

ANNUAL REPORT 2020-21

Estd. 1937

84

YEARS

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Regd. Office: No. 452, 11th Cross, 6th Main, Sadashivanagar,
Bangalore - 560080, Karnataka



Founder

Late Sri R. Vyasa Rao

1881-1958



CORPORATE IDENTIFICATION NUMBER

U26913KA1937PLC000197

REGISTERED OFFICE

No. 452, 11th Cross, 6th Main, Sadashivanagar,
Bangalore - 560080, Karnataka, India

CONTACT DETAILS

Email: msppoffice@gmail.com

Phone No.: +91 80 23614696, 80 23614697

Website: <http://mysorestonewarepipes.in/>

DIRECTORS


Mr. Nanjappaiah Madgondapalli Ramu, Chairman
Mr. Hosahally Nanjaiah Shivananjaiah, Executive Director
Mr. Rajiv Harshavardhan Ramahalli, Executive Director
Mr. Sanjay Jayatsen, Director
Mr. Casiker Vivekanand, Director

AUDITORS

M/s Nityananda & Co. (FRN: 012595S)

BANKERS

Union Bank of India, Chikkabanawara Branch
Canara Bank, Mahalakshmi Layout Branch
ICICI Bank, Sadashivanagar Branch
State Bank of India, Malagala Road Branch
Kotak Mahindra Bank, Lavelle Road Branch



MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Registered office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore - 560080, Karnataka

Corporate Identification Number: U26913KA1937PLC000197, Email Id : msppoffice@gmail.com

Phone no.: 080-23614696, 080-23614697, Website: www.mysorestonewarepipes.in

NOTICE

To,
The Members,

NOTICE is hereby given that the 84th (Eighty Fourth) Annual General Meeting of the members of the **MYSORE STONEWARE PIPES AND POTTERIES LIMITED** (CIN: U26913KA1937PLC000197) will be held on Monday, 29th November, 2021 at 11.00 a.m. through Video Conferencing (“VC”)/other audio visual means (“OAVM”) to transact the following business:

The deemed venue for the AGM shall be the Registered Office of the Company at No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore – 560080. Karnataka

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS:

To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon;

2. TO CONFIRM THE PAYMENT OF INTERIM DIVIDEND ON EQUITY SHARES AND TO DECLARE A FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR 2020-21:

To confirm and take note of interim dividend of INR. 125/- (Indian Rupees One Hundred and Twenty-Five Only) per equity share declared by the Board of Directors of the Company during the financial year 2020-21 at the rate of 1250% (One Thousand Two Hundred and Fifty Percent) on 7,39,200 fully paid-up equity shares of INR 10/- each and to declare a final dividend of INR 10/- (Indian Rupees Ten Only) per equity share for the financial year 2020-21 at the rate of 100% (One Hundred Percent), on 7,39,200 fully paid-up equity shares of INR 10/- each.

3. APPOINTMENT OF MR. NANJAPPAIAH MADGONDAPALLI RAMU (DIN: 07268616), WHO RETIRES BY ROTATION:

To appoint Mr. Nanjappaiah Madgondapalli Ramu (DIN: 07268616), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

4. APPOINTMENT OF MR. CASIKER VIVEKANAND (DIN: 00822219), WHO RETIRES BY ROTATION:

To appoint Mr. Casiker Vivekanand (DIN: 00822219), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

**By Order of the Board of Directors of
Mysore Stoneware Pipes and Potteries Limited**

Sd/-
Nanjappaiah Madgondapalli Ramu
Chairman
DIN: 07268616
No. 423, 5th 'C' Cross, 4th Main, Near Giryas,
2nd Block, Bangalore – 560043, Karnataka, India

Date: October 22, 2021

Place: Bangalore

Registered Office:

No. 452, 11th Cross, 6th Main

Sadashivanagar,

Bangalore - 560080

CIN: U26913KA1937PLC000197

Website: www.mysorestonewarepipes.in

Email ID: msspoffice@gmail.com

Ph.: 080-23614696

NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17 / 2020 dated April 13, 2020, followed by General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), and MCA Circulars, the 84th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), on Monday, 29th November, 2021 at 11.00 a.m. (IST) and members can attend and participate in the ensuing AGM through VC/OAVM.
2. The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore – 560080 and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and circulars issued by MCA the Company is providing facility of e-voting to its members, in respect of business to be transacted at AGM. For this purpose, the Company has entered into agreement with the Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the Authorised e-Voting’s agency. The facility of casting vote by the members by using remote e-Voting as well as venue voting system on the date of the Annual General Meeting (“AGM”) will be provided by CDSL.
3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held VC/OAVM as per the MCA circulars, physical attendance of members has been dispensed with, pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs. Accordingly, the facility for appointment of proxies by the members will not be made available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, the bodies corporate are entitled to appoint Authorised Representative to attend the AGM through VC/OAVM and participate there at and cast their vote through e-voting.
4. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting, by following the procedure mentioned in the Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Company has fixed Monday, November 22, 2021 as the ‘Record Date’ for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.

7. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or before Tuesday, 28th, December, 2021 as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”), “Depository”, as of end of day on Monday 22nd November, 2021.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Monday 22nd November, 2021.
8. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company (if shares held in physical form).
9. Members are required to notify immediately, changes if any in their address, to Registered Office of the Company.
10. Members are requested to register their e-mail ID with Company to enable the Company to send all communications including notice of the meetings electronically.
11. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company’s Registrar and Transfer Agent - BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C. Road, Bangalore- 560027. Ph. No. 080 41329661. E-mail: cs_rta@bfsi.co.in or vp-rta@bfsi.co.in. Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates, to the concerned Depository Participants.
12. As per Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, the shares of the company should be held in DEMAT form. The ISIN of the company is INE489N01010; members are requested to DEMAT the physical shares with DP of NSDL. Since, your company shares are admitted for demat facility in NSDL.
13. On account of threat posted by COVID-19 pandemic situation, the Company is sending Notice of the AGM along with Annual Report 2020-21 in electronic form to those members whose email ID is registered with the Company which is in consonance with the General Circulars issued by MCA.
14. The Process of obtaining AGM notice and Annual Report 2020-21, for those members, whose email IDs are not registered is as detailed below:

- i) The members who have not registered their email address and in consequence the e-voting notice could not be serviced, may get their email address registered with the Company by sending an email at - mspoffice@gmail.com. In case of any queries, members may write to - BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore- 560027. Ph. No. 080 41329661, E-mail: cs_rta@bfsi.co.in or vp_rta@bfsi.co.in.
 - ii) It is clarified that for permanent registration of email address, members are requested to register their email addresses, in respect of electronic holdings, with their concerned Depository Participants and in respect of physical holdings, with the Company / Registrar and Share Transfer Agent, BgSE Financials Limited.
 - iii) Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants/ the Company and company's Registrar and Share Transfer Agent, BgSE Financials Limited, to enable servicing of notices/documents/ Annual Reports, electronically.
15. The Board has appointed Mr. Prakash M., Practicing Company Secretary, (Membership No. F8810, Certificate of Practice No. 9681) to act as the Scrutinizer, to scrutinize the entire e- voting process in a fair and transparent manner.
16. In terms of Section 108 and all other applicable provisions, if any, of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014, as amended from time to time, the company is pleased to offer remote e-voting facility to all the members of the company in respect of the business to be transacted at the AGM. The company has engaged services of Central Depository Services (India) Limited ("CDSL"), as its agency for providing or facilitating e-voting.
17. E-voting cut-off date: The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 09.00 A.M. (IST) on Friday, 26th November, 2021 and will end at 05.00 P.M. (IST) on Sunday, 28th November, 2021. The remote e-voting module shall be disabled by CDSL for voting thereafter.
18. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, 22nd November, 2021, are entitled to vote on the Resolution(s), set forth in this notice.
19. Members joining the meeting through VC/OAVM, who have not casted their votes by remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM, but shall not be entitled to cast their votes again.

- 20. The Members desiring to vote through electronic mode/remote e-voting may refer to the detailed procedure on e-voting given herein under:**

PROCEDURE FOR E-VOTING: -

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www. http://www.mysorestonewarepipes.in/](http://www.mysorestonewarepipes.in/). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e.www.evotingindia.com.

7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Friday, 26th November, 2021 at 9:00 am and ends on Sunday, 28th November 2021 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 22nd November, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/Evoting Login. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p>

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

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

Login Type	Help Desk Details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company /RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mspoffice@gmail.com designated email address by company , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at mspoffice@gmail.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to msspoffice@gmail.com /cs_rta@bfsi.co.in,vo_rta@bfsi.co.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

21. Any person, who acquires shares of the Company and becomes the member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., Monday, 22nd November, 2021, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the

facility of remote e-voting. A person who is not a member as on the cut-off date should take this notice for information purpose only.

23. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company <http://www.mysorestonewarepipes.in> and on the website of CDSL immediately after the declaration of result by the Chairman/ any of the directors of the company or a person authorized in writing.
24. The Register of Members and Share Transfer & Transmission Registers of the Company will remain closed from Tuesday, 23rd November, 2021 to Monday, 29th November, 2021 (both days inclusive).
25. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members / claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Member's interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Member's account on time.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Registered office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore - 560080, Karnataka

Corporate Identification Number: U26913KA1937PLC000197, Email Id : msppoffice@gmail.com

Phone no.: 080-23614696, 080-23614697, Website: www.mysorestonewarepipes.in

BOARD'S REPORT

[Pursuant to Sub-Section (3) of Section 134 of the Companies Act, 2013]

To,
The Members,
Mysore Stoneware Pipes and Potteries Limited
CIN: U26913KA1937PLC000197
Bangalore

Your Directors present the Director's Report together with Audited Financial Statements for the year ended 31st March 2021.

01. FINANCIAL RESULTS:

The Company's financial results for the period ended 31st March 2021 is as under:

Particulars	For the year ended 31.03.2021 (in INR)	For the year ended 31.03.2020 (in INR)
Income from Operations	2,613,52,353	6,51,98,001
Other income	1,84,96,339	1,09,25,740
Less: Expenses	3,97,54,323	2,00,07,555
Less: Exceptional items-	8,77,30,435	(4,99,443)
Profit or (loss) before Tax	15,23,63,934	5,66,15,629
Less: Tax Expenses		
- Current tax	3,80,00,000	75,00,000
- Deferred Tax Asset/ (Liability)	(4,08,118)	(9,54,634)
Profit or (loss) after Tax including deferred tax	11,47,72,052	5,00,70,263
Add: Balance brought forward from previous year	7,64,39,902	2,63,69,639
Less: Dividend	4,58,30,400	—
Less: Interim Dividend	9,24,00,000	—
Balance carried forward to next year	5,29,81,554	7,64,39,902

02. RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the year under review the Company earned revenue from operations of INR 26.13 Crores when compared to INR 6.51 Crores during the previous year. The operations of the Company resulted in a Net Profit after tax of INR 11.48 Crores when compared to INR 5.00 Crores during the previous year.

Your Company continues to carry on the business within the scope of its Main Objects. There was no diversification of business during the financial year under report.

03. SHARE CAPITAL AND DEBT STRUCTURE:

The Authorized Share Capital of the Company is INR 10,00,00,000/- (Indian Rupees Ten Crores Only) divided in to 1,00,00,000 (One Crore) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

The Paid-up Share Capital of the Company is INR 73,92,000/- (Indian Rupees Seventy-Three Lakhs Ninety-Two Thousand Only) divided in to 7,39,200 (Seven Lakh Thirty-Nine Thousand Two Hundred) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

The Company has not increased its Authorised Share Capital and the Paid-up Share Capital during the financial year under report.

Apart from the Equity Shares, the Company has not issued or does not have any kind of securities, including convertible securities, nor obtained any loan facility from any banks or financial institution during the financial year under report.

04. CREDIT RATING OF SECURITIES:

There was no requirement of obtaining credit rating from the credit rating agency, during the financial year under report.

05. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

(i) As on date, the Board of Directors comprises of the following:

Sl. No.	Name	Designation	Date of Appointment
1.	Mr. Nanjappaiah Madgondapalli Ramu (DIN: 07268616).	Director (Chairman)	10/09/2015
2.	Mr. Rajiv Harshavardhan Ramahalli (DIN: 00473445).	Whole-time Director	17/09/2015
3.	Mr. Shivananjaiah Hosahally Nanjaiah (DIN: 02368798).	Whole-time Director	27/09/2008
4.	Mr. Casiker Vivekanand (DIN: 00822219).	Director	19/12/2007
5.	Mr. Sanjay Jayatsen (DIN: 02285192).	Director	21/07/2008

- (ii) Mr. Mysore Manjanathasetty Sampathkumar (DIN- 01322394), Director, who was appointed on March 08, 2019 passed away on January 21, 2021. The Board of Directors place on record their deep appreciation for the services and advice rendered by Mr. Mysore Manjanathasetty Sampathkumar during his tenure as the Director of your company.
- (iii) Mr. Casiker Vivekanand, Director, (DIN: 00822219) and Mr. Nanjappaiah Madgondapalli Ramu (DIN: 07268616), who retires by rotation and are being eligible, offers themselves for reappointment.
- (iv) The Board recommended reappointment of Mr. Hosahalli Nanjaiah Shivananjaiah (DIN: 02368798) and Mr. Rajiv Harshavardhan Ramahalli (DIN: 00473445) as Whole Time Directors for the period of 5 years commencing from September 17, 2020 in the Board Meeting held on July 24, 2020 and accordingly, they were reappointed by the Members at the AGM held on December 23, 2020.
- (v) The Company is an Unlisted Public Company and also do not covered under the criteria prescribed by the Rules for appointment of Independent Directors and hence it is not required to appoint Independent Director(s).

06. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors duly met 9 (Nine) times, respectively on 06/06/2020, 24/07/2020, 29/09/2020, 10/10/2020, 12/11/2020, 04/12/2020, 20/02/2021, 24/03/2021 and 30/03/2021 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose, in accordance with provisions of section 118 of the Act and the Secretarial Standard 1(SS-1) issued by the Institute of Company Secretaries of India.

07. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Secretaries of India (ICSI), with respect to Standards, issued by the Institute of Company convening and holding of Board and its committee, and General meetings, during the financial year under report.

08. DETAILS OF COMMITTEE(S) AND MEETINGS:

Investors/ Shareholders Grievance Committee and Share Transfer Committee:

The Company had voluntarily constituted Investors/Shareholders Grievance Committee and Share Transfer Committee, comprising of Mr. Rajiv H. Ramahalli, Mr. H. N. Shivananjaiah and Mr. Sanjay Jayatsen as its members, to expedite redressal of investor's grievances and also to address requests/ queries of the shareholders.

Pursuant to the Company being moved to the Dissemination Board, the Board at its meeting held on 4th August 2017 dissolved the Committee(s).

Further, at its meeting held on November 10, 2018, the Board delegated the powers to approve share transfers/ transmissions, requests for issue of duplicate and/ or split share certificate(s), received from time to time, up to 1000 shares per transaction, to Mr. Rajiv H Ramahalli, Executive Director.

The details of Corporate Social Responsibility committee and meetings are given in this report.

Audit Committee and Nomination and Remuneration Committee:

The Company is an Unlisted Public Company and also do not covered under the criteria prescribed by the Rules and is not required to constitute an Audit Committee and Nomination and Remuneration Committee of the Board.

09. CHANGE OF BUSINESS:

The Company has stopped its manufacture and sale of stoneware pipes business and is carrying on the business of developing and sale of land.

10. TRANSFER TO GENERAL RESERVES:

The Company has not transferred any amount to general reserves during the financial year under report.

11. DIVIDEND:

Your Directors paid interim dividend of INR 125/- (Indian Rupees One Hundred and Twenty-Five Only) per equity share at the rate of 1250% (One Thousand Two Hundred and Fifty Percent), during the financial year 2020-21, on 7,39,200 fully paid-up Equity Shares of INR 10/- (Indian Rupees Ten) each. The Directors have also recommended a final dividend of INR 10/- (Indian Rupees Ten) per equity share, the final dividend on equity shares, if approved by the Members, would involve a cash outflow of INR 73,92,000/- (Indian Rupees Seventy Three Lakhs Ninety Two Thousand). The total dividend for FY 2021 amounts to INR 135/- (Indian Rupees One Hundred and Thirty Five) per equity share and would involve a total cash outflow of INR 9.98 crore, resulting in a dividend payout of 1350 percent.

12. PAYMENT OF COMMISSION:

The Company has not paid any commission to any Directors including Whole Time Directors, during the financial year under report.

13. CLOSURE OF REGISTERS:

The Register of Members and Share Transfer & Transmission Registers will remain closed from Tuesday, 23rd November, 2021 to Monday, 29th November, 2021 (both days inclusive).

14. HOLDING/SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES:

The Company do not have any holding or subsidiary company nor entered into an arrangement of joint venture with other company/entity during the financial year.

The Company has in its books, Investment with Global Pipe Engineering & Systems India Private Limited, to the tune of NIL (PY NIL), which is an Associate company, as per the provisions of section 2(6) of the Companies Act, 2013. The investment amount represents diminished value of the original investment of INR 24,16,120/- (Indian Rupees Twenty Four Lakh Sixteen Thousand One Hundred and Twenty only). The Net worth of the Associate Company is fully eroded and the Going Concern assumption is threatened. The management is of the opinion that there is total diminution, other than temporary diminution. This has been done in compliance with the Accounting Standard 13 "Accounting for Investments". The Company does not have any significant influence in the said Associate Company, which is operating under severe long term restrictions and in view of these conditions, consolidation of financial statements is not considered necessary as prescribed under the Accounting Standard 21 "Consolidated Financial Statements" and the Accounting Standard 23 "Accounting for Investments in Associates". The details, highlights of performance of associates companies and their contribution to the overall performance of the Company during the period under report, pursuant to Clause (q) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, is forming part of the Boards' Report and is marked as Annexure I.

The statement containing the salient feature of the financial statement of a company's associate company as per the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts), Rules, 2014 in Form AOC-1 is attached with this report as Annexure I.

Mr. R. P. Trivikram, ex-Managing Director, who is also a member of the Company, is controlling the affairs of the associate company.

