

MYSORE STONEWARE PIPES AND POTTERIES LIMITED



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

ANNUAL REPORT 2018-19



Founder
Late Sri R. Vyasà Rao
1881-1958

ANNUAL REPORT 2018-19

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; Fax: +91 80 23614697

Website: www.mysorestonewarepipes.com

DIRECTORS

Mr. Nanjappaiah Madgondapalli Ramu, Chairman
Mr. Shivananjaiah Hosahally Nanjaiah, Executive Director
Mr. Rajiv Harshavardhan Ramahalli, Executive Director
Mr. Sanjay Jayatsen, Director
Mr. Casiker Vivekanand, Director
Mr. Karthik Ramohalli Krishn Rao, Director
Mr. Mysore Manjanathasetty Sampathkumar, Director

AUDITORS

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

BANKERS

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

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Phone no.: 080-23614696, Fax: 080-23614697, Website: mysorestonewarepipes.com

NOTICE

To,
The Members,

NOTICE IS HEREBY GIVEN THAT the 82nd Annual General Meeting of the members of **Mysore Stoneware Pipes and Potteries Limited** will be held on Friday, the 27th day of September 2019, at 11.30 A.M. (IST), at Hotel Bangalore International, 2A-2B, Crescent Road, High Grounds, Near Race Course, Bengaluru – 560001, Karnataka, India, to transact the following Businesses:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS:

To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2019, including the audited Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date along with notes/ schedules thereon, the reports of the Board of Directors (the Board's Report) and Auditor's Report thereon.

2. DECLARATION OF DIVIDEND:

To take note of the interim dividend of 70% (Seventy percent), i.e., Rs. 7/- per fully paid-up equity share, paid on 29th November 2018.

3. APPOINTMENT OF DIRECTOR:

To appoint a Director in place of Mr. Rajiv Harshavardhan Ramahalli (DIN: 00473445) who retires by rotation and being eligible, offers himself for reappointment.

4. APPOINTMENT OF DIRECTOR:

To appoint a Director in place of Mr. Nanjappaiah Madgondapalli Ramu (DIN:07268616) who retires by rotation and being eligible, offers himself for reappointment.

5. APPOINTMENT OF DIRECTOR:

To appoint a Director in place of Mr. Ramohalli Krishnrao Karthik (DIN: 00073462) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

6. APPROVAL OF SITTING FEES PAYABLE TO DIRECTORS:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent be and is hereby accorded to pay sitting fees to the Directors of the Company, up to a maximum amount of Rs. 50,000/- (Rupees Fifty Thousand only) inclusive of conveyance and incidental expenses, per director, per meeting.

RESOLVED FURTHER THAT Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient and incidental thereto, to give effect to the resolution”.

7. APPROVAL OF REMUNERATION PAYABLE TO MR. SHIVANANJIAH HOSAHALLY NANJIAH:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, consent be and is hereby accorded to pay a remuneration up to Rs. 5,00,000/- (Rupees Five Lakh only) inclusive of allowances and perquisites, per month, effective from 1st April 2019, for a period not exceeding three years, to Mr. Shivananjiah Hosahally Nanjiah, Whole-time Director.

RESOLVED FURTHER THAT Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient and incidental thereto, to give effect to the resolution”.

8. APPROVAL OF REMUNERATION PAYABLE TO MR. RAJIV HARSHAVARDHAN RAMAHALLI:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, consent be and is hereby accorded to pay a remuneration up to Rs. 5,00,000/- (Rupees Five Lakh only) inclusive of allowances and perquisites, per month, effective from 1st April 2019, for a period not exceeding three years, to Mr. Rajiv Harshavardhan Ramahalli, Whole-time Director.

RESOLVED FURTHER THAT Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient and incidental thereto, to give effect to the resolution”.

9. APPOINTMENT OF MR. MYSORE MANJANATHASETTY SAMPATHKUMAR AS DIRECTOR:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Mysore Manjanathsetty Sampathkumar, Additional Director, appointed by the Board on 8th March 2019, whose office shall end at the ensuing Annual General Meeting (AGM), and in terms of Section 161 of the Act, be and is hereby appointed as Director of the Company, whose office shall be liable to retirement by rotation.

RESOLVED FURTHER THAT Board be and is hereby authorized to do all such acts as may be necessary, proper and expedient to give effect to the resolution."

By Order of the Board
For Mysore Stoneware Pipes and Potteries Limited

Sd/-
Nanjappaiah Madgondapalli Ramu
(Chairman, DIN: 07268616)
No. 423, 5thC Cross, 4th Main, Near Giriyas,
2ndBlock, Bangalore- 560043, Karnataka, India

Place: Bangalore
Date:24.08.2019

NOTES:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and the proxy need not be a member. The proxies, in order to be effective must be deposited at the registered office of the company not less than 48 hours before the time fixed for the meeting, in the enclosed form.
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A Member holding more than ten (10) percent of total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Body corporates are requested to send certified copy of Board Resolution authorizing an individual to attend and vote at the meeting, to the Registered Office of the Company, at least three hours before the scheduled meeting.
4. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in, for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. The Register of Members and Share Transfer & Transmission Registers of the Company will remain closed from 10thSeptember 2019 to 28thSeptember 2019 (both days inclusive).
6. Members are required to bring their copy of the Annual Report to the Meeting.
7. Shareholders are required to notify immediately, changes if any in their address, to the Registered Office of the Company.
8. Route-map to the venue of the Meeting is provided at the end of the Notice.
9. Any query relating to financial statements must be sent to the Company's Registered Office at least seven days before the date of the Meeting.
10. Statement pursuant to provisions of Section 102 (1) of the Companies Act, 2013, in respect of items of Special Business to be transacted at the meeting, is annexed to the notice.

STATEMENT PURSUANT TO SECTION 102 (1)

Item No. 6

Your Company has many pending litigations in respect of land owned by it as well as the pending interlocutory application filed by Petitioner No. 1 in respect of the C.P. No. 13/2016 (T.P. 84/2016). Further, despite the Honorable National Company Law Tribunal (NCLT), Bengaluru Bench appointing an Executor to oversee implementation of the terms of the Joint Compromise between parties to the C.P. No. 13/2016, the multiple issues associated with the Company's land is hindering the same. This has necessitated the Board of Directors to meet very often and discuss at length on the resolution of these disputes. All the directors, Executive and Non-Executive, are actively involved in this and are consequently required to spend substantial time on attending Board meetings. Further, there is an ongoing Lokayukta investigation into alleged illegal mining activities, against the Company. The Directors, though not party to the alleged illegal mining activities, are required to frequently appear before the Hon'ble Lokayukta to clarify their queries. They are not receiving any compensation for the same. Hence, the Board considered it prudent to compensate the directors for their services to the Company by increasing the sitting fees payable to directors to Rs. 50,000/- per director, per meeting and accordingly passed a resolution for the same at the Board meeting held on 8th March 2019. The amount of Rs. 50,000/- is within the maximum limit of Rs. 1,00,000/- per director, per meeting as prescribed under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Though not mandated by the provisions of the Companies Act, 2013 and the rules made thereunder to seek the approval of the members, to bring in transparency and instil good corporate governance, the Board now seeks the members' consent for the same and accordingly this resolution is commended for your approval.

Item No. 7 and Item No. 8

Due to the magnitude of issues faced by the Company and the pending litigations, the Executive Directors Mr. Shivananjaiah Hosahally Nanjaiah and Mr. Rajiv Harshavardhan Ramahalli were required to devote substantial time and efforts towards addressing these issues and defending the Company's interests. The Executive Directors have also been vested with the responsibility to ensure that the Company complies with the order of the Honorable National Company Law Tribunal (NCLT) and the terms of the Joint Compromise. Hence, the Board proposed to increase the remuneration payable to each Executive Director to Rs. 5,00,000/- (Rupees Five Lakh only) inclusive of allowances and perquisites, per month, effective from 1st April 2019 and passed resolution to this effect at the Board meeting held on 8th March 2019. As per the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V, in the absence of adequate profits, a public company may pay remuneration to its managerial personnel as per the limits set in Schedule V. The Board hereby affirms that the proposed increase in remuneration is in consonance with the limits specified in Schedule V. Further, as per the provisions of Schedule V, the increase in remuneration has to be approved by the members; hence the resolution is commended for your approval.

Except Mr. Shivananjaiah Hosahally Nanjaiah and Mr. Rajiv Harshavardhan Ramahalli, none of the other Directors, key managerial personnel or their relatives, are interested or concerned in the resolution.

Item No. 9

Pursuant to provisions of Section 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Mysore Manjanathasetty Sampathkumar was appointed as an Additional Director by the Board at its meeting held on 8th March 2019, to hold office as such till the ensuing Annual General Meeting to be held as per the provisions of Section 96 of Companies Act, 2013.

Mr. Mysore Manjanathasetty Sampathkumar has expressed his willingness to continue in the office of Directorship. The Board now recommends his appointment as a Director, whose office shall be liable to retirement by rotation; to the members, for their approval pursuant to the provisions of Section 152, by way of an Ordinary Resolution.

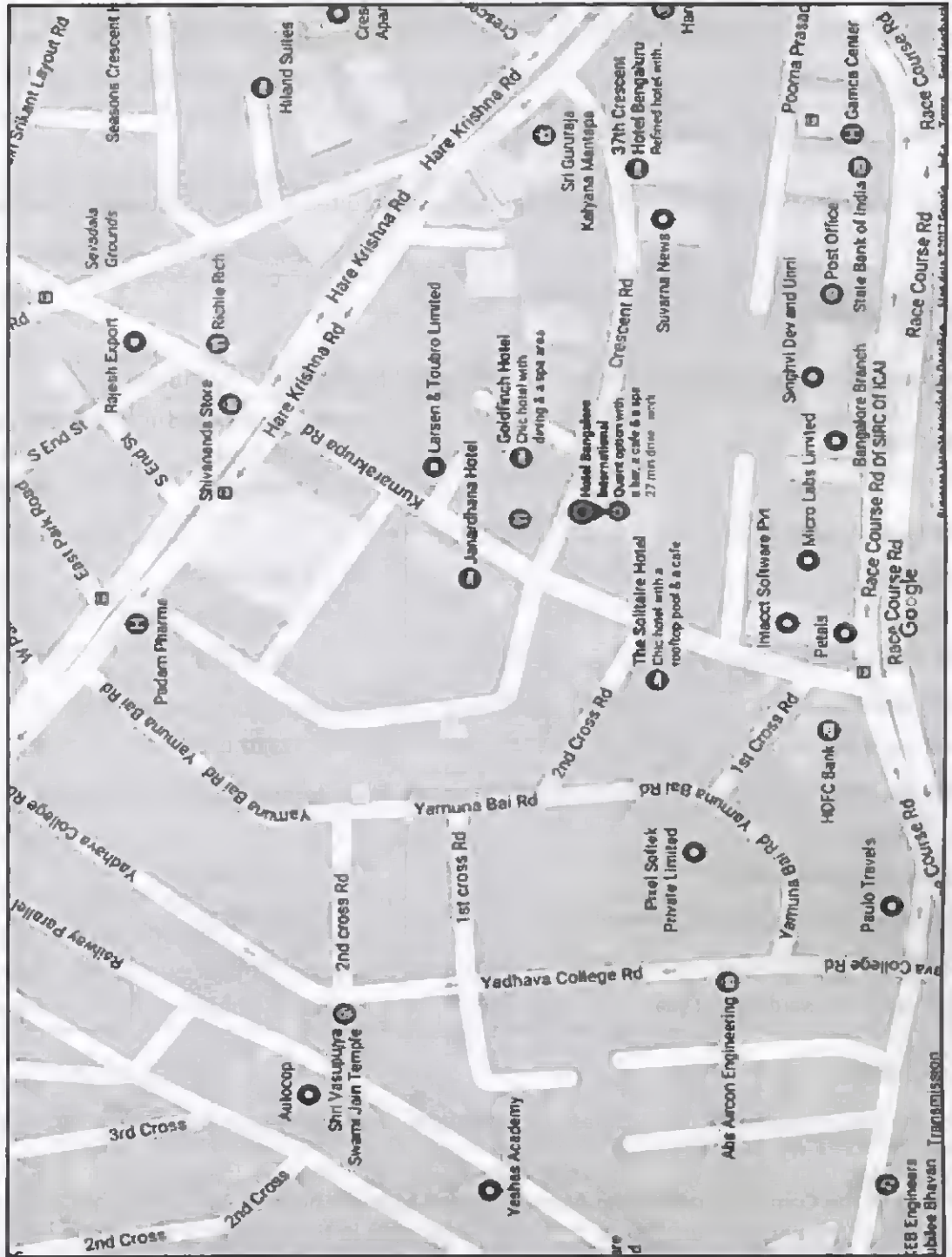
Except Mr. Mysore Manjanathasetty Sampathkumar, none of the other Directors, key managerial personnel or their relatives, are interested or concerned in the resolution.

