

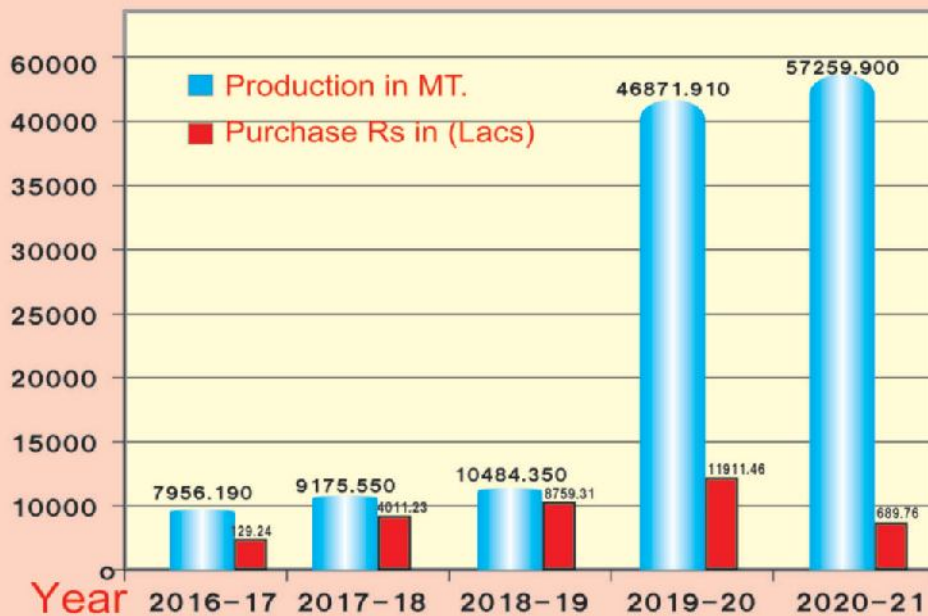


# **MAHARASHTRA STATE MINING CORPORATION LTD., NAGPUR**



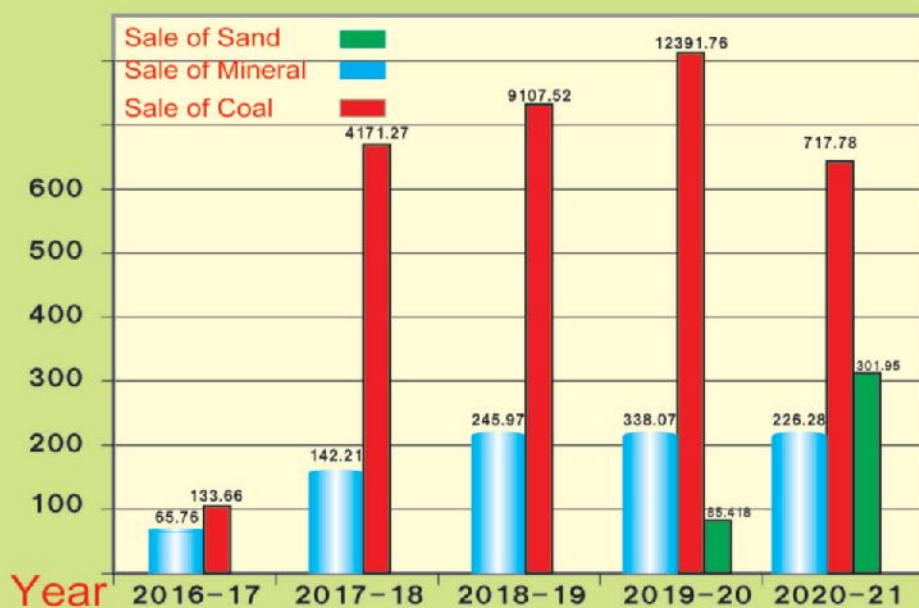
# PRODUCTION

In. MT



# TOTAL SALES

Values in Lacs



# **MAHARASHTRA STATE MINING CORPORATION LIMITED**

## **NAGPUR-440015**

### **BOARD OF DIRECTORS (As on 29 November 2021)**

Shri Ashish Jaiswal	-	Chairman
Shri M. J. Pradip Chandren IAS	-	Managing Director
Shri. Ravindra Gurav	-	Director
Shri. R. S. Kalamkar	-	Director
Shri. A. P. Dharmadhikari	-	Director
Dr. A. M. Pophare	-	Director

### **AUDITOR**

KND & Associates  
Chartered Accountants, Nagpur

### **BANKERS**

PANJAB NATIONAL BANK  
YES BANK  
STATE BANK OF INDIA  
BANK OF MAHARASHTRA

### **REGISTERED OFFICE**

Plot No. 7, Ajni Square,  
Wardha Road, Nagpur-440 015.

### **Contact**

Phone : 0712-2253204 / 05 / 06  
Fax : 0712- 2253203  
E. mail : md-msmc@msmc.gov.in  
Website : www.msmc.gov.in

### **PROJECTS**

- 1) **Iron Ore (Distt. Gondia)**
- 2) **Fluorite (Distt. Chandrapur)**
- 3) **Sillimanite (Distt. Bhandara)**
- 4) **Dolomite (Distt. Nagpur)**
- 5) **Lime Stone (Distt. Yeotmal)**

### **A G M DETAILS**

**Date of AGM : 29 November 2021**

**Day : Monday**

**Time : 1.00 am**

**Venue : Registered Office**  
of the Company  
Khanikarm Bhavan  
Plot No. 7, Ajni Sq.,  
Wardha Road,  
Nagpur-440 015



**MAHARASHTRA STATE MINING CORPORATION LIMITED**

CIN: U10100MH1973SGC017008

Reg. Office: PLOT NO. 7, AJNICHOWK, WARDHA ROAD, NAGPUR- 440015

Email id: info@msmc.gov.in, Phone No.: 0712-2253204 to 06

## Board Report

*To the Members,*

The Directors have pleasure in submitting their Annual Report of the Corporation together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL RESULTS-

The Corporation's financial performance for the year under review along with the previous year figures are given hereunder:

Particulars	31/03/2021(In 'Lakhs)	31/03/2020 (In Lakhs)
Total Income	1835.01	13354.97
Profit/Loss before depreciation and amortization	(177.77)	270.49
Depreciation and amortization for the year	(1.20)	28.84
Net Profit/Loss after depreciation and amortization	(179.36)	241.65
Exceptional Items	0	0
Prior period Income/ Expenses	0	0.42
Profit before extraordinary items and tax	(179.36)	241.23
Extraordinary Items	0	0
Profit before tax	(179.36)	241.23
Income Tax earlier years	0	(32.88)
Current tax expense	0	70.00
Deferred tax expense	0	0.49
Profit/Loss for the period from continuing operations	(179.36)	203.63
Profit/Loss from discontinuing operations	0	0
Tax expense of discontinuing operations	0	0
Profit/Loss from discontinuing operations (after tax)	0	0
Profit/Loss transferred/adjusted to General Reserve	(179.36)	203.63
Basic earnings per equity share	0	98.52
Diluted earnings per equity share	0	98.52

### 2. DIVIDEND

As the Corporation has earned operational profit, therefore Corporation has decided to distribute dividend for the year 2020-21

### 3. TRANSFER TO RESERVES

From the Profits of Financial Year 2020-21 Rs.179.36 Lakhs is transferred to the General Reserves.



**4. REVIEW OF BUSINESS OPERATIONS:**

Your Directors wish to present the details of Business Operations done during the year under review:

- a) **Production and Sales :** The mineral production and sales during the year 2020-21 as compare to those of the preceding year 2019-20 are as under:

Minerals / Mines		Open. Stock (in M.T.)	Production (in M.T.)	Sales Qty. & Value Received	
				Qty. (in M.T.)	(Rs. in Lakh)
Sillimanite		325.230	0.000	0.000	0.000
Prev. Year		(325.230)	(0.000)	(0.000)	(0.00)
Corundum		0.490	0.000	0.000	0.000
Prev. Year		(0.490)	(0.000)	(0.000)	(0.00)
Pyrophyllite		3788.590	0.000	40.000	0.280
Prev. Year		(3275.080)	(513.510)	(000.000)	(0.000)
Fluorite(Graded)		13377.890	1002.120	933.600	67.000
Prev. Year		(14,225.200)	(1,164.680)	(2,011.990)	(129.080)
Fluorite(Waste)		0.000	50.000	50.000	0.903
Prev. Year		(0.000)	(150.000)	(150.000)	(2.710)
Dolomite(Graded)		4,148.530	0.000	000.000	0.000
Prev. Year		(4,105.520)	(43.010)	(000.000)	(0.000)
Dolomite (Min.Waste)		0.000	0.000	0.000	0.000
Prev. Year		(0.000)	(0.000)	(0.000)	(0.00)
Limestone (Mine-1)		66.200	0.000	0.000	0.000
Prev. Year		(66.200)	(0.000)	(0.000)	(0.00)
Limestone (Mine-2)		0.000	49,700.000	22,533.500	Facilitation
Prev. Year		(0.000)	(0.000)	(0.000)	Charges
Kyanite	Navargaon Chowahwa Mine	171.198	540.094	524.260	Facilitation
Prev. Year		(410.577)	(836.271)	(1,102.650)	Charges
Contractor's		MSMC's- 10.030	---	MSMC's 0.000	
Pyrophyllite		108.630	96.300	95.000	
Prev. Year		(159.740)	(142.130)	(193.240)	
Garhpendhri Mine		0.700	0.000	0.000	Facilitation
MSMC's -Sillimanite		(0.700)	(0.000)	(0.000)	Charges
& Contractor's		1341.480	65.000	70.000	
Quartzite		(0.00)	(1,674.700)	(333.220)	
Iron Ore Lumps		4007.977	5146.610	6272.720	124.390
Prev. Year		(9,896.597)	(4,150.710)	(10,039.330)	(199.110)
Iron Ore Fines		2112.600	11196.000	8916.560	32.990
Prev. Year		(478.310)	(3,700.000)	(2065.710)	(7.560)
<b>Facilitation Charges Received:</b>					
1) Phondaghat Silica Sand Mine				3.000	
				(19.500)	
2) NavargaonChowahwaKyanite Mine				14.900	
				(12.330)	
3) Garhpendhri East Mine				2.620	
				(4.700)	
4) Gaurala Limestone Mine - 2				28.990	
				(0.000)	
Total		29,459.545	67,796.124	39,435.640	275.073
Previous Year		(32,953.674)	(12,375.011)	(15,896.140)	(374.990)

Note: Figures mentioned in brackets are of Preceding years i.e. F. Y.: 2019-20.

**5. MINERALS PRODUCTION AND SALE:**

The mine-wise production and sale value of the minerals during the financial year: 2020-21 are as under:

S. N.	Name of Mine	Production (MT)	Sale (MT)	Sale Value (Rs. in Laacs)
1.	Khursipar Iron Ore Mine - Lumps Fines	5,146.610 11,196.000	6,272.720 8,916.560	124.390 32.990
2.	Dongargaon Fluorite Mine Lumps Waste	1002.12 50.000	933.600 50.000	67.000 0.903
3.	Pohara Sillimanite Mine Sillimanite Pyrophyllite	0.000 0.000	0.000 40.000	0.000 0.280
4.	Patgowari Dolomite Mine	0.000	0.000	0.000
5.	Nawargaon-Chowa Kyanite Mine Kyanite Pyrophyllite	540.094 96.300	524.260 95.000	14.900 (Actual Facilitation charges received)
6.	Phondaghat Silica Sand Mine	N.A.	N.A.	3.000 (Actual Facilitation charges received)
7.	Garhpendhari East Mine Quartzite	65.000	70.000	2.620 (Actual Facilitation charges received)
8.	Gaurala Limestone Mine (3.62 Ha.)	49,836.700.000	22,533.500	28.990 (Actual Facilitation charges received)

**b) ABOUT ONGOING PROJECTS:**

a) **KHURSIPAR IRON ORE MINE:-** Due to low Fe content, the iron ore of Khursipar Iron Ore Mine could not get regular market. During the current year Lumps Iron Ore produced is **5,146.610 M.T.** and sold **6,272.720 M.T.** iron ore to various consumers. Production of Iron Ore Fines is **11,196.000 M.T.** and sale **8,916.560 M.T.** The revenue generation by sale of iron ore (Lumps: 6,272.720 M.T. & Fines: 8,916.560 M.T.) during the year is about **Rs.157.38 Laacs.**

b) **DONGARGAON FLUORITE MINE:-**The production of fluorite ore during the year is **1052.120 M.T.** which is marginal less than that of last year. The revenue



generated by selling 983.600 M.T. of fluorite ore from the mine is Rs. 67.903 Lacs. Production hampered due to non-availability of space for stocking.

- c) **POHARA SILLIMANITE MINE** :-In previous Financial Year, MSMC decided to close the mine and 23 workers were rehabilitate / transferred to other mines. Hence, there was no production, but there occurred sale of 40.000 M.T. of Pyrophyllite amounting Rs. 0.28 Lacs during the financial year.
- d) **PATGOWARI DOLOMITE MINE** :-As lease for the Patgowari mine has been expired on 8<sup>th</sup> May-2020 and as per Central Government notification 2015 Dolomite mineral declares as minor mineral. Hence, Govt of Maharashtra unable to renew the lease. Hence, there was no production, no dispatch occurred during the financial year.
- e) **NAVARGAON CHOWA KYANITE MINE** :- This mine is run by the Contractor named 'M/s. Shri Sai Metals and Minerals'. The Kyanite produced and sold by the Contractor were 540.094 M.T. and 524.260 M.T. respectively. Pyrophyllite produced and sold were 96.300 M.T. and 95.000 M.T. respectively. Actual amount received against the facilitation and supervision charges from the contractor, for the year was Rs. 14.900 Lacs.
- f) **PHONDAGHAT SILICA SAND MINE** :- As lease for the Phondaghat Silica Sand Mine was renewed by the State Government upto March-2020. Balance amount received against the facilitation and supervision charges from the contractor, during the year 2020-21 is Rs. 3.00 Lacs.
- g) **GARHPENDHARI EAST MINE & GARHPENDHARI WEST MINE**: Tenders for 'Hiring of Mining Machinery with Manpower to Annually produce and sell minerals' from Garhpendhari East Mine and Garhpendhari West Mine were published. Through competitive bidding, M/s Surya Associates was successfully selected to work the said mines. Accordingly, agreements were signed and Work Orders were issued on dated: 27<sup>th</sup> July, 2018. The contractor failed to continue the mining operations in Garhpendhari East Mine. He worked for 3-4 months during the year. The production and dispatch of quartzite are 65.000 M.T. and 70.000 M.T. respectively. The actual amount against the facilitation and supervision charges received from the contractor, for the year 2020-21 was Rs. 2.620.

Garhpendhari West Mine could not be started due to non-receipt of Environment Clearance from MoEFCC and other clearances from various statutory authorities. The process of obtaining EC is in progress. TOR in the said matter was approved.