15. DEPOSITS:

During the financial year under report, the Company has not accepted any amount which is termed as "Deposit", as per provisions of Section 2(31) of the Companies Act, 2013.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loan(s) or provided any guarantee(s)/security to its Directors or their relatives or other entities, including entities in which Directors have interest, during the financial year under report. Further, the Company has not made any other investment(s) in any other Company/body corporate during the financial year, which requires compliance of provisions of Section 186 of the Companies Act, 2013 and rules made there under. However, the Company has invested surplus money in fixed deposits with nationalised bank.

17. DETAILS OF LOANS FROM DIRECTORS AND THEIR RELATIVES:

The Company has not taken any loan from the Directors and the Relative of Directors of the Company and there are no outstanding balances as at the end of the financial year.

18. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1):

The Company has not entered into any contracts/arrangements, falling under the purview of Section 188 of the Companies Act 2013, during the financial year under report. Therefore, there is no requirement to report any transaction in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

19. RISK MANAGEMENT POLICY:

The Risk Management Policy of the Company is commensurate with the size and scale of its activities. The monitoring process includes review of activities of the Company, identifying the current risks and the measures to overcome the same.

20. CORPORATE SOCIAL RESPONSIBILTY (CSR):

Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, mandates that every Company with Net Worth of Rupees Five Hundred Crore or more, or Turnover of Rupees One Thousand Crore or more or Net Profit of Rupees Five Crore or more during the immediately preceding financial year, shall ensure that it constitutes Corporate Social Responsibility (CSR) Committee and spends in every financial year, at least 2% of the average net profits made during three immediately preceding financial years (calculated according to Section 198 of the Companies Act, 2013), in pursuance of its Corporate Social Responsibility Policy.

Net Profit before tax of the Company for the Financial Year 2019-20 was more than Rupees Five Crore; pursuant to which the provisions of section 135 of the Companies Act, 2013 are applicable to the Company for the financial year 2020-21, and the Company is having Corporate Social Responsibility Policy and the Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

Members of Corporate Social Responsibility (CSR) Committee:

Name of member	Designation
Mr. M.N. Ramu	Chairperson
Mr. Vivekanand C	Member
Mr. Sanjay Jayatsen	Member

21. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY POLICY AND AMOUNT SPENT AND REASON:

The Board has approved CSR policy, developed and recommended by CSR Committee. The Corporate Social Responsibility Policy of the Company indicates the following activities to be undertaken by the Company as per Schedule VII:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- (v) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vi) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- (vii) Rural development projects.
- (viii) Development of area declared as “slum area” by the Government or Competent Authority.
- (ix) Disaster management, including relief, rehabilitation and reconstruction activities.
- (x) The company may also contribute to Prime Minister’s National Relief Fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.

The Board and CSR committee will spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, for fulfilling its obligations towards Corporate Social Responsibility Policy. Accordingly, the Company was required to spend an amount of INR 7,28,292/- during the financial year 2020-21, but the Company could not spend this amount within the financial year 2020-21 since the COVID-19 pandemic rapidly developed into a global crisis, forcing governments to enforce lock-downs of all activities and for the Company, the focus immediately shifted to ensuring the health and well-being of all employees and subsequently the Company has contribute this amount to Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on October 21, 2021.

22. CORPORATE SOCIAL RESPONSIBILITY ANNUAL REPORT:

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, an Annual Report on CSR is appended as “**Annexure-II**” to this Board’s Report.

23. AUDITORS:

M/s Nityananda & Co., Chartered Accountants, Bangalore (Firm Registration Number: 012595S), were appointed as auditors at the Annual General Meeting (AGM) held on September 23, 2017, to hold office for a period of 5 (Five) Years till the conclusion of the Annual General Meeting to be held in the year 2022 and their appointment was subject to ratification by the members at every Annual General Meeting. Subsequently the requirement for ratification by the members at every Annual General Meeting is waived-off pursuant to amended of Section 139 by the Companies (Amendment) Act, 2017 read with Rule 3 of Companies (Audit and Auditors') Rules 2014. Hence, the appointment of M/s Nityananda & Co. as Statutory Auditors shall be valid till Annual General Meeting to be held for the financial year ended March 31, 2022.

24. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company was not required to appoint the Independent Directors and hence the statement on declaration given by independent Directors as per sub-section (6) of section 149 is not applicable to the Company.

25. SECRETARIAL AUDIT REPORT:

The Company is an unlisted public company and also do not covered under the criteria prescribed by the Rules and hence it is not required to obtain Secretarial Audit Report, as per the provisions of Section 204 read with the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, during the financial year under report.

26. COST AUDITORS:

The provisions of Section 148 of the Companies Act, 2013 were not applicable to the Company.

27. MAINTENANCE OF COST RECORDS:

The Company was not required to maintain cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013.

28. EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS:

(a) Independent Auditors Report:

Report on Other Legal and Regulatory Requirements:

Point 1. h) (i): The Company has pending litigations and their impact on the financial position is not ascertainable (Refer note No. 24 and 28.2).

Reply: The comments of the statutory auditors are self-explanatory.

Point 1. h) (iii): There has been a delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the Company which is due to the covid pandemic.

Reply: The comments of the statutory auditors are self-explanatory.

Annexure B:

Point II a): The Inventory of the company represents Land and the management has obtained the physical surveying of the landed properties by an expert during the year which in our opinion is reasonable. There was no material discrepancies noticed on such verification. However there are certain disputes before various revenue authorities with respect to the ownership of those lands. (Refer 24.2)

Reply: The comments of the statutory auditors are self-explanatory.

Point VII b): According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Custom, Duty of Excise, Value Added tax or Cess as at 31st March 2021, which have not been deposited with the appropriate authorities on account of any dispute except a sum of Rs. 83.08 lakhs towards environment fee which is under dispute before the Honourable Supreme Court of India and Rs. 62.75 Lakhs towards Goods & Service Tax (Refer Note no. 24.5) which is under dispute before Commissioner of Central Tax (Audit) Audit II.

Reply: The comments of the statutory auditors are self-explanatory.

Point X: During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers/Employees, noticed or reported during the year nor have we been informed of such cases by the management we are drawing attention to certain ongoing dispute in connection with a service arrangement (note 24.4) and illegal mining activities (note no 24.1) which are under consideration of the investigating authorities / courts.

Reply: The comments of the statutory auditors are self-explanatory.

Any other comments, remarks, observations or the statutory auditors in their report, which have not been explicitly mentioned hereinabove, shall be construed as self-explanatory.

(b) Secretarial Audit Report: Not Applicable.

29. FRAUDS REPORTED BY THE AUDITORS:

The Statutory Auditors have not reported commission/existence of any fraud in their report, during the financial year under report.

30. DIRECTORS RESPONSIBILITY STATEMENT:

As required in terms of Sub-Section (5) of Section 134 of the Companies Act, 2013, your Directors state as under-

- a. That in the preparation of annual accounts, applicable accounting standards had been followed, along with proper explanation relating to material departures;
- b. that 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 state of affairs of the company at the financial year ended 31st March 2021 and of the profit and loss for that period;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act, to safeguard the assets of the company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the annual accounts on a going concern basis;
- e. that the Directors had devised proper systems, to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statement relate on the date of this report.

32. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY:

Not applicable, as the Company has stopped all its manufacturing activities.

B. TECHNOLOGY ABSORPTION:

Not applicable, as the Company is into the business of real estate activities and has stopped all its manufacturing activities.

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Particulars	01.04.2020 to 31.03.2021 Amount (INR)	01.04.2019 to 31.03.2020 Amount (INR)
Foreign Exchange Earnings-	Nil	Nil
Foreign Exchange Outgo--	Nil	Nil
- Capital goods-	Nil	Nil
- Others	Nil	Nil

33. EMPLOYEE STOCK OPTION SCHEME:

The Company has not framed/adopted any scheme, for issue of securities/stock to its employees.

34. EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS:

The Company has not issued Equity Shares with differential voting rights within the meaning of Section 43(a) (ii) of the Companies Act, 2013 read with rules made there under.

35. INTERNAL FINANCIAL CONTROLS:

The Company has maintained adequate internal financial controls as per the provisions of the Companies Act, 2013, with respect to the financial statements of the Company.

36. ANNUAL RETURN:

In accordance with Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is hosted on the website of the Company. The same can be accessed in the weblink: <http://mysorestonewarepipes.in/>

37. PARTICULARS OF MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There was no order passed by any competent authority that may affect the going concern status of the Company and its operations in the future.

38. ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the pendency of the petition filed under section 397-398 of Companies Act, 1956 by some of the shareholders against the Company and the Board of Directors during the Year -2016-17, a Joint Compromise was entered into between the contesting parties on 14th June 2017. During the implementation of which further disputes arose leading to an appointment of an executor by the Honorable National Company Law Tribunal (NCLT) for observing the implementation of Joint Compromise terms. Subsequently, a supplementary Joint Compromise petition was drawn up between the parties which was also order to be implemented by the Hon'ble NCLT by its order dated 31st May 2021, which is being executed/implemented.

