Independent Auditor's Report

TO THE MEMBERS OF MOIL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of MOIL Limited ("The Company"), which comprise the Balance sheet as at March 31, 2021 and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements")

With ongoing COVID-19 pandemic, we have conducted our audit with certain limitation, based on the records available and provided to us by the management at the head office. With restricted movement to mines/plants across borders and other difficulties our audit procedure was limited to documents provided to us by online mode.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter –

1. We draw attention on Note no.3.27 of the standalone IND AS financial statement, which explains the uncertainties and the management assessment of the financial impact related to COVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent on future economic developments and circumstances as they evolve. Our Opinion is not modified in respect of this matter.

2. We draw attention to Point No. 1.2.13 of accounting policy & Note No. 2.26 for recognition of revenue. The revenue includes Royalty, District Mineral fund (DMF) and National minerals exploration trust contribution (NMET) collected on behalf of third party on actual basis as per contract. However this treatment is not in line with IND AS 115, which says to show revenue on net basis excluding all collection on behalf of third parties. This has been done by the company as per the industry practice and expert opinion obtained. Our opinion is not modified on the same.

3. We draw attention to Note No. 2.16 (b) Sundry Receivable which includes a sum of Rs 120.5 Lakhs of GST claimed on account of payment made on behalf of JVC to be formed with GMDC in accordance with the opinion obtained by the company. However, in our opinion it is not allowable as the amount paid represents investment in JVC. Our opinion is not modified on the same.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td>Revenue from Contract with Customer
(i) Refer Note no. 2.26
(A) Sales invoices are raised and revenue is recognized in the books of accounts only after dispatch of goods based on railway receipt/lorry receipt/delivery challan.
Supplementary invoices are raised for variation in quality on receipt of laboratory analysis reports. Analysis reports received in subsequent year up to a cut-off date are considered in year of dispatch. Accordingly, supplementary invoices are raised and accounted for in the same year. In respect of analysis reports received after the cut-off date, the same are raised in subsequent year.
2. Sales include royalty, district mineral fund and national mineral exploration trust contributions.
3. Manganese ore fines, hutch, dust and HIMS rejects generated during operations are recognised as production as and when they are sold and corresponding sales is treated as revenue from mining products.</td><td>Principal Audit Procedures:
Our Audit Procedure comprises of assessing the application of the provisions of Ind AS 115 in respect of the Company's revenue recognition and appropriateness of the estimated adjustments in the process, also we have performed test to establish the basis of estimation of the consideration and whether such estimates are commensurate with the accounting policy.</td></tr>
<tr><td>2.</td><td>Inventory Valuation:
Refer Note no. 1.2.3(Significant Accounting Policy)
Finished Goods
(i) Manganese ore of all grades including Manganese ore fines, hutch dust and HIMS rejects, Manganese ore at port, Electrolytic manganese di-oxide [EMD], Ferro manganese/silico manganese including stock in cake:- At cost at mines including depreciation on mine assets or net realizable value, whichever is less.
(b) Stock in process: -The quantity of ferro manganese/silico manganese in process has not been assigned any value.
(c) Stock of slag: - Slag is a molten mass of impurities generated during manufacture of ferro manganese, which is treated as scrap and, accordingly, valued at net realizable price.</td><td>Principal Audit Procedures:
Our team has reviewed the same and has obtained a copy of valuation reports and price lists that have been taken into consideration while arriving at the final closing value of inventory. The system of inventory valuation and recording of stock level is found to be appropriate.</td></tr>
<tr><td>3.</td><td>Income tax:
Due to the multiple tax jurisdictions within which the Company operates and the ambiguity of interpretation tax laws, determining the amounts which should be recognised for tax is subject to judgement and is thus a key audit matter. Management's judgement includes consideration of regulations by various tax authorities with respect to various tax positions. Where there is uncertainty, management makes provision for tax based on the most probable outcome. Management's disclosures with regards to the uncertainties are contained in Note 3.2(ii) The company has opted to assess income tax at concessional rate of tax as per the provisions of Section 115BAA of the I.T. Act, 1961.</td><td>Principal Audit Procedures:
We involved our tax specialists to evaluate the recognition and measurement of the current and deferred tax assets and liabilities. This included: – Analyzing the current and deferred tax calculations for compliance with the relevant tax legislation. – Evaluating management's assessment of the estimated manner in which the timing differences, including the recoverability of the deferred tax assets, would be realized by comparing this to evidence obtained in respect of other areas of the audit, including cash flow forecasts, business plans, minutes of director's meetings, etc. The provisions are appropriate and adequate. As the company elects to assess income tax on its total income as per the provision envisaged u/s. 115BAA of the I.T. Act, 1961; it has not claimed deductions u/s. 80IA for calculation the provision for Income Tax in the financial statements and will follow the depreciation rates as may be notified by the concerned authorities.</td></tr>
</table>

