31 March 2024	1.11	12.79	31,095.04	1,64,877.09	87,065.15	2,83,051.18

To be read with our report of even date

For and on behalf of the Board

For M/s. P.K.Rungta & Co,
Chartered Accountants
ICAI Firm Reg.No 0034985

Ashish Rungta
(CA Ashish Rungta)
Partner
Membership No.236749

Murugesha
(Murugesha)
DGM (Finance)

R.Shilpa
(R.Shilpa, KAS)
Managing Director
DIN: 10783235

J.T.Patil
(J.T.Patil)
Chairman
DIN: 00535538

Place : Bangalore
Date : 02.09.2025



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

PARTICULARS	₹ in Lakhs							
	1st April, 2024	Withdrawal of revaluation of reserve	Additions	Disposal	Excess Depreciation withdrawn	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	31st March 2025
Gross Block								
Free Hold Land	80,566.79	-	-	-	-	-	-	80,566.79
Buildings	12,015.15	-	1,411.09	0.29	-	-	-	13,425.94
Plant & Equipment	52,850.83	-	7,115.30	33.35	-	-	-	59,932.78
Furniture & Fixtures	567.86	-	11.85	16.95	-	-	-	562.76
Vehicles	945.09	-	71.49	0.19	-	-	-	1,016.39
Electrical Installations	3,733.30	-	677.69	1.76	-	-	-	4,409.23
Shaft & Inclines	9,699.61	-	4,225.52	-	-	-	-	13,925.13
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	-	16.21
Roads & Drains	1,648.32	-	114.89	-	-	-	-	1,763.21
Internal Water Distributions	80.60	-	79.34	-	-	-	-	150.93
11.4 MW Wind Farm (CGU)	6,812.81	-	-	-	-	-	-	6,812.81
Total	1,68,936.57		13,698.16	52.54	0.00	0.00	0.00	1,82,582.19
Accumulated Depreciation								
Free Hold Land	-	-	-	-	-	-	-	-
Buildings	3,336.82	-	412.95	0.29	-	-	-	3,749.48
Plant & Equipment	28,394.98	-	3,829.31	33.36	-	-	-	32,190.92
Furniture & Fixtures	357.32	-	36.58	16.75	-	-	-	377.15
Vehicles	448.22	-	91.09	0.19	-	-	-	539.12
Electrical Installations	2,261.31	-	215.52	1.76	-	-	-	2,475.07
Shaft & Inclines	2,152.42	-	1,577.34	-	-	-	-	3,729.76
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	-	16.21
Roads & Drains	550.17	-	83.67	-	-	-	-	633.84
Internal Water Distributions	52.17	-	6.85	-	-	-	-	59.02
11.4 MW Wind Farm (CGU)	5,011.36	-	362.66	-	-	-	-	5,374.02
Total	42,580.98		6,615.97	52.35	0.00	0.00	0.00	49,144.60
Net Block								
Free Hold Land	80,566.79	-	-	-	-	-	-	80,566.79
Buildings	8,678.32	-	-	-	-	-	-	8,678.32
Plant & Equipment	24,455.85	-	-	-	-	-	-	24,455.85
Furniture & Fixtures	210.54	-	-	-	-	-	-	210.54
Vehicles	496.88	-	-	-	-	-	-	496.88
Electrical Installations	1,472.00	-	-	-	-	-	-	1,472.00
Shaft & Inclines	7,547.19	-	-	-	-	-	-	7,547.19
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	-	-	-	-	-	-	-	0.00
Roads & Drains	1,098.15	-	-	-	-	-	-	1,098.15
Internal Water Distributions	28.43	-	-	-	-	-	-	28.43
11.4 MW Wind Farm (CGU)	1,801.44	-	-	-	-	-	-	1,801.44
Total	1,26,355.59							1,26,355.59

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

PARTICULARS	₹ in Lakhs							
	1st April, 2023	Withdrawal of revaluation of reserve	Additions	Disposal	Excess Depreciation withdrawn	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	31st March 2024
Gross Block								
Free Hold Land	80,566.79	-	-	-	-	-	-	80,566.79
Buildings	10,242.45	-	1,793.19	20.49	-	-	-	12,015.15
Plant & Equipment	50,716.61	-	2,567.44	433.22	-	-	-	52,850.83
Furniture & Fixtures	451.32	-	131.02	14.49	-	-	-	567.86
Vehicles	710.82	-	275.68	41.41	-	-	-	945.09
Electrical Installations	3,376.07	-	360.51	3.28	-	-	-	3,733.30
Shaft & Inclines	9,699.61	-	-	-	-	-	-	9,699.61
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	-	16.21
Roads & Drains	1,131.12	-	517.20	0.00	-	-	-	1,648.32
Internal Water Distributions	80.60	-	-	-	-	-	-	80.60
11.4 MW Wind Farm (CGU)	6,812.81	-	-	-	-	-	-	6,812.81
Total	1,63,804.41		5,645.04	512.89	0.00	0.00	0.00	1,68,936.57
Accumulated Depreciation								
Free Hold Land	-	-	-	-	-	-	-	-
Buildings	2,964.88	-	379.50	7.56	-	-	-	3,336.82
Plant & Equipment	25,215.30	-	3,597.95	418.27	-	-	-	28,394.98
Furniture & Fixtures	344.76	-	26.35	13.80	-	-	-	357.32
Vehicles	432.11	-	57.04	40.93	-	-	-	488.22
Electrical Installations	2,103.68	-	160.90	3.28	-	-	-	2,261.31
Shaft & Inclines	1,014.24	-	1,138.18	-	-	-	-	2,152.42
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	16.21	-	-	-	-	-	-	16.21
Roads & Drains	494.55	-	55.63	0.00	-	-	-	550.17
Internal Water Distributions	47.33	-	4.84	-	-	-	-	52.17
11.4 MW Wind Farm (CGU)	4,704.41	-	306.96	-	-	-	-	5,011.36
Total	37,337.46		5,727.35	483.84	0.00	0.00	0.00	42,580.98
Net Block								
Free Hold Land	80,566.79	-	-	-	-	-	-	80,566.79
Buildings	7,277.57	-	-	-	-	-	-	7,277.57
Plant & Equipment	25,501.31	-	-	-	-	-	-	25,501.31
Furniture & Fixtures	106.56	-	-	-	-	-	-	106.56
Vehicles	278.71	-	-	-	-	-	-	278.71
Electrical Installations	1,272.39	-	-	-	-	-	-	1,272.39
Shaft & Inclines	8,685.37	-	-	-	-	-	-	8,685.37
Surface Track Lines	-	-	-	-	-	-	-	-
Krishna River Water Supply	-	-	-	-	-	-	-	0.00
Roads & Drains	636.58	-	-	-	-	-	-	636.58
Internal Water Distributions	33.27	-	-	-	-	-	-	33.27
11.4 MW Wind Farm (CGU)	2,108.40	-	-	-	-	-	-	2,108.40
Total	1,26,466.95							1,26,466.95