39. PARTICULARS OF EMPLOYEES:

None of the employees of the Company are drawing remuneration in excess of the limits specified in Rule 5 (2) and Rule 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Section 197 (12) of the Companies Act, 2013.

40. CORPORATE GOVERNANCE:

The Company had been delisted and removed from the Dissemination Board by the Bombay Stock Exchange (BSE) Limited.

The Company is not a listed company as on date and is not required to comply with the provisions of Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Regulations framed thereunder, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules thereunder; the Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act.

41. REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT:

There was no instance of revision of financial statements or Board's report of the Company, either voluntarily or pursuant to the order of judicial authority, during the financial year under report.

42. TRANSFER TO INVESTOR EDUCATION PROTECTION FUND:

As required under Section 124 of the Act, the unclaimed dividend amount lying with the Company for a period of seven years pertaining to the financial year ended on March 31, 2013, was transferred during the Financial Year to the Investor Education and Protection Fund established by the Central Government.

43. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to provide a safe and conducive work environment to its employees and as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company ensures healthy working environment without fear of prejudice, gender bias and sexual harassment for women.

The POSH Act requires an employer of an organization employing 10 or more employees to set up an 'Internal Committee' ("IC") at each office or branch, to hear and redress grievances pertaining to sexual harassment and in the Company the number of employees are less than the prescribed limit for constitution of internal Committee and the Board states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

44. COVID-19 PANDEMIC:

During the financial year 2020-21, the COVID-19 pandemic rapidly developed into a global crisis, forcing governments to enforce lock-downs of all economic activity and for the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and minimizing disruption of services to all our customers and due to raging Covid-19 Pandemic for the several months, the stringent lockdown was imposed in Karnataka from April to June 2021, and the subsequent devastating consequences of virus and affected the day to day operations of the Company since employees were finding it very difficult to come out from their residence due to pandemic situation. One of our Senior most and experienced accountant who was heading our Accounts department expired in the month of June, 2021 due to covid-19, all the directors and employees were isolated and office premises was sanitized and office remain closed for a certain period as per Covid Protocol.

45. DETAILS AND STATUS OF APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016.

46. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

The Company has not done one time settlement during the Financial Year.

47. VIGIL MECHANISM:

The provisions of Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 were not applicable to the Company.

48. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank the customers, suppliers, bankers, and various regulatory authorities for their constant support and encouragement.

For and on behalf of the Board of Directors
For **Mysore Stoneware Pipes and Potteries Limited**

Sd/-

Rajiv Harshavardhan Ramahalli
Whole-time Director
DIN: 00473445

Sd/-

Hosahalli Nanjaiah Shivananjaiah
Whole-time Director
DIN: 02368798

Sd/-

Nanjappaiah Madgondapalli Ramu
Chairman
DIN: 07268616

Place: Bangalore
Date: 22-10-2021

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Registered office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore - 560080, Karnataka

Corporate Identification Number: U26913KA1937PLC000197, Email Id : mspoffice@gmail.com

Phone no.: 080-23614696, 080-23614697, Website: www.mysorestonewarepipes.in

ANNEXURE I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

The Company does not have any subsidiary company.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Associate Company & Joint Venture.

Sl. No.	Name of the Associate Company	Global Pipe Engineering and Systems (India) Private Limited
1	Latest audited Balance Sheet Date	31/03/2021
2	Date on which the Associate or Joint Venture was associated or acquired	28/03/2008
3	Shares of Associate or Joint Ventures held by the company on the year end	Equity Shares
i	No.	2,41,612
ii	Amount of Investment in Associates or Joint Venture	24,16,120
iii	Extent of Holding (in percentage)	33.33%
4	Description of how there is significant influence	Company holds minority shares and does not have any control on associate
5	Reason why the associate/Joint venture is not consolidated.	The Net worth of the Associate Company is fully eroded and the Going Concern assumption is threatened and detailed explanation is given in the Directors' Report
6	Net worth attributable to shareholding as per latest audited Balance Sheet	(8,30,099)
7	Profit or Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	Not Applicable Not Applicable

1. Names of associates or joint ventures which are yet to commence operations: NA
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

For and on behalf of the Board of Directors
For **Mysore Stoneware Pipes and Potteries Limited**

Sd/-
Rajiv Harshavardhan Ramahalli
Whole-time Director
DIN: 00473445

Sd/-
Hosahalli Nanjaiah Shivananjaiah
Whole-time Director
DIN: 02368798

Sd/-
Nanjappaiah Madgondapalli Ramu
Chairman
DIN: 07268616

Date : 22-10-2021
Place : Bangalore

MYSORE STONEWARE PIPES AND POTTERIES LIMITED

Registered office: No. 452, 11th Cross, 6th Main, Sadashivanagar, Bangalore - 560080, Karnataka

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Phone no.: 080-23614696, 080-23614697, **Website:** www.mysorestonewarepipes.in

Annexure – II

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED will in future focus on following:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- (v) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vi) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- (vii) Rural development projects.
- (viii) Development of area declared as “slum area’ by the Government or Competent Authority.
- (ix) Disaster management, including relief, rehabilitation and reconstruction activities.
- (x) The company may also contribute to Prime Minister’s National Relief Fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

2. Composition of CSR Committee

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Mr. M.N. Ramu	Chairperson	1	1
02	Mr. Vivekanand C.	Member	1	1
03	Mr. Sanjay Jayatsen	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company- <http://mysorestonewarepipes.in/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- **Not Applicable**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
	Total		

6. Average net profit of the company as per section 135(5) is Rs. 3,64,14,585/-

7. (a) Two percent of average net profit of the company as per section 135(5) is Rs. 7,28,292/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- Nil

(c) Amount required to be set off for the financial year, if any- Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) Rs. 7,28,292/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
7,28,292	-	-	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).	7,30,000	21/10/2021

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	Dist.						Name	CSR Registration number.
1.	Not Applicable											
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Through implementing agency.	
				State	District		Name	CST Registration Number

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs. 7,30,000/-

(g) Excess amount for set off, if any- Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two per cent of average net profit of the Company as per section 135(5)	Rs. 7,28,292/-
(ii)	Total amount spent for the Financial Year	Rs. 7,28,292/-
(iii)	Excess amount spent for the financial year [(ii)-(i)] Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(iv)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
			Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	Not Applicable					
	Total					

(b) Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s): NA

(1)	(2)	(3)	(4)	(5)	(7)	(8)	
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total Spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
1.	Not Applicable						
	Total						

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- Not applicable

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company was required to spend an amount of INR 7,28,292/- during the financial year 2020-21, but the Company could not spend this amount within the financial year 2020-21 since the COVID-19 pandemic rapidly developed into a global crisis, forcing governments to enforce lock-downs of all activities and for the Company, the focus immediately shifted to ensuring the health and well-being of all employees and subsequently the Company has contribute this amount to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on October 21, 2021.

For and on behalf of the Board of Directors
For **Mysore Stoneware Pipes and Potteries Limited**

Sd/-

Rajiv Harshavardhan Ramahalli
Whole-time Director
DIN: 00473445

Sd/-

Hosahalli Nanjaiah Shivananjaiah
Whole-time Director
DIN: 02368798

Sd/-

Nanjappaiah Madgondapalli Ramu
Chairman
DIN: 07268616

Date : 22-10-2021
Place : Bangalore

NITYANANDA & CO
CHARTERED ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

To the Members of **MYSORE STONEWARE PIPES AND POTTERIES LIMITED, Bengaluru**
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MYSORE STONEWARE PIPES AND POTTERIES LIMITED (“the Company”)**, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of the Matter:

- a) We wish to draw emphasis to the Note No.28.2 with respect to the Supplementary Joint Compromise Petition entered between the shareholders to settle the litigations amicably between them and also with respect to the transactions being disposal of immovable property and payments towards Compensation and legal expenditure which is being currently implemented by the new Executor.
- b) Emphasis is drawn to the Note No. 24 with respect to the various Contingent Liabilities on the company including alleged illegal service arrangements and with respect to the ongoing investigation by the Karnataka Lokayuktha on the mining activities of the company which is not ascertainable.

Our opinion is not modified in respect of the above matter emphasized.

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 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 regarding this "Other Information"

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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.

Nityananda & Co
Chartered Accountants

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) 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) 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) In 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 A and

Nityananda & Co
Chartered Accountants

- g) 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
- h) With respect to the other matters included in the Auditor's Report in accordance with Section 143(11) read 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 pending litigations and their impact on the financial position is not ascertainable (Refer note No. 24).
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been a delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the Company which is due to the covid pandemic.

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

Place : Bengaluru
Date : 22-10-2021

for Nityananda & Co .,
Chartered Accountants
Firm Regn No: 012595S

Sd/-
Vijayalakshmi C J
(Partner)
Membership No. : 510494
UDIN – 21510494AAAAMK1861

Nityananda & Co
Chartered Accountants

“Annexure A” to the Independent Auditor’s Report of even date on the Financial statements of **MYSORE STONEWARE PIPES AND POTTERIES LIMITED** for the year ended 31st March 2021.