Later, the contractor left the work and denied to continue the working at both the above mentioned mines. The Contractor stopped mine working w.e.f. 30.09.2020. MSMCL served the contractor demand cum notice for the payment of 'Facilitation and Supervision Charges'. But the contractor denied to pay the balance due and served a counter reply to MSMCL. It was also stated in the said reply to terminate the agreement signed otherwise he shall redress the matter before appropriate court of law. Then the Contractor went to the Court of Law for redressal.

- h) GAURALA LIMESTONE MINES (Part I & II):-** Gaurala Lime stone Mine Part – I, Area 116.13 Hectare applied for EC, as per Hon'ble Supreme Court Judgment MOEFCC has served violation notice to the Corporation. PH has been carried out successfully in the said application and the minutes have been sent to the Competent Authority. Further meeting of the Committee is still awaited. Approval of EC is still pending with MOEFCC, New Delhi.
- Mining Operation from Gaurala Limestone Mine Part-II, Area 3.62 Hectare was started from the 7<sup>th</sup> January, 2021. The contractor has produced 49,700 M.T. and sold 22,533.500 M.T. of limestone upto March-2021. The Actual facilitation charges paid by the contractor for the working period was **Rs. 28.990 Lacs.**

#### **PARTICIPATION IN MINES ENVIRONMENT AND MINERAL CONSERVATION WEEK: 2020-21.**

The corporation has active participation in celebrating 'Mines Environment and Conservation Week : 2020-21'. But due to COVID-19, the programmes is now rescheduled in the year 2021.

#### **PARTICIPATION IN MINES SAFETY WEEK – 2020.**

The corporation has active participation in celebrating 'Mines Safety Week 2020'.

But due to COVID-19, the programmes is now rescheduled in the year 2021.

**MINERAL DEVELOPMENT FUND:** - Your Corporation has been appointed as “Shell Agency” by the Government under State Mineral Policy 1999 to perform various functions as defined in the State Mineral Policy. Accordingly addendum to the “Primary Objectives” of Memorandum & Articles of Association has been incorporated to perform functions of Shell Agency. Government has enacted Maharashtra Mineral Development (Creation & Utilization) Fund Act and framed Rules there under for making special provision for its utilization towards mineral exploration and development of mining activities in the State, and for matters connected there with or incidental thereto.

This fund is to be utilized for carrying out on-going activities of Corporation as well as for working as Shell Agency and for providing infrastructure facilities like, road, water, electricity or for maintaining the ecological and environmental balance in the areas affected by mining. Your Corporation received an amount of Rs. 706.66 Crore from Mineral Development Fund (MDF) upto financial year 2020-21, out of which Rs. 106.47 Crore were allocated to Directorate of Geology and Mining and Rs.27.71 Crore were allocated to MSMC which will be utilized for various ongoing projects specially development of Pohara Mine and new projects. Your Corporation has utilized an amount of Rs.10.83 Crore up to 31/03/2021.

MSMC Shell Agency has received amount of Rs. 572.48 Crore towards Mineral Development Fund for various district since from the period 1999-2000 to 2020-21. Government of Maharashtra has provided Administrative approvals for Rs.737.77 Crore for works out of which MSMC has distributed Rs. 583.75 Crore to various districts up to 31/03/2021.

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**SUPPLY OF WASHED COAL TO VARIOUS TPS OF MAHAGENCO:**

1. MAHAGENCO has appointed MSMCL as Nodal Agency for supply of 21.98 MMTPA coal to various TPSs of Mahagenco and firstly issued LOI for 17.58 MMTPA quantity (80%).
2. The matter for signing Contract Agreement was pending with Mahagenco.
3. MSMC signed the contract agreement with Mahagenco on dated: 10.12.2020.
4. M/s. Hind Maha Mineral LLP and M/s. ACB (India) Ltd. were the successful bidders for 80% quantity, Contract Agreement signed with above bidders on dated 17.12.2020 and 18.12.2020 respectively.
5. Another agreement for remaining 20% quantity of ROM coal was signed with Mahagenco on dated 07.06.2021 and 21.06.2021 for 1.218 MMTPA quantity of SECL area and 2.00 MMTPA quantities of SECL and WCL areas respectively.
6. M/s. Mahavir Coal Washeries Pvt. Ltd. and M/s. Rukhmai Infrastructure Pvt. Ltd. were the successful bidder for SECL area and WCL area respectively.
7. Subsequently, MSMC signed required agreements on dated: 08.06.2021 and 22.06.2021 with M/s. Mahavir Coal Washeries Pvt. Ltd. and M/s. Rukhmai Infrastructure Pvt. Ltd. for the above mentioned quantities respectively.



8. The matter of signing contract agreement between MAHAGENCO and MSMC is still pending with MAHAGENCO.

9. The details of **80% ROM Coal Agreements** are as follows:

S. N.	Particulars	W. C. L. (MMTPA)	S. E. C. L. (MMTPA)	M. C. L. (MMTPA)	TotalQty. (MMTPA)
1.	Raw Coal Quantity	6.4+1.6	2.24+3.36	1.59+2.39	<b>17.58</b>
2.	Normative Yield (%)	85.00 %	80.00 %	72.00 %	---
3.	Wash Coal Quantity	5.44+1.36	1.792+2.688	1.145+1.7208	<b>14.1458</b>

10. The details of **20% ROM Coal Agreements** are as follows:

S. N.	Particulars	W. C. L. (MMTPA)	S. E. C. L. (MMTPA)	M. C. L. (MMTPA)	TotalQty. (MMTPA)
1.	Raw Coal Quantity	2.00	1.218	Pending	3.218
2.	Normative Yield (%)	85.00 %	80.00 %	with	---
3.	Wash Coal Quantity	1.70	0.9744	Mahagenco	2.6744

11. Accepted rates and Washery Operators for beneficiation are as follows:-

S. N.	Name of Contractors	Coal Companies	ROM Coal (MMTPA)	Accepted Rate (Rs./MT )
1.	Hind Maha Mineral LLP	W. C. L.	6.40	328.50
		S. E. C. L.	2.24	483.19
		M. C. L.	1.59	318.15
2.	ACB (India) Ltd.	W. C. L.	1.60	328.50
		S. E. C. L.	3.36	268.20
		M. C. L.	2.39	427.52
3.	Rukhmai Infrastructure Pvt. Ltd	W. C. L.	2.00	332.50
		M. C. L.	Pending with Mahagenco	
4.	Mahavir Coal Washeries Pvt. Ltd.	S. E. C. L.	1.218	396.00

(Rates finalized above are inclusive of Taxes & levies except GST.)

## **7. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE CORPORATION-**

The following has been accomplishments in the year under review:

- Distribution of Coal:** Maharashtra State Government has nominated MSMC as a Nodal Agency for distribution of 7.2 lacs MT p.a. of Coal to Small Scale Industries (SSI units). The two years fuel supply agreement with WCL has been expired on 31<sup>st</sup> March 2020. Renewal for the same is awaited from Govt.
- Corporation has received LOI for 17.60 MMTPA from MAHAGENCO to supply washed coal to their various TPS across the state. Work order for the same is awaited and the project is expected to start in the current FY.



- c) Corporation has received four sand ghats of Chandrapur District to sell the sand for Government projects. Around 50,000 brass sand has been excavated during the course of tenure.

## **8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and is attached to this report.

## **9. COMPOSITION OF CSR COMMITTEE**

- |                                       |   |             |
|---------------------------------------|---|-------------|
| 1. M.J.Pradip Chandren, MD, MSMC      | - | Chairperson |
| 2. Dr. Anil Pophare, Director, MSMC   | - | Member      |
| 3. Shri R. S. Kalamkar, Director, DGM | - | Member      |

However, as the Corporation does not fall under the purview of CSR as per Companies Act, 2013, it has not undertaken any activity under CSR.

## **10. DIRECTORS & KMP (Appointment & Cessation)**

There was no change in the composition of Board of Directors in FY 2020-21

## **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Corporation under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## **12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The Contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 are not applicable to Government Companies.

## **13. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS**

**MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report in not applicable to the Corporation.

**14. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS**

There is no fraud reported in the Company during the F.Y. ended 31st March,2021 This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March,2021.

**15. CORPORATION'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the corporation and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**16. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure II** and attached to this Report.

**17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Corporation had Board meetings on the below mentioned dates respectively. During the financial year under review the intervening gap between two meetings was within the period prescribed by the Companies Act, 2013.

Board Meeting No.	Original Meeting Date	Board	1 <sup>st</sup> Adjourned	2 <sup>nd</sup> Adjourned
219	14.08.2020		--	--
220	30.12.2020		--	--
221	18.03.2021		--	--
222	31.03.2021		26.04.2021	--

**18. DIRECTORS RESPONSIBILITY STATEMENT**



In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the corporation at the end of the financial year and of the profit and loss of the corporation for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the corporation and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. 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.

## **19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Corporation is having two Subsidiary Companies i.e. MSMC ADKOLI NATURAL RESOURCES LIMITED and MSMC WARORA COLLIERIES LIMITED. The Corporation is also having Joint Venture i.e. MAHA TAMIL COLLIERIES LIMITED.

## **20. DEPOSITS**

The Corporation has neither accepted nor renewed any deposits during the year under review.

## **21. STATUTORY AUDITORS**

The Comptroller and Auditor General of India, New Delhi re-appointed M/s KND& ASSOCIATES., Chartered Accountants, Nagpur as Statutory Auditors in accordance with Sec. 139(1) of the Companies Act, 2013.

## **22. SHARES**

### **a. BUY BACK OF SECURITIES**

The Corporation has not bought back any shares during the year under review.

### **b. SWEAT EQUITY**

The Corporation has not issued any Sweat Equity shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.



#### **d. EMPLOYEES STOCK OPTION PLAN**

The Corporation has not provided any Stock Option scheme to the employees.

#### **23. ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company maintains comprehensive internal control system, commensurate with the size of its operations and monitoring procedure for all the major processes to ensure reliability of financial reporting and timely feedback on compliance with policies, procedure, laws and regulations.

#### **24. CHANGES IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS**

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

#### **25. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company is committed to provide a safe and conducive work environment to its employees.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ACKNOWLEDGEMENTS**

Your Directors are grateful to the Government of Maharashtra for its esteemed counsel, valued guidance and financial support and take this opportunity to thank all the workers and employees for the co-operation rendered by them during the year under report.

#### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Shri.M.J. Pradip Chandren , IAS**  
Managing Director (0906343)

**Dr. Anil Pophare**  
Director (01186221)

Date: 27/08/2021

Place: Nagpur

**Annexure 1**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN  
EXCHANGE EARNINGS AND OUTGO**

**(A) Conservation of energy-**

- Power supply systems have been organized suitably to reduce power losses.
- Various energy conservation measures like procurement of energy efficient lights and fittings, higher starred rating energy meters/power factor meters/ demand controllers etc for monitoring and control of energy, elimination or reduction of stage pumping as far as practicable, energy conservation measures have been taken and general awareness propagated among all concerned for efficient use of energy.
- Ecology conservation is crucial in today's era. It is imperative that the development process in a community is compatible with its environment as well as with the particular culture of that community. Your company, with a goal of achieving sustainable development has taken various proactive measures to reduce global warming. The Company is conscious of its responsibility towards Conservation of Energy and in turn Humanity

**(B) Technology absorption-**

**(i) the efforts made towards technology absorption;**

The technology used for the existing project is fully indigenous. The works departments of the Company are always in pursuit of finding ways and means to improve the performance, quality and cost effectiveness of its products. The consistent efforts are made for the updation of technology being used by the Company as a continuous exercise.

**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;**

Continuous value engineering activities is currently being undertaken for improving profitability.

(iii) As per the guidelines of Government of India for Sustainable Development Framework (SDF), Scientific evaluation of Mine Closure Plan for all the Mines being with Corporation have been prepared as per the guidelines issued by Mineral Conservation Development Regulation, 1988 and Mineral Concession Rules, 1960.

(vi) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported;	}	NIL
(b) the year of import;		
(c) whether the technology been fully absorbed;		
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and		

(iv) the expenditure incurred on Research and Development: Nil

**(C) Foreign exchange earnings and Outgo- Nil**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Shri. M.J.Pradip Chandren, IAS**  
**Managing Director (09063143)**

**Dr. Anil Pophare**  
**Director(01186221)**

**Date: 27/08/2021**  
**Place: Nagpur**



**Annexure 2****Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31.03.2020  
of MAHARASHTRA STATE MINING CORPORATION LIMITED  
*[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies  
(Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U10100MH1973SGC017008
2. Registration Date	14/11/1973
3. Name of the Company	MAHARASHTRA STATE MINING CORPORATION LIMITED
4. Category/Sub-Category of the Company	COMPANY LIMITED BY SHARES/ STATE GOVT COMPANY
5. Address of the Registered office and contact details	PLOT NO. 7, AJNICHOWK WARDHA ROAD NAGPUR-440015
6. Whether listed company	NO
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	NOT APPLICABLE

**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 and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Mining of Coal and Lignite	0520	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN	Holding/Subsidiary /Associate	% of Shares held	Applicable Section
1	MSMC ADKOLI NATURAL RESOURCES LIMITED Plot no. 7, Ajni Square Wardha Road Nagpur-440015	U10200MH2010SGC200221	Subsidiary	51	Sec 2 (87)
2	MSMC WARORA COLLIERIES LIMITED Plot no. 7, Ajni Square Wardha Road Nagpur-440015	U14100MH2010SGC205717	Subsidiary	51	Sec 2 (87)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	3	3	0.0015	-	3	3	0.0015	0
b) Central Govt.	-	0	0	0	-	0	0	0	0
c) State Govt(s)	-	206684	206684	99.99	-	206684	206684	99.99	0
d) Bodies Corp.	-	0	0	0	-	0	0	0	0
e) Banks / FI	-	0	0	0	-	0	0	0	0
f) Any Other	-	0	0	0	-	0	0	0	0
Sub Total (A) (1) :-	-	206687	206687	100	-	206687	206687	100	0
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	0	0	0	-	0	0	0	0
b) Other Individuals	-	0	0	0	-	0	0	0	0
c) Bodies Corp	-	0	0	0	-	0	0	0	0
d) Banks / FI	-	0	0	0	-	0	0	0	0
f) Any Other	-	0	0	0	-	0	0	0	0
Sub Total (A) (2)	-	0	0	0	-	0	0	0	0
Total shareholding of promoter (A) = (A)(1) + (A)(2)	-	206687	206687	100	-	206687	206687	100	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	0	0	0	-	0	0	0	0
b) Banks/FI	-	0	0	0	-	0	0	0	0
c) Central Govt	-	0	0	0	-	0	0	0	0
d) State Govt(s)	-	0	0	0	-	0	0	0	0
e) Venture Capital Funds	-	0	0	0	-	0	0	0	0
f) Insurance Companies	-	0	0	0	-	0	0	0	0
g) FIIs	-	0	0	0	-	0	0	0	0
h) Foreign Venture Capital Funds	-	0	0	0	-	0	0	0	0
Others (Specify)	-	0	0	0	-	0	0	0	0
Sub Total (B) (1) :-	-	0	0	0	-	0	0	0	0
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	-	0	0	0	-	0	0	0	0



