
# 57th ANNUAL REPORT 2022-23

MSIL

**Mysore Sales International Limited**

(A Government of Karnataka Undertaking)

Mysore Sales International Limited
BENGALURU

## CONTENTS

MSIL

## BOARD OF DIRECTORS

| Sl. No. | Name of the Director | |
|---|---|---|
| 1 | Shri. H Halappa | Chairman |
| 2 | Shri. Vikash Kumar Vikash, IPS | Managing Director |
| 3 | Dr. J. Ravishankar, IAS | Director |
| 4 | Dr. M R Ravi, IAS | Director |
| 5 | Smt. Gunjan Krishna, IAS | Director |
| 6 | Shri Nitish. K, IAS | Director |
| 7 | Shri. R. Ramesh. | Director |
| 8 | Shri Venkatesh Naidu | Director |
| 9 | Shri. C Channadevaru | Director |
| 10 | Shri. Shivaji ShivarayDollin | Director |
| 11 | Shri. AndappaJavali | Director |
| 12 | Shri. TotappaNagappaNidagundi | Director |
| 13 | Dr. R D Satish | Director |
| 14 | Shri. Ningappa | Director |
| 15 | Shri Shashidhar B Honnannavar | Director |

| | |
|---|---|
| Shri A. M. Chandrappa | 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** : Bank of Baroda, Canara Bank, State Bank of India, HDFC Bank

**AUDITORS** : **M/s. BSD & CO,** Chartered Accountants

## Mysore Sales International Limited
**MSIL HOUSE, 36 CUNNINGHAM ROAD,**
**BENGALURU - 560 052**
**CIN: U85110KA1966SGC001612**


# NOTICE

**NOTICE** is hereby given that the Fifty-seventh Annual General Meeting of the Members of Mysore Sales International Limited will be held on Friday, December 29, 2023 at 12.00 noon atInvest Karnataka Forum Meeting Hall, Khanija Bhavan, 3rd Floor, East Wing, # 49, R.C. Road, Bengaluru -560 001 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, 2023, (including the consolidated financial statements) and reports of the Board of Directors 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.42.77 perequity share for the financial year ended March 31, 2023.

**Item No.3 –** To consider fixation of remuneration for the year ending on March 31, 2024 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 Sorab Engineer &Co, (BO0036) Chartered Accountants, Bengaluru as the Statutory Auditors of the Company for the financial year 2023-2024, be and is hereby noted the appointment of the Statutory Auditors 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."

## SPECIAL BUSINESS :

**Item No.4 -** To consider, ratify and approve the contribution of Rs. 3.00 Crore to Chief Minister's Relief Fund and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 181and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with applicable rules made thereunder and pursuant to the Letter No.CM/1025/ (P)/CMRF/2019 dated 29.08.2022 received from the Principal Secretary to Hon'ble Chief Minister, Government of Karnataka, the consent of the members be and is hereby accorded, ratified and approved the contribution of Rs.3.00 crores made to the Chief Ministers' Relief Fund for the Financial Year 2022-23.

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

Place: Bengaluru
Date: 26.12.2023

## 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. 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.

3. The Company being a Government Company, theComptroller & Auditor General of India has appointed the Statutory Auditors of the Company for the year 2023-24 under Section 139 (5) of the Companies Act, 2013.

4. 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.

5. Consent of all shareholders obtained for shorter notice.

6. 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: 26.12.2023

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

**Item No.4:** The Company has received the Letter No.CM/1025/ (P)/CMRF/2019 dated 29.08.2022 received from the Principal Secretary to Hon'ble Chief Minister, Government of Karnataka, requesting the Company to contribute funds to the Chief Ministers Relief Fund which has been established to provide financial assistance to people belonging to the economically weaker sections of the society suffering from various serious ailments such as cancer, Heart & Kidney problem, mental illness related health problems across the State. In this regard, the Board of Directors of the Company, at its Meeting held on Tuesday, March 21, 2003 proposed to the shareholders to approve to contribute a aim of Rs.3.00 crores to the said Fund.

According to the provisions of Section 181 of the Companies Act, 2013, if the aggregate amount to be contributed in a Financial Year by the Company to Bona Fide and Charitable Funds exceeds five per cent of its average net profits for the three immediately preceding financial years, it is required to obtain the consent of the members of the Company at a duly constituted General Meeting prior to contribution of the amount to the Chief Minions Relief Fund.

In consideration of the above, since the proposed amount of Rs.3.00 crores exceeds five percent of its average net profits for the three immediately preceding financial years, the Board of the Company is hereby place the subject matter relating to contribution of the said amount to the Chief Ministers' Relief Fund before the members

The Board recommends the passing of resolutions mentioned in Agenda No.4 by way of an Ordinary Resolution.

None of the Promoters, Directors, Manager and Key Managerial Person or any of the relative of the aforesaid person of the Company are directly or indirectly concerned or interested in this resolution, except to the extent of their shareholding, if any.

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

Place: Bengaluru
Date: 26.12.2023

## Mysore Sales International Limited

MSIL HOUSE, 36 CUNNINGHAM ROAD,
BENGALURU - 560 052

CIN: U85110KA1966SGC001612

# NOTICE OF THE ADJOURNED ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Fifty-seventh Annual General Meeting of the Members of Mysore Sales International Limited, adjourned sine die from December 29, 2023 will be held on Monday, the 22nd January 2024 at 03.30 p.m. at Invest Karnataka Forum Meeting Hall, Khanija Bhavan, 3rd Floor, East Wing, # 49, R.C. Road, Bengaluru -560 001to transact the following business at shorter notice.