Note 3. Capital Work-in-Progress

₹ in Lakhs

Particulars	31st March 2025	31st March 2024
Buildings	190.61	1,427.42
Plant & Machinery	873.42	5,652.71
Shaft & Inclines	1,547.74	5,561.57
Roads & Drains	-	37.50
Capital Goods & Equipment in Transit	28.63	152.09
Solar Plant (14MW) - WIP	-	-
Krishna Water Supply - WIP	19.07	19.07
Capital goods in transit	-	-
UG Decline & Ancillary Works	230.89	-
Total	2,890.35	12,850.36

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

Note 4. Other Intangible Assets

PARTICULARS	1st April, 2024	Withdrawal of revaluation of reserve	Additions	Disposal	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	Revaluation of Assets	31st March 2025
Gross Block								
Computer Software	397.99							397.99
Total	397.99		0.00	0.00				397.99
Accumulated Depreciation								
Computer Software	360.21		4.95	-				365.16
Total	360.21		4.95	0.00				365.16
Net Block								
Computer Software	37.78							32.83
Total	37.78							32.83

For previous reporting period

Note 4. Other Intangible Assets

PARTICULARS	1st April, 2023	Withdrawal of revaluation of reserve	Additions	Disposal	Effects of Foreign Currency Exchange Difference	Revaluation of Assets	Revaluation of Assets	31st March 2024
Gross Block								
Computer Software	398.22			0.23				397.99
Total	398.22			0.23				397.99
Accumulated Depreciation								
Computer Software	355.49		4.95	0.23				360.21
Total	355.49		4.95	0.23				360.21
Net Block								
Computer Software	42.73							37.78
Total	42.73							37.78

Note 5. Intangible assets under development

Particulars	31st March 2025	31st March 2024
Intangible assets under development	520.35	98.70
Total	520.35	98.70



FINANCIAL ASSETS

Note 6 : Investment

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
At Amortized Cost:		
Investment in Equity Instruments		
Un-Quoted Investments:		
Hutti Gold Mines Employees Consumers' Co-operative Society Ltd. (250 shares of ₹ 1000/- each)	2.50	2.50
At Fair Value through Other Comprehensive Income:		
At Fair Value through Profit or Loss:		
Total	2.50	2.50

Note 7 : Other Financial Assets

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Deposits with bank maturity more than 1 year	154.48	17,387.35
Bank deposits offered as security for BG, maturity more than 1 year	1,204.10	1,204.10
Unpaid dividend accounts	84.05	47.77
Doubtful:		
Intercompany Deposits	100.00	100.00
Others	9.50	9.50
Less: Provision for doubtful debts	(109.50)	(109.50)
Total	1,442.63	18,639.22

Note 8 : Other non-current assets

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Unsecured & Considered good:		
Security Deposits	1,907.89	1,048.26
Deposit with JMFC court for Land Acquisition Cases	4,285.93	3,109.75
Deposit with Central Excise Department	2,450.06	736.63
VAT / ET Receivable	132.48	132.48
Income Tax Refunds receivable net - prior years	782.86	1,452.55
Prepaid Expenses (Non-current)	28.35	66.02
Others *	24,230.60	24,230.60
Total	33,818.17	30,776.29

*Details of other deposits:

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.8897.11 Lakhs. The quantity of Gold on conversion to 1000 purity is 249126.16 Grams.	5458.53	5458.53
Deposit of 250573.77 (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 249320.896 Grams.	5462.80	5462.80
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, 2025	As at 31st March, 2024
Work-in-progress		
Ore	34.74	207.77
Incidental Ore	-	-
Bullion-in-process	541.26	468.95
Finished goods:		
Stock of Fine Gold	14,359.16	14,163.39
Stock of Silver	86.41	80.33
Stock of Sand	356.66	483.73
Stores & Spares:		
Stores & Spares in stock	5,992.44	6,199.37
Stores & Spares-in-transit	395.24	585.89
Total	21,765.90	22,189.43



FINANCIAL ASSETS

Note 10 : Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured & Considered good:		
Debts outstanding for more than 6 months	-	604.47
Others	53.09	77.57
Total	53.09	682.05

For ageing schedule refer 22 of note no.32 - other notes forming part of the accounts

Note 11 : Cash and Cash equivalents

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash and Cash Equivalents:		
Cash on hand	2.23	2.79
Gold coins on hand	2.90	0.04
Balances with banks:		
In current & flexi accounts	28,955.86	7,485.56
In deposit accounts (Maturing in less than 3 months)	-	-
Total	28,960.99	7,488.39

Note 12 : Other Bank Balances

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks on deposit accounts (Maturity more than 3 months less than 1 year)	1,01,000.00	85,000.00
Total	1,01,000.00	85,000.00

Note 13 : Other Financial Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Bank deposits offered as security for bank guarantees	4.92	4.92
Total	4.92	4.92

Note 14 : Current Tax Assets (Net)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a) Current Year		
Advance Income Tax & TDS	12,151.87	9,821.73
Less: Provisions	(14,800.00)	(8,600.00)
Total	(2,648.13)	1,221.73