# MAHARASHTRA STATE MINING CORPORATION LIMITED

ii) Overseas	-	0	0	0	-	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	0	0	0	-	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	0	0	0	-	0	0	0	0
c) Others	-	0	0	0	-	0	0	0	0
Sub Total (B) (2) :-	-	0	0	0	-	0	0	0	0
Total Public Shareholding (B) = (B)(1) + (B)(2) :-	-	0	0	0	-	0	0	0	0
C. Shares held by Custodian for CDRs & ADRs	-	0	0	0	-	0	0	0	0
Grand Total (A) + (B) + (C)	-	206687	206687	100	-	206687	206687	100	100

## (ii) Shareholding of Promoters

Sl. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. Of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	No. Of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	
1	Government of Maharashtra	206684	99.99		206684	99.99		0
2	M.J.Pradi Chandren, IAS	1	0.0005		1	0.0005		0
3	Shri R. SKalamkar	1	0.0005		1	0.0005		0
4	Shri P Y Tembhare	1	0.0005		1	0.0005		0
	<b>Total</b>	<b>206687</b>	<b>100</b>		<b>206687</b>	<b>100</b>		<b>0.00</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total no. of Shares	% of total shares of Company
1	01/04/2019	Shareholding at the beginning of the year		206687	100
2	31/03/2020	Shareholding at the end of the year		206687	100

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total no. of shares	% of total shares of Company
M.J.PRADIP CHANDREN					
1	01/04/2020	Shareholding at the beginning of the year		1	0.0005
2	31/03/2021	Shareholding at the end of the year		1	0.0005
P Y TEMBHARE					

1	01/04/2020	Shareholding at the beginning of the year		1	0.0005
2	31/03/2021	Shareholding at the end of the year		1	0.0005
<b>GOVERNOR OF MAHARASHTRA</b>					
1	01/04/2020	Shareholding at the beginning of the year		206684	99.99
2	31/03/2021	Shareholding at the end of the year		206684	99.99

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total No. of shares	% of total shares of Company
RAJENDRASHIVDASKALAMKAR					
1	01/04/2020	Shareholding at the beginning of the year		1	0.0005
2	31/03/2021	Shareholding at the end of the year		1	0.0005

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	Nil	45746000	Nil	45746000
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>45746000</b>	<b>Nil</b>	<b>45746000</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	Nil	45746000	Nil	45746000
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>45746000</b>	<b>Nil</b>	<b>45746000</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors/ Executive Director and/or Manager:**

Sl. No	Particulars of remuneration	Name of MD/ WTD/ED/ Manager	Total Amount
		<b>S RAMAMOORTHY</b>	
1	Gross salary:		
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>1076188/-</b>	<b>1076188/-</b>
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify	Nil	Nil
4	Others, please specify	Nil	Nil
	<b>Total (A)</b>	<b>1076188/-</b>	<b>1076188/-</b>
	<b>Ceiling as per the Act</b>	<b>NA</b>	<b>NA</b>

**B. REMUNERATION TO OTHER DIRECTORS: NIL**

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

**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	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Shri. M.J.Pradip Chandren, IAS  
Managing Director (009063143)

Dr. Anil Pophare  
Director (01186221)

Date: 27/08/2021  
Place: Nagpur



**KND & ASSOCIATES**  
Chartered Accountants

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## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MAHARASHTRA STATE MINING CORPORATION LIMITED,  
Nagpur.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/S. MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR, ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information & Cash Flow Statement.

### **I. Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013, as amended ("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 the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its **loss** for the year ended on that date.

### **II. Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **III. Basis of Qualified Opinion**

The Company had received sweat money of Rs.4987.57 lacs from Gupta Coal (India) Ltd. & Sunil Hi-Tech Engineering Ltd. For coal block allocation but Consequent to de-allocation of coal blocks to the company, sweat money received from these companies is due to be refunded after making necessary forfeiture & deductions. Company had referred the matter to law & judiciary department of



government of Maharashtra who had given its opinion on 17/06/2016, According to it, forfeiture amount is to be calculated as 10% of the sweat money paid by JV partner i.e. Rs 498.76 lacs should have been forfeited & taken to income. Due to non-accounting of this income profit of the company has been **understated** to this extent. This observation is a continuing one and was a subject matter of qualification in the earlier year also.

Further in case of Sunil Hi-Tech Engineering Ltd a letter dated 26/09/2018 received by the company from Enforcement Directorate, wherein it is mentioned that as per provisional attachment order bearing no. 01/2018 dated 14/03/2018 which has been confirmed by the Ld. Adjudicating authority, New Delhi, vide order dated 13/08/2018 passed in original complaint bearing no. 913/8 that amount paid by M/s Sunil Hi-Tech Engineers Ltd to M/s Maharashtra State Mining Corporation Ltd. As sweat money and interest on deferred sweat money is attached and further requested the company to transfer amount of Rs. 25,44,95,040/- however which is in excess of amount Rs.18,65,00,000/- appearing in the books of company. Pending clarity as to from whom the balance excess payment of Rs.6,79,95,040/- is to be recovered, it is shown as advance in the name of M/s Sunil Hi-Tech Engineers Ltd.

#### **IV. Emphasis of Matter**

- a) The company is liable for registration for deducting TDS under Section 51 of CGST Act, 2017 at the rate of 2% on payments made exceeding of Rs.2,50,000/- but the company has not taken registration under the said section and is not deducting TDS under GST Act. The non-compliance of the section may lead to penal action in future under GST Act.
- b) The company is liable to collect Tax Collection at Sources (TCS) under section 206C of Income Tax Act, 1961 on sale of Iron Ore at the prescribed rate but the company is not collecting TCS on sale of iron ore and is also not taking declaration from buyer under Form No. 27C in proper format. The non-compliance of the section may lead to penal action in future under Income Tax Act 1961.
- c) The company has forfeited security deposit of Surya Associates and liable to pay GST on such forfeited amount but the company has not paid GST on forfeited amount. Consequent to non-paying of GST future liability would be occurring on the company.
- d) During the year company has made provision for Mine closure expenses of Rs.17,42,500/- as required by Mines & Minerals (development & regulation) Act, 1957 & Mineral Conservation & Department Rules, 1988 as amended from time to time. Company has made this provision on the basis of estimation. However as per explanation given to us, Mine closure expenses are estimated on the basis of activity to be carried out at the time of final mine closure and these activities may differ from the activities mentioned in progressive mine closure plan.
- e) The company has paid security guard expenses amounting to Rs.12,63,680/- during the year. The Company is liable to pay Goods & Services Tax (GST) under Reverse Charge Mechanism amounting to



Rs.2,27,462/- as per Section 9(3) of CGST Act 2017. However the company has not paid the GST due on RCM basis during the year.

- f) Company is regularly assessing the value of inventories and they found that sand worth of Rs.10,23,451/- has become obsolete therefore it cannot be sold in the open market. Hence the management has decided to write off the obsolete sand stock.
- g) During the audit it is found that balance of IGST, CGST and SGST in books of account is not matched with the balance of Electronic Credit Ledger shown in GST Portal. Detail as given below :

(Amt. in Rs.)

Particular	As Per Books	As Per E-Credit Ledger	Difference
IGST	13,64,657/-	-	13,64,657/-
CGST	41,62,611/-	38,86,197/-	2,76,414/-
SGST	42,14,816/-	45,95,409/-	3,80,592/-

**Our opinion is not qualified on the above matter.**

#### **V. Information other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Financial Statements and our auditors' 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 such 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.

#### **VI. 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the



Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **VII. Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

•Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **VIII. Report on Other Legal and Regulatory Requirements**

1. The provisions of 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 A**, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. 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 purpose 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, dealt with by this Report are in agreement with the books of account.
  - d) **Company has not made segment reporting as required by AS 17** subject to this, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to adequacy of Internal Financial Control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in **Annexure B**
- g) The company being a government company, the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act, in respect of whether the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act is applicable.
- 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:
1. The Company have pending litigations as on March 31st, 2021 which would impact its financial position which has been given in **Annexure C**.
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  3. No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2021.

**AS PER OUR REPORT OF EVEN DATE ATTACHE**

**PLACE: NAGPUR**

**FOR K N D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 112180W**

**DATED: 27/08/2021  
UDIN: 21165871AAAANM8419**

**(SUMIT AGRAWAL)  
PARTNER  
M.NO.165871**

government of Maharashtra who had given its opinion on 17/06/2016, According to it, forfeiture amount is to be calculated as 10% of the sweat money paid by JV partner i.e. Rs 498.76 lacs should have been forfeited & taken to income. Due to non-accounting of this income profit of the company has been **understated** to this extent. This observation is a continuing one and was a subject matter of qualification in the earlier year also.

Further in case of Sunil Hi-Tech Engineering Ltd a letter dated 26/09/2018 received by the company from Enforcement Directorate, wherein it is mentioned that as per provisional attachment order bearing no. 01/2018 dated 14/03/2018 which has been confirmed by the Ld. Adjudicating authority, New Delhi, vide order dated 13/08/2018 passed in original complaint bearing no. 913/8 that amount paid by M/s Sunil Hi-Tech Engineers Ltd to M/s Maharashtra State Mining Corporation Ltd. As sweat money and interest on deferred sweat money is attached and further requested the company to transfer amount of Rs. 25,44,95,040/- however which is in excess of amount Rs.18,65,00,000/- appearing in the books of company. Pending clarity as to from whom the balance excess payment of Rs.6,79,95,040/- is to be recovered, it is shown as advance in the name of M/s Sunil Hi-Tech Engineers Ltd.

#### **IV. Emphasis of Matter**

- a) The company is liable for registration for deducting TDS under Section 51 of CGST Act, 2017 at the rate of 2% on payments made exceeding of Rs.2,50,000/- but the company has not taken registration under the said section and is not deducting TDS under GST Act. The non-compliance of the section may lead to penal action in future under GST Act.
- b) The company is liable to collect Tax Collection at Sources (TCS) under section 206C of Income Tax Act, 1961 on sale of Iron Ore at the prescribed rate but the company is not collecting TCS on sale of iron ore and is also not taking declaration from buyer under Form No. 27C in proper format. The non-compliance of the section may lead to penal action in future under Income Tax Act 1961.
- c) The company has forfeited security deposit of Surya Associates and liable to pay GST on such forfeited amount but the company has not paid GST on forfeited amount. Consequent to non-paying of GST future liability would be occurring on the company.
- d) During the year company has made provision for Mine closure expenses of Rs.17,42,500/- as required by Mines & Minerals (development & regulation) Act, 1957 & Mineral Conservation & Department Rules, 1988 as amended from time to time. Company has made this provision on the basis of estimation. However as per explanation given to us, Mine closure expenses are estimated on the basis of activity to be carried out at the time of final mine closure and these activities may differ from the activities mentioned in progressive mine closure plan.
- e) The company has paid security guard expenses amounting to Rs.12,63,680/- during the year. The Company is liable to pay Goods & Services Tax (GST) under Reverse Charge Mechanism amounting to



Rs.2,27,462.40 as per Section 9(3) of CGST Act 2017. However the company has not paid the GST due on RCM basis during the year.

- f) Company is regularly assessing the value of inventories and they found that sand worth of Rs.10,23,451/- has become obsolete therefore it cannot be sold in the open market. Hence the management has decided to write off the obsolete sand stock.
- g) During the audit it is found that balance of IGST, CGST and SGST in books of account is not matched with the balance of Electronic Credit Ledger shown in GST Portal. Detail as given below :

(Amt. in Rs.)

Particular	As Per Books	As Per E-Credit Ledger	Difference
IGST	13,64,657.52/-	0.00/-	13,64,657.52/-
CGST	41,62,611.69/-	38,86,197/-	2,76,414.70/-
SGST	42,14,816.69/-	45,95,409/-	3,80,592.31/-

**Our opinion is not qualified on the above matter.**

#### **V. Information other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Financial Statements and our auditors' 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 such 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.

#### **VI. 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the



Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **VII. Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

•Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **VIII. Report on Other Legal and Regulatory Requirements**

1. The provisions of 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 A**, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. 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 purpose 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, dealt with by this Report are in agreement with the books of account.
  - d) **Company has not made segment reporting as required by AS 17** subject to this, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to adequacy of Internal Financial Control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in **Annexure B**
- g) The company being a government company, the other matters to be included in the Auditor's Report in accordance with requirement of section 197(16) of the Act, in respect of whether the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act is applicable.
- 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:
1. The Company have pending litigations as on March 31st, 2021 which would impact its financial position which has been given in **Annexure C**.
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  3. No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2021.

**AS PER OUR REPORT OF EVEN DATE ATTACHEI**

**PLACE: NAGPUR**

**FOR K N D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 112180W**

**DATED: 27/08/2021  
UDIN: 21165871AAAANM8419**

**(SUMIT AGRAWAL)  
PARTNER  
M.NO.165871**



**ANNEXURE A TO THE AUDITORS' REPORT**

(Referred to in paragraph VIII (1) of our Report of even date on the Account for the year ended on 31st March 2021 of **M/S MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR**)

- (i) As per information and explanation provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

As per information and explanation provided to us, fixed assets have not been physically verified by the management during the year.

As per information and explanation provided to us, the title deeds of immovable properties are held in the name of the company.

- (ii) As per information and explanation provided to us, the inventory has been physically verified at reasonable intervals during the year by the management. No material discrepancies were noticed on such verification.

- (iii) Apart from opening balances, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus the sub clauses (a), (b) & (c) of clause (iii) of the Companies (Auditor's Report) Order, 2016 is not applicable to it.

(a) No interest is received by the company on such loans and other terms and conditions of loan granted to parties referred above are prima facie not prejudicial to the interest of the Company.

(b) As per representation received from management repayment of loans granted by the Company are on demand and hence we are unable to comment on overdue status.

- (iv) In our opinion and according to the information and explanations given to us, Section 185 and 186 of the Companies Act, 2013 have been duly complied with.

- (v) According to information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly clause (v) of the Companies (Auditor's Report) Order, 2016 is not applicable to it.

- (vi) Central Government has prescribed maintenance of cost records under clause (d) of subsection (1) of section 148 of the Companies Act, 2013, however company has not maintained the same.

- (vii) **(A)** According to the information and explanation provided to us, the company is generally depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Services Tax, cess and, any other statutory dues to the appropriate authorities and none of these dues were in arrears as at 31st March, 2021 for a period of more than six month from the date they become payable.

**(B)** On the basis of our examination of documents and records of the company and as per the information and explanations given to us & upon our inquiries in this regard we are of the opinion that except as mentioned below there are no other dues of Goods & Services Tax, and Cess which have not been deposited on account of any dispute.