ROUTE MAP TO THE VENUE

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MYSORE STONEWARE PIPES AND POTTERIES LIMITED

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Corporate Identification Number: U26913KA1937PLC000197,

Email Id: mspoffice@gmail.com, Phone no.: 080 23614696, Fax: 080 23614697,

Website: www.mysorestonewarepipes.com

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

Your Directors present the Director's Report together with Audited Financial Statements for the year ended 31st March 2019.

FINANCIAL RESULTS:

The Company's financial results for the period ended 31st March 2019 is as under:

Particulars	For the year ended 31.03.2019 (Rupees)	For the year ended 31.03.2018 (Rupees)
Income from Operations	-	2,15,71,852
Other income	1,48,21,694	42,57,279
<u>Less: Expenses</u>	3,15,87,789	3,93,76,211
Income from Exceptional items	94,64,069	7,38,06,411
Extraordinary items	-	-3,29,178
Profit or (loss) before Tax	-73,02,026	5,99,30,153
<u>Less: Tax Expenses</u>		
- Current tax	-	1,33,00,000
- Deferred tax asset/ (liability)	-2,49,465	-4,98,660
Profit or (loss) after Tax including deferred tax	-3,88,89,726	4,61,31,493
Balance brought forward from previous year	7,14,97,378	4,30,77,956
Balance carried forward to next year	2,63,69,639	7,14,97,378

NATURE OF BUSINESS:

The Company was engaged in the business of manufacture of stoneware pipes. However, it has ceased all operations.

The members of the Company had, at the Annual General Meeting held on 23rd September 2017, approved the sale of Company's properties. Pursuant to this, the Company is in the process of selling the lands owned by it, including land comprising the factory premises. Further, the Board has decided to carry on real estate activities as the main business of the Company, on and from 1st April 2019. Accordingly, the Board has decided to convert the lands owned by the Company into Stock-in-trade and account all income from real estate activities as its Revenue from Operations.

OPERATIONS:

There is no income from operations during the year; other income including income from exceptional items is Rs.4,10,51,858 /- (Rupees Four Crore Ten Lakh Fifty-One Thousand Eight Hundred and Fifty-Eight only). The Company has incurred a net loss of Rs. 3,88,89,726/- (Rupees Three Crore Eighty-Eight Lakh Eighty-Nine Thousand Seven Hundred and Twenty-Six Only) after providing for depreciation, interest and tax, due to multiple litigations/ cases in respect of land, alleged illegal mining activities of erstwhile managing director and his associates, and multiple Interlocutory Applications (i.A.'s) filed by the Petitioners to the Joint Compromise Petition in respect of C.P. No. 13/2016 before the Honorable National Company Law Tribunal (NCLT).

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

S. No.	Name	Designation	Date of Appointment
1.	Nanjappaiah Madgondapalli Ramu	Director (Chairman)	10/09/2015
2.	Rajiv Harshavardhan Ramahalli	Whole-time Director	17/09/2015
3.	Shivananjaiah Hosahally Nanjaiah	Whole-time Director	27/09/2008
4.	Casiker Vivekanand	Director	19/12/2007
5.	Sanjay Jayatsen	Director	21/07/2008
6.	Karthik Ramohalli Krishn Rao	Director	27/04/2002
7.	Mysore Manjanathasetty Sampathkumar	Additional Director	08/03/2019

(ii) Mr. Mysore Manjanathasetty Anandram resigned from the office of Director with effect from 8th March 2019.

(iii) Mr. Mysore Manjanathasetty Sampathkumar was appointed as Additional Director at the Board meeting held on 8th March 2019 to hold office till the ensuing Annual General Meeting. He has conveyed his willingness to continue as a Director and accordingly, the Board has proposed a resolution for his reappointment at the ensuing Annual General Meeting.

DETAILS OF BOARD MEETINGS:

The Board of Directors duly met 13(Thirteen) times, respectively on 21st April 2018, 17th May 2018, 6th July 2018, 14th August 2018, 3rd September 2018, 18th September 2018, 12th October 2018, 10th November 2018, 24th November 2018, 15th December 2018, 7th January 2019, 8th February 2019 and 8th March 2019, 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.

DETAILS OF COMMITTEE(S) AND MEETINGS:

Investors/ Shareholders Grievance Committee & Share Transfer Committee

The Company had voluntarily constituted Investors / Shareholders Grievance Committee and Share Transfer Committee with Mr. Rajiv H Ramahalli, Mr. H.N. Shivananjaiah and Mr. Sanjay Jayatsen as members, to expedite redressal of the 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) since the Company is no longer a listed entity and therefore not required to mandatorily constitute Committees of the Board. Further, at its meeting held on 10th November 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.

TRANSFER TO GENERAL RESERVES:

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

DIVIDEND:

The Honorable Executor/ Observer, by virtue of powers conferred on him by the Honorable NCLT vide order dated 7th August 2018, has appointed Mr. C. Ramesh, Chartered Accountant, an expert, to provide an opinion on the extent of availability of funds for distribution as dividend. In view of his pending report, the Board is not recommending any final dividend for the financial year.

The Board of Directors had declared an interim dividend at the rate of 70% (Seventy percent), i.e., Rs. 7/- per fully paid-up equity share paid on 29th November on 7,39,200 fully paid-up equity shares of Rs.10/- each.

CLOSURE OF REGISTERS:

The Register of Members and Share Transfer & Transmission Registers will remain closed from 10th September 2019 to 28th September 2019 (both days inclusive).

SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES:

The Company does not have any subsidiary company nor entered into arrangement of joint venture with other company/entity. The Company has an associate company, "Global Pipe Engineering and Systems (India) Private Limited" which was running under loss and the investments of the Company was eroded to a large extent as per the latest audited financials appearing on the portal of the Ministry of Corporate Affairs.

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

FIXED DEPOSITS:

During the period 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.

LOANS, GUARANTEES OR INVESTMENTS:

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 year under report. Further, the Company has not made any other investment(s) in any other Company/body corporate during the year, which requires compliance of provisions of Section 186 of the Companies Act, 2013 and rules made there under.

CONTRACTS AND/ OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into contracts/arrangements falling under the purview of Section 188 of the Companies Act 2013, during the 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.

EXIT OFFER:

The Company's shares were listed with the Bangalore Stock Exchange Limited. The Bangalore Stock Exchange Limited, subsequently became non-operational due to lack of trading activity on its platform, due to which it opted for voluntary surrender of recognition and exit, through its letter dated 8th October 2013 to the SEBI, under the provisions of Circular No. CIR/MSD/DSA/14/2012 dated May 30, 2012 (hereinafter referred to as "Exit Circular, 2012") issued by the SEBI with respect to voluntary surrender of recognition and exit, in modification of their earlier circular issued in this regard. SEBI vide its order WTM/RKA/MRD/165/2014, dated 26th December 2014 allowed the exit of Bangalore Stock Exchange Limited as a stock exchange.

As per the conditions specified in the "Exit Circular, 2012" the Companies exclusively listed on the stock exchange seeking exit, had to list their securities on any other recognized Stock Exchange, failing which they will cease to be a listed company and will be moved to the Dissemination Board by the existing stock exchange. The promoters of the Company consulted a Merchant Banker to obtain an opinion on exit offer. On the Merchant Banker's opinion and pursuant to circular issued by SEBI on October 10, 2016 on Exclusively Listed Companies (ELC), Exit Offer was provided to the public shareholders, by the promoters. **Saffron Capital Advisors Private Limited**, Merchant Bankers, were appointed as the Independent Valuer to determine the fair value of shares. As per Valuation Report issued by them, the fair value per equity share is Rs. 95.36/- (Rupees Ninety-Five and Thirty-Six paise only).

The Promoters opened an escrow account and deposited the requisite funds, to be used to pay the investors who opt for sale of their shares through the Exit Mechanism being offered. The Exit Offer opened on 26th September 2017 and closed on 4th October 2017, during which period the public shareholders could tender their shares and exit from the Company. However, public shareholders could tender their shares even after closure of Offer period, up to 4th October 2018, i.e., up to one year from the close of the Exit Offer period.

The Company successfully completed all the Exit Offer formalities. Accordingly, the BSE vide its letter dated 22nd October 2018, confirmed the removal of the Company from the Dissemination Board (DB).

The details of the Exit Offer including the Public Announcement(s) made in this regard and notice of removal from Dissemination Board are available on the BSE's website – www.bseindia.com.

RISK MANAGEMENT POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY (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 any 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 Company Act, 2013), in pursuance of its Corporate Social Responsibility Policy.

Net Profit before tax of the Company for the Financial Year 2017-18 was more than Rupees Five Crore; pursuant to which the Company has constituted a Corporate Social Responsibility (CSR) Committee in the financial year 2018-19, to comply with the provisions of Section 135 of Companies Act, 2013 and rules made thereunder. The Company was not required to spend any amount on Corporate Social Responsibility programs/ activities in accordance with Section 135 and the rules thereunder; since the Company has incurred loss during the preceding three years as per profits calculated according to Section 198.

Members of Corporate Social Responsibility (CSR) Committee:

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

AUDITORS:

M/s Nityananda & Co., Chartered Accountants, Bangalore(Firm Registration Number: 0125955), were appointed as auditors at the Annual General Meeting (AGM) held on 23rd September 2017, to hold office till the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification by the members at every Annual General Meeting.

Pursuant to Section 139 as amended by the Companies (Amendment) Act, 2017 read with Rule 3 of Companies (Audit and Auditors') Rules 2014, the requirement for ratification by the members at every Annual General Meeting is waived-off. 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 31st March 2022.

SECRETARIAL AUDIT REPORT:

The Company is an unlisted public company and 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 period under report.

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

(a) Independent Auditors Report:

Point I (b): According to the information and explanation given to us, the company has a system of physical verification of Fixed Assets at reasonable intervals and there have been no material discrepancies on such verification. However one of the Car belonging to the company is in the possession of the Director which is under dispute. (Refer Note No. 31.8)

Reply – The comments of the auditor are self-explanatory.

Point I (c): According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company subject to certain disputes before various revenue authorities due to the ownership claims made. (Refer Note No. 28.2) and also certain material expenditure incurring on compiling

of all the linkages in the documentation of the properties and improving the physical condition of the site properties (Refer 31.7)

Reply – The comments of the auditor are self-explanatory.

Point II (a): The Inventory has been physically verified during the year by the management at rotational basis by which all the items of the Inventory are covered annually. The company has liquidated all the existing inventory during the year and there is no closing inventory. In our opinion the frequency of verification is reasonable. There was no material discrepancies noticed on such verification.

Reply – The comments of the auditor 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 on going allegations made by some share holders intersay on the implementation of Joint Compromise Petition (Note No. 31.4), on going dispute in connection with service arrangement (Note 28.5) and illegal mining activities (Note No. 28.1) which are under consideration of the investigating authorities / courts.