## ORDINARY BUSINESS:

**Item No.1 – Adoption of financial statements:** To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2023and reports of the Board of Directors 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.42.77 perequity share for the financial year ended March 31, 2023.

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

Place: Bengaluru
Date: 19.01.2024

## NOTE REGARDING ADJOURNED ANNUAL GENERAL MEETING:

1. The Standalone and Consolidated Financial Statements for the year ended March 31, 2023 could not be considered by the members of the 57th Annual General Meeting originally held on December 29th, 2023, since the comments of the Comptroller and Auditor General (C&AG) on the Standalone and Consolidated Audited Financial Statements in terms of the provision of Section 143 (6) of Companies Act, 2013 were not received.

At the said meeting, after considering all other agenda items, the members resolved to adjourn the meeting sine die to be reconvened after receipt of the comments of the C&AG.

The 'NIL' comments of the C&AG on the Standalone and Consolidated Financial Statements have since been received and a copy of the same are enclosed. Now the adjourned 57th Annual General Meeting is being re-convened to consider the Agenda item regarding (i) adoption of Standalone and Consolidated Financial Statements, containing Balance Sheet as at March 31, 2023, Statement of Profit and Loss and Cash Flow Statement together with the Report of the Board, Auditors Report & Comments of the Auditors and Comptroller & Auditor General of India thereon and reply of the management thereto and (ii) to declare dividend on equity shares.

The Annual Report for the year containing the Standalone & Consolidated Financial Statement and other statutory annexure required to be laid before the members at the Annual General Meeting have been sent to the members and others entitled to receive the same.

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

Place: Bengaluru<br>
Date:19.01.2024

**OTHER 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. 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.

3. 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.

4. Consent of all shareholders obtained for shorter notice.

5. 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: 19.01.2024

# About us

Mysore Sales International Limited, popularly known as (MSIL) is a marketing organization formed in 1966 to meet the marketing needs of Karnataka. Since then, the company has grown from strength to strength, to emerge as a dynamic marketing force with a national presence and international reach.

A keen sense of business acumen, trade experience, managerial effectiveness and credibility are a few of the hallmarks of this marketing giant and its ability to manage a diverse range of products and services through innovative marketing strategies is the secret of its success. In a business where the prime motivator is people, MSIL has developed flexibility in its thinking and management, enabling it to tackle every fresh challenge with an innovative approach. To stay in rhythm with the changing tastes and values.

MSIL is a multi divisional marketing organization and the main core of business of the Company at present is, Retail Liquor operations, Chit Fund business and marketing of notebooks and stationery in the State of Karnataka. The Company has got a net work of branches in all the major District Headquarters in the state of Karnataka and two branches outside Karnataka viz., New Delhi and Mumbai. The Company is nearing to achieve a turnover of Rs. 3179.78 crore during the current financial year, as against the previous year's turnover of Rs.2899.47 crores, showing a growth of 10%

| **The Division wise turnover is as follows:-** | | | | **(Rs. In lakhs)** |
|---|---|---|---|---|
| **Sl. No** | **Divisions** | **2022-23** | **2021-22** | **% of growth** |
| 1 | Beverages | 266072.84 | 239978.17 | 11 |
| 2 | Chit Fund | 36367.61 | 30552.77 | 19 |
| 3 | Paper | 9984.71 | 7986.09 | 25 |
| 4 | Consumer Products | 659.05 | 842.49 | - |
| 5 | Industrial Products | 1988.27 | 9164.03 | - |
| 6 | Tours & Travels | 1464.10 | 355.04 | 312 |
| 7 | Imported Sand | - | 2.12 | - |
| 8 | Pharmacy | 1441.75 | 1066.71 | 35 |
| | | **317978.33** | **289947.42** | **10** |

# DIRECTORS' REPORT

To,

The Members,

We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2023.

**1. Financial Highlights:**

During the year under review, performance of your company was as under:

**(Rs. in lakhs)**

| PARITCULARS | 2022-23 | 2021-22 |
|---|---|---|
| Turnover | 317978.33 | 289947.42 |
| Profit/Loss before interest, depreciation & taxes | 9915.52 | 10586.71 |
| Interest | 4.62 | 39.23 |
| Depreciation | 1243.47 | 1062.92 |
| Depreciation - ROU | 590.97 | 698.99 |
| Profit/(Loss) before Tax | 8076.46 | 8785.56 |
| Provision for taxation<br>- Current<br>- Earlier years<br>- Deferred | <br>2019.71<br>35.28<br>(65.72) | <br>1950.00<br>---<br>(308.94) |
| Profit/(Loss) after Tax | 6087.19 | 7144.50 |
| Other comprehensive Income / (Loss) | (5.70) | (495.14) |
| **Net profit for the year** | **6092.89** | **6649.36** |
| Previous year's balance in Profit & Loss Account | 31122.36 | 24473.00 |
| **Balance carried to Balance sheet** | **37215.25** | **31122.36** |