- (viii) The company has received unsecured loans from Government of Maharashtra. Repayment is not made towards this loan in absence of repayment condition in GR copies received from GOM. The company do not have any other borrowings from financial institutions, bank or debenture holders and accordingly, question of default of repayment thereof does not arise. In the absence of any information regarding duration of the loan the same has been classified as Long Term Borrowings and further in absence of terms of interest, no provision for interest has been made.
- (ix) The company has neither raised moneys by way of initial public offer (including debt instruments) nor has the company obtained any term loan. Accordingly, the question of their application as per their stated purpose does not arise.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per information & explanation given to us, and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of Companies Act, 2013 read with Schedule V to the Act.
- (xii) As the company is not a Nidhi company clause (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to it.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been



disclosed in The Financial Statements etc., as required by Accounting Standard 18.

- (xiv) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) As informed the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the question of compliance of the provisions of Section 192 of the Companies Act, 2013 does not arise
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**PLACE: NAGPUR**

**FOR K N D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 112180W**

**DATED: 27/08/2021**

**(SUMIT AGRAWAL)  
PARTNER  
M.NO.165871**

**UDIN: 21165871AAAAANM8419**

**ANNEXURE B TO THE AUDITORS' REPORT**

( Referred to in paragraph VIII (2) (f) of our Report of even date on the Account for the year ended on 31st March 2021 of **M/S MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR**)

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 M/S MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR.

**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 the 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 were 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 control 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 auditors' 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 authorizations of the 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 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**

Management needs to perform an evaluation and make an assessment of adequacy and effectiveness of the company's internal financial controls based on the control criteria established by it, however management has not provided us the details of its evaluation and the conclusion regarding adequacy of internal financial control system that was operating effectively as at 31 March, 2021. However based on our verification of test of controls and considering nature of business, size of operation and organizational structure of the entity, the company has, in all material respects, except in the areas mentioned below, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting was operating effectively as at 31 March 2021.

- 1) Physical verification of fixed assets is not conducted during the year and thus there is inadequate internal control over safe guarding of assets.
- 2) Many of the advances received from the customers were outstanding since long time. Balance confirmations were not called from parties. It is observed there is no proper review system in place to ensure the obligation towards long outstanding advances and credit balances outstanding as at the year end.

no proper review system in place to ensure the obligation towards long outstanding advances and credit balances outstanding as at the year end.

- 3) Many of the advances given to the parties were outstanding since long time. It is observed there is no proper review system in place to ensure the rights and obligation towards long outstanding advances and debit balances outstanding as at the year end.

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**PLACE: NAGPUR**

**FOR K N D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 112180W**

**DATED: 27/08/2021**

**(SUMIT AGRAWAL)  
PARTNER  
M.NO.165871**

**UDIN: 21165871AAAANM8419**



**Annexure-C to Directions U/S 143(5)****Details of Pending Legal / Arbitration cases**

<b>SR.No</b>	<b>Particulars</b>	<b>31.03.2021</b>
1)	Claims by employees for salary & other benefits (claims of all the cases are not ascertainable)	1169836.00
2)	Claim by S.G. Ghate regarding Rent payable by MSMC.	1566290.00
3)	Claims by employee union for superannuation (change of retirement age from 58 to 60).	2731136.00
4)	Claim by employee union for revision of Pay Scale.	Amount not ascertained
5)	Claim by Pohara Mine Labours for FOC (Failure of Consequences).	Amount not ascertained
6)	Claim By Gupta Construction Related to Sand excavation.	Amount not ascertained
7)	Claim by M/s Surya Associates.	Amount not ascertained
8)	Claim by M/s SDS Forge.	Amount not ascertained
9)	Initiation of corporate insolvency resolution process by M/s Gupta Coal.	Amount not ascertained
10)	Claim By M/s Sunil Hi-Tech.	Amount not ascertained
11)	Superannuation claim by Moreshwar Kshirsagar and Vishwnath Champathi.	Amount not ascertained
12)	Backwages claim by Ramesh Ragunath Pohane.	Amount not ascertained
13)	4 Employees have filed the cases for retrenchment.	Amount not ascertained
14)	Sudhakar Joshi & 3 other has filed the cases for dismissal on 19/12/2013	Amount not ascertained

**Sub Direction Section 143(5) Of Companies Act,2013  
for the year ended March 2021**

<b>Sr. no</b>	<b>Query</b>	<b>Reply</b>
1	Whether profit/loss mentioned in audit report is as per profit and loss account of the company	Yes
2	Whether the company's financial statement had properly accounted for the effect of rehabilitation activity and mine closure plan?	Company has made provision of Rs.17,42,500/- towards mine closure expenses during the year. Total provision till date is Rs 264.19 lakhs
3	Whether the company had obtained requisite statutory compliances that was required under mining environmental rules & regulations?	As per the information and representation given to us requisite statutory compliances that were required under mining and environmental rules and regulations were obtained.
4	Whether the company has disbanded or discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	There are several discontinued mines towards which dead rent is paid by the company. The details of few such cases are as follows :
5	Whether the company has system in place to process all the accounting transaction through IT system? If yes the implications of processing of accounting trasactions outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	The company has the system in place to process all the accounting transcation through IT System (Using Tally ERP)
6	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans /interest/ etc. made by lender of the company due to companys 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)	During the financial year 2020-21 no cases of restructuring of an existing loan or cases of waiver/write off of debts/loans /interest/ etc. made by a lender to the company has been observed
7	Whether funds (grants/subsidy etc.) received/receivable for the 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.	During the audit procedure we have observed that the company has not received funds (grants/subsidy etc.) received/receivable for the specific schemes from central/state government or its agencies were properly accounted for/utilized as per its terms and conditions?





महालेखाकार का कार्यालय (लेखापरीक्षा) - II महाराष्ट्र-मुंबई शाखा कार्यालय  
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) - II MAHARASHTRA  
BRANCH OFFICE MUMBAI

दूरभाष सं./Tel. No. : 022-22054022 / 022-22057360, फैक्स नं./Fax No.: 022-22092326  
ई-मेल/E-mail: agcommatMaharashtra@cag.gov.in

गोपनीय  
मले/लेप-II/मुंबई शाखा/टेक्निकल सेल/स्टेट माइनिंग/2020-21/

सेवा में,  
प्रबंध निदेशक,  
महाराष्ट्र स्टेट माइनिंग कॉर्पोरेशन लिमिटेड,  
खनीकर्म भवन, प्लॉट नं. 07, अजनी चौक,  
वर्धा रोड, नागपुर-440015

विषय: 31 मार्च 2021 को समाप्त हुए वर्ष के महाराष्ट्र स्टेट माइनिंग कॉर्पोरेशन लिमिटेड, नागपुर के लेखों पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियां।

महोदय,

31 मार्च 2021 को समाप्त हुए वर्ष के महाराष्ट्र स्टेट माइनिंग कॉर्पोरेशन लिमिटेड, नागपुर के लेखों पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक का अ-समीक्षा प्रमाणपत्र (NRC) संलग्न है।

वार्षिक आमसभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस कार्यालय को भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने की तिथि को भी इस कार्यालय को सूचित करें।

संलग्न : यथोपरि

भवदीय,

(मधुसूदनन के नायर)  
उप महालेखाकार/ ए.एम.जी-V

01

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE MINING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021.**

The preparation of financial statements of Maharashtra State Mining Corporation Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 August 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Maharashtra State Mining Corporation Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act.

For and on behalf of  
The Comptroller and Auditor General of India

Date:  
Place: Nagpur



(R. Thiruppathi Venkatasamy)  
Accountant General (Audit)-II, Maharashtra



# MAHARASHTRA STATE MINING CORPORATION LIMITED

## MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR Cash Flow Statement for the year ended 31st March 2021

	Particulars	For the year 2020 - 21	For the year 2019 - 20
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
	Profit Before Tax	(1,78,97,539.33)	2,41,23,054.45
	Adjusted for :		
	Depreciation and amortisation expense	26,42,759.92	46,26,417.13
	Provision for diminution in value of investment	-	-
	Profit on Sale of Assets	-	-
	Interest Income	(3,42,96,210.80)	(4,09,74,970.10)
	Rent Income	(67,94,052.38)	(66,61,452.00)
	Operating profit before working Capital changes	(5,63,45,042.59)	(1,88,86,950.51)
	Adjusted for :		
	Increase/(Decrease) in Inventories	1,66,76,900.82	(93,88,984.89)
	Increase/(Decrease) in Accounts Receivables	(88,65,295.00)	(10,56,047.00)
	Increase/(Decrease) in Short term Loans and advances	48,81,21,837.38	(4,68,23,091.85)
	Decrease in Other Current Asset	1,74,31,311.02	(1,53,41,030.79)
	Decrease in Capital Reserve	-	(33,12,454.00)
	Increase in Provision for Employee Benefit	35,96,726.96	(17,54,002.04)
	Decrease in Short term Provisions	(70,00,000.00)	(2,39,624.00)
	Increase in other Current Liabilities,trade payable	(43,25,97,373.09)	12,40,60,444.94
	Cash generated from operations	2,10,19,065.50	2,72,58,259.37
	Less: Taxes paid (Net of refund)	-	(1,98,39,604.78)
	Net cash generated/(utilized) from operating activities (A)	2,10,19,065.50	74,18,655.09
<b>B</b>	<b>CASH FLOW FORM INVESTING ACTIVITY</b>		
	Interest income	3,42,96,210.80	4,09,74,970.10
	Purchase of fixed Assets	(2,49,356.24)	-
	Fixed Assets Written Off	8,310.38	-
	Rent Income	67,94,052.38	66,61,452.00
	Net cash generated from investing activities (B)	4,08,49,217.32	4,76,36,422.10
<b>C</b>	<b>CASH FLOW FORM FINANCING ACTIVITY</b>		
	Increase in Security Deposit	-	(4,50,00,000)
	Long Term Advance	(25,000.00)	-
	Cash generated from financing activities (C)	(25,000.00)	(4,50,00,000.00)
	Net increase/ (decrease) in cash and cash equivalent (A+B+C)	6,18,43,282.82	1,00,55,077.19
	Cash and Cash equivalent at the beginnig of the year	70,60,98,432.84	69,60,43,356.13
	Cash and cash equivalent at the end of the year	76,79,41,715.66	70,60,98,433.32
	<u>Cash &amp; Cash Equivalents Comprise</u>		
	Cash on Hand	65,063.90	1,42,753.90
	Bank Balances with Scheduled Banks		
	In Current Accounts	10,96,39,205.61	12,30,75,914.42
	In fixed Deposit	65,82,37,444.36	58,28,79,765.00
	Cash and cash equivalent as per note 15 to financial statements	76,79,41,715.66	70,60,98,433.32
	Fixed deposits pledged with bank (in lacs)	1,727.53	817.56
	-Having maturity more than 12 months (in lacs)	96.53	96.53

### Notes :

- The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard- 3 on " Cash Flow Statement" prescribed under section 133 of Companies Act'2013 read with rule 7 of companies ( Accounts ) Rules, 2014 ( as amended ).
- Fixed Deposit includes 90.99 lakhs having maturity of more than 12 months. It also includes 1727.53 lakhs pledged with various Banks for issuing bank guarantee.
- Figures in brackets represent outflows.

For and on behalf of the Board of Directors.  
For Maharashtra State Mining Corporation Limited

As per our report of even date attached.

For KND & ASSOCIATES  
Chartered Accountants  
(F.R.N.-0112180W)

Shri P.Y. Tembhare  
(F & CS)

Shri A.M. Pophare  
(Director)

Shri.Pradip Chandren, IAS  
(Managing Director)

Sumit Agrawal  
(Partner)  
M.No. 165871

Place: Nagpur  
Date :27/08/2021  
UDIN: 21165871AAAAANM8419

# MAHARASHTRA STATE MINING CORPORATION LIMITED



## MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR BALANCE SHEET AS ON 31st MARCH 2021

Sr. No.	PARTICULARS	Note No.	31/03/2021		31/03/2020	
(I)	<b>EQUITY AND LIABILITIES</b>					
1.	<b>Shareholder's funds</b>					
	(a) Share Capital	1	2,06,63,700.00		2,06,63,700.00	
	(b) Reserves and Surplus	2	64,82,58,470.53	66,89,27,170.53	66,72,13,045.32	68,78,81,745.32
2.	<b>Share application money pending allotment</b>					
3.	<b>Non-current liabilities</b>					
	(a) Long-term borrowings	3	4,57,46,000.00		4,57,46,000.00	
	(b) Deferred Tax liabilities (Net)	4	55,41,121.30		55,02,220.91	
	(c) Other Long term liabilities	5	18,34,249.00		18,34,249.00	
	(d) Long-term Provisions	6	3,43,15,218.39	8,74,36,588.69	3,07,18,491.44	8,38,00,961.35
4.	<b>Current Liabilities</b>					
	(a) Other current liabilities	7	3,10,02,16,588.37		3,45,83,44,871.46	
	(b) Short term provisions	8	25,84,423.00	3,10,28,01,011.37	85,66,290.00	3,46,69,11,161.46
	<b>TOTAL (I)</b>			<b>3,85,91,64,770.72</b>		<b>4,23,85,93,868.13</b>
(II)	<b>ASSETS</b>					
5.	<b>Non-current assets</b>					
	(a) Fixed assets					
	(i) Tangible assets	9	24,26,63,341.73		24,50,65,055.96	
	(ii) Intangible assets		0.00		0.00	
	(iii) Capital work-in-progress		0.00		0.00	
	(iv) Intangible assets under development		0.00		0.00	
	(b) Non-current investments	10	1,31,970.00		1,31,970.00	
	(c) Deferred tax assets (net)		0.00		0.00	
	(d) Long term loans and advances	11	4,63,724.00		4,38,724.00	
	(e) Other non-current assets		0.00		0.00	
				<b>24,32,59,035.73</b>		<b>24,56,35,749.96</b>
6.	<b>Current assets</b>					
	(a) Current investments		0.00		0.00	
	(b) Inventories	12	8,56,35,970.56		10,23,12,871.38	
	(c) Trade receivables	13	1,28,54,984.77		39,89,689.77	
	(d) Cash and Cash Equivalents	14	76,79,41,713.87		70,60,98,432.84	
	(e) Short-term loans and advances	15	2,58,74,36,702.66		3,00,10,89,450.03	
	(f) Other current assets	16	16,20,36,363.13	3,61,59,05,734.99	17,94,67,674.15	3,99,29,58,118.17
	<b>TOTAL (II)</b>			<b>3,85,91,64,770.72</b>		<b>4,23,85,93,868.13</b>
	Significant Accounting Policies Followed by Company	44				

For and on behalf of the Board of Directors  
MAHARASHTRA STATE MINING CORPORATION LIMITED

As per our report of even date attached

For KND & ASSOCIATES  
Chartered Accountants  
(F.R.N.:0112180W)

Shri P.Y. Tembhare  
(F & CS)

Shri Dr. A.M. Popphare  
(Director)

Shri Pradip Chaudhri IAS  
(Managing Director)