Reply – The comments of the auditor are self-explanatory.

Any other comments, remarks, observations of the Auditors in their report which have not been explicitly mentioned herein above, shall be construed as self-explanatory.

(b) Secretarial Audit Report: Not Applicable

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. that in the preparation of annual accounts, applicable accounting standards had been followed, along with proper explanation relating to material departures;
2. 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 2019 and of the profit and loss for that period;

3. 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;
4. that the Directors had prepared the annual accounts on a going concern basis;
5. 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.

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:

The material changes and/ or commitments and pending legal matters during the financial year, affecting the financial position of the Company are listed out in **Annexure II** to this Report. The extent and amount of financial impact of these legal matters cannot be ascertained accurately.

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

A. CONSERVATION OF ENERGY:

Not applicable as the Company has stopped all manufacturing activities.

B. TECHNOLOGY ABSORPTION:

Not applicable, as there are no operations in the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
	Amount (INR in Lakhs)	Amount (INR in Lakhs)
Foreign Exchange Earnings-	-	-
Foreign Exchange Outgo--	-	-
- Capital goods-	-	-
- Others	-	-

EMPLOYEE STOCK OPTION SCHEME:

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

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 Companies Act, 2013 read with rules made there under.

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.

EXTRACTS OF ANNUAL RETURN:

The extracts of Annual Return in Form MGT-9 for the financial year ended 31st March 2019 is attached hereto and is marked as **Annexure I**.

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

In respect of C.P. No. 13 of 2016 which was pending before the Honorable National Company Law Tribunal (NCLT), Bengaluru Bench, the Petitioners have entered into a Compromise with the Respondents and have given an undertaking to dispose of all assets of the Company without any objection. The Company has accepted to distribute all sale proceeds as Dividend after deducting all expenditure which were directly or indirectly required to establish a clear title, subsequent sale and to keep the Company a going concern. The Honorable Tribunal, Bengaluru Bench had accepted the Compromise terms as final and on 07.08.2018 passed the final orders, appointing Mr. B. N. Harish, Retired Regional Director, Registrar of Companies; as the Honorable Executor/Observer to oversee the implementation of the Joint Compromise. The Special Investigation Team (SIT) of Lokayukta had opened a case against the Company and made allegations of illegal mining activities during the period in which Mr. R.P. Trivikram and his friends and family members were managing the affairs of the company (2002-2006). The Board is fully co-operating with the investigation team and has engaged counsels/ professionals to gather and provide all the details/ information, internally and externally, to bring the truth out and to safeguard the assets of the Company and the interests of all the members and to save the state ex-chequer from loss.

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.

CORPORATE GOVERNANCE:

The Company's shares were listed with the Bangalore Stock Exchange Limited which subsequently became non-operational due to lack of trading activity on its platform and opted for voluntary surrender of recognition and exit, through its letter dated 8th October 2013 to the Securities and Exchange Board of India (SEBI), as per the provisions of Circular No. CIR/MRD/DSA/14/2012 dated 30th May, 2012 (hereinafter referred to as "Exit Circular, 2012") issued by the SEBI in modification of their earlier circular issued in this regard. SEBI vide its order WTM/RKA/MRD/165/2014 dated 26th December 2014, allowed the exit of Bangalore Stock Exchange Limited as a stock exchange. One of the conditions specified in the "Exit Circular, 2012" requires that the companies exclusively listed on the stock exchange seeking exit are to list their securities on any other recognized stock exchange, failing which they will cease to be a listed company and will be moved to the Dissemination Board by the existing stock exchange. The Company currently has been delisted and removed from the Dissemination Board by the BSE Limited.

Hence, 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.

ACKNOWLEDGEMENTS:

Your Directors wish to express their gratitude and are thankful to the esteemed stake holders for their support and confidence reposed in the Board members.

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

Sd/-

Nanjappaiah Madgondapalli Ramu
(Chairman, DIN: 07268616)
No. 423, 5th C Cross, 4th Main, Near Giriyas,
2nd Block, Bangalore- 560043, Karnataka, India

Sd/-

Shivananjaiah Hosahally Nanjaiah
(Executive Director, DIN: 02368798)
No. 11, Devikrupa, 11- Cross,
West of Chord Road, 02-Stage,
Bangalore - 560086, Karnataka, India

Sd/-

Rajiv Harshavardhan Ramahalli
(Executive Director, DIN: 00473445)
151, 4th Main Road, Chamarajpet,
Bangalore- 560018, Karnataka, India

Place: Bangalore
Date: 24.08.2019

Annexure I
FORM NO. MGT 9
EXTRACTS OF ANNUAL RETURN

for the financial year ended 31st March, 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

- i Corporate Identification Number U26913KA1937PLC000197
- ii Registration Date 25/03/1937
- iii Name of the Company MYSORE STONEWARE PIPES AND POTTERIES LIMITED
- iv Category/Sub-category of the Company Public Company Limited by Shares
- v Address of the Registered office & contact details and EMail ID
No. 452, 11th Cross, 6th Main, Sadashivanagar,
Bangalore- 560080, Karnataka, India
E-mail Id: msppoffice@gmail.com,
Phone No: 080 23614696
Website: www.mysorestonewarepipes.com
- vi Whether listed company No
- vii Name, Address & contact details of the Registrar & Transfer Agent, if any.
BgSE Financials Limited, Stock Exchange Towers,
51, 1st Cross, J.C. Road, Bangalore - 560 027
Tel : 080 41575234 / 35 (Reception),
Systems C&S : 41575553 / 4
Email ID : bflsl@bflsl.co.in, Website : www.bflsl.co.in

~~II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY~~

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

Sl. No.	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the company

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Global Pipe Engineering and Systems (India) Private Limited Address: 30, Sapthagiri, 10th Cross, RMV Extn, Sadashivanagar, Bangalore- 560080, Karnataka, India	U26941KA2005 PTC036128	Associate	33.33%	Section 2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individuals / Hindu Undivided Family	419793	135821	555614	75.16%	480712	75073	555785	75.19%	0.03%
(b) Central Government(s)	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Body Corporate	-	-	-	-	-	-	-	-	-
(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	419793	135821	555614	75.16%	480712	75073	555785	75.19%	0.03%
(2) Foreign									
(a) Non-Resident Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Body Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	419793	135821	555614	75.16%	480712	75073	555785	75.19%	0.03%

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(6)

(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/Financial Institutions	-	898	898	0.122%	-	898	898	0.122%	-
(c) Central Government (s)	-	-	-	-	-	-	-	-	-
(d) State Government(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) Foreign Institutional Investor(s)	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	898	898	0.122%	-	898	898	0.122%	-
(2) Non-Institutions									
(a) Bodies Corporate									
i) Indian	34507	-	34507	4.668%	34507	-	34507	4.668%	0.00%
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	43953	43178	87131	11.787%	26759	31400	58159	7.867%	-3.92%
(ii) Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	13236	38246	51482	6.965%	32794	47489	80283	10.860%	3.90%
(c) Any Other (Specify)	-	-	-	-	-	-	-	-	-
(i) Trust - The official Trustee Gujarat State & Secretary, National Education Society of Mysore	-	306	306	0.041%	-	306	306	0.041%	-

(ii) Shares held by Custodian of Enemy for India	41	10	51	0.007%	41	10	51	0.007%	-
(iii) Investor Education and Protection Fund Authority	-	9211	9211	1.246%	-	9211	9211	1.246%	-
Sub-total (B) (2)	91737	90951	182688	24.714%	91737	90951	182517	24.689%	-0.03%
Total Public Shareholding (B) = (B)(1)+(B)(2)	91737.00	91849.00	183586.00	24.836%	91737.00	91849.00	183415.00	24.811%	-0.03%
TOTAL (A)+(B)	511530.00	227670.00	739200.00	100.0%	572449	166922	739200	100.00%	0.00%
(C) Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	511530.00	227670.00	739200.00	100%	572449.00	166922.00	739200.00	100%	0%

ii) Shareholding of Promoters :

Sl. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encum- bered to total shares	
1	H.K. Nanjunda Swamy	3642	0.4927%	0%	3642	0.4927%	0%	0.00%
2	R.P. Trivikram	129371	17.5015%	0%	129371	17.5015%	0%	0.00%
3	R.K. Karthik	5871	0.7942%	0%	5871	0.7942%	0%	0.00%
4	Rajiv H.Ramahalli	72676	9.8300%	0%	72676	9.8300%	0%	0.00%
5	C.Vivekanand	24013	3.2485%	0%	24013	3.2485%	0%	0.00%
6	H.N.Shivananjaiah	102540	13.8718%	0%	102540	13.8718%	0%	0.00%
7	Sudha Trivikram	25917	3.5061%	0%	25917	3.5061%	0%	0.00%
8	Sanjay Jayatsen	4058	0.5490%	0%	4058	0.5490%	0%	0.00%
9	R.P.Jayashree	114	0.0154%	0%	114	0.0154%	0%	0.00%
10	R.P.Urmila	1790	0.2422%	0%	2132	0.2884%	0%	0.05%
11	Janaki S.R.	1186	0.1604%	0%	1186	0.1604%	0%	0.00%
12	Bharathi Jagannath	6032	0.8160%	0%	5690	0.7698%	0%	-0.05%
13	R.T.Bhavana	10623	1.4371%	0%	10623	1.4371%	0%	0.00%
14	Usha Devi R.K.	25813	3.4920%	0%	25813	3.4920%	0%	0.00%
15	Kruthika Karthik	104	0.0141%	0%	104	0.0141%	0%	0.00%
16	Usha Rao J	5420	0.7332%	0%	5870	0.7941%	0%	0.06%
17	R.K.Sashidhara	4672	0.6320%	0%	4672	0.6320%	0%	0.00%
19	H S Hemalatha	5611	0.7591%	0%	5611	0.7591%	0%	0.00%
20	C. Varalakshmi	5599	0.7600%	0%	5594	0.7568%	0%	-0.003%
21	Chaitra S	148	0.0200%	0%	148	0.0200%	0%	0.00%
22	Ramya S	156	0.0200%	0%	332	0.0449%	0%	0.02%
23	R.T.Abhijit	19383	2.6222%	0%	19383	2.6222%	0%	0.00%
24	Ushacashikar	11143	1.5100%	0%	11143	1.5100%	0%	0.00%
25	Archana Sanjay	48726	6.5917%	0%	48726	6.5917%	0%	0.00%
26	Anand Ram M M	1040	0.1400%	0%	1040	0.1400%	0%	0.00%
27	M.N. Ramu & Swaroop R Jahgirdar	6714	0.9100%	0%	6714	0.9100%	0%	0.00%
28	Kumar. V. Jahgirdar	1	0.0001%	0%	1	0.0001%	0%	0.00%
29	Sambamurthy Jahgirdar	31	0.0040%	0%	31	0.0040%	0%	0.00%
30	Shamala S Jahgirdar & M.N. Ramu	6000	0.8120%	0%	6000	0.8120%	0%	0.00%
31	M.N. Ramu & Adith S Jahgirdar	737	0.1000%	0%	737	0.1000%	0%	0.00%
32	M.N. Ramu	26033	3.5200%	0%	26033	3.5200%	0%	0.00%
Total		555164	75.11%	0%	555785	75.19%	0%	0.08%