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

We have audited the internal financial controls over financial reporting of **MYSORE STONEWARE PIPES AND POTTERIES LIMITED** as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Nityananda & Co
Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bengaluru
Date : 22-10-2021

for Nityananda & Co .,
Chartered Accountants
Firm Regn No: 012595S

Sd/-
Vijayalakshmi C J
(Partner)

Membership No. : 510494
UDIN – 21510494AAAAMK1861

‘ANNEXURE B’ TO INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF MYSORE STONEWARE PIPES AND POTTERIES LIMITED REFERRED TO IN PARAGRAPH (2) UNDER THE HEADING OF ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ OF OUR REPORT OF EVEN DATE

- I.
 - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The company has a program of verification to cover all the items of Fixed assets in a phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its assets pursuant to which certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, there have been no material discrepancies on such verification.
 - c) There are no immovable properties under Property, Plant and Equipment as on 31st March, 2021 as the existing immovable property have been converted into Stock in Trade and hence our comments under this clause does not arise.
- II.
 - a) The Inventory of the company represents Land and the management has obtained the physical surveying of the landed properties by an expert during the year which in our opinion is reasonable. There was no material discrepancies noticed on such verification. However there are certain disputes before various revenue authorities with respect to the ownership of those lands. (Refer 24.2)
- III. According to the information and explanation given to us, the company has not granted any secured and unsecured loans to companies, firms, Limited Liability Partnership or other parties listed in the register to be maintained Under Section 189 of the Companies Act, 2013. Hence sub clauses (a), (b) & (c) of Clause (iii) are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185, however refer Note No 15 with respect to dues from erstwhile directors which is pending settlement and there are no transactions which requires compliance of provision of Section 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and securities made.
- V. The Company has not accepted any deposits, whether under the directives issued by the Reserve Bank of India and deposits from the public covered under the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. There have been no instances where order has been passed by Company Law Board or National Company Law Tribunal for any contravention.

VI. Pursuant to the Rules made by the Central Government of India, the maintenance of cost records has not been prescribed under subsection (1) of section 148 of the Companies Act for any of the activity rendered by the company.

VII.

a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing with the appropriate authorities undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and any other material statutory dues with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March 2021 for a period of more than six months from the date they became payable as observed by us during the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Custom, Duty of Excise, Value Added tax or Cess as at 31st March 2021, which have not been deposited with the appropriate authorities on account of any dispute except a sum of Rs. 83.08 lakhs towards environment fee which is under dispute before the Honourable Supreme Court of India and Rs 62.75 Lakhs towards Goods and Service Tax (Refer Note no. 24.5) which is under dispute before Commissioner of Central Tax (Audit) Audit II.

VIII. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, banks or debenture holders as at the Balance sheet date.

IX. The company did not raise any money by way of initial public offer or further public offer during the year. The company has not availed any term Loans during the year.

X. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers/Employees, noticed or reported during the year nor have we been informed of such cases by the management we are drawing attention to certain ongoing dispute in connection with a service arrangement (note 24.4) and illegal mining activities (note no 24.1) which are under consideration of the investigating authorities / courts

XI. According to the information and explanation given to us and based on our examination of the records of the company, the company has complied with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 177 of the Act are not applicable to the company and there are no transactions attracting the section 188. Hence our comments on the same has not been furnished.

- XIV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Bengaluru

Date : 22-10-2021

for Nityananda & Co .,

Chartered Accountants

Firm Regn No: 012595S

Sd/-

Vijayalakshmi C J

(Partner)

Membership No. : 510494

UDIN – 21510494AAAAMK1861

**FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31.03.2021**

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
BALANCE SHEET AS ON 31ST MARCH 2021

	Particulars	Note No.	31st March 2021 Rs.	31st March 2020 Rs.
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	73,92,000	73,92,000
	(b) Reserves and surplus	2	6,48,65,495	8,83,23,843
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	3	46,00,000	46,00,000
	(d) Long-term provisions	4	1,26,923	1,15,200
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	Total outstanding dues of Micro Enterprises and Small Enterprises		94,11,000	97,11,000
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5	51,84,000	51,84,000
	(c) Other current liabilities	6	20,64,03,561	19,86,16,224
	(d) Short-term provisions		-	-
	TOTAL		29,79,82,979	31,39,42,267
II.	ASSETS			
	Non-current assets			
1	(a) Property Plant and Equipment			
	(i) property Plant and Equipment	7	12,45,969	34,48,808
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	8	32,66,972	32,66,972
	(c) Deferred tax assets (net)	9	49,81,546	45,73,428

	(d) Long-term loans and advances	10	70,40,257	1,23,25,357
	(e) Other non-current assets	-	-	-
2	Current assets		-	-
	(a) Current investments		-	-
	(b) Inventories	11	50,91,801	1,63,82,131
	(c) Trade receivables	12	34,97,413	-
	(d) Cash and cash equivalents	13	27,20,59,656	27,29,43,611
	(e) Short-term loans and advances	14	35,036	1,56,619
	(f) Other current assets	15	7,64,329	8,45,341
	TOTAL		29,79,82,979	31,39,42,267
	Significant Accounting Policies and Notes on Financial Statements	1 to 28	-	-

Place : Bengaluru
Date : 22-10-2021

This is the Balance Sheet referred to
in our report of even date.
for Nityananda & Co.
Chartered Accountants.
Firm Registration No. 012595S

Sd/-
Rajiv.H.Ramahalli
Executive Director
DIN- 00473445

Sd/-
H.N.Shivananjaiah
Executive Director
DIN- 02368798

Sd/-
M.N. Ramu
Chairman
DIN- 07268616

Sd/-
Vijayalakshmi C.J
Partner
Membership No. 510494

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	Particulars	Note No.	2020-21 Rs.	2019-20 Rs.
I.	Revenue from operations	16	26,13,52,353	6,51,98,001
II.	Other income	17	1,84,96,339	1,09,25,740
III.	Total Revenue (I + II)		27,98,48,692	7,61,23,741
IV.	Expenses:			
	Cost of materials consumed		-	-
	Stock in trade conversion		-	1,63,83,603
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	1,12,90,330	-1,63,82,131
	Employee benefits expense	19	29,73,900	29,54,744
	Finance costs	20	50,837	1,22,727
	Depreciation and amortization expense	7	3,16,179	9,74,347
	Other expenses	21	2,51,23,077	1,59,54,265
	Total expenses		3,97,54,323	2,00,07,555
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		24,00,94,369	5,61,16,186
VI.	Exceptional items	22	-8,77,30,435	4,99,443
VII.	Profit / (-) Loss before extraordinary items and tax (V - VI)		15,23,63,934	5,66,15,629
VIII.	Extraordinary Items		-	-
IX.	Profit/Loss (-) before tax (VII- VIII)		15,23,63,934	5,66,15,629
X	Tax expense:		-	-
	(1) Current tax		-3,80,00,000	-75,00,000
	(2) Deferred tax		4,08,118	9,54,634
XI	Loss (-) / Profit for the period from continuing operations (IX-X)		11,47,72,052	5,00,70,263
XII	Loss from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit / Loss (-) for the period (XI + XIV)		11,47,72,052	5,00,70,263

XVI	Earnings per equity share of face value of Rs. 10/-. Basic & Diluted Significant Accounting Policies and Notes on Financial Statements	23 1 to 28	155.27	67.74
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Place : Bengaluru
Date : 22-10-2021

This is the Statement of Profit and Loss referred to
in our report of even date.
for Nityananda & Co.
Chartered Accountants.
Firm Registration No. 012595S

Sd/-
Rajiv.H.Ramahalli
Executive Director
DIN- 00473445

Sd/-
H.N.Shivananjaiah
Executive Director
DIN- 02368798

Sd/-
M.N. Ramu
Chairman
DIN- 07268616

Sd/-
Vijayalakshmi C.J
Partner
Membership No. 510494

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in Rupees)

	2020-21		2019-2020	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/LOSS(-) BEFORE EXTRAORDINARY ITEMS		15,23,63,934		5,66,15,629
AS PER THE STATEMENT OF PROFIT AND LOSS				
Adjustments for:				
Depreciation and amortisation expense	3,16,179		9,74,347	
Finance Costs	50,837		1,22,727	
Profit on Sale of car	0		(4,99,443)	
Loss on Disposal of Building	18,86,660		0	
Interest income	(1,22,64,084)		(1,07,99,488)	
		(1,00,10,408)		(1,02,01,857)
Operating Profit before working capital changes	14,23,53,526		4,64,13,772	
Adjustments for :				
Decrease/(Increase) in Trade and other Receivables	19,90,282		6,08,672	
Decrease/(Increase) in Other Bank Balances	16,72,34,133		(8,40,24,775)	
Decrease/(Increase) in Inventories	1,12,90,330		(1,63,82,131)	
(Decrease)/Increase in Advances Received	(12,90,76,482)		4,25,78,999	
(Decrease)/Increase in Trade Payables & other Liabilities	4,41,75,542		(71,44,089)	
		9,56,13,805		(6,43,63,324)
Cash generated from Operations		23,79,67,331		(1,79,49,552)
Income Taxes		(3,80,00,000)		(75,00,000)
Net cash flow from operating activities		19,99,67,331		(2,54,49,552)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets & capital Work in progress	0		0	
Conversion of Fixed Assets into stock in trade			1,63,83,603	
Proceeds from sale of land (Net of Expenses)	0		10,28,677	
Interest income	1,22,64,084		1,07,99,488	