Sumit Agrawal  
Partner  
M.No.165871

Place:- Nagpur  
Date:- 27/03/2021  
UDIN: 21165871AAAAA8419



# MAHARASHTRA STATE MINING CORPORATION LIMITED



## MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR Statement of Profit And Loss For The Period Ended 31st March 2021

Sr. No.	PARTICULARS	Note No.	31/03/2021		31/03/2020	
1	Revenue from operations	17	13,00,35,284.54		1,28,66,16,373.00	
2	Other Income	18	5,34,66,572.79		4,88,80,538.70	
3	<b>Total Revenue (1 + 2)</b>			<b>18,35,01,957.33</b>		<b>1,33,54,96,911.70</b>
4	<b>Expenses</b>					
	Ore raising expense	19	58,35,036.28		97,69,587.30	
	Purchases of Stock in Trade		6,89,76,215.00		1,19,11,46,440.00	
	Changes in inventories of finished goods, work in progress and Stock-in-trade	20	1,66,76,900.82		(95,87,710.80)	
	Sand Extraction Expenses	21	1,00,37,440.00		3,12,06,000.40	
	Employee benefits expense	22	5,60,56,384.00		5,31,48,894.89	
	Finance Costs	23	1,87,69,412.57		39,55,240.80	
	Depreciation and amortization Expense	24	26,42,759.92		28,83,917.13	
	Other Expense	25	2,22,85,316.07		2,88,09,558.21	
	<b>Total Expense</b>			<b>20,12,79,464.66</b>		<b>1,31,13,31,935.94</b>
5	<b>Profit before exceptional and extraordinary items and tax (3-4)</b>			<b>(1,77,77,507.33)</b>		<b>2,41,64,975.76</b>
6	<b>(Add)/Less Prior Period (Income)/Expenses ( Net )</b>			<b>1,20,032.00</b>		<b>41,921.31</b>
7	<b>Profit before extraordinary items and tax (5-6)</b>			<b>(1,78,97,539.33)</b>		<b>2,41,23,054.45</b>
8	<b>Extraordinary &amp; Exceptional Items</b>			<b>0.00</b>		<b>0.00</b>
9	<b>Profit before tax (7-8)</b>			<b>(1,78,97,539.33)</b>		<b>2,41,23,054.45</b>
10	<b>Tax expense:</b>					
	(1) Income Tax Earlier Years		0.00		(32,88,127.00)	
	(2) Current tax	26	0.00		70,00,000.00	
	(3) Deferred tax		38,900.00		48,513.80	
				<b>38,900.00</b>		<b>37,60,386.80</b>
11	<b>Profit/(Loss) for the period from continuing operations (9-10)</b>			<b>(1,79,36,439.33)</b>		<b>2,03,62,667.65</b>
12	<b>Profit/(Loss) for the period from discontinuing operations</b>			<b>0.00</b>		<b>0.00</b>
13	<b>Tax expense of discontinuing operations</b>			<b>0.00</b>		<b>0.00</b>
14	<b>Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>			<b>0.00</b>		<b>0.00</b>
15	<b>Profit/(Loss) for the period (XI + XIV)</b>			<b>(1,79,36,439.33)</b>		<b>2,03,62,667.65</b>
16	<b>Earnings per equity share:</b>					
	(1) Basic			<b>0.00</b>		<b>98.52</b>
	(2) Diluted			<b>0.00</b>		

For and on behalf of the Board of Directors

**MAHARASHTRA STATE MINING CORPORATION LIMITED**

As per our report of even date attached.

For KND & ASSOCIATES  
Chartered Accountants  
(F.R.N.: 0112180W)

Shri F.Y. Tembhare  
(F & CS)

Shri Dr. A.M. Pophare  
(Director)

Shri. Pradip Chandren IAS  
(Managing Director)

Sumit Agrawal  
Partner  
M.No.165871

PLACE:- NAGPUR  
DATE:- 27/08/2021  
UDIN: 21165871AAAAANM8419

**MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR**  
**NOTES TO ACCOUNTS**

**Note - 1 Share Capital**

Particulars	31st March 2021	31st March 2020
Authorised share capital 5,00,000 Equity Shares of Rs.100/- each (5,00,000 Equity Shares of Rs.100/- each as at 31st March 2015)	5,00,00,000.00	5,00,00,000.00
Issued and Subscribed and Fully paid up Shares 2,06,687 Equity Shares of Rs. 100/- each (2,06,687 Equity Shares of Rs. 100/- each)	2,06,68,700.00	2,06,68,700.00
<b>Grand Total of Issued, Subscribed &amp; Fully Paid Up Equity Shares</b>	<b>2,06,68,700.00</b>	<b>2,06,68,700.00</b>

**Note - 2 Reserve & Surplus**

Particulars	31st March 2021	31st March 2020
a) Capital Reserves :- Capital Grant from Mineral Development Fund Opening Balance Add: Additions during the year Less: Utilized during the year (Arrears payment of extended services of Ex Employees retired at the age of 58 years has been capitalised vide Hon'ble court decision dated 15th dec 2017.) <b>Closing Balance (A)</b>	16,88,09,736.99 - - - - - <b>16,88,09,736.99</b>	17,21,22,190.99 - - - 33,12,454.00 - <b>16,88,09,736.99</b>
b) Surplus in Statement of Profit & Loss Accounts <b>Opening Balance</b> Add:- Profit for the year Add/Less :- Appropriations (See Note 2.1) <b>Closing Balance (B)</b>	49,84,03,305.87 (1,79,36,439.33) (10,18,133.00) <b>47,94,48,733.54</b>	47,80,40,640.68 2,03,62,667.65 - <b>49,84,03,308.33</b>
c) Nominal Value of Assets received from Government Closing Balance of Nominal Value (C)	- -	- -
<b>Total Reserve &amp; Surplus (A + B + C)</b>	<b>64,82,58,470.53</b>	<b>66,72,13,045.32</b>

**2.1** At the Annual General Meeting on 18 March 2021 a dividend of 5% of Net Profit amounting to Rs 10,18,133/- for FY 19-20 has been declared. The same has been accounted for in shareholders equity as an appropriation of reserve & surplus in the FY year ending 31st March 2021.

**Note - 3 Long term Borrowings**

Particulars	31st March 2021	31st March 2020
<b>Unsecured Loan</b>		
a) From Government of Maharashtra (3.1)	4,57,46,000.00	4,57,46,000.00
<b>Total</b>	<b>4,57,46,000.00</b>	<b>4,57,46,000.00</b>

**3.1** This Amount was received from Government of Maharashtra from time to time . Advance was given as assistance for payment of salary/ wages/bonus / voluntary retirements etc. In the absence of any information regarding duration of the loan the same has been classified as Long Term Borrowings and further in absence of terms of interest , no provision for interest has been made.

**Note - 4 Deferred Tax Liability (Net)**

Particulars	31st March 2021	31st March 2020
a) <b>Deferred Tax Liability</b> Related to Fixed Assets	59,00,842.25	57,72,474.69
b) <b>Deferred Tax Assets</b> Disallowances under the Income Tax Act	3,59,720.95	2,70,253.77
<b>Total</b>	<b>55,41,121.30</b>	<b>55,02,220.91</b>



**MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR**

**NOTES TO ACCOUNTS**

**Note - 5 Other Long term Liabilities**

Particulars	31st March 2021	31st March 2020
a) Earnest Money Deposits From Contractors / Tenderers	6,20,000.00	6,20,000.00
b) Security Deposits From others (Rent)	12,14,249.00	12,14,249.00
<b>Total</b>	<b>18,34,249.00</b>	<b>18,34,249.00</b>

**Note - 6 Long Term Provisions**

Particulars	31st March 2021	31st March 2020
a) Provision for employees benefits:- Leave encashment unfunded	1,01,69,611.00	88,53,230.13
LIC Group Gratuity	(22,73,492.00)	(28,11,338.09)
b) Other Provisions:- Provision for Mine Closure Expenses	2,64,19,099.39	2,16,76,599.39
<b>Total</b>	<b>3,43,15,218.39</b>	<b>3,07,18,491.43</b>

**Note - 7 Other Current Liabilities**

Particulars	31st March 2021	31st March 2020
a) Maharashtra Mineral Development Fund (Regular) (7.1)	2,55,91,03,441.60	2,48,46,34,351.60
b) Sweat Money Gupta Coal (India) Ltd (7.2) Sunil Hitech Energy Pvt. Ltd. (7.3)	31,22,57,500.00	31,22,57,500.00
c) Advances Received from Customers	4,95,23,286.21	47,02,69,130.60
d) Others Statutory Remittances Payable	10,01,080.00	2,40,690.00
Earnest Money Deposit (From Contractors/Tenderers)	1,11,67,100.00	1,11,67,100.00
Security Deposits (From Contractors/Tenderers)	33,00,002.00	63,30,281.00
Security Deposits (From Contractors Coal)	12,71,13,018.56	13,33,09,549.66
Other Payable	3,67,51,160.00	4,01,36,268.60
<b>Total (A to G)</b>	<b>3,10,02,16,588.37</b>	<b>3,45,83,44,871.46</b>

**7.1** Represents the amount received from Government of Maharashtra in the capacity of shell agency. This fund is earmarked for utilisation as per the government directives and till that date it has been invested in fixed deposit in the name of Maharashtra Mineral Development Fund account.

**7.2** Coal block under JV with Gupta Coal India Pvt. Ltd is de-allocated during the year 14 - 15 and as per the decision of BOD this amount is due to be refunded after making necessary forfeiture and deductions. The matter was referred to Law & Judiciary department of Government of Maharashtra who had given its opinion on 17/06/2016. According to it, forfeiture amount is to be calculated as 10% of the sweat money paid by the Joint venture Partners. However, no action is taken till date.

**7.3** Coal block under JV with Sunil Hitech Engineers Ltd is de-allocated during the year 14 - 15 and as per the decision of BOD amount of Rs.186500000/- was due to be refunded after making necessary forfeiture and deductions. The matter was referred to Law & Judiciary department of Government of Maharashtra who had given its opinion on 17/06/2016. According to it, forfeiture amount is to be calculated as 10% of the sweat money paid by the Joint venture Partners. However, no action is taken till date.  
Subsequently as per letter dated 26/09/2018 received by the Company from Enforcement Directorate, wherein it is mentioned that as per Provisional Attachment Order bearing no.01/2018 dated 14.03.2018 which has been confirmed by the Ld. Adjudicating Authority, New Delhi vide order dated 13.08.2018 passed in original complaint bearing no. 913/8, that amount paid by M/s Sunil Hi-Tech Engineers Ltd to M/s Maharashtra State Mining Corporation Ltd as sweat money and interest on deferred sweat Money is attached and further requested the company to transfer amount of Rs. 25,44,95,040/- in form of Demand Draft, drawn in favour of "Enforcement Directorate, payable at Panji. The company has paid Rs. 25,44,95,040/-. However this is in excess of amount Rs. Rs.186500000/-appearing in the books of company. Pending clarity as to from whom the balance excess payment of Rs. 67995040/- is to be recovered, it is shown as advance in the name of M/s Sunil Hi-Tech Engineers Ltd in Note no. 16.

**MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR**

**NOTES TO ACCOUNTS**

**Note - 8 Short Term Provisions**

Particulars	31st March 2021	31st March 2020
a) Provision for employee benefits		
Leave Encashment Payable (unfunded)	-	-
b) Others:		
Provision for Taxation	-	70,00,000.00
Provision for Damages Payable to Landlord (Court)	15,66,290.00	15,66,290.00
c) Dividend Payable (19-20)	10,18,133.00	-
<b>Total</b>	<b>25,84,423.00</b>	<b>85,66,290.00</b>

**Note - 10 Non current Investments (Non Current Assets)**

Particulars	31st March 2021	31st March 2020
a) <b>Trade Investments</b>		
<b>In Equity Shares-Joint Venture Company</b>		
Unquoted, Fully paid up		
<b>Mahatamil Collieries Ltd. (10.1)</b>		
12997 Equity Shares of Rs.10/- each	1,29,970.00	1,29,970.00
b) <b>Non Trade Investments</b>		
i <b>In Equity Shares</b>		
Unquoted, Fully paid up		
<b>Maharashtra Mineral Corporation Ltd. (10.2)</b>		
3965 (P.Y. 3965) Equity Shares of Rs.100/- each	3,96,500.00	3,96,500.00
Less : Provision made for Dimunition in value of Investment.	(3,96,500.00)	(3,96,500.00)
ii <b>Kisan Vikas Patra (10.3)</b>	2,000.00	2,000.00
<b>Total</b>	<b>1,31,970.00</b>	<b>1,31,970.00</b>
a) <b>Aggregate Value</b>		
i Unquoted Investment (Before Provision)	5,26,470.00	5,26,470.00
ii Government Securities	2,000.00	2,000.00
<b>Total</b>	<b>5,28,470.00</b>	<b>5,28,470.00</b>

**10.1** Company holds 26% equity shares in Mahatamil Collieries Ltd.. For this 26% stake in mining rights of Gare Pelma-II Coal Block has been assigned to this SPV company.

**10.2** Provision has been made for dimunition in value of investment of Rs. 3,96,500/- in shares of M/s Maharashtra Mineral Corporation Limited. The current book value which was assessed by the State's Industrial Investment Corporation of Maharashtra Limited was negative and this reduction in value of investment is considered as other than temporary.

**10.3** Government securities (Kisan Vikas Patra) of the face value of Rs. 2000/- are assigned in favour of the collector Ratnagiri & Sindhudurg. The proceed have not yet been received by corporation.

**10.4** Company holds 51% cashless equity shares (No.5100) in MSMC Adkoli Natural Resources Ltd (A Joint Venture Company of MSMC and Sunil Hightech Engineers Ltd.) received towards consideration of mining rights of Adkoli Coal Block.

**10.5** Company holds 51% cashless equity shares (No.5100) in MSMC Warora Collieris Ltd (A Joint Venture Company of MSMC and Gupta Coal (India) Ltd.) received towards consideration of mining rights of Warora Coal Block.

**Note - 11 Long Term Loans & Advances (Non Current Assets)**

Particulars	31st March 2021	31st March 2020
a) Capital Advances (11.1)	20,000.00	20,000.00
b) Loans and Advances to Related parties	-	-
c) Security Deposits (11.2)	4,43,724.00	4,18,724.00
<b>Total (A to C)</b>	<b>4,63,724.00</b>	<b>4,38,724.00</b>
<b>Sub Classification:-</b>		
Secured, Considered Goods		
Unsecured, Considered Goods	4,63,724.00	4,38,724.00
Doubtful		
<b>Total</b>	<b>4,63,724.00</b>	<b>4,38,724.00</b>



**MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR  
NOTES TO ACCOUNTS**

- 11.1** The Amount of Rs. 20000/- was paid for the purchase of 1 acre land at Dongergaon Mine and the same land is under possession of the MSMC. The adjustment cannot be made due to pendency of Sale deed. The matter is pending before SDO Warora for transfer of land in the name of MSMC.
- 11.2** Includes various security deposits given towards Electricity, Telephone and same has been considered good & recoverable by management.