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H.K. Nanjunda Swamy				
	At the beginning of the year 01.04.2018	3642	0.49%	-	-
	No changes during the year	-	-	3642	0.49%
	At the End of the year on 31.03.2019	-	-	3642	0.49%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	R.P. Trivikram				
	At the beginning of the year 01.04.2018	129371	17.50%	-	-
	No changes during the year	-	-	129371	17.50%
	At the End of the year on 31.03.2019	-	-	129371	17.50%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	R.K. Karthik				
	At the beginning of the year 01.04.2018	5871	0.79%	-	-
	No changes during the year	-	-	5871	0.79%
	At the End of the year on 31.03.2019	-	-	5871	0.79%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Rajiv H.Ramahalli				
	At the beginning of the year 01.04.2018	72676	9.83%	-	-
	Increase during the year	-	-	72676	9.83%
	At the End of the year on 31.03.2019	-	-	72676	9.83%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	C.Vivekanand				
	At the beginning of the year 01.04.2018	24013	3.25%	-	-
	No changes during the year	-	-	24013	3.25%
	At the End of the year on 31.03.2019	-	-	24013	3.25%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	H.N.Shivananjaiah				
	At the beginning of the year 01.04.2018	102540	13.87%	-	-
	No changes during the year	-	-	102540	13.87%
	At the End of the year on 31.03.2019	-	-	102540	13.87%

Sl. No	Shareholders Name -	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Sudha Trivikram				
	At the beginning of the year 01.04.2018	25917	3.51%	-	-
	No changes during the year	-	-	25917	3.51%
	At the End of the year on 31.03.2019	-	-	25917	3.51%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sanjay Jayatsen				
	At the beginning of the year 01.04.2018	4058	0.55%	-	-
	No changes during the year	-	-	4058	0.55%
	At the End of the year on 31.03.2019	-	-	4058	0.55%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	R.P.Jayashree				
	At the beginning of the year 01.04.2017	114	0.02%	-	-
	No changes during the year	-	-	114	0.02%
	At the End of the year on 31.03.2018	-	-	114	0.02%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	R.P. Urmila				
	At the beginning of the year 01.04.2018	1790	0.24%	-	-
	No changes during the year	-	-	342	0.05%
	At the End of the year on 31.03.2019	-	-	2,132	0.29%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	Janaki S.R.				
	At the beginning of the year 01.04.2018	1186	0.16%	-	-
	No changes during the year	-	-	1186	0.16%
	At the End of the year on 31.03.2019	-	-	1,186	0.16%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Bharathi Jagannath				
	At the beginning of the year 01.04.2018	6032	0.82%	-	-
	No changes during the year	-	-	-342	-0.05%
	At the End of the year on 31.03.2019	-	-	5690	0.77%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	R.T.Bhavana				
	At the beginning of the year 01.04.2018	10623	1.44%	-	-
	No changes during the year	-	-	10623	1.44%
	At the End of the year on 31.03.2019	-	-	10,623	1.44%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14	Ushadevi R.K.				
	At the beginning of the year 01.04.2018	25813	3.49%	-	-
	No changes during the year	-	-	25813	3.49%
	At the End of the year on 31.03.2019	-	-	25,813	3.49%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
15	Kruthika Karthik				
	At the beginning of the year 01.04.2018	104	0.01%	-	-
	No changes during the year	-	-	104	0.01%
	At the End of the year on 31.03.2019	-	-	104	0.01%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
16	Usha Rao J.				
	At the beginning of the year 01.04.2018	5420	0.73%	-	-
	No changes during the year	-	-	5420	0.73%
	At the End of the year on 31.03.2019	-	-	5420	0.73%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17	R.K.Sashidhara				
	At the beginning of the year 01.04.2018	4672	0.63%	-	-
	No changes during the year	-	-	4672	0.63%
	At the End of the year on 31.03.2019	-	-	4,672	0.63%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
18	Dr.Usha Rao J.& Kruthika K.				
	At the beginning of the year 01.04.2018	450	0.06%	-	-
	No changes during the year	-	-	450	0.06%
	At the End of the year on 31.03.2019	-	-	450	0.06%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
19	H S Hemalatha				
	At the beginning of the year 01.04.2018	5611	0.76%	-	-
	No changes during the year	-	-	5611	0.76%
	At the End of the year on 31.03.2019	-	-	5611	0.76%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
20	C. Varalakshmi				
	At the beginning of the year 01.04.2018	5599	0.760%	-	-
	Decrease during the year	-	-	-5	-0.003%
	At the End of the year on 31.03.2019	-	-	5594	0.757%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
21	Chaitra S				
	At the beginning of the year 01.04.2018	148	0.02%	-	-
	No changes during the year	-	-		
	At the End of the year on 31.03.2019	-	-	148	0.02%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
22	Ramya S				
	At the beginning of the year 01.04.2018	156	0.02%	-	-
	Increase during the year	-	-	176	0.02%
	At the End of the year on 31.03.2019	-	-	332	0.04%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
23	R.T.Abhijit				
	At the beginning of the year 01.04.2018	19383	2.62%	-	-
	No changes during the year	-	-	19383	2.62%
	At the End of the year on 31.03.2019	-	-	19,383	2.62%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
24	Ushacashikar				
	At the beginning of the year 01.04.2018	11143	1.51%	-	-
	No changes during the year	-	-	11143	1.51%
	At the End of the year on 31.03.2019	-	-	11143	1.51%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
25	Archana Sanjay				
	At the beginning of the year 01.04.2018	48726	6.59%	-	-
	No changes during the year	-	-	48726	6.59%
	At the End of the year on 31.03.2019	-	-	48726	6.59%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
26	Anand Ram M M				
	At the beginning of the year 01.04.2018	1040	0.14%	-	-
	No changes during the year	-	-	1040	0.14%
	At the End of the year on 31.03.2019	-	-	1,040	0.14%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
27	M.N. Ramu & Swaroop R Jahgirdar				
	At the beginning of the year 01.04.2018	6714	0.91%	-	-
	No changes during the year	-	-	6714	0.91%
	At the End of the year on 31.03.2019	-	-	6714	0.91%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
28	Kumar. V. Jahgirdar				
	At the beginning of the year 01.04.2018	1	0.0001%	-	-
	No changes during the year	-	-	1	0.0001%
	At the End of the year on 31.03.2019	-	-	1	0.0001%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
29	Sambamurthy Jahgirdar				
	At the beginning of the year 01.04.2018	31	0.004%	-	-
	No changes during the year	-	-	31	0.004%
	At the End of the year on 31.03.2019	-	-	31	0.004%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
30	Shamala S Jahgirdar & M.N. Ramu				
	At the beginning of the year 01.04.2018	6000	0.81%	-	-
	No changes during the year	-	-	6000	0.81%
	At the End of the year on 31.03.2019	-	-	6000	0.81%

Sl. No	Shareholders Name	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
31	M.N. Ramu & Adith S Jahgirdar				
	At the beginning of the year 01.04.2018	737	0.10%	-	-
	No changes during the year	-	-	737	0.10%
	At the End of the year on 31.03.2019	-	-	737	0.10%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
32	M.N. Ramu				
	At the beginning of the year 01.04.2018	25960	3.51%	-	-
	Increase during the year	73	0.01%	26033	3.52%
	At the End of the year on 31.03.2019	-	-	26033	3.52%

iv)- Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kumergode Investments Ltd				
	At the beginning of the year 01.04.2018	34507	4.67%	-	-
	No changes during the year	-	-	34507	4.67%
	At the End of the year on 31.03.2019	-	-	34507	4.67%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	DR. R.V. Raghavendra				
	At the beginning of the year 01.04.2018	22827	3.09%	-	-
	No changes during the year	-	-	22827	3.09%
	At the End of the year on 31.03.2019	-	-	22827	3.09%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Kapinipathi Rao R				
	At the beginning of the year 01.04.2018	15419	2.09%	-	-
	No changes during the year	-	-	15419	2.09%
	At the End of the year on 31.03.2019	-	-	15419	2.09%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Nandini Srikanta				
	At the beginning of the year 01.04.2018	13236	1.79%	-	-
	No changes during the year	-	-	13236	1.79%
	At the End of the year on 31.03.2019	-	-	13236	1.79%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Padmakant Devidas Shah & Saryu Padmakant Shah				
	At the beginning of the year 01.04.2018	9874	1.34%	-	-
	No changes during the year	-	-	9874	1.34%
	At the End of the year on 31.03.2019	-	-	9874	1.34%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Sohesh Prakash Shah				
	At the beginning of the year 01.04.2018	9684	1.31%	-	-
	No changes during the year	-	-	9684	1.31%
	At the End of the year on 31.03.2019	-	-	9684	1.31%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Investor Education and Protection Fund Authority				
	At the beginning of the year 01.04.2018	9211	1.25%	-	-
	No changes during the year	-	-	9211	1.25%
	At the End of the year on 31.03.2019	-	-	9211	1.25%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sharada Natarajan				
	At the beginning of the year 01.04.2018	4000	0.54%	-	-
	No changes during the year	-	-	4000	0.54%
	At the End of the year on 31.03.2019	-	-	4000	0.54%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	W.P.Krishna				
	At the beginning of the year 01.04.2018	2695	0.37%	-	-
	No changes during the year	-	-	2695	0.37%
	At the End of the year on 31.03.2019	-	-	2695	0.37%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Ramachandra M.K.				
	At the beginning of the year 01.04.2018	2548	0.35%	-	-
	No changes during the year	-	-	2548	0.35%
	At the End of the year on 31.03.2019	-	-	2548	0.35%

v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Karthik Ramohalli Krishn Rao				
	At the beginning of the Year 01.04.2018	5871	0.79%	-	-
	No changes during the year	-	-	5871	0.79%
	At the end of the Year 31.03.2019	-	-	5871	0.79%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Rajiv Harshavardhan Ramahalli				
	At the beginning of the Year 01.04.2018	72676	9.83%	-	-
	No changes during the year	-	-	72676	9.83%
	At the end of the Year 31.03.2019	-	-	72676	9.83%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Shivananjaiah Hosahally Nanjaiah				
	At the beginning of the Year 01.04.2018	102540	13.87%	-	-
	No changes during the year	-	-	102540	13.87%
	At the end of the Year 31.03.2019	-	-	102540	13.87%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Casiker Vivekanand				
	At the beginning of the Year 01.04.2018	24013	3.25%	-	-
	No changes during the year	-	-	24013	3.25%
	At the end of the Year 31.03.2019	-	-	24013	3.25%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Sanjay Jayatsen				
	At the beginning of the Year 01.04.2018	4058	0.55%	-	-
	No changes during the year	-	-	4058	0.55%
	At the end of the Year 31.03.2019	-	-	4058	0.55%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Nanjappaiah Madgondapalli Ramu				
	At the beginning of the Year 01.04.2018	26033	3.52%	-	-
	No changes during the year	-	-	26033	3.52%
	At the end of the Year 31.03.2019	-	-	26033	3.52%

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Mysore Manjanathasetty Sampathkumar				
	At the beginning of the Year 01.04.2018	1040	0.14%	-	-
	No changes during the year	-	-	1040	0.14%
	At the end of the Year 31.03.2019	-	-	1040	0.14%

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - 01.04.2018				
i) Principal Amount	14,85,348.00	-	-	14,85,348.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,85,348.00	-	-	14,85,348.00
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	-7,83,305.00	-	-	-7,83,305.00
Net Change	-7,83,305.00	-	-	-7,83,305.00
Indebtedness at the end of the financial year - 31.03.2019				
i) Principal Amount	7,02,043.00	-	-	7,02,043.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,02,043.00	-	-	7,02,043.00

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

(in Rupees)

Sl. No.	Particulars of Remuneration	Name and Designation of the MD/WTD/Manager		Total Amount
		Rajiv. H. Ramahalli	H.N. Shivananjaiah	
		WTD	WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	12,20,000	12,20,000	24,40,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	11,538	11,538	23,076
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit -others,(specify)	-	-	-
5	Others, please specify- sitting fees	-	-	-
	Total (A)	12,31,538	12,31,538	24,63,076
	Ceiling as per the Act	Rs. 60 lakhs as per Schedule V to the Companies Act, 2013		

B. Remuneration to other directors:

(in Rupees)

Sl. No.	Particulars of Remuneration	(a) Fee for attending board / committee meetings	(b) Commission	(c) Others, please specify
1	Independent Directors			
	Name of the Directors			
		-	-	-
	Total (1)	-	-	-
2	Other Non Executive Directors			
	Name of the Directors			
	C.Vivekanad	1,75,000.00		
	Sanjay Jayatsen	1,72,000.00		
	M.N.Ramu	1,73,000.00		
	R.K. Karthik	1,72,000.00		
	M.M.Anand Ram	1,52,000.00		
	Total (2)	8,44,000.00		
	Total (B)=(1+2)	8,44,000.00		
	Overall Ceiling as per the Act.	Rs. 1,00,000/- per meeting	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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

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

Sd/-
Rajiv Harshavardhan Ramahalli
Executive Director, DIN: 00473445
151, 4th Main Road, Chamarajpet
Bangalore- 560018, Karnataka, India

Sd/-
Shivananjaiah Hosahally Nanjaiah
Executive Director, DIN: 02368798
No. 11, Devikrupa, 11- Cross West of Chord Road, 02- Stage,
Bangalore - 560086 Karnataka, India

Date: 24.08.2019
Place: Bangalore

Annexure II
PENDING LEGAL CASES

You have already been updated that, the Company Petition (C.P. No. 13/2016; T.P. 84/16) filed by Mr. R.P. Trivikram, ex-Managing Director along with certain other members was disposed of entirely by the Honorable National Company Law Tribunal, Bengaluru Bench on 07.08.2018. The Honorable National Company Law Tribunal (NCLT) took the Joint Compromise Petition as final after confirmation by the parties and passed the final orders, appointing Mr. B. N. Harish, Retired Regional Director, as the Honorable Executor/Observer to oversee the implementation of terms of the Joint Compromise Petition.