Net cash from investing activities		1,22,64,084		2,82,11,768
C. CASH FLOW FROM FINANCIAL ACTIVITIES				
Repayment towards Borrowings	0		(7,02,043)	
Interest and Bank charges	(50,837)		(1,22,727)	
Dividend paid including Dividend Distribution tax thereon	(4,58,30,400)		0	
Net cash used in financing activities		(4,58,81,237)		(8,24,770)
NET CHANGE IN CASH AND CASH EQUIVALENTS		16,63,50,178		19,37,446
CASH & CASH EQUIVALENTS (Opening Balance)		96,17,900		76,80,454
CASH & CASH EQUIVALENTS (Closing Balance)		17,59,68,078		96,17,900
Significant Accounting Policies and		0		
Notes on Financial Statements	1 to 28			
Reconciliation				
Cash and Cash equivalents				
Cash and cash equivalents as per the Balance sheet		27,20,59,656		27,29,43,611
Less: Fixed deposits having restrictions to use		0		(26,15,63,429)
Less: Bank Balances in Dividend Account		(9,60,91,578)		(17,62,282)
Total Cash and cash equivalents		17,59,68,078		96,17,900

Place : Bengaluru
Date : 22-10-2021

This is the Cash flow statement referred to
in our report of even date.
for Nityananda & Co.
Chartered Accountants.
Firm Registration No. 012595S

Sd/-
Rajiv.H.Ramahalli
Executive Director
DIN- 00473445

Sd/-
H.N.Shivananjaiah
Executive Director
DIN- 02368798

Sd/-
M.N. Ramu
Chairman
DIN- 07268616

Sd/-
Vijayalakshmi C.J
Partner
Membership No. 510494

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31ST MARCH 2021

A. General:

a) Basis of Preparation

The financial statements are prepared under the historical cost convention and evaluated on a going concern basis and are in accordance with the generally accepted accounting principles and Accounting Standards as notified under Rule 7 of Companies (Accounts) Rules, 2014.

b) Use of Estimates

The preparation of the financial statements is in conformity with Indian GAAP which requires the management of the Company (“Management”) to make estimates and assumptions that affect the reported amounts of revenue and expenses of the year, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

B. Property Plant and Equipment

Tangible Assets are stated at cost, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of duties and taxes and other incidental expenses, which are directly related to the acquisition of the assets & bringing the assets to its working condition for the intended use.

The depreciable amount of an asset is the cost of the asset less its residual value. The useful life of the asset is the period over which the asset is expected to be available for use by the entity. The assets are depreciated on reducing balance method except for computer which are depreciated on straight line basis.

The useful life of the asset has been considered based on the management representation and technical estimate for certain assets such as Plant and Machinery, Equipments and Furniture and the useful life for the buildings has been adopted as prescribed under Part C of the Schedule II of the Companies Act 2013.

C. Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying value of tangible and intangible assets to assess, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset’s net selling price or estimated future cash flows which are discounted to their

present value based on appropriate discount rates. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (Cash Generating Unit).

D. Revenue Recognition:

Revenue in respect of Sale of land is recognized at the time of registration of the Sale deeds and when there exists no uncertainty on the ultimate collection. Income in respect of interest is accounted on accrual basis and Dividends are accounted when the right to receive the dividend is established.

E. Inventories:

The inventories comprise of the Lands and they are valued at lower of cost or net realizable value.

F. Investments

The Long-term Investments both Trade, Non-trade, quoted and unquoted are valued at acquisition cost. These are held on Long Term basis. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of management. The Current Investments are valued at cost or Fair value whichever is lower.

G. Employee benefits:

Regular contributions are made to provident fund. Liability for gratuity has been provided based on the number of years of service rendered. Leave encashment has been provided on actuals.

H. Foreign Exchange transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Profit and loss account. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognized in the Profit and Loss account. Non-monetary foreign currency items are carried at cost.

I. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of one year to get ready for intended use. All other borrowing costs are charged to Revenue.

J. Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

K. Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Contingencies are disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are neither recognized nor disclosed in the financial statements.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

1. SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Authorised 1,00,00,000 (1,00,00,000) Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
Issued subscribed and fully paid up 7,39,200 (7,39,200) Equity Shares of Rs. 10/- each	73,92,000	73,92,000
Total	73,92,000	73,92,000

1.1 Reconciliation of the number of Equity shares outstanding is set out below:

Particulars	31st March 2021		31st March 2020	
	Nos.	Rs.	Nos.	Rs.
Equity Shares outstanding at the beginning of the year	7,39,200	73,92,000	7,39,200	73,92,000
Add: Issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	7,39,200	73,92,000	7,39,200	73,92,000

1.2 The details of shareholders holding more than 5% shares:

Sl. No.	Name of the Shareholder	As at 31st March 2021		As at 31st March 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Smt. Archana Sanjay	48,726	6.59%	48,726	6.59%
2	Mr. R.P. Trivikram	1,29,371	17.50%	1,29,371	17.50%
3	Mr. Rajiv H Ramahalli	72,676	9.83%	72,676	9.83%
4	Mr. H.N. Shivananjaiah	1,02,540	13.87%	1,02,540	13.87%

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

2 RESERVES AND SURPLUS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
a)General Reserve		
Opening Balance	1,18,83,941	1,18,83,941
Closing Balance	1,18,83,941	1,18,83,941
b) Surplus: Balance in Statement of Profit and Loss		
Opening balance:	7,64,39,902	2,63,69,639
Add/(Less): Net Profit/(Loss)for the current Period	11,47,72,052	5,00,70,263
Less: Final Dividends (2019-20)	-4,58,30,400	-
Less: Interim Dividend (2020-21)	-9,24,00,000	
Closing Balance	5,29,81,554	7,64,39,902
Total	6,48,65,495	8,83,23,843

3 OTHER LONG TERM BORROWINGS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
(a) Earnest Money Deposit Received	46,00,000	46,00,000
Total	46,00,000	46,00,000

The management owes Rs. 45,00,000/- to a vendor which is pending for payment since he has not completed his obligations as per the contractual terms and is not supported by confirmation of balance. The management informs that the whereabouts and existence of the said vendor is not identifiable and due to this and going by the experience, it is classified as Long term.

4 OTHER LONG TERM PROVISIONS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Provision for employee benefits		
Provision for Gratuity	1,26,923	1,15,200
Total	1,26,923	1,15,200

4.1 MOVEMENT IN PROVISIONS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Opening Balance	1,15,200	5,07,692
Add: Provisions	1,26,923	1,15,200
Less: Payments / Transfers	1,15,200	5,07,692
Closing Balance	1,26,923	1,15,200

The above disclosure has been additionally furnished in addition to the disclosure for the items as required under Accounting Standard 29.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

5. TRADE PAYABLES

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Total outstanding dues of Micro Enterprises and Small Enterprises	94,11,000	97,11,000
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	51,84,000	51,84,000
Total	1,45,95,000	1,48,95,000

The details furnished with respect to the dues of Micro and Small Enterprises is as per the information furnished by the Company and based on the declarations obtained from the vendors as on 31st March 2021 and inspite of its best efforts, the company was not able to obtain said declarations from the balance vendor as on 31st March 2021.

- a) the principal amount of 94,11,000/- (Rs. 97,11,000/-) and the interest due thereon NIL(NIL) is remaining unpaid to any supplier as at the end of each accounting year
- b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year - Nil
- c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 : **No interest has been provided in the absence of the company accepting the service rendered by the Service Provider and crystallisation of the liability.**
- d) the amount of interest accrued and remaining unpaid at the end of each accounting year; **NIL**
- e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 - Nil

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

6 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
(a) Current maturities of long-term debt	95,455	3,73,887
(b) Unpaid dividends	36,21,970	17,04,096
(c) Interim Dividend 2020-21 payable	9,24,00,000	-
(d) Other payables		
i) Liability for expenses	4,20,96,938	14,12,752
ii) Liability for Statutory Dues	98,60,733	86,87,142
iii) CSR Expenditure	9,66,600	
iv) Advance from customers	5,73,61,865	18,64,38,347
Total	20,64,03,561	19,86,16,224

Interim Dividend payable is the Gross amount due to the Shareholders at Rs. 125/- per share without withholding of taxes which is due on distribution.

Statutory Dues includes environment fee payable Rs. 83,08,480/- (Rs. 83,08,480/-) outstanding to be paid out of the total fee demanded of Rs. 1,03,08,480/- in the year 2008-09.