Note 15 : Other Current Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Prepaid expenses	599.47	788.68
Accrued Interest	2,865.97	3,335.18
Less: Provision for Doubtful Interest on Inter-corporate Loans	(11.15)	(11.15)
Other Receivables (Rent & Electricity Charges)		
Debts over six months	181.10	196.65
Less than six months	16.05	26.26
Advances:		
Education loan	-	-
Advance to employees	1,532.36	865.01
Advance to vendors	822.49	1,057.15
Others	5,457.50	1,443.66
Balances with Government authorities		
I7C Account Balance	3,375.48	3,803.53
Total	14,839.27	11,504.98

*Details of Accrued Interest on:

Bank Deposits	1,463.16	1,910.76
Others	1,391.67	1,413.27
Inter Corporate Loans	11.15	11.15
Total	2,865.97	3,335.18



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EQUITY

Note 16 : Share Capital

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
a) Authorised		
10,00,000 Equity Shares of Rs.100/- each	1,000.00	1,000.00
10,00,000 non Convertible, Redeemable Cumulative Preference Shares of Rs.100/- each	1,000.00	1,000.00
	2,000.00	2,000.00
b) Issued		
307933 2/7 Equity Shares of Rs.100/- each	307.93	307.93
c) Subscribed and paid up		
296203 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	296203-5/7	296203-5/7
Addition/deletion during the year	-	-
At the end of the year	296203-5/7	296203-5/7

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

Name of the Shareholder	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	% to Equity	No. of Shares	% to Equity
- Equity shares with voting rights:				
i. Govt. of Karnataka	2,20,186	74.34	2,20,186	74.34
ii. KSIIDC	57,500	19.41	57,500	19.41
iii. Karnataka State Mineral Corporation	15,000	5.06	15,000	5.06

Shares held by promoters at the end of year

Promoter name	As at 31st March, 2025		As at 31st March, 2024	
	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. KSIIDC	57,500	19.41	57,500	19.41
iii. KSMCL	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	31,095.04	1,64,877.09	87,065.16	2,83,051.18
Less: Assets withdrawn due to scrap etc					(1.87)	(1.87)
Add: Profit / (Loss) for the year				43607.14		43607.14
Less: Other Comprehensive Income (net of tax)				(244.58)		(244.58)
Transfer to General Reserve			5,930.00	(5,930.00)		-
Less: Depreciation on revalued assets					(1,284.17)	(1,284.17)
Add: Excess IT provision withdrawn - F.Y. 2023-24				312.01		312.01
Add: Interest on IT refund pertaining to earlier year				351.22		351.22
Less: Dividend for 2023-24				(12,061.65)		(12,061.65)
Less: Interim Dividend for 2024-25				(15,330.88)		(15,330.88)
Less: Interest written-back on SEPC				(85.01)		(85.01)
Add: Adjustment towards depreciation on assets				1.17		1.17
Total	1.11	12.79	37,025.04	1,75,496.50	85,779.11	2,98,314.54
Balance as at 31 March 2025	1.11	12.79	37,025.04	1,75,496.50	85,779.11	2,98,314.54
Balance as at 31 March 2024	1.11	12.79	31,095.04	1,64,877.09	87,065.15	2,83,051.18

NON-CURRENT LIABILITIES

Note 18 : Provisions

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits:		
Provision for Gratuity - Refer Note No.35 (16)	3,246.85	4,091.10
Provision for Leave Encashment - Refer Note No.35 (16)	484.95	1,010.30
Provision for Special Superannuation Benefit - Refer Note No.35 (16)	2,946.87	2,657.84
Provision for 25 years long service award	72.75	72.06
Total	6,751.42	7,831.30



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

₹ in Lakhs

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred Tax Liability		
Depreciation	1,655.47	1,396.63
Gross Deferred Tax Liability	1,655.47	1,396.63
Deferred Tax Asset		
Provision of Gratuity & Other Employee Benefits	2,074.38	1,955.08
Other Timing Differences	-	-
Other Comprehensive Income	82.26	743.27
Gross Deferred Tax Asset	2,156.64	2,698.35
Total	(501.16)	(1,301.72)

CURRENT LIABILITIES

Note 20 : Trade Payables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total outstanding dues of MSME (Including Capital Creditors)	206.72	219.01
Total outstanding dues of other than MSME	1,919.04	1,219.58
Total	2,125.76	1,438.59

* Refer notes on accounts no. 32 (20) & (21)

Note 21 : Other Financial Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unpaid Dividend	78.91	43.31
Capital Creditors (Excluding MSME)	1,928.11	4,319.72
Total	2,007.02	4,363.03

Note 22 : Other Current Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory Dues payable	2,633.71	2,079.42
Trade/ Security Deposits received	4,197.52	3,768.73
Creditors For Expenses	10,017.82	5,704.08
Employee Benefits Payable*	10,277.62	9,621.13
Total	27,126.68	21,173.35

*Detailed break up of Employee Benefits Payable:

Provision for Bonus	0.17	4.95
Bonus Payable (FY 2017-18)	-	1.41
Exgratia Payable 2016-17	-	0.01
Provisions for Exgratia (LS Employees)	66.40	66.68
Wage Revision Arrears	8,421.94	8,332.46
Exgratia Payable 2019-20	0.17	0.17
Production Linked Incentive for 2019-20	20.08	20.08
Bonus Payable for 2021-22	-	3.34
Exgratia Payable 2021-22	-	(0.03)
Bonus Payable for 2022-23	0.34	3.88
Exgratia Payable for 2022-23	597.87	597.87
Exgratia Payable for 2023-24	587.34	587.34
Production Linked Incentive for 2023-24	-	2.95
Exgratia Payable for 2024-25	577.88	-
Bonus Payable for 2024-25	5.44	-
Total	10,277.62	9,621.13



Note 23 : Provisions

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Provision for gratuity - Refer Note No.35 (16)	-	-
Provision for Leave Encashment - Refer Note No.35 (16)	-	-
Provision for Special Super annuation - Refer Note No.35 (16)	-	-
Total	-	-

Note 24 : Revenue from Operations

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Sale of Products (Gross)		
Sale of Gold	1,22,340.99	93,223.54
Sale of silver	134.29	110.30
Sale of Power	690.41	790.44
Sale of Sand	1,117.21	1,707.57
Total	1,24,282.91	95,831.84

