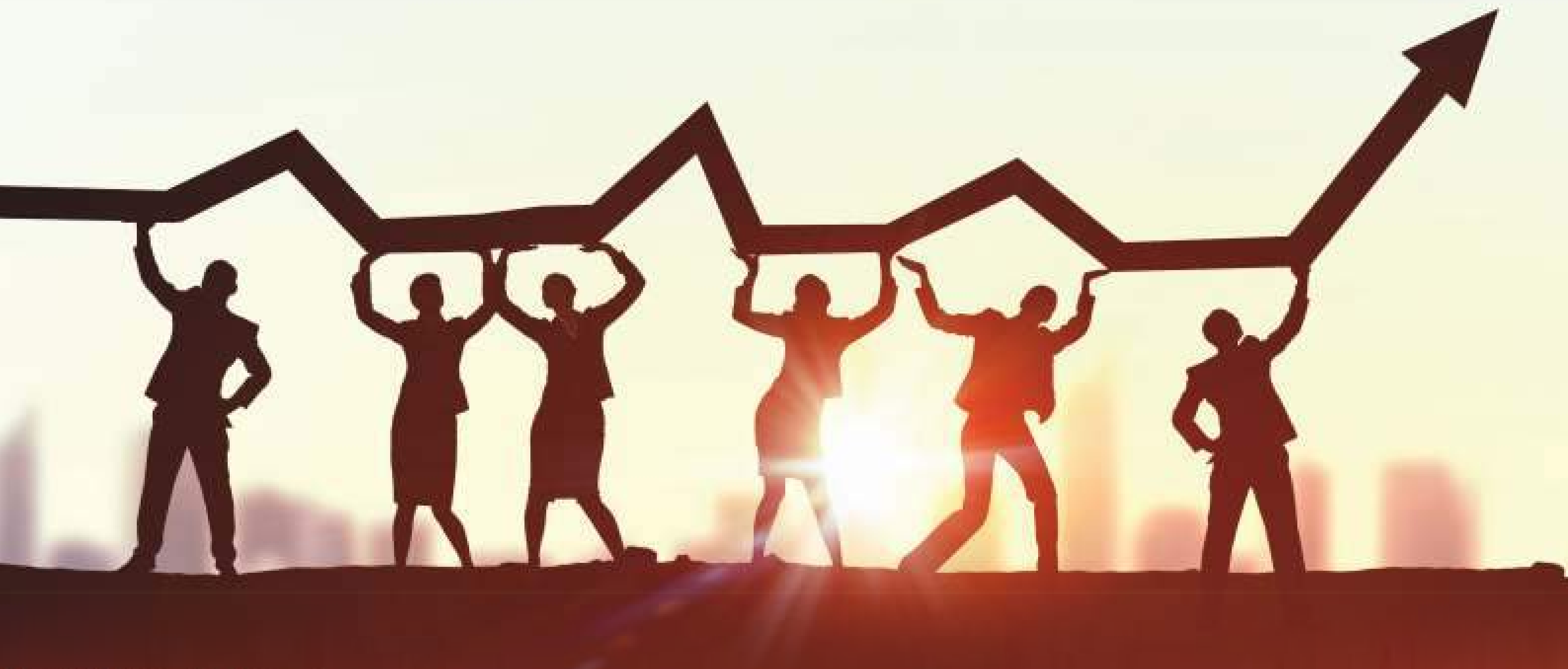
Mysore Sales International Limited

(A Government of Karnataka Undertaking)



54th Annual Report

2019-2020

Mysore Sales International Limited
B E N G A L U R U

CONTENTS

BOARD OF DIRECTORS

Shri. Gaurav Gupta, IAS	Chairman
Shri. HP Prakash, IFS	Managing Director
Shri. Ganga Ram Baderia, IAS	Director
Smt. Gunjan Krishna, IAS	Director
Shri. Yashwantha, IAS	Director
Shri. Pavan Kumar Malapathi, IAS	Director
Shri. R. Ramesh	Director

Shri Subramanya	Chief Financial Officer
Smt. Sridevi B.N.	Company Secretary

REGISTERED OFFICE : MSIL HOUSE, 36, CUNNINGHAM ROAD BENGALURU - 560 052.

BRANCH OFFICES : BENGALURU, MYSURU, DAVANAGERE, HUBBALLI, KALABURAGI, MANGALURU, BELAGAVI, MUMBAI, NEW DELHI

SALES OFFICES / UNITS

● Vijayapura ● Davanagere ● Kalaburagi ● Hassan ● Hubballi ● Mangaluru ● Mysuru
● Bhiwandi ● Kanpur ● Ghaziabad ● Jaipur

BANKERS : Vijaya Bank, Syndicate Bank, State Bank of India, HDFC Bank

AUDITORS : **M/s. ABARNA & ANANTHAN,** Chartered Accountants

Mysore Sales International Limited

MSIL HOUSE, 36 CUNNINGHAM ROAD,
BENGALURU - 560 052

CIN: U85110KA1966SGC001612

NOTICE

NOTICE is hereby given that the Fifty-fourth Annual General Meeting of the Members of Mysore Sales International Limited will be held on Thursday, December 31, 2020 at 4.30 p.m. at the Registered office, MSIL House, No.36, Cunningham Road, Bengaluru- 560 052 to transact the following business at shorter notice:-

ORDINARY BUSINESS:

Item No.1 - Adoption of financial statements: To consider and adopt the financial statements of the Company for the year ended March 31, 2020, (including the consolidated financial statements) and reports of the Board of Directors (the Board) and Auditors thereon together with the comments received from Auditor General of India under Section 143(6) of the Companies Act, 2013.

Item No.2- To declare a dividend on equity shares: To declare a dividend of Rs. 5/- per equity share for the financial year ended March 31, 2020.

Item No.3 - To consider fixation of remuneration for the year ending March 31, 2021 payable to Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AGI) and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

"RESOLVED THAT pursuant to the provisions of section 139(5) of the Companies Act, 2013, Comptroller and Auditor General of India, has appointed M/s Abarna & Ananthan, (BA0245) Chartered Accountants, Bengaluru as the Statutory Auditors of the Company for the financial year 2020-2021, be and is hereby noted the appointment of the Statutory Auditors of the Company and authorized the Board of Directors of the Company to hold the office from the conclusion of Annual General Meeting (AGM) till the conclusion of next AGM and authorized the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company."

By order of the Board
For Mysore Sales International Limited
Sd/-
Sridevi B.N.
Company Secretary

Place: Bengaluru
Date: 19.11.2020

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The annexed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business as set out in the notice is annexed hereto.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution of the Company, authorizing their representative to attend and vote on their behalf at the meeting.

4. The Company being a Government Company, the Comptroller & Auditor General of India has appointed the Statutory Auditors of the Company for the year 2020-21 under Section 139 (5) of the Companies Act, 2013.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, will be available for inspection by the members at the AGM.

6. Consent of all shareholders obtained for shorter notice.

7. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

By order of the Board
For Mysore Sales International Limited
Sd/-
Sridevi B.N.
Company Secretary

Place: Bengaluru
Date: 19.11.2020

DIRECTORS' REPORT

To,

The Members,

We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2020.

1. Financial Highlights

During the year under review, performance of your Company were as under:

(Rs. in lakhs)

PARITCULARS	2019-20	2018-19
Turnover	227065.31	204763.86
Profit/Loss before interest, depreciation & taxes	5627.72	4238.30
Interest	0.33	33.52
Depreciation	838.52	721.80
Depreciation - ROU	656.88	-
Profit/(Loss) before Tax	4131.99	3482.98
Provision for taxation		
- Current	1065.48	1100.00
- Earlier years	31.31	53.69
- Deferred	524.04	105.33
Profit/(Loss) after Tax	2511.16	2223.96
Other comprehensive Income / (Loss)	114.69	(245.16)
Net profit for the year	**2625.85**	**1978.80**
Previous year's balance in Profit & Loss Account	16401.37	14422.57
Balance carried to Balance sheet	**19027.22**	**16401.37**

The sales performance of the Company's various Divisions is presented below:

(Rs. in lakhs)

DIVISION	2019-20	2018-19
1. Beverages	190744.30	168943.03
2. Chit Funds	25305.10	23556.77
3. Paper	6866.42	8392.58
4. Consumer Products	470.47	408.74
5. Industrial Products	1146.49	1890.45
6. Tours & Travels	1116.71	642.38
7. Imported Sand	221.52	124.52
8. Pharmacy	1194.30	805.39
TOTAL	**227065.31**	**204763.86**

The Company is a Government of Karnataka undertaking, 53% of its equity shares are held by the Governor of Karnataka and 47% of equity shares are held by KSIIDC and its nominees.

2. State of Company's Affairs and Future Outlook

(i) **Beverage Division:** In addition to 463 retail liquor outlets allotted during the year 2009, the Government of Karnataka had sanctioned additional 900 CL-11(C) Licenses (Retail Liquor Outlets) to MSIL in 2016 to be opened in all Assembly Constituencies across Karnataka. Accordingly, the Division has taken all the necessary measures to open the sanctioned Liquor Retail Outlets across Karnataka in coordination with Excise Department.

A total of 428 licenses under 463 quota and 438 licenses under 900 quota have been received as on 31st March, 2020. In total, 817 outlets are under operation which are spread all over Karnataka. MSIL Liquor outlets are now spread all across the state especially in rural areas and have received overwhelming response from the public for sale of quality liquor at MRP in sealed bottles.

Further, the Beverage Division has achieved a turnover of Rs. 190744.30 lakhs against the budgeted turnover of Rs. 184011.00 lakhs in the Financial year 2019-2020 as compared to previous year's turnover of Rs. 168943.03 lakhs. Division would continue to put its best efforts to open remaining outlets under 463 and 900 quota at the earliest possible time.

(ii) **Chit Funds Division:** The Division has achieved a turnover of Rs. 25305.10 lakhs as against previous year achievement of Rs. 23,556.77 lakhs. The turnover has increased as compared to the previous years, by Rs. 1748.33 lakhs indicating a positive sign to develop the Chit fund Business in the coming year.

During the financial year 2019-20, the Division has had a total number of 465 chit groups against

DIRECTORS' REPORT (continued)

subscriber strength of 18915. The Gross Profit of Rs.1877.90 lakhs and net profit before tax the division has earned is to the tune of Rs. 645.46 lakhs.

The Division is represented by 15 Branches in Bengaluru and 10 Branches in various districts of the State.

To improve the efficiency of the Division and also to meet the expectations of the subscribers, a new Chit funds Management System (CFMS) is being developed. Currently the CFMS is hosted on cloud for seamless and hurdle free operations. Also, to expand the business further few more Chit Funds Branches are being opened in Bengaluru to penetrate the market. The Division is having a vision of aiming for achieving a turnover of Rs. 1000 crores in the next 5 years. Subject to undertaking sufficient marketing activities and adhering to requisite manpower in running the Business Operations.

With the introduction of customer friendly CFMS in the division coupled with effective advertisement campaign the Chit Funds business is expected to grow appreciably in the years to come.

(iii) **Paper Division:** Paper Division has achieved turnover of Rs. 6866.42 lakhs during the year under review as against the Budgeted turnover of Rs. 3655.00 lakhs by achieving 187.86%. The turnover of Note books (Vidya & Lekhak) during the financial year 2019-20 is Rs. 3256.66 lakhs (2107.23 MTs) as against the Budgeted 1955.00 lakhs (1700.00 MTs) which is 166.58% achievement over the Budget.

Non-representation of product in the market due to acute shortage of manpower has made our task even tougher. Customized note books have become a trend of late with many institutions preferring to buy from the manufacturers directly.

The division apart from focusing on the note books and stationery, introduced Tool-kits under the brand name of Lekhak and also computer stationery with security features to tap new pastures during the financial year 2017-18, and they have been successfully contributing to major share of the turnover during the ensuing years also.

To achieve the targets, the division inevitably needs the service of young and energetic field forces to recapture and strengthen the "Vidya & Lekhak" market. The division continues to depend on Government orders for their major share of turnover which needs to be addressed by redefining the sales strategies to suit the present trend in the market.

(iv) **Consumer Products Division:** The Division has achieved a turnover of Rs. 470.47 Lakhs (Rs.18.91 lakhs Delhi + Rs. 451.56 lakhs Mumbai) during the year under review as against previous year turnover of Rs. 408.74 lakhs. In order to revive the business, the Division is in the process of strengthening its product line to tie-up with leading oil manufacturers and also exploring launching of new products to other regions.

The division has taken initiative of re-launching of Total Detergent Bar in Tamil Nadu. The division is making all the necessary steps in this regard towards appointment of supplier and Distributors exclusively in Tamil Nadu.

The division is planning to add more products in the coming days to achieve better turnover in the coming years in Karnataka as well, expanding the same to Delhi and Mumbai branches.

(v) **Industrial Products Division:** The division is involved in marketing of Solar Products, Furniture, Wires and Cable and Packaged Drinking Water and achieved a turnover of Rs. 1146.49 lakhs during the financial year 2019-20. The Division has submitted a request to the Government for the 4(g) exemption for Solar Products and Packaged Drinking Water and expected to achieve valuable orders from both Private and Government Sector in future.

(vi) **Tours and Travels Division:** As an IATA Accredited Travel Agency (IATA No.:1435229). During the year 2019-20 the main activity of

DIRECTORS' REPORT (continued)

the Division has continued to be booking of Air Tickets to Government officials and package tours. The division has achieved turnover of Rs. 1116.71 lakhs up to 31st March 2020 as against Rs. 950.88 lakhs budget during the previous year.

The Division has successfully organized package tours to North Indian tour packages and Pilgrimage packages, also organized package tours for government Institutions like

- Directorate of Municipal Administration, Singapore Package-15 groups - 45 pax in each group
- Defence Ministry and ISTM Study tour packages from New Delhi
- Various study tours to Town Municipal Councils in Karnataka-Bengaluru
- Sheep and wool development Corporation-Bengaluru
- Department of Horticulture-Bengaluru
- City Managers Association of Karnataka-Bengaluru
- Administration Training Institute- Mysuru
- RGUHS-Rajeev Gandhi university of Health Science
- KSTDC & JLR

Through service providers for various tourist destinations throughout India and Asian Countries & Eco Tourism, School students' packages for Delhi Government.

(vii) **Hire Purchase Division:** Since the operation of the Hire Purchase Division was discontinued during July 2008, the Division is exclusively focusing on recovery of overdues from the hirers. In the current financial year an amount of Rs. 14.75 lakhs have been recovered. The outstanding dues as on March, 2020 is Rs. 310.50 lakhs as against Rs. 325.25 lakh achieved during the previous year. Though the provision is made for the entire dues, the division is making all the efforts to recover the outstanding dues.

(viii) **Pharma Division:** The Pharma Division has achieved a turnover of Rs. 1194.30 lakh during the financial year 2019-20 as against previous year achievement of Rs. 805.39 lakhs.

Pharma Division has opened total 85 Pradhan Mantri Bharatiya Janaushadhi Kendra (PMBJK) at Government Taluk / District Hospital across Karnataka as on March 31, 2020.

(ix) **Imported Sand:** The Import Division has achieved a turnover of Rs. 221.52 Lakhs during the financial year 2019-20 as compared to the previous turnover of Rs.124.52 Lakhs

3. Change in the Nature of Business, If any:

There is no change in the nature of business of the Company.

4. Dividend

During the Financial year 2019-2020, the Company has proposed to declare @ 5% dividend on paid up capital payable to Government of Karnataka and KSIIDC for a sum of Rs. 213.67 lakhs if approved by the members in the ensuing Annual General Meeting.

5. Reserves

The reserve of the Company for the financial year 2019-20 and the previous year are as follows:

(Rs. in lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
General Reserve	18400.26	17765.57
Surplus in Statement of Profit and Loss	2626.15	1978.80

6. Share Capital

There is no change in the Share Capital of the Company.

7. Directors and Key Managerial Personnel

During the financial year 2019-20, the following changes in the composition of the Board of Directors of the Company had taken place as per the directions of the Government of Karnataka.

DIRECTORS' REPORT (continued)

Sl. No.	Name of the Director	Date of Appointment	Date of Cessation
1	Shri. D.C. Gowrishankar	27.02.2019	30.07.2019
2	Shri. Gaurav Gupta, IAS	05.09.2019	27.07.2020
3	Dr. G .C Prakash, IAS	07.10.2016	20.07.2019
4	Shri. Mahesh B Shirur, IFS	20.07.2019	23.08.2019
5	Shri. H. P. Prakash, IFS	23.08.2019	-
6	Shri. Ganga Ram Baderiya, IAS	14.06.2019	25.09.2020
7	Smt. Gunjan Krishna, IAS	28.08.2018	-
8	Shri Pavan Kumar Malapathi, IAS	15.12.2018	04.07.2020
9	Shri. R. Ramesh.	06.03.2018	-
10	Shri. Yashvantha, IAS	26.03.2019	30.04.2020
11	Shri. Kapil Mohan, IAS	28.08.2018	29.08.2019
12	Shri. C Channadevaru	19.10.2019	-
13	Shri. K M Ravindra	12.03.2020	-
14	Shri. Shivaji Shivaray Dollin	12.03.2020	-

The Board placed on its record with deep sense of gratitude for the excellent contribution made by Shri D.C. Gowrishakar, Chairman, Shri. Gaurav Gupta, IAS, Chairman, Dr. G.C. Prakash, IAS, Managing Director, Shri Mahesh B Shirur, IFS, Managing Director, Shri Ganga Ram Baderiya, IAS, Shri Pavan Kumar Malapathi, IAS, Shri. Yashvantha, IAS, and Shri. Kapil Mohan, IAS, Directors, during their tenure on the Board of Directors of the Company.

Directors on the date of report are as follows:

Name of the Director	
1. Shri. H Halappa	- Chairman
2. Shri. H P Prakash, IFS	- Managing Director
3. Shri. M S Srikar, IAS	- Director
4. Smt. Gunjan Krishna, IAS	- Director
5. Shri. Chandrashekar Nayak L, IAS	- Director
6. Shri Venkatesh Naidu N	- Director
7. Shri. R Ramesh	- Director
8. Shri. C Channadevaru	- Director
9. Shri. Andappa Javali	- Director
10. Dr. R D Satish	- Director
11. Shri. K M Ravindra	- Director
12. Shri. Shivaji Shivaray Dollin	- Director
13. Shri. Thotappa Nagappa Nidagundi	- Director
14. Shri. Ningappa	- Director

During the financial year 2019-20, the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

Sl. No.	Name of the Key Managerial Personnel	Date of Appointment	Date of Cessation
1	Dr. G C Prakash, IAS-Managing Director	11.8.2014	20-07-2019
2	Shri. Mahesh B Shirur, IFS - Managing Director	20.07.2019	23.08.2019
3	Shri. H. P. Prakash, IFS -Managing Director	23.08.2019	-
4	Shri Subramanya, Chief Financial Officer	20.08.2018	-
5	Smt Sridevi B.N, Company Secretary	18.9.2013	-

Composition of Audit Committee of the Board:

As on March 31, 2020		
1.	Shri. Ganga Ram Baderiya, IAS	Chairman
2.	Shri.Yashvantha, IAS	Member
3.	Shri. R Ramesh, IAS	Member

As on the date of report		
1.	Shri. M S Srikar, IAS	Chairman
2.	Shri. Chandrashekar Nayak, IAS	Member
3.	Shri. R Ramesh, IAS	Member
4.	Shri Venkatesh Naidu N	Member

Composition of CSR Committee of the Board:

As on March 31, 2020		
1	Principal or Additional Chief Secretary to Department of Public Enterprises	Chairman
2	Smt. Gunjan Krishna, IAS	Member
3	Shri R Ramesh	Member
4.	Managing Director of MSIL	Member

DIRECTORS' REPORT (continued)

As on the date of report		
1	Managing Director of MSIL	Chairman
2	Shri R Ramesh	Member
3.	Shri C Channadevaru	Member
4.	Dr R D Sathish	Member

8.Meetings

Based on the requisition received from the divisional heads subject to the approval of the Managing Director and agenda subjects as statutorily required, the Company Secretary draft the agenda for each meeting along with explanatory notes, in consultation / consensus with the Managing Director, and distribute the same in advance to the Board of Directors. Three Board Meetings, Three Audit Sub-Committee Meetings and there is no Corporate Social Responsibility Committee Meeting were held during the year ended March 31, 2020 on the following dates:

Sl. No.	Board Meeting held on	Sl. No.	Audit Sub-Committee Meeting held on
1	June 17, 2019	1	July 31, 2019
2	September 16, 2019	2	September 13, 2019
3	January 13, 2020	3	December 20, 2019

Sl. No.	Corporate Social Responsibility Committee Meeting held on
1	Nil

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

The Board Meeting of the Company was scheduled on March 30, 2020. However, due to COVID-19 pandemic and lock down, the scheduled meeting could not be convened.

Board Meeting attendance of directors during financial year 2019-2020

Sl. No.	Name of the Director	No. of Board Meetings held	
		Held	Attended
1.	Shri. D.C. Gowrishankar	1	1
2.	Shri. Gaurav Gupta, IAS	2	2
3.	Dr. G .C Prakash, IAS	1	1
4.	Shri. Mahesh B Shirur, IFS	-	-
5.	Shri. H. P. Prakash, IFS	2	2
6.	Shri. Ganga Ram Baderiya, IAS	3	2
7.	Smt. Gunjan Krishna, IAS	3	1
8.	Shri Pavan Kumar Malapathi, IAS	3	1
9.	Shri. R. Ramesh	3	3
10.	Shri. Yashvantha, IAS	3	2
11.	Shri. Kapil Mohan, IAS	1	-
12	Shri. C Channadevaru	1	1
13	Shri. K M Ravindra	-	-
14	Shri. Shivaji Shivaray Dollin	-	-

1. Shri. D.C. Gowrishankar, Chairman ceased to be a Chairman with effect from July 30, 2019.
2. Shri. Gaurav Gupta, IAS was appointed as Chairman on September 05.2020 and ceased to be a Chairman with effect from July 27, 2020.
3. Dr. G.C. Prakash, IAS, ceased to be a Managing Director with effect from July 20, 2019
4. Shri. Mahesh B Shirur, IFS was appointed as Managing Director on July 20, 2019 and ceased to be a Managing Director with effect from August 23, 2019.
5. Shri H P Prakash, IFS was appointed as Managing Director on August 23,2019.
6. Shri. Ganga Ram Baderiya was appointed as Director on June 14, 2019
7. Smt. Gunjan Krishna, IAS, was appointed as Director on August 28, 2018
8. Shri. Pavan Kumar Malapathi, IAS, was appointed as Director on December 15, 2018 and ceased to be a Director with effect from July 04, 2020.

DIRECTORS' REPORT (continued)

9. Shri. R. Ramesh was appointed as Director on March 06, 2020.
10. Shri. Yashvantha, IAS, was appointed as Director on March 26, 2019 and ceased to be a Director with effect from April 30, 2020.
11. Shri. Kapil Mohan, IAS was appointed as Director on August 28, 2018 and ceased to be a Director with effect from August 29, 2019.
12. Shri. C Channadevaru was appointed as Director on October 19, 2019
13. Shri. K M Ravindra was appointed as Director on March 12, 2020
14. Shri. Shivaji Shivaray Dollin was appointed as Director on March 12, 2020.

9. Details of Subsidiary Companies

As on March 31, 2020, the Company has two subsidiaries.

Pursuant to the provisions of Section 129(3) a Company having one or more subsidiaries, it shall, in addition to standalone financial statements, a Company has to prepare a consolidated financial statement of the Company and all the subsidiaries, associate companies including joint ventures in same form and manner as that of its own and it shall be laid before the Annual General Meeting of the Company along with standalone financial statements. The Company has prepared consolidated financial statements for the financial year ended March 31, 2020.

In accordance with sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiaries is in Form AOC-1 is given in Annexure-II.

10. Auditors:

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 appoints the statutory auditors to audit the annual accounts. The C&AGI has appointed M/s Abarna & Ananthan, (BA0245) Chartered Accountants, Bengaluru, as Statutory Auditors for the year 2019-20. The statutory auditors appointed by C&AGI will hold office till the ensuing Annual General Meeting.

The office of the Comptroller and Auditor General of India, New Delhi, conveyed that M/s Abarna & Ananthan, (BA0245) Chartered Accountants, Bengaluru had been appointed as the Statutory Auditors of the Company for the year 2020-2021.

11. Auditors' Report:

There are qualifications in the Auditors' Report. The replies to the qualifications of the Statutory Auditors' report by the Management are appended to this report.

12. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under Shri. S. Kedarnath, Practicing Company Secretary as Secretarial Auditor have submitted their report for the year ended March 31, 2020. The report of the Secretarial Auditors is **enclosed as Annexure IV to this report. The report is self-explanatory and do not call for any further comments.**

13. Internal Audit & Controls

The Company continues to appoint Internal Auditors. The scope and extent of Internal Audit encompasses audit and review of transactions. The Internal Auditors furnish their report to the Company, along with the comments of the company, which shall be placed before the Audit Committee on an ongoing basis to improve efficiency in operations.

14. Adequacy of Internal Financial Controls with reference to Financial Statements

The Company has in place adequate Internal Financial Controls with reference to Financial Statements. During the year under review such controls were tested and no significant reportable material weakness in the operations was observed.

15. Vigil mechanisms of the Compnay

The provisions regarding Vigil Mechanisms are not applicable to the Company.

16. Risk Management Policy

The Company has identified the risk factors of all the operating divisions and mitigation for each risk.

DIRECTORS' REPORT (continued)

17. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **Annexure I.**

18. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There is no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depreciation in market value of investments, institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets etc.

19. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There are no such orders passed which impacts the going concern status and Company's operations in future.

20. Deposits

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public.

21. Related Party Transactions:

During the year under review, there were no contract or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013.

22. Obligation of Company under the Sexual Harassment of women at workplace (Prevention, Prohibition And Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, the Company has not received any complaint of harassment.

23. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

The Company being mainly a trading concern, is consuming power for the purpose of office use only. Installed the 15 Kwp on Grid Roof top Solar power plant at Registered Office of the Company, to conserve and minimize the usage of power by.

(b) Technology absorption

The Company being a trading Company, has not availed any technology from any one at any time.

(c) Foreign exchange earnings and Outgo

Foreign Exchange earned: Rs.Nil (Previous year-Rs.20,19,017/-)

Foreign Exchange outgo: Nil (Previous year – Nil)

24. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are promoting education and healthcare. A CSR Committee has been formed by the Company as per the Act. The funds were spent on these activities which are specified in Schedule VII of the Companies Act, 2013. The Details about the CSR initiatives taken during the year referred to in Section 135(4) of the Companies Act, 2013, in the prescribed format is enclosed as **Annexure III** to this report.

25. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continued to give thrust for training and development of the employees. During the year 2019-20 to improve the employee's performance, the Company had imparted 20 employees (Executives/ Officer and Employee) to training programme. In future, the Company has planned for more Training Programmes.

During 2019-20 (up to March 31, 2020) There are 141 employees in your Company (Executives/ Officer 25 & Staff 116) of which, one officer is on deputation at PWD.

26. Project / Estate Department

Your Company has already ventured into office-cum-warehousing infrastructure sector and the warehousing complex and office space at Mysuru are earning revenue. The warehousing complex at Baikampady, Mangaluru has been let out and earning revenue. The Company has taken up construction of warehouse on land measuring one acre allotted by KIADB at Kanpoor Industrial Area. The construction work is in progress. During March 2020, the work has suddenly stopped due to COVID-19 pandemic and the Contractor has requested to extend the completion period. This warehouse will be utilized for housing the paper godown operations and remaining space will be rented out to generate additional revenue.

27. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that-

(a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2020 and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts for the financial year ended March 31, 2020, on a going concern basis; and

(f) 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.

28. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

29. Acknowledgements

Your Directors take this opportunity to express their sincere gratitude and thanks for the valuable assistance and support given by the Government of Karnataka, in particular the Commerce & Industries Department, Finance Department, M/s Karnataka State Industrial Infrastructure & Development Corporation Ltd., Principals, Suppliers, Bankers, Customers and the Society at large. The Directors also place on record the continued support extended by the Media for creating public awareness among the general public for achieving total customers satisfaction in consonance with Quality Policy of the Company.

The assistance and co-operation provided by the Comptroller and Auditor General of India, Principal Accountant General (Civil and Commercial Audit), Karnataka, M/s Abarna & Ananthan, Statutory Auditors and Chartered Accountants, Secretarial Auditors,

MSIL

the Internal Auditors need special mention and the Directors acknowledge the same.

Your Directors also place on record their appreciation of the contribution made by the employees of your Company at all levels.

For and on behalf of the
Board of Directors
H. Hallappa
Chairman

Place: Bengaluru
Date: November 19, 2020

Annexure Index	
Annexure	**Content**
I	Annual Return Extracts in MGT 9
II	Details of subsidiary – AOC-1
III	Annual Report on CSR Activities
IV	MR-3 Secretarial Audit Report

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Annexure I
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U85110KA1966SGC001612
2.	Registration Date	17.3.1966
3.	Name of the Company	MYSORE SALES INTERNATIONAL LIMITED
4.	Category/Sub-category of the Company	Company limited by shares / State Government Company
5.	Address of the Registered office & contact details	"MSIL House", No.36, Cunningham Road, Bengaluru-560 052. 080-22264021-26
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & 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	Beverages	47221	84%
2	Chit Funds	64990	11.14%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name	Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	Karnataka State Industrial and Infrastructure Development Corporation Limited	Khanija Bhavan 49, 4th Floor, Race Course Road Bengaluru - 1	U93000KA1964 ULL001532	Associate Company	47.00%	Section 2(6)
2.	Marketing Communication and Advertising Limited	No.42, Mehra Complex, Millers Road, Bengaluru - 52	U51101KA1972 PLC002242	Subsidiary	100%	Section 2(87)
3.	Mysore Chrome Tanning Company Limited	C/o MSIL, No. 36 Cunningham Road Bengaluru - 1	U85110KA1940 SGC000261	Subsidiary	95.10%	Section 2(87)
4.	Food Karnataka Limited	No.17, Richmond Road, Bengaluru - 25	U01513KA2003 PLC031873	Associate	50%	Section 2(6)

VI. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019 / end of the year (31.03.2020)]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		-	-	-	-	-	-	-	
b) Central Govt		-	-	-	-	-	-	-	
c) State Govt(s)		2255817	2255817	53%	N.A.	2255817	2255817	53%	
d) Bodies Corp.		2017660	2017660	47%	N.A.	2017660	2017660	47%	
e) Banks / FI		-	-	-	-	-	-	-	
f) Any other		-	-	-	-	-	-	-	
Total shareholding of Promoter (A)		**2017660**	**2017660**	**100%**	**N.A.**	**4273477**	**4273477**	**100%**	
B. Public Shareholding									
1. Institutions		**-**	**-**	**-**	**-**	**-**	**-**	**-**	
a) Mutual Funds		-	-	-	-	-	-	-	
b) Banks / FI		-	-	-	-	-	-	-	
c) Central Govt		-	-	-	-	-	-	-	
d) State Govt(s)		-	-	-	-	-	-	-	
e) Venture Capital Funds		-	-	-	-	-	-	-	
f) Insurance Companies		-	-	-	-	-	-	-	
g) FIIs		-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	
i) Others (specify)		-	-	-	-	-	-	-	
Sub-total (B)(1):-		-	-	-	-	-	-	-	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		-	-	-	-	-	-	-	
ii) Overseas		-	-	-	-	-	-	-	
b) Individuals		-	-	-	-	-	-	-	

i) Individual shareholders holding nominal share capital up to Rs. 1 lakh		-	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		-	-	-	-	-	-		
c) Others (specify)		-	-	-	-	-	-		
Non Resident Indians		-	-	-	-	-	-		
Overseas Corporate Bodies		-	-	-	-	-	-		
Foreign Nationals		-	-	-	-	-	-		
Clearing Members		-	-	-	-	-	-		
Trusts		-	-	-	-	-	-		
Foreign Bodies - D R		-	-	-	-	-	-		
Sub-total (B)(2):-		-	-	-	-	-	-		
Total Public Shareholding (B)=(B)(1)+ (B)(2)		-	-	-	-	-	-		
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-		
Grand Total (A+B+C)		2017660	2017660	100%	N.A.	4273477	4273477	100%	NO

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shares olding 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	Governor of Karnataka	2255817	53%	-	2255817	53%	-	
2	KSIIDC Following 6 Individuals are holding shares on behalf of KSIIDC 1) MD, KSIIDC 2) MD, MSIL 3) N R N Simha 4) Y Sreenivasappa 5) N K Parashuram	2017570 40 10 20 10 10	47%	-	2017570 40 10 20 10 10	47%	-	

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2017660	100%	2017660	47%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	New issue of 2255817 equity shares to Governor of Karnataka on February 28, 2018 resulted decrease of shareholding of promoter (parent company) from 100% to 47%.			
	At the end of the year			2017660	47%

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs): Nil

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year –				
1.	Managing Director, KSIIDC	40	0.001%	40	0.001%
2	Managing Director, MSIL/ Key Managerial Personnel	10	0.0005%	10	0.0005%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year – There is no change in the shareholdings	No. change			

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

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Rs. in lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		MD	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.80				32.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify…					
5	Others, please specify					
	Total (A)	**32.80**				**32.80**
	Ceiling as per the Act					

(Rs. in lakhs)

B. Remuneration to other directors

Sl No.	Particulars of Remuneration		Name of Directors			Total Amount
1	Independent Directors:		Shri R Ramesh			4000
2	Other Non-Executive Directors		Shri Chennadevaru			3000
	Fee for attending board committee meetings – Rs.1,000/- per Meeting		Shri Kapil Mohan, IAS Shri Ganga Ram Baderiya, IAS Shri Pavan Kumar Malapathi, IAS Shri Yashavantha, IAS Shri Gaurav Gupta, IAS Smt. Gunjan Krishna, IAS			1000 6000 4000 2000 1000 NIL
	Commission					
	Others, please specify					
	Total (1)					
2	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

(Rs. in lakhs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		19.07	24.65	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify…				
5	Others, please specify				
	Total		**19.07**	**24.65**	

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	Nil				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	Nil				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	Nil				
Penalty					
Punishment					
Compounding					

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STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

In accordance with the General Circular No: 2/2011 dated 8 February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary are not being attached with the Annual Accounts of the Company. The annual Accounts of the subsidiary company and related information will be made available to the shareholders of the Company and its subsidiary company on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary.