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

**(Rs. in lakhs)**

| DIVISION | 2022-23 | 2021-22 |
|---|---|---|
| 1. Beverages | 266072.84 | 239978.17 |
| 2. Chit Funds | 36367.61 | 30552.77 |
| 3. Paper | 9984.71 | 7986.09 |
| 4. Consumer Products | 659.05 | 842.49 |
| 5. Industrial Products | 1988.27 | 9164.03 |
| 6. Tours & Travels | 1464.10 | 355.04 |
| 7. Imported Sand | - | 2.12 |
| 8. Pharmacy | 1441.75 | 1066.71 |
| **TOTAL** | **317978.33** | **289947.42** |

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:** Government of Karnataka entrusted MSIL, with the responsibility of opening 463 CL-11(C) liquor retail outlets in the year 2009. In addition to this, the Government had sanctioned another 900 CL-11(C) liquor retail outlets during the year 2016 to be opened in all Assembly Constituencies. Accordingly, the Division has taken all the necessary measures to open the sanctioned liquor retail outlets across Karnataka in coordination with the Excise Department.

A total of 444 licenses under 463 quota and 626 licenses under 900 quota have been received as on 31st March, 2023. In total, 1015 outlets are under operation which are spread all over Karnataka. MSIL liquor retail outlets are now spread 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.

Subsequently, the Beverages Division has achieved a turnover of Rs.266072.84 Lakhs against the budgeted turnover of Rs.275025.00 Lakhs in the Financial year 2022-23 as compared to previous year's turnover of Rs.239978.17 Lakhs. The Division would continue to put its best efforts to open the remaining outlets under both 463 and 900 quotas at the earliest possible time.

(ii) **Chit Funds Division:** The Chit Fund Division achieved a turnover of Rs.36367.61 lakhs for the year 2022-23 as against actual turnover of Rs.30552.77 lakhs achieved during the previous year 2021-22. There is a significant increase of about Rs.5814.83 lakshs in the turnover compared to previous year, an increase of 19.03% in percentage terms.

The Chit Fund Division is successfully running

## DIRECTORS' REPORT (continued)

with profits since inception of business and having an ambitious plan of action to scale up the Chit Fund Business by opening new branches in every District, major towns and talukas of Karnataka. As a preliminary step, the company took steps for recruitment of permanent staff through Karnataka Examination Authority.

The Chit Fund Division also taken measures to install contemporary proven and user friendly system software to achieve the maximization of business.

(iii) **Paper & Stationery Division:** The Paper & Stationery Division has achieved a turnover of Rs. 9984.71 lakhs during the year under review as against the Budgeted Turnover of Rs. 8100.25 lakhs thereby registering a growth of about 23%.

Presently Division's turnover is predominantly a Government sector with very little contribution from private marker Absence of adequate full force over the years he reduced our share in the Private market to bare minimum. Despite all the hurdles, the Division has witnessed turnover growth during the year under review by utilizing the services of Business Associates which is an encouraging sign. Division is planning to focus on effectively covering all the Govt. Departments since many of them remain untapped. Besides this, efforts will be put to promote "Vidya" and "Lekhak" brands in the private market and schools/colleges/institutions by undertaking creative publicity campaign and appointing channel partners / franchises.

(iv) **Consumer Products Division:** The Division has achieved a turnover of Rs. 659.05 Lakhs during the year 2022-23. In order to revive the business, the division is in the process of strengthening its product line to tie-up with leading manufacturers. The division has marketed several products in the FY 2022-23 such as Agro based products. Metal suggestion box, Total Detergent bar, etc. The division is in the process of finalizing the tie up with the supplier of Sandalwood oil and allied products.

The Division has received an order from DS group for supply of arecanuts for a sum of Rs.2 crore which is under process.

The division is looking into the viability of marketing electric scooters, Sanitary napkins, A4 copier sheets, Bio degradable products such as hand covers, trash bags, etc., which is in the pipeline.

(v) **Industrial Products Division:** The division has achieved a turnover of Rs. 1988.27 lakhs during the year under review as against the budgeted turnover of Rs.9300.00 lakhs. The Division is mainly focusing on marketing of solar products to Govt. Departments through exemption granted under Section 4 (g) of KTPP Act. There is a shortfall in turnover during the year under review since the said exemption has not been renewed after its expiry in December 2022 due to which division could not do any business during last four months of the financial year. There are plans to diversify the activities by strengthening the product line which is expected to help in achieving the targeted business in the coming days.

(vi) **Tours and Travels Division:** MSIL T&T Division is an IATA accredited travel agency (IATA No.1435229). During the year 2022-23, the Division has achieved Rs.1464.10 lakhs as against the turnover of Rs.355.04 lakhs during 2021-22. Indian Council of Cultural Relations (ICCR) & Institute of Secretariat Training & Management (ISTM) both Central Government organizations are our regular customer and has been booking package tours for their officials through MSIL T&T. Further, Government of Karnataka has issued circular to purchase air ticket and package tours through MSIL for the official travel needs which is also playing a role in the turnover of the Division. Some of our valued customers are IAS Officers, Additional Director General of Police, ADGP Intelligence, BBMP, Child Right Commission, Director Backward Classes, Commerce & Industries Department, Institute of Health & Family

## DIRECTORS' REPORT (continued)

Welfare, DPAR, Karnataka State Legal Service Authority, KSIIDC, High Court Judges and other dignitaries of the Government of Karnataka.