Note 25 : Other Income

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Deposits with Banks	8,511.10	6,354.94
Interest on GMS	1,181.51	1,062.30
Deposits with KPTCL	62.48	55.43
Income Tax Refund	53.76	924.83
Sale of Scrap	12.35	448.06
Penalty based Income	39.53	183.74
Income on letting out quarters	56.18	90.00
Reversal of provisions	14.09	16.97
Miscellaneous Income	28.95	210.07
Canteen & Guest House Recoveries	47.36	69.29
Total	10,007.33	9,415.64

Note 26 : Cost of materials consumed

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Consumption of stores & spares	7,230.01	6,727.88
Total	7,230.01	6,727.88

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

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
<u>Opening Stock</u>		
Gold	14,163.39	12,068.81
Silver	80.33	78.47
Work-in-progress	468.95	248.67
Stock of ore at Mines	207.77	461.21
Stock of Sand	464.35	118.17
<u>Less: Closing Stock</u>		
Gold	(14,359.16)	(14,163.39)
Silver	(86.41)	(80.33)
Work-in-progress	(541.26)	(468.95)
Stock of ore at Mines	(34.74)	(207.77)
Stock of Sand	(356.52)	(464.35)
Net [(Increase)/Decrease in stock]	6.70	(2,409.45)

Note 28 : Employee Benefit Expenses

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Salaries, Wages and Bonus	33,897.42	37,296.69
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits*	5,631.46	5,767.82
Staff Welfare Expenses	2,354.90	2,223.94
Total	41,883.78	45,288.44

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

	2025	2024
Contribution to Provident Fund	2,547.44	1,975.80
Contribution to Employee Pension Scheme	489.87	476.09
Contribution to Employees Deposit Linked Insurance Scheme/General Insurance Scheme	226.92	216.16
Contribution to GSLIS	7.44	4.55
Provident Fund Inspection charges	42.91	39.99
Employees Deposit Linked Insurance Scheme inspection charges	0.34	0.35
Employees' Service Gratuity	1,462.33	2,087.86
Employees' special superannuation scheme	447.12	687.74
Workmen's Compensation	19.38	-
25 Years continuous long service award	5.55	14.70
Contribution to Superannuation Fund	382.16	264.59
Total	5,631.46	5,767.82



Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Bank Commission and LC Charges	0.81	1.01
Total	0.81	1.01

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Depreciation and amortisation expenses	5,298.42	4,163.17
Total	5,298.42	4,163.17

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Note 31 : Other Expenses		
A. Other Mining and Operating Expenses		
Transport and conveyance	367.46	428.64
Diamond drilling expenses	66.70	268.93
Sand Extraction Expenses	642.05	1479.63
Royalty, DMF & NMET	7,000.04	5,205.31
Power and Fuel	6,960.13	7,368.40
<u>Repairs and Maintenance:</u>		
Plant, Property & Equipment	1,810.61	1,983.86
Ventilation Expenses @ NRAS	552.48	-
Wind Mill Operating & Maintenance Expenses	159.41	207.19
Other	90.07	236.27
	17,648.95	17,178.22
B. Administrative expenses		
Rates and Taxes	43.57	43.34
Insurance	74.20	56.72
Travelling and Conveyance	188.02	107.60
Printing and Stationery	49.78	40.16
Communication Expenses	15.05	13.75
Dead rent	54.66	54.66
Advertisement and tender notification	56.75	94.29
<u>Auditor's Remuneration</u>		
Statutory Audit	2.50	2.50
Tax Audit	1.00	1.00
Expenses	0.37	0.25
Other Audit	0.87	0.51
Secretarial Audit	0.42	0.59
Professional Fees and Expenses	276.32	333.60
Legal Fees	13.66	2.89
Director Sitting Fees	0.74	0.23
Travelling Expenses - Directors	6.23	0.00
AGM Expenses	0.74	0.89
Board Meeting expenses	1.04	0.41
Plant, property and equipment written off	0.21	12.34
Afforestation Expenses	51.43	89.59
Environment Maintenance Expenditure	239.29	311.05
Donations	597.14	454.56
Corporate Social Responsibility	499.04	552.13
Others	691.37	547.60
	2,864.38	2,720.67
C. Selling and Distribution Expenses		
Gold Storage Insurance	67.22	99.73
	67.22	99.73
Total	20,580.55	19,998.62

Particulars	₹ in Lakhs	
	As at 31st March, 2025	As at 31st March, 2024
Note 32 : Deferred Tax Liabilities/Tax Assets (Net)		
Deferred Tax Liability	1,655.47	1,396.63
Depreciation	1,655.47	1,396.63
Gross Deferred Tax Liability	2,074.38	1,955.08
Deferred Tax Asset	-	743.27
Provision of Gratuity & Other Employee Benefits	82.26	-
Other Timing Differences	2,156.64	2,698.35
Other Comprehensive Income	(501.16)	(1,301.72)
Gross Deferred Tax Asset	882.81	(1,067.67)
Total		
Deferred Tax Liability - Profit & Loss A/c		



Note 33 : Other Comprehensive Income

₹ in Lakhs

Particulars	As at 31st March, 2025	As at 31st March, 2024
Remeasurement of net defined benefit liability/(asset)		
On Service Gratuity	(328.25)	(948.84)
On Employees Special Superannuation Scheme	1.41	(2,104.38)
Less: Tax thereon	82.26	743.27
Total	(244.58)	(2,209.96)

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.