Rs. in lakhs

Name of Subsidiary Company	**M/s Mysore Chrome Tanning Company Limited**
Issued & Subscribed Capital	Rs.75,74
Reserves	Rs. (843.72)
Total Assets	Rs. 64.63
Total Liabilities	Rs.908.35
Investments	-
Turnover	-
Profit/(Loss)before Tax	Rs. 6.00
Provision for Tax	Rs. 1.61
Profit/(Loss) After Tax	Rs. 4.39
Proposed Dividend	Nil
Name of Subsidiary Company	**M/s Marketing Communication & Advertising Ltd.**
Issued & Subscribed Capital	Rs. 357.25
Reserves	Rs. 15500.14
Total Assets	Rs. 25999.56
Total Liabilities	Rs.10142.17
Investments	-
Turnover	Rs. 27035.37
Profit/(Loss)before Tax	Rs. 2551.75
Provision for Tax	Rs. 916.91
Profit/(Loss) After Tax	Rs. 1634.84
Proposed Dividend	-

Annexure – II

Form AOC -1

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Venture

Part A : Subsidiaries

Rs. in lakhs

Sl. No.	Name of the Subsidiary Company	Reporting Period	Reporting Currency	Share Capital (incl. Pref. Shares)	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share Capital & Reserves)	Invest-ments	Turnover	Other Income	Total Revenue	Profit / Loss before Taxation	Provision for Taxation (including Deferred	Profit / (Loss) after taxation	Proposed Dividend on Equity Shares % Tax)	Proposed Dividend on Equity Shares	% of Share holding
1	Marketing Communication & Advertising Limited	31st March 2020	Indian Rupee	357.25	15492.83	26116.26	10266.19	-	26958.48	449.73	27408.21	2534.97	907.45	1627.52	-	-	100%
2	The Mysore Chrome Tanning Company Limited	31st March 2020	Indian Rupee	75.74	(843.72)	139.38	908.36	-	-	8.78	8.78	6.00	1.61	4.39	-	-	95.10%

Annexure – III
Annual Report on CSR Activities
[Pursuant to Section 135 of the Companies Act, 2013]

The Company constituted Corporate Social Responsibility Committee (CSR) Pursuant to section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The disclosures as required under the CSR policy/rules are provided herein below:

1. The Company's CSR Policy is available on http://www.msilonline.com/CSRPOLICYOFMSIL.pdf

   The areas for CSR activities are promoting education and healthcare. The funds were spent on these activities which are specified in Schedule VII of the Companies Act, 2013.

2. The Composition of the CSR Committee:

1	Principal or Additional Chief Secretary to Department of Public Enterprises - Chairman
2	Smt Gunjan Krishna, IAS - Member
3	Shri R Ramesh - Member
4	Managing Director of MSIL - Member

3. Average profit before tax of the company for last three financial years:

Rs. in lakhs

Details	**Financial year 2018-19**	**Financial Year 2017-18**	**Financial Year 2016-17**
Profit as per Sec.198 of Companies Act, 2013	3237.82	1486.84	5680.91
Average Net Profits	**3468.52**		

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year
   a) Total amount to be spent for the financial year – Rs. 69.37 lakhs.
   b) Amount unspent, if any – Nil
   c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implanting agency
1	Chief Minister Relief Fund	Disaster management, including relief, rehabilitation and reconstruction activities	Karnataka	Rs.1 Crore	Rs.1 Crore	Rs.1 Crore	Through CM Flood Relief Fund

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: ➢ The Company has spent fully.
7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Annexure - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2020
[Pursuant To Section 2014(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
MYSORE SALES INTERNATIONAL LIMITED
Bangalore-560 052
CIN: U85110KA1966SGC001612

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and other adherence to good corporate practices by **MYSORE SALES INTERNATIONAL LIMITED** (herein after called the Company). Secretarial Audit was conducted in a manner that provided me the reasonable basis for evaluation the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's book's, papers, minutes, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conducts of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and complied- mechanism place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March 2020, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Exchange Earning and outflow;

iv. The Company being an unlisted public company and a Government Company it is not required to comply with the requirements under the following laws –

   a. Depositories Act, 1996 and the Regulations made thereunder.

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   e. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;

   f. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2008;

   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2013; and

i. SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. (LODR Regulations).

We further report that in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI) on the applicability of Industry specific laws as applicable to the Company and based on the list of the said laws provided and records maintained, the Company has, in our opinion, generally complied with the provisions of following laws:-

1. Industry Specific Laws

a) The Karnataka Chits Fund Act, 1982

b) Karnataka Excise Act, 1968

c) Karnataka Shops and commercial Establishment Act, 1961

d) Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976

e) Essential Commodities Act, 1955

f) Drug Control Act, 1950

g) Trade marks Act, 1999

2. General Laws

a. Industrial and Labour Laws as applicable to the Company

b. Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013

We have also examined compliance with the applicable clauses of the Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and comment that they have generally complied with the said Standards.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that:

The Company's CSR Committee has not held any meeting during the financial year to consider the CSR spending as per the provisions of section 135 of the companies act 2013.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the reporting period there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc

For S Kedarnath & Associates
Company Secretaries
Sd/-
S. Kedarnath
Company Secretary
FCS : 3031 C.P. No.4422
UDIN:F003031B001229564

Date: 19.11.2020
Place: Bengaluru

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

ANNEXURE "A"

To,

The Members,

MYSORE SALES INTERNATIONAL LIMITED

CIN: U85110KA1966SGC001612

Dear Sir,

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of any of the financial records and Books of Accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the Company.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **S.Kedarnath & Associates**
Company Secretaries
Sd/-
S.Kedarnath
Company Secretary
FCS : 3031 C.P. No.4422
UDIN:F003031B001229564

Date: 19.11.2020
Place: Bengaluru

TEN YEARS PERFORMANCE

FINANCIAL HIGLIGHTS OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Partuculars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Net Worth (Share Capital, Reserve)	16166.68	18412.05	20637.85	23701.53	26814.97	30051.70	33190.30	33503.15	34392.26	**39996.46**
Paid-up Capital	366.23	366.23	366.23	2017.66	2017.66	2017.66	2017.66	4273.48	4273.48	**4273.48**
Share Application Money	2780.96	3907.25	3907.25	2255.82	2255.82	2255.82	2255.82	-	-	**-**
Reserves & Surplus	13019.49	14138.57	16364.37	19428.05	22541.49	25778.22	31172.64	29229.68	301208.48	**35722.99**
Borrowings from Banks	-	-	-	-	-	-	-	-	-	**-**
Net Fixed Assets	3999.03	4071.36	4097.95	4221.84	5624.66	5626.25	6225.01	6974.83	7966.36	**9590.61**
Turnover	50897.06	71749.54	97828.66	120066.30	146039.32	151490.80	161407.69	178875.91	204763.86	**227065.31**
Profit before Tax	831.09	3160.37	3528.05	4660.26	6052.27	5400.50	5699.87	1486.84	3237.82	**4246.68**
Dividend	-	-	10%	10%	10%	10%	10%	-	5%	**5%**
Net Earning after tax per share (in Rs)	146.00	755.35	625.69	162.96	166.36	178.71	181.68	12.68	46.30	**61.45**
Net Worth per Share (in Rs)	4414.35	3960.57	4568.33	1062.90	1217.21	1377.63	1644.99	783.98	830.28	**935.92**

SUMMARISED PROFIT AND LOSS ACCOUNT OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Partuculars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover	50897.06	71749.54	97828.66	120066.30	146039.32	151490.80	161407.69	178875.91	204763.86	**227065.31**
Gross Income	4946.44	8204.97	10751.19	12325.68	14919.86	15490.81	16453.84	17952.46	20742.63	**22446.00**
Selling & Administrative Expenses	3830.23	6105.53	6646.46	6965.11	8923.90	9636.88	10433.61	15990.08	16723.59	**16658.51**
Interest	26.05	28.78	51.58	30.76	48.68	145.35	2.44	0.90	33.52	**0.33**
Depreciation	131.75	229.07	245.46	280.77	291.01	255.39	285.21	341.85	721.80	**1495.40**
Provision/ Write off	233.86	328.48	302.75	399.05	47.72	91.36	50.60	132.79	25.90	**45.08**
TOTAL	**4221.89**	**6691.86**	**7246.25**	**7675.69**	**9311.31**	**10128.98**	**10771.86**	**16465.62**	**17504.81**	**18199.32**
Profit before tax	724.55	1513.11	3504.94	4649.99	5608.55	5361.83	5681.98	1486.84	3237.82	**4246.68**
Provision for taxation	-	1080.78	1313.16	1372.76	2252.67	1923.22	1978.80	939.77	1153.69	**1096.79**
Deferred Tax Credit	(295.60)	(686.75)	(76.58)	(20.96)	(0.62)	(167.21)	37.48	5.22	105.33	**524.04**
Profit after tax	428.95	1119.08	2268.36	3298.19	3356.50	3605.82	3665.70	541.85	1978.80	**2625.85**

MSIL

SUMMARISED BALANCE SHEET OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Partuculars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
OWN FUNDS										
Share Capital	366.23	366.23	366.23	2017.66	2017.66	2017.66	2017.66	4273.48	4273.48	**4273.48**
Share Application Money	2780.96	3907.25	3907.25	2255.82	2255.82	2255.82	2255.82	-	-	**-**
Reserves & Surplus	**13019.49**	**14138.57**	**16364.37**	**19428.05**	**22541.49**	**25778.22**	**31172.64**	**29229.68**	**301208.48**	**35722.99**
TOTAL	**16166.68**	**18412.05**	**20637.85**	**23701.53**	**26814.97**	**30051.70**	**35446.12**	**33503.16**	**305481.96**	**39996.47**
LOAN FUNDS										
Short-Term Loan	753.05	77.42	53.88	53.88	53.88	53.88	53.88	53.88	53.88	**53.88**
Funds Employed	753.05	77.42	53.88	53.88	53.88	53.88	53.88	53.88	53.88	**53.88**
Deferred Tax Liability (Net)	-	-	-	-	-	-	-	-	-	**-**
TOTAL	**16919.73**	**18489.47**	**20691.73**	**23755.41**	**26868.85**	**30105.58**	**35500.00**	**33557.04**	**305535.84**	**40050.35**
APPLICATION OF FUNDS										
Fixed Assets	3999.03	4071.36	4097.95	4221.84	5624.66	5626.25	6225.01	6974.83	7966.36	**9590.61**
Investments	1336.06	1336.06	1336.06	1336.06	1336.06	1336.51	3361.36	2900.13	2998.03	**3178.12**
Deferred Tax Asset (Net)	61.71	748.46	825.04	846.00	846.62	1013.83	976.35	971.13	865.80	**341.77**
Working Capital	11522.93	12333.59	14432.68	17351.51	19061.51	22128.99	24937.28	22710.95	293705.65	**26939.85**
T O T A L	**16919.73**	**18489.47**	**20691.73**	**23755.41**	**26868.85**	**30105.58**	**35500.00**	**33557.04**	**305535.84**	**40050.35**

Mysore Sales International Limited

ACCOUNTS (STANDALONE) FOR THE YEAR ENDED 31ST MARCH 2020

REVISED INDEPENDENT AUDITORS' REPORT

To

The Members of

Mysore Sales International Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of Mysore Sales InternationalLimited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us,except for the effects of the matters described under the "Basis for Qualified Opinion" section of our report the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

We have issued an Audit Report dated 19 November 2020 ("the original report") at Bengaluru on the financial statements as adopted by Board of Directors on even date. Pursuant to the observation of Comptroller and Auditor General of India under section 143(6)(a) of the Companies Act, 2013, we have revised the said Audit Report. This Audit Report supersedes the original report, which has been suitably revised to consider observations of Comptroller and Auditor General of India.

Our Audit procedure on events subsequent to the date of the original report is restricted solely to the amendment as reported in point no (c) on Basis for qualified Opinion paragraph.

Basis for Qualified Opinion:

a. The Balance of trade receivable, advances, payables and advance from customers have not been reconciled nor confirmed from the counter parties as at the balance sheet date. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of these accounts as at the balance sheet date, in the absence of which we are unable to determine whether any adjustment to these amounts are necessary. The financial impact of these unreconciled or confirmed account balances, if any, could not be determined.

b. In the absence of (i) proper records being maintained/updated and produced to us for the inventory of traded goods viz. imported river sand and pharmaceutical products; (ii) periodical physical verification and reconciliation exercise (including roll forward or roll back) being carried out by the management; (iii) obtaining confirmation of stock of imported river sand as on Balance Sheet date, from the port authorities where these stocks are stored; and (iv) confirmation on the quantity of the closing stock, we are unable to comment on the correctness of the quantity and/or value of closing inventory of imported river sand and pharmaceutical products amounting to Rs. 1872 lakhs and Rs. 340.13 lakhs respectively included under Closing Stock as of 31 March 2020.

c. The Company has not accounted for rental Income of Rs. 185.19 lakhs from a tenant for the period upto 31 March 2020. Hence the Profit of the company is understated by an amount of Rs 185.19 lakhs (without considering the Income Tax payable) and the Asset side of the Balance sheet is also understated by Rs. 185.19 lakhs. This qualification arises since the company is not in compliance with its accounting policy on Revenue Recognition

d. An amount of Rs. 126.46 lakhs which is included under Interest Receivable on Deposits – Other Financial Assets Note no 7 should be reclassified to Bank Balances Other than Cash and cash equivalents Note no 12.

e. During the current year the Company has reclassified some Land & Building considered as Property, plant and equipment to Investment Property. The reclassification is reported as deletion in Note 2 and addition in Note no 4. Although the carrying value of the assets and accumulated depreciation reported in Note 2 and Note 4 are matching with the Fixed assets register as at 31 March 2020, there is an error in the disclosure of the reclassification between Note no 2 and Note no 4.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. 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 Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

We draw attention to Note 43 of the accompanying standalone financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Corporate Governance and Shareholder's Information but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 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 purposes of our audit.
   b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
   e) The matters described in the Basis for Qualified Opinion section above, in our opinion, may not have an adverse effect on the functioning of the Company.
   f) In terms of Notification no. G.S.R. 463 (E) dated 05-06-2015 issued by Ministry of Corporate Affairs, the Provisions of Section 164(2) of the Act, 2013 in respect of disqualification of directors are not applicable to the Company.
   g) We have also audited the internal financial controls over financial reporting of the Company as at 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per **"Annexure B"** expressed a qualified opinion;
   h) Since the provisions of Section 197 of the Act doesn't apply to the Company, reporting requirements under Section 197(16) of the Act is not applicable.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 42 to the financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required under Section 143(5) of the Act, which is applicable to the Company, findings on the directions issued by Comptroller and Auditor General of India is annexed (Refer – **"Annexure - C").**

For Abarna & Ananthan
Chartered Accountants
Firm Registration No: 000003S
Sd/-
(R. Ramalingam)
Partner
Membership No: 023253
UDIN:20023253AAAAGG4449

Place: Bengaluru
Date:24.12.2020

"ANNEXURE – A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

1. (a) The Company has maintained the data on fixed assets electronically.

   (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain fixed assets were verified during the year and as informed to us, no material discrepancies have been noticed on such verification during the year. However, in absence of the formal report of physical verification, methodology adopted by the Company for the verification of the fixed assets could not be ascertained.

   (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Further in respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.The Title deeds in respect of the following properties were not made available to us for our verification.

Name of Property	Location of Property	Nature of Property
MSIL House-Cunningham Road	Cunningham Road, Bengaluru	Free Hold
Flat in K T Apartment	Bengaluru	Free hold
Flat in KT Mansion	Bengaluru	Free hold
Mumbai Pali Road, Bandra Property	Bandra Mumbai	Free hold
Shop no 4,5, Godown 5, 10, 11, 16. Room No. 124 in Arun Commercial Premises Co-operative Society	Mumbai	Free hold
Silver Lake Terrace Flat Richmond Road	Bengaluru	Free hold
World Trade Centre -Mumbai-Shop-3	Mumbai	Lease hold
Bangalore Air Cargo Complex Survey no 53 1 acre 32 guntas at Konena Agrahara, Varthur	Bengaluru	Lease hold

2. According to the information and explanations given to us, Inventory held by the Company and other stocks lying with contractors and other parties has been physically verified by the Management at reasonable intervals during the year and that no material discrepancies have been noticed on such verification except for imported river sand and pharmaceutical products, in absence of formal report/working papers of physical verification, we are unable to comment on the adequacy and frequency of such verification and correctness of the procedure of physical verification of inventories followed by the management.

   In absence of formal report for the physical verification of inventories conducted by the management, we are also unable to comment on the discrepancies between physical stock and book records, if any and adjustment thereof in the books of accounts in respect these stock items.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of

paragraph 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has not given any loan or made any investments or given any guarantee or security to which the provisions of the sections 185 and 186 of the Act are applicable.

5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. According to the information and explanations given to us, the Company is not required to maintain Cost Records pursuant to the Companies (Cost records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Act.

7. (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, though there has been a slight delay in a few cases.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31March 2020 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income tax, Service tax, Goods and Services Tax, Value added tax / Sales tax and Cess which have not been deposited with the appropriate authorities on account of any dispute except for the below.

Sl. No.	Name of the Statute	Nature of dues	Period to which amount relates	Amt. Rs. in Cr.	Forum where Dispute is pending
1	Finance Act, 1994	Service Tax	2005-06 and 2006-07	0.38	Customs, Excise and Service Tax Appellate Tribunal
2	Finance Act, 1994	Service Tax	2002-03 and 2003-04	0.06	Customs, Excise and Service Tax Appellate Tribunal
3	Finance Act, 1994	Service Tax	2007-08 and 2008-09	0.26	Customs, Excise and Service Tax Appellate Tribunal
4	Finance Act, 1994	Service Tax	2013-14 to 2014-15	0.39	Customs, Excise and Service Tax Appellate Tribunal
5	Finance Act, 1994	Service Tax	2015-16	0.67	Commissioner (LTU)
6	Income Tax Act, 1961	Income tax, tax collection at source income tax-tax collection at source Income Tax-interest on tax collection at source	1995-96 to 2000-01	20.05	Supreme Court
			2001-02 to 2003-04	10.17	High Court, Bangalore
			1994-95 to 1999-2000	30.67	Supreme Court

7	Income Tax Act, 1961	Disallowance under Income Tax Act	AY 2010-11	3.42	Commissioner of Income Tax (Appeals)
8	Income Tax Act, 1961	Disallowance under Income Tax Act	AY 2015-16	0.19	Commissioner of Income Tax (Appeals)
9	Income Tax Act, 1961	Disallowance under Income Tax Act	AY 2016-17	2.26	Commissioner of Income Tax (Appeals)
10	Income Tax Act, 1961	Disallowance under Income Tax Act	AY 2017-18	0.41	Commissioner of Income Tax (Appeals)

8. In our opinion and according to the information and explanations given to us, the Company has not availed any loans from the Banks. Hence the provisions of this clause is not applicable to the Company. The Company has not issued any debentures.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. In terms of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Companies Act, 2013 relating to managerial remuneration are not applicable to the Company.

12. The Company is not a Nidhi company and therefore the provisions of Clause 3 (xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Abarna & Ananthan
Chartered Accountants
Firm Registration No: 000003S
Sd/-
(R. Ramalingam)
Partner
Membership No: 023253
UDIN:20023253AAAAGG4449

Place: Bengaluru
Date:24.12.2020

"ANNEXURE – B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Mysore Sales International Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31 March 2020

a) The Company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets & liabilities disclosed in the books of accounts.

b) The title deeds of some immovable property are not available with the Company.

c) The revenue in respect of the completed tours is not recognized as and when it accrues by the Company in the Tours and Travel Division. This could potentially result in under statement of income in books of account.

d) The procedure adopted for purchase of various property plant and equipment is not in compliance with the general purchase procedure for purchase above Rs.1.00 lakh. This could potentially result in irregularities in acquisition of property plant and equipment.

e) The Company did not have appropriate internal control system towards periodic reconciliation of Grants received from government agency towards opening of new outlet.This could potentially result in inaccurate disclosure of grant receivable in the books of accounts.

f) The Company did not have the adequate system for physical verification, valuation of stock, treatment of non-moving and non-moving items are not identified and the reduction in value is not accounted properly. This could potentially result in overstatement of inventory in books of accounts.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2020, 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2020 standalone financial statements of the Company and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For Abarna & Ananthan
Chartered Accountants
Firm Registration No: 000003S
Sd/-
(R. Ramalingam)
Partner
Membership No: 023253
UDIN:20023253AAAAGG4449

Place: Bengaluru
Date:24.12.2020

"ANNEXURE – C" TO THE INDEPENDENT AUDITORS' REPORT

Report under Section 143(5) of the Companies Act, 2013 relating to the directions issued by the Comptroller and Auditor General of India

Sl. No.	Directions	Compliance
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The Company has a system in place to process all the accounting transactions through IT system. The reporting system used by the Company is Tally ERP. However different accounting software that are not integrated to the Tally ERP are being used by various departments. The data flow from the stand-alone software to the main accounting and reporting system ie Tally is not seamless. The departments extract the Trial Balance from their software and share it with the Accounts Department. These TB are input in Tally manually. The data resides with the user department.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off to debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	No loan is taken by the entity.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	There are no deviations. Funds are received for the newly opened Pharmacy outlets towards fittings, computer etc at the outlets. The Company incurs the expenditure initially and then prefers the claims with the Central agency – BPPI. An amount of Rs 31.45 lakhs reported under the Government grant receivable is subject to reconciliation.
Additional Company Specific Directions:		
4	(a)Comment on the monitoring system in the computerized environment and effectiveness of the process of physical verification of Stock.	The physical verification of the Stock is not effective in the Pharmacy outlets. We understand that the software that is being used by the Company is supplied by an external agency – BPPI. The software is not very user friendly. Also since the number of items is numerous effective & robust stock taking mechanism is lacking.

<table>
<tr>
<td>5</td>
<td>(a)Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?</td>
<td>(a) 93.50% of Sales is on cash basis (Beverages Division).
(b) The Company has an effective system of recovery of its dues in respect of the Chit activities and records are maintained in a computerised environment.
(c) The recovery from the Debtors in Paper division is not done within the credit period stipulated in the Invoice in most of the cases. Out of the total recoverable of Rs. 3485.92 lakhs, Rs.2978.43 lakhs are outstanding for more than 6 months.
The Debtors have been properly recorded in the books to the best of our knowledge and belief. However, balance confirmation has not been obtained from the debtors.</td>
</tr>
<tr>
<td></td>
<td>(a) Whether the Company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during physical verification.</td>
<td>The system followed for physical verification, valuation of stock, treatment of non-moving items is not effective. The non-moving items are not identified and the reduction in value is not accounted properly.
Ex: In the paper division, there are stock items that are more than 10 years which are not realizable; impairment was not accounted for these items. However, the impairment was accounted later.
Valuation of stock is not reflected properly in the system except Beverages Division, since stock is not accounted through stock register.</td>
</tr>
<tr>
<td></td>
<td>(b) Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.</td>
<td>There are no major capitalisation during the period under review. However, the properties are vacant for a considerable period of time resulting in non productive investment. Given below please find a table on details of vacant property.
<table>
<tr><th>Nature of property</th><th>Total area in Sq ft</th><th>Vacant are in sq ft</th></tr>
<tr><td>Commercial</td><td>4,48,794</td><td>1,27,953</td></tr>
<tr><td>Residential</td><td>12,510</td><td>6,160</td></tr>
<tr><td>Total</td><td>4,61,304</td><td>1,34,113</td></tr>
</table>
From the table it can be observed that about 29% of Commercial space and about 49% of the Residential space are unproductive.</td>
</tr>
</table>

	(c) If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the area such as accounting, sales, personnel information, pay roll, inventory etc. have been computerized and the Company has evolved proper security policy for data/ software/ hardware?	The Company processes all the accounting transactions on a day to day basis through IT system The Company has adequate security policy for data / software /hardware. Accounting, payroll, sales, personnel information etc. have been fully computerized.

For Abarna & Ananthan
Chartered Accountants
Firm Registration No: 000003S
Sd/-
(R. Ramalingam)
Partner
Membership No: 023253
UDIN:20023253AAAAGG4449

Place: Bengaluru
Date:24.12.2020

MYSORE SALES INTERNATIONAL LTD, BANGALORE

Replies to Qualification in statutory auditor's report for the year 2019-2020 (Refer Basis for qualified opinion - audit report)

	Audit Query	Company's Reply	Remarks
a.	The Balance of trade receivable, advances, payables and advance from customers have not been reconciled nor confirmed from the counter parties as at the balance sheet date. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of these accounts as at the balance sheet date, in the absence of which we are unable to determine whether any adjustment to these amounts are necessary. The financial impact of these un-reconciled or confirmed account balances, if any, could not be determined.	The Company has sent the balance confirmation as on 31st March 2020 in the accounts of Sundry creditors, sundry debtors, and business associates including joint ventures and advances /deposits for which we have received the confirmation partly.	
b.	In the absence of (i) proper records being maintained/updated and produced to us for the inventory of traded goods viz. imported river sand and pharmaceutical products: (ii) periodical physical verification and reconciliation exercise (including roll forwarder roll back) being carried out by the management; (iii) obtaining confirmation of stock of imported river sand as on Balance Sheet date, from the port authorities where these stocks are stored; and (iv) confirmation on the quantity of the closing stock,we are unable to comment on the correctness of the quantity and/or value of closing inventory of imported river sand and pharmaceutical products amounting to Rs. 1872 lakhs and Rs. 340.13 lakhs respectively included under Closing Stocks as of 31st March 2020.	The internal auditors were unable to carry out the auditing of Pharmacy outlets as on 31st March 2020 due to lockdown on account of COVID 19 and also, the software provided by BPPI is unable to generate actual closing stock including expiry stock details. The division is in the process of developing new software and the issue will be set right during the current financial year (2020-21). With regard to sand the division has sold only 10,000 MT during the year 2019-20 and the confirmation received from the Port as on 31st March 2019 is 99119.41 MTs and balance stock available as on 31st March 2020 is 89119.41 MTs and the confirmation from Port is yet to be received.	
c.	The Company has not accounted for rental Income of Rs 185.19 lakhs from a tenant for the period upto 31 March 2020. Hence the Profit of the company is understated by an amount of Rs 185.19 lakhs (without considering the Income Tax payable) and the Asset side of the Balance sheet is also understated by Rs 185.19 lakhs. This qualification arises since the company is not in compliance with its accounting policy on Revenue Recognition.	As there is a un-certainity on recovery of Rental Income with the tenant, the Company is in the process of changing the accounting policy on recognizing the rental Income to Cash basis from April 2020 with the necessary approval of Board.	

d.	An amount of Rs.126.46 lakhs which is included under Interest Receivable on Deposits – other Financial Assets Note No 7 should be reclassified to Bank Balances other than Cash and cash equivalents Note No 12.	The Company is having more than 200 Statutory deposits for the various chit groups. The Company is not accounting the interest on such deposits immediately on maturity. At the year end the entire interest on the deposit is accounted as accrued interest by crediting interest income on Bank deposit and this will be regularised during the financial year 2020-2021 onwards.	
e.	During the current year the Company has reclassified some Land & Building considered as property, plant & equipment to Investment Property. The reclassification is reported as deletion in Note.2 and addition in Note No 4. Although the carrying value of the assets and accumulated depreciation reported in Note 2 and Note 4 are matching with the Fixed Assets register as at 31st March 2020, there is an error in the disclosure of the reclassification between Note No 2 and Note No 4	The error will be corrected at the time of printing the Annual report.	