Sr. No.	Key Audit Matter	Auditor's Response
4.	**Deferred tax:** As disclosed in Note 3.3 the Company has recognised deferred tax assets in respect of certain deductions on account of provision for Leave Encashment, provision for pension, provision for Post-Retirement Medical Benefit, provision for Doubtful Debts and provision for Bonus to the extent that it is probable that we get tax benefits in future. This requires management judgement in estimating future taxable income and is accordingly a key audit matter. Refer Note no. 3.3	**Principal Audit Procedures:** Reviewed the assumptions made by management for uncertain current and deferred tax positions to assess whether appropriate current and deferred tax provisions have been recognized and are based on the most probable outcome. We found the disclosures relating to the income tax and deferred tax balances to be appropriate.
5.	**Information Systems and Controls:** The company is using SAP system to process all accounting transactions. The said system has been implemented recent past. As Some manual intervention is still there. Thus, it is a Key Audit Matter.	**Principal Audit Procedures:** Our team has performed risk assessment procedure and considered the risk arising from the use of IT system at the company. While obtaining and understanding of the business process and performing walkthroughs the use of IT system and application has been considered. We have assessed the reliability of source data and completeness of population. Through sample testing we have tested the key reports generated from the IT system, and found that IT controls are adequate.
6.	**Defined Benefit Obligation and other Long-Term Benefits** The Company has recognized long term employee benefit liabilities, consisting of Terminal Leave Obligation & Gratuity and defined benefit obligations receivable (net of plan asset against funded gratuity obligation) and post-employment benefits). The valuation of employee benefit obligations is dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary	In testing the valuation, we have examined the reports of external actuarial specialists to review the key actuarial assumptions used, both financial and demographic, and considered the methodology utilized to derive these assumptions. Furthermore, we have examined the sensitivity analysis adopted by the external party viz. actuarial on the key assumptions in valuing the defined benefit obligations. We would like to comment that on the methodology and assumption applied in relation to determination of liability is acceptable
7.	**Provision for final Mine Closure Expenses:** The company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines. The company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment. Mine Closure expenditure is provided as per approved Mine Closure Plan. As the provision for mine closure involves estimate and Management judgement, the same is considered as a Key Audit Matter	Our Audit procedure comprise of identification and understanding of the reasonableness of the principal assumption used by the management to judge the need for its basis of estimate as it has been explained to us that the provision made is in accordance with the technical evaluation and production of ore during the year.
8.	**Provision for Post Retirement medical benefit** As disclosed in Disclosure no. 1 of Note 2.24 The company, as per office memorandum from Government of India (Ministry of Heavy Industries and Public enterprises) is required to create post retirement corpus fund for medical benefit of employees. The valuation provision of the same requires assumptions which are based upon market conditions, discount rate, Life expectancy of employees and others, to be considered for setting aside fund for medical benefit. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third party actuary.	In testing the valuation, we have examined the reports of external actuarial specialists to review the key actuarial assumptions used, both financial and demographic, and considered the methodology utilized to derive these assumptions. Furthermore, we have examined the sensitivity analysis adopted by the external party viz. actuarial on the key assumptions in valuing the defined benefit obligations. We would like to comment that on the methodology and assumption applied in relation to determination of liability is acceptable

Information Other than the Standalone 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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity 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 standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, subject to Point No. 2 of Emphasis of Matter hereinabove.