(vii) **Hire Purchase Division:** The Company stopped Hire Purchase operations during the year 2008-09. The Hire Purchase operation was conducted on Microsoft Access Program software. As at 2022-23, the balance outstanding amount to be collected is Rs.296.76 Lakhs from the defaulting Hirers. The Software Employed for Conducting HP operations also became unstable and slow due to which it is rendered unreliable and useless. The Hirers who were coming on their own to pay their dues also dwindled over a period of time.

In the above circumstance, a “Special Audit” was conducted by entrusting the work on 12.10.2022. A legal opinion from the advocate was also obtained on 12.09.2023.

The “Special Audit” has recommended to write-off bad debts to the extent of Rs.298.43 Lakhs as there will not be any impact on the “financials” and to avail the tax benefit. Collections in subsequent years can be considered as revenue from discontinued operations which is taxable.

The Division also held similar views earlier on the subject and endorsing the aforesaid Auditor's recommendations, the matter is being submitted before the ensuing Board Meeting to write-off bad debts amounting to Rs.296.76 Lakhs of HP Division.

(viii) **Pharma Division:** Pharma division has achieved a turnover of Rs.1441.75 lakhs during 2022-23 as against a turnover of Rs.1066.71 lakhs during 2021-22. The division has opened 88 outlets under the Pradhan Mantri Bharatiya Janaushadi Kendra at Government Taluk / District hospitals across Karnataka. The division also opened a new outlet at Corporate Office, Bengaluru. The division also implimented a new software “Pharma Software” for usage by the pharmacists. All the pharmacists generate bill using pharma software which can be viewed at the Corporate Office also. Sales indents are generated using this software and inventory position outlet wise and date wise is available under the software.

(ix) **Imported Sand:** The business of Import and Trading of Natural River Sand, the Company has achieved a total turnover of Rs. 381.66 lakhs for the year 2017-18 to 2019-20 for having sold a quantity of 14,759 MTs. While on the above, due to covid pandemic crisis, the interstate movement of imported sand from Krishnapatnam Port Company Ltd, (A.P) to Bangalore was restricted during the year 2020-21. Further, the sale forecast of imported sand could not materialize due to economic slowdown in the construction industry. Hence, the authorized C&F distribution agent and dealer could not remit any payment and lift the sand from the port during 2020-21.

Meanwhile Poseidon FZE is taken over by Poseidon FZC and the agreement to be entered with the said party is due.

### 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 2022-2023, the Company has proposed to declare dividend of 30% of the Company's profit after tax i.e. Rs.42.77 per equity share, which is payable to Government of Karnataka and KSIIDC for a sum of Rs.18,27,86,745/- if approved by the members in the ensuing Annual General Meeting.

### 5. Reserves

The reserve of the Company for the financial year 2022-23 and the previous year are as follows:

**(Rs. in lakhs)**

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| General Reserve | 31122.35 | 24473.00 |
| Surplus in Statement of Profit and Loss | 6092.90 | 6649.35 |

# DIRECTORS' REPORT (continued)

## 6. Share Capital

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

## 7. Particulars of Loans, Guarantees or investments U/s 186

The particular of loans, guarantees or vestments u/s 100 for the year no loan outstanding in the name of the Company year under report may be taken as Nil. There is no loan outstanding in the name of the Company from any bank or financial institution and accordingly the applicability of one time settlement (OTS) does not arise. Further, there are no proceedings pending in the name of the Company under Insolvency and Bankruptcy Code (IBC).

## 8. Particulars of Employees:

There are no employees drawing remuneration beyond the stipulated limit in accordance with Sec. 197 read with the provisions of Rules 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 9. Directors and Key Managerial Personnel

During the financial year 2022-23, 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.

| Sl. No. | Name of the Director | Date of Appointment | Date of Cessation |
|---|---|---|---|
| 1 | Shri. H Halappa | 27-07-2020 | 12-04-2023 |
| 2 | Shri. Vikash Kumar Vikash, IPS | 31.03.2021 | 03-07-2023 |
| 3 | Dr. J. Ravishankar, IAS | 03.08.2021 | - |
| 4 | Dr. M R Ravi, IAS | 05.02.2022 | 23-11-2023 |
| 5 | Smt. Gunjan Krishna, IAS | 28-08-2018 | - |
| 6 | Shri. Chandrashekar Nayak. L | 04.07.2020 | 07.05.2022 |
| 7 | Shri Nitish. K, IAS | 07.05.2022 | - |
| 8 | Shri. R. Ramesh. | 06.03.2018 | - |
| 9 | Shri Venkatesh Naidu | 02.12.2020 | 22-05-2023 |
| 10 | Shri. C Channadevaru | 19.10.2019 | 22-05-2023 |
| 11 | Shri. K M Ravindra | 12.03.2020 | 30.01.2023 |
| 12 | Shri. Shivaji Shivaray Dollin | 10.06.2020 | 22-05-2023 |
| 13 | Shri. Andappa Javali | 22.05.2020 | 22-05-2023 |
| 14 | Shri. Totappa Nagappa Nidagundi | 21.05.2020 | 22-05-2023 |
| 15 | Dr. R D Satish | 22.05.2020 | 22-05-2023 |
| 16 | Shri. Ningappa | 21.05.2020 | 22-05-2023 |
| 17 | Shri Shashidhar B Honnannavar | 30.01.2023 | 22-05-2023 |