The Honorable Executor/Observer held regular meetings for discussions between all the parties with the intention of implementing the Joint Compromise Petition's terms. However, the Petitioners have taken the opportunities afforded by the Honorable Executor/Observer and have raised multiple false and bogus allegations against all the Respondents; effectively obstructing the very purpose of the office of the Honorable Executor/Observer and stalling the implementation of the Joint Compromise Petition.

In addition to raising and making false and bogus allegations, Mr. R. P. Trivikram had, at the first meeting of the Honorable Executor/Observer, deliberately made a false claim of Rs. 2,21,00,000/- (Rupees Two Crore Twenty One Lakh Only) against an alleged payment made by him to one Mr. Radhakrishna, including interest for delay; for alleged improvement in the title of the Company's properties. Upon the insistence of the Hon'ble Executor/Observer the Board deliberated on the matter and requested Mr. R. P. Trivikram to provide all the documentary evidence with regard to the engagement of Mr. Radhakrishna and the work completed by Mr. Radhakrishna for the Company, and whether there were any more dues outstanding to be paid, along with an affidavit in support of his claim. Mr. R. P. Trivikram failed to provide any of the requested documents even after repeated reminders.

Subsequently, Mr. Radhakrishna had filed a case against Mr. R. P. Trivikram, the Company and others in Civil Court on the basis of a Memorandum of Understanding entered into by him with Mr. R. P. Trivikram, which was suppressed by Mr. R. P. Trivikram while entering into the Joint Compromise Petition. The case was admitted and interim orders were passed which barred the Company from alienating its properties. Mr. R. P. Trivikram through his own counsel had raised separate objections on the application filed by Mr. Radhakrishna, backed by a duly sworn affidavit; stating that there was no contract for engagement of services between him and Mr. Radhakrishna.

Therefore, in this manner Mr. R. P. Trivikram had deliberately and brazenly raised a fake/fraudulent claim against the Company for Rs. 2,21,00,000/- (Rupees Two Crore Twenty One Lakh Only). Your Board has highlighted the same before the Hon'ble Executor/Observer and are hopeful that strict action is taken against these fraudulent activities by filing suitable case.

After seeking your unified support at the 81st Annual General Meeting held on 30.08.2018, to defend your interests and to co-operate with the Hon'ble Lokayukta's investigations in the alleged illegal mining case; the Board had identified Counsels and Professionals to clear the name of the Company and to save the state exchequer from loss. However, the case still remains pending as payments have not been made to the Counsels and Professionals for their services. The non-payment is due to the fact that the Petitioners (Mr. R. P. Trivikram and family) have filed bogus allegations and have stalled the fair functioning of the Hon'ble Executor'/Observer's

office. The direct impact of this would be the passing of adverse orders by the Honorable Lokayukta, which may even attach the currently unsold properties of the Company and impose hefty penalty on the Company.

In addition to the aforementioned stalling of payments, the external agency engaged to clear the debris on the factory land, the external person engaged to undertake rectifications of records related to classification of company properties have not been paid yet as a result of the Petitioners' (Mr. R. P. Trivikram and family) false and bogus allegations before the Honorable Executor/Observer.

The litigations filed by the Company in the City Civil Court for encroachments, in respect of properties mentioned in the Joint Compromise Petition are still pending before various courts/authorities. Ms. Jagadamba and Mr. E. Krishnappa are in illegal possession of approximately 19 Acres of the Company's land and are carrying out development activities by spending substantial money. The Board is taking all initiatives to safeguard the interests of the stakeholders.

We regret to inform that Ms. Sudha Trivikram, former Director and proprietrix of Supra Exports continues to remain in illegal possession of 1 Acre 31 Guntas of the Company's land and causing hindrance to the implementation of the Joint Compromise Petition. The Grievance has been placed before the Hon'ble Executor/Observer to take steps to vacate her from the illegal occupation. Further, it is observed that Supra Exports are carrying on operations by illegally exploiting 1 Acre 31 Guntas (Approx. 79,000 Sq. Ft.) of the Company's property. However, the lease agreement with the Company was only for about 27,700 Sq. Ft.; Supra Exports have not paid any rent to the Company for the remaining 51,300 Sq. Ft., approximately for 20 Years.

Further, we wish to report that Mr. R. P. Trivikram, in addition to his fraudulent claim of Rs. 2,21,00,000/- (Rupees Two Crore Twenty One Lakh Only) had filed a miscellaneous application I.A. 227/2019 before the Honorable National Company Law Tribunal, Bengaluru Bench; in attempts to stop the functioning of the Board by demanding an appointment of administrator with total disregard of Corporate Democracy. We are pleased to inform you that your Board has diligently defended your interests against the vested interests of Mr. R. P. Trivikram and his family members.

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

Sd/-

Shivananjaiah Hosahally Nanjaiah
(Executive Director, DIN: 02368798)
No. 11, Devikrupa, 11- Cross,
West of Chord Road, 02-Stage,
Bangalore - 560086, Karnataka, India

Sd/-

Rajiv Harshavardhan Ramahalli
(Executive Director, DIN: 00473445)
151,4th Main Road, Chamarajpet,
Bangalore- 560018, Karnataka, India

Sd/-

Nanjappaiah Madgondapalli Ramu
(Chairman, DIN: 07268616)
No. 423, 5th C Cross, 4th Main, Near Giriyas, 2ndBlock,
Bangalore- 560043, Karnataka, India

Place: Bangalore

Date: 24.08.2019

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, 2019, 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, except for the effect of the matters described in the "Basis for Qualified Opinion" Para, 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, 2019, the Loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) The Honourable National Company Law Tribunal (NCLT) has appointed a Executor/observer to execute the Joint Compromise Petition entered into by two groups of shareholders who are parties to the dispute before the NCLT. On various issues the Executor has in his report submitted that there are certain payments to the tune of Rs 1,31,63,982/- (Rupees One Crore Thirty One Lakhs, Sixty Three Thousand Nine Hundred and Eighty Two only) which have been made by the company subsequent to order of NCLT but prior to his taking charge and Rs. 66,66,667/-(Rupees Sixty Six Lakh Sixty Six Thousand Six hundred and Sixty Seven only) paid during his tenure towards Legal fees which has not been approved. Consequential impact if any on the financial statements is not ascertainable.
- b) The Company has made sale of Sites to the tune of Rs. 2,62,48,800/- (Rupees Two Crore Sixty two lakhs Forty Eight Thousand Eight hundred only) during the financial year 2018-19. One of the conditions of the Joint Compromise Petition is that the petitioners should be present in the negotiations for the sale of the immovable property and the management has represented they have complied with this, for which no documentary evidence have been produced for audit. Consequential impact if any on the financial statements is not ascertainable.

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

Nityananda & Co
Chartered Accountants

(ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Emphasis of the Matter:

- a) We wish to draw emphasis to the Note No.31.4 with respect to the ongoing Company law dispute between the shareholders and the company & other directors, who have subsequently entered into a joint compromise petition and the Executors report that the implementation of the Compromise petition is remote.
- b) Emphasis is drawn to the Note No. 31.5 regarding the liability of Environment Fees which is not supported by confirmation.
- c) We wish to draw emphasis to the Note No.31.6 in the financial statements with respect to the exceptional expenditure incurred in connection with the premature termination of the production contract and the claim of the compensation from the service provider. The company had entered into a Settlement deed which was subsequently not implemented and settlement was executed by way of conciliation proceedings.
- d) Emphasis is drawn to the Note No. 31.7 regarding certain Material expenditure which are incurred as per the business judgment of the management.
- e) Emphasis is drawn to the Note No. 31.8 regarding the alleged illegal possession by a director, of an Asset of the Company being a Motor vehicle owned by the company.
- f) We wish to draw emphasis to the Note No. 31.9 regarding the non compliance with respect to the Statutory dues "Goods and Services Tax"
- g) Emphasis is drawn to the Note No. 28.1 with respect to the Contingent Liabilities on the company which is not ascertainable with respect to the ongoing investigation by the Karnataka Lokayuktha on the mining activities of the company.

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.

Nityananda & Co **Chartered Accountants**

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.

Nityananda & Co
Chartered Accountants

- 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.

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) Except for the effects of the matter described in the Basis for qualified opinion 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.

Nityananda & Co
Chartered Accountants

- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The matter described in the basis for qualified opinion paragraph above, in our opinion may have an adverse effect on functioning of the company.
- g) 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
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- i) 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. 28 and 31.4).
 - 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 no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the Company.

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 : 24-8-2019

UDIN - 19510494AAAACI2787

for Nityananda & Co .,
Chartered Accountants
Firm Regn No: 0125955

Sd/-
Vijayalakshmi C.J
(Partner)
Membership No. : 510494

Nityananda & Co
Chartered Accountants

"Annexure A" to the Independent Auditor's Report of even date on the Standalone Financial statements of **MYSORE STONEWARE PIPES AND POTTERIES LIMITED** for the year ended 31st March 2019.

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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.

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, 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, 2019, 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 : 24-8-2019

UDIN - 19510494AAAACI2787

for Nityananda & Co .,
Chartered Accountants
Firm Regn No: 0125955

Sd/-
Vijayalakshmi C.J
(Partner)
Membership No. : 510494

'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) According to the information and explanation given to us, the company has a system of physical verification of Fixed Assets at reasonable intervals and there have been no material discrepancies on such verification. However one of the Car belonging to the company is in the possession of the Director which is under dispute.(Refer Note No. 31.8)
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company subject to certain disputes before various revenue authorities due to the ownership claims made. (Refer Note No. 28.2)and also certain material expenditure incurring on compiling of all the linkages in the documentation of the properties and improving the physical condition of the site properties (Refer 31.7)
- II.
 - a) The Inventory has been physically verified during the year by the management at rotational basis by which all the items of the Inventory are covered annually. The company has liquidated all the existing inventory during the year and there is no closing inventory. In our opinion the frequency of verification is reasonable. There was no material discrepancies noticed on such verification.
- 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 29 with respect to dues from 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 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 activities 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 2019 for a period of more than six months from the date they became payable except Rs.4510486/- towards Goods and Services Tax payable (*Refer 31.9*), 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, Wealth Tax, Service tax, Duty of Custom, Duty of Excise, Value Added tax or Cess as at 31st March 2019, 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.