**Note - 12 Inventories**

Particulars	31st March 2021	31st March 2020
a) Stores & Spare parts	2,48,092.13	2,45,159.65
b) Loose Tools (at cost)	3,10,294.05	3,10,294.05
c) Stock (Minerals at various mines) 12.1	8,50,77,584.38	10,17,57,417.68
<b>Total (A to C)</b>	<b>8,56,35,970.56</b>	<b>10,23,12,871.38</b>

- 12.1** Company is regularly assessing the value of inventories and they found that sand worth of Rs.10,23,451/- has become obsolete therefore it cannot be sold in the open market. Hence the management has decided to write off the obsolete sand stock.

**Note - 13 Trade Receivables**

Particulars	31st March 2021	31st March 2020
a) <b>Outstanding exceeding for a period of Six Months</b>		
Unsecured, Considered good	13,57,340.00	27,17,890.77
Unsecured, Considered doubtful		-
	13,57,340.00	27,17,890.77
Provision for Doubtful Receivables	-	-
<b>Total (A)</b>	<b>13,57,340.00</b>	<b>27,17,890.77</b>
b) <b>Outstanding for a period of less than Six Months</b>		
Unsecured Considered good	1,14,97,644.77	12,71,799.00
Unsecured, Considered doubtful		-
	1,14,97,644.77	12,71,799.00
Provision for Doubtful Receivables	-	-
<b>Total (B)</b>	<b>1,14,97,644.77</b>	<b>12,71,799.00</b>
<b>TOTAL (A + B)</b>	<b>1,28,54,984.77</b>	<b>39,89,689.77</b>

- 13.1** Trade receivables are subject to confirmation.

**Note - 14 Cash & Bank Balances**

Particulars	31st March 2021	31st March 2020
a) Cash and Cash Equivalents		
Cash in Hand	65,063.90	1,42,753.90
<b>Balance with Banks</b>		
In Current Accounts	10,96,39,205.61	123075913.94
b) Other Bank Balances		
In Deposit Accounts (FDR)	65,82,37,444.36	58,28,79,765.00
<b>TOTAL (A + B)</b>	<b>76,79,41,713.87</b>	<b>70,60,98,432.84</b>

# MAHARASHTRA STATE MINING CORPORATION LIMITED

## MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR

### NOTES TO ACCOUNTS

#### Note - 15 Short Term Loans & Advances

Particulars	31st March 2021	31st March 2020
<b>Unsecured, Considered good</b>		
a) Maharashtra Mineral Development Fund (Regular)	2,55,91,03,441.60	2,48,46,34,351.60
b) Loans and Advances to Related parties	-	-
c) Trade Advances (15.1)	(75,89,994.44)	43,54,31,619.04
d) Loans & Advances to Employees	2,28,840.00	2,96,672.50
e) Balance with Govt. Authorities		
Refund & Balances with Income Tax	64,88,005.96	4,30,39,765.00
GST Receivable	74,36,298.58	77,65,998.82
Advance to Sales Tax Appellate Authority (Refundable)	25,000.00	25,000.00
Advance to Joint Chief Controller of Explosive	17,000.00	17,000.00
Deposit with Courts	27,36,126.00	27,36,126.00
Deposit with Land Acquisition Officer	2,23,500.00	2,23,500.00
Advance to Collector on Royalty A/c	1,31,37,963.78	1,92,32,739.00
Advance NMET	6,469.64	
f) District Mineral Fund	(12,004.46)	30,688.00
g) District Mineral Fund (sand)	12,00,760.00	18,34,440.00
h) Deposit for Sand Ghats (15.2)	44,65,296.00	44,65,296.00
i) MSMC Shell AGENCY	-	12,14,681.08
j) Other Receivable (ADV. TO REVENUE AUTHORITY)	-	1,41,573.00
<b>Total</b>	<b>2,58,74,36,702.66</b>	<b>3,00,10,89,450.04</b>

15.1 Includes Rs. 343.67 lacs being expenses made on behalf of the JV Partner M/s. Gupta Coal (India) Ltd. Confirmation for this balance has not been received from the party. Company considers this balance as good and recoverable.

15.2 This amount was paid for the deposit of Sand(Ghat) but due to closure of sand ghat deposit amount is seems to be non recoverable. Company consider this balance is not good and recoverable.

#### Note - 16 Other Current Assets

Particulars	31st March 2021	31st March 2020
a) Interest Accrued on FDR	1,85,54,307.24	2,28,90,243.00
b) Interest Receivable on Deferred Sweat Money (16.1)	6,48,72,936.36	6,48,72,936.36
c) Prepaid Expenses (16.2)	1,06,14,079.53	2,37,09,454.79
d) Sunil Hitech Engineers Pvt. Ltd.	6,79,95,040.00	6,79,95,040.00
<b>Total (A to D)</b>	<b>16,20,36,363.13</b>	<b>17,94,67,674.15</b>

16.1 Includes interest due on Deferred Sweat Money towards JV agreement for coal block from M/s. Gupta Coal (India) Ltd. Rs. 560.11 Lacs and from Sunil Hightech Energy Pvt. Ltd Rs.88.62 Lacs. Company has not received the confirmation regarding these outstanding balances but considers the same as good and recoverable.

16.2 Includes Bank Guarantee commission of Rs. 1.046 Crores on Bank Guarantee of Rs 154.98 Crore.

#### Note - 17 Revenue from Operations

Particulars	31st March 2021	31st March 2020
a) Sale of Minerals	2,26,28,733.54	3,38,06,846.00
b) Sale of Sand	3,01,95,314.00	85,41,750.00
c) Sale of Coal	7,17,78,837.00	1,23,91,76,572.00
d) Other Operating Revenue:		
Premium & Facilitation Charges	54,32,400.00	37,84,075.00
Registration Fees		
-Registration Fees (Sand)	-	-
-Registration Fees (Coal)	-	12,83,400.00
Liquidated Damages	-	23,730.00
<b>Total</b>	<b>13,00,35,284.54</b>	<b>1,28,66,16,373.00</b>



# MAHARASHTRA STATE MINING CORPORATION LIMITED

## MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR

### NOTES TO ACCOUNTS

#### Note - 18 Other Income

Particulars	31st March 2021	31st March 2020
a) Interest Income	3,42,96,210.80	4,09,74,970.10
b) Rent Receipt	67,94,052.38	66,61,452.00
c) Other Non Operating Income	1,22,80,646.89	4,14,189.60
d) Profit on sale of assets	-	-
e) Sale of Scrap	-	2,49,865.00
f) Tender fees	95,762.72	5,80,062.00
<b>Total</b>	<b>5,34,66,672.79</b>	<b>4,88,80,538.70</b>

#### Note - 19 Ore Raising Expenses at Mines

Particulars	31st March 2021	31st March 2020
a) Power Fuel & Water Expenses	35,09,017.90	27,10,984.80
b) Explosive , Drilling and Earth cutting	33,991.12	18,631.50
c) Sampling & Processing Charges	73,830.20	82,894.90
d) Repairs & Maintenance	9,87,435.74	11,99,283.46
e) Rent	1,02,894.00	1,05,733.00
f) Rates & Taxes	85,197.00	72,826.50
g) Stores , Spares & Tool Consumed	81,733.00	1,82,375.41
h) Travelling Expenses	49,169.00	95,555.00
i) Insurance Premium	70,789.00	25,553.18
j) Electricity Expenses	1,62,580.00	-
k) Mining Plan Preparation Expenses	92,000.00	-
l) Dead Rent & Surface Rent	6,63,613.00	2,91,803.00
m) Legal & Professional charges	1,94,100.00	-
n) Stationery & Printing	55,870.00	44,495.00
o) Bank Charges & Commission	3,701.38	3,108.15
p) Other Expenses	(10,10,409.64)	41,39,507.98
q) Weigh Expenses	2,83,625.00	-
r) Safety & Welfare Exps.	3,83,187.10	-
s) Survey Expenses	-	1,40,000.00
t) Mine Expenses	9,780.00	6,56,835.42
u) Other Expenses	2,932.48	-
<b>Total</b>	<b>58,35,036.28</b>	<b>97,69,587.30</b>

19(p) Other Expenses included retrenchment of work expenses amounting to Rs.22,68,131/- that has been accounted in PY 19-20 but in CY 20-21 this expenses has been reimbursed.

#### Note - 20 Changes in Inventories of Stock in Trade

Particulars	31st March 2021	31st March 2020
Closing Stock Of Minerals	8,56,35,970.56	9,21,69,706.89
Less :- Opening Stock	10,23,12,871.38	10,17,57,417.68
<b>Total</b>	<b>(1,66,76,900.82)</b>	<b>(95,87,710.80)</b>

#### Note - 21 Sand & Coal Expenses

Particulars	31st March 2021	31st March 2020
i) Sand Extraction Expenses	1,00,37,440.00	3,12,06,000.40
<b>Total</b>	<b>1,00,37,440.00</b>	<b>3,12,06,000.40</b>

# MAHARASHTRA STATE MINING CORPORATION LIMITED

## MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR

### NOTES TO ACCOUNTS

#### Note - 22 Employees Benefit Expenses

Particulars	31st March 2021	31st March 2020
a) Salary & Bonus (Including remuneration of Managing Director)	4,09,16,499.00	4,57,66,055.64
b) Contributions to Provident and Other Funds	49,36,219.00	66,06,478.11
c) Staff Welfare Expenses	74,025.00	6,08,581.14
d) Gratuity	51,43,846.00	1,67,780.00
e) Provision for Leave Encashment	15,11,730.00	-
f) Arrear Of Salary	34,74,065.00	-
<b>Total</b>	<b>5,60,56,384.00</b>	<b>5,31,48,894.89</b>

#### Note - 23 Financial Costs

Particulars	31st March 2021	31st March 2020
a) IGL Charges	1,79,43,720.67	39,55,248.80
b) Bank Guarantee Charges	8,25,691.90	-
<b>Total</b>	<b>1,87,69,412.57</b>	<b>39,55,248.80</b>

#### Note - 24 Depreciation and Amortizing Expenses

Particulars	31st March 2021	31st March 2020
a) Depreciation of Tangible Assets (As per Note 10)	26,42,759.92	28,83,917.13
b) Amortization of Tangible Assets	-	-
<b>Total</b>	<b>26,42,759.92</b>	<b>28,83,917.13</b>

#### Note - 25 Other Expenses (Administrative)

Particulars	31st March 2021	31st March 2020
a) Travelling Expenses	2,22,178.00	7,32,554.61
b) Repairs & Maintenance	-	-
To Computers	83,869.48	5,14,280.96
To Other	69,139.00	2,70,811.09
To Vehicle	2,16,786.40	-
c) Petrol Oil & Lubricants	10,01,292.00	9,54,402.00
d) Rates & Taxes	88,297.00	2,83,107.00
e) ROC Penalty	5,00,000.00	-
f) ROC filling fees	21,310.00	-
g) Stationery & Printing	1,52,576.60	1,36,759.80
h) Postage, Telegram & Telephone	1,76,032.84	1,52,884.56
i) Legal & Professional Fees	5,97,493.00	55,57,021.00
j) Surface & Dead Rent	-	23,850.00
k) Electricity Charges	3,52,348.00	6,14,322.64
l) Insurance Premium	46,712.00	1,42,135.00
m) Advertisement	10,94,803.64	21,01,976.00
n) Mining Lease Expenses	15,000.00	3,16,216.00
o) Consultancy Charges	75,00,000.00	-
p) Manpower Charges	44,90,876.66	-
q) Other Expenses	14,16,379.01	24,64,375.84
r) Payment to Auditor	12,000.00	-
s) For Audit Fees	1,10,000.00	1,13,000.00
t) For Tax Audit	15,000.00	15,000.00
u) Internal Audit Fees	2,70,000.00	4,24,520.00
v) Security Guard Expenses	12,63,680.00	10,95,707.00
w) Bank charges	3,630.38	6,852.69
x) Rent MD	4,70,769.00	-
y) Mine Closure Expenses	17,42,500.00	17,42,500.00
z) Audit Exp	58,000.00	-
Service charges(25.1)	26,692.00	96,06,026.00
Office building maintenance	1,67,937.88	-
Sand Expense	1,00,013.18	15,41,256.02
<b>Total</b>	<b>2,22,85,316.07</b>	<b>2,88,09,558.21</b>



**MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR  
NOTES TO ACCOUNTS**

**25.1** Indicates service charges relating to coal distribution payable to DIC as per Government Resolution MAH GR-2014/P.K.275/7 dated 12.07.16.

**Note - 26 Current Tax**

Particulars	31st March 2021	31st March 2020
a) Current Tax	-	70,00,000.00
<b>Total</b>	<b>-</b>	<b>70,00,000.00</b>

NOTE 9

MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR									
Name of the Asset	Depreciation As Per Companies Act					(Amount in Rs.)			
	DEPRECIATION					NET BLOCK			
	As on 01.04.2020	Additions during the year	Delitions/Adjustment	As on 31.3.2021	As on 01.04.2020	For the year	Delitions/Adjustment	As on 31.03.2021	Balance as on 31.03.2020
Freehold Land	7,06,027.92	-	-	7,06,027.92	-	-	-	7,06,027.92	7,06,027.92
Land	19,38,22,579.00	-	-	19,38,22,579.00	-	-	-	19,38,22,579.00	19,38,22,579.00
Plant & Machinery	36,44,212.72	-	1,498.72	36,42,714.00	35,59,960.03	4,256.52	-	78,497.45	84,252.69
Earth Moving Equipment	30,16,239.48	-	-	30,16,239.48	30,16,224.43	-	(15.05)	30,16,239.48	15.05
Motor Vehicle	16,14,644.71	-	-	16,14,644.71	14,90,695.89	38,422.06	-	85,526.76	1,23,948.82
Furniture & Fixtures	5,52,419.60	4,950.00	5,552.40	5,51,817.20	4,24,600.49	30,029.95	-	97,186.76	1,27,819.11
Office Equipments	11,10,165.18	-	-	11,10,165.18	10,60,962.55	2,850.06	-	46,342.56	49,202.62
Survey Equipments	2,51,000.00	-	-	2,51,000.00	2,38,477.82	-	-	12,522.18	12,522.18
Workshop Equipments	44,499.00	-	-	44,499.00	44,452.88	-	(46.12)	0.00	46.12
Laboratory Equipments	48,483.86	-	-	48,483.86	48,443.10	-	(40.76)	0.00	40.76
Building	8,63,87,588.90	-	-	8,63,87,588.90	3,63,42,392.76	24,48,417.67	-	4,75,96,778.47	5,00,45,190.14
Wall	2,28,364.28	-	-	2,28,364.28	2,20,648.10	-	-	7,716.18	7,716.18
Slab Curvert	61,587.22	-	-	61,587.22	60,450.18	-	(1,137.04)	10,000	1,137.04
Electrical Installation	3,22,886.00	-	-	3,22,886.00	3,05,161.66	5,169.59	-	12,594.75	17,724.34
Magazine Shed	66,521.18	-	-	66,521.18	42,770.34	2,605.55	-	21,145.29	23,750.84
Computer & Software	10,50,599.00	2,44,405.24	-	13,05,005.24	10,17,542.32	1,10,998.51	-	1,76,464.41	43,056.68
Cycle	2,000.00	-	-	2,000.00	1,979.55	-	(20.45)	0.00	20.45
<b>TOTAL</b>	<b>29,29,39,818.05</b>	<b>2,49,356.24</b>	<b>7,051.12</b>	<b>29,31,82,123.17</b>	<b>4,78,74,762.09</b>	<b>26,42,759.92</b>	<b>(1,259.42)</b>	<b>24,26,63,341.73</b>	<b>24,50,65,055.96</b>
<b>Previous Year</b>	<b>29,29,39,818.05</b>	<b>-</b>	<b>-</b>	<b>29,29,39,818.05</b>	<b>4,49,90,844.96</b>	<b>28,83,917.13</b>	<b>-</b>	<b>4,78,74,762.09</b>	<b>24,79,48,973.09</b>