The Board placed on its record with deep sense of gratitude for the excellent contribution made by Shri H Halappa, Shri. Vikash Kumar Vikash, IPS, Shri. Chandrashekar Nayak, L IAS, and Shri K.M.Ravindra, Shri Venkatesh Naidu, Shri. C Channadevaru, Shri. Shivaji Shivaray Dollin, Shri. Andappa Javali, Shri. Totappa Nagappa Nidagundi, Dr. R D Satish, Shri. Ningappa ,Shri Shashidhar B Honnannavar and Dr. M R Ravi 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. M.B. Patil, Hon'ble Minister for Large & Medium Industries and Infrastructure Development | - Chairman |
| 2. Shri. Manoj Kumar, IFS | - Managing Director |
| 3. Dr. J. Ravishankar, IAS | - Independent Director |
| 4. Dr. Sateesha B C IAS | - Director |
| 5. Smt. Gunjan Krishna, IAS | - Director |
| 6. Shri. Nitish K, IAS | - Director |
| 7. Shri. R Ramesh | - Independent Director |

During the financial year 2022-23, 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 | Shri. Vikash Kumar Vikash, IPS - Managing Director | 31.03.2021 | - |

# DIRECTORS' REPORT (continued)

| | | | |
|---|---|---|---|
| 2 | Shri. A M Chandrappa, Chief Financial Officer | 14.12.2021 | - |
| 3 | Smt. Sridevi B.N, Company Secretary | 18.09.2013 | - |

### Composition of Audit Committee of the Board:

| As on March 31, 2023 | | |
|---|---|---|
| 1. | Dr. M R Ravi, IAS | Chairman |
| 2. | Dr. J. Ravishankar, IAS | Member |
| 3. | Shri. Nitish K, IAS | Member |
| 4. | Shri. R Ramesh | Member |
| 5. | Shri Venkatesh Naidu N | Member |

| As on the date of report | | |
|---|---|---|
| 1. | Dr. Sateesha B C IAS | Chairman |
| 2. | Dr. J. Ravishankar, IAS | Member |
| 3. | Shri. Nitish K, IAS | Member |
| 4. | Shri. R Ramesh | Member |

### Composition of CSR Committee of the Board:

| As on March 31, 2023 | | |
|---|---|---|
| 1 | Shri. Vikash Kumar Vikash, IPS | Chairman |
| 2 | Shri. R. Ramesh | Member |
| 3 | Shri C Channadevaru | Member |
| 4. | Dr. R. D. Satish | Member |

### As on the date of report

| | | |
|---|---|---|
| 1 | Shri. Manoj Kumar, IFS | Chairman |
| 2 | Shri. R Ramesh | Member |

## 10. 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. Four Board Meetings, Four Audit Sub-Committee Meetings and One Corporate Social Responsibility Committee Meeting were held during the year ended March 31, 2023 on the following dates:

| Sl. No. | Board Meeting held on | Sl. No. | Audit Sub-Committee Meeting held on |
|---|---|---|---|
| 1 | July 15, 2022 | 1 | June 27, 2022 |
| 2 | October 28, 2022 | 2 | September 16, 2022 |
| 3 | December 15, 2022 | 3 | December 15, 2022 |
| 4 | March 24, 2023 | 4 | March 17, 2023 |

| Sl. No. | Corporate Social Responsibility Committee Meeting held on |
|---|---|
| 1 | August 19, 2022 |

### Board Meeting attendance of directors during financial year 2022-2023

| Sl. No. | Name of the Director | No. of Board Meetings held | |
|---|---|---|---|
| | | Held | Attended |
| 1. | Shri. H Halappa | 4 | 4 |
| 2. | Shri. Vikash Kumar Vikash, IPS | 4 | 4 |
| 3. | Dr. J. Ravishankar, IAS | 4 | 1 |
| 4. | Dr. M R Ravi, IAS | 4 | 1 |
| 5. | Smt. Gunjan Krishna, IAS | 4 | - |
| 6. | Shri Nitish K, IAS | 4 | 4 |
| 7. | Shri. R. Ramesh. | 4 | 2 |
| 8. | Shri Venkatesh Naidu | 4 | 4 |
| 9. | Shri. C Channadevaru | 4 | 4 |
| 10. | Shri. K M Ravindra | 3 | 2 |
| 11. | Shri. Shivaji Shivaray Dollin | 4 | 4 |
| 12. | Shri. Andappa Javali | 4 | 4 |
| 13. | Shri. Totappa Nagappa Nidagundi | 4 | 4 |
| 14. | Dr. R D Satish | 4 | 4 |
| 15. | Shri. Ningappa | 4 | 2 |
| 16. | Shri Shashidhar B Honnannavar | 1 | 1 |

1. Shri Nitish K, IAS, was appointed as Director on May 07, 2022.
2. Shri. Chandrashekar Nayak. L ceased to be a Director with effect from May 07, 2022.
3. Shri Shashidhar B Honnannavar was appointed as Director on January 30, 2023.