Liabilities for Expenses include a sum of Rs. 4,00,00,000/- being compensation payable on out of court Settlement to a Vendor.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

Notes on Financial Statements for the year ended 31st March 2021

7. PROPERTY PLANT & EQUIPMENT

Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at 31st March 2020	Additions	Disposals / others	As at 31st March 2021	Upto 1st April 2020	Depreciation charge for the year	Adjustments during the year	Upto 31st March 2021	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Property Plant and Equipment										
Land ##	-	-	-	-	-	-	-	-	-	-
Factory Buildings	63,37,081	-	39,10,068	24,27,013	38,55,322	59,885	20,23,408	18,91,799	5,35,214	24,81,759
Computers	2,61,805	-	-	2,61,805	2,57,860	-	-	2,57,860	3,945	3,945
Furniture and Fixtures	2,71,594	-	-	2,71,594	2,30,196	15,011	-	2,45,207	26,387	41,398
Vehicles	41,70,765	-	-	41,70,765	33,58,235	2,13,491	-	35,71,726	5,99,039	8,12,530
Office equipment	3,28,040	-	-	3,28,040	2,18,864	27,792	-	2,46,656	81,384	1,09,176
Total	1,13,69,285	-	39,10,068	74,59,217	79,20,477	3,16,179	20,23,408	62,13,248	12,45,969	34,48,808
Previous Year	2,97,68,988	-	1,83,99,703	13,69,285	84,32,995	9,74,348	14,86,865	79,20,478	34,48,807	2,13,35,986

Some of the lands owned by the company are under dispute with respect to ownership which is being contested by the company in various Jurisdictional Courts, Tribunals and also before departmental authorities. Such lands are continued to be shown at cost pending Judicial verdict. The company is not in possession of Khatha document of certain lands.

The lands have been converted into Stock in Trade by the company effective from 24th August 2019 and the amount of NIL (Rs. 1,63,83,603/-) under disposals/others represents the said conversion to Stock in trade.

@ The company has stopped the manufacturing activity and hence the building has been demolished till date except extent of 15000 Sq ft which is in the illegal occupation by a relative of an erstwhile Managing Director. The demolition during the year is with respect to the portion which is no longer usable due to the settlement of the dispute with a third party.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

Notes on Financial Statements for the year ended 31st March 2021

8. NON CURRENT INVESTMENTS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
A.Other Investments (Refer A below)		
Long term, non trade, unquoted ,at cost,		
a) Tax Free Bonds (Rural Electrification Bonds)	10,00,000	10,00,000
b) Non Convertible Debentures 12.95% Debentures in Cholamandalam Investments and Finance Co Ltd.,	22,66,972	22,66,972
Total	3,266,972	3,266,972

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Aggregate amount of unquoted investments	3,266,972	3,266,972

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

A Details of Other Investments

Sl. No.	Name of the Body Corporate	Subsidiary /Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost	If Answer to Column (9) is 'No' - Basis of Valuation
			As at 31st March 2021	As at 31st March 2020			As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020		
a)	Traded investments being Equity Instruments - Global Pipe Engineering Systems India Private Limited	Associate Company	2,41,612	2,41,612	Unquoted	Fully paid up	33.33%	33.33%			No	The diminution is based on the Management's estimate.

The value of the said investments have been completely diminished and the same has been written off

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

9 DEFERRED TAXES ASSET

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Deferred Tax asset		
Related to Fixed assets	24,87,460	22,70,692
Disallowances under Income Tax Act 1961 (43B and 40a(7))	24,94,086	23,02,736
Total	49,81,546	45,73,428

10 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
<u>Other Loans and Advances</u>		
Unsecured and considered good		
Security Deposits #	13,24,923	13,24,923
Advance Tax (Net) ##	22,37,398	34,23,640
GST Input Tax Credit*	32,93,928	74,43,477
Others	1,84,008	1,33,317
Total	70,40,257	1,23,25,357

* Includes a sum of Rs. 17,64,000/- being the amount GST Input Tax credit reversed u/s 16(2) of the CGST Act 2017 in the GST Returns.

Represents deposit with Electricity department.

The company has sold land measuring 8 Acres to the third party under the memorandum of understanding (MOU). Some of the sales consideration has been received by the company which is only a confirming party, from the ultimate buyers instead of the third party as per the MOU on Registration of immovable property in the ultimate buyers' names. Each of the ultimate buyers has withheld taxes in the Company's name. Though the full sale consideration has agreed with the third party is recognised in the books of accounts, such withholding has resulted in excess tax credit and income in the tax credit statement, than as agreed in the memorandum of understanding.

11 INVENTORY

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Stock in Trade		
Lands	50,91,801	1,63,82,131
Valued at cost or net realisable value whichever is lower		
Total	50,91,801	1,63,82,131

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

12 TRADE RECEIVABLES

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Unsecured, considered good *	34,97,413	-
Total	34,97,413	-

* There are no Trade receivables which are outstanding for a period more than six months from the due date of payment in the current and previous year except to the tune of NIL (PY NIL)

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

13 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
a. Balances with Banks	17,59,58,608	27,11,77,056
b. Cash on hand	9,470	4,273
c. Other Bank Balances	9,60,91,578	17,62,282
Total	27,20,59,656	27,29,43,611

* Balance with banks includes unclaimed Dividend of Rs.9,60,91,578 /-(Previous year Rs. 17,62,282/-)

14 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Unsecured, considered good		
Others		
- Advances to Suppliers and others	-	93,331
- Prepaid Expenses	35,036	63,288
Total	35,036	156,619

15 OTHER CURRENT ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.
Unsecured, considered good		
<u>Due from Related Parties</u>		
Car Hire charges receivable	5,99,300	5,99,300
<u>Others</u>		
Interest Accrued on Investments	20,025	20,025
GST Cash Ledger	1,45,004	2,26,016
Total	7,64,329	8,45,341

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

16. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	2020-21	2019-20
	Rs.	Rs.
Turnover	26,13,52,353	6,51,98,001
Total	26,13,52,353	6,51,98,001

The company has converted the Lands into Stock in Trade on 24th August 2019 and the above sale of land is subsequent to the said date of conversion.

17 . OTHER INCOME

Particulars	2020-21	2019-20
	Rs.	Rs.
Interest Income on Term deposits	1,22,64,084	1,07,99,488
Interest income on Bonds and Debentures	3,40,515	1,00,125
Rental Income	8,82,000	-
Miscellaneous Income#	50,09,740	26,127
Total	1,84,96,339	1,09,25,740

Includes Rs. 50,00,000/- (NIL) being compensation received in lieu of the construction of building to the Company

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

18 . CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE.

Particulars	2020-21	2019-20
	Rs.	Rs.
Inventories (At Commencement)		
Stock in Trade	1,63,82,131	-
Inventories (At Close)	-	
Stock in Trade	50,91,801	1,63,82,131
	50,91,801	1,63,82,131
Grand Total	1,12,90,330	1,63,82,131

* The company has converted the Lands into Stock in Trade on 24th August 2019 and the above inventory at close represents cost after reducing Rs. 1,12,90,330/- (Rs. 1472/-) being the cost of the lands which have been sold during the year.

Some of the lands owned by the company are under dispute with respect to ownership which is being defended by the company in various Jurisdictional Courts, Tribunals and also before departmental authorities. Such lands are continued to be shown at cost pending Judicial verdict.

19. EMPLOYEE BENEFITS EXPENSE

Particulars	2020-21	2019-20
	Rs.	Rs.
(a) Salaries and incentives	26,40,000	26,40,000
(b) Gratuity	1,26,923	1,15,200
(c) Staff welfare expenses	2,06,977	1,99,544
Total	29,73,900	29,54,744

The Salaries represents payments made to Executive Directors. The amount of Remuneration has been accounted at Rs. 110000/- per month to each director as against the amount approved by the Shareholders at Rs. 250000/- (PY Rs. 500000/-) per month (inclusive of all allowances and benefits) since the directors have foregone the balance remuneration.

19.1 As per Accounting Standard 15 " Employee Benefits", the disclosures as defined in the Accounting Standard are as below:

a. Defined Benefit Plan

The gratuity expense of Rs. 1,26,923/-(Previous Year Rs. 1,15,200/-) is provided additionally for the year with respect to the employees, which is recognized based on the number of years of service rendered as per the payment of Gratuity Act 1972

As per the Leave encashment policy of the company, the leave salary being a short term benefit is provided for eligible employees on actual basis on the basis of the leave standing to the credit of the employees.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

20. FINANCE COSTS

Particulars	2020-21 Rs.	2019-20 Rs.
Interest expense	50,837	1,22,727
Total	50,837	1,22,727

21. OTHER EXPENSES

Sl. No.	Particulars	2020-21 Rs.	2019-20 Rs.
	Other Expenses		
1	Rent	5,67,000	5,44,500
2	Power & Fuel	12,331	21,289
3	Computer Maintenance	14,881	14,145
4	Insurance	63,288	38,671
5	Legal & Professional Fees	1,08,40,160	76,66,730
6	NCLT appointed Executor/Observer Fees	20,50,000	21,83,700
7	Expenses on sales	44,45,500	7,76,330
8	Rates & taxes	43,11,533	8,53,763
9	Expenditure on Corporate Social Responsibility	9,66,600	-
10	Travel and Conveyance	2,82,950	5,88,715
11	Advertisement	53,680	2,38,008
12	Telephone & Internet Charges	37,246	45,533
13	Audit fees	4,00,000	7,50,000
14	Directors sitting fees	6,20,000	10,20,000
15	Postage and printing	2,41,187	4,03,788
16	Bank Charges	15,594	26,277
17	Miscellaneous Expenses	2,01,127	7,82,816
		2,51,23,077	1,59,54,265