**Note No. 27 Contingent liabilities & commitments:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
<b>a)</b>	<b>Claims against the Company / Disputed Liabilities not acknowledged as debts:</b>		
1	Claim by Employees & Ex-employees for Salary & other benefits	11,69,836 (All the amounts are not ascertainable)	11,69,836 (All the amounts are not ascertainable)
2	Claims for the arrears of 6th Pay Arrears to the Employees of the Corporation (Point-28.1)	69,08,760/-	69,08,760/-
3	Claims under Arbitration award appealed by the company	0	0
4	Interest on Government Loan	Interest rate not stipulated	Interest rate not stipulated
5	Claims by employee union for revision of pay scale	Amount not yet ascertained	Amount not yet ascertained
6	Claims by employee union for superannuation (change of retirement age from 58 to 60 years)	27,31,136/-	27,31,136/-
7	Claim by S.G. Ghate regarding Rent payable by MSMC.(Point- 28.3)	15,66,290/-	15,66,290/-
8	Claims on de-allocation of Coal Blocks and termination of JV agreements. (Point-28.2)	Amount not yet ascertained	Amount not yet ascertained
9	Claim by Pohara Mine Labours for FOC (Failure of Consequences)	Amount not yet ascertained	Nil
10	Claim By Gupta Construction Related to Sand excavation	1,18,44,179/-	Nil
<b>b)</b>	<b>Guarantees:</b>		
1	Guarantees issued by Company's Bankers on behalf of the Company	0	1,63,15,56,123/-
<b>c)</b>	<b>Commitments:</b>		
1	Estimated amount of contracts remaining to be executed on capital accounts and not provided for during the year.	Nil	Nil
2	Uncalled liability on shares and other investment which are partly paid up during the year.	Nil	Nil

**27.1** The Government of Maharashtra implemented Sixth Pay Commission with effect from July 2010, however Company has not paid arrears towards 6th Pay for the earlier period. Company has not made provision towards the arrears liability as it is unsure about the applicability of Government GR and Companies obligation towards payment of arrears. The matter has been referred to Government of Maharashtra.

**27.2** Company had entered into JV agreements with Gupta Coal (India) Pvt. Ltd. and Sunil Hi-tech Engineers Ltd. for development of Coal blocks allotted to it. These Coal blocks were de-allocated in the year 2014 and consequently Sweat money is refundable to the JV partners. JV Partners had demanded the refunds of Sweat Money and Interest thereupon. Sweat money received from the JV partners of Rs.3122.57 lacs is yet to be refunded after necessary deductions and adjustments. The matter was referred to Law & Judiciary department of Government of Maharashtra who had given its opinion on 17/06/2016. According to it, forfeiture amount is to be calculated as 10% of the sweat money paid by the Joint venture Partners. However, no action is taken. The matter is a continuing one and reported in the last year also.

**27.3** Company has made a provision for the same.

**Note no. 28: Deferment of income recognition/ non recognition of income**

As per the accounting policy of the company on Revenue recognition, Interest income from others and/or income from forfeiture or any such income is recognized only when there is reasonable certainty regarding its realization and reasonableness of amount to be recognized. Considering this policy company has not recognized or deferred the recognition of income in the following cases.

a) Company had entered into JV agreements with Gupta Coal (India) Pvt. Ltd. and Sunil Hi-tech Engineers Ltd. for development of Coal blocks allotted to it and for the purpose had formed the Joint Venture Company. As per the terms of JV agreement, Sweat money was received from these JV Partners. As on 31st March 2020, Rs. 3122.58 lacs was outstanding towards Sweat money received from Gupta Coal (India) Ltd. Coal blocks allotted to the company were de-allocated and consequently sweat money received from this company is due to be refunded. As per the terms of JV agreement, consequent to de-allocation of coal blocks due to non-adherence to time line, company has to make forfeiture from the sweat money received. The matter was referred to Law & Judiciary department of Government of Maharashtra who had given its opinion on 17/06/2016. According to it, forfeiture amount is to be calculated as 10% of the sweat money paid by the Joint venture Partners. However, no action is taken. Income on account of forfeiture has been deferred till the necessary action is taken.

Subsequently as per letter dated 26/09/2018 received by the Company from Enforcement Directorate, wherein it is mentioned that as per Provisional Attachment Order bearing no.01/2018 dated 14/03/2018 which has been confirmed by the Ld. Adjudicating Authority, New Delhi vide order dated 13/08/2018 passed in original complaint bearing no. 913/8, that amount paid by M/s Sunil Hi-Tech Engineers Ltd to M/s Maharashtra State Mining Corporation Ltd. as sweat money and interest on



deferred sweat Money is attached and further requested the company to transfer amount of Rs.25,44,95,040/- in form of Demand Draft, drawn in favour of "Enforcement Directorate, payable at Panji. The company had paid Rs.25,44,95,040/-, however which is in excess of amount Rs.18,65,00,000/- appearing in the books of company.

**b)** As on 31/03/2021, Interest receivable of Rs. 5,60,11,170/- is outstanding to be receivable from Gupta Coal (India) Ltd. Company has recognized the income till the date of deferment allowed as per the JV agreement i.e.17/08/2013 although deferred sweat money was not received from the said company. Interest for the period 18/08/2013 to the 06/01/2014 (date of coal block de-allocation) is not recognized and accounted for as coal block is de-allocated and there is uncertainty regarding receiving the same.

**Note No. 29 Employee Benefit Expenses**

As per Accounting Standard 15 'Employee Benefits' the disclosure of Employee Benefits as defined in the Accounting Standard are given here under:

<b>Employee Benefits Expenses</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>(Fig. in Rs.)</b>	<b>(Fig. in Rs.)</b>
Salaries, Wages and Bonus	4,09,16,499/-	4,57,66,055/-
Contribution to Provident Fund and Other Funds	49,36,219/-	58,06,212/-
Gratuity	51,43,846/-	8,00,265/-
Staff Welfare Expenses	74,025/-	6,08,581/-
<b>As per P&amp;L</b>	<b>5,10,70,589/-</b>	<b>5,29,81,113/-</b>

**Employee Benefits**

**a) The disclosures required as per Accounting Standard 15 - "Employee Benefits" (Revised 2005) are as under :**

The Company has various schemes for employee benefits such as provident fund, employees' state insurance scheme, Defined contribution pension scheme (DCPS) , Group Insurance scheme ( GIS ) , Group Provident Fund ( GPF ) Janshree Bima Yojna (JBY) and Gratuity. In case of funded schemes, the funds are administered through appropriate authorities. The Company's defined contribution plans are Provident fund, GIS Scheme and DPCS Scheme and Janshree Bima Yojna (JBY). The Company has no further obligation beyond making the contributions. The Company's defined benefit plan is Gratuity. The employees of the Company are entitled to compensated absences as per the Company's policy.

**b) Defined Contribution Plan:**

The Company has recognised the following amounts in the Statement of Profit and Loss during the year:

Particulars	Year Ended 31-Mar -21 (Fig. in Rs.)	Year Ended 31-Mar -20 (Fig. in Rs.)
Employer's Contribution to Group Provident Fund (GPF )	0	44,96,650/-
Employer's Contribution to DCPS	2,94,411/-	1,01,021/-

**c) Defined Benefit Plan:**

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on Statement received from LIC using the Projected Unit Credit Method, which recognizes each period of service to build up the final obligation. No Actuarial Valuation Is Done For The Same.

Assumptions Used	Year Ended 31-Mar-21 (Fig. in Rs.)		Year Ended 31-Mar-20 (Fig. in Rs.)
	Scheme I	*Scheme II	
(a) Discount Rate (Per Annum)	7.00%	7.00%	7.25%
(b) Salary Escalation Rate (Per Annum)	5.00%	5.00%	5.00%
(c) Attrition rate (Per Annum)	NA	NA	NA
(d) Expected Rate of Return on Plan Assets (Per Annum)	NA	NA	NA

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**(i) Changes in Present Value of Defined Benefit Obligation :**

Opening Present value of defined benefit obligation	1,74,84,969/-	64,829/-	1,80,23,222/-
Prior Period Liability Recognised in Current Period	-	-	-
Interest Cost	12,67,660/-	4,700/-	13,51,641/-
Current Service Cost	11,22,367/-	21,565/-	11,51,043/-
Benefit Paid	-28,81,713/-	-	-27,22,510/-
Actuarial (Gains)/Losses on Obligations - As per Statement	41,26,302/-	8,009/-	-2,53,598/-
<b>Closing Present Value of Defined Benefit Obligation</b>	<b>2,11,19,585/-</b>	<b>99,103/-</b>	<b>1,75,49,798/-</b>



**(ii) Changes in Fair Value of Plan Assets:**

Opening Fair Value of Plan Assets	2,02,86,521/-	74,616/-	1,78,06,614/-
Prior Period Assets Recognized in Current Period	-	-	-
Expected return on plan assets	15,70,131/-	7096/-	14,40,508/-
Contributions	44,18,138/-	24,105/-	38,36,524/-
Benefits Paid	(28,81,713)/-		(27,22,510)/-
Actuarial gain/(loss) on Plan assets	Nil	Nil	Nil
<b>Closing Fair Value of Plan Assets</b>	<b>2,33,93,077/-</b>	<b>1,05,817/-</b>	<b>2,03,61,136/-</b>

**(iii) Actual return on plan assets**

Return on Plan Assets	15,70,131/-	7,096/-	14,40,508/-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-
Actual Return on Plan Assets	15,70,131/-	7,096/-	14,40,508/-

**(iv) The amounts to be recognized in the Balance Sheet**

Present value of obligations as at the end of year	2,11,19,585/-	99,103/-	1,75,49,798/-
Fair value of plan assets as at the end of the year	2,33,93,076/-	1,05,817/-	2,03,61,136/-
<b>Net asset/ (liability) recognized in balance sheet</b>	<b>22,73,492/-</b>	<b>6,714/-</b>	<b>28,11,338/-</b>

**Recognized under:**

Long Term Provisions [Refer Note 7]	22,73,492/-	6,714/-	28,11,338/-
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**(v) Expenses recognized in Statement of Profit & loss A/c**

Current service cost	11,22,367/-	21565/-	11,51,043/-
Interest cost	12,67,660/-	4,700/-	13,51,614/-
Expected Return on Plan Assets	-15,70,131/-	-7096/-	-14,40,508/-
Net actuarial (gain) / loss recognised in the year	41,26,302/-	8089/-	2,53,598/-
Opening difference	0	0/-	0
<b>Total Expenses [Note 23 - 'Employee Benefits Expenses']</b>	<b>49,46,198/-</b>	<b>27,178/-</b>	<b>8,00,266/-</b>

**\*Note:** In Profit & Loss A/c employee benefit expenses of Rs.49,73,373/- should have been booked, however Rs 49,46,198/- has been booked as expenses in Profit and Loss

A/c thus there is short booking of expenses of Rs.27,178/- also provision as on 31/03/2021 should have been made of Rs. 22,80,206/- however Rs.22,73,492/- has been made in the balance sheet thus there is a short provision of Rs.6,714/-.

**(vi) Asset Information:**

The Plan Asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Group Schemes Fund by Insurance Regulatory and Development Authority regulations.

**vii) Expected Employer's contribution for the next year:** Details not provided

**viii)**

Particulars	Year Ended March 31, 21		Year Ended March 31, 20
	Scheme I	Scheme II	
Present Value of Defined Benefit Obligation at the end of year	2,11,19,585/-	99,103/-	1,75,49,798/-
Fair Value of Defined Benefit Obligation at the end of year	2,33,93,076/-	1,05,817/-	2,03,61,136/-
Surplus/ (Deficit)	22,73,491/-	6,714/-	28,11,338/-
Experience adjustments on plan liabilities - gain / (loss)			
Experience adjustments on plan assets - gain / (loss)			

**Leave Encashment:**

Leave encashment payable at the time of retirement is charged to profit & loss account based on the assumption that such benefits are payable to all the employees at the end of accounting year. Valuation of Leave encashment payable is not on the basis of actuarial valuation. Difference in amount payable as the year end and at the beginning of the year less actual paid during the year is recognized as expense of the year. At the year present value of leave encashment payable is Rs.101.70 lakhs (P.Y. Rs.78.10 lakhs).