# DIRECTORS' REPORT (continued)

4. Shri. K.M. Ravindra ceased to be a Director with effect from January 30, 2023.
5. Shri M.B. Patil was appointed as Chairman with effect from June 13, 2023.
6. Shri Manoj Kumar, IFS as Managing Director with effect from July 03, 2023.
7. Shri Venkatesh Naidu ceased to be a Director with effect from May 22, 2023.
8. Shri. C Channadevaru ceased to be a Director with effect from May 22, 2023.
9. Shri. Shivaji Shivaray Dollin ceased to be a Director with effect from May 22, 2023.
10. Shri. Andappa Javali ceased to be a Director with effect from May 22, 2023.
11. Shri. Totappa Nagappa Nidagundi ceased to be a Director with effect from May 22, 2023.
12. Dr. R D Satish ceased to be a Director with effect from May 22, 2023.
13. Shri. Ningappa ceased to be a Director with effect from May 22, 2023.
14. Shri Shashidhar B Honnannavar ceased to be a Director with effect from May 22, 2023.

## 11. Details of Subsidiary Companies

As on March 31, 2023, 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, 2023.

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.**

## 12. 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 B S D & Co, (BA0490) Chartered Accountants, Bangalore as Statutory Auditors for the year 2022-23. 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 Sorab Engineer & Co, (BO0036) Chartered Accountants, Bangalore had been appointed as the Statutory Auditors of the Company for the year 2023-2024.

## 13. 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.

## 14. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under Shri. S. Viswanathan, Practicing Company Secretary as Secretarial Auditor have submitted their report for the year ended March 31, 2023. 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.**

## 15. 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.

## 16. Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

# DIRECTORS' REPORT (continued)

### 17. Annual return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at https://msilonline.karnataka.gov.in/53/annual-reports/en

### 18. 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.

### 19. Vigil mechanisms of the Company

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

### 20. Risk Management Policy

The Company has identified the risk factors of all the operating divisions and mitigation for each risk. The main objective is to ensure sustainable business growth with stability and to promote a pro-active approach in report, evaluating and resolving risks associated with the business.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

### 21. 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.** An extract of the annual return has been disclosed on the website of the Company under the web – link – https://msilonline.karnataka.gov.in/

### 22. 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 are 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.

### 23. 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, to which impacting the going concern status and company's operations in future.

### 24. 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.

### 25. 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.

### 26. 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.

### 27. Internal Control Systems:

Your Company appointed various Chartered Accountant Firms as Internal Auditors of the Company for the year 2022-23. The scope and extent of Internal Audit encompasses audit and review of transactions. The Internal Auditor furnishes his report to the Company, which is placed before the Audit Committee along with the comments of the Company and also before the Board of Directors.

### 28. Vigil Mechanism of the Company :

The provisions regarding vigil mechanisms are not applicable to the Company.

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

Energy conservation continues to receive priority attention at all levels of operation in the Company. All efforts are made to conserve and optimize use of energy. Updation of Technology is a continuous process in the operations of the Company. The information relating to conservation of energy, technology absorption and foreign exchange earning and outgo may be taken as Nil.

### 30. 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.

### 31. 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 2022-23 to improve the employee's performance, the company had imparted 9 employees (Executives/ Officers) to training programme. In future, the Company has planned for more Training Programmes.

During 2022-23 (up to March 31, 2023) There are 78 employees in your Company (Executives/ Officers 38, and Staff 61) of which, one officer is on deputation at PWD.

### 32. Project / Estate Department

The Office-cum-warehousing projects at Baikampady, Mangalore and Mysore is completed and the same is let out and division is earning income. In respect of Gulbarga warehouse, the construction is under progress. The work was held up due to various reasons.

### 33. 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, 2023, 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, 2023 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, 2023, on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 34. 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).

## 35. 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, Statutory Auditors, Secretarial Auditors, 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
Sd/-
**M.B. Patil**
**Chairman**

Place: Bengaluru
Date: November 29, 2023

MSIL

| 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-2 Secretarial Audit Report |

Annexure I

## FORM NO. MGT 9
## EXTRACT OF ANNUAL RETURN
## As on financial year ended on 31.03.2023

**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, Bangalore-560 052<br>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 | 83.67 |
| 2 | Chit Funds | 64990 | 11.43 |

### 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 Bangalore - 1 | U93000KA1964 ULL001532 | Associate Company | 47% | Section 2(6) |
| 2. | Marketing Consultants and Agencies Limited | No.42, Mehra Complex Millers Road Bangalore - 52 | U51101KA1972 PLC002242 | Subsidiary | 100% | Section 2(87) |
| 3. | Mysore Chrome Tanning Company Limited | C/o MSIL, No. 36 Cunningham Road Bangalore -52 | 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-2023 / end of the year (31.03.2021)] | | | | No. of Shares held at the end of the year [As on 31-March-2023] | | | | % 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)** | | **4273477** | **4273477** | **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)** | | **4273477** | **4273477** | **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 | 2017570 | 47% | - | 2017570 | 47% | - | |
| | Following 5 Individuals are holding shares on behalf of KSIIDC | | | | | | | |
| | 1) MD, KSIIDC | 40 | | | 40 | | | |
| | 2) MD, MSIL | 10 | | | 10 | | | |
| | 3) D P Prakash | 20 | | | 20 | | | |
| | 4) Y Sreenivasappa | 10 | | | 10 | | | |
| | 5) N K Parashuram | 10 | | | 10 | | | |

### 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 | No Changes | | | |
| | 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 | | | | |