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MYSORE SALES INTERNATIONAL LIMITED, BANGALORE FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31st March 2020** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated **24 December 2020** which superseades their earlier Audit Report dated **19 November 2020.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31st March 2020** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

For and on behalf of the
Comptroller & Auditor General of India
Sd/-
(ANUP FRANCIS DUNGDUNG)
ACCOUNTANT GENERAL
KARNATAKA, BENGALURU

BENGALURU
Date:31.12.2020

MSIL

MYSORE SALES INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31 MARCH 2020
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

Sl. No.	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	2	3,778.45	4,472.95
	(b) Capital work-in-progress	3	161.16	-
	(c) Investment property	4	3,976.87	3,481.75
	(d) Other intangible assets	5	6.37	11.66
	(e) Right-of-use assets	39	1,667.76	-
	(f) Financial assets			
	(i) Investments	6	3,173.12	2,993.03
	(ii) Other financial assets	7	156.44	1,029.51
	(g) Deferred tax assets (net)	29	341.77	865.80
	(h) Other non-current assets	8	707.61	1,021.19
	Total non-current assets		**13,969.55**	**13,875.89**
	Current assets			
	(a) Inventories	9	9,065.52	8,567.88
	(b) Financial assets			
	(i) Trade receivables	10	3,569.77	5,127.23
	(ii) Cash and cash equivalents	11	12,197.58	7,704.33
	(iii) Bank balances other than (ii) above	12	10,962.95	13,858.49
	(iv) Other financial assets	7	20,918.39	17,855.65
	(c) Other current assets	8	4,268.15	2,478.10
	(d) Assets held for sale	30	5.00	5.00
	Total current assets		**60,987.36**	**55,596.68**
	Total assets		**74,956.91**	**69,472.57**

MSIL

II.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	13	4,273.48	4,273.48
	(b) Other equity	14	35,722.99	31,208.48
	Total equity		**39,996.46**	**35,481.96**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings		-	-
	(ii) Other Financial Liabilities	15	2,241.77	417.31
	(b) Provisions	16	1,384.81	1,151.94
	(c) Other non-current liabilities	17	3,640.84	3,640.84
	Total non-current liabilities		**7,267.42**	**5,210.09**
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	18		
	(a) Total outstanding dues of micro and small enterprises		19.59	-
	(b) Total outstanding dues other than (i) (a) above		11,631.09	8,991.87
	(ii) Other financial liabilities	15	15,460.59	18,284.86
	(b) Other current liabilities	17	386.29	370.58
	(c) Provisions	16	195.47	1,133.20
	Total current liabilities		**27,693.03**	**28,780.52**
	Total equity and liabilities		**74,956.91**	**69,472.57**

Significant accounting policies
The accompanying notes referred to above form an integral part of the financial statements

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:19.11.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
H Halappa
Chairman
DIN No: 02321290

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

MSIL

MYSORE SALES INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Continuing operations			
Revenue from operations	19	202,128.23	181,981.70
Other income	20	2,113.29	2,250.83
Total income		**204,241.52**	**184,232.53**
Expenses			
Cost of materials consumed	21	1,300.68	1,390.88
Purchase of traded goods	22	180,681.89	159,090.24
Changes in inventories of finished goods and traded goods	23	(407.24)	2,809.13
Employee benefits expense	24	2,158.77	2,411.73
Finance costs	25	228.24	135.18
Depreciations and amortization expenses	26	1,495.40	721.80
Other expenses	27	14,640.58	14,182.47
Total expenses		**200,098.32**	**180,741.43**
Profit before exceptional items and tax from continuing operations		**4,143.20**	**3,491.10**
Exceptional items		-	-
Profit before tax from continuing operations		**4,143.20**	**3,491.10**
Tax expense	29		
(1) Current tax		1,065.48	1,100.00
(2) Deferred tax		524.04	105.33
(3) Adjustment of tax relating to earlier periods		31.31	53.69
Profit for the year from continuing operations		**2,522.38**	**2,232.08**
Discontinued operations	30		
Profit/(loss) before tax for the year from discontinued operations		(11.21)	(8.11)
Tax Income/ (expense) of discontinued operations		-	-
Profit/ (loss) for the year from discontinued operations		**(11.21)**	**(8.11)**
Profit/(loss) for the year		**2,511.16**	**2,223.97**

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Other comprehensive income	**31**		
(a) Items that will not be reclassified to profit or loss			
Net (loss)/gain on equity instruments through Other Comprehensive Income		180.09	97.90
Income tax effect			
Re-measurement gains/ (losses) on defined benefit plans		(65.40)	(343.06)
Income tax effect			
Other comprehensive income for the year, net of tax		**114.69**	**(245.16)**
Total comprehensive income for the year		**2,625.85**	**1,978.81**
Earnings per share for continuing operations	32		
Basic (Rs)		**59.02**	**52.23**
Diluted (Rs)		59.02	52.23
Earnings per share for discontinued operations	**32**		
Basic (Rs)		**(0.26)**	**(0.19)**
Diluted (Rs)		(0.26)	(0.19)
Earnings per share for continuing and discontinued operations	32		
Basic (Rs)		**58.76**	**52.04**
Diluted (Rs)		58.76	52.04
Significant accounting policies			
The accompanying notes are an integral part of the financial statements	**1.2**		

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:19.11.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
H Halappa
Chairman
DIN No: 02321290

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

MSIL

MYSORE SALES INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

A.	Equity Share Capital	
	Particulars	Amount
	Balance as at 01 April 2018	**4,273.48**
	Changes in Equity Share Capital during 2018-19	-
	Balance as at 31 March 2019	**4,273.48**
	Changes in Equity Share Capital during 2019-20	-
	Balance as at 31 March 2020	**4,273.48**

B. Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income		
	General reserves	Retained Earnings	Share Application money pending allotment	Fair Valuation of Equity Instru-ments	Re-measurment of defined benefit plans	Total
Balance as at 01 April 2018	17,205.91	12,679.73	0.00	(461.20)	(194.76)	29,229.68
Profit for the year	-	2,223.97	-	-	-	2,223.97
Transfer from retained earnings *	559.67	(560.00)	-	-	-	-
Total Comprehensive Income	-		-	97.90	(343.06)	(245.16)
Balance as at 31 March 2019	**17,765.57**	**14,344.04**	**0.00**	**(363.30)**	**(537.82)**	**31,208.48**
Profit for the year	-	2,511.16	-	-	-	2,511.16
Transfer from retained earnings *	634.69	(634.69)	-	-	-	-
Dividends (Refer note 33)	-	(213.67)	-	-	-	(213.67)
Dividend Distribution Tax (Refer note 33)	-	(43.92)	-	-	-	(43.92)
Reversal of Provision created in the year of transition to Ind AS - 1 April 2016	-	2,146.25	-	-	-	2,146.25
Total Comprehensive Income	-	-	-	180.09	(65.40)	114.69
Balance as at 31 March 2020	**18,400.26**	**18,109.16**	**0.00**	**(183.21)**	**(603.22)**	**35,722.98**

* 10% of average profit of chit fund division is transferred to General Reserve every year.

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:19.11.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
H Halappa
Chairman
DIN No: 02321290

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

MSIL

MYSORE SALES INTERNATIONAL LIMITED
CASH FLOW STATEMENT
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax and exceptional items as per Statement of Profit and Loss	4,131.99	3,482.98
Adjustments for:		
Depreciation and Amortisation	1,495.40	721.80
Capital Work in Progess write off	-	20.11
Re-measurement of employee benefit plan (including gains/(losses) in defined benefit plans)	(65.40)	(343.06)
Dividend Income	(60.08)	(5.82)
Loss on damage of assets	0.73	-
(Profit)/Loss on sale of Fixed Assets (net)	(0.66)	0.16
Interest Income	(1,119.24)	(1,077.91)
Interest and guarantee commission Paid	228.24	69.67
Operating lease rental from Investment property	(430.85)	(392.63)
Loss / (gain) on sale of investments	(0.39)	(0.29)
Operating profit before working capital changes	**4,179.75**	**2,475.02**
Changes in working capital		
Adjustments for increase / (decrease) in		
Trade and other receivables	2,092.30	(2,960.95)
Inventories	(85.04)	3,368.48
Other Assets	282.98	496.61
Other Financial Assets	(2,370.22)	1,441.87
Trade Payable	2,658.80	(945.51)
Other Liabilities	(55.48)	(108.62)
Other Financial Liabilities	(1,108.37)	(50.94)
Provisions	(704.87)	(860.28)
Cash generated from operations	**4,889.83**	**2,855.66**
Taxes paid	**1,620.82**	**1,726.41**
Net cash generated from operating activities	**3,269.01**	**1,129.25**
B. Cash flow from investing activities		
i) Non Cash investing activities		
ii) Other investing activities		
Purchase of Property, Plant & Equipment (including capital advances and Right of use of asset)	(3,119.66)	(1,738.92)
Government Grant	34.57	3.68
Bank balances other than cash and cash equivalent	2,895.54	(342.05)
Fair valuation changes	180.09	-
Proceeds from sale of fixed assets	0.40	1.64
(Purchase) / Sale of investments	0.39	0.29
Investment income (Rental income on investment Property)	430.85	392.63
Interest received	1,119.24	1,077.91
Dividend received	60.08	5.82
Net cash used in investing activities	**1,601.50**	**(599.01)**

C. Cash flow from Financing activities		
i) Non Cash Financing activities	-	-
ii) Other Financing activities		
Finance Cost (Interest and Guarantee commission paid)	(119.67)	(69.67)
Dividend paid	(213.67)	-
Dividend Distribution tax paid	(43.92)	-
Net cash used in financing activities	**(377.26)**	**(69.67)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**4,493.25**	**460.57**
Reconciliation		
Cash and cash equivalents as at beginning of the year	7,704.33	7,243.76
Cash and cash equivalents as at end of the year	12,197.57	7,704.33
Net increase / (decrease) in cash and cash equivalents	**4,493.25**	**460.57**
Cash and cash equivalents comprises of		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balances with banks		
In current accounts	6,315.12	3,590.27
In deposit accounts with original maturity less than 3 months	4,198.91	2,957.07
Cash on hand	1,392.35	1,151.72
Remittances in Transit	291.20	5.26
Cash and cash equivalents in cash flow statement	**12,197.58**	**7,704.33**

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:19.11.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
H Halappa
Chairman
DIN No: 02321290

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

MYSORE SALES INTERNATIONAL LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. Company overview and significant accounting policies

1.1 Company overview

Mysore Sales International Limited is a premier Government of Karnataka Undertaking, dealing in various products & services. It was established in 1966 as a trading house. The registered office is located at Bengaluru, Karnataka, India. Since then, the Company has grown primarily as a marketing force with a national presence. It is having a wide network of offices all over Karnataka as well as in some major metros across the country. It markets products and services such as Indian made foreign liquor, chit operations, paper products, imported sand, Pharmaceuticals, Industrial and Consumer products.

1.2 Basis of preparation of financial statements

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 19th November 2020.

b. Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Assets held for disposal measured at the lower of its carrying amount and fair value less costs to sell.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability, if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

c. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

d. Amended standards adopted by the Company

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The effective date of application of this amendment is annual period beginning on or after April 1, 2019. As the Company has not made any borrowing there has been no effect on the financial statements in the year under review.

Ind AS 116 - Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 - Leases. Ind AS 116 will shall replace the existing lease standard, Ind AS 17- Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Company has applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note …….39 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company has applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts does not contain extension terms and the extension depends on the business exigencies.

Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date of application of this amendment is annual period beginning on or after April 1, 2019. There is no impact to the standalone financial statements due to this amendment.

Ind AS 12, Appendix C - Uncertainty over Income Tax treatments

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C - Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profits (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or planned to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date of adoption of Ind AS 12, Appendix C is annual periods beginning on or after 01 April 2019. There is no impact on the standalone financial statements due to this notification.

Amendment to Ind AS 19, plan amendment, curtailment or settlement

On March 30, 2019 the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

* To use updated assumptions to determine current service cost and net interest for the remainder of

the period after a plan amendment, curtailment or settlement; and

* To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of impact of the asset ceiling.

The effective date of adoption of Ind AS 19, plan amendment, curtailment or settlement is annual periods beginning on or after 01 April 2019. There were no changes in the Employee Benefits offered by the Company and hence there is no effect on the financial statements during the year.

e. New Accounting Standards not yet adopted by the Company –

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Significant accounting policies -

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as one year for the purpose of current and non-current classification of assets and liabilities except for the assets and liabilities relating to Chit business..The operating cycle for the Chit business is dependant on the Chit tenor. A tenor of 40 months 5 years is considered to be the operating cycle for the Chit Business being the most popular chit tenor.

b. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee (‘Lakhs’) which is also the functional and presentation currency of the Company. All amounts have been reported to the nearest lakh, unless otherwise indicated.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate.

Non-monetary items denominated in a foreign currency which are carried at

- historical cost are reported using the exchange rate at the date of the transaction and
- at fair value or any other similar valuation

denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

c. Revenue recognition

The Company has adopted Ind AS 115 retrospectively with effect from 01 April 2017.

The Company has applied the following accounting policy in the preparation of its standalone financial statements:

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1 - Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met for every contract.

Step 2 - Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 - Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. - Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Rental income

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Dividend income

Income from dividends are recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding applying effective interest rate.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognised on accrual basis except in cases where ultimate collection is considered doubtful and in the instances listed below :

Revenue Recognition on cash basis

Revenue is recognized on accrual basis except for the following items where it is accounted for on cash basis since the realisability is uncertain :-

i. **Chit Operations :**

All streams of revenue from Chit operations is on cash basis.

ii. **Hire Purchase :**

Interest income on hire purchase sales is recognised on cash basis.

iii. Duty credit / exemption under various promotional schemes of Foreign Trade Policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/service tax / sales-tax /VAT/GST and interest thereon etc.

iv. Interest on overdue recoverable.

v. Liquidated damages on suppliers/underwriters.

Other items of income are recognized as and when the right to receive arises.

d. Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are valued as under:

i. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis in case of Paper Division

ii. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Raw materials and consumables issued to convertors are considered as Finished Goods only at the time of receipt of notebooks from the convertors in the case of Paper Division.

iii. Freight inward is not considered for valuation of stock of liquor and is charged to the profit & loss account.

iv. Obsolete inventories, slow moving and defective inventories are identified and written down to net realisable value.

e. Property, Plant and Equipment (PPE)

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Depreciation and useful lives

Depreciation/amortization on property, plant & equipment is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Particulars	Life in years
Building	60
Fire fighting equipment	10
Electrical equipment	10
Furniture and fixtures	10
Vehicles	8
Furniture and fixtures - Liquor	5
Handling equipment	5
Weighing Machines	5
Office equipment	5
Computers	3
Leasehold assets	Over the primary lease period – except for land

Depreciation on fixed assets added/ disposed off/ discarded during the year has been provided on prorata basis with reference to the date of addition/ disposal/ discarding.

The Company, based on technical assessment made by technical expert and management estimate, depreciates furniture & fixture at Liquor outlets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

f. Intangible assets

Recognition and measurement

Intangible assets (software) acquired separately are measured at their cost of acquisition.The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Following initial recognition, intangible assetsare carried at cost less accumulated amortization andimpairment losses, if any.

The cost of capitalized software is amortized over a period of 6 years from the date of its acquisition on a straight line basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each reporting date end and adjusted prospectively, if appropriate.

g Capital Work-in-Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the date of use of asset. Capital advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are disclosed separately as Other Non-Current Assets.

h Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. After initial recognition, the Company measures investment property at cost.

Investment properties are derecognized upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected post disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognized.

Investment properties are depreciated in accordance to the class of asset that it belongs to and the life of the asset is as conceived for the same class of asset of the Company. Depreciation/amortization is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The useful life of the Buildings is estimated to be 60 years.

The fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

I. Finance cost

All borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

The Company suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

A qualifying asset is an asset that necessarily takes12 months or more to get ready for its intended use or sale.

j. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

k. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets such assets are classified as operating leases.

As a Lessee

Finance Lease

Assets under finance leases are capitalized at lower of fair value or the present value of the minimum lease payments at the inception of the lease term and a liability is created for an equivalent period. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. The finance cost is charged to the statement of profit and loss.

Operating Lease

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

The Company normally enters into operating leases in which rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Leases –

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Company as a lessee

The Company enters into an arrangement for lease of shops, offices. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use of the identified asset, and

c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the

re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor,the Company accounts for the head-lease and the sub-leaseas two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

I. Employee benefits

Defined contribution plan

The Company's defined contribution plans are Employees' Provident Fund (under the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952) ESI (under the provisions of Employees State Insurance Act, 1948) and Superannuation. The Company has no further obligations beyond making the Company's contributions. The Company's contribution to Provident Fund, ESI and Superannuation are made at prescribed rates and are charged to Statement of Profit and Loss. The Superannuation asset are managed by a Trust which invests with LIC.

Death Relief Fund

The Company's liability towards Death Relief Fund is accounted on the basis of actuarial valuation as at the reporting date.

Defined benefit plan

The Company has a defined benefit plan for payment of Gratuity as per the Gratuity Act 1972. The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Company makes contribution to the MSIL Employee Gratuity Fund Trust managed by LIC.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Earned Leave

As per policy of the Company, employees can carry forward unutilized accrued leave and utilize it in next service period or receive cash compensation. The compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated absences in the year in which the employee renders the services that increase his entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the reporting period. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each reporting period.

Other short-term benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, estimated bonus, ex-gratia and short term compensated absences are recognised in the period in which the employee renders the related service.

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

m. Tax expense

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they are relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

n. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

(i) The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

(ii) The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Decommissioning costs are measured as the best estimate of the expenditure to settle the obligation or to transfer the obligation to a third party. Provisions for decommissioning obligations are required to be recognized at the inception of the arrangement. The estimated costs to be incurred at the end of the arrangement are discounted to its present value using the market rate of return.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liability is disclosed in the case of

(i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(ii) a present obligation arising from a past event, when a reliable estimate of the obligation cannot be made, and

(iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109,' Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103,' Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI with subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

q. Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss (FVPL), are added to the fair value on initial recognition.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

r. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

s. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

t. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting.

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "Other unallocable corporate expenditure".

(iii) Income that relates to the Company as a whole and not allocable to segments is included in "Unallocable income".

(iv) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit of the Company.

(v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment

(vi) Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

u. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

v. Events after Reporting Date

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists on the balance sheet date. Such dividends are disclosed in the notes to the financial statements.

w Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share.

However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

x Non-Current Assets Held For Sale And Discontinued Operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

y Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is presented by deducting the grant from the carrying amount of the asset. When the Company receives grants of non-monetary assets, it is treated at a nominal value.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.3 Significant estimates in applying accounting policies

a. Revenue–The Company has applied judgments significantly affect the determination of the amount and timing of revenue from contracts with customers.

b. Net realisible value of inventory - The determination of net realisible value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencment and completion of the project, the estimated future selling price, cost to complete projects and selling cost.

c. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

d. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

e. Defined Benefit Obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

f. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

g. Expected credit losses on financial assets – The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

h. Leases - Ind AS 116 defines a lease term as the noncancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

1.4 Critical judgments in applying accounting policies

a. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

b. Recognition of deferred tax liability on undistributed profits – The extent to which the Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgment.

c. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses a discounting rate to arrive at net present value. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

d. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgment.

e. Contingent liabilities -The Company uses significant judgment to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are not recognised nor disclosed in the financial statements.

MYSORE SALES INTERNATIONAL LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

2 Property, plant and equipment

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

Particulars	Freehold land	Leashold land	Building - Freehold	Building - Leasehold	Handling Equipment	Electrical Equipment	Computers	Furniture and fixtures	Vehicles	Leased Assets	Office Equipment	Grant Assets	Total
Gross carrying amount													
As at 01 April 2018	23.27	42.39	876.68	36.04	0.32	1,041.07	73.82	895.04	168.42	0.00	499.79	0.00	3,656.85
Additions	-		57.01		-	535.55	21.91	970.04	-		150.73	-	1,735.24
Disposals	-		-	-		(0.46)	-	-	-		(1.34)		(1.80)
As at 31 March 2019	23.27	42.39	933.69	36.04	0.32	1,576.17	95.73	1,865.08	168.42	0.00	649.18	0.00	5,390.29
Additions		-		-	-	100.61	33.81	383.38	34.31	-	28.50	-	580.61
Disposals	-	-	(18.87)	-	-	(15.29)	-	(0.16)	(8.41)	-	-	-	(42.73)
Reclassification to freehold land	12.50		(12.50)										-
Reclassification to investment property	(3.84)	(20.85)	(725.72)	(36.04)	-	-	-	-	-	-	-	-	(469.01)
As at 31 March 2020	31.93	21.54	176.60	-	0.32	1,661.49	129.53	2,248.30	194.33	0.00	677.68	0.00	5,459.17
Accumulated depreciation													
As at 01 April 2018	-	-	18.37	1.49	0.06	37.05	27.41	104.75	18.83	-	104.16	-	312.11
Charge for the year	-	-	16.35	1.49	0.21	129.46	28.50	277.76	22.16	-	129.30	-	605.23
Adjustments for disposals	-	-	-	-	-	-	-	-	-	-	-	-	-

As at 31 March 2019	-	-	34.72	2.98	0.27	166.51	55.91	382.51	40.99	-	233.46	-	917.34
Charge for the year	-	-	8.87	-	-	163.62	21.12	364.32	26.37	-	133.32	-	717.62
Adjustments for disposals	-	-	(18.38)	-	-	(13.44)	-	(0.16)	(8.41)	-	-	-	(40.38)
Reclassification to investment property	-	-	-	(2.98)	-	-	-	-	-	-	-	-	86.13
As at 31 March 2020	-	-	151.38	-	0.27	316.69	77.02	746.67	58.95	-	366.78	-	1,680.72
Net block as at 31 March 2019	23.27	42.39	898.97	33.07	0.04	1,409.66	39.82	1,482.57	127.44	0.00	415.72	0.00	4,472.95
Net block as at 31 March 2020	31.93	21.54	151.38	-	0.04	1,344.80	52.51	1,501.63	135.38	0.00	310.90	0.00	3,778.45

3 Capital work-in-progress

Particulars	Capital work-in-progress (#)	Total
As at 01 April 2018	20.11	20.11
Additions	-	-
Capitalised during the year	(20.11)	(20.11)
As at 31 March 2019	-	-
Additions	161.16	161.16
Capitalised during the year	-	-
As at 31 March 2020	**161.16**	**161.16**

a. **Contractual obligations**
Details of contractual obligations is given in note 42.

b. **Property, plant and equipment and capital work-in-progress pledged as security**
Property, plant and equipment and capital work-in-progress pledged as security as at 31 March 2020 is Nil. (31 March 2019: Nil)

c. There are no borrowing cost capitalised during the year ended 31 March 2020 and 31 March 2019.

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs in Lakhs unless otherwise mentioned)

4 Investment property

Particulars	Freehold land	Leashold land	Buiding - Freehold	Buiding - Leasehold	Total
Opening balance as at 01 April 2018	**49.22**	**80.10**	**878.36**	**2,594.96**	**3,602.65**
Additions (subsequent expenditures)	-	-	-	-	-
Closing balance as at 31 March 2019	**49.22**	**80.10**	**878.36**	**2,594.96**	**3,602.65**
Additions (subsequent expenditures)	-	-	-	55.59	55.59
Reclassification from Property, plant and equipment	3.84	20.85	725.72	36.04	786.45
Closing balance as at 31 March 2020	**53.06**	**100.95**	**1,604.08**	**2,686.59**	**4,444.68**
Depreciation and impairment					
Opening balance as at 01 April 2018			**16.79**	**0.24**	**17.02**
Depreciation (Refer note 26)			17.37	86.50	103.87
Closing balance as at 31 March 2019	**-**	**-**	**34.16**	**86.74**	**120.89**
Depreciation (Refer note 26)	-	-	25.77	89.84	115.61
Reclassification from PP&E*			-	2.98	2.98
Closing balance as at 31 March 2020	**-**	**-**	**59.93**	**179.55**	**239.48**
Net block as at 31 March 2019	**49.22**	**80.10**	**878.36**	**2,594.96**	**3,602.65**
Net block as at 31 March 2020	**53.06**	**100.95**	**1,544.15**	**2,507.04**	**4,205.20**

Information regarding income and expenditure of Investment property	Year ended March 31, 2020	Year ended 31 March 2019
Rental income derived from investment properties (Refer Note (20))	430.85	392.63
Direct operating expenses (including repairs and maintenance) pertaining to investment property	(66.75)	(195.14)
Profit arising from investment properties before depreciation and indirect expenses	364.10	197.49
Less – Depreciation	(115.61)	(103.87)
Profit arising from investment properties before indirect expenses	248.49	93.62

Karnataka Bhavan, Mumbai

City & Industries Development Corporation of Maharashtra (CIDCO) has entered into a deed of 'Agreement to Lease' with Government of Karnataka (GoK) for a plot of land measuring 2520 sq meters in Navi Mumbai to enter and occupy the land on the condition that the licensee (GoK) construct a State Guest House.

In turn on 1 October 2008 GoK has entered into an agreement with MSIL for construction of Karnataka Bhavan on Build Own Operate Transfer (BOOT) basis effective for 30 years (extendable on mutual consent) from the date of completion of the building as per the terms and conditions specified therein.

The amount of Rs 3410.25 lakhs incurred towards construction of Karnataka Bhawan in Navi Mumbai was capitalized based on the completion certificate received from M/s Project Management Service during the year ended 31 March 2018.

During the year an amount of Rs 55.59 lakhs was capitalised being the final bills submiited by the agencies associated with the project.

The Company had entered on 27 September 2018 into a lease rental agreement with a service provider to construct the necessary infrastructure and to commence boarding & lodging operations. No rental income has been accounted till 31 March 2020.

Pending execution of lease cum sale agreement with Karnataka Industrial Area Development Board in respect of a land allotted near Bangalore Air Cargo Complex (BACC), the Company has capitalised the payments made towards lease hold land amounting to Rs.52,11,063/- (Rs.52,11,063/-) based on the possession certificate issued by KIADB.

The Company is in the process of getting the investment property valued.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 38.

5. Other intangible assets		
Particulars	**Computer software**	**Total**
Gross carrying amount		
As at 01 April 2018	**48.72**	**48.72**
Additions	0.39	0.39
As at 31 March 2019	**49.11**	**49.11**
Additions	-	-
As at 31 March 2020	**49.11**	**49.11**
Accumulated amortization As at 01 April 2018	**24.75**	**24.75**
Charge for the year (Refer note 26)	12.70	12.70
As at 31 March 2019	**37.45**	**37.45**
Charge for the year (Refer note 26)	5.29	5.29
As at 31 March 2020	**42.74**	**42.74**
Net block as at 31 March 2019	**11.66**	**11.66**
Net block as at 31 March 2020	**6.37**	**6.37**

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
6	**Investments**		
	Non-current		
A.	**Quoted Investments**		
	Investments in Equity shares at fair value through OCI (fully paid)		
	M/s J K Tyre Industries Limited	**133.17**	**60.32**
	329,060 (31 March 2019: 329,060) fully paid equity shares of INR 2 each		
	M/s Bengal & Assam Co Limited	**45.08**	**65.40**
	3,831 (31 March 2019: 3,831) fully paid equity shares of INR 10 each		
	Total Aggregate Quoted Investments (a)	178.25	125.72
	Aggregate Book value of quoted investments	178.25	125.72
	Aggregate market value of quoted investments	178.25	125.72
B.	**Un-quoted Investments**		
	Investments in Equity Instruments in subsidiaries, Associates and Joint venture		
	Subsidiaries at deemed cost (*)		
	M/s Marketing Communication & Advertising Limited	597.38	597.38
	357,252 (31 March 2019: 357,252) fully paid equity shares of INR 10 each		
	M/s Mysore Chrome Tanning Company Limited	**0.05**	**0.05**
	720,875 (31 March 2019: 720,875) fully paid equity shares of INR 10 each - issued at nominal value of Rs.5000 as per order of Government of Karnataka		
	Associates at cost		
	M/s K T Apartment Owners' Association	**0.04**	**0.04**
	35 (31 March 2019: 35) fully paid equity shares of INR 100 each		
	M/s K T Mansions Appartments Owners' Association:	0.03	0.03
	25 (31 March 2019: 25) fully paid equity shares of INR 100 each		
	Others- At fair value through OCI		
	M/s.Hassan Mangalore Rail Development Company Limited	**2,372.72**	**2,243.02**
	7,000,000 (31 March 2019: 7,000,000) fully paid equity shares of INR 100 each		
	The Karnataka State Co-operative Apex Bank Limited - One -C- Class Ordinery Share:	24.66	26.80
	1 (31 March 2019: 1) fully paid equity shares of INR1,000,000 each		
		2,994.87	**2,867.31**
	Total aggregate of un-quoted Investments (b)	**2,994.87**	**2,867.31**
	Total (a+b)	**3,173.12**	**2,993.03**
	Aggregate amount of quoted investments and market value thereof	178.25	125.72
	Aggregate amount of unquoted investments	2,994.87	2,867.31
	Aggregate amount of impairment in value of investments	-	-

(*) fair value on the data of transition is considered as deemed cost.

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

7 .Other Financial assets				
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-Current	Current	Non-Current	Current
Loans and advances to employees - Secured and considered good	-	1.46	-	3.80
Loans and advances - related to Chit operations				
(i) Secured and Considered good	-	15,116.91	-	14,749.47
(ii) Unsecured and Considered good	-	355.70	-	-
(iii) Considered doubtful	146.25	-	1,027.55	-
Less: Allowance for doubtful advances	**-**	**(484.26)**	**-**	**(1,328.63)**
Other advances receoverable in kind or for value to be received				
(i) Secured and Considered good	-	-	-	-
(ii) Unsecured and Considered good	1.96	3,846.52	1.96	3,836.43
(iii) Considered doubtful	-	-	-	-
Less: Allowance for doubtful advances	-	-	-	(1,234.74)
Security Deposit - Unsecured and considered good	-	1,121.23	-	968.82
Deferred expense on above deposits	-	-	-	51.06
Interest Receivable On Deposits	-	929.35	-	743.39
Other receivable	8.23	31.48	-	66.06
Total	**156.44**	**20,918.39**	**1,029.51**	**17,855.65**

8.Other assets				
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-Current	Current	Non-Current	Current
At Amortized Cost				
Prepaid Expenses	-	959.94	-	909.52
Balance with statutoty authorities	-	350.30	-	71.28
Advance Income Tax and TDS	-	2,957.91	1,021.19	900.49
Other Receivables	615.98	-		597.81
Gratuity Fund account (Refer note 34)	91.63	-	-	-
Total	**707.61**	**4,268.15**	**1,021.19**	**2,479.10**

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

9. Inventories		
	As at 31 March 2020	**As at 31 March 2019**
Raw Materials		
Paper and Straw board	55.97	218
Convertors	36.34	200
Work in Process		
Finished goods	1,037.98	1,453
Stock in trade pertaining to traded Goods	**7,980.21**	**7,158**
Less: Provision for Expired/Damaged Stock- awaiting regulatory approval	(44.98)	(48.22)
Stock with hirers	310.50	325
Less: Expected Credit Loss for stock with hirers	(310.50)	(325.25)
Less: Expected Credit Loss - Transitioned Ind AS Balance	-	(412.60)
Total	**9,065.52**	**8,568**

10. Trade Receivables		
	As at 31 March 2020	**As at 31 March 2019**
Secured, Considered good	6.25	7.20
Unsecured, Considered good	3,563.52	5,654.87
Trade receivables - credit impaired	1,125.75	641.27
	4,695.52	6,303.34
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	**-**	**(534.84)**
Trade Receivables - credit impaired	(1,125.75)	(641.27)
	3,569.77	**5,127.23**

Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.

11. Cash and cash equivalents		
	As at 31 March 2020	**As at 31 March 2019**
Balances with banks		
In current accounts	6,315.12	3,590.27
Deposits with original maturity less than three months	4,198.91	2,957.07
Remittances in transit	291.20	5.26
Cash on hand	1,392.35	1,151.72
	12,197.58	**7,704.33**

12. Bank balances other than cash and cash equivalents		
	As at 31 March 2020	**As at 31 March 2019**
Deposits with maturity less than 12 months	2,156.01	6,667.37
Balances with banks in earmarked accounts		
- In margin money accounts for Bank Guarantee issued	8,806.94	7,191.12
	10,962.95	**13,858.49**

Bank Balances given on lien as at 31 March 2020 is INR 4707.74 lakhs (31 March 2019 : 4286.70 lakhs)

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MYSORE SALES INTERNATIONAL LIMITED

Summary of significant accounting policies and other explanatory information

(All amounts in Rs lakhs unless otherwise stated)

13	Equity share capital	As at 31 March 2020		As at 31 March 2019	
	Authorized shares	**Number**	**Amount**	**Number**	**Amount**
	Equity share capital of face value of Rs.100 each				
	Equity shares of Rs.100 each	75,00,000	7500.00	75,00,000	7500.00
		75,00,000	**7500.00**	**75,00,000**	**7500.00**
	Issued, subscribed and fully paid up shares				
	Equity shares of Rs.100 each	42,73,477	4273.48	42,73,477	4273.48
		42,73,477	**4273.48**	**42,73,477**	**4273.48**
a.	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	42,73,477	4273.48	42,73,477	4273.48
	Changes during the year	-	-	-	-
	Balance at the end of the year	**42,73,477**	**4273.48**	**42,73,477**	**4273.48**
b.	**Terms/rights attached to equity shares**				
	The Company has one class of equity share having a par value of Rs.100 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.				
c.	**Details of shareholders holding more than 5% shares in the company**				
	Name of the equity shareholder	**31 March 2020**		**31 March 2019**	
		Number	**% holding**	**Number**	**% holding**
	Government of Karnataka	22,55,817	52.79%	22,55,817	52.79%
	Karnataka State Industrial Infrastructure & Development Coproration Limited	20,17,660	47.21%	20,17,660	47.21%
d.	**Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:**				
	The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2020.				
e.	**Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts:**				
	The Company has not issued any equity shares under ESOP (Employee Stock Option) .				