**Note No 30: Earning Per Share**

Basic Earnings Per Share	Year Ended 31/03/2021	Year Ended 31/03/2020
Profit/(Loss) after Tax (Rs. in Lacs) from continuing operations	(1,79,36,439/-)	2,03,62,668/-
Number of Equity Shares (Outstanding at the end of the year)	2,06,687	2,06,687
Basic Earnings Rs. Per Share	-	98.52



**Note No.31: Related Party Disclosures:**

Disclosures as required by the Accounting Standard 18 'Related Party Disclosures' are given below:

**List of the related parties where control exists & Key Managerial persons & Transactions with them:**

Sr. No.	Name of the Related Party	Nature of Transactions	Transaction during the year		Outstanding as on year end	
			31/03/21	31/03/20	31/03/21	31/03/20
<b>A</b>	<b>Joint Venture Companies</b>					
1	Mahatamil Collicries Ltd.	Rent Received	Nil	2,29,234/-	Nil	2,29,234/-
2	MSMC Adkoli Natural Resources Ltd.	Cash less Equity investment	Nil	Nil	Nil	Nil
3	MSMC Warora Collieries Ltd.	Cash less Equity investment	Nil	Nil	Nil	Nil
<b>B</b>	<b>Key Managerial Persons &amp; Directors</b>					
1	Shri Pradip Chandren, IAS (MD)	Remuneration	7,78,180/-	Nil	Nil	Nil
	Shri Pradip Chandren, IAS (MD)	Rent	4,70,769/-	4,25,700/-		
2	Shri Pradip Chandren, IAS (MD)	Travelling Expense	70,140/-			
3	Shri A P Dharmadhikari (Director)	Director Sitting Fees	3,000/-	2,000/-	-	-
4	Shri.Sanjay Ingale (Director)	Director Sitting Fees	0/-	2,000/-	-	-
5	Shri R.S. Kalamkar (Director)	Director Sitting Fees	2,000/-	2,000/-	-	-
6	Shri A.M. Pophare (Director)	Director Sitting Fees	3,000/-	2,000/-	-	-
7	Shri Ashish Jaiswal (Chairman)	Director Sitting Fees	2,000/-	3,000/-	-	-
8	Shri Ashish Jaiswal (Chairman)	Travelling Expense	5,929/-	11,668/-	-	-

**Note No. 32: Deferred tax assets/liability**

**Disclosure as per Accounting Standard 22 are as under:**

S.No.	Particulars	31st March 21	31st March 20
1	Deferred Tax Liability	59,00,842/-	57,72,474/-
	Related to Depreciation		
2	Deferred Tax Assets	3,59,721/-	2,70,253/-
	Disallowances under the Income Tax Act (Net)		
3	Net Deferred Tax liability/(-)asset	55,41,121/-	55,02,220/-
4	Deferred tax recognized in Profit & Loss A/c.	38,900/-	48,513/-

**Note No. 33: Interest in Joint Ventures:**

Sr. No.	Name	Percentage of Ownership as on 31 <sup>st</sup> March 21	Percentage of Ownership as on 31 <sup>st</sup> March 20
1	Mahatamil Collieries Ltd.	26%	26%
2	MSMC Adkoli Natural Resources Ltd.	51%	51%
		(Cash Less)	(Cash Less)
3	MSMC Warora Collieries Ltd. (34.1)	51%	51%
		(Cash Less)	(Cash Less)

**33.1** Financial Statements of Joint Venture companies are not available.

**33.2** All the 3 coal blocks allotted to the company were deallocated by Ministry of Coal. Company has entered into joint venture agreement with M/s. Gupta Coal (India) Ltd., M/s. Sunil Hi-Tech Engineers Ltd. And Tamil Nadu Electricity Generation Company Ltd for exploration and production of coal from this block and formed the joint venture company MSMC Warora Collieries Ltd., MSMC Adkoli Natural Resources Ltd. And Mahatamil Collieries Ltd. Company hold 51% cash less equity in MSMC Warora Collieries Ltd., MSMC Adkoli Natural Resources Ltd and 26% Cash Equity in Mahatamil Collieries Ltd. Company has neither provided for any contingencies nor recognized any amount towards diminution in the value of the investments made in this company.



<b>Particulars of Provision</b>	<b>Opening Balance as on 01/04/20</b>	<b>Provision</b>	<b>Provision written back /used</b>	<b>Closing Balance as on 31/03/21</b>
Final Mine Closure Expenses	2,46,76,599/-	17,42,500/-	0	2,64,19,099/-
(previous year's figure)	2,29,34,099/-	17,42,500/-	0	2,46,76,599/-

In respect of provision for final mine closure expenses, cash outflow is expected at the time of closure of mines.

**Note No. 35:** Imports of Capital Goods during the year Rs. Nil (P.Y. Rs. Nil)

**Note No. 36:** Expenditure in foreign currency during the year Rs. Nil (P.Y. Rs. Nil)

**Note No. 37:** Corporate Social Responsibility Policy & Expenses during the year:

The Company's vision is to be a State benchmark in value creation and corporate citizenship and the Company's long-term Corporate Social Responsibility (CSR) objective, is to improve the quality of life of the communities through its 'Learn for Tomorrow' initiatives.

The Corporation with due recommendation of the Corporate Social Responsibility (CSR) Committee has coined its CSR policy which has been duly approved by the Board of Directors in their 203rd Board Meeting. In furtherance to the finalization of the CSR policy the Board has also looked up for avenues whereof it can undertake the CSR initiatives. The Corporation shall undertake the construction of the public libraries in and near the Mine's areas as its CSR Activity.

However, due to deallocation of the Coal Block and the obligation to refund the sweat money that was lying with the Corporation and due to the financial crunch that the Corporation is going through as the operations are stagnant and the administrative cost is on pace, the Corporation did not undertake any CSR expenditure for the year under review. Company has not spent or provided for CSR Expenses during the year. (Prev. Year Nil)

Nonetheless, the Corporation is confident that in the years to come it would stabilize its fiscal state and would undertake its CSR activities as approved by the Board.

**Note No: - 38: Additional information to statement of profit & loss:**

**Additional information to statement of profit & loss:**

**Particulars in respect of opening stock, production, sales and closing stock**

Minerals	Opening Stock (In MT)	Production (In MT)	Sales		Shortage/ Excess MT	Closing Stock as certified by Management (M.T)
			(In MT)	(Rs. In lakh)		
Sillimanite	316.230 (316.23)	0.720 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	316.950 (316.23)
Corundum	0.600 (0.60)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.600 (0.60)
Pyrophyllite	3792.220 (3278.67)	0.000 (513.51)	40.000 (0.00)	0.280 (0.00)	-1.440 (66.99)	3750.780 (3792.22)
Fluorite (Graded)	13399.790 (14225.20)	1002.120 (1164.68)	933.600 (2011.99)	67.000 (129.08)	72.500 (847.31)	13540.810 (13399.79)
Dolomite (Graded)	4156.450 (4112.73)	0.000 (43.01)	0.000 (0.00)	0.000 (0.00)	0.000 (0.71)	4156.450 (4156.45)
Lime stone	67.920 (67.92)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	67.920 (67.92)
Kyanite	10.590 (10.59)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	-0.560 (0.00)	10.030 (10.59)
Iron Ore (Lumps)	1134.440 (7790.33)	5146.61 (4150.71)	6272.720 (10039.33)	124.390 (199.11)	388.350 (767.27)	396.68 (1134.44)
Iron Ore (Fines)	2112.660 (478.31)	11196.00 (3700.00)	8916.560 (2065.71)	32.990 (7.56)	-0.060 (0.00)	4392.040 (2112.60)
<b>Total</b>	<b>31207.200</b> <b>(30280.58)</b>	<b>16344.340</b> <b>(9571.91)</b>	<b>60201.880</b> <b>(14117.03)</b>	<b>157.360</b> <b>(335.75)</b>	<b>1000.290</b> <b>(147.74)</b>	<b>141100</b> <b>(24990.84)</b>

**Notes: Figures in bracket represents previous year figure.**



**Note No. 39: Disclosure regarding Shell Agency Operation:**

In pursuance of the Maharashtra Mineral Development (Creation and Utilization) Fund Act 2000 company is appointed as shell agency for mineral development fund. As per Section 9 (i) of the said act the separate account for the amounts credited, withdrawn and spent from the fund during the year in the prescribed manner is to be maintained. A statement on utilization of fund and balance outstanding shown in Form 'B'.

**Note no. 40:**

The balance of accounts under the head debtors and creditors are subject to confirmation.

**Note no. 41:**

Figure of previous year have been rearranged, regrouped and recast whenever necessary to make it comparable with current year figures.

**Note no. 42:**

Details of prior period items are as follows:

	<u>2020-21</u>		<u>2019-20</u>	
	<u>Expenses</u>	<u>Income</u>	<u>Expenses</u>	<u>Income</u>
1) Amounts wrongly accounted	1,20,032/-	0	41,921/-	0
<b>TOTAL</b>	<b>1,20,032/-</b>	<b>0</b>	<b>41,921/-</b>	<b>0</b>

**Note no. 43:**

Balance of Certain Party Account are subject to Confirmation

For and on behalf of the Board of Directors  
MAHARASHTRA STATE MINING CORPORATION LIMITED

As per our report of even date attached  
For KND & ASSOCIATES  
Chartered Accountants  
(F.R.N.:0112180W)

Shri P.Y. Tembhare  
(F & CS)

Shri Dr. A.M. Pophare  
(Director)

Shri Pradip Chandren IAS  
(Managing Director)

Sumit Agrawal  
Partner  
M.No.165871

Place: Nagpur  
Dated :27/08/2021  
UDIN: 21165871AAAAANM 8419

**M/s MAHARASHTRA STATE MINING CORPORATION LIMITED, NAGPUR.**  
**Note No. 44: SIGNIFICANT ACCOUNTING POLICIES**

**A) Basis of Preparation of Financial Statements :**

These financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with accounting principles generally accepted in India, including the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis under the historical cost convention. As required by Revised Schedule VI, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents.

**B) Use of Estimates :**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**C) Fixed Assets :**

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition or construction is inclusive of all cost including financial cost till commencement of commercial production, but excluding GST in so far as this is available for set-off. Fixed Assets acquired from Government Grant are stated at nominal value and no depreciation is charged on such assets.

**D) Depreciation :**

Depreciation for the year has been provided on W.D.V. method based on useful life of various assets as specified in Schedule II of the Companies Act 2013.

**E) Impairment of Assets :**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impaired loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**F) Investment :**

Long term investments are stated at cost and provision for diminution is made if decline in value is other than temporary in nature. Cost includes brokerage,



stamp duty and other financial charges directly attributable to their acquisition. Current investment is carried at the lower of cost and fair value. Market value of investment at balance sheet date is assessed and any diminution in the value of investments is provided for.

**G) Inventories :**

Items of inventories are measured at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, trading and other products are determined on FIFO method. No value has been assigned to certain stock of minerals produce, which are substandard in quality and/or having no market value and sales of which is uncertain.

**H) Sales :**

Sales is stated net of returns. Net turnover excludes Goods & Service Tax.

**I) Revenue Recognition :**

- 1) Sales are recognized on invoicing and delivery of goods to the customers.
- 2) Interest on Kisan Vikas Patra is recognized on cash basis.
- 3) Government Grant is recognized in the year in which it is actually received.
- 4) Interest on capital grant in aid and unutilized balance of Mineral Development Fund has been temporarily. Invested in fixed deposits. Interest Income thereon has been considered as income of the Company.
- 5) Interest income on fixed deposits is recognized on accrual basis.
- 6) Interest income from others, income from forfeiture and other such incomes are recognized where there is reasonable certainty regarding its realization and reasonableness of amount to be recognized.

**J) Employee Benefits :****a) Defined Contribution Plans**

Provident fund & Pension Fund is considered as defined contribution plan, under which company pays fixed contributions into separate funds. The company's contribution to defined contribution plan is recognized in the statement of Profit & Loss in the year to which it relates.

**b) Defined Benefit Plans**

Retirement Benefit in the form of gratuity is recognized as an expense in the statement of Profit & Loss on present value of amounts payable, determined by using actuarial valuation techniques. Actuarial gains and losses in respect of gratuity is charged to the statement of profit & loss. The Corporation has taken a Group Gratuity Policy from Life Insurance Corporation of India and considers the actuarial valuation provided by LIC for the purpose of recognition of expense.

**c) Leave Encashment**

Provision for Leave Encashment benefit has been calculated at undiscounted rate considering all the employees are retiring on year end. Provision for Leave Encashment benefit has been made on basis of earned leave outstanding as on 31st March 2021 multiplied by sum total on basic salary including Grade Pay and dearness allowance for the month of March 2021. No Actuarial valuation has been considered for the same.

**K) Government Grants :**

- a) Government Grants related to specific fixed assets are shown as a deduction from the gross value of the assets concerned and the said fixed assets are shown in the balance sheet at nominal value.
- b) Government Grants received being capital in nature towards development of mining activities not utilized by the Corporation is shown under the head of capital Reserve as Capital grant from Maharashtra Mineral Development Fund.
- c) Interest received on balance MSMC share of Mineral Development Fund and Reserve Fund has been taken as income of the Company.

**L) Mine Closure Expenses :**

Progressive mine closure expenses are accounted for as and when expensed. Financial implication towards fine mine closure plans under relevant acts and rules technically estimated based on total availability of ore reserves of all mines. Total expenses towards mine closure expenses are charged off over the remaining life of mines.

**M) Tax on Income :**

- a) **Deferred Tax:** Deferred Tax resulting from timing difference between the books & the tax profit is accounted for, at the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date, to the extent that timing difference are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and are written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realized.

**N) Provision, Contingent Liabilities & Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**For KND & Associates**



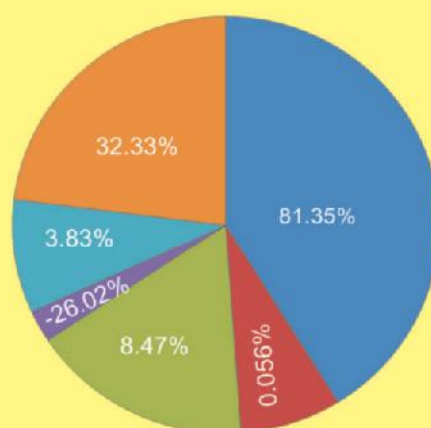
**FORM "B"**  
[Sec. Rule 11]  
**Form for Maintaining Credits, Withdrawal And Expenditure of**  
**MINERAL DEVELOPMENT FUND**

Financial Year	Credit	Withdrawals For			Total (3+4+5)	Balance	Signature	Remarks
		DGM	MSMC	District				
1	2	3	4	5	6	7	8	9
2019-20 Opening Balance	2,48,46,34,351.60	0.00	0.00	0.00	0.00	2,48,46,34,351.60		
Amount Recd From Govt Of Maharashtra	1,06,03,880.00	4,09,33,245.08	0.00	6,83,51,064.00	10,92,84,309.08	(9,86,80,429.08)		
Bank Charges	0.00	0.00	0.00	413.00	413.00	(413.00)		
Amount payable to MSMC	0.00	0.00	0.00	0.00	0.00	0.00		
Amount Deposited By MSMC	0.00	0.00	0.00	0.00	0.00	0.00		
Interest Recd During the Year	17,31,49,932.08	0.00	0.00	0.00	0.00	17,31,49,932.08		
<b>Total</b>	<b>2,66,83,88,163.68</b>	<b>4,09,33,245.08</b>	<b>-</b>	<b>6,83,51,477.00</b>	<b>10,92,84,722.08</b>	<b>2,55,91,03,441.60</b>		

## PROFIT (+) / LOSS (-) After Tax



## DISTRIBUTION OF INCOME & EXPENDITURE



Values in Lacs

Payment of Staff	560.56	81.35%
Operation Expenses	58.35	8.47%
Administration Expenses	222.85	32.33%
Depreciation	26.42	3.83%
Income Tax	0.389	0.056%
Balance of Profit	-179.36	-26.02%
<b>Total Income</b>	<b>689.21</b>	<b>100%</b>





Book-Post

To,



**MAHARASHTRA STATE MINING CORPORATION LTD.**

(A Government of Maharashtra Undertaking)

Khanikarm Bhavan, Plot No. 7, Ajni Square, Wardha Road, - 440 015

Phone : 0712-2253204 to 206 (P.B.X), 2253201 (Managing Director)

Fax : 0712-2253203 E-mail : [info@msmc.gov.in](mailto:info@msmc.gov.in)

Website : [www.msmc.gov.in](http://www.msmc.gov.in)