   (e) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 shall not be applicable to the Company.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 shall not be applicable to the Company.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements– Refer Note 3.9 to the standalone financial statements.

      ii. There are no long term contracts including derivative contracts, which require provision for 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.

2. As required under section 143(5) of the Companies Act, 2013 we give in the Annexure "B" a statement on directions issued by the Comptroller & Auditor General of India after complying the suggested methodology of audit, action taken thereon and its impact on the accounts and standalone financial statement of the company.

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

For **Demble Ramani and Company**
Chartered Accountants
(Firm's Registration Number: 102259W)

CA ASHOK RAMANI
Partner
(Membership No. 030537)
UDIN -21030537AAAABO9878

Place of Signature:- Nagpur
Date of Report:- 04th June 2021

Annexure "A" to the Independent Auditor's Report of Moil Limited for the FY 2020-2021

(As referred to in Paragraph 1(f) under Report on Legal and Regulatory Requirements of our report and in terms of section 143 (3)(i) of the Act)

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 MOIL Limited ("the Company") as of 31st March 2021 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the internal audit system requires to be strengthened. Also, ERP system SAP requires elaborate improvement like inclusion of several features viz,

(1) Vouchers making checking authorizing through SAP

(2) Periodic reviews of roles & authorization

(3) Audit Logs

(4) Governance and regulation control consisting statutory legal and other compliance.

For **Demble Ramani and Company**
Chartered Accountants
(Firm's Registration Number: 102259W)

CA ASHOK RAMANI
Partner
(Membership No. 030537)
UDIN -21030537AAAABO9878

Place of Signature:- Nagpur
Date of Report:- 04th June 2021

Annexure "B" to the Independent Auditor's Report of Moil Limited for the FY 2020-2021

(As referred to in Paragraph 2 under Report on Legal and Regulatory Requirements of our report on the statement of Directions under section 143(5) of the Companies Act, 2013 issued by the Comptroller & Auditor General of India)

This Annexure "B" is being revised to include 2nd para in point No.2 highlighted in ***Bold & Italics***.This para was left out in our original report as it was not considered necessary to include the same as it was not applicable to the company.

Similarly in point no.3 the words ***(Grants/Subsidy etc.), Government,*** Highlighted in Bold/Italic was left out as this was also not considered necessary to include it, as it was not applicable to company.

The additionas in aforesaid para 2 to point No.2 & incorporation of words ***(Grants/Subsidy etc.),Government***, in point.no.3 have been included as observed by CAG Auditor and to maintain performa of report and it does not have any impact to the Financials Statements.

Sr. No.	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system ?If yes, then implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications if any, may be stated.	Yes, the Company is using ERP-SAP System to process all the accounting transactions with manual intervention, including for preparation of Financial statements, which needs elobrate improvements like Inclusion of sevreals features such as • voucher making checking authorizing through SAP, • Periodic reviews of roles & authorization • Audit Trail logs • Governance and regulation control consisting statutory legal and other compliance
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans /interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. ***Whether such cases are properly accounted for ? (in case,lender is a government company,then this direction is also applicable for statutory auditor of lender company)***	No.
3.	Whether funds ***(grants/subsidy etc)*** received/receivable for specific schemes from Central/ State ***Government or its*** agencies were properly accounted for/utilized as per ***its*** terms and conditions? List the cases of deviation.	No such funds (Grants and subsidy etc.) have been received or are receivable from Central/State Government and its Agencies.