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 allegations made by some shareholders intersay on the implementation of the Joint Compromise Petition (note no 31.4), ongoing dispute in connection with a service arrangement (note 28.5) and illegal mining activities (note no 28.1) 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 hence our comments on the same has not been furnished. The provisions of the section 188 is complied to the extent applicable.

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 : 24-8-2019

UDIN - 19510494AAAACI2787

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

Sd/-
Vijayalakshmi C.J
(Partner)

**FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31.03.2019**

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
BALANCE SHEET AS AT 31ST MARCH 2019

	Particulars	Note No.	31st March 2019 Rs.	31st March 2018 Rs.
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	73,92,000	73,92,000
	(b) Reserves and surplus	2	3,82,53,580	8,33,81,319
	(c) Money received against share warrants			-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	7,02,043	14,85,348
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	4	46,00,000	53,50,000
	(d) Long-term provisions	5	5,07,692	7,97,638
4	Current liabilities		-	-
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6	-	1,14,22,253
	(c) Other current liabilities	7	17,76,83,822	13,35,31,900
	(d) Short-term provisions	8	-	2,36,58,608
	TOTAL		22,91,39,137	26,70,19,066
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Property Plant and Equipment	9	2,13,35,993	3,10,10,555
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	10	32,66,972	2,21,02,977
	(c) Deferred tax assets (net)	11	36,18,793	38,68,258
	(d) Long-term loans and advances	12	39,29,281	7,96,987
	(e) Other non-current assets		-	-

2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	13	-	93,34,701
	(c) Trade receivables	14	-	51,784
	(d) Cash and cash equivalents	15	18,69,81,390	19,68,79,853
	(e) Short-term loans and advances	16	40,615	91,114
	(f) Other current assets	17	99,66,093	28,82,837
	TOTAL		22,91,39,137	26,70,19,066
	Significant Accounting Policies and Notes on Financial Statements	1 to 31	-	-

Place : Bengaluru
Date : 24th August 2019

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 2019

	Particulars	Note No.	2018-19 Rs.	2017-18 Rs.
I.	Revenue from operations	18	-	2,15,71,852
II.	Other income	19	1,48,21,694	42,57,279
III.	Total Revenue (I + II)		1,48,21,694	2,58,29,131
IV.	Expenses:			
	Cost of materials consumed	20	-	33,14,272
	Purchases of Stock-in-Trade		-	14,04,937
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	-	-45,76,586
	Employee benefits expense	22	39,26,018	36,24,486
	Finance costs	23	2,05,346	2,61,386
	Depreciation and amortization expense	9	17,89,650	49,59,308
	Other expenses	24	2,56,66,775	3,03,88,408
	Total expenses		3,15,87,789	3,93,76,211
V.	Loss before exceptional and extraordinary items and tax (III-IV)		-1,67,66,095	-1,35,47,080
VI.	Exceptional items	25	94,64,069	7,38,06,411
VII.	Profit / (-) Loss before extraordinary items and tax (V - VI)		-73,02,026	6,02,59,331
VIII.	Extraordinary Items	26	-	-3,29,178
IX.	Loss (-) / Profit before tax (VII- VIII)		-73,02,026	5,99,30,153
X	Tax expense:		-	
	(1) Current tax			-1,33,00,000
	(2) Deferred tax		-2,49,465	-4,98,660
XI.	Loss (-) / Profit for the period from continuing operations (IX-X)		-75,51,491	4,61,31,493
XII.	Loss from discontinuing operations		-3,13,38,235	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-3,13,38,235	-
XV.	Loss (-) / Profit for the period (XI + XIV)		-3,88,89,726	4,61,31,493

XVI	Earnings per equity share of face value of Rs. 10/-. Basic & Diluted	27	-52.61	62.41
	Significant Accounting Policies and Notes on Financial Statements	1 to 31		

Place : Bengaluru
Date : 24th August 2018

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.Shivananjaiiah
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 2018-19

	2018-19		2017-18	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/LOSS(-) BEFORE EXTRAORDINARY ITEMS		-73,02,026		6,02,59,331
AS PER THE STATEMENT OF PROFIT AND LOSS				
Adjustments for:				
Depreciation and amortisation expense	17,89,650		49,59,308	
Finance Costs	2,05,346		2,61,386	
Extraordinary items	0		-3,29,178	
Gains on Redemption of Investments	-16,04,225		0	
Diminution in the value of investments	12,08,060		0	
Profit on Sale of Land	-1,06,42,129		-7,33,92,958	
Cash flows from Discontinuing operations	-1,36,17,919		0	
Interest income	-1,13,38,071		-34,79,379	
		3,39,99,288		-7,19,80,821
Operating Profit before working capital changes		-4,13,01,314		-1,17,21,490
Adjustments for :				
Decrease/(Increase) in Trade and other Receivables	-1,01,13,267		18,866	
Decrease/(Increase) in Other Bank Balances	-2,59,09,913		-14,17,32,941	
Decrease/(Increase) in Inventories	0		-43,32,222	
(Decrease) /Increase in Trade Payables & other Liabilities	2,55,07,186		13,54,38,164	
Cash Flows relating to operating activity of Discontinuing operations	95,70,701	-9,45,293		-1,06,08,133
Cash generated from Operations		-4,22,46,607		-2,23,29,623
Income Taxes		0		-1,33,00,000
Net cash flow from operating activities		-4,22,46,607		-3,56,29,623
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets & capital Work in progress	-98,36,012		0	
Proceeds from sale of land (Net of Expenses)	1,06,42,774		7,33,95,019	
Interest income	1,13,38,071		34,79,379	
Proceeds from redemption of Investments	1,92,32,133		0	

Net cash from investing activities		3,13,76,966		7,68,74,398
C. CASH FLOW FROM FINANCIAL ACTIVITIES				
Repayment towards Borrowings	-7,83,305		-7,09,339	
Interest and Bank charges	-2,05,346		-2,61,386	
Dividend paid including Dividend Distribution tax thereon	-2,39,50,084		-8,82,340	
Net cash used in financing activities		-2,49,38,735		-18,53,065
NET CHANGE IN CASH AND CASH EQUIVALENTS		3,58,08,376		3,93,91,710
CASH & CASH EQUIVALENTS (Opening Balance)		4,34,88,830		40,97,120
CASH & CASH EQUIVALENTS (Closing Balance)		76,80,454		4,34,88,830
Reconciliation				
Cash and Cash equivalents				
Cash and cash equivalents as per the Balance sheet		18,69,81,390		19,68,79,853
Less: Fixed deposit having maturity more than 3 months		-17,77,61,420		-15,25,09,972
Less: Bank Balances in Dividend Account		-15,39,516		-8,81,051
Total Cash and cash equivalents		76,80,454		4,34,88,830

Place : Bengaluru
Date : 24th August 2019

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 2019

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 the 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 Equipments:

Fixed assets are stated at cost, less accumulated depreciation. Cost of acquisition of Property Plant and Equipments 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.

C. Depreciation:

Depreciation has been provided at after adopting the Schedule II of the Companies Act 2013. 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 Computers 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.

D. 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).

E. Revenue Recognition:

Revenue in respect of sale of products (pipes) and sale of fireclay is recognized at the time of despatch of the materials to the customers and in respect of Iron ore raising charges at the time of loading of the iron ore for despatch to the customer 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.

F. Inventories:

Inventories are valued at lower of cost or net realizable value. Cost of work in progress and finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing those inventories to their present location. Cost is determined using first in First out Basis.

G. 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.

H. 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.

I. 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.

J. 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 time to get ready for intended use. All other borrowing costs are charged to Revenue.

K. 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.

L 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.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1. SHARE CAPITAL

Particulars	As at 31st March 2019	As at 31st March 2018
	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 Reconciliation of the number of Equity shares outstanding is set out below

Particulars	31st March 2019		31st March 2018	
	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

Sl. No.	Name of the Shareholder	As at 31st March 2019		As at 31st March 2018	
		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. Rajeev H Ramahalli	72,676	9.83%	72,283	9.78%
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 2019

2 RESERVES AND SURPLUS

Particulars	As at 31st March 2019	As at 31st March 2018
	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:	7,14,97,378	4,30,77,956
Add/(Loss): Net Profit/(Loss) for the current Period	-3,88,89,726	4,61,31,493
Less: Proposed Dividends *	-	-1,47,84,000
Less: Interim Dividend	-51,74,400	-
Less: Dividend Tax Payable	-10,63,613	-29,28,071
Closing Balance	2,63,69,639	7,14,97,378
Total	3,82,53,580	8,33,81,319

3 LONG TERM BORROWINGS

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Secured		
Term loans from bank *	7,02,043	14,85,348
Total	7,02,043	14,85,348

* Secured by hypothecation of Vehicles and collaterally secured by personal Guarantee of Managing Director and other Director. The Loan is repayable at an interest rate of 10.40% p.a

Maturity profile of Secured Term Loans from Canara Bank is as set out below:

	Upto 1 year	1 - 2 years	2-3 years	> 3 years
Term loans from Banks	7,87,267	7,02,043	-	-

4 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
(a) Earnest Money Deposit Received	46,00,000	53,50,000
Total	46,00,000	53,50,000

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

5 LONG TERM PROVISIONS

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Provision for employee benefits		
Provision for Gratuity	5,07,692	7,97,638
Total	5,07,692	7,97,638

5.1 Movement in Provisions

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Opening Balance	7,97,638	12,26,912
Add: Provisions	23,076	1,33,227
Less: Payments / Transfers	3,13,022	5,62,501
Closing Balance	5,07,692	7,97,638

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

6. TRADE PAYABLES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Dues to Micro, Small and medium Enterprises	-	-
Others	-	1,14,22,253
Total	-	1,14,22,253

* There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2019. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the management on the basis of information available with the company.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

7 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
(a) Current maturities of long-term debt	7,87,267	7,10,045
(b) Unpaid dividends	14,81,830	8,42,448
(d) Other payables		
i) Liability for expenses	2,51,60,232	93,92,641
ii) Liability for Statutory Dues	63,95,145	64,021
iii) Advance from customers	14,38,59,348	12,25,22,745
Total	17,76,83,822	13,35,31,900

Outstanding Liabilities for Expenses 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.

8 SHORT TERM PROVISIONS

*Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Others -		
Provision for Income Tax (Net)		59,46,537
Provision for Dividend		1,47,84,000
Provision for Dividend distribution Tax		29,28,071
Total	-	2,36,58,608

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Provision for Leave encashment		
Opening Balance	-	2,00,000
Add: Incurred during the year	-	-
Less: Paid during the year	-	2,00,000
Closing balance	-	-

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 balance of leave if any standing to the credit of the employees. During the current year the the leave encashment has been paid before the Reporting date.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

Notes on Financial Statements for the year ended 31st March 2019

9. FIXED ASSETS & DEPRECIATION

Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	Upto 1st April 2018	Depreciation charge for the year	Adjustments during the year	Upto 31st March 2019	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Property Plant and Equipment										
Land #	65,84,248	98,00,000	645	1,63,83,603	-	-	-	-	1,63,83,603	65,84,248
Factory Buildings	2,70,76,622		2,07,39,541	63,37,081	1,62,49,703	5,73,963	1,32,98,231	35,25,435	28,11,646	1,08,26,919
Other Buildings	30,20,824		30,20,824	-	18,19,688	43,563	18,63,251	-	-	12,01,136
Water Pipelines	10,27,592		10,27,592	-	3,28,269	23,186	3,51,455	-	-	6,99,323
Plant and Equipment	7,14,79,663		7,14,79,663	-	6,28,20,552	3,20,768	6,31,41,320	-	-	86,59,111
Computers	3,38,590		76,785	2,61,805	2,98,566	3,778	60,916	2,41,428	20,377	40,024
Furniture and Fixtures	8,61,773		5,90,179	2,71,594	6,95,872	44,970	5,34,422	2,06,420	65,174	1,65,901
Vehicles	61,86,865		-	61,86,865	35,45,877	7,32,407	-	42,78,284	19,08,581	26,40,988
Office equipment	3,92,473	36,012	1,00,445	3,28,040	1,99,561	47,015	65,148	1,81,428	1,46,612	1,92,912
Total	11,69,68,650	98,36,012	9,70,35,674	2,97,68,988	8,59,58,088	17,89,650	7,93,14,743	84,32,995	2,13,35,993	3,10,10,555
Previous Year	11,69,70,711	-	2,061	11,69,68,650	8,09,98,780	49,59,308	-	8,59,58,088	3,10,10,555	3,59,71,931

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. Such lands are continued to be shown at cost pending Judicial verdict.