Particulars	As at 31st March, 2025	As at 31st March, 2024
Reconciliation of earnings		
Profit/(Loss) for the period	43,607.14	23,945.47
Net profit attributable to equity shareholders	43,607.14	23,945.47
Reconciliation of number of shares		
	Shares	Shares
Shares outstanding at the beginning of the year	2,96,204	2,96,204
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
Basic and Diluted Earnings Per Share (in rupees)	14,722.01	8,084.11
<small>(Nominal value of shares Rs.100 /- each)</small>		



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)	98896.43	3219.24
2	Contingent Liability not provided for:		
	(i) Letter of credit outstanding		Nil
	(ii) Bank guarantees	1202.18	1209.03
	(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	16.43
b 2	<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 cenvat benefit in respect of service tax for insurance services and upheld the demand in respect of new circular shaft, vide order no.BEL-EXCUS-000-APP-MS-207-2018-19 dt.05.08.2018. The company has contested the disallowance of cenvat 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) 93.32</p> <p>- Penalty 50.88</p>		
b 3	<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 Circular Shaft project, 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 4	Denial of benefit of exemption Notification under sl.no.189 of Notification No.12/2012-CE dated 17.03.2012. The Customs, Excise & Service Appellate Tribunal has partially allowed the appeal upholding the demand of duty with interest for normal period and setting aside penalty imposed. Company has filed the appeal before the Hon'ble High Court of Karnataka and paid the duty amount under protest. Case is pending for hearing.	2440.73 plus applicable interest.	2440.73 plus applicable interest.
b 5	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 Circular Shaft project, 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	183.96	183.96
b 6	Rejection of transitional credit in respect of capital goods and service tax paid on reverse charge in respect of royalty amount. Appeal filed before Commissioner (Appeals) Central Tax & Central Excise, Belgaum. Awaiting for Personal hearing	24.22	24.22
b 7	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. The Company has filed a writ petition challenging the 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. The liability as per show cause notice is ₹ 641.73 lakhs and company has paid ₹ 173.88 lakhs. Liability as per Company's calculation is ₹ 113.40 lakhs. 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.	641.73	641.73

3. The Company has acquired 444.24 acres of land through land acquisition officer in the year 2012. After receiving the compensation, the land owners of about 360 acres had filed 117 LAC cases before Hon'ble Civil Judge, JMFC Court Lingasugur for higher compensation. Since the compensation fixed by the Hon'ble JMFC court was exorbitant, the Company had filed an appeal before the Hon'ble High Court. The Hon'ble High Court has granted interim stay and ordered the Company to deposit additional sum of Rs.7.00 lakh per acre before the reference court. During the year Company has deposited Rs.1176.18 lakhs and total amount deposited till 31.03.2025 is Rs.4285.93 Lakhs (P.Y.Rs.3109.75 lakhs) and further deposited Rs.890.05 lakhs between April to July 2025. The total estimated liability as on 31.03.2025, including interest as per order of Hon'ble JMFC Court is Rs.25563.50 lakhs.



4. Proposed Dividend	For the year ended 31.03.2025	For the year ended 31.03.2024
The dividend proposed for the year is as follows:		
<u>On equity Share of ₹ 100 each:</u>		
Amount of Dividend Proposed	₹ 13082.14 lakhs	₹ 7186.65 lakhs
Dividend per Equity Share	₹ 4416.60 Per Share	₹ 2425.24 Per Share
Amount of Special Dividend	₹ 22868.51 lakhs	₹ 4878.00 lakhs
Special Dividend per Equity Share	₹ 7720.53 Per Share	₹ 1646.84 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

The Board in its 439th meeting held on 7th March 2025 has proposed payment of interim dividend at Rs.6962.10 per equity share of Rs.100 each (6962.10%) for the FY 2024-25 as special dividend and released Rs.15330.88 lakhs before 31.03.2025 and same has been shown as interim dividend in the other equity. Further balance amount of interim dividend amounting to Rs.5291.07 lakhs released during April 2025. Difference in payment of interim dividend, if any, will be adjusted, while releasing the final dividend.

5 The provision for exgratia amounting to ₹ 597.87 lakhs, ₹ 587.34 lakhs and Rs.580.50 lakhs respectively for the FY 2022-23, 2023-24 and 2024-25 have been made in the books of accounts, pending approval from the Government of Karnataka

6.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)
2020-21	7777.65	7794.08	-	The appeal is pending before CIT (Appeals).

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, but no clarifications or advice are received. The company is discharging the liability as per section 9 of the MMDR Act, and which is accepted by the Department of Mines and Geology. Hence no more clarifications or correspondence is required in the matter.

7. 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.

8 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) During physical verification of fixed assets as on 31.03.2025, the assets worth (book value) of ₹ 4.82 Lakhs (P.Y ₹ 5.18 Lakhs) have been reported to be redundant. Pending detailed examination and decision thereon, no provision is made in the books of accounts.

9.a) Capital Work in progress aging schedule -

Capital Work in progress	Amount in CWIP for the year 31.03.2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1199.37	165.97	74.88	1384.64	2824.86
Projects temporarily suspended	-	-	-	65.49	65.49

Rs in lakhs

Capital Work in progress	Amount in CWIP for the year 31.03.2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2090.01	2073.52	1122.41	7498.92	12784.86
Projects temporarily suspended	-	-	-	65.49	65.49

Rs in lakhs

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
PIT Bottom Buffer for MS		8.87		
Precast Compound wall		40.91		
Total		49.78	-	-

Rs in lakhs

c) Capital Work in progress aging schedule – Intangible Assets

Capital Work in progress	Amount in CWIP for the year 31.03.2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	421.66	98.70	NIL	NIL	520.35

Rs in lakhs

Capital Work in progress	Amount in CWIP for the year 31.03.2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	98.70	NIL	NIL	NIL	98.70

Rs in lakhs



d) Capital Work in progress whose completion are overdue – Intangible assets.

Rs in lakhs

Capital Work in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Development and implementation of ERP	343.54	-	-	-
Total	343.54	-	-	-

e) 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 formed a Board-sub committee and sub-committee is yet to submit its report and in the mean time the company has issued the show cause notice to the agency. Pending receipt of report from sub-committee and settlement of dispute with the agency, no provision for redundancy is made in the books of accounts as on 31.03.2025

10. 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 16 to 44 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 ₹ 1202.15 Lakhs, and same has been provided by the company in the form of Bank Guarantees (BG). The Mining leases for Wandali, Ajjanahalli, Mangalur Gold mines and Ingaldal copper mines are pending for renewal and presently the company is not carrying out the mining operations here. The required FAs for these mines will be submitted, once the MLs are renewed.

b) The non-moving store inventory for a period of more than 36 months as on 31.03.2025 (excluding received during current year) was estimated to be ₹ Nil Lakhs, (P.Y ₹ 124.69 Lakhs).

c) 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.