14	Other equity	As at 31 March 2020	As at 31 March 2019
	Securities premium		
	Balance at the beginning of the year		
	Transferred/adjustment during the year		
	General reserve	18,400.26	17,765.57
	Retained earnings	18,109.16	14,344.03
	Other comprehensive income	(786.43)	(901.12)
	Total	**35,722.99**	**31,208.48**

Nature of reserves

General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

15 Other Financial liabilities				
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-Current	Current	Non-Current	Current
At Amortised Cost				
Security Deposit (Unsecured considered good)				
Unsecured and Considered good	942.86	377.33		1,303.93
Deferred income on above deposits	40.42	-	116.38	-
Interest Accrued	53.88	-	53.88	-
Lease liability (Refer note 39)	957.57	766.17	-	-
Payable to Subsidiary Company (Refer note 40)	-	13.85	-	5.40
Creditors for Capital Goods	-	0.33	-	10.42
Other payables	247.04	14,302.91	247.05	16,965.12
Total	**2,241.77**	**15,460.59**	**417.31**	**18,284.87**

16. Provisions

	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-Current	Current	Non-Current	Current
Provision for employee benefits (*)				
Gratuity	-	-	-	94.13
Compensated Absences	545.68	190.23	725.94	138.50
Employee Death Relief Fund	88.33	5.24	87.74	-
Provision for Insurance Claim	351.10	-	338.26	
Provision - Others	399.70	-	-	240.32
Provision for Income Tax [net of TDS and Advance Tax]	-	-	-	660.25
Total	**1,384.81**	**195.47**	**1,151.94**	**1,133.20**

(*) Refer note 34 for details

Movement in Provisions for the year 2019-20	
Opening Balance	2,285.15
Additions during the year	18.66
Deletions/ Utilisation	(723.53)
Closing Balance	**1,580.28**

17. Other liabilities

	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-current	Current	Non-current	Current
Statutory remittances	3,640.84	383.68	3,640.84	366.94
Others	-	2.61	-	3.65
Total	**3,640.84**	**386.29**	**3,640.84**	**370.59**

18 Trade payables

	As at 31 March 2019	As at 31 March 2019
	Non-current	Current
Dues of micro enterprises and small enterprises	19.59	-
Dues of creditors other than micro enterprises and small enterprises	11,631.09	8,991.87
Total	**11,650.68**	**8,991.87**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company has identified Micro, Small and Medium enterprises as per section 22 of the Micro, Small and Medium Enterprises Development Act 2006 during the FY 2018-2019.

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year.		
Principal Amount	19.49	-
Interest payable under MSMED Act, 2006	0.10	-
Total	**19.59**	**-**
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises.	0.10	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.10	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the Micro Small and Medium Enterprises.	-	-
*The above information has been furnished to the extent such parties have been identified as MSME by the Company which are net of discounts / waivers as a part of business practice.		
The interest is provided on a conservative basis in the books of accounts.		

		Year ended 31 March 2020	Year ended 31 March 2019
19	**Revenue from Operations**		
	Sales		
	Liquor	1,90,744.30	1,68,943.03
	Note Books & Stationery	6,866.42	8,392.58
	Pharmaceutical	1,194.30	805.38
	Others	1,838.48	2,418.65
	Income Earned on Chit Fund Business		
	Foreman's Commission	1,224.01	1,147.14
	Dividend	116.91	111.27
	Default Interest	139.16	158.97
	Commission and service charges	4.64	4.67
		202,128.23	**181,981.70**

20.	Other Income		
	Interest on		
	On bank deposits carried at amortised cost	67.60	5.78
	On other deposits	1,051.64	1,072.13
	Rent (^)	430.85	392.63
	Dividend(*)	60.08	5.82
	Provision for doubtful debts no longer required	262.41	21.84
	Profit on sale of property, plant and equipment	0.66	0.10
	Foreign exchange fluctuation	-	20.19
	Income on appreciation in the value of Financial assets - Chit	-	488.00
	Unwinding of discount on security deposits	-	18.92
	Miscellaneous income	240.05	225.41
		2,113.29	**2,250.82**

(*) includes dividend received from subsidiary amounting to INR 53.59 lakhs (31 March 2019: Nil). Refer note 40
(^) includes rent received from subsidiary amounting to INR 4.30 lakhs (31 March 2019: 3.95 lakhs). Refer note 40

21.	Cost of materials consumed		
	Inventories at the beginning of the year	417.74	110.72
	Purchases during the year	975.25	1,697.90
	Inventories at the end of the year	(92.31)	(417.74)
		1,300.68	**1,390.88**

22.	Purchases of Stock-in-Trade		
	Liquor	1,74,359	1,51,030.28
	Notebooks and Stationery	3,816	5,180.08
	Pharmaceutical	975	709.63
	Others	1,532	2,170.25
		1,80,682	**1,59,090.24**

23.	Changes in inventories of finished goods and stock-in-trade		
	Inventories at the end of the year		
	Traded goods	7,980.21	7,157.70
	Finished goods	1,037.98	1,453.25
		9,018.19	**8,610.95**
	Inventories at the beginning of the year		
	Traded goods	7,157.70	9,990.43
	Finished goods	1,453.25	1,429.65
		8,610.95	**11,420.08**
		(407.24)	**2,809.13**

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
24.	**Employee Benefits Expenses**		
	Salaries & Wages	1,730.36	1,830.87
	Contribution to Provident & Other funds	175.85	415.96
	Compensated Absences (Refer note 34)	61.75	(51.46)
	Gratuity (Refer note 34)	38.27	39.38
	Staff Welfare Expenses	152.54	176.99
		2,158.77	**2,411.73**

		Year ended 31 March 2020	Year ended 31 March 2019
25.	**Finance Costs**		
	Interest on lease liabilities (Refer note 39)	108.57	-
	Interest on financial liabilities and others	0.33	33.52
	Bank charges	110.93	65.51
	Guarantee Commission	8.41	36.15
		228.24	**135.18**

		Year ended 31 March 2020	Year ended 31 March 2019
26.	**Depreciation and amortization expense**		
	Depreciation on Property, plant and equipment (Refer note 2)	717.62	605.23
	Amortization of intangible assets (Refer note 5)	5.29	12.70
	Depreciation on Investment Properties (Refer note 4)	115.61	103.87
	Depreciation of Right-of-use assets (Refer note 39)	656.88	-
		1,495.40	**721.80**

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
27.	**Other Expenses**		
	Conversion charges - Notebooks	159.21	199.65
	Packing Material & Secondary Freight	1,021.76	852.16
	Outsourcing expenses	5,589.15	5,038.25
	Rent (Refer note 39)	630.69	1,133.94
	Repairs & Maintenance :		
	- Buildings	90.04	307.54
	- Vehicle	25.38	19.63
	- Others	314.86	249.39
	Insurance	143.38	108.99
	Rates and taxes	4,254.45	4,069.98
	Advertising and sales promotion	284.34	237.08
	Communication costs	93.43	100.61
	Printing and stationery	127.08	119.82
	Legal and professional fees (*)	509.29	434.82
	Travelling and conveyance	136.76	169.06
	Electricity & Water	173.93	160.07
	Security Services	85.58	81.13
	Commission	366.49	428.35
	Donation	4.74	-
	CSR expenditure (Refer note 37)	152.25	205.41
	Directors Sitting fees	0.24	0.17
	Bad & Doubtful Debts	70.47	0.06
	Loss on sale of property, plant and equipment (net)	-	0.26
	Allowances for doubtful debts and advances	45.08	25.90
	Miscellaneous	161.18	240.18
	Impairment losses in value of other financial assets	200.80	-
		14,640.58	**14,182.47**

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
28.	**Payment to the Auditor Included under Leagl and professional Fees :**		
	- Audit fee	9.17	7.49
	- Tax audit fee	0.91	0.91
		10.08	**8.40**

		Year ended 31 March 2020	Year ended 31 March 2019
29.	**Tax expense**		
A	**Tax expense comprises of:**		
	Profit or loss section		
	Current tax	1,065.48	1,100.00
	Deferred tax	524.04	105.33
	Adjustment of tax relating to earlier periods	31.31	53.69
	Income tax expense reported in the statement of profit or loss	**1,620.82**	**1,259.02**

OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Net gain on revaluation of land and buildings	-	-
Net share of profit/loss of an investment in associate	-	-
Deferred tax charged to OCI	**-**	**-**

B	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in profit or loss are as follows:		
	Accounting profit before tax from continuing operations	4,143.20	3,491.10
	Effect of fair valuation not considered for determining the tax liability	886.45	(489.09)
	Profit/(loss) before tax from discontinued operations	(11.21)	(8.11)
	Accounting profit before tax	5,018.44	2,993.89
	Effective tax rate in India	25.17%	34.94%
	At India's statutory income tax rate of 25.17% (31 March 2019: 34.94%)	1,263.14	1,046.07
	Adjustments:		
	Inadmissible expenditure	419.00	533.23
	Admissible Expenditure	(936.00)	(879.08)
	Other Income offered to tax	339.44	462.62

	Eligible deductions under the IT Act	(25.17)	(69.88)
	Additional Provision made	5.07	7.05
	At the effective income tax rate of 25.17 % (31 March 2019 - 34.94 %)		
	Income tax expense reported in the statement of profit and loss	1,065.48	1,100.00
	Income tax attributable to a discontinued operation	(2.82)	(2.83)
		1,062.66	**1,097.17**
	The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax asset (or/and deferred tax liability) on the basis the rate prescribed in the said section. Accordingly, deferred tax asset (or/and deferred tax liability) have reduced by INR 524.04 lakhs. The tax charge or (credit) for the year have increased/ (decreased) by INR 524.04 lakhs.		

C	**Deferred tax**				
	Deferred tax relates to the following:	**Balance sheet**		**Statement of profit and loss**	
		31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
	Difference in depreciation rates - Books & for tax purposes	(119.27)	(190.46)	524.04	105.33
	Provision for employee benefit expenses	208.77	734.38		
	Provision for doubtful advances/ debts	238.19	321.88		
	Impact on accounting for Right to use assets	14.09			
	Net deferred tax assets/(liabilities)	**341.77**	**865.80**	**524.04**	**105.33**

Reflected in the balance sheet as follows:		
	As at 31 March 2020	**As at 31 March 2019**
Deferred tax assets	461.04	1,056.26
Deferred tax Liablities	(119.27)	(190.46)
Deferred tax assets, net	**341.77**	**865.80**

Recognised deferred tax assets and liabilities

Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward tax losses can be utilised.

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Discontinued Operations and assets held for sale**		
	Hire purchase operations		
	The Company has discontinued its HP operations on July 2008, which was also a separate segment as per AS-17, Segment Reporting. The Company accounts for interest income from HP operations on cash basis. The scheduled EMI periods terminated in 2013-14. The results of HP operations for the year are presented below		
	Other income	24.23	30.77
	Other expenses	35.44	38.89
	Profit/(Loss) before tax from discontinuing operations	(11.21)	(8.11)
	Tax expense on discontinuing operations	-	-
	Profit/(Loss) for the year from discontinuing operations	(11.21)	(8.11)
	There are no assets and liabilities related to HP operations as at 31 March 2020 and 31 March 2019.		
	Investment in equity shares		
	Karnataka State Agricultural Produce Processing and Export Corporation (Corporation) which was also approved in the Board Meeting of the company held on 30 June 2011. This is classified as an FVTOCI financial asset and carried at fair value through OCI. The Company did not pledge the financial asset nor receive any collateral for it. The parties to the transaction are in the process of finalising the consideration as at 31 March 2020.		
	Unquoted - fully paid		
	Associate		
	Food Karnataka Limited		
	50,000 (31 March 2019: 50,000) fully paid equity shares of INR 10 each	5.00	5.00
		5.00	**5.00**
	Liabilities associated with the sale	-	-

31	**Other Comprehensive Income**		
	Items that will not be reclassified to profit or loss		
	Gain/(loss) on FVTOCI financial assets	180.09	97.90
	- Investment in equity shares of M/s.J K Tyre Industries Limited:	72.85	(44.13)
	- Investment in equity shares of M/s.Bengal & Assam Co Limited:	(20.32)	(16.88)
	- Investment in The Karnataka State Co-operative Apex Bank Limited - One -C- Class	(2.14)	(0.96)
	- Investment in equity shares of M/s.Hassan Mangalore Rail Development Company Limited:	129.70	159.87
	Re-measurement gains (losses) on defined benefit plans	(65.40)	(343.06)
		114.69	**(245.16)**

32	**Earnings Per Share**		
	The following reflects the profit and share data used in the basic and diluted EPS computations		
	Profit attributable to equity holders of the Company		
	Continuing operations	2,522.38	2,232.08
	Discontinued operation	(11.21)	(8.11)
	Total	**2,511.16**	**2,223.97**
	No of shares used for Basic and diluted EPS	4,273,477.00	4,273,477.00
	Earnings per share for continuing operations		
	Basic (Rs.)	59.02	52.23
	Diluted (Rs.)	59.02	52.23
	Earnings per share for discontinued operations		
	Basic (Rs.)	(0.26)	(0.19)
	Diluted (Rs.)	(0.26)	(0.19)
	Earnings per share for continuing and discontinued operations		
	Basic (Rs.)	58.76	52.04
	Diluted (Rs.)	58.76	52.04

33.	**Dividend made and proposed**		
	Cash dividends on equity shares declared and paid:		
	Dividend for the year ended on 31 March 2020: INR 5 per share (31 March 2019: Nil)	213.67	-
	DDT on final dividend	43.92	-
	Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2020.		
	Dividend Payable	-	-

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
(All amounts in Rs lakhs unless otherwise stated)

34. Employee benefits

i. Disclosure of Employee Benefits as per Ind AS 19

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit liability - Gratuity	-	94.13
Liability for Compensated Absences	735.92	864.44
Liability for Death Relief fund	93.57	87.74
Total employee benefit liabilities	**829.49**	**1,046.31**
Non-current	564.67	673.63
Current	264.81	372.68
Total employee benefit liabilities		

ii. Amount recognized in Balance Sheet

	Particulars	Gratuity - Defined benefit plan		Compensated absences-Defined contribution plan		Death relief fund - defined contribution plan	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Present Value of Obligation at the end of the year	1,349.96	1,479.92	735.92	864.44	93.57	87.74
	Fair Value of Plan Assets the end of the year	1,441.60	1,385.79	-	-	-	-
	Funded Status	91.63	(94.13)	(735.92)	(864.44)	-	-
	Liability recognized in Balance Sheet (as per actuarial valuation)	**91.63**	**(94.13)**	**(735.92)**	**(864.44)**	**93.57**	**87.74**

iii. Reconciliation of the net defined benefit liability-Change in Present Value of Obligation

	Particulars	Gratuity - Defined benefit plan		Compensated absences-Defined contribution plan		Death relief fund - defined contribution plan	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Present Value of Obligation at the beginning of the year	1,479.92	1,399.85	864.44	965.19	87.74	95.37
	Interest Cost	79.97	84.31	46.85	65.93	5.08	6.23
	Current service cost	41.35	47.34	79.43	102.66	6.76	6.34
	Prior service Cost		-	-			
	Benefits paid	(333.58)	(394.30)	(190.27)	(49.28)	(8.77)	(12.92)
	Remeasurement of obligation	-	-	(64.53)	(220.06)	-	-
	Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income	82.30	342.71	-	-	2.76	(7.28)
	Balance as at the end of the year	1,349.96	1,479.92	735.92	864.44	93.57	87.74

iv. Change in Fair Value of Plan Assets

Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Fair Value of Plan Assets the beginning of the year	1,385.79	1,338.70	-	-	-	
Interest Cost		-	-		-	
Employer Contribution	289.43	349.46	-	-	-	-
Benefits paid	(333.58)	(394.30)	-	-	-	-
Return on plan assets excluding actual return on plan assets	83.05	92.27	-	-	-	-
Actuarial gain /(loss) on obligation	16.90	(0.35)	-			
Balance as at the end of the year	1,441.60	1,385.79	-	-	-	-

v. Expense recognised in Statement of Profit & Loss

Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Current service cost	41.35	47.34	79.43	102.66	6.76	6.34
Past service cost	-	-	-	-	-	-
Remeasurement of obligation	-	-	(64.53)	(220.06)	-	-
Net Interest on Net Defined Benefit Obligations	(3.08)	(7.96)	46.85	65.93	5.08	6.23
Expense recognised in Statement of Profit & Loss before tax	**38.27**	**39.38**	**61.75**	**(51.46)**	**11.84**	**12.58**

vi. Remeasurements recognised in Other Comprehensive Income

Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Actuarial loss/ (gain) on obligation	65.40	343.06				
Actuarial loss/ (gain) on obligation on non funded obligations are not recognised in the books of accounts.						

vii. Assets

The gratuity assets are managed by LIC of India.

viii. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date The significant actuarial assumptions were as follows:

Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Discount Rate	6.09%	7.01%	6.09%	7.54%	6.09%	7.01%
Salary Escalation Rate	4.00%	4.00%	4.00%	7.00%	0.08%	7.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%	1.00%	1.00%

ix. Sensitivity Analysis

Particulars	As at March 31, 2020	
	Increase	Decrease
Defined Benefit Obligations - Gratuity		
Discount Rate (100 bps movement)	(33.31)	35.43
Salary escalation rate (100 bps movement)	34.41	(33.23)
Attrition Rate (100 bps movement)	0.71	(0.74)
Compensated absences(Increase)/decrease in Defined Benefit Obligations - Leave Salary		
Discount Rate (100 bps movement)	(29.80)	32.14
Salary escalation rate (100 bps movement)	30.65	(28.93)
Attrition Rate (100 bps movement)	1.01	(1.08)
Death Relief Fund (Increase)/decrease in Defined Benefit Obligations		
Discount Rate (100 bps movement)	(2.12)	2.26
Salary escalation rate (100 bps movement)	2.46	(2.39)
Attrition Rate (100 bps movement)	0.43	(0.45)

Description of risk exposures	
Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:	
Interest rate risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).
Liquidity risk	This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Regulatory risk:	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability of gratuity to INR 20 lakhs).
Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Asset liability mismatching or market risk	The duration of the liability is longer compared to duration of assets exposing the Company to market risks for volatilities/fall in interest rate.

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35 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long and short-term objectives of the Company through the leveraging of the debit and equity balance

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements will be met through long and short term borrowings. The Company monitors the capital structure on the basis of debt to equity ratio and the maturity of the overall debt of the Company.

The following table summarises the capital of the Company:

Particulars	31 March 2020	31 March 2019
Total equity	39,996	35,482
Debt	-	-
Cash equivalents including other bank balances	23,161	21,563
Net debt	-	-
Total capital (Equity + Net debt)	39,996	35,482
Net debt to capital ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

36 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Other bank balances, trade receivables, investment carried at amortised cost, loans, other financial assets and financial guarantees	Ageing analysis and recoverability assessment
Liquidity risk	Other financial liabilities & collaterals taken as security	Rolling cash flow forecasts
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in INR	Sensitivity analysis
Market risk – security prices	Investment in equity	Sensitivity analysis

Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (predominantly trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.
Credit risk management
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance.
The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by accredited rating agencies.
The Company assesses and manages credit risk of financial assets based on the following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.
Classification of financial assets under various stages
The Company classifies its financial assets in three stages having the following characteristics:
Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and
Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime.
All financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) or one instalment overdue on the reporting date and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month point in time (PIT) probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime Probability of default.
The Company calculates impairment on financial insturments ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD, LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions.
Financial instruments other than Loans were subjected to simplified ECL approach under Ind AS 109 'Financial instruments'.

MYSORE SALES INTERNATIONAL LIMITED
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36 Financial risk management contd.

Credit risk exposure

Provision for expected credit losses

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

31 March 2020

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	4,695.52	(1,125.75)	3,569.77
Cash and cash equivalents	12,197.58	-	12,197.58
Other bank balance	10,962.95	-	10,962.95
Other financial assets	21,559.08	(484.26)	21,074.82

31-03-2019

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	6,303.34	(1,176.11)	5,127.23
Cash and cash equivalents	7,704.33	-	7,704.33
Other bank balance	13,858.49	-	13,858.49
Other financial assets	21,448.53	(2,563.37)	18,885.16

Reconciliation of loss allowance provision - Trade receivables, Loans and other Financial asset

Loss allowance on 1 April 2018	Trade receivables	Loans	Other financial asset
Allowance for expected credit loss	1,176.11		
Write-off			
Loss allowance on 31 March 2019			
Allowance for expected credit loss			
Loss allowance on 31 March 2020			

ii Liquidity risk
The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.
Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.
Maturities of financial liabilities
The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	11,650.68	-	-	11,650.68
Other financial liabilities	17,455.31	247.04	-	17,702.36
Total	**29,105.99**	**247.04**	**-**	**29,353.04**
31 March 2019				
Non-derivatives				
Trade payables	8,991.87	-	-	8,991.87
Other financial liabilities	19,436.81	247.04	-	19,683.85
Total	**28,428.68**	**247.04**	**-**	**28,675.72**

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
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36	**Financial risk management contd.**		
iii	**Market risk**		
a	**Foreign currency risk**		
	The Company does not carry any asset or liability denominated in Foregn curreny. Hence the company is not exposed to currency risk.		
b	**Price risk**		
	The Company's exposure to equity securities price risk arises from the investments held by the group and classified in the balance sheet at fair value through OCI.		
	Sensitivity		
	Profit or loss is sensitive to higher/lower prices of instruments on the Company's profits for the periods.		
	Particulars	**31 March 2020**	**31 March 2019**
	Price increase by 5% - FVOCI	8.91	18.35
	Price decrease by 5% - FVOCI	(8.91)	(18.35)
37 Expenditure on Corporate Social Responsibility (CSR)			
	Pursuant to Section 135 of Companies Act, 2013 and rules framed thereunder (CSR Regulations), a CSR committee of the Board of Directors has been constituted by the Company.		
	Particulars	**31 March 2020**	**31 March 2019**
	Gross amount required to be spent by the Company during the year	50.00	44.00
	Amount spent during the year on other than construction/ acquisition of any asset	152.25	205.41
	- Paid	152.25	205.41
	- Yet to be paid	-	-
The Company during the current year has donated books valued at Rs 7.79 Lakhs towards relief measures for the Kerala floods. This amount is not included in the above table.			

MYSORE SALES INTERNATIONAL LIMITED
Summary of significant accounting policies and other explanatory information
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38 Financial Instruments

Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Note no.	Particulars	As at March 31, 2020				As at March 31, 2019			
		FVTPL	FVTOCI	Amortized cost	Total	FVTPL	FVTOCI	Amortized cost	Total
	Financial assets :								
6	Investments (*)	-	2,575.62	597.43	3,173.06	-	2,395.54	597.43	2,992.97
7	Other financial assets	-	-	21,074.82	21,074.82	-	-	18,885.16	18,885.16
10	Trade receivables	-	-	3,569.77	3,569.77	-	-	5,127.23	5,127.23
11	Cash and cash equivalents	-	-	12,197.58	12,197.58	-	-	7,704.33	7,704.33
12	Other Bank Balances	-	-	10,962.95	10,962.95	-	-	13,858.49	13,858.49
	Total financial assets	**-**	**2,575.62**	**48,402.55**	**50,978.18**	**-**	**2,395.54**	**46,172.64**	**48,568.18**
	Financial liabilities :								
18	Trade payables	-	-	11,650.68	11,650.68	-	-	8,991.87	8,991.87
15	Other financial liabilities	-	-	17,702.36	17,702.36	-	-	18,702.18	18,702.18
		-	**-**	**29,353.04**	**29,353.04**	**-**	**-**	**27,694.05**	**27,694.05**

(*) Investment in equity instruments of associates are measured as per Ind AS 27 ‘Separate Financial Statements and have been excluded above.

Notes to financial instruments

i The management assessed that the fair value of cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

ii The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

iii The Company has measured investments in equity shares of subsidiaries at the deemed cost. The Company has considered the fair value on the transition data as the deemed cost.

ii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

		As at March 31, 2020			As at March 31, 2019		
	Note No	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments	6	178.25	2,397.38	597.49	125.72	2,269.82	597.49

39 Lease

Company as a lessee

The Company has adopted Ind AS 116 ,""Leases"" effective from 1 April 2019 to all lease contracts using modified retrospective method without taking the cumulative adjustment to retained earnings, except for leases which are expiring in less than 12 months as on 1 April 2019.

The Company has entered into agreements for leasing office premises under lease arrangements. These agreements generally range between 1 year to 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms; the agreements generally provide for escalation in lease rentals upto 5%. Leases where the term of lease is less than 12 months has been accounted as short-term leases and hence the right-of-use asset and lease liability are not recognized. "

The Company is primarily into the business of selling Beverages, Paper and conducting Chit operations among other verticals. The Company has leased several premises.

Beverage Division: The Company has leased several shops across Karnataka for the purpose of sale of beverage.The duration of the lease ranges from 1 to 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms,lease rentals have an escalation upto 5%

Paper Division: The Company has leased warehouses & offices across Karnataka for operation of Paper division.The duration of lease is 3 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms.

Chit Fund Division: The Company has leased office premises across Karnataka for conducting Chit fund operation.The duration of leases ranges from 3 to 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms,lease rentals have an escalation clause upto 5% .

Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2020

Particulars	ROU asset Buildings
Gross block as on 01 April 2019	-
Impact on account of adoption of Ind AS 116 (as on 01 April 2019)	1,796.46
Additions during the year	528.19
Depreciation for the year	(656.88)
Net block as on 31 March 2020	1,667.76
The following is the movement in lease liabilities during the year ended 31 March 2020	**Lease Liability**
Particulars	
As on 01 April 2019	-
Impact on account of adoption of Ind AS 116 (as on 01 April 2019)	2,306.57
Finance cost accrued during the year	108.57
Payment of lease rentals	(691.40)
As on 31 March 2020	1,723.74
Current	**766.17**
Non-current	**957.57**
Lease liabilities:	
The maturity analysis of lease liabilities are disclosed below:	
Future Lease Payments (Undiscounted)	
Not later than one year	739.79
Later than one year and not later than five years	1,144.59
Later than five years	1.85
Total	**1,886.23**
Future Finance Cost	**(162.50)**
Lease Liability	**1,723.74**
The following are the expense recognised in profit & loss	
Depreciation expense of right-of-use assets	656.88
Interest expense on lease liabilities	108.57
Expense relating to short-term leases	630.69
Expense relating to leases of low-value assets	-
Total amount recognised in profit or loss	1,396.14
Total expenses pertaining to leases accounted including short-term leases and low value leases disclosed to assess impact of adopting Ind AS 116 to Statement of Profit and Loss :	
Rental expenses if Ind AS 116 was not adopted	1,322.09
Leases Expenses on adoption of Ind AS 116	1,396.14
Impact on Profit and loss on adoption of Ind AS 116	(74.05)
Company as a lessor	
The Company has followed IND AS 116 "Leases" effective from 01-04-2019 and have recognised rental income on a straight line basis for the premises let out on lease	
Minimum lease payments receivable under non-cancellable operating leases of let out premises	
Within 1 year	129.93
Later than 1 year but not later than 5 years	163.33
Later than 5 years	-

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40. Related Party - Disclosure under Ind AS 24

(i) Key management personnel

	H Halappa	Chairman
	G C Prakash	Managing Director
	Mahesh Siroor	Managing Director
	H P Prakash	Managing Director

(ii) Subsidiaries

	Marketing Communication & Advertising Limited
	Mysore Chrome Tanning Company Limited

(iii) Transactions with related parties are as follows

		March 31, 2020	March 31, 2019
	Chairman's remuneration	9.98	-
	Managerial remuneration(*)(#)	32.80	21.30
	Dividend from subsidiaries	53.59	-
	Rental income from subsidiaries	4.30	3.95
	Commission income from subsidiaries	0.09	-
	Expenses incurred on behalf of subsidiaries	1.49	35.44

(*) As the provision for liability for gratuity and vacation pay is provided on an actuarial basis for the company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

(#) Includes contribution to provident fund

(v) Balances with related parties as on date are as follows

	March 31, 2020	March 31, 2019
	Receivable	Payable
Receivable from subsidiaries	1.82	0.33
Payable to subsidiaries	14.80	5.40

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
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41. Segment Information

Disclosures pursuant to Ind AS - 108

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM') ie the Managing Director :

a) Paper division deals in both Note Books and Stationery

b) Sale of liquor is reported under Beverages Division

c) Others include Chit operations, Consumer & Industrial Products, Pharmaceutical products, Export & Import operations and Tours & Travels.

The above business segments have been identified considering :

a) the nature of the products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed at an entity level and are not allocated to Operating segments.

Summary of Segment information
For the year ended March 31, 2020

Particulars	Paper	Beverages	Others/unallocated	Total
Revenue				
External customers	6,866.42	1,90,744.30	4,517.51	2,02,128.24
Inter-segment	-	-	-	-
Total revenue	**6,866.42**	**1,90,744.30**	**4,517.51**	**2,02,128.24**
Segment profit	284.96	5,071.08	-984.59	4,371.44
Total assets	7,621.52	14,778.44	52,215.17	74,615.14
Total liabilities	4,038.30	3,054.75	27,867.40	34,960.45
Capital expenditure	1.66	499.10	135.44	636.20
Depreciation and amortization	38.15	538.19	919.06	1,495.40

For the year ended March 31, 2019				
Particulars	**Paper**	**Beverages**	**Others/unallocated**	**Total**
Revenue				
External customers	8,392.58	1,68,943.03	4,646.09	1,81,981.70
Inter-segment	-	-	-	-
Total revenue	**8,392.58**	**1,68,943.03**	**4,646.09**	**1,81,981.70**
Segment profit	697.83	3,914.38	-985.94	3,626.27
Total assets	9,119.92	15,777.56	43,709.27	68,606.76
Total liabilities	5,198.71	1,554.91	27,236.99	33,990.61
Capital expenditure	9.06	666.94	1,059.64	1,735.63
Depreciation and amortization	29.41	259.11	433.29	721.80

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on certain financial assets & liabilities are not allocated to individual segments as the underlying instruments are managed at the entity level.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to individual segments as they are also managed at the entity level.

Capital expenditure consists of additions to Property, plant and equipment and intangible assets.

Reconciliations to amounts reflected in the financial statements		
Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Reconciliation of profit		
Segment profit	4,371.44	3,626.27
Finance costs	228.24	135.18
Profit before tax	4,143.20	3,491.09

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Reconciliation of assets		
Paper	7,621.52	9,119.92
Beverages	14,778.44	15,777.56
Un-allocated	52,215.17	43,709.27
Total	**74,615.13**	**68,606.75**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Reconciliation of liabilities		
Paper	4,038.30	5,198.71
Beverages	3,054.75	1,554.91
Un-allocated/Others	27,867.40	27,236.99
Total	**34,960.45**	**33,990.61**

MYSORE SALES INTERNATIONAL LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
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42. CONTINGENT LIABILITIES AND COMMITMENTS

SL.No	Particulars	2019-2020	2018-2019
i	Guarantees / Counter Guarantees given by the Company to Banks	3,766.46	3,948.15
ii	Insurance Claim on Fire Policy –pending cases	207.73	207.73
	Insurance Claim on Fire Policy –decreed cases	488.70	488.70
	Interest on Insurance Claim	564.58	526.08
iii	Claim made by party in the business of Iron ore Export (including interest)	1,686.58	1,570.20
iv	Claims made by Directorate of Pension, Small savings Asset Monitoring	4,609.86	4,609.86
v	Claim against lease of windmill by Wescare (India) Limited	119.23	119.23
vi	Income Tax Demands	628.85	628.85
vii	Service Tax Demands	176.76	176.76
The above amounts have not been provided as the Company has disputed the claims.			

i Bank Guarantee has been given for the demand relating to TCS on Arrack of Rs. 3617.49 lakhs and for other business matters of Rs. 148.97 lakhs.

ii Certain Insurance Companies who had settled the claims of their customers on account of fire accident at BAAC owned by Company during 2001, have filed several suits against the Company for recovery of claims settled by them under the principles of subrogation. The Company had contested the claims in the City Civil Courts. Agrrieved by the order of the lower courts the Company had approached the Hounourable Supreme Court against the High Court Order. The Hounourable SC had directed vide its order dated 6 Nov 2009 that all the parties concerned being Government agencies they should discuss mutually and settle the matter amicably.