@ The company has stopped the manufacturing activity and hence the building has been demolished completely except to the extent of 20000 Sq ft which is in the occupation by a relative of an erstwhile Managing Director and 1522 Sq ft of office building at the factory.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU

10. NON CURRENT INVESTMENTS

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Other Investments (Refer A below)		
Long term, trade, unquoted ,at cost,		
a) Equity instruments	0	12,08,060
Long term, non trade, unquoted ,at cost,		
b) Tax Free Bonds (Rural Electrification Bonds)	10,00,000	60,00,000
c) Investments in Mutual funds	0	75,00,000
(CY NIL (PY ICICI Prudential Capital Protection Fund Rs. 2500000/- and UTI Capital Protection Fund Rs. 5000000/-))		
Net Annual Value of the Mutual Funds is Rs. NIL (PY Rs. 90,74,175/-)		
d) Non Convertible Debentures	22,66,972	73,94,917
12.95% Debentures in Cholamandalam Investments and Finance Co Ltd., Rs. 2266972/-		
12.75% Debentures in India Infoline Rs. 5127945/-		
Total	32,66,972	2,21,02,977

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Aggregate amount of unquoted investments	32,66,972	2,21,02,977

2018	Rs.	917	977
060			
000			
000			

2018	Rs.	977

MYSORE STONWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 2019	As at 31st March 2018			As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018		
a)	Investment in 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%	12,08,060	12,08,060	No	The diminution is based on the Management's estimate.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

11 DEFERRED TAXES ASSET

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Deferred Tax asset		
Related to Fixed assets	21,62,416	23,57,826
Disallowances under Income Tax Act 1961 (43B and 40a(7))	14,56,376	15,10,432
Total	36,18,793	38,68,258

The company has created Deferred Tax asset only to the extent that the company has virtual certainty that it will have sufficient future Taxable income to realise the deferred Tax assets.

12 LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
<u>Other Loans and Advances</u>		
Unsecured and considered good		
Capital advances	-	4,00,000
VAT Refund receivable	1,33,317	3,96,987
Advance Tax (Net)	37,95,964	-
Total	39,29,281	7,96,987

13 INVENTORIES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Finished Goods	-	93,34,701
Total	-	93,34,701

14 TRADE RECEIVABLES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Unsecured, considered good		
Trade Receivables *	-	51,784
Total	-	51,784

* Includes Rs .nil(Previous Year Rs. 51,784/-) being Trade receivables in respect of goods sold is outstanding for a period exceeding six months from the date they are due for payment

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

15 CASH AND BANK BALANCES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
a. Cash and Cash Equivalents	18,54,41,529	19,59,89,332
b. Cash on hand	-	9,470
c. Other Bank Balances	15,39,861	8,81,051
Total	18,69,81,390	19,68,79,853

* Balance with banks includes unclaimed Dividend of Rs. 15,39,861/- (Previous year Rs. 8,81,051/-) The Balance with Banks include the debit balance with Corporation Bank being a Cash credit which is secured by mortgage of the Company's Land and the guarantee of the Executive directors.

16 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Unsecured, considered good		
a. Loans and advances to related parties	-	-
b. Others		
- Advances to Suppliers and others	1,944	2,140
- Prepaid Expenses	38,671	88,974
Total	40,615	91,114

17 OTHER CURRENT ASSETS

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Unsecured, considered good		
<u>Due from Related Parties</u>		
Due from Director	5,99,300	-
Others		
Security Deposits	13,24,923	13,34,923
Interest Accrued on Investments	-	2,25,000
GST Input Credit	68,82,364	13,22,914
GST Cash Ledger	11,59,506	-
Total	99,66,093	28,82,837

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

18. REVENUE FROM OPERATIONS

Particularas	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Sale of products	-	93,34,684	2,33,23,635	-
Less: Discount	-	37,33,873	17,51,783	-
Net Sales	-	56,00,811	2,15,71,852	-
Total	-	56,00,811	2,15,71,852	-

18.1 PARTICULARS OF SALE OF PRODUCTS

Particularas	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
Stoneware pipes	0	-	2,26,26,263	-
Sale of Manhole Covers	-	-	6,97,372	-
Total	-	-	2,33,23,635	-

There are no distinctly identifiable segments in the operation of the company. However the above additional details are provided.

19 . OTHER INCOME

Particularas	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Interest Income on Term deposits	1,06,58,492	-	28,57,628	-
Interest income on Bonds and Debentures	6,79,579	-	8,80,751	-
Redemption on Investments	16,04,225	-	-	-
Transportation charges on SW Pipes	-	-	4,13,900	-
Vehicle Hire charges	7,00,000	-	-	-
Liabilities no longer payable	11,79,398	-	1,05,000	-
Total	1,48,21,694	-	42,57,279	-

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

20. COST OF MATERIALS CONSUMED

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Imported	-	-	-	-
Indigenous	-	-	33,14,272	-
Total	-	-	33,14,272	-

20.1. Particulars of Raw Materials Consumed

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Consumption of Raw Material	-	-	33,14,272	-
Total	-	-	33,14,272	-

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

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Accretion to Finished Goods				
Inventories (At Commencement)				
Finished Goods	-	93,34,701	47,58,115	-
Inventories (At Close)				
Finished Goods	-	-	93,34,701	-
	-	-93,34,701	45,76,586	-
Grand Total	-	-93,34,701	45,76,586	-

* Represents write off of the balance of Fire Clay

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

22. EMPLOYEE BENEFITS EXPENSE

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
(a) Salaries and incentives	37,34,087	72,500	31,13,232	-
(b) Contributions to Provident Fund and other Funds	-	12,115	1,38,358	-
(c) Gratuity	23,076	-	1,33,227	-
(d) Staff welfare expenses	1,68,855	-	2,39,669	-
Total	39,26,018	84,615	36,24,486	-

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

a. Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
Employer's contribution to Provident Fund	-	4,832	72,971	-
Employer's contribution to Pension fund	-	2,128	41,978	-

b Defined Benefit Plan

The gratuity expense of Rs. 23,076/- (Previous Year Rs. 1,33,327/-) is provided additionally for the year with respect to the employees, which is recognized based on the number of years of service rendered.

The company has not carried out actuarial valuation but provided for gratuity liability on actuals on the basis of the number of years of service rendered by the employees on the rolls of the company. The company has on its rolls number of Employees less than the prescribed limit.

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.

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

23. FINANCE COSTS

Particularas	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Interest expense	2,05,346		2,61,386	
Total	2,05,346	-	2,61,386	-

24. OTHER EXPENSES

Sl. No.	Particularas	2018-19	2018-19	2017-18	2017-18
		Rs.	Rs.	Rs.	Rs.
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
	Production Expenses				
1	Consumption of General Stores	-	0	63,12,898	-
2	Power & Fuel	28,586	6,67,144	82,06,135	-
3	Labour Charges	-	-	23,67,338	-
		28,586	6,67,144	1,68,86,371	-
	Other Expenses				
1	Rent	5,40,000	-	5,40,000	-
2	Repairs & Maintenance	-	6,700	19,995	-
3	Insurance	1,25,389	-	1,02,321	-
4	Transportation charges	-	-	5,16,450	-
5	Legal & Professional Fees	2,13,76,363	2,00,000	79,28,650	-
6	Expenses on sales	-	15,000	8,54,599	-
7	Rates & taxes	7,79,831	13,30,385	9,77,730	-
8	Travel and Conveyance	3,65,247	3,65,247	4,92,700	-
9	Advertisement	1,92,980	-	3,60,830	-
10	Telephone & Internet Charges	24,144	24,144	74,504	-
11	Audit fees	3,60,000	-	2,50,000	-
12	Directors sitting fees	8,44,000	-	1,13,000	-
13	Vehicle Maintenance	-	-	67,762	-
14	Postage and printing	4,37,092	-	3,84,473	-
15	Bad Debts	-	5,38,862	3,78,206	-
16	Bank Charges	42,965	42,965	35,830	-
17	Miscellaneous Expenses	5,50,178	-	4,04,987	-
		2,56,38,189	25,23,303	1,35,02,037	-
	Total	2,56,66,775	31,90,447	3,03,88,408	-

* Power Consumption is shown net of recoveries of Rs. NIL/- (PY Rs. 2,11,174/-)

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

24.1

Sr. No.	Audit fees	2018-19	2018-19	2017-18	2017-18
		Rs.	Rs.	Rs.	Rs.
		Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
1	Payments to the Auditor				
	a. an Auditor	2,60,000	-	2,20,000	-
	b. for taxation matters,	40,000	-	20,000	-
	c. for company law matters,	-	-	-	-
	d. for other services,	60,000	-	10,000	-
	TOTAL	3,60,000	-	2,50,000	-

24.2. Expenditure in Foreign Currency - NIL

25. EXCEPTIONAL ITEMS

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Profit on Sale of land	2,62,48,155	-	7,33,92,958	-
Land cleaning and development Expenses	-1,56,06,026	-	-	-
Compensation Expenses		-1,40,00,000	-	-
Loss on Discarding of Assets		-1,03,29,283	-	-
Liabilities no longer payable reversed	30,000	-	4,13,453	-
Diminution in Value of Investment	-12,08,060	-	-	-
TOTAL	94,64,069	-2,43,29,283	7,38,06,411	-

26. EXTRAORDINARY ITEMS

Particulars	2018-19	2018-19	2017-18	2017-18
	Rs.	Rs.	Rs.	Rs.
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Expenses on Exit offer	-	-	3,29,178	-
TOTAL	-	-	3,29,178	-

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

27. EARNING PER SHARE

Particulars	2018-19 Rs.	2017-18 Rs.
Loss (-) / Profit after Taxation	-3,88,89,726	4,61,31,493
Add: Prior period items	-	-
Add/Less: Exceptional Items	94,64,069	7,38,06,411
Less: Extraordinary items	-	3,29,178
Net Loss	-4,83,53,795	-2,76,74,918
No. of shares outstanding	7,39,200	7,39,200
Earning per share before Prior Period and Exceptional items	-65.41	-37.44
Earning per share after Prior Period and Exceptional items	-52.61	62.41

28. Contingent liabilities and Commitments	2018-19 Rs.	2017-18 Rs.
(i) Contingent Liabilities		
(a) Other money for which the company is contingently liable	*Refer Note Below	
(ii) Capital Commitments	-	-

***Others**

- 28.1 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 restricting the Mining by the company. The company is contesting the above decision. The financial liability of the Company on the mining activities carried out arising out of the above proceedings is not ascertainable.
- 28.2 Liability in respect of dispute before various Revenue authorities 11 Cases (11 Cases) on portions of Company's lands not ascertainable.
- 28.3 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 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 2019

- 28.4 Liability if any due to the Petition by some of the erstwhile directors and shareholders against the Company and the current Board of directors, which is currently pending before the Honourable National Company Law Tribunal is not ascertainable (Refer Note 31.4)
- 28.5 In one of case 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 is disclosed.
- 28.6 Liabilities occurring on the company due to the penalty towards delayed filing of GST Returns, Cancellation of registration, etc., as referred in Note 31.9 is not ascertainable.