11. 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 – 2024-25				Previous Year – 2023-24			
	Gold Unit	Wind Farm	Sand Mining	Total	Gold Unit	Wind Farm	Sand Mining	Total
Segment Revenue	122487.64	690.41	1117.21	124295.26	93781.90	790.44	1707.57	96279.91
Segment Expenditure*	71738.86	523.73	963.10	73225.69	70322.21	574.96	1488.41	72382.57
Segmental Results	50748.78	166.68	154.11	51069.57	23459.69	218.48	219.16	23897.33
Un-allocable Income				9994.98				8967.57
Un-allocable Expenditure*				1774.59				1387.11
Profit before taxation				59289.96				31477.80
Taxes				15682.81				7532.33



Profit after taxation				43607.14				23945.47
Comprehensive income				(244.58)				(2209.96)
Total Comprehensive income				43362.56				21735.51
Segment Assets	208397.68	3214.26	31.48	211643.43	200213.65	4164.97	54.71	20443.33
Un-allocable Assets				127626.34				11370.32
Total Assets				339269.76				318153.65
Segment Liabilities	36251.70	4.74	1754.44	38010.89	32922.97	3.34	1879.95	34806.27
Un-allocable Liabilities				2648.13				0.00
Total Liabilities				40659.02				34806.27
Capital Expenditure	3066.70	113.11		3179.82	12809.79	139.26		12949.05
Depreciation	4984.49	306.96	6.97	5298.42	3849.25	306.96	6.96	4163.17

* Note

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

12. 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.

13.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	7230.01	100.00	6727.88	100.00
ii) Imported	0.00	0.00	0.00	0.00
Total	7230.01	100.00	6727.88	100.00

c) Earnings in Foreign currency - Nil.

d) Expenditure in Foreign currency:-

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

(ii) Foreign travel expenses – ₹ 15.52 lakhs (Previous Year ₹ Nil)

14. The Company has budgeted CSR expenditure of ₹ 600 Lakhs (P.Y ₹ 450 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 ₹ 499.00 lakhs for the FY 2024-25 for various projects and released ₹ 499.00 lakhs. The details of amount spent towards CSR during the FY 2024-25 is as under



(a) The Gross amount required to be spent by the company during the year was ₹ 489.79 Lakhs (P.Y ₹ 418.98 lakhs)

(b) Amount spent during the year on:

₹ in Lakhs					
Sl.No.	Particulars	Sanctioned amount	Paid during previous years	Paid during the year	Yet to be paid.
1	Class rooms, Play grounds furniture, computers, printers and other infrastructures facilities to schools	435.00	0.00	435.00	0.00
2	Medical camps, blood banks and treatments	*85.00	10.00	0.00	75.00
3	Sponsorship to students/schools/colleges	*75.00	10.00	0.00	65.00
4	Building at rural areas	50.00	0.00	50.00	0.00
5	Women empowerment	14.00	0.00	14.00	0.00

*Note:- Rs.85.00 lakhs and Rs.75.00 lakhs were sanctioned during previous year

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

REVENUE:

Particulars	Current Year	Previous Year
	₹ in Lakhs	₹ in Lakhs
Maintenance materials	5.38	13.83
Salaries, Wages & benefits	2414.53	2274.62
Water Supply	208.15	219.76
Electricity Charges	673.97	656.89
Repairs & Maintenance of Buildings & Roads	95.24	494.19
Depreciation	172.67	167.66
Medical facilities	1463.23	1008.31
Expenses on Social & Cultural activities	1486.81	1648.34
Total	6519.99	6483.60
Less: Township recoveries:	44.42	131.16
Net: Township Expenses:	6475.57	6352.44

CAPITAL:

Particulars	Current Year – ₹ in Lakhs		Previous Year – ₹ in Lakhs	
	Gross Block as at 31-03-25	Depreciation Up-to 31-03-25	Gross Block as at 31-03-24	Depreciation Up-to 31-03-24
Township	5396.95	1913.93	5277.11	1804.39
Hosp. School & Social & cultural	1330.35	616.54	1128.93	578.72
	154.14	75.59	145.76	71.74
Total	6881.44	2606.06	6551.80	2454.85



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

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

₹ in Lakhs

Sl. No	Particulars	Current Year – 2024-25			Previous Year – 2023-24		
		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	18602.31	4603.07	4346.32	14800.17	3358.58	3027.49
	Net current service cost	1118.94	520.17	253.69	913.73	332.09	170.52
	Interest cost on DBO	1302.89	332.71	306.93	1065.38	248.45	219.33
	Benefits paid	(1115.22)	*(1081.78)	(156.71)	(1323.68)	(1146.50)	(282.05)
	Actuarial (Gains)/Loss	380.43	430.42	3.37	2087.31	1810.43	833.46
	Past service cost	0	0.80		1059.39	0	377.57
	DBO, end of period	20289.35	4805.39	4753.60	18602.30	4603.06	4346.32
B	Change in fair value of Plan Assets during the period						
	Fair value of plan assets, beginning of period.	14511.21	3592.77	1688.48	13874.38	3250.32	623.59
	Interest income on plan assets	1028.85	254.73	113.47	1016.99	238.25	79.68
	Actual company contributions	2565.48	702.48	156.71	960.59	358.78	1282.64
	Benefits paid	(1115.22)	(258.33)	(156.71)	(1323.68)	(264.09)	(282.05)
	Actuarial Gain/(Loss)	52.18	28.80	4.78	(17.07)	9.50	(15.39)
	Fair value of plan assets, end of period	17042.50	4320.44	1806.73	14511.21	3592.76	1688.48
C	Amounts in Balance Sheet at period end						
	Defined benefit obligation		4805.39			4603.06	
	Fair value of plant assets		4320.44			3592.77	
	(Asset)/Liability recognized in the Balance Sheet		484.95			1010.29	
D	Amount recognized in Statement of Profit & Loss at period end						
	Service cost		520.17			332.09	
	Net interest cost		77.98			10.20	
	Remeasurements		401.62			1800.93	
	Past service cost		0.80				
	Total expenses/(Income) included in "Employee benefit expenses"		1000.57			2143.23	
E	Amount recognized in statement of financial position at period end						
	Present value of funded defined benefit obligation	20289.35		4753.60	18602.31		4346.32
	Fair value of plant assets	17042.50		1806.73	14511.21		1688.48
	Net defined benefit (Asset)/Liability recognized in the statement	3246.85		2946.87	4091.10		2657.84