### 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 | 40.02 | | | | 40.02 |
| | (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<br>- as % of profit<br>- others, specify… | | | | | |
| 5 | Others, please specify | | | | | |
| | **Total (A)** | **40.02** | | | | **40.02** |
| | 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:<br>Fee for attending board / committee meetings –| Dr. Ravishankar J, IAS<br>Shri R Ramesh<br>Shri Venkatesh Naidu | 4000<br>14000<br>18000 |
| | Commission | | - |
| | Others, please specify | | - |
| | Total (1) | | 36,000 |
| 2 | Other Non-Executive Directors | | |
| | Fee for attending board committee meetings | Dr. M.R. Ravi, IAS<br>K. Nitish, IAS<br>Shri Channadevaru<br>Shri Totappa Nagappa Nidagundi<br>Shri Andappa Javali<br>Shri Shivaji Shivaray Dollina<br>Shri Ningappa<br>Shri K M Ravindra<br>Dr. R D Satish<br>Shashidhar B Honnannavar | 10000<br>12000<br>15000<br>12000<br>12000<br>12000<br>6000<br>12000<br>15000<br>3000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Commission | | | | | - |
| | Others, please specify | | | | | - |
| | Total (2) | | | | | 1,09,000 |
| | Total (B)=(1+2) | | | | | 1,45,000 |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

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

**(Rs. in lakhs)**

| SI No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | 28.06 | 37.76 | 65.82 |
| | (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 | | 0.51 | 1.02 | 1.53 |
| | (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** | | **28.57** | **38.78** | **67.35** |

### 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 | | | | | |

## 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 | 75.74 |
| Reserves | (835.39) |
| Total Assets | 72.01 |
| Total Liabilities | 907.73 |
| Investments | - |
| Turnover | - |
| Profit/(Loss)before Tax | 4.04 |
| Provision for Tax | 1.05 |
| Profit/(Loss) After Tax | 2.99 |
| Proposed Dividend | - |
| | |
| **Name of Subsidiary Company** | **M/s Karnataka State Marketing Communication & Advertising Ltd.** |
| Issued & Subscribed Capital | 357.25 |
| Reserves | 19338.66 |
| Total Assets | 42579.52 |
| Total Liabilities | 22682.59 |
| Investments | - |
| Turnover | 57914.37 |
| Profit/(Loss)before Tax | 3405.16 |
| Provision for Tax | 772.63 |
| Profit/(Loss) After Tax | 2632.53 |
| 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 | Turn over | Other Income | Total Revenue | Profit / Loss before Taxation | Provision for Taxation (including Deferred Tax) | Profit / (Loss) after taxation | Proposed Dividend on Equity Shares % | Proposed Dividend on Equity Shares | % of Share holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Karnataka State Marketing Communication & Advertising Limited | 31st March, 2023 | Indian Rupee | 357.25 | 19338.66 | 42579.52 | 22682.59 | - | 57914.37 | 644.27 | 58558.64 | 3405.16 | 772.63 | 2632.53 | - | - | 100% |
| 2 | The Mysore Chrome Tanning Company Limited | 31st March, 2023 | Indian Rupee | 75.74 | (835.39) | 72.00 | 907.73 | - | - | 6.89 | 6.89 | 4.04 | 1.05 | 2.99 | - | - | 95.10% |

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

1. **Brief outline on CSR Policy of the Company:** Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, the Company has framed the Policy on CSR Activities. The programmes initiated are taken up in line with Schedule-VII of the Companies Act, 2013 which are duly incorporated in CSR Policy and forms the Guiding Principle for all our programmes.
2. **The Composition of the CSR Committee:**

| Sl No. | Name of the Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Shri. Vikash Kumar Vikash, IPS | Managing Director | 1 | 1 |
| 2 | Shri R Ramesh | Independent Director | 1 | 1 |
| 3 | Shri C Channadevaru | Nominee Director | 1 | 1 |
| 4 | Dr R D Sathish | Nominee Director | 1 | 1 |

3. **Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:**

i. **Composition of CSR Committee: https://www.msilonline.com/committees-of-the-board**

ii. **CSR Policy: https://www.msilonline.com/csr-policy**

iii. **CSR Projects approved by the board: https://www.msilonline.com/csr-contributions**

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

   The Impact assessment on CSR projects is not applicable for the company as the company does not have an CSR obligation of Rs 10 Crores or more in the three immediately preceding financial years.

5. **(a) Average net profit of the company as per sub-section (5) of section 135:** Rs.6450.60 lakhs.

   **(b) Two percent of average net profit of the company as per sub-section (5) of section 135:** Rs.129.01 lakhs

   **(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil

   **(d) Amount required to be set-off for the financial year, if any:** Rs.49.36 lakhs

   **(e) Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs.79.65 lakhs

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs.90.66 lakhs.