For **Demble Ramani and Company**
Chartered Accountants
(Firm's Registration Number: 102259W)

CA ASHOK RAMANI
Partner
(Membership No. 030537)
UDIN -21030537AAAABV1719

Place of Signature:- Nagpur
Date of Report:- 13th July 2021

Annexure "C" to the Independent Auditor's Report

(As referred to in Paragraph 3 under Report on Legal and Regulatory Requirements of our report Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013)

In terms of the information and explanations sought by us and given by the company and books & records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

i. a) The company has generally maintained proper records showing full particulars, including quantitative details & situation of Fixed Assets.

b) As explained to us, management has physically verified its fixed assets at reasonable intervals and no material discrepancies were noticed on such physical verification. In our opinion, verification of fixed Assets at the year end is reasonable having regard to the size of the Company and the nature of assets.

c) On examination of the documents provided to us by the management, the title deeds of immovable properties included in Fixed Assets are held in the name of company.

ii. In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory at reasonable intervals followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were observed during the verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained 189 of the Companies Act, 2013('the Act').

iv. The Company has complied with the provision of Section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees & security.

v. The company has not accepted deposits from the public. Hence the issue of compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder does not arise.

vi. The Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues including GST, Provident Fund, Employee State Insurance, Income-Tax, Duty of Customs, and other statutory dues applicable to it during the year. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident Fund, Employee State Insurance, Income-Tax, and other material statutory dues were in arrears as at 31st March, 2021 for a period of more than 6 months from the date they became payable. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company

b) The dues of Entry Tax and Value Added Tax, Professional tax, Service tax Duty of Excise and Income Tax which have not been deposited by the Company on account of various disputes relating to Assessment Dues are as under

Name of the Statute	Amount Demanded (In Rs. Lacs)	Amount paid under Protest (In Rs. Lacs)	Period to which amount relates	Forum where dispute is pending
M.P.Entry Tax Act 1975	13.68	8.45	2008-09	High Court, Jabalpur
	6.28	6.28	2012-13	Commercial Tax Appellate Board, Bhopal
	2.86	0.72	2013-14	Commercial Tax Appeals, Jabalpur
	21.75	5.44	2014-15	
	10.72	2.68	2015-16	
M.P.Vat Act 2002	3.68	1.47	2011-12	Commercial Tax Appellate Board, Bhopal
	9.15	6.66	2012-13	
M.P.CST Act 1956	6.10	1.53	2013-14	Commercial Tax Appeals, Jabalpur
M.S. VAT ACT 2002	13.68	0.00	2009-10	Sales Tax Appellate (MS)
	0.40	0.00	2010-11	
	2.01	0.00	2011-12	
M.S. CST ACT 1956	3.24	1.08	2010-11	Sales Tax Appellate (MS)
	0.71	0.47	2011-12	
Profession Tax Act,1975	2.27	1.13	2006-07	Sales Tax Appellate M.S.

Name of the Statute	Amount Demanded (In Rs. Lacs)	Amount paid under Protest (In Rs. Lacs)	Period to which amount relates	Forum where dispute is pending
Profession Tax Act,1975	7.70	1.93	2007-08	Sales Tax Appellate M.S.
Service Tax Act,1994	228.91	17.73	Apr. 2012-Jun,2017	Central Excise Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	14435.84	1082.69	Mar. 2011-Dec. 2015	High Court, Jabalpur
Income Tax Act, 1961	133.67	0	2018-19	CIT-Appeals

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) According to the records of the company examined by us and the information and explanations given to us, the company has not raised any money by way of initial public offer(including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

(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, noticed or reported during the year, nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, company is exempt from the provision of section 197 read with Schedule 5 to the Companies Act, 2013.

(xii) The provisions of Nidhi Rules, 2014 are not applicable to the company.

(xiii) According to the information and explanations provided to us by the management, all transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) The company has not entered into any non-cash transactions with directors or persons connected to its directors and hence the provision of section 192 of Companies Act, 2013 are, therefore, not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Demble Ramani and Company**
Chartered Accountants
(Firm's Registration Number: 102259W)

CA ASHOK RAMANI
Partner
(Membership No. 030537)
UDIN -21030537AAAABO9878

Place of Signature:- Nagpur
Date of Report:- 4th June 2021