	of financial position						
F	Net defined benefit cost/(income) included in statement of Profit & Loss at period end						
	Service cost	1118.94		253.69	913.73		170.52
	Net interest cost	274.05		193.46	48.39		139.64
	Past service cost				1059.39		377.57
	Total defined benefit cost/(income) included in Profit & Loss expenses	1392.99		447.15	2021.52		687.74
G	Principal Actuarial Assumptions						
	Discount Rate	6.72%	6.72%	6.72%	7.09	7.09	7.09
	Mortality Rate	IALM (2012-14) Ultimate			IALM (2012-14) Ultimate		
	Salary escalation	7.00%	7.00%	7.00%	8.00	8.00	8.00
	Expected rate of return on assets	6.72%	6.72%	6.72%	7.09	7.09	7.09

* The benefits paid includes ₹ 823.41 Lakhs (P.Y ₹ 882.41 Lakhs) settled by company.
E.S.S. stands for Employees Special Superannuation Scheme.

17. 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		
		Name	Sri.Sanjay Shettannavar IAS 01.04.2024 to 28.08.2024	Smt.Shilpa.R KAS 28.08.2024 to 31.03.2025
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.21	12.72	26.93
	(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...			
	(a) contributions to funds/pensions schemes		1.38	1.38
	Total (A)	14.21	14.10	28.31
	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	-	-	-	-	-
	Salary paid to Chairman	-	-	-	-	7.20
	Total (1)					
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee Meetings –					
	1.Sri.J.T Patil - ₹ 0.195 lakhs					
	2.Dr.Richard Vincent D'Souza, IAS - ₹0.02 Lakhs					0.735
	3.Sri.Vipul Bansal, IAS - ₹ 0.06 Lakhs					
	4.Dr.P C Jaffer, IAS - ₹ 0.02 Lakhs					
	5.Sri.Ramandeep Chowdhary , IAS - ₹ 0.08 Lakhs					
	6.Smt.B.B Cauvery, IAS - ₹0.02 Lakhs					
	7.Smt.KhushbooG Chowdhary IAS - ₹ 0.09 Lakhs					
	8.Sri.Girish R. IAS - ₹ 0.07 lakhs					
	9.Sri.Jayavibhavasway, IAS - ₹ 0.10 Lakhs					
	10.Dr.B.Sateesha, IAS - ₹ 0.02 lakhs					
	11.Sri.Mahantesh Bilagi, IAS - ₹ 0.06 Lakhs					
	• Commission					
	Total (2)					0.735
	Total (B)=(1+2)	-	-	-	-	0.735
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
	Name	Shri.Prakash	
	Post held	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	45.82	45.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.67	2.67
	(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	8.77	8.77
	Total	57.26	57.26

18. Payment to Auditors

Particulars	31 st March 2025	31 st March 2024
i. Statutory Audit	2.50	2.50
ii. Tax Audit	1.00	1.00
iii.. Reimbursement of expenses	0.37	0.25

The above expenses are exclusive of taxes

19.The Company has invested ₹ 103753.81 lakhs in fixed deposits (FDs) including FDs offered as security for bank guarantees in various banks on 31.03.2025 (P.Y ₹ 103596.37 Lakhs). The details of these deposits included in financial statements are as under:



₹ in Lakhs

Sl. No.	Particulars	Note No.	As at end of 31.03.2025	As at end of 31.03.2024
1	Cash and cash equivalent (maturity less than 90 days)	11	Nil	Nil
2	Other bank balances (maturity less than one year)	12	101000.00	85000.00
3	Other financial assets – non-current assets (maturity more than one year)	7	1544.79	17387.35
4	FDs offered as security for bank guarantees	7 & 13	1209.02	1209.02

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

21. The outstanding Earnest Money/Security Deposits for more than four years and for which no claims are anticipated in near future is estimated to be about ₹ 1.31 lakhs (P.Y ₹ 8.12 lakhs). Similarly the estimated unclaimed credit balance of various parties for more than four years and for which no claims are anticipated in near future, after adjusting the few old debit balances of vendors is about ₹ 7.13 lakhs. (P.Y. ₹ 14.97 lakhs). These two amounts have been accounted as income during the year. The liability if any arises or if any payments are required to be made by the Company, in future, such payments will be accounted as expenses during the year of payment.

22. 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	206.72
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	Not significant
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.

23. Trade payable aging schedule

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payments as at 31.03.2025				Total
		Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i) MSME	176.72	29.85	-	0.14	0.01	206.72
(ii) Others	791.01	1101.38	0.99	0	25.66	1919.04
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues – Others		-	-	-	-	-
Total	967.73	1131.23	0.99	0.14	25.67	2125.76

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



Particulars	Not Due	Outstanding for following periods from due date of payments as at 31.03.2024				Total
		Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i) MSME	219.01	-	-	-	-	219.01
(ii) Others	1095.09	106.30	3.18	0.26	14.75	1219.58
(iii) Disputed dues – MSME		-	-	-	-	0.00
(iv) Disputed dues – Others		-	-	-	-	0.00
Total	1314.10	106.30	3.18	0.26	14.75	1438.59

24.(a) Trade receivables ageing schedule

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment as at 31.03.2025					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	53.00	-	-	-	0.09	53.09
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	-	-	-	-	-	-
	-	-	-	-	-	-

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment as at 31.03.2024					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	77.58	502.37	102.00	Nil	0.10	682.05
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	-	-	-	-	-	-
	-	-	-	-	-	-

(b) The amount receivable from outsiders for letting of company's residential and commercial buildings includes Rs.120.54 lakhs (P.Y.Rs.100.77 lakhs) being estimated dues for more than three years as on 31.03.2025. The Company is corresponding with concerned authorities and exploring all the possible means to realise the dues, including issuing of legal notices. No provision for doubtful debts is made in the books of accounts as on 31.03.2025, as company management is expecting realisation of old dues, through legal or other means.