Few cases are still sub judice.

Since in the past on similar matter the lower courts had applied the same rationale of the High Court that the Company and Dept of Customs are jointly and severally liable for settlement of the insurance claim, the Company has provided for 25% of the liabilitiy of Rs. 1404.38 lakhs (PY Rs. 1353.05 lakhs) including interest capitalised at 6% in the books and the balance amount of Rs. 1261.02 lakhs is reported in the table above for both the decreed and non decreed cases as the share of settlement for recovery from the companies insurer and the Department of Customs are not arrived at. The Company has insured the cargo lying in BAAC warehouse at the rate of USD 20 per KG as per trade circular issued by the Department of Customs.

iii The Company had entered into an agreement to export iron ore to China with Fe content of 52%. As the commitement was not honoured by the Company the buyer went for arbitration. An arbitration committee that was formed as per the agreement had passed an award against the Company for USD 18,80,851 apart from an interest payable @ 5 %. USD 67,473 is rdue from the overseas buyer. The claim agaist the Company is Rs. 1686.58 lakhs including interest is reported in the table above. The Claims of the overseas buyer in respect of expenses incurred in China and liability under FEMA are not considered here. The arbitration award was contested by the Company and it had filed a case in the High Court of Karnataka.

In the light of irregularities reported by the Committee on Public Undertakings of the Karnataka Legislative Assembly in the above transactions, the Company has filed criminal complaint in the jurisdictional police station and the police are investigating the case. In respect of these criminal complaint police have framed the charge sheet and filed the case before the Magistrate Court, Bengaluru."

iv "Directorate of Small Savings: A letter dated 20 June 2019 was received from the Directorate of Pension, Small Savings Asset Monitoring towards short remittance of sale proceeds of lottery and interest on delayed remittance, amounting to Rs. 4609.86 lakhs drawing reference to their earlier letter no Pr.AG(G&SSA)/OAD - 111 / G / 2016-17 / 103 dated 31 March 2017. However the Company vide its letter dated 18th October 2016 had communicated that it had earlier remitted a sum of Rs. 352.61 lakhs on 17 October 2016 towards full and final settlement of all dues and that no payment is due from the Company on this subject. The letter of the Company has been acknowledged by the Directorate of Small Savings.

However, the amount demanded is reported under Contingent Liability since the claim is from a Government Department."

v A claim was made by M/s Wescare (India) Limited a lessee which was disputed by the Company.The matter was referred to an arbitration panel and an award was passed for Rs. 119.23 lakhs (PY : Rs. 119.23 lakhs) against the Company. The Company has filed a case against the arbitration award in the year 2015-16 and the matter is subjudice in the High Court of Madras. This amount is disclosed under contingent liability.

vi As per the Income Tax Department's Order, the following are the tax demands :

Asst Year	Amount (In Rs. lakhs)	Remarks
2010-11	342.45	ITAT has remanded the matter to CIT (A) for fresh consideration
2015-16	18.65	IT Department has filed an appeal against the CIT Order - allowance of Leave Salary
2016-17	226.40	Appeal is pending with CIT (A)
2017-18	41.35	Appeal is pending with CIT (A)
TOTAL	**628.85**	

vii Service Tax

The total amount of Service tax disputed before CESTAT is Rs. 267.99 lakhs for various years from 2002-03. However, the Company has deposited Rs. 91.24 lakhs against these dues. The balance amount of Rs. 176.76 lakhs is shown under "Contingent Liability".

Contractual Commitments
Capital work-in-progress is Rs.146.17 lakhs (PY NIL).

Particulars	Commitment	CWIP
Gulbarga Warehouse	327.14	161.16
Software purchase	32.00	-
	359.14	**161.16**

II Other Notes :

i The Company has entered into Joint Working Agreements [JWA] with HAL & CONCOR to carry out air cargo business. MSIL & CONCOR had withdrawn from JWA with effect from 31 March 2014 and 15 January 2011 respectively. An amount of Rs. 152.56 lakhs is due from HAL.

ii Company has also entered into a business arrangement with ESSPL for leasing solar water heaters to non-domestic sector.

Share of income / (-) loss for current year from joint working agreements are		
Particulars	**Income for 2019-20**	**Income for 2018-19**
ESSPL	0.39	0.29

iii The Company had entered into Hire Purchase agreement with government employees (Hirers) for supply of vehicles and consumer durables. The outstanding installment dues including interest from the hirers and is shown under “stock with hirers”. Hire purchase business has been discontinued from July 2008.

iv Balances in the accounts of sundry creditors, sundry debtors, business associates including joint working arrangements and advances/deposits are subject to confirmation and reconciliation. Consequential impact of such reconciliation and confirmation, if any, on the net profit and on the assets/liabilities is not ascertainable.

v Other liabilities include Rs. 2104.63 lakhs (Rs. 2104.63 lakhs) of advances received from various Government departments in respect of contract to supply imported cement.

vi “Honourable Supreme Court, vide order dated 13 February 2003 had ordered for the appointment of an Authorised Officer to quantify the commission due to MSIL from Mysore Breweries. The decision of the Authorised Officer to pay Rs. 2518 lakhs was disputed by Mysore Breweries and the matter is subjudice

vii **Government Grants**

During the current year the Company has opened 6 Jan Aushadi outlets [PY :3] which are eligible for Government grants. An amount of Rs. 34.57 lakhs was received towards Grant for invesment in Fixed Assets, including the outlets opened in the previous years.

viii **GST recoverable - Beverage Division**

An amout of Rs. 597.40 lakhs is included under Other Assets Note no 8 being the GST paid on License fees by the Liquor Division during the period April to October 2018. A refund claim has been preferred for this amount. GST - RCM of Rs. 45.98 lakhs is also reported under Other Assets Note no 8.

ix The Company is in possession of 16 numbers of art paintings the value of which is not ascertained.

x **Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these financial statements.

xi The previous year figures have been reclassified to conform to the current year’s classfications, wherever necessary.

MYSORE SALES INTERNATIONAL LIMITED
Balance Sheet as at 31 March 2020
(All amounts in Rs lakhs unless otherwise stated)

43 Impact of COVID-2019

The Company has considered the possible impact of COVID-19 on the carrying value of assets using the internal and external sources of information to assess the expected future performance of the Company. The Company expects that the carrying amount of assets reported in the balance sheet as of 31 March 2020 are fully recoverable. The Company has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realizing its assets and meeting its liabilities as and when they fall due, therefore there is no impact on the going concern assumption.

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:19.11.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-	Sd/-
H.P. Prakash	**H. Halappa**
Managing Director	Chairman
DIN No: 06688928	DIN No: 02321290
Sd/-	Sd/-
Subramanya	**Sridevi B.N.**
Chief Financial Officer	Company Secretary

MYSORE SALES INTERNATIONAL LIMITED

CONSOLIDATED (REVISED) ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

REVISED INDEPENDENT AUDITOR'S REPORT

To

The Members of Mysore Sales International Limited

Revised Audit Report on the Consolidated Ind AS Financial Statements

We are issuing this revised Independent Auditor's Report on the consolidated financial statements of **Mysore Sales International Limited** based on the revised audit report on the standalone financial statements of Mysore Sales International Limited dated 24 December 2020 and its subsidiary Marketing Communication and Advertising Limited on 22 December 2020. This Audit Report supersedes our original report dated 19 November 2020.

Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Mysore Sales International Limited** (herewith referred to as "the Holding Company") its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), and its associate comprising the consolidated Balance Sheet as at 31 March 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described under the "Basis for Qualified Opinion" section of our report the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated State of Affairs of the Group& its associate as at 31 March 2020 and its consolidated Statement of Profit and Loss (including Other Comprehensive Income), its consolidated Cash Flows and the consolidated Changes in Equity for the year then ended.

We have issued an Audit Report dated 19 November 2020 ("the original report") at Bangalore on the financial statements as adopted by Board of Directors on even date. Pursuant to the observation of Comptroller and Auditor General of India under section 143(6)(a) of the Companies Act, 2013, we have revised the said Audit Report. This Audit Report supersedes the original report, which has been suitably revised to consider observations of Comptroller and Auditor General of India.

Our Audit procedure on events subsequent to the date of the original report is restricted solely to the amendment as reported in point nos (c to e) on Basis for Qualified Opinion paragraph of the Holding Company and point nos (a, b, f, g, and h) of the subsidiary company - Marketing Communication & Advertising Limited.

Basis for Qualified Opinion

Holding Company

a. The Balance of Trade receivable, advances, payables and advance from customers have not been reconciled nor confirmed from the counter parties as at the balance sheet date. We were unable to obtain sufficient and appropriate audit evidence about the carrying amount of these accounts as at balance sheet date, in the absence of which we are unable to determine whether any adjustment to these amounts are necessary. The financial impact of these unreconciled or confirmed account balances, if any, could not be determined.

b. In the absence of (i) proper records being maintained/updated and produced to us for the inventory of traded goods viz. imported river sand and pharmaceutical products; (ii) periodical physical verification and reconciliation exercise (including roll forward or roll back) being carried out by the management; (iii) obtaining confirmation of stock of imported river sand as on Balance Sheet date, from the port authorities where these stocks are stored; and (iv) confirmation on the quantity of the closing stock, we are unable to comment on the correctness of the quantity and/or value of closing inventory of imported river sand and pharmaceutical products amounting to Rs. 1872 lakhs and Rs. 340.13 lakhs respectively included under Closing Stock as of March 31,2020.

c. The Company has not accounted for rental Income of Rs. 185.19 lakhs from a tenant for the period upto 31 March 2020. Hence the Profit of the company is understated by an amount of Rs. 185.19 lakhs (without considering the Income Tax payable) and the Asset side of the Balance sheet is also understated by Rs. 185.19 lakhs. This qualification arises since the company is not in compliance with its accounting policy on Revenue Recognition.

d. An amount of Rs. 126.46 lakhs which is included under Interest Receivable on Deposits – Other Financial Assets Note no 7 should be reclassified to Bank Balances Other than Cash and cash equivalents Note no 12.

e. During the current year the Company has reclassified some Land & Building considered as Property, plant and equipment to Investment Property. The reclassification is reported as deletion in Note 2 and addition in Note no 4. Although the carrying value of the assets and accumulated depreciation reported in Note 2 and Note 4 are matching with the Fixed assets register as at 31 March 2020, there is an error in the disclosure of the reclassification between Note no 2 and Note no 4.

We draw your attention to the following qualification to the audit opinion on the financial statements of Marketing Communication & Advertising Limited and The Mysore Chrome Tanning Company Limited, the subsidiaries of the Holding Company issued by an independent firm of Chartered Accountants vide their Reports dated 22 December 2020 and 29 October 2020 respectively reproduced here :

Marketing Communication & Advertising Limited-MCA

a. The Balance of Trade receivable, advances, payables and advance from customers have not been reconciled nor confirmed from the counter parties as at the balance sheet date. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of these accounts as at balance sheet date, in the absence of which we are unable to determine whether any adjustment to these amounts are necessary. The financial impact of these unreconciled or confirmed account balances, if any, could not be determined.

The position of total balances, confirmed balances and percentages of unconfirmed balances are given below:

(Amount in Rs lakhs)

Sl No	Particulars	Amount as per Books	Amount for which Confirmation received and reconciled	Percentage of unreconciled/ unconfirmed account balance
1	Trade Receivable	17,042.29	-	100%
2	Trade Advances	1,427.96	-	100%
3	Trade Payable	9,140.68	-	100%
4	Advance from Customers	141.38	-	100%

b. The trade receivable in Note 10 of the consolidated financial statements includes Rs. 893.58/- lakhs which are received through RTGS/NEFT directly to Company's bank account for which no information is available as at balance sheet date. Accordingly, the Company is not in a position to analyze the trade receivable ageing schedule appropriately. We were unable to obtain sufficient appropriate audit evidence, in the absence of which we are unable to determine whether any adjustments to these trade receivables, advances, payable and advances from customers account balances are necessary. The financial impact of these adjustments which affects the ageing of these account balances, if any, could not be determined.

c. There are discrepancies between purchases/ sales recorded in the books of accounts and the GST returns filed on a month on basis during the year. We are unable to obtain sufficient information or explanation or appropriate audit evidence or reconciliation for such discrepancies, in the absence of which we are unable to determine the financial impact of such noncompliance.

d. MCA has a total 33 employees, whereas only 16 employees on payrolls have been considered for actuarial valuation of gratuity and leave encashment as at balance sheet date. The financial impact of non-consideration of the differential 17 employees in actuarial valuation at balance sheet date, if any, could not be determined.

e. MCA in its Board meeting dated June 18, 2019, noted accounts receivable overdue collection of Rs. 39.29/ - lakhs by Mr. M.S.Patil, the branch Manager, Vijayapura branch, from the client M/s Public Works, Ports and Inland Water Transport Department, Vijayapura. Accordingly, FIR had been registered with the Jalanagar police station, Vijayapura on 30.05.2019. During the year the said FIR has been withdrawn consequent to the recovery of Rs. 39.29/ - lakhs. However as informed the departmental enquiry initiated through public servant (Retired Judge) is yet to be disposed. The duly mentioned sum of Rs. 39.29/ - lakhs was collected on September 03, 2019 and no interest was collected. The Financial Impact of such non collection of Interest, if any, could not be determined.

f. Advance payments amounting to Rs. 78.52 lakh remaining unadjusted for more than three years under trade advances and other receivables as at 31.03.2020 includes Rs. 8.13 lakh paid to the Mr. M.S.Patil during the financial year 2012-13 through transfer to his personal bank account. The documents available for verification in audit also revealed that the said amount included Rs. 4.17 lakh utilised for payment towards earnest money deposit and Company has accepted the refund made (Aug 2020) by the officer without collecting any interest. The Financial Impact of such non collection of Interest, if any, could not be determined.

g. Management has failed to assess the impairment of assets during the year. An asset, that has remained idle for almost five years, continues to be part of tangible assets of the Company and being depreciated considering useful life tantamount to non-compliance of Ind AS 36 requirements by the Company and the Financial Impact of such non-compliance, if any, could not be determined.

h. The fixed deposits as disclosed in the Balance sheet is Rs. 5,921.02 lakhs under Cash and Bank Balances and Other Non-Current Financial Asset. The accrued interest on the same disclosed under Other financial Assets is Rs. 298.71 lakhs. The balance confirmation received from the bank is for Rs. 6,219.73 lakhs which matches with the total of Fixed Deposits and accrued Interest. This includes deposits of Rs. 78.79 lakh pledged against Bank Guarantees (Note. 44(2)(e)) against which the bank confirmation received is Rs. 95.70 lakhs. We are unable to reconcile the years and deposits to which the accrued interest pertains to.

The Mysore Chrome Tanning Company Limited-MCTL

a. MCTL is not a going concern as the Company is not carrying on any manufacturing activities since 1986. The Company has accumulated losses of Rs. 843.72 lakhs and net worth stands eroded. As of that date, the Company's current liabilities exceeded its total assets by Rs. 767.97 Lakhs.These events or conditions, along with other matters as set forth in Note 45(a) indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

b. MCTL has not provided interest on the loan availed from MSIL, KSIIDC and Government of Karnataka amounting to Rs. 5.48 Lakhs for the current year and Rs. 126.65 Lakhs from April 1999. Had this interest been provided, the loss for the year would have been Rs. 1.09 Lakhs against the profit for the year of Rs. 4.39 lakhs as per the statement of profit and loss account for the year ended 31st March 2020. Current liability is understated to the extent of Rs. 5.48 Lakhs for the current year.

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report.

We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Actand 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the other matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 46 of the accompanying consolidated Ind AS financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-I9 and its consequential effects on the operations of the Holding Company. Our opinion is not modified in respect of this matter.

We draw attention to the following emphasis of matters included in the audit report issued by an independent firm of Chartered Accountants, vide their report dated 29 October 2020 on the financial statements of The Mysore Chrome Tanning Company Limited, a subsidiary company of the Holding Company reproduced here :

The Mysore Chrome Tanning Company Limited-MCTL

1. Note 45(1) (b) of the accompanying consolidated Ind AS financial statements regarding recovery of compensation amount from BDA, amount being unascertainable.

2. Note 45(1) (c) of the accompanying consolidated Ind AS financial statements regarding non provision of interest on advances and others, consequent effect of the same not being ascertainable.

3. Note 45(1) (d) of the accompanying consolidated Ind AS financial statements regarding non confirmation of loans and advances.

4. The uncertainty related to the outcome of the lawsuit filed against the Company as explained vide Note 44(3) (a) and (b) Contingent Liabilities and in Other Information vide Note 45(1)(b) and 45(1) (c) of the accompanying consolidated Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect Total Assets of Rs. 26,256.63 lakhs as at 31 March 2020 (Rs. 23,587.80 lakhs for the previous year), Total Revenue of Rs. 27,416.99 lakhs for the year ended on that date (Rs. 26,655.66 lakhs for the previous year) as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of Rs. 2.05 Lakhs other comprehensive income of Rs. Nil for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of Associate, whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and the associate entity is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the CSR initiatives, Director's Report, Annexure to Director's Report, Shareholders Information, and Management Discussions & Analysis Report included in the Company's Annual Report, but does not include the Consolidated Ind AS Financial Statements and our Auditor's report thereon.

Our Opinion on the consolidated Ind AS financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS 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.

Responsibility of Management and those who charged with governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the entity 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the entity.

Auditor's Responsibilities for the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ('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 consolidated Ind AS 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 the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the group and its associate has adequate internal financial control systems 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 Group and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, that have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our auditof the aforesaid consolidated Ind AS financial statements.

b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.

c) The reports on the accounts of the Subsidiaries and Associate, audited under Section 143(8) of the Act by other auditors have been sent to us, as applicable and have been properly dealt with in preparing this report.

d) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and consolidated Statement of Changesin Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

e) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act.

f) The matters described in the Basis for Qualified Opinion section above, in our opinion, may not have an adverse effect on the functioning of the Group and its associate.

g) The Group and its associate being Government company the provision of section 164(2) of the Act in respect of disqualification of directors are not applicable.

h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditors' report of the Group and its associate incorporated in India. Our report expresses Qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

i) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act as amended:

The Group and its associate, being government company, the provisions relating to the payment of managerial remuneration as mandated by Section 197 of the Act read with schedule V of the Act is not applicable.

j) With respect to the other matters to be included in the Auditor's Report inaccordance withRule11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries,associate as noted in the Other matter's paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the financial position of the Group and its associate;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Accounting Standards for material foreseeable losses, if any, on long term contracts. The Group did not have long term derivative contracts as at 31 March 2020.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its Associate.

for ABARNA & ANANTHAN
Chartered Accountants
Firm's registration number: 000003S
Sd/-
(R. Ramalingam)
Partner
Membership number: 023253
UDIN:20023253AAAAGF8342

Place: Bengaluru
Date: 24.12.2020

Annexure - A to the Revised Independent Auditors' Report

(referred to in paragraph (h) under "Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mysore Sales International Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of theCompanies Act, 2013 ("the Act")

In conjunction with our report of the consolidated Ind AS financial statements of the Group and its associate for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Mysore Sales International Limited ('the Holding Company' or 'the Company').We have relied on the audit report of the subsidiaries and associate not audited by us. All the entities are incorporated in India, as of that date.

Responsibility of the management and those who charged with governance for Internal Financial Controls

The Board of Directors of the Company, its subsidiaries and its associate entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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

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") issued by Institute of Chartered Accountants of Indiaand the Standards on Auditing, prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls.Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assuranceabout whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries and its associate.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal Financial Controls Over Financial Reporting as at 31 March2020:

a) The Company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets & liabilities disclosed in the books of account.

b) The title deeds of some immovable property are not available with the Company.

c) The revenue in respect of the completed tours is not recognized as and when it accrues. This could potentially result in under statement of income in books of account.

d) The procedure adopted for purchase of various property plant and equipment is not in compliance with the general purchase procedure for purchase above Rs.1.00 lakh. This could potentially result in irregularities in acquisition of property plant and equipment.

e) The Company did not have appropriate internal control system towards periodic reconciliation of Grants received from government agency towards opening of new Pharma outlet.This could potentially result in inaccurate disclosure of grant receivable in the books of account.

f) The Company did not have the adequate system for physical verification, valuation of stock, treatment of non-moving items are not identified and the reduction in value is not accounted properly. This could potentially result in overstatement of inventory in books of account.

Subsidiary-Marketing Communication & Advertising Limited

a) Internal financial controls over financial reporting were not operating effectively commensurate with the nature and size of business as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion and based on the consideration of the reports of the other auditors on Internal Financial Controls Over Financial Reporting of the subsidiary The Mysore Chrome Tanning Company Limited and its associate Food Karnataka Limited which are incorporated in India, have, in all material respects, adequate Internal Financial Controls Over Financial Reporting and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported by us as auditors of the Company and the auditor of the subsidiary Marketing Communication & Advertising Limited as detailed above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associate for the year ended 31 March 2020, and the material weaknesses has affected our opinion on the consolidated Ind AS financial statements of the Group and its associate as stated above and hence we have issued a qualified opinion on the consolidated Ind AS financial statements.

Other Matters

Our opinion under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies and associate which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

for ABARNA & ANANTHAN
Chartered Accountants
Firm's registration number: 000003S
Sd/-
(R. Ramalingam)
Partner
Membership number: 023253
UDIN:20023253AAAAGF8342

Place: Bengaluru
Date: 24.12.2020

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MYSORE SALES INTERNATIONAL LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31st March 2020** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated **24 December 2020** which superseades their earlier Audit Report dated **19 November 2020.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the of the financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31st March 2020** under section 143(6)(a) read with section 129(4) of the Act. We conducted supplementary audit of the financial statement of **Mysore Sales International Limited, Bangalore. The Mysore Chrome Tanning Limited, Bangalore, Marketing Communication & Advertising Limited, Bangalore** but did not conduct supplementary audit of **Food Karnataka Limited, Bangalore** for the year ended **31 March 2020.** This supplementary aduit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examinaton of some of the accounting records.

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

For and on behalf of the
Comptroller & Auditor General of India
Sd/-
(ANUP FRANCIS DUNGDUNG)
ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU

BENGALURU
Date:31.12.2020

MSIL

MYSORE SALES INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020
(ALL AMOUNTS IN RS LAKHS, UNLESS OTHERWISE MENTIONED)

S. No	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
I	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	2	4,262.72	5,198.16
	(b) Capital work-in-progress	3	161.16	-
	(c) Investment property	4	4,205.20	3,481.75
	(d) Other intangible assets	5	14.62	14.64
	(e) Right-of-use assets	41	1,667.77	
	(f) Financial assets			
	(i) Investments	6	2,575.69	2,395.60
	(ii) Other financial assets	7	202.59	1,051.18
	(g) Deferred tax assets (net)	31	709.50	1,305.93
	(h) Other non-current assets	**8**	**1,372.70**	**1,207.58**
	Total non-current assets		**15,171.95**	**14,654.84**
	Current assets			
	(a) Inventories	9	9,194.43	8,627.12
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	10	19,095.23	17,419.29
	(iii) Cash and cash equivalents	11	16,588.28	10,354.81
	(iv) Bank balances other than (iii) above	12	13,277.25	19,497.91
	(v) Other financial assets	7	21,285.47	18,199.53
	(c) Other current assets	8	5,981.90	3,686.49
	Assets held for sale	32	441.33	442.40
	Total current assets		**85,863.89**	**78,227.55**
	Total assets		**101,035.84**	**92,882.39**

S. No	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	13	4,273.48	4,273.48
	(b) Other equity	14	50,681.60	44,478.61
	(c) Non - Controlling Interest		(37.64)	(37.85)
	Total equity		**54,917.44**	**48,714.24**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	174.56	174.56
	(ii) Other Financial Liabilities	16	3,005.63	1,181.16
	(b) Provisions	17	1,464.94	1,235.58
	(c) Other non-current liabilities	18	3,677.56	3,677.55
	Total non-current liabilities		**8,322.69**	**6,268.85**
	Current liabilities			
	(a) Financial liabilities		-	-
	(i) Borrowings			
	(ii) Trade payables	19		
	(a) Total outstanding dues of micro and small enterprises		39.09	31.06
	(b) Total outstanding dues of creditors other than (ii) (a) above		20,737.14	17,188.77
	(iii) Other financial liabilities		15,849.16	18,470.97
	(b) Other current liabilities		951.89	1,039.65
	(c) Provisions		217.70	1,168.58
	(d) Current tax liabilities (net)		0.73	0.27
	Total current liabilities		**37,795.71**	**37,899.30**
	Total equity and liabilities		**101,035.84**	**92,882.39**

Significant accounting policies
The accompanying notes referred to above form an integral part of the financial statements

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:24.12.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
C. Channadevaru
Director
DIN No: 08601746

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

MSIL

MYSORE SALES INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(ALL AMOUNTS IN RS LAKHS, UNLESS OTHERWISE MENTIONED)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Continuing operations			
Revenue from operations	20	228,942.82	208,181.02
Other income	21	2,513.84	2,672.65
Total income		**231,456.66**	**210,853.67**
Expenses			
Cost of materials consumed	22	1,300.68	1,390.89
Purchase of traded goods	23	188,154.94	164,372.88
Cost of Services	24	15,803.85	17,041.10
Changes in inventories of finished goods and traded goods	25	(476.91)	3,042.19
Employee benefits expense	26	2,680.98	2,906.61
Finance costs	27	229.94	153.94
Depreciations and amortization expenses	28	1,528.59	771.49
Impairment losses	30	200.80	-
Other expenses	29	15,403.18	14,962.25
Total expenses		**224,826.05**	**204,641.35**
Profit before exceptional items and tax from continuing operations		**6,630.61**	**6,212.32**
Exceptional items		-	-
Profit before tax from continuing operations		**6,630.61**	**6,212.32**
Tax expense	31		
(1) Current tax		1,903.78	2,101.01
(2) Deferred tax		594.79	67.83
(3) Adjustment of tax relating to earlier periods		31.31	53.69
Profit for the year from continuing operations		**4,100.73**	**3,989.79**
Discontinued operations	32		
Profit/(loss) before tax for the year from discontinued operations		(11.21)	(8.12)
Tax Income/ (expense) of discontinued operations		-	-
Profit/ (loss) for the year from discontinued operations		(11.21)	(8.12)
Profit/(loss) for the year		**4,089.52**	**3,981.67**

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Other comprehensive income	33		
(a) Items that will not be reclassified to profit or loss			
Net (loss)/gain on equity instruments through Other Comprehensive Income		180.09	97.90
Income tax effect			
Re-measurement gains/ (losses) on defined benefit plans		**(64.03)**	**(386.18)**
Income tax effect			
Other comprehensive income for the year, net of tax		**116.06**	**(288.28)**
Total comprehensive income for the year		4,205.58	3,693.39
Earnings per share for continuing operations	34		
Basic (Rs.)		95.96	93.36
Diluted (Rs.)		**95.96**	**93.36**
Earnings per share for discontinued operations	**34**		
Basic (Rs.)		(0.26)	(0.19)
Diluted (Rs.)		**(0.26)**	**(0.19)**
Earnings per share for continuing and discontinued operations	34		
Basic (Rs.)		95.70	93.17
Diluted (Rs.)		**95.70**	**93.17**

Significant accounting policies
The accompanying notes are an integral part of the financial statements 1.2

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

Place: Bengaluru
Date:24.12.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
C. Channadevaru
Director
DIN No: 08601746

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

MSIL

MYSORE SALES INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

(ALL AMOUNTS ARE IN RS LAKHS UNLESS AS OTHERWISE STATED)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax and exceptional items as per Statement of Profit and Loss	6,630.61	6,204.20
Adjustments for:		
Depreciation and Amortisation	1,528.60	771.48
Capital Work in Progress write off	-	20.11
Re-measurement of employee benefit plan (including gains/(losses) in defined benefit plans)	(65.40)	(343.06)
Dividend Income	(60.08)	(5.82)
Loss on damage of assets	0.73	-
(Profit)/Loss on sale of Fixed Assets (net)	(0.66)	0.16
Interest Income	(1,561.53)	(1,498.33)
Interest and guarantee commission Paid	121.12	83.67
Operating lease rental from Investment property	(430.85)	(392.63)
Loss / (gain) on sale of investments	(0.39)	(0.29)
Operating profit before working capital changes	**6,162.15**	**4,839.49**
Changes in working capital		
Adjustments for increase / (decrease) in		
Trade and other receivables	(1,157.75)	(1,427.84)
Inventories	(154.72)	3,601.54
Other Assets	(1,253.80)	75.42
Other Financial Assets	(2,192.96)	1,441.87
Trade Payable	3,571.52	(3,359.75)
Other Liabilities	95.66	(830.01)
Other Financial Liabilities	(999.81)	(50.94)
Provisions	(718.68)	(860.32)
Cash generated from operations	**3,351.61**	**3,429.46**
Taxes paid	1,814.12	2,714.75
Net cash generated from operating activities	**1,537.49**	**714.71**

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
B. Cash flow from investing activities		
Purchase of Property, Plant & Equipment (including capital advances and Right of use of asset)	(3,180.16)	(1,743.88)
Government Grant	34.57	3.68
Bank balances other than cash and cash equivalent	6,220.66	(762.69)
Fair valuation changes	-	-
Proceeds from sale of fixed assets	-	1.64
(Purchase) / Sale of investments	-	0.29
Investment income (Rental income on investment Property)	430.85	392.63
Interest received	1,530.94	1,462.77
Dividend received	60.08	5.82
Net cash used in investing activities	**5,096.94**	**(639.75)**
C. Cash flow from Financing activities		
Finance Cost (Interest and Guarantee commission paid)	(121.12)	(83.66)
Dividend paid	(224.90)	-
Dividend Distribution tax paid	(54.94)	-
Net cash used in financing activities	**(400.96)**	**(83.66)**
Net (decrease) / increase in cash and cash equivalents	**6,233.47**	**(8.70)**
(A+B+C)		
Reconciliation		
Cash and cash equivalents as at beginning of the year	10,354.81	10,363.51
Cash and cash equivalents as at end of the year	16,588.28	10,354.81
Net increase / (decrease) in cash and cash equivalents	**6,233.47**	**(8.70)**

CASH AND CASH EQUIVALENTS COMPRISES OF

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current accounts	7,003.68	6,218.41
In deposit accounts with original maturity less than 3 months	7,898.91	2,977.57
Cash on hand	1,394.49	1,153.57
Remittances in Transit	291.20	5.26
Cash and cash equivalents in cash flow statement	**16,588.28**	**10,354.81**

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
C. Channadevaru
Director
DIN No: 08601746

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

Place: Bengaluru
Date:24.12.2020

MSIL

MYSORE SALES INTERNATIONAL LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE SPECIFIED)

a. Equity Share Capital

Particulars	Amount
Balance at the beginning of the period 1.4.2018	**4,273.48**
Changes in Equity Share Capital during 2018-19	
Balance as at 31.03.2019	**4,273.48**
Changes in Equity Share Capital during 2019-20	-
Balance as at 31.03.2020	**4,273.48**

b. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Other reserves General reserves	Retained Earnings	Capital Reserve	Non Controlling Interest	Share Application money pending allotment	Fair Valuation of Equity Instruments	Re-measurment of defined benefit plans	
Balance as at 01.04.2018	20,501.77	20,485.67	77.98	(37.98)	345.74	(461.20)	(183.89)	40,728.09
Profit for the year	-	3,981.67	-	-	-	-	-	3,981.67
Transfer from retained earnings	759.66	(759.66)	-	-	(0.00)	-	-	(0.00)
Total Comprehensive Income	-	-	-	-	-	97.90	(386.18)	(288.28)
Share of Profit-Food Karnataka		19.30						19.30
Share of Profit-Mysore Chrome Tanning Company		(0.14)		0.14				-
Balance as at 31.03.2019	**21,261.43**	**23,726.84**	**77.98**	**(37.85)**	**345.74**	**(363.30)**	**(570.07)**	**44,440.76**
Profit for the year	-	4,089.52	-	-	-	-	-	4,089.49
Transfer from retained earnings*	834.68	(834.68)	-	-	-	-	-	-
Share of Profit -Non Controlling Interest	-	(0.21)	-	0.21	-	-	-	-
Dividend paid	-	(213.67)	-	-	-	-	-	(213.67)
Dividend Distribution Tax	-	(54.94)	-	-	-	-	-	(54.94)
Ind AS adjustments	-	2,146.21	-		-	180.09	(64.03)	2,262.26
Excess Income Tax Provision made during 2018-2019 reversed	-	121.12	-	-	-	-	-	121.12
Share of Loss - Food Karnataka		(1.08)						(1.08)
Balance at the end of the reporting period 31.03.2020	**22,096.11**	**28,979.09**	**77.98**	**(37.64)**	**345.74**	**(183.21)**	**(634.10)**	**50,643.96**

* 10% of average profit of chit fund division is transferred to General Reserve every year.