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

21.1

Sr. No.	Audit fees	2020-21 Rs.	2019-20 Rs.
1	Payments to the Auditor Payments to the Auditor as.		
	a. an Auditor	3,60,000	36,0,000
	b. for taxation matters,	40,000	1,00,000
	c. for company law matters,	-	-
	d. for other services,	-	2,90,000
	TOTAL	4,00,000	7,50,000 -

21.2. Expenditure in Foreign Currency - NIL

22. EXCEPTIONAL ITEMS

Particulars	2020-21 Rs.	2019-20 Rs.
Compensation Paid	8,45,00,000	0
Loss on discarding of Buildings	18,86,660	0
Interest and Penalty paid	13,43,775	0
Profit on Sale of Fixed Assets	-	4,99,443
TOTAL	8,77,30,435	4,99,443

The company has incurred Rs. 8,45,00,000/- (PY NIL) towards out of court settlement during 2020-21. There were disputes between the Company and third parties in connection with the Sale of Immovable properties. However the third party who had raised objections against the company are yet to withdraw the complaints against the company pending the final payment of the said compensation.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

23. EARNING PER SHARE (Basic and Diluted)

Particulars	2020-21 Rs.	2019-20 Rs.
Profit / Loss(-) after Taxation	11,47,72,052	5,00,70,263
Add: Prior period items	-	-
Add/Less: Exceptional Items	-8,77,30,435	4,99,443
Less: Extraordinary items	-	-
Net Profit	20,25,02,487	4,95,70,820
No. of shares outstanding	7,39,200	7,39,200
Earning per share before Prior Period and Exceptional items	273.95	67.06
Earning per share after Prior Period and Exceptional items	155.27	67.74

24. Contingent liabilities and Commitments	2020-21 Rs.	2019-20 Rs.
(i) Contingent Liabilities		
(a) Other money for which the company is contingently liable	*Refer Note Below	
(ii) Capital Commitments	-	-

***Others**

24.1 The Report of Karnataka Lokayuktha on illegal Mining in Karnataka has included the mining activities of Iron ore and also others(eg: Clay mining) in the Company's case. The matter has been decided by the Hon'ble Supreme Court prohibiting the Mining activities of the company. The company is contesting the above decision. The financial liability, if any, of the Company on the mining activities carried out arising out of the above proceedings is not ascertainable.

24.2 Liability if any, in respect of dispute before various Revenue authorities 17 Cases (17 Cases) on portions of Company's lands is not ascertainable.

24.3 There is a dispute over iron ore mining rights and a litigation is pending against the company before the Hon'ble High Court of Karnataka, which has been raised by a party. Liability if any, in respect of this dispute is not ascertainable.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

- 24.4 In one of the cases which is under Stay order of the Honourable High Court of Karnataka a claim of alleged service arrangements entered into by the erstwhile Managing Director of the Company is under Litigation. In terms Para 72 of AS 29" Provisions Contingent Liabilities and Contingent Assets" no further details are disclosed.
- 24.5 The company is disputing a sum of Rs. 62,74,086/- being the amount of GST Input Tax Credit which is being disallowed by the Commissioner of Central Tax (Audit) and liabilities if any, arising on the company due to the penalty towards delayed filing of GST Returns, Cancellation of registration, etc., if any as detailed in Note 28.4 below is not ascertainable. the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.
- 25 The Dividend proposed to be distributed to the Equity Shareholders is at Rs. 10/- (Rs. 62/-) Per Equity Share.

26 RELATED PARTY DISCLOSURES

	2020-21	2019-20
	Rs.	Rs.
Name of the party & Relationship with the Company		
Global Pipe Engineering & Systems India Private Limited Associate Company		
<u>Volume of Transactions during the year</u>	NIL	NIL

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

26

RELATED PARTY DISCLOSURES		2020-21 Rs.	2019-20 Rs.
Payments to Key Management Personnel			
Sitting Fees paid			
Sri. C.Vivekanand	Director	1,80,000	2,60,000
Sri. Sanjay Jayatsen	Director	1,80,000	2,60,000
Sri. M.N Ramu	Director	1,80,000	2,60,000
Sri. Sampath Kumar	Director	80,000	2,40,000
Managerial Remuneration			
<u>Sri. Rajiv H Ramohalli</u> Remuneration	Whole Time director	13,20,000	13,20,000
Gratuity		63,462	57,600
<u>Sri. Shivananjaiah</u> Remuneration	Whole Time director	13,20,000	13,20,000
Gratuity		63,462	57,600

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

27 LEASE DISCLOSURE

As a Lessee

The company has a cancellable operating lease with respect to the office premises for which a monthly rent of Rs.,47,250/- (Previous Year Rs. 47250/-) is being paid.

The amount of Lease rentals paid which is recognized in the Statement of profit and loss is Rs. 5,67,000/- (Previous Year Rs. 5,44,500/-)

As a Lessor

The company had leased out a part of its factory premises under a cancellable lease to the relative of ex Managing Director. The portion of the factory building is quite old and the gross value of the same is difficult to ascertain. The lease agreement has expired during 2015-16 but the Lessee has not vacated the premises and the matter was under dispute before the Bangalore Rural Court which has been settled by way of out of court settlement. The amount of Lease rental income recognised during the year is Rs. 8,82,000/- (PY Rs. NIL/-)

28 OTHER NOTES

28.1 The Company has in its books Investments with an Associate M/s Global Pipe Engineering & Systems India Private Limited to the tune of NIL (PY NIL) which represents the diminished value of the original investment of 2,41,612 Equity shares valuing Rs. 24,16,120/- . The Networth of the Associate company is fully eroded and the Going Concern assumption is threatened. The management is of the opinion that there is total dimunition other than temporary dimunition. This has been done in compliance with the Accounting Standard 13 "Accounting for Investments". The Company does not have any significant influence in the said Associate which is operating under severe long term restrictions and in view of these conditions consolidation of financial statements is not considered necessary as prescribed under the Accounting Standard 21 "Consolidated Financial Statements" and the Accounting Standard 23 "Accounting for Investments in Associates".

28.2 During the pendency of the Petitions filed under erstwhile section 397/398 of the Companies Act 1956 by some Shareholders against the company and the Board of Directors during the year 2016-17, a Joint Compromise was entered into between the Contesting parties on 14th June 2017. During the implementation of which further disputes arose leading to the appointment of an Executor by the Hon'ble NCLT for overseeing the implementation of the terms under Joint Compromise. Due to certain issues in the implemetaion of the said JCP within the parties, subsequent to which the shareholders

entered into a Supplementary Joint Compromise Petition which was drawn up between the parties on 22nd March 2021 under which certain transactions being disposal of immovable property, payments made towards compensation and legal expenditure has been agreed upon and the said transactions have been executed before 31st March 2021. The said SJCP has been accepted by NCLT and ordered to be implemented by the Hon'ble NCLT by its order dated 31st May 2021 whereby the Petitioners and Respondents instead of pursuing the litigations in court have agreed to settle amicably between themselves without recourse to further litigation which is being currently implemented by the new Executor appointed with effect from September 2021. The company also confirms that there has been no petition either by the Petitioners or the company subsequent to this.

28.3 Confirmation of balances have not been received on certain balances with third parties and including Earnest Money Deposit from Scorpio Minerals Rs. 45,00,000/- (PY Rs. 45,00,000/-), Advances received towards Sale of Site Rs 5,48,61,865./- (Rs.3,75,00,000/-), Environmental Fees payable Rs. 83,08,480/- (Rs. 83,08,480/-) and Investments Rs. 22,66,972/- (Rs.22,66,972/-). However the management is of the opinion that the stated balances are correct and are receivable/payable at the stated values respectively. Hence the balances are subject to confirmation.

28.4 The company has defaulted in the area of compliance of Goods and Services Tax because of non filing of the periodic GST Returns in the year 2018-19 and also for certain months in the year 2019-20. The company was not able to comply due to the non cooperation of one of the then existing directors. This delay has not been condoned and was objected to by the GST department which has proposed to disallow substantial Input Tax credit and consequential interest and penalty which is under dispute.

28.5 Previous year's figures have been regrouped and rearranged to make them comparable with current year's presentation.

Place : Bengaluru
Date : 22-10-2021

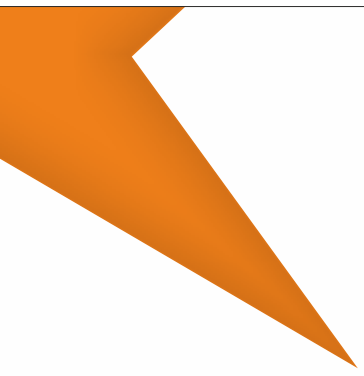
As per our report of even date.
for Nityananda & Co.
Chartered Accountants.
Firm Registration No. 012595S

Sd/-
Rajiv.H.Ramahalli
Executive Director
DIN- 00473445

Sd/-
H.N.Shivananjaiah
Executive Director
DIN- 02368798

Sd/-
M.N. Ramu
Chairman
DIN- 07268616

Sd/-
Vijayalakshmi C.J
Partner
Membership No. 510494



THE MYSORE STONEWARE PIPES & POTTIES L.
BANGALORE CITY