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

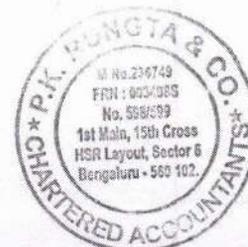
26. Amounts have been rounded off to the nearest two decimal points of lakh of rupees.

27. The gold production shown at sl.no.32 of Note 35 is exclusive of adjustment of opening and closing stock of work in process. The opening and closing stock of work in process gold was 14088.55 grams and 16283.57 grams respectively.

28. Financial Ratios:

Ratio	Numerator	Denominator	31st March, 2025	31st March, 2024
Current Ratio (in times)	Current assets	Current liabilities	4.91	4.75
Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	21.32	12.83
Inventory turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventories	5.65	4.65
Trade Payables turnover ratio (in times)	COGS (Excluding Depreciation being non-cash expenses)	Average Trade payables	37.26	43.22
Net Capital turnover ratio (in times)	Gross Revenue from sale of products and services	Working Capital (Current assets-Current liabilities)	0.94	0.95
Net Profit ratio (in %)	Profit for the year	Gross Revenue from sale of products and services	35.09	24.99
Return on Capital employed (in %)	Profit before interest and taxes	Average Capital employed	28.98	16.87

- (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 is 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 profit, the ratios has improved
 - Inventory turnover ratio - Due to increase in revenue the ratio has also improved
 - Trade payable turnover - Due to increase in trade payables, the ratios has decreased
 - Net profit ratio - Due to increase in profit, the ratio has improved.
 - Return on Capital employed - Due to increase in profit the ratio has improved.



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. Effective tax rate:

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	As at 31 March 2025	As at 31 March 2024
Accounting profit before income tax (A)	59,289.96	31,477.80
Applicable tax rate (B)	25.17%	25.17%
Computed tax expense at statutory rate (C = A*B)	14922.10	7922.33
Tax effect of:-		
Non deductible expenses	2723.76	2160.06
Non taxable income	-1010.10	-521.33
Others	-952.94	-2028.73
Tax expenses as per statement of profit & loss (D)	15,682.81	7,532.33
Effective Tax Rate E=D/A	26.45%	23.93%



31. The financial statements together with notes , material accounting policy information and other notes forming part of accounts have been approved by the Board of Directors of the Company in 441st Meeting of the Company held on 02.09.2025.

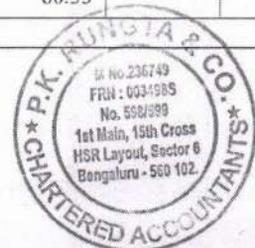
32. (A)

Gold Placed Under Gold Monetization Scheme					
Particulars	Current year		Particulars	Previous year	
	Opening stock	Closing stock		Opening stock	Closing stock
995 purity (Grams)	1002589.02	1002589.02	995 purity (Grams)	1002589.02	1002589.02
Converted to 1000 purity (Grams)	997576.07	997576.07	Converted to 1000 purity (Grams)	997576.07	997576.07
Cost Value (Rs in lakhs)	24230.60	24230.60	Cost Value (Rs in lakhs)	24230.60	24230.60
Value as per certificate (Rs.in lakhs)	47213.29	55407.98	Value as per certificate (Rs.in lakhs)	47213.29	47213.29

Note :- Certificates issued for 995 purity

32 (B). PRODUCTION, STOCKS AND SALES

	Class of Goods	Unit	Current Year			Previous year		
			Hutti	Chitradurga	Total	Hutti	Chitradurga	Total
Quantitative Particulars								
Milling	Ore	Tons	683701		683701	718281		718281
Actual Production	Gold	Grams	1606299.70		1606299.70	1553054.99		1553054.99
	Silver	Grams	149322.40		149322.40	150055.25		150055.25
	Sand extraction	Tons			114244			417389
	Wind Energy	KWH		20306162	20306162		23248148	23248148
Opening Stock	Gold	Grams	405064.45		405064.45	380006.28		380006.28
	Silver	Grams	143241.14		143241.14	145294.77		145294.77
	Sand	Tons			219331			45879.81
Closing Stock	Gold	Grams	411160.93		411160.93	405064.45		405064.45
	Silver	Grams	142987.09		142987.09	143241.14		143241.14
	Sand	Tons			173973			219331
Sales	Gold	Grams	1600253.11		1600253.11	1527996.87		1527996.87
	Silver	Grams	149134.70		149137.70	152183.10		152183.10
	Sand	Tons			159602			
	Wind Energy	KWH		20306162	20306162		23248148	23248148
Value Particulars						₹ in Lakhs		
Opening Stock	Gold		14163.39		14163.39	12068.81		12068.81
	Silver		80.33		80.33	78.47		78.47
	Sand				464.35			95.25
Closing Stock	Gold		14359.16		14319.84	14163.39		14163.39
	Silver		86.41		86.41	80.33		80.33
	Sand				356.52			464.35



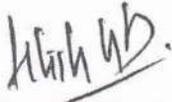
Sales	Gold		122340.99		122340.99	93223.54		93223.54
	Silver		134.29		134.29	110.30		110.30
	Sand				1117.21			1707.57
	Wind Energy			690.41	690.41		790.44	790.44

Note Number 1-35 forms part of the accounts

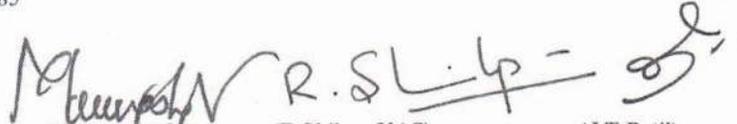
To be read with our report of even date

for and on behalf of the Board

For P.K.Rungta & Co.,
Chartered Accountants
ICAI Firm Reg.No 0034985


(CA Ashish Rungta)
Partner
Membership No.236749


(Murugesha.V)
DGM(Finance)


(R.Shilpa, KAS)
Managing Director
DIN10783235


(J.T.Patil)
Chairman
DIN00535538

BANGALORE
DATED : 02.09.2025