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253
Place: Bengaluru
Date:24.12.2020

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-
H.P.Prakash
Managing Director
DIN No: 06688928

Sd/-
C. Channadevaru
Director
DIN No: 08601746

Sd/-
Subramanya
Chief Financial Officer

Sd/-
Sridevi B N
Company Secretary

Consolidated Summary of significant accounting policies and other explanatory information

1. Group overview and significant accounting policies

1.1 Group overview

Mysore Sales International Limited ('Company', 'MSIL') is a premier Government of Karnataka Undertaking, dealing in various products & services. It was established in 1966 as a trading house. The registered office is located at Bengaluru, Karnataka, India. Since then, the group has grown primarily as a marketing force with a national presence. It is having a wide network of offices all over Karnataka as well as in some major metros across the country. It markets products and services such as Indian made foreign liquor, chit operations, paper products, imported sand, Pharmaceuticals, Industrial and Consumer products.

The Group together with its subsidiaries is collectively referred as 'Group' in these consolidated financial statements.

1.2 Basis of preparation of financial statements

a. Statement of compliance

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA'). The Group has uniformly applied the accounting policies during the periods presented

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 24th December 2020.

b. Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost basis except for:

a) certain financial assets and liabilities which are measured at fair value.

b) Assets held for disposal measured at the lower of it carrying amount and fair value less costs to sell.

c) Employee's Defined Benefit Plan as per actuarial valuation.

d) certain arrangements which, are treated as being leases under Ind AS 116 Leases and are capitalized as Right of Use assets, at fair value of estimated cash flows towards such rights over estimated lease term. Ind AS 116 is adopted by the Group using the modified retrospective approach, with effect to retained earnings.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability, if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

c. Basis of Consolidation

The consolidated financials include financials statements of Mysore Sales International Limited and its subsidiaries and an associate. The consolidated financial statements of the Group incorporate the assets, liabilities, equity, income, expenses and cash flows of the Group and its subsidiaries. The Group has control of the subsidiaries as it has the rights to variable returns from its involvement and has the ability to affect those returns through its power over the subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation procedures principally followed are: (a) Like items of assets, liabilities, equity, income, expenses and cash flows of theGroup and those of its subsidiaries are combined on a line by line basis; (b) the carrying amount ofthe parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated; and (c) intra group assets and liabilities, equity, income, expenses, and cash flows relatingto transactions between entities of the Group are eliminated in full.

d. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

e. Amended standards adopted by the Group

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The effective date of application of this amendment is annual period beginning on or after April 1, 2019. As the group has not made any borrowing there has been no effect on the financial statements in the year under review.

Ind AS 116 - Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 - Leases. Ind AS 116 shall replace the existing lease standard, Ind AS 17-Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Group has applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 39 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group has applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts does not contain extension terms and the extension depends on the business exigencies.

Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date of application of this amendment is annual period beginning on or after April 1, 2019. There is no impact to the standalone financial statements due to this amendment.

Ind AS 12, Appendix C - Uncertainty over Income Tax treatments

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C - Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profits (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or planned to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date of adoption of Ind AS 12, Appendix C is annual periods beginning on or after 01 April 2019. There is no impact on the stand alone financial statements due to this notification.

Amendment to Ind AS 19, plan amendment, curtailment or settlement

On March 30, 2019 the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

* To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
* To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of impact of the asset ceiling.

The effective date of adoption of Ind AS 19, plan amendment, curtailment or settlement is annual periods beginning on or after 01 April 2019. There were no changes in the Employee Benefits offered by the Group and hence there is no effect on the financial statements during the year.

e.New Accounting Standards not yet adopted by the Group –

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Significant accounting policies -

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as one year for the purpose of current and non-current classification of assets and liabilities except for the assets and liabilities relating to Chit business..The operating cycle for the Chit business is dependant on the Chit tenor. A tenor of 40 months is considered to be the operating cycle for the Chit Business being the most popular chit tenor.

b. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupees (‘Rs in lakhs’) which is also the functional and presentation currency of the Group. All amounts have been reported to the nearest rupee, unless otherwise indicated.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate.

Non-monetary items denominated in a foreign currency which are carried at

- historical cost are reported using the exchange rate at the date of the transactionand

- at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

c.Revenue recognition

The Group has applied the following accounting policy in the preparation of its consolidated financial statements:

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. - Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met for every contract.

Step 2. - Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. - Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. - Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Marketing Communication and consulting recognizes

(a) Revenue from sale of goods is recognized when the goods are delivered to buyer. Sales amount is net of taxes

(b) Revenue from sale of goods is recognized when the goods are delivered to buyer. Sales amount is net of taxes.

Rental income

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Dividend income

Income from dividends are recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding applying effective interest rate.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognised on accrual basis except in cases where ultimate collection is considered doubtful and in the instances listed below :

Revenue Recognition on cash basis

Revenue is recognized on accrual basis except for the following items where it is accounted for on cash basis since the realisability is uncertain:-

i. Chit Operations :
All streams of revenue from Chit operations is on cash basis.

ii. Hire Purchase :
Interest income on hire purchase sales is recognised on cash basis.

iii. Duty credit / exemption under various promotional schemes of Foreign Trade Policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/service tax / sales-tax /VAT/GST and interest thereon etc.

iv. Interest on overdue recoverable.

v. Liquidated damages on suppliers/underwriters.

Other items of income are recognized as and when the right to receive arises.

d. Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are valued as under:

i. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis in case of Paper Division

ii. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.Raw materials and consumables issued to convertors are considered as Finished Goods only at the time of receipt of notebooks from the convertors in the case of Paper Division.

iii. Freight inward is not considered for valuation of stock of liquor and is charged to the profit & loss account.

iv. Obsolete inventories, slow moving and defective inventories are identified and written down to net realisable value.

e. Property, Plant and Equipment (PPE)

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Depreciation and useful lives

Depreciation/amortization on property, plant & equipment is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Particulars	Life in years
Building	60
Fire fighting equipment	10
Electrical equipment	10
Furniture and fixtures	10
Vehicles	8
Furniture and fixtures - Liquor	5
Handling equipment	5
Weighing Machines	5
Office equipment	5
Computers	3
Leasehold assets	Over the primary lease period – except for land

Depreciation on fixed assets added/ disposed off/ discarded during the year has been provided on prorata basis with reference to the date of addition/ disposal/ discarding.

The Group, based on technical assessment made by technical expert and management estimate, depreciates furniture & fixture at Liquor outlets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

f. Intangible assets

Recognition and measurement

Intangible assets (software) acquired separately are measured at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of capitalized software is amortized over a period of 6 years from the date of its acquisition on a straight line basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each reporting date end and adjusted prospectively, if appropriate.

g Capital Work-in-Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the date of use of asset. Capital advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are disclosed separately as Other Non-Current Assets.

h Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. After initial recognition, the group measures investment property at cost.

Investment properties are derecognized upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected post disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognized.

Investment properties are depreciated in accordance to the class of asset that it belongs to and the life of the asset is as conceived for the same class of asset of the Group. Depreciation/amortization is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The useful life of the Buildings is estimated to be 60 years.

The fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

i. Finance cost

All borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

The Group suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

A qualifying asset is an asset that necessarily takes12 months or more to get ready for its intended use or sale

j. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

k. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets such assets are classified as operating leases.

As a Lessee

Finance Lease

Assets under finance leases are capitalized at lower of fair value or the present value of the minimum lease payments at the inception of the lease term and a liability is created for an equivalent period. If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. The finance cost is charged to the statement of profit and loss.

Operating Lease

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

The group normally enters into operating leases in which rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Group as a lessee

The Group enters into an arrangement for lease of shops, offices. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use ofthe identified asset, and

c) direct the use of the identified asset

The Group determines the lease term as the non-can cellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basisover the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets is determined onthe same basis as those of property, plant and equipment.

The Group applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group recognizes the amount of the re-measurement oflease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the

re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Group is an intermediate lessor, the Group accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

I. Employee benefits

Defined contribution plan

The Group's defined contribution plans are Employees' Provident Fund (under the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952) ESI (under the provisions of Employees State Insurance Act, 1948) and Superannuation. The group has no further obligations beyond making the group's contributions. The group's contribution to Provident Fund, ESI and Superannuation are made at prescribed rates and are charged to Statement of Profit and Loss. The Superannuation asset are managed by a Trust which invests with LIC.

Death Relief Fund

The Group's liability towards Death Relief Fund is accounted on the basis of actuarial valuation as at the reporting date.

Defined benefit plan

The Group has a defined benefit plan for payment of Gratuity as per the Gratuity Act 1972. The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group. The group makes contribution to the MSIL Employee Gratuity Fund Trust managed by LIC.

The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Earned Leave

As per policy of the Group, employees can carry forward unutilized accrued leave and utilize it in next service period or receive cash compensation. The compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Group records an obligation for such compensated absences in the year in which the employee renders the services that increase his entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the reporting period. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each reporting period.

Other short-term benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, estimated bonus, ex-gratia and short term compensated absences are recognized in the period in which the employee renders the related service.

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

m. Tax expense

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act,1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they are relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

n. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

(i) The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

(ii) The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Decommissioning costs are measured as the best estimate of the expenditure to settle the obligation or to transfer the obligation to a third party. Provisions for decommissioning obligations are required to be recognized at the inception of the arrangement. The estimated costs to be incurred at the end of the arrangement are discounted to its present value using the market rate of return.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liability is disclosed in the case of

(i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

(ii) a present obligation arising from a past event, when a reliable estimate of the obligation cannot be made, and

(iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

p. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A ‘Debt instruments’ is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109,' Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103,' Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI with subsequent changes in the fair value.

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Grouprecognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

q. Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value. Transaction costs that aredirectly attributable to the issue of financial liabilities, that are not at fair value through profit or loss (FVPL), are added to the fair value on initial recognition.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

r. Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

s. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

t. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment accounting policies are in line with the accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting.

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Group as a whole and not allocable to segments, are included under "Other unallocable corporate expenditure".

(iii) Income that relates to the Group as a whole and not allocable to segments is included in "Unallocable income".

(iv) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit of the Group.

(v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment

(vi) Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

u. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Group are segregated.

v. Events after Reporting Date

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Group after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists on the balance sheet date. Such dividends are disclosed in the notes to the financial statements.

w. Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share.

However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

x. Non-Current Assets Held For Sale And Discontinued Operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

A discontinued operation is a component of the Group's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

y. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is presented by deducting the grant from the carrying amount of the asset. When the Group receives grants of non-monetary assets, it is treated at a nominal value.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.3 Significant estimates in applying accounting policies

a. Revenue –The Group has applied judgments significantly affect the determination of the amount and timing of revenue from contracts with customers.

b. Net realisible value of inventory - The determination of net realisible value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencment and completion of the project, the estimated future selling price, cost to complete projects and selling cost.

c. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

d. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

e. Defined Benefit Obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

f. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

g. Expected credit losses on financial assets – The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Group's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

h. Leases - Ind AS 116 defines a lease term as the noncancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

1.4 Critical judgments in applying accounting policies

a. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

b. Recognition of deferred tax liability on undistributed profits – The extent to which the Group can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgment.

c. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses a discounting rate to arrive at net present value. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

d. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgment.

e. Contingent liabilities -The Group uses significant judgment to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are notrecognised nor disclosed in the financial statements.

MYSORE SALES INTERNATIONAL LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (ALL AMOUNTS IN RS LAKHS, UNLESS OTHERWISE MENTIONED)

2 Property, plant and equipment

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

Particulars	Freehold land	Leashold land	Building - Freehold	Building - Leasehold	Handling Equipment	Electrical Equipment	Com-puters	Furniture and fixtures	Vehicles	Leased Assets	Office Equipment	Grant Assets	Digiflex Printing Machine	Dark Room Equipments	Partitions	Total
Gross carrying amount																
As at 01 April 2018	159.03	220.99	1,140.73	36.04	0.32	1,095.91	184.31	1,029.67	219.52	0.00	545.16	0.00	18.11	4.51	105.89	4,760.20
Additions	-	69.41	57.01	-	-	536.61	22.13	970.13	-	-	151.73	-	-	-	-	1,807.01
Disposals	-	-	-	-	-	(0.46)	-	-	-	-	(1.34)	-	-	-	-	(1.80)
As at 31 March 2019	159.03	290.40	1,197.74	36.04	0.32	1,632.06	206.44	1,999.80	219.52	0.00	695.55	0.00				6,565.41
Additions		-	-	-	-	109.08	42.05	385.10	34.31	-	28.85	-	-	-	-	599.40
Disposals	-	-	(18.87)	-	-	(15.29)	-	(0.16)	(8.41)	-	-	-	-	-	-	(42.73)
Reclassification from Building to Land	12.50	-	(12.50)	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification to investment property	(3.84)	(20.85)	(725.72)	(36.04)	-	-	-	-	-	-	-	-	-	-	-	(786.45)
As at 31 March 2020	167.69	269.55	440.65	0.00	0.32	1,725.85	248.49	2,384.74	245.43	0.00	724.40	0.00				6,335.63
Accumulated depreciation																
As at 01 April 2018	-	-	63.42	1.49	0.06	73.66	122.58	192.85	34.56	-	128.40	-	7.62	4.51	86.21	715.37
Charge for the year	-	-	17.30	1.49	0.21	133.19	36.99	291.36	28.64	-	134.44	-	1.07	-	7.20	651.88

Adjustments for disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	-	80.72	2.98	0.27	206.86	159.58	484.20	63.21	-	262.84	-				1,367.25
Charge for the year	-	-	9.83	-	-	167.47	27.93	371.29	32.85	-	138.58	-	1.07	-	-	749.01
Adjustments for disposals	-	-	(18.38)	-	-	(13.44)	-	(0.16)	(8.41)	-	-	-	-	-	-	(40.38)
Reclassification	-	-	-	(2.98)	-	-	-	-	-	-	-	-	-	-	-	(2.98)
As at 31 March 2020	-	-	72.17	-	0.27	360.89	187.51	855.34	87.65	-	401.42	-				2,072.91
Net block as at 31 March 2019	159.03	290.40	1,117.02	33.07	0.04	1,425.20	46.86	1,515.59	156.31	0.00	432.71	0.00				5,198.16
Net block as at 31 March 2020	167.69	269.55	368.48	0.00	0.04	1,364.96	60.98	1,529.40	157.77	0.00	322.98	0.00				4,262.72

Wholly Owned Subsidiary-Marketing Communication and Advertising Ltd

* The company had paid Rs. 178.59468/- lakhs being cost of the land to KIADB as per lease cum sale agreeement dated 05-Mar-2014. The company had taken this land on lease for a period of 10 years. As per the lease agreement, the company is also required to pay yearly rent of Rs. 0.00995/- lakhs per annum and maintenance charges of Rs.0.0992 /- lakhs per annum and this land is classified under leasehold land. Pursuant to the letter dated 05-01-2018 from KIADB with regard to demand of payment of land cost of Rs. 69.41414 lakhs as per clause No. 10(i) of lease cum sale agreement has been accured in books.

3 Capital work-in-progress		
Particulars	Capital work in progress #	Total
As at 01 April 2018	**20.11**	**20.11**
Additions	-	-
Capitalised during the year	(20.11)	(20.11)
As at 31 March 2019	**-**	**-**
Additions	161.16	161.16
Capitalised during the year	-	-
As at 31 March 2020	**161.16**	**161.16**

a. **Contractual obligations**

Details of contractual obligations is given in note 40

b. **Property, plant and equipment and capital work-in-progress pledged as security**

Property, plant and equipment and capital work-in-progress pledged as security as at 31 March 2020 is Nil. (31 March 2019: Nil)

c. There are no borrowing cost capitalised during the year ended 31 March 2020 and 31 March 2019.

4 Investment property

Particulars	Freehold land	Leasehold land	Building - Freehold	Building - Leasehold	Total
Opening balance as at 01 April 2018	49.22	80.10	878.36	2,594.96	3,602.65
Additions (subsequent expenditures)	-	-	-	-	-
Closing balance as at 31 March 2019	**49.22**	**80.10**	**878.36**	**2,594.96**	**3,602.65**
Additions (subsequent expenditures)	-	-	-	55.59	55.59
Reclassification from Property, plant and equipment	3.84	20.85	725.72	36.04	786.45
Closing balance as at 31 March 2020	**53.06**	**100.95**	**1,604.08**	**2,686.59**	**4,444.68**
Depreciation and impairment					
Opening balance as at 01 April 2018	-	-	16.79	0.24	17.02
Depreciation (note 28)	-	-	17.37	86.50	103.87
Closing balance as at 31 March 2019	**-**	**-**	**34.16**	**86.74**	**120.89**
Depreciation (note 28)	-	-	25.77	89.84	115.61
Reclassification from PP&E*	-	-		2.98	2.98
Closing balance as at 31 March 2020	**-**	**-**	**59.93**	**179.55**	**239.48**
Net block as at 31 March 2019	**49.22**	**80.10**	**844.21**	**2,508.22**	**3,481.75**
Net block as at 31 March 2020	**53.06**	**100.95**	**1,544.15**	**2,507.04**	**4,205.20**

Information regarding income and expenditure of Investment property	Year ended March 31, 2020	Year ended 31 March 2019
Rental income derived from investment properties (Refer Note (21))	426.55	392.63
Direct operating expenses (including repairs and maintenance) pertaining to investment property	(66.75)	(195.14)
Profit arising from investment properties before depreciation and indirect expenses	359.80	197.49
Less – Depreciation	(115.61)	(103.87)
Profit arising from investment properties before indirect expenses	**248.49**	**93.62**

Karnataka Bhavan, Mumbai

City & Industries Development Corporation of Maharashtra (CIDCO) has entered into a deed of 'Agreement to Lease' with Government of Karnataka (GoK) for a plot of land measuring 2520 sq. meters in Navi Mumbai to enter and occupy the land on the condition that the licensee (GoK) construct a State Guest House.

In turn on 1st October 2008 GoK has entered into an agreement with MSIL for construction of Karnataka Bhavan on Build Own Operate Transfer (BOOT) basis effective for 30 years (extendable on mutual consent) from the date of completion of the building as per the terms and conditions specified therein.

The amount of Rs. 3410.25 lakhs incurred towards construction of Karnataka Bhawan in Navi Mumbai was capitalized based on the completion certificate received from M/s Project Management Service during the year ended 31 March 2018.

During the year an amount of Rs. 55.59 lakhs was capitalised being the final bills submiited by the agencies associated with the project.

The Company had entered on 27 September 2018 into a lease rental agreement with a service provider to construct the necessary infrastructure and to commence boarding & lodging operations. No rental income has been accounted till 31 March 2020.

Pending execution of lease cum sale agreement with Karnataka Industrial Area Development Board in respect of land allotted near Bangalore Air Cargo Complex (BACC), the Company has capitalised the payments made towards lease hold land amounting to Rs. 52,11,063/- (Rs. 52,11,063/-) based on the possession certificate issued by KIADB.

The company is in the process of getting the investment property valued.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase or develop investment properties or for repairs, maintenance and enhancements.

5 Other intangible assets

Particulars	Computer software	Total
Gross carrying amount		
As at 01 April 2018	**68.18**	**68.18**
Additions	2.99	2.99
As at 31 March 2019	**71.17**	**71.17**
Additions	7.07	7.07
As at 31 March 2020	**78.24**	**78.24**
Accumulated amortization As at 01 April 2018	**40.80**	**40.80**
Charge for the year	15.73	15.73
As at 31 March 2019	**56.53**	**56.53**
Charge for the year	7.09	7.09
As at 31 March 2020	**63.62**	**63.62**
Net block as at 31 March 2019	**14.64**	**14.64**
Net block as at 31 March 2020	**14.62**	**14.62**

		As at 31 March 2020	As at 31 March 2019
6	**Investments**		
	Non-current		
A.	**Quoted Investments**		
	Investments in Equity shares at fair value through OCI (fully paid)		
	M/s J K Tyre Industries Limited	**133.17**	**60.32**
	329,060 (31 March 2019: 329,060) fully paid equity shares of INR 2 each		
	M/s Bengal & Assam Co Limited	**45.08**	**65.40**
	3,831 (31 March 2019: 3,831) fully paid equity shares of INR 10 each		
	Total Aggregate Quoted Investments (a)	**178.25**	**125.72**
	Aggregate Book value of quoted investments	178.25	125.72
	Aggregate market value of quoted investments	178.25	125.72
B.	**Un-quoted Investments**		
	Associates at cost		
	M/s K T Apartment Owners' Association		
	35 (31 March 2019: 35) fully paid equity shares of INR 100 each	0.04	0.04
		-	-
	M/s K T Mansions Appartments Owners' Association:		
	25 (31 March 2019: 25) fully paid equity shares of INR 100 each	0.03	0.03
	Others- At fair value through OCI		
	M/s.Hassan Mangalore Rail Development Company Limited	**2,372.72**	**2,243.02**
	7,000,000 (31 March 2019: 7,000,000) fully paid equity shares of INR 100 each		
	The Karnataka State Co-operative Apex Bank Limited - One -C-Class Ordinery Share:	24.66	26.80
	1 (31 March 2019: 1) fully paid equity shares of INR 1,000,000 each		
		2,397.44	2,269.88
	Total aggregate of un-quoted Investments (b)	**2,397.44**	**2,269.88**
	Total (a+b)	**2,575.69**	**2,395.60**
	Aggregate amount of quoted investments and market value thereof	178.25	125.72
	Aggregate amount of unquoted investments	2,575.69	2,395.60
	Aggregate amount of impairment in value of investments	-	-
(*)	fair value on the data of transition is considered as deemed cost.		

7. Other Financial assets

	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-Current	Current	Non-Current	Current
At Amortized Cost				
a) Loans and advances to employees				
Loans and advances to employees - Secured and considered good	-	1.46	-	3.80
(ii) Unsecured and Considered good	3.76	5.77	5.27	6.25
(iii) Considered doubtful	-	-	-	-
b) Loans and advances - Chit operations				
(i) Secured and Considered good	-	15,116.91	-	14,749.47
(ii) Unsecured and Considered good	-	355.70	-	-
(iii) Considered doubtful	146.25	-	1,027.55	-
Less: Allowance for doubtful advances	-	(484.26)	-	(1,328.63)
c) Other advances receoverable in kind or for value to be received				
(i) Secured and Considered good	-	-	-	-
(ii) Unsecured and Considered good	1.96	3,846.52	1.96	3,836.43
(iii) Considered doubtful	-	-	-	-
Less: Allowance for doubtful advances	-	-	-	(1,234.74)
d) Security Deposit (Unsecured considered good)				
(i) Secured and Considered good	-	-	-	-
(ii) Unsecured and Considered good	42.40	1,183.83	11.16	1,038.32
(iii) Considered doubtful	-	-	-	-
Deferred expense on above deposits - Ind AS Adjustment entry	**-**	**-**	**-**	**51.06**
e) Interest Receivable On Deposits	-	1,228.06	-	1,011.51
f) Other receivable	8.22	31.48	-	66.06
g) Retention Money	-	-	5.24	-
Total	**202.59**	**21,285.47**	**1,051.18**	**18,199.53**

Wholly Owned subsidiary- Marketing Communication and Advertising Ltd

Margin Money Deposits in Bank of Baroda (Vijaya Bank) against guarantees having a maturity period of more than 12 months of Rs 41.18 lakhs as on balance sheet date has been grouped under other non current financial asset.

Margin Money Deposits in Punjab National Bank (Oriental Bank of Commerce) of Rs 0.04 lakhs is for safe deposit locker.

The Company has paid interest free deposit to Customers for tenders and the same is received when the service is provided.

Interest accrued on Fixed Deposits is accounted in Statement of Profit & Loss and disclosed separately in Balance sheet under other financial assets.

8.Other assets				
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-Current	Current	Non-Current	Current
Prepaid Expenses	-	960.43	-	909.24
Balance with statutory authorities	10.30	565.65	10.30	170.02
Advance Income Tax and TDS	654.80	2,963.13	1,197.28	905.72
Other Receivables	615.97	-	-	597.81
Gratuity Fund account	91.63	-	-	-
Rebate/Discount receivable on volume of business	-	60.68	-	-
Trade Advances & Other Receivables	-	1,427.96	-	551.21
Unbilled Revenue	-	4.05	-	552.49
Total	**1,372.70**	**5,981.90**	**1,207.58**	**3,686.49**

Wholly Owned subsidiary- Marketing Communication and Advertising Ltd

The Company filed a case [O.S.No.8758 of 1996] against erstwhile employees Mr.S.M Pasha and Mr.ANM Rao for the recovery of misappropriated amount in the financial year 1995-96 for Rs. 28.11 lakhs before City Civil Court, Bengaluru. The recovery case was disposed on 09-July-2013. The Court decreed the suit with cost against Mr. S.M.Pasha and dismissed the suit against Mr.ANM Rao. The Company sought opinion from an advocate. The advocate opined that there are some grounds in the case to challenge the judgement. Accordingly an appeal no. 236/2014 has filed and the same is pending before Hon'ble High Court of Karnataka for disposal. During the year 1995-96, the disputed amount have been shown as receivables and payables as misappropriation in the accounts of the Company and in the year 1996-97 an amount of Rs. 25.00 lakhs has been paid to the excise department and receivables has been charged to Statement of Profit and Loss as bad debts. In the year 2008-09, misappropriated amount of Rs. 27.12 lakhs has been shown as receivables and payables as misappropriation in the accounts of the Company. Due to contingency the receivables and payables has been adjusted and the contingent asset of Rs. 28.11 lakhs will be recognized in Statement of Profit and Loss on realisation basis.

Income tax refund are outstanding for more than 4 years amounting to Rs. 122.06 lakhs [2019: 122.06 lakhs] and the Company is in the process of liasioning with the department.

The Balance with Statutory authorities includes Vat refund of Rs. 10.30 lakhs with respect to VAT paid to de-registered dealer/Vendor and the same is applied as refund from the VAT department on 05-Mar-2015.

Others include Rebate/Discount receivable on volume of business done with news paper publications have been shown as target incentive

A sum of Rs. 117.82 lakhs is shown as GST Receviable for which reconciliation is pending

GST TDS deducted by service receiver's as per section 51 of CGST Act, 2017 amounting to Rs. 82.06 Lakhs (2019 : Rs. 77.16 lakhs which was not credited) has been credited in GST electronic cash ledger as on balance sheet date.

9. Inventories		
	As at 31 March 2020	**As at 31 March 2019**
Raw Materials		
Paper and Straw board	55.97	217.96
Convertors	36.34	199.79
Finished goods	**1,037.97**	**1,453.25**
Stock in trade (acquired for trading) -Traded Goods	8,109.13	7,216.94
Less : Provision for Expired/Damaged Stock- awaiting regulatory approval	(44.98)	(48.22)
Stock with hirers	**310.50**	**325.25**
Less: Expected Credit Loss for stock with hirers	(310.50)	(325.25)
Less: Expected Credit Loss - Transitioned ind AS	-	(412.60)
Total	**9,194.43**	**8,627.12**

10. Trade Receivables	As at 31 March 2020	As at 31 March 2019
Secured, Considered good	6.25	7.20
Unsecured, Considered good	19,088.98	17,946.93
Trade receivables - credit impaired	2,625.96	1,873.96
	21,721.19	19,828.09
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured-Credit Impaired	(0.00)	(534.84)
Trade Receivables - Credit Impaired	(2,625.96)	(1,873.96)
	19,095.23	**17,419.29**

Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.

Wholly Owned subsidiary- Marketing Communication and Advertising Ltd

Balances in the Trade Receivables are subject to reconciliation and confirmation.

Trade Receivables include Rs. 14.80 lakhs (2019: Rs. 8.09 lakhs) due from Mysore Sales International Limited, Holding Company and Rs. 4.64 lakhs (2019: Rs. 6.40 lakhs) from Karnataka State Industrial Infrastructure Development Corporation Limited, Associate Company

Trade Receivables includes Rs. 24.48 lakhs (2019: Rs. 24.48 lakhs) due from M/s. Cyber Expo and Rs. 32.22 lakhs (2019: Rs. 32.22 lakhs) due from Bangalore I.T Com against whom a recovery suit was filed and the same is disposed as dismissed on 29-Nov-2014. The Company has sought opinion from three advocates regarding filing an appeal before Hon'ble High Court of Karnataka against the Judgment and decree passed [OS No. 134/2007]. The advocates have opined that there is no good case to file an appeal. The matter was discussed in the 240th Board Meeting held on 26-Jun-2015 and the Board advised the Managing Director to refer the matter to High Power Committee constituted under the Chairmanship of ACS to Govt. Accordingly, directions have been sought from the Commerce & Industries Department to refer the matter to High Power Committee and directions from department is awaited.

"On 22.05.2019 a meeting was held under the Chairmanship of Principal Secretary, Commerce and Industries Department to discuss on the matter in the presence of Managing Director of the Company and General Manager- Department Information Technology and Bio Technology (ITBT). After brief discussion, the Deputy Secretary, Commerce and Industries Department informed the Chairman that the High Power Committee is not in existence and therefore, the matter could not be referred to the said committee. The Managing director, MC&A informed the Chairman that he discussed over phone with the Director, ITBT and he mentioned that the Director, ITBT would pay the outstanding amount if relevant documents are provided as it is already discussed by the Committee on Public Sector Undertakings. Accordingly, the Chairman instructed the Managing Director to take further action. On 13.08.2019, a letter has been sent to the Director, ITBT to take further action and reply is awaited."

Trade Receivables include Rs.893.58 lakhs (2019:Rs.615.55 lakhs) which are received through RTGS directly to Company's bank account for which no information is available as on Balance Sheet date. Accordingly the Company is not in a position to analyse the Trade Receivables ageing schedule appropriately.

Allowances for Doubtful Receivables :- The management has estimated the Trade Receivables outstanding for a period more than three years from the date they are due for payment which are considered doubtful and provided for. The allowances of Rs. 1500.21 lakhs (2019:Rs. 1232.69 lakhs) has been made in books of account.