29 RELATED PARTY DISCLOSURES

	2018-19	2017-18
	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 2019

RELATED PARTY DISCLOSURES		2018-19 Rs.	2017-18 Rs.
Payments to Key Management Personnel			
Proposed Dividends Sri. Karthik R.K. & Relatives	Managing Director (from 17th September 2015 upto 31st May 2017)	2,96,310	8,46,600
Sri. Rajiv H Ramohalli & Relatives	Wholetime Director	5,48,009	15,57,880
Sri. C.Vivekanand & Relatives	Director	2,46,092	7,21,680
Sri. Sanjay Jayatsen	Director	3,69,488	10,55,680
Sri. Anandram	Director	27,447	78,420
Sri. Ramu & Relatives	Director	2,76,612	8,36,660
Sri. Shivananjaiah H.N	Director	7,59,101	21,68,860
Sitting Fees paid			
Sri. C.Vivekanand	Director	1,75,000	24,000
Sri. Karthik R K	Director	1,72,000	18,000
Sri. Sanjay Jayatsen	Director	1,72,000	24,000
Sri. M.N Ramu	Director	1,73,000	26,000
Sri. M.M Anandaram	Director	1,52,000	21,000

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

29.

RELATED PARTY DISCLOSURES		2018-19 Rs.	2017-18 Rs.
Managerial Remuneration			
<u>Sri. R.K.Karthik</u> Managing Director (from 17th September 2015 upto 31st May 2017)			
Remuneration		NIL	1,60,000
Car hire charges receivable		7,00,000	-
Balance outstanding		5,99,300	-
<u>Sri. Rajiv H Ramohalli</u>	Whole Time director		
Remuneration		12,20,000	7,20,000
Gratuity		11,538	34,615
<u>Sri. Shivananjaiah</u>	Whole Time director		
Remuneration		12,20,000	7,20,000
Gratuity		11,538	34,615

MYSORE STONEWARE PIPES AND POTTERIES LIMITED, BENGALURU
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

30 LEASE DISCLOSURE

Lessee Disclosure

The company has a cancellable operating lease with respect to the office premises for which a monthly rent of Rs. 45,000/- (Previous Year Rs. 45,000/-) is being paid.

The amount of Lease rentals paid which is recognized in the Statement of profit and loss is Rs. 5,40,000/- (Previous Year Rs. 5,40,000/-)

Lessor Disclosure

The company had leased out a part of its factory premises under a cancellable lease to the relative of erstwhile Managing Director. The portion of the factory building is quite old and the gross value of the same is difficult to ascertain. The cost of those premises has been fully depreciated as on date. The lease agreement has expired during 2015-16 but the Lessee has not vacated the premises and the matter is under dispute before the Bangalore Rural Court. The amount of Lease rentals received during the year is Rs. NIL/- (PY Rs. 1,05,000/-)

31 OTHER NOTES

31.1 DISCONTINUING OPERATIONS

The company during the year was in the process of discontinuing the Stoneware pipes manufacturing activity. The company has stopped its manufacturing operations and liquidated all the existing inventory and other Movable assets and is no longer in the business of Stoneware Pipes manufacture. The Company will focus on Real Estate Business activity.

There are no carrying amounts, as of the balance sheet date, of the total assets to be disposed of and the total liabilities to be settled with respect to the discontinuing operations except professional fees payable to the tune of Rs. 2,36,000/- (NIL) and Goods and Services Tax to the tune of Rs. 13,30,385/- (NIL)

The amounts of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the current financial reporting period have been reported under the respective heads and some of the common expenditure have been apportioned towards the ordinary activities attributable to the discontinuing operations on an estimated basis at 50%.

The amounts of net cash flows attributable to the discontinuing operations during the current financial reporting period have been suitably disclosed in the Cash Flow Statement.

31.2 The Company's shares were listed with the Bangalore Stock Exchange Limited. The Bangalore Stock Exchange Limited subsequently became non-operational due to lack of trading activity on its platform. Due to which it opted for voluntary surrender of recognition and exit, through its letter dated 8th October 2013 to the SEBI, under the provisions of Circular No. CIR/MSD/DSA/14/2012 dated May 30, 2012 (hereinafter referred to as "Exit Circular, 2012") issued by the SEBI with respect to voluntary

surrender of recognition and exit, in modification of their earlier circular issued in this regard. SEBI vide its order WTM/RKA/MRD/165/2014, dated 26th December 2014 allowed the exit of Bangalore Stock Exchange Limited as a stock exchange.

As per the conditions specified in the "Exit Circular, 2012" the Companies exclusively listed on the stock exchange seeking exit, had to list their securities on any other recognized Stock Exchange, failing which they will cease to be a listed company and will be moved to the Dissemination Board by the exiting stock exchange. The promoters of the Company had consulted a Merchant Banker to obtain an opinion on exit offer. On the Merchant Banker's opinion and pursuant to circular issued by SEBI on October 10, 2016 on Exclusively Listed Companies (ELC), Exit Offer was provided to the public shareholders, by the promoters. Saffron Capital Advisors Private Limited, Merchant Bankers, were appointed as the Independent Valuer to determine the fair value of shares. As per Valuation Report issued by them, the fair value per equity share was Rs. 95.36/- (Rupees Ninety-Five and Thirty-Six paise only). The Company successfully completed all Exit offer formalities. Accordingly, the BSE vide its letter dated 23rd October 2018, confirmed the removal of the Company from the Dissemination Board, (DB).

The Exit Offer opened on 26th September 2017 and closed on 4th October 2017, during which period the shareholders could tender their shares and exit from the Company. However, shareholders could have tendered their shares even after closure of Offer period, up to 4th October 2018, i.e., up to one year from the close of the Exit Offer period. Few of the shareholders have opted for the exit offer before 4th October 2018.

31.3 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 Rs. 12,08,060/-) which represents the diminished value of the original investment of 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 and . The dimunition accounted for the year 2018-19 is Rs. 12,08,060/-

31.4 The Petitioners and the Company along with other respondents in the petition which is presently before the Honourable National Company Law Tribunal have entered into a Joint Compromise petition which has been accepted by the National Company Law Tribunal(NCLT). The NCLT has appointed an executor/Observer by its order dated 07/08/2018 to execute the terms of the Joint Compromise Petition and the Executor/Observer has filed his report with NCLT that the implementation of the JCP is remote due to various disputes and Litigations. The Executor has also specified the need of Honourable National Company Law Tribunal's approval on certain payments made prior to his assuming charge as the Executor/Observer based on the audited financial statements of the Company.

Any Sale of Land by the company should be made with the consent of Petitioners to the Joint Compromise Petition. The management confirms that the sale made during the current financial year 2018-19 is with the consent of the Petitioners.

The terms of the Joint Compromise Petition as agreed by the petitioners and Respondents, allows sale of land but however one of the Petitioner(who is an erstwhile director and also the wife of erstwhile Managing Director) is occupying a portion of land without vacating due to which the

implementation of the JCP is affected.

- 31.5 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. NIL/- (PY Rs. 3,75,00,000/-), Environmental Fees payable Rs. 83,08,480/- (Rs. 83,08,480/-) and Capital advances paid Rs. NIL (Rs. 4,00,000/-). 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 subjected to confirmation.
- 31.6 The items under Losses from Discontinuing operations include an expenditure towards Compensation paid to a service provider for the premature termination of the Production contract with him. This settlement towards Rs. 1,40,00,000/- has been made vide conciliation proceedings. The sum of Rs. 1,40,00,000/- towards compensation payable to a Service has been discharged by way of sale of existing inventory of Stoneware pipes and the sale of Machinery. The existing Machinery and other fixed assets have been sold as per the best estimate of the Management sans any valuation report since the company could not obtain valuation report due to the fact that the Machinery was outdated and does not fetch any buyers in the market.
- 31.7 From the angle of ascertaining the correctness of the boundaries of the Company's Landed properties and also compiling all the linkages in the documentation of the properties and improving the physical condition of the site properties certain significant expenditure have been incurred during the year which have been suitably disclosed under the appropriate heads.
- 31.8 The company has a Motor car valuing Rs. 7,18,881/- (Rs. 10,02,914/-) which is in the possession of a director without approval and the same is not being handed over to the company and the company has claimed depreciation Rs. 2,84,032/- (Rs 3,96,253/-) on the same.
- 31.9 The company has defaulted in the area of compliance to Goods and Services Tax because of non filing of the periodic GST Returns. The company is unable to comply due to the non cooperation of one of the existing directors. Due to this there will be liabilities occurring on the company due to interest and penalty towards delayed filing of GST Returns, Cancellation of registration, etc.,
- 31.10 Previous year's figures have been regrouped and rearranged to make them comparable with current year's presentation.

Place : Bengaluru
Date : 24-8-2019

As per our report of even date.
for Nityananda & Co.
Chartered Accountants.
Firm Registration No. 0125955

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
SUB SCHEDULES TO THE NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR
FOR THE YEAR ENDED 31ST MARCH 2019

1. EARNEST MONEY DEPOSITS

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Scorpio Minerals	45,00,000	45,00,000
Mr. Puttabyrappa	-	7,50,000
Others	1,00,000	1,00,000
Total	46,00,000	53,50,000

2. TRADE PAYABLES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Karthik Enterprises (Proprietor Ms. D.Jayalakshmi Puttabyrappa)	-	14,13,560
Lakshmi Traders (Proprietor Mr. Puttabyrappa)	-	99,81,693
Others (Individual balances < Rs. 500000/-)	-	27,000
Total		1,14,22,253

3. LIABILITIES EXPENSES

Particulars	As at 31st March 2019	As at 31st March 2018
	Rs.	Rs.
Mr Subramanya Gowda	88,20,000	-
Agro Avenues Private Limited	70,56,000	-
Environment Fee payable	83,08,480	83,08,480
Other outstanding expenses (Individual balances < 500000)	9,75,752	10,79,161
TOTAL	2,51,60,232	93,87,641

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, Fax: 080 23614697,

Website: www.mysorestonewarepipes.com

ATTENDANCE SLIP

Members or authorised representatives or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Regd. Folio. No/DP.Id/ Client id	
Name of shareholder:	
Address of shareholder:	
Authorized Representative/ Proxy Name:	
Address of Authorized Representative/ Proxy:	

I/We hereby record my/our presence at the 82nd Annual General Meeting of the Company being held on Friday, the 27th day of September 2019, at 11.30 A.M. (IST), at Hotel Bangalore International, 2A-2B, Crescent Road, High Grounds, Near Race Course, Bengaluru – 560001, Karnataka, India.

Please tick the relevant option

1. Member
2. Proxy

Signature of Member/ Authorized Representative / Proxy

Form No. MGT-11

Proxy form

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

Corporate Identification Number : **U26913KA1937PLC000197**
Name of the company : **Mysore Stoneware Pipes and Potteries Limited**
Registered office : **No. 452, 11th Cross, 6th Main, Sadashivanagar,
Bangalore- 560080, Karnataka**
Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client ID :
DP ID :

I/We, being the member (s) of shares of the above-named company, hereby appoint

1.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him/her

2.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him/her

3.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 82nd Annual General Meeting of the company, to be held on Friday, the 27th day of Septmeber 2019, at 11.30 A.M. (IST), at Hotel Bangalore International, 2A-2B, Crescent Road, High Grounds, Near Race Course, Bengaluru – 560001, Karnataka, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1. Adoption of Financial Statements
2. Declaration of dividend
3. Appointment of Mr. Rajiv Harshavardhan Ramahalli
4. Appointment of Mr. Nanjappaiah Madgondapalli Ramu
5. Appointment of Mr. Ramohalli Krishnrao Karthik
6. Approval of sitting fees payable to Directors
7. Approval of remuneration payable to Mr. Shivananjaiah Hosahally Nanjaiah
8. Approval of remuneration payable to Mr. Rajiv Harshavardhan Ramahalli
9. Appointment of Mr. Mysore Manjanathasetty Sampathkumar as Director

Signed this..... day of..... 2019

Affix Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