11. Cash and cash equivalents	**As at 31 March 2020**	**As at 31 March 2019**
Balances with banks		
In current accounts	7,003.68	6,218.41
Deposits with original maturity less than three months	7,898.91	2,977.57
Remittances in transit	291.20	5.26
Cash on hand	1,394.49	1,153.57
	16,588.28	**10,354.81**

12 Bank balances other than cash and cash equivalents	**As at 31 March 2020**	**As at 31 March 2019**
Deposits with maturity less than 12 months	4,432.70	12,225.25
Balances with banks in earmarked accounts		
- In margin money accounts for Bank Guarantee issued	8,844.55	7,272.66
	13,277.25	19,497.91

Bank Balances given on lien as at 31 March 2020 is INR 4707.74 lakhs (31 March 2019 : 4286.70 lakhs)

13	Equity share capital	As at 31 March 2020		As at 31 March 2019	
	Authorized shares	**Number**	**Amount**	**Number**	**Amount**
	Equity share capital of face value of Rs. 100 each				
	Equity shares of Rs. 100 each	7,500,000	7,500.00	7,500,000	7,500.00
		7,500,000	**7,500.00**	**7,500,000**	**7,500**
	Issued, subscribed and fully paid up shares				
	Equity shares of Rs. 100 each	4,273,477	4,273.48	4,273,477	4,273.48
		4,273,477	**4,273.48**	**4,273,477**	**4,273.48**
a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year					
	Equity shares				
	Balance at the beginning of the year	4,273,477	4,273.48	4,273,477	4,273.48
	Changes during the year	-	-	-	-
	Balance at the end of the year	**4,273,477**	**4,273.48**	**4,273,477**	**4,273.48**
b.	**Terms/rights attached to equity shares**				
	The Company has one class of equity share having a par value of Rs.100 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.				
c. Details of shareholders holding more than 5% shares in the company					
	Name of the equity shareholder	**31 March 2020**		**31 March 2019**	
		Number	**% holding**	**Number**	**% holding**
	Government of Karnataka	2,255,817	52.79%	2,255,817	52.79%
	Karnataka State Industrial Infrastructure & Development Coproration Limited	2,017,660	47.21%	2,017,660	47.21%
d.	Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:				
	The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2020.				
e.	Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts:				
	The Company has not issued any equity shares under ESOP (Employee Stock Option) .				

14	Other equity	As at 31 March 2020	As at 31 March 2019
	General reserve	22,096.11	21,261.43
	Retained earnings	28,979.09	23,726.84
	Capital Reserve	77.98	77.98
	Other comprehensive income	(817.32)	(933.37)
	Share Application Money Pending Allotment (Refer Note b)	345.74	345.74
	Total	**50,681.60**	**44,478.61**
	Non-Controlling Interest	(37.64)	(37.85)
	Nature of reserves		
(a)	**General reserve**		
	The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.		
(b)	**Wholly Owned Subsidiary - Marketing Communication and Advertising Ltd**		
	As per the provisions of Companies Act 2013, Share application money should be allotted to the respective shareholders within 60 days from the date of receipt otherwise the same should be returned to them within 15 days. The share application money pending allotment represents 8% of turnover for the years 2002-2003 & 2003-2004 aggregating to Rs.345.736/- lakhs Government Order No. C18 CMI 2003 (PUC), Bangalore dated 31-Mar-2003 & 29-Apr-2004 directs to issue of Equity Shares to GOK for this amount. The Company in this regard has made a representation to the Government of Karnataka towards paying 10% Net profit to Govt. in lieu of shares and to drop the proposal of payment of Business Development Cost [BDC] @ 8% turnover from 2002-03 & 2003-04. The matter is pending before Government of Karnataka & orders in this regard is awaited. The Company has sent proposal to GOK requesting to reconsider the earlier orders and withdraw the orders on BDC. The response from GOK is awaited.		

15	Borrowings	As at 31 March 2020	As at 31 March 2019
	Non-current		
	Secured		
	Loan from Government of Karnataka	3.02	3.02
	Interest Accrued & due on above	9.62	9.62
	Unsecured		
	Loan from Karnataka Industrial Infrastructure & Development Corporation Limited	28.56	28.56
	Loan from Government of Karnataka	9.00	9.00
	Interest Accrued & due on above loans	124.36	124.36
		174.56	174.56
	Current	-	-
	Total Borrowings	**174.56**	**174.56**

16 Other Financial liabilities					
		As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	At Amortised Cost	**Non-Current**	**Current**	**Non-Current**	**Current**
	Security Deposit (Unsecured considered good)				
	Unsecured and Considered good	975.38	765.89	32.52	1,490.04
	Deferred income on above deposits	40.42	-	116.38	-
	Interest Accrued	53.88	-	53.88	-
	Lease liability (Refer note 41)	957.57	766.17	-	-
	Creditors for Capital Goods	-	0.33	-	10.42
	Other payables	978.38	14,316.76	978.38	16,970.51
	Total	**3,005.63**	**15,849.16**	**1,181.16**	**18,470.97**
Wholly Owned subsidiary- Marketing Communication and Advertising Ltd					
Trade and Security deposits received from customers are considered as long term in view of long term business relationship.					

17 Provisions				
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Non-current	**Current**	**Non-current**	**Current**
Provision for Gratuity (Net)	9.68	6.08	10.57	101.60
Provision for Leave Encashment (Net)	616.14	206.13	799.01	166.32
Provision for Employee Death Relief Fund	88.33	5.24	87.74	-
Provision for Insurance Claim - Other payables	351.09	-	338.26	-
Provision - Others	399.70	0.25	-	240.42
Provision for Income Tax [net of TDS and Advance Tax]	-	-	-	660.24
Total	**1,464.94**	**217.70**	**1,235.58**	**1,168.58**
Movement in Provisions for the year 2019-20				
Opening Balance	2,404.15			
Additions during the year	18.66			
Deletions/ Utilisation	(740.17)			
Closing Balance	1,682.64			

18	Other liabilities	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
		Non-current	Current	Non-current	Current
	Statutory remittances	3,677.56	702.62	3,677.55	686.06
	Others	-	90.25	-	79.66
	Employee Benefits payable	-	17.65	-	21.96
	Advances from Customers	-	141.37	-	251.97
	Total	**3,677.56**	**951.89**	**3,677.55**	**1,039.65**

Wholly Owned subsidiary- Marketing Communication and Advertising Ltd

Service Tax dues of Rs.36.72 lakhs related to the bills raised prior to 01-Apr-2011 but not received, as the company has followed cash basis for discharging the service tax liability till the effective date of applicability of Point of taxation rules. The management estimates that interest amount for non payment of service tax is NIL and no further provision for interest is made to that extent.

The Company receives interest free deposit from vendors/business associates for getting empanelled as vendors and the same is refunded when the business relationship is terminated immediately due to non-performance or any other issues which may arise. These vendors/business associates are intended to be kept only for a period of less than 12 months and annually re-evaluated.

The Company receives interest free deposit from vendors for tenders and the same is refunded when the service is provided. These vendors for tenders are intended to be kept only for a period of less than 12 months.

Other liabilities are intended to be settled within a period of less than 12 months

Advance received from customers for services to be rendered within a period of less than 12 months.

19	Trade payables	As at 31 March 2020	As at 31 March 2019
	Dues of micro enterprises and small enterprises	39.09	31.06
	Dues of creditors other than micro enterprises and small enterprises	20,737.14	17,188.77
	Total	**20,776.23**	**17,219.83**
	Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company has identified Micro, Small and Medium enterprises as per section 22 of the Micro, Small and Medium Enterprises Development Act 2006 during the FY 2019-2020.		
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year.		
	Principal Amount	38.99	31.06
	Interest payable under MSMED Act, 2006	0.10	-
	The amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day during the accounting year.	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006 *	0.10	-
	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.10	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the Micro Small and Medium Enterprises Development Act, 2006.*	-	-
	*The above information has been furnished to the extent such parties have been identified as MSME by the company which are net of discounts / waivers as a part of business practice. The same has been relied upon by the auditors.		
	The interest is provided on a conservative basis in the books of accounts.		

		Year ended 31 March 2020	Year ended 31 March 2019
20	**Revenue from Operations**		
	Sales		
	Liquor	190,744.30	168,943.03
	Note Books & Stationery	6,866.42	8,392.58
	Pharmaceutical	1,194.30	805.38
	Others	1,838.48	2,418.65
	Income Earned on Chit Fund Business		
	Foreman's Commission	1,224.01	1,147.14
	Dividend	116.91	111.27
	Default Interest	139.16	158.97
	Commission and service charges	4.64	4.67
	Revenue from Excise Adhesive Labels	9,264.45	7,085.67
	Revenue from Services		
	i) Media Advertisements	10,238.50	9,581.21
	ii) Event Organising & Others	7,202.06	9,335.96
	Revenue from Other operating activities*	109.59	196.49
		228,942.82	**208,181.02**
	Wholly Owned subsidiary- Marketing Communication and Advertising Ltd		
	*Rebate/Discount received on volume of business done with news paper publications have been shown as target incentive.		
	There are discrepancies between sales recorded in the books of accounts and the GST returns filed on a month on month basis during the year, due to insufficent information or reconciliation for such discrepancies, the financial impact of such non-compiance couldn't be determined.		

21	**Other Income**		
	Interest on :-		
	Deposits & advances- Gross	68.02	6.66
	Bank Deposits - Gross	1,493.93	1,492.55
	Rent	426.55	392.63
	Dividend	6.49	5.82
	Provision for doubtful debts no longer required	262.41	21.84
	Profit on sale of property, plant and equipment	0.66	0.10
	Sale of Tender Forms	0.09	0.52
	Foreign exchange fluctuation	-	20.19
	Miscellaneous income*	254.11	225.41
	Leave Encashment Defined Benefit Cost	1.57	-
	Income on appreciation in the value of Financial assets - Chit	-	488.00
	Unwinding of discount on security deposits	-	18.93
		2,513.84	**2,672.65**
	Wholly Owned subsidiary- Marketing Communication and Advertising Ltd		
	*Reversal of Provision for Bills Payable which was accounted as expenditure earlier, subsequently reversed after taking Input under GST for the Year 2017-2018 and 2018-2019 amounting to Rs 5.97 lakhs.		
	*Amount payable to DIC wrongly accounted and allowed as expenditure in the financial year 2015-2016, now reversed and accounted as income amounting to Rs. 5.50 lakhs.		

22	**Cost of materials consumed**		
	Inventories at the beginning of the year	417.74	110.72
	Purchases during the year	975.25	1,697.91
	Less: Inventories at the end of the year	92.31	417.74
		1,300.68	**1,390.89**
23	**Purchases of Stock-in-Trade**		
	Liquor	174,358.91	151,030.28
	Notebooks and Stationery	3,815.91	5,180.08
	Pharmaceutical	975.48	709.63
	Others	1,531.60	2,170.26
	Cost of Excise Labels	7,473.04	5,282.63
		188,154.94	**164,372.88**
24	**Cost of Services**		
	-Media Advertisements	13,668.96	8,174.19
	-Event Organising & Others	2,134.89	8,866.91
		15,803.85	**17,041.10**

25	Changes in inventories of finished goods and stock-in-trade		
	Inventories at the end of the year		
	Traded goods	8,109.12	7,216.94
	Finished goods	1,037.98	1,453.25
		9,147.10	**8,670.19**
	Inventories at the beginning of the year		
	Traded goods	7,216.94	10,282.73
	Finished goods	1,453.25	1,429.66
		8,670.19	**11,712.38**
		(476.91)	**3,042.19**

		Year ended 31 March 2020	Year ended 31 March 2019
26	**Employee Benefits Expenses**		
	Salaries & Wages	2,139.54	2,187.20
	Contribution to Provident & Other funds	222.15	455.60
	Compensated Absences (Refer note 36)	75.73	-0.39
	Gratuity (Refer note 36)	44.92	42.51
	Staff Welfare Expenses	198.64	221.69
		2,680.98	**2,906.61**
27	**Finance Costs**		
	Interest	0.33	33.52
	Interest on lease liabilities (note 41)	108.57	-
	Bank charges	111.17	70.27
	Guarantee Commission	8.41	36.15
	Interest on taxes	1.46	14.00
		229.94	**153.94**
28	**Depreciation and amortization expense**		
	Depreciation on Fixed Assets (Refer Note 2)	749.01	651.89
	Amortization of intangible assets (Refer note 5)	7.09	15.73
	Depreciation on Investment Properties (Refer note 4)	115.61	103.87
	Depreciation of Right-of-use assets (Refer note 41)	656.88	-
		1,528.59	**771.49**

29	Other Expenses		
	Conversion charges - Notebooks	159.21	199.65
	Packing Material & Secondary Freight	1,021.76	852.16
	Outsourcing expenses	5,589.15	5,038.25
	Rent (Refer note 41)	631.92	1,139.86
	Repairs & Maintenance :		
	- Buildings	90.04	307.54
	- Vehicle	25.38	19.63
	- Others	348.18	279.08
	Insurance	143.38	108.99
	Rates and taxes*	4,285.28	4,077.70
	Miscellaneous Expenses	179.85	251.69
	Advertising and sales promotion	140.46	202.58
	Payment to the Auditor :		
	- Audit fee	11.38	9.70
	- Tax audit fee	1.71	1.71
	-Direct Tax matters	0.35	0.30
	-Indirect Tax matters	-	0.05
	Communication costs	108.38	122.00
	Printing and stationery	147.02	141.21
	Legal and professional fees	534.99	440.02
	Travelling and conveyance	154.13	185.93
	Electricity & Water	190.67	178.52
	Security Services	85.58	81.13
	Commission	366.49	428.35
	CSR expenditure (Refer note 39)	240.45	243.11
	Sales Discount	32.78	-
	Business Promotion and Development Expenses	23.33	28.41
	Donations	104.74	150.20
	Manpower /Sub Contract Charges	399.02	377.78
	Bad Debts	3.87	7.57
	Directors Sitting fees	0.60	0.46
	Bad & Doubtful Debts	70.47	0.06
	Loss on sale of property, plant and equipment (net)	-	0.26
	Allowances for doubtful debts and advances	312.60	88.35
		15,403.18	**14,962.25**

Wholly Owned subsidiary- Marketing Communication and Advertising Ltd

*Inspection was conducted by Commercial Tax Officer, Commercial Tax Deparment on 25-Nov-2013 for the financial year 2010-11 to 2013-14 (up to November 2013) and issued an endorsement dated 26-May-2014 relating to input tax credit availed by the Company which was not paid by vendors giving an opportunity to furnish the reply to the observations mentioned in the endorsement. The Company has furnished the reply given by the concerned Vendors. The audit for the year 2010-11 is conducted by CTO during the year, Order under section 39(1) R/W Section 36 of the KVAT Act 2003 stating an amount of Rs.41.02 lakhs including interest and penalty of Rs.22.20 lakhs is payable in consequence to vendors defaulted in payment of VAT at their end for which input tax credit was availed by the Company during the year 2010-11. The Company has filed appeal before Joint Commissioner of Commercial Taxes (Appeals), City Division I, Bengaluru and paid on protest an amount of Rs. 6.12 lakhs. During the year the Company has withdrawn the appeal and the amount of Rs. 19.50 lakhs (inclusive of Rs. 6.13 lakhs shown under Current assets in earlier Years) has been charged to the Statement of profit and loss.

*Vide demand notice No. 142163741 dated April 10, 2019 the department is hereby propose to levy additional tax liability of Rs. 74.60 lakhs along with penalty at 10% of Rs. 7.46 lakhs and interest at 1.5% per month of Rs. 72.63 lakhs on proposed additional liability under section 3(1),3(2), 72(2) and 36(1) of the KVAT Act, 2003 respectively for the FY 2013-14. The Company vide its letter dated May 28, 2019 requested for rectification of the assesments and accordingly the Company was supposed to pay revised VAT amount of Rs. 9.39 lakhs, penalty Rs. 0.94 lakhs and Interet of Rs. 9.63 lakhs as per the order of the assistant commisioner of commercial tax dated July 13, 2019. However the Company has paid the VAT amount of Rs. 9.32427/- lakhs as per the rectification order under Karasamadhana Scheme on September 03, 2019 the same as been charged to Statement of profit and loss.

		31 March 2020	31 March 2019
30	**Impairment losses**		
	Impairment losses in value of investment	-	-
	Impairment losses in value of other financial assets	200.80	-
		200.80	-
31	**Tax expense**		
	Tax expense comprises of:		
	Profit or loss section		
	Current tax	1,903.78	2,101.01
	Deferred tax	594.79	67.83
	Adjustment of tax relating to earlier periods	31.31	53.69
	Income tax expense reported in the statement of profit or loss	2,529.88	2,222.53
C	**Deferred tax**	**As at 31 March 2020**	**As at 31 March 2019**
	Deferred tax assets	828.77	1,496.39
	Deferred tax Liablities	(119.27)	(190.46)
	Deferred tax assets,net	709.50	1,305.93
	Recognised deferred tax assets and liabilities		
	Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward tax losses can be utilised.		
D	**Current tax liabilities**		
	Provision for income tax, net of advance tax	0.73	0.27
		0.73	**0.27**

32. Discontinuing Operations		Year ended 31 March 2020	Year ended 31 March 2019
	The Company has discontinued its HP operations on July 2008, which was also a separate segment as per AS-17, Segment Reporting. The Company accounts interest income from HP operations on cash basis. The scheduled EMI periods terminated in 2013-14. The results of HP operations for the year are presented below		
	Other income	24.23	30.77
	Expenses	35.44	38.89
	Profit/(Loss) before tax from discontinuing operations	**(11.21)**	**(8.12)**
	Tax expense on discontinuing operations	-	-
	Profit/(Loss) for the year from discontinuing operations	**(11.21)**	**(8.12)**
	Food Karnataka Limited	441.33	442.40
	329,060 (31 March 2019: 329,060) fully paid equity shares of INR 2 each	**441.33**	**442.40**

33	**Other Comprehensive Income**		
	Items that will not be reclassified to profit or loss		
	Gain/(loss) on FVTOCI financial assets	180.09	97.90
	Re-measurement gains (losses) on defined benefit plans	(64.03)	(386.18)
		116.06	**(288.28)**
34	**Earnings Per Share**		
	Profit attributable to equity holders of the company		
	Continuing operations	4,100.73	3,989.79
	Discontinued operation	(11.21)	(8.12)
	Total	**4,089.52**	**3,981.67**
	No of shares used for Basic and diluted EPS	4,273,477	4,273,477
	Earnings per share for continuing operations		
	Basic (Rs.)	95.96	93.36
	Diluted (Rs.)	95.96	93.36
	Earnings per share for discontinued operations		
	Basic (Rs.)	(0.26)	(0.19)
	Diluted (Rs.)	(0.26)	(0.19)
	Earnings per share for continuing and discontinued operations		
	Basic (Rs.)	95.70	93.17
	Diluted (Rs.)	95.70	93.17

35	**Dividend paid and proposed**		
	Cash dividends on equity shares declared and paid:		
	Final dividend for the year ended on 31 March 2020: INR 5 per share (31 March 2019: INR 5 per share)	213.67	-
	DDT on final dividend	54.94	-
	DDT includes the DDT of the parent company and Marketing Communication & Advertising Limited		
	Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2020.		
	Dividend Payable	-	-

36	**Employee benefits**		
i.	**Disclosure of Employee Benefits as per Ind AS 19**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Holding Company - (net asset) / liability	(91.63)	94.13
	Subsidiary Company	15.76	18.03
	Total Gratuity Liability - (net asset) / liability	**(75.87)**	**112.16**
	Non-current	9.68	10.56
	Current	6.08	101.60
	Total Gratuity Liability	**15.76**	**112.16**
	Liability for Compensated Absences	822.27	965.33
	Liability for Death Relief fund (DRF)	(93.57)	-87.74
	Employee benefit liabilities - Comp Absences & DRF	**728.70**	**877.59**
	Non-current	635.13	746.70
	Current	280.70	306.37
		915.84	**1,053.07**

ii. Amount recognized in Balance Sheet

Particulars	**Gratuity - Defined benefit plan**		**Compensated absences-Defined contribution plan**		**Death relief fund - defined contribution plan**	
	2019-20	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Present Value of Obligation at the end of the year	1,497.18	1,655.80	822.27	965.33	93.57	87.74
Fair Value of Plan Assets the end of the year	1,573.06	1,543.64	-	-	-	-
Funded Status	(75.87)	112.16	822.27	965.33	-	-
Liability recognized in Balance Sheet (as per actuarial valuation)	**(75.87)**	**112.16**	**822.27**	**965.33**	**93.57**	**87.74**

iii. Reconciliation of the net defined benefit liability-Change in Present Value of Obligation						
Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Present Value of Obligation at the beginning of the year	1,655.80	1,541.21	965.33	965.19	87.74	95.37
Interest Cost	89.87	93.46	46.85	65.93	5.08	6.23
Current service cost	46.08	52.61	79.43	102.66	6.76	6.34
Prior service Cost		-	-			
Benefits paid	(375.27)	(423.60)	(190.27)	(49.28)	(8.77)	(12.92)
Remeasurement of obligation	-	-	(64.53)	(220.06)	-	-
Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income	80.70	392.11	-	-	2.76	(7.28)
Liability of subsidiary			(14.54)	100.89		
Balance as at the end of the year	**1,497.18**	**1,655.80**	**822.27**	**965.33**	**93.57**	**87.74**

iv. Change in Fair Value of Plan Assets						
Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Fair Value of Plan Assets the beginning of the year	1,543.64	1,496.55	-	-	-	
Interest Cost		-	-		-	
Employer Contribution	289.43	349.46	-	-	-	-
Benefits paid	(333.58)	(394.30)	-	-	-	-
Return on plan assets excluding actual return on plan assets	56.66	92.27	-	-	-	-
Actuarial gain /(loss) on obligation	16.90	(0.35)	-			
Balance as at the end of the year	**1,573.06**	**1,543.64**	**-**	**-**	**-**	**-**

v. Expense recognised in Statement of Profit & Loss						
Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - defined contribution plan	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Current service cost	47.07	50.47	79.43	102.66	6.76	6.34
Past service cost	0.93	-	-	-	-	-
Remeasurement of obligation	-	-	(64.53)	(220.06)	-	-
Net Interest on Net Defined Benefit Obligations	(3.08)	(7.96)	46.85	65.93	5.08	6.23
Expense recognised in Statement of Profit & Loss before tax	**44.92**	**42.51**	**61.75**	**(51.46)**	**11.84**	**12.58**

* 17 employees on pay rolls have not been considered for actuarial valuation of gratuity and leave encashment of MCA.

36 Employee benefits (contd.)						
vi. Remeasurements recognised in Other Comprehensive Income						
Particulars	**Gratuity - Defined benefit plan**		**Compensated absences-Defined contribution plan**		**Death relief fund - defined contribution plan**	
	2019-20	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Actuarial loss/ (gain) on obligation	65.40	343.06				
Actuarial loss/ (gain) on obligation on non funded obligations are not recognised in the books of accounts.						
vii. Assets						
The gratuity assets are managed by LIC of India.						

viii. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date The significant actuarial assumptions were as follows:

Mysore Sales International						
Particulars	**Gratuity - Defined benefit plan**		**Compensated absences-Defined contribution plan**		**Death relief fund - defined contribution plan**	
	2019-20	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Discount Rate	6.09%	7.01%	6.09%	7.01%	6.09%	7.01%
Salary Escalation Rate	4.00%	4.00%	4.00%	7.00%	0.00%	7.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%	1.00%	1.00%

Marketing Communication & Advertising Limited		
Particulars	**Gratuity - Defined benefit plan**	
	2019-20	**2018-19**
Attrition Rate	5.00%	5.00%
Discount Rate	6.00%	7.00%
Rate of Increase in Compensation Levels	6.00%	6.00%

ix. Sensitivity Analysis		
Particulars	**As at March 31, 2020**	
	Increase	**Decrease**
Defined Benefit Obligations - Gratuity		
Discount Rate (100 bps movement)	(33.31)	35.43
Salary escalation rate (100 bps movement)	34.41	(33.23)
Attrition Rate (100 bps movement)	0.71	(0.74)
Compensated absences(Increase)/decrease in Defined Benefit Obligations - Leave Salary		
Discount Rate (100 bps movement)	**(29.80)**	**32.14**
Salary escalation rate (100 bps movement)	30.65	(28.93)
Attrition Rate (100 bps movement)	1.01	(1.08)
Death Relief Fund (Increase)/decrease in Defined Benefit Obligations		
Discount Rate (100 bps movement)	(2.12)	2.26
Salary escalation rate (100 bps movement)	2.46	(2.39)
Attrition Rate (100 bps movement)	0.43	(0.45)

Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest rate risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).
Liquidity risk	This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Regulatory risk:	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability of gratuity to INR 20 lakhs).
Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Asset liability mismatching or market risk	The duration of the liability is longer compared to duration of assets exposing the Company to market risks for volatilities/fall in interest rate.

37. Capital management

The Group and Associate's capital management is intended to maximise the return to shareholders for meeting the long and short term objectives of the Company through the leveraging of the debit and equity balance

The Group and Associate's determine the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements will be met through long and short term borrowings. The capital structure on the basis of debt to equity ratio and the maturity of the overall debt is monitored as part of Capital management strategy.

The following table summarises the net debt to capital ratio:

Particulars	31 March 2020	31 March 2019
Total equity	54,917.44	48,714.24
Debt	174.56	174.56
Cash equivalents including other bank balances	29,865.53	29,852.73
Net debt	174.56	174.56
Total capital (Equity + Net debt)	**55,092.00**	**48,888.80**
Net debt to capital ratio	0.00	0.00

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

38 Financial risk management

The Group and Associate's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Other bank balances, trade receivables, investment carried at amortised cost, loans, other financial assets and financial guarantees	Ageing analysis and recoverability assessment
Liquidity risk	Other financial liabilities & collaterals taken as security	Rolling cash flow forecasts
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in INR	Sensitivity analysis
Market risk – security prices	Investment in equity securities	Sensitivity analysis

i Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the business of the Group and Associate. The Group and Associate is exposed to credit risk from its operating activities (predominantly trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk management

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance.

The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by accredited rating agencies.

The credit risk of the financial assets is managed based on the following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

Classification of financial assets under various stages

The financial assets are classified in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

All financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) or one instalment overdue on the reporting date and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month point in time (PIT) probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime Probability of default.

The impairment on financial insturments under ECL approach is calculated as prescribed in Ind AS 109 'Financial instruments'. ECL uses three main components: PD, LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions.

Financial instruments other than Loans were subjected to simplified ECL approach under Ind AS 109 'Financial instruments'.

38	Financial risk management contd.			
	Credit risk exposure			
	Provision for expected credit losses			
	The expected credit loss is provided based on 12 month and lifetime expected credit loss basis for following financial assets:			
	31 March 2020			
	Particulars	**Estimated gross carrying amount**	**Expected credit losses**	**Carrying amount net of impairment provision**
	Trade receivables	21,721.19	(2,625.96)	19,095.23
	Cash and cash equivalents	16,588.28	-	16,588.28
	Other bank balance	13,277.25	-	13,277.25
	Other financial assets	21,972.32	(484.26)	21,488.06
	31 March 2019			
	Particulars	**Estimated gross carrying amount**	**Expected credit losses**	**Carrying amount net of impairment provision**
	Trade receivables	19,828	(2,408.80)	17,419
	Cash and cash equivalents	10,355	-	10,355
	Other bank balance	19,498	-	19,498
	Other financial assets	21,814	(2,563.37)	19,251
	Reconciliation of loss allowance provision - Trade receivables, Loans and other Financial asset			
			Trade receivables	**Other financial asset**
	Loss allowance on 31 March 2019		(2,408.80)	(2,563.37)
	Allowance for expected credit loss		(217.16)	-
	Reversals/ written off during the year		-	2,079.11
	Loss allowance on 31 March 2020		(2,625.96)	(484.26)

ii. Liquidity risk

The liquidity risk is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows, considering the liquidity of the market in which the entity operates. In addition, the Group and Associate's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities
The tables below analyze the financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	31 March 2020	1 year to 5 years	5 years and above	Total
	Non-derivatives			
	Trade payables	-	-	20,776.23
	Other financial liabilities	3,005.63	-	18,854.80
	Total	3,005.63	-	39,631.02
	31 March 2019			
	Non-derivatives			
	Trade payables	-	-	17,219.83
	Other financial liabilities	1,181.16	-	19,652.13
	Total	1,181.16	-	36,871.96

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	20,776.23	-	-	20,776.23
Other financial liabilities	15,849.16	3,005.63	-	18,854.80
Total	**36,625.39**	**3,005.63**	**-**	**39,631.02**
31 March 2019				
Non-derivatives				
Trade payables	17,219.83	-	-	17,219.83
Other financial liabilities	18,470.97	1,181.16	-	19,652.13
Total	**35,690.80**	**1,181.16**	**-**	**36,871.96**

38 Financial risk management contd.

iii Market risk

a. Foreign currency risk

The Group does not carry any asset or liability denominated in Foreign curreny and hence is not exposed to currency risk.

b. Price risk

The price risk to equity exposure arises from the investments held by the group and classified in the balance sheet at fair value through OCI.

Sensitivity

Profit or loss is sensitive to higher/lower prices of instruments on the entity's profits for the periods.

Particulars	31 March 2020	31 March 2019
Price increase by 5% - FVOCI	8.91	18.35
Price decrease by 5% - FVOCI	(8.91)	(18.35)

39. Expenditure on Corporate Social Responsibility (CSR)

Pursuant to Section 135 of Companies Act, 2013 and rules framed thereunder (CSR Regulations), a CSR committee of the Board of Directors has been constituted by the Company.

Particulars	31 March 2020	31 March 2019
Gross amount required to be spent by the Company during the year	82	80
Amount spent during the year on other than construction/ acquisition of any asset	240.45	243.11
- Paid	240.45	243.11
- Yet to be paid	-	-

The Company during the current year has donated books valued at Rs 7.79 Lakhs towards relief measures for the Kerala floods. This amount is not included in the above table.

40. FINANCIAL INSTRUMENTS | FINANCIAL INSTRUMENTS BY CATEGORY

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Note no.	Particulars	As at March 31, 2020				As at March 31, 2019			
		Fair value - Profit & Loss (FVPL)	Fair value- FVOCI	Fair Value - Amortized cost	Total carrying value	Fair value - Profit & Loss (FVPL)	Fair value- FVOCI	Fair Value - Amortized cost	Total carrying value
I. Financial assets measured at fair value									
6	Investments		2,575.69	-	2,575.69		2,395.60		2,395.60
7	Other financial assets			21,488.06	21,488.06			19,250.71	19,250.71
10	Trade receivables			19,095.23	19,095.23			17,419.29	17,419.29
11	Cash and cash equivalents			16,588.28	16,588.28			10,354.81	10,354.81
12	Other Bank Balances			13,277.25	13,277.25			19,497.91	19,497.91
	Total financial assets	**-**	**2,575.69**	**70,448.82**	**73,024.51**	**-**	**2,395.60**	**66,522.72**	**68,918.32**
	Financial liabilities :								
18	Trade payables			20,776.23				17,219.83	
15	Other financial liabilities			18,854.80				19,652.13	
		-	-	**39,631.02**	-	-	-	**36,871.96**	-

Notes to financial instruments

(i) The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

(ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

		As at March 31, 2020			As at March 31, 2019		
	Note No	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments	6	178.25	2,397.38	-	125.72	2,269.82	-

41 Lease

Entity as a lessee

“The Entity has adopted Ind AS 116 ,””Leases”” effective from 1 April 2019 to all lease contracts using modified retrospective method without taking the cumulative adjustment to retained earnings, except for leases which are expiring in less than 12 months as on 1 April 2019. The Entity has entered into agreements for leasing office premises under lease arrangements. These agreements generally range between 1 year to 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms; the agreements generally provide for escalation in lease rentals upto 5%. Leases where the term of lease is less than 12 months has been accounted as short term leases and hence the right-of-use asset and lease liability are not recognized. “

The Holding company is primarily into the business of selling Beverages, Paper and conducting Chit operations among other verticals. The entity has leased several premises.

Beverage Division:The Division has leased several shops across Karnataka for the purpose of sale of beverage. The duration of the lease ranges from 1 to 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms,lease rentals have an escalation upto 5%.

Paper Division: The Division has leased warehouses & offices across Karnataka for operation of Paper division. The duration of lease is 3 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms.

Chit Fund Division: The Division has leased office premises across Karnataka for conducting Chit fund operation. The duration of leases ranges from 3 to 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms,lease rentals have an escalation clause upto 5% .

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020©

ROU asset Buildings

Particulars	
Gross block as on 01 April 2019	-
Impact on account of adoption of Ind AS 116 (as on 01 April 2019)	1,796.46
Additions during the year	528.19
Depreciation for the year	(656.88)
Net block as on 31 March 2020	**1,667.77**

The following is the movement in lease liabilities during the year ended 31 March 2020

Lease Liability

As on 01 April 2019	-
Impact on account of adoption of Ind AS 116 (as on 01 April 2019)	2,306.57
Finance cost accrued during the year	108.57
Payment of lease rentals	(691.40)
As on 31 March 2020	**1,723.74**
Current	**766.17**
Non-current	**957.57**

The following is the movement in lease liabilities during the year ended 31 March 2020

Lease liabilities:

The maturity analysis of lease liabilities are disclosed below:	
Future Lease Payments (Undiscounted)	
Not later than one year	739.79
Later than one year and not later than five years	1,144.59
Later than five years	1.85
Total	**1,886.23**
Future Finance Cost	(162.50)
Lease Liability	**1,723.74**

The following are the expense recognised in profit & loss	
Depreciation expense of right-of-use assets	656.88
Interest expense on lease liabilities	108.57
Expense relating to short-term leases	631.92
Expense relating to leases of low-value assets	-
Total amount recognised in profit or loss	**1,397.38**

Total expenses pertaining to leases accounted including short term leases and low value leases disclosed to assess impact of adopting Ind AS 116 to Statement of Profit and Loss :	
Rental expenses if Ind AS 116 was not adopted	1,322.09
Leases Expenses on adoption of Ind AS 116	1,397.38
Impact on Profit and loss on adoption of Ind AS 116	(75.29)
Entity as a lessor	
The Entity has followed IND AS 116 “Leases” effective from 01-04-2019 and have recognised rental income on a straight line basis for the premises let out on lease	
Minimum lease payments receivable under non-cancellable operating leases of let out premises	
Within 1 year	129.93
Later than 1 year but not later than 5 years	163.33
Later than 5 years	-

42. Related Party - Disclosure under Ind AS 24		
(i) Key management personnel		
For Mysore Sales International Limited		
	H Halappa	Chairman
	G C Prakash	Managing Director
	Mahesh Siroor	Managing Director
	H P Prakash	Managing Director
For Marketing Communication & Advertising Limited		
	Siddalingappa B.Pujari	Managing Director
	V T Venkatesh (from 31-May 2019 to 03 Sep 2020)	Managing Director
Entity having significant interest in Holding Company		
	Karnataka State Industrial & Infrastructure Development Corporation Limited	

(ii)	**Transactions with related parties are as follows**	**March 31, 2020**	**March 31, 2019**
	Managerial remuneration(*)(#)		
	Mysore Sales International Limited	42.79	21.30
	Marketing Communication and Advertising Limited	23.06	16.85
(*) As the provision for liability for gratuity and vacation pay is provided on an actuarial basis for the company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.			
(#)	Includes contribution to provident fund		
	Sales-M/s Karnataka State Industrial & Infrastructure Development Corporation Limited	**25.48**	**12.96**
	Marketing Communication and Advertising Limited		
(iii)	**Balances with related parties as on date are as follows**	**March 31, 2020**	**March 31, 2019**
	Marketing Communication and Advertising Limited		
	Trade Receivables - M/s Karnataka State Industrial & Infrastructure Development Corporation Limited	4.64	6.44
	Remuneration Payable	-	(1.84)
	Liability denoted within brackets		

43. Segment Information

Disclosures pursuant to Ind AS - 108

The parent has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM') ie the Managing Director :

a) Paper division deals in both Note Books and Stationery

b) Sale of liquor is reported under Beverages Division

c) Others include Chit operations, Consumer & Industrial Products, Pharmaceutical products, Export & Import operations and Tours & Travels.

The above business segments have been identified considering :

a) the nature of the products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed at an entity level and are not allocated to Operating segments.

The information relating to Marketing Communication and Advertising Limited and The Mysore Chrome Tanning Company Limited is reported in the column Subsidiaries.

Summary of Segment information
For the year ended March 31, 2020

Particulars	Paper	Beverages	Others/ unallocated	Subsidiaries	Total
Revenue					
External customers	6,866.42	190,744.30	4,517.51	26,814.59	228,942.82
Inter-segment	-	-	(143.88)	143.88	-
Total revenue	**6,866.42**	**190,744.30**	**4,373.63**	**26,958.47**	**228,942.82**
Segment profit	284.96	5,071.08	-1,037.92	2,542.43	6,860.55
Total assets	7,621.52	14,778.44	52,379.25	26,256.63	101,035.84
Total liabilities	4,038.30	3,054.75	27,850.81	11,174.54	46,118.40
Capital expenditure	1.66	499.10	135.44	25.86	662.06
Depreciation and amortization	38.15	538.19	919.06	33.19	1,528.59

For the year ended March 31, 2019					
Particulars	**Paper**	**Beverages**	**Others/ unallocated**	**Subsidiaries**	**Total**
Revenue					
External customers	8,392.58	168,943.03	4,646.09	26,199.32	208,181.02
Inter-segment	-	-	-34.50	34.50	-
Total revenue	**8,392.58**	**168,943.03**	**4,611.59**	**26,233.82**	**208,181.02**
Segment profit	697.83	3,914.38	-981.18	2,735.23	6,366.26
Total assets	9,119.92	15,777.56	44,397.10	23,587.81	92,882.39
Total liabilities	5,198.71	1,554.91	27,219.04	10,195.49	44,168.15
Capital expenditure	9.06	666.94	1,059.64	74.37	1,810.01
Depreciation and amortization	29.41	259.11	433.29	49.68	771.49

Adjustments and eliminations

All Other Income & Finance costs, and fair value gains and losses on certain financial assets & liabilities are not allocated to individual segments as the underlying instruments are managed at the entity level.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to individual segments as they are also managed at the entity level.

Capital expenditure consists of additions to Property, plant and equipment and intangible assets.

Reconciliations to amounts reflected in the financial statements

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Reconciliation of profit		
Segment profit	6,860.55	6,366.26
Finance costs	229.94	153.94
Profit before tax	6,630.61	6,212.32
Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Reconciliation of assets		
Paper	7,621.52	9,119.92
Beverages	14,778.44	15,777.56
Un-allocated	52,379.25	44,397.10
Subsidiaries	26,256.63	23,587.81
Total	**101,035.84**	**92,882.39**
Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Reconciliation of liabilities		
Paper	4,038.30	5,198.71
Beverages	3,054.75	1,554.91
Un-allocated/Others	27,850.81	27,219.04
Subsidiaries	11,174.54	10,195.49
Total	**46,118.40**	**44,168.15**

44. CONTINGENT LIABILITIES AND COMMITMENTS

1 In Respect of Mysore Sales International Limited

(All amounts are in Rupees unless otherwise specified)

SL.No	Particulars	2019-2020	2018-19
i	Guarantees / Counter Guarantees given by the Company to Banks	3,766.46	3,948.15
ii	Insurance Claim on Fire Policy –pending cases	207.73	207.73
	Insurance Claim on Fire Policy –decreed cases	488.70	488.70
	Interest on Insurance Claim	564.58	526.08
iii	Claim made by party in the business of Iron ore Export (including interest)	1,686.58	1,570.20
iv	Claims made by Directorate of Pension, Small savings Asset Monitoring	4,609.86	4,609.86
v	Claim against lease of windmill by Wescare (India) Limited	119.23	119.23
vi	Income Tax Demands	628.85	628.85
vii	Service Tax Demands	176.76	176.76

The above amounts have not been provided as the Company has disputed the claims.

a Bank Guarantee has been given for the demand relating to TCS on Arrack of Rs. 3617.49 lakhs and for other business matters of Rs. 148.97 lakhs.

b "Certain Insurance Companies who had settled the claims of their customers on account of fire accident at BAAC owned by company during 2001, have filed several suits against the Company for recovery of claims settled by them under the principles of subrogation. The Company had contested the claims in the City Civil Courts. Agrrieved by the order of the lower courts the company had approached the Hounourable Supreme Court against the High Court Order. The Honourable SC had directed vide its order dated 6 Nov 2009 that all the parties concerned being Government agencies they should discuss mutually and settle the matter amicably.

Few cases are still sub judice.

Since in the past on similar matter the lower courts had applied the same rationale of the High Court that the company and Dept of Customs are jointly and severally liable for settlement of the insurance claim, the company has provided for 25% of the liabilitiy of Rs. 1404.38 lakhs (PY Rs. 1353.05 lakhs) including interest capitalised at 6% in the books and the balance amount of Rs. 1261.02 lakhs is reported in the table above for both the decreed and non decreed cases as the share of settlement for recovery from the companies insurer and the Department of Customs are not arrived at. The Company has insured the acrgo lying in BAAC warehouse at the rate of USD 20 per KG as per trade circular issued by the Department of Customs."

c "The Company had entered into an agreement to export iron ore to China with Fe content of 52%. As the commitement was not honoured by the company the buyer went for arbitration. An arbitration committee that was formed as per the agreement had passed an award against the company for USD 18,80,851 apart from an interest payable @ 5 %. USD 67,473 is rdue from the overseas buyer. The claim agaist the Company is Rs. 1686.58 lakhs including interest is reported in the table above. The Claims of the overseas buyer in respect of expenses incurred in China and liability under FEMA are not considered here.

The arbitration award was contested by the Company and it had filed a case in the High Court of Karnataka.

In the light of irregularities reported by the Committee on Public Undertakings of the Karnataka Legislative Assembly in the above transactions, the Company has filed criminal complaint in the jurisdictional police station and the police are investigating the case. In respect of these criminal complaint police have framed the charge sheet and filed the case before the Magistrate Court, Bengaluru."

d **Directorate of Small Savings:** A letter dated 20 June 2019 was received from the Directorate of Pension, Small Savings Asset Monitoring towards short remittance of sale proceeds of lottery and interest on delayed remittance, amounting to Rs. 46,09,86,366 drawing reference to their earlier letter no Pr.AG(G&SSA)/ OAD - 111 / G / 2016-17 / 103 dated 31 March 2017. However the company vide its letter dated 18th October 2016 had communicated that it had earlier remitted a sum of Rs. 3,52,60,961 on 17 October 2016 towards full and final settlement of all dues and that no payment is due from the company on this subject. The letter of the company has been acknowledged by the Directorate of Small Savings.

However, the amount demanded is reported under Contingent Liability since the claim is from a Government Department.

e A claim was made by M/s Wescare (India) Limited a lessee which was disputed by the company. The matter was referred to an arbitration panel and an award was passed for Rs. 119.23 lakhs (PY : Rs. 119.23 lakhs) against the Company. The Company has filed a case against the arbitration award in the year 2015-16 and the matter is subjudice in the High Court of Madras.This amount is disclosed under contingent liability.

f. As per the Income Tax Department's Order, the following are the tax demands :

	Asst Year	Amount (In Rs. lakhs)	Remarks
	2010-11	342.45	ITAT has remanded the matter to CIT (A) for fresh consideration
	2015-16	18.65	IT Department has filed an appeal against the CIT Order - allowance of Leave Salary
	2016-17	226.40	Appeal is pending with CIT (A)
	2017-18	41.35	Appeal is pending with CIT (A)
	TOTAL	**628.85**	

g. Service Tax

Company has deposited Rs. 91.24 lakhs against these dues. The balance amount of Rs. 176.76 lakhs is shown under.

Contractual Commitments

Capital work in progress is Rs. 146.17 lakhs. (PY NIL).

Particulars	Commitment	CWIP
Gulbarga Warehouse	327.14	161.16
Software purchase	32.00	-
	359.14	**161.16**

Other Notes :

h The Company has entered into Joint Working Agreements [JWA] with HAL & CONCOR to carry out air cargo business. MSIL & CONCOR had withdrawn from JWA with effect from 31 March 2014 and 15 January 2011 respectively. An amount of Rs 152.56 lakhs is due from HAL.

i Company has also entered into a business arrangement with ESSPL for leasing solar water heaters to non-domestic sector.

Share of income / (-) loss for current year from joint working agreements are

Particulars	Income for 2019-20	Income for 2018-19
ESSPL	0.39	0.29

j The Company had entered into Hire Purchase agreement with government employees (Hirers) for supply of vehicles.

k Balances in the accounts of sundry creditors, sundry debtors, business associates including joint working arrangements and advances/deposits are subject to confirmation and reconciliation. Consequential impact of such reconciliation and confirmation, if any, on the net profit and on the assets/liabilities is not ascertainable.

l Other liabilities include Rs. 2104.63 lakhs (Rs. 2104.63 lakhs) of advances received from various Government departments in respect of contract to supply imported cement.

m “Honourable Supreme Court, vide order dated 13 February 2003 had ordered for the appointment of an Authorised Officer to quantify the commission due to MSIL from Mysore Breweries. The decision of the Authorised Officer to pay Rs 2518 lakhs was disputed by Mysore Breweries and the matter is subjudice.

The Company has preferred an appeal before the City Civil Court for recovery of the commission. This case is also subjudice.”

n Government Grants

During the currnet year the Company has opened 6 Jan Aushadi outlets [PY :3] which are eligible for Government grants.

o GST recoverable - Liquor Division

An amout of Rs.597.40 lakhs is included under Other Assets Note no 8 being the GST paid on License fees by the Liquor Division.

p The Company is in possession of 16 numbers of art paintings the value of which is not ascertained.

2 Wholly owned subsidiary-Mysore Communication and Advertising Limited

a The Company has preferred a Special Leave Petition before the Hon’ble Supreme Court [Civil Appeal No (s). 9320/2010] against the Order of the Hon’ble High Court of Karnataka upholding the Labour Court’s decision directing the reinstatement of an erstwhile employee late Mr.H S Hanumanthaiah with 25% back wages from 23-Jul-1984. During the year the Supreme Court of India vide order dated 12-Oct-2017 has opined that there is no merit in the matter. In addition the appeal against the respondent was abated. Consequently, the appeal stands dismissed as abated. The Company sought opinion from the Advocate regarding further course of action to be taken by the Company as per the Order of the Hon'ble Supreme Court of India. The Advocate has opined that the special leave petition has been disposed of recording the fact that the respondent has died during the pendency of the appeal. If and when any claim is made on his behalf, by his legal representatives or survivors, at the stage, further opinion may be sought as to the course of action to be pursued in the matter. A copy of the opinion is enclosed herewith for your kind reference. Till now, Company has not received any claim from his legal representatives or survivors.

b The Company had debited Business Development Cost at 8% of its turnover from Financial year 1997-98 to 2003-04 against specific Government Orders [Govt.Order No.CI29 CMI 2000[PUC]. However from Finanicial year 2004-05 to 2017-18, no specific Government Orders were received by the Company and hence the same was not provided. In the Financial year 2016-17, the Company has requested to the Government of Karnataka [GOK] to consider Business Development Cost at 10% of the Net profit from financial year 2002-03 to 2015-16 and the order from Goverment of Karnataka in awaited.

c On 28.05.2019, Company received a Legal Notice from the Advocate V. B. Shivakumar on behalf his Client M/s Monuments Advertisers Pvt., Ltd., for payment of Rs. 57.18240/- lakhs. In the said legal notice, a copy of the Order dated 24.04.2019 of the Hon'ble High Court of Karnataka passed in Writ Petition No.478887/2018. The said Writ Petition was filed by the Managing Director, M/s. Monuments Advertisers Pvt., Ltd., against the State of Karnataka, The Managing Director, Karnataka Udyoga Mitra and the Managing Director, Marketing Communications & Advertising limited for recovery of Rs. Rs. 57.18240/- lakhs. In the said Order, the court has directed the Company to consider and decide the claim of the Petitioner with regard to amount of Rs.57.18200/- lakhs by speaking order within a period of two months from the date of receipt of the certified copy of the order. But Company did not receive the order either from the Court or the Government Advocate. Further it is to bring to your kind notice that the Company did not receive the court notice for appearance or submission of objections. It is observed from the Order of the court that the Court felt that it is not necessary to issue notice to respondent Karnataka Udyoga Mitra and Marketing Communications & Advertising limited.The Company has sent a reply to the Legal notice denying the liability until the payment is received from Karnataka Udyoga Mitra as Company did not issued the work order for execution of the said work.

d The Company has the following Income Tax demands pending for various Financial Years i.e., for Rs. 14.11 lakhs (2001-2002), Rs. 0.64 lakhs (2003-2004), Rs. 0.60 lakhs (2004-2005), Rs. 26.38 lakhs (2005-2006), Rs. 14.18 lakhs (2007-2008), Rs. 0.24 lakhs (2008-2009), Rs.1.57 lakhs (2008-2009), Rs.2.85 lakhs (2012-2013), Rs. 0.38 lakhs (2014-2015), Rs. 0.07 lakhs (2015-2016), Rs. 0.15 lakhs (2016-2017), Rs. 0.86 lakhs (2017-2018), Rs. 3.95 lakhs (2018-2019)

e Bank Guarantees Rs. 78.79 lakhs (2019: Rs. 104.78 lakhs) are guarantees issued by bank to Prasara Bharathi, South Western Railways Hubli, Department of Horticulture, Karnataka Road Development Corporation, New Mangalore Port Trust, PWD Mysore Dasara towards business for which the Company is contingently liable. These guarantees are issued against the pledge of Bank Deposits worth Rs. 78.79 lakhs.

3 Subsidiary- The Mysore Chrome Tanning Company Limited

a As the Deputy Commissioner of Income Tax (Assessment), Special Range-4, Bengaluru has gone on an appeal to the Hon'ble High Court, Bangalore against the orders of Income Tax Appellate Tribunal, Bangalore for the assessment year 1990-1991, there is a contingent liability of Rs. 10,519 (Rs. 10,519/-) towards the additional income tax.

b Interest accrued on loans from MSIL, KSIIDC and Government of Karnataka has not been acknowledged as debt from April 1999 and therefore has not been recognized as a liability in the Balance Sheet. The Company has approached them for waiver. The liability understated is to the extent of Rs. 1,26,65,314/- (Rs. 1,21,17,203/-).

45 Notes on Other Matters

1 Subsidiary - The Mysore Chrome Tanning Company Limited

a The Government of Karnataka in its order No. CI47 CIS 91(ii) Bangalore dated 31st October 1991 has ordered for closure of the Company. Modalities are being worked out by the Company in consultation with the Government.

b Legal proceedings have been initiated for recovery of compensation amount from Bangalore Development Authority, Bangalore, on land for an area of 5,777 Sq. Yds acquired for road purpose.

c Rs. 10,00,000/- received from Government of Karnataka during the year 1985- 86 under Special Component Plan has been shown under current liabilities, as the Government has not specified any repayment terms thereto. No interest provision has been made on the same.

d Secured and unsecured loans under Non-current liabilities & Current Liabilities and Short-term advance under Current assets are subject to confirmation.

2 Wholly Owned Subsidiary -Marketing Communication and Advertising Limited

a Balance of trade receivables and trade payables along with the below mentioned accounts have not been confirmed from the counter parties. The financial impact of this noncompliance, if any, could not be determined.

The Position of total balances, confirmed balances and percentages of unconfirmed balances are given below:

Sl.No	Particulars	% of Unconfirmed amount
1	Trade Receivables	100%
2	Trade Advances	100%
3	Trade Payables	100%
4	Advance from Customers	100%

b Vide Board meeting dated June 18, 2019, noted over due collection of Rs. Rs.39.29 lakhs by Mr.M.S.Patil, the branch Manager, Vijayapura from the client Public Works, Ports and Inland Water Transport Department, Vijayapura. Accordingly, FIR had been registered with the Jalanagar police station, Vijayapura on 30.5.2019. During the year the said FIR has been withdrawn consequent ot the recovery of Rs. 39.29 lakhs .However as informed the departmental enquiry intiated through public servant(Retired Judge) is yet to be disposed.

c **Charging of Business Development Cost :**

The Company has neither charged nor provided for Business Development Cost for the year under audit as there was no Government Order to that effect. The last Government Order received on 29-Apr-2004 for the financial year ended 31-March-2004. Hence no Business Development Cost was charged from financial year 2004-05 onwards. Thus for the year under Audit, the Company has not changed its earlier stand.

d Balances in the accounts of Trade Payables, Trade Recievables, advances/deposits are subject to reconciliation and Confirmation. Consequent impact of such reconciliation and confirmation, if any, on the net profit and on assets/liabilities is not ascertainable.

45(a) MYSORE SALES INTERNATIONAL LIMITED

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(All amounts in Rs Lakhs, unless otherwise mentioned)

Name of the Entity	Net Assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit and loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Mysore Sales International Limited	72.78%	39,996.46	61.40%	2,511.16	98.82%	114.69	62.44%	2,625.85
Subsidiaries								
Marketing Communication & Advertising Limited	28.84%	15,850.08	39.80%	1,627.52	1.18%	1.37	38.73%	1,628.88
The Mysore Chrome Tanning Company Limited	-1.40%	(767.97)	0.11%	4.39	-	-	0.10%	4.39
Sub total FYE 2020	**100.22%**	**55,078.56**	**101.31%**	**4,143.07**	**100.00%**	**116.06**	**101.27%**	**4,259.13**
Non Controlling Interest	-0.07%	(37.64)	0.01%	0.22	0.00%	-	0.01%	0.22
Investment in Associates (Equity Method)	0.80%	441.33	-0.03%	(1.08)	0.00%	-	-0.03%	(1.08)
Adjustment arising out of consolidation	-0.96%	(527.18)	-1.29%	(52.69)	0.00%	-	-1.25%	(52.69)
Total FYE 2020	**100.00%**	**54,955.08**	**100.00%**	**4,089.52**	**100.00%**	**116.06**	**100.00%**	**4,205.58**

46 Impact of COVID- 2019

The Group has considered the possible impact of COVID-19 on the carrying value of assets using the internal and external sources of information to assess the expected future performance of the Company. The Group expects that the carrying amount of assets reported in the balance sheet as of 31 March 2020 are fully recoverable. The management has also estimated the future cash flows with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realizing its assets and meeting its liabilities as and when they fall due, therefore there is no impact on the going concern assumption.

47 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these financial statements.

48 The previous year figures have been reclassified to conform to the current year's classifications, wherever necessary.

As per our Report of Even date

For Abarna & Ananthan
CHARTERED ACCOUNTANTS
Firm registration number: 000003S
Sd/-
(R.Ramalingam)
PARTNER
Membership No : 023253

For and on behalf of the Board of Directors of
Mysore Sales International Limited

Sd/-	Sd/-
H.P.Prakash	**C. Channadevaru**
Managing Director	Director
DIN No: 06688928	DIN No: 08601746
Sd/-	Sd/-
Subramanya	**Sridevi B N**
Chief Financial Officer	Company Secretary

Place: Bengaluru
Date:24.12.2020

Form No. MGT-11

Proxy Form

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

CIN: U85110KA1966SGC001612

Name of the Company: Mysore Sales International Limited
Registered office: 'MSIL House', No.36, Cunningham Road, Bengaluru – 560 052

Name of the Member (s):
Registered address:
E-Mail ID:
Folio No/Client ID:
DP ID:

I/ We being the member of …………, holding…..shares, hereby appoint

1. Name: …………….
   Address: …………….
   E-mail Id: …………….

Signature: ……….., or failing him

2. Name: …………….
   Address: …………….
   E-mail Id: …………….

Signature: ………..,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of Mysore Sales International Limited, to be held on Thursday, the December 31, 2020 at Registered Office, MSIL House, No. 36, Cunningham Road, Bengaluru - 560 052 at 4.30 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1 to 3

Signed this ….. day of…… 20….

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

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

Mysore Sales International Limited

MSIL House, 36, Cunningham Road, Bengaluru– 560 052

ATTENDANCE SLIP

(54th General Meeting of the Company to be held on Thursday, December 31, 2020 at 4.30 P.M)

Name of the Shareholder: ……………………………………………………………………………...........……………

Regd. Folio No.: ………………………………………………………………………………………...........……………..

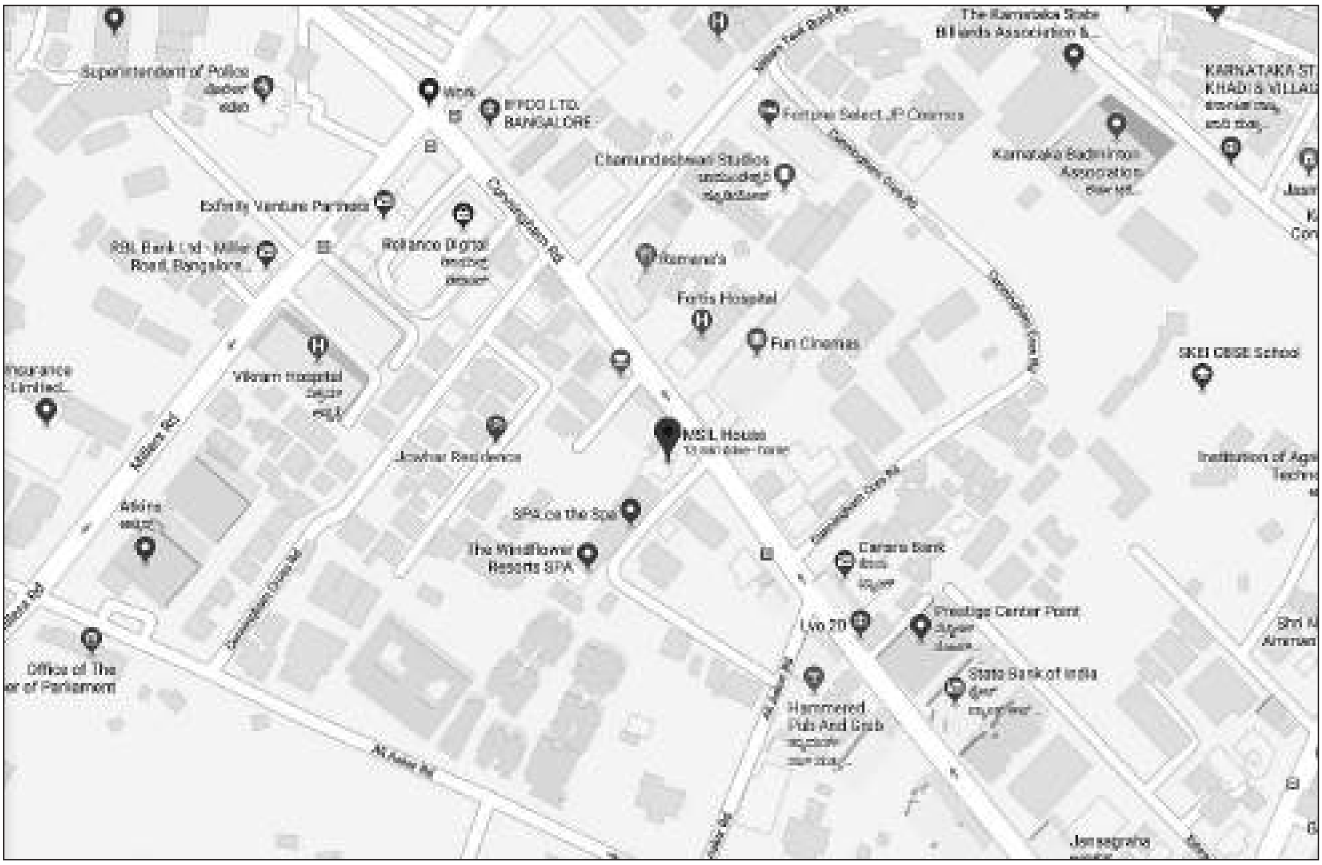
No. of Shares held: …………………………………………………………………………………...........……………

Note: Shareholder / Proxy must hand over the duly signed attendance slip at the venue.

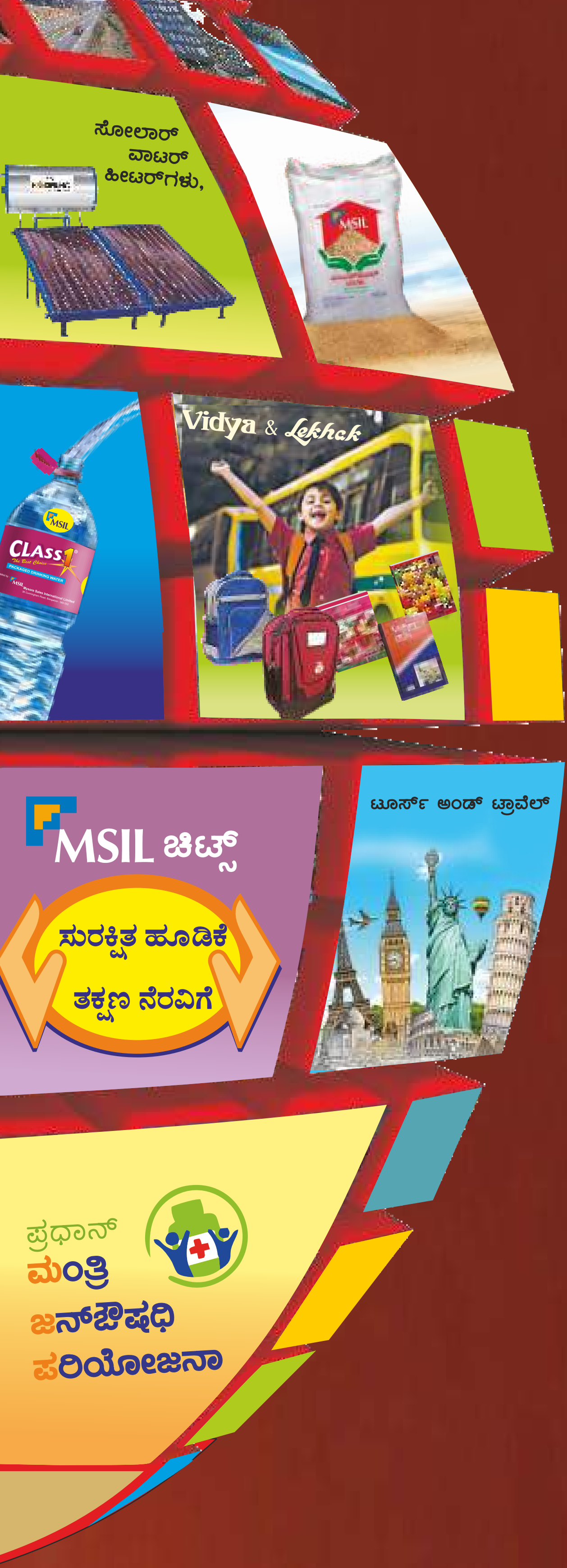
Signature of Shareholder / Proxy

54th General Meeting of the Company to be held on December 31, 2020 at 4.30 P.M.
at the Register Office: MSIL House, 36, Cunningham Road, Bengaluru - 560 052

ROUTE MAP



By order of the Board
For Mysore Sales International Limited
Sridevi B.N.
Company Secretary



MSIL

Mysore Sales International Limited

(A Government of Karnataka Undertaking)

MSIL House, 36, Cunningham Road, Bengaluru - 560 052

Phone: 080-2226 4021 / 25 Fax: 080-2225 3311

e-Mail: msil@msilonline.com Website: www.msilonline.com