   **(b) Amount spent in Administrative Overheads:** Nil.

   **(c) Amount spent on Impact Assessment, if applicable:** Nil.

   **(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:** Rs.90.66 lakhs

(e) CSR amount spent or unspent for the Financial Year:

| Total amount spent for the Financial Year. (in Rs.) (in lakhs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total amount transferred to Unspent CSR Account as per subsection (6) of Section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 121.6 | - | - | - | - | - |

(f) Excess amount for set-off, if any:

| Sl No. | Particulars | Amount (in Rs.) (in lakhs.) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 129.01 |
| (ii) | Total amount spent for the Financial Year | 90.66 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 38.35 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | 49.36 |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 11.01 |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 |
|---|---|---|---|---|---|---|---|
| Sl No | Preceding Financial Year (s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount Spent in the Financial Year (in Rs) Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs) |
| | | | | | Amount (in Rs.) | Date of Transfer | |
| 1 | FY-1: 21-22 | - | - | - | - | - | - |
| 2 | FY-2: 20-21 | - | - | - | - | - | - |
| 3 | FY-3: 19-20 | - | - | - | - | - | - |

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

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

Sd/-

(Managing Director & Chairman of CSR Committee)

## Annexure - IV

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

**For The Financial Year Ended 31st March 2023**
**[Pursuant To Section 204(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**

I/We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MYSORE SALES INTERNATIONAL LIMITED** (U85110KA1966SGC001612) having its Registered Office at, MSIL HOUSE, 36, CUNNINGHAM ROAD, BANGALORE 560052 **(hereinafter called the Company).**

The Company is a "Government Company" and is mainly engaged in trading activities for Beverages, Paper, Consumer Products, Industrial Products, Imported Sand and Pharma Products, besides Chit Fund Business and Tours and Travels. As per the Articles of Association, the Company is also required to comply with the directions and guidelines issued by Government of Karnataka from time to time. As per Notification NO G.S.R., 463(E) dated 5th June 2015 by Ministry of Corporate Affairs, Government Companies are exempted from complying with some of the provisions of the Companies Act, 2013.

Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023, according to the provisions of:

a) The Companies Act, 2013 (the Act) and the Rules made thereunder;
b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
c) The Karnataka Chit Fund Act, 1982 (We were informed that for Chit Fund Business, the Company is not required to be classified as a Non-Banking Finance Company)
d) Karnataka Excise Act, 1968
e) Karnataka Shops and Commercial Establishment Act, 1961
f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Exchange Earnings and Outflow
g) The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976
h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
i) Employees Provident Fund and Miscellaneous Provisions Act, 1952
j) Maternity Benefits Act, 1961

k) Minimum Wages Act, 1948
l) Payment of Bonus Act, 1965
m) Payment of Gratuity Act, 1972
n) Payment of Wages Act, 1936
o) Apprentices Act, 1961
p) Essential Commodities Act, 1955
q) License/Registration for retailing pharmacy products
r) Drug Control Act 1950
s) Trade Mark Act 1999

**I/we have also examined compliance with the applicable clauses of the following:**

a. Secretarial Standards issued by The Institute of Company Secretaries of India.
b. I/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 as required under the proviso to Section 149 (1) and Notification No G.S.R. ,463(E) dated 5th June 2015 by Ministry of Corporate Affairs, Government of India.
c. 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.
d. Adequate notice is given to all directors to schedule the Board 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.
e. Majority/Unanimous decision is carried through and there has been no instance of any dissent by any Members.

I/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 other laws, rules, regulations and guidelines.

I/we further report that during the audit period, the Company:

i. Has not issued any Public/Right/Preferential shares / debentures/sweat equity, etc.
ii. Was not required to Redeem /buy back securities.
iii. No Major decisions were taken by the members in pursuance to Section 180 of the Companies Act, 2013
iv. Has not undertaken Merger / amalgamation / reconstruction, etc.
v. Has not entered into Foreign technical collaborations

In general, it was observed that the Company, being a Government Company and subject to CAG Audit, is maintaining all the required records properly and have established systems and procedures for complying with various applicable laws.

For S Viswanathan
Company Secretaries
**Sd/-**
**S. Viswanathan**
Company Secretaries
CP No.5284

Date: 15.09.2023
Place: Bengaluru

## ANNEXURE "A"

To,

The Members,

**MYSORE SALES INTERNATIONAL LIMITED**

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 are 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 Viswanathan**
**Company Secretaries**

**Date: 15.09.2023**
**Place: Bengaluru**

**Sd/-**
**S. Viswanathan**
Company Secretaries
C P No 5284

## TEN YEARS PERFORMANCE

## FINANCIAL HIGLIGHTS OF PREVIOUS TEN FINANCIAL YEARS

**(Rs. in lakhs)**

| Partuculars | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Worth (Share Capital, Reserve) | 23701.53 | 26814.97 | 30051.70 | 33190.30 | 33503.15 | 34392.26 | 39996.46 | 45228.55 | 51557.40 | **56545.42** |
| Paid-up Capital | 2017.66 | 2017.66 | 2017.66 | 2017.66 | 4273.48 | 4273.48 | 4273.48 | 4273.48 | 4273.48 | **4273.48** |
| Share Application Money | 2255.82 | 2255.82 | 2255.82 | 2255.82 | - | - | - | - | - | **-** |
| Reserves & Surplus | 19428.05 | 22541.49 | 25778.22 | 31172.64 | 29229.68 | 31208.48 | 35722.99 | 40955.07 | 47283.92 | **5271.94** |
| Borrowings from Banks | - | - | - | - | - | - | - | - | - | **-** |
| Net Fixed Assets | 4221.84 | 5624.66 | 5626.25 | 6225.01 | 6974.83 | 7966.36 | 9590.61 | 9687.76 | 9330.15 | **9974.82** |
| Turnover | 120066.32 | 146039.32 | 151490.75 | 161407.69 | 178875.91 | 204763.86 | 227065.31 | 276386.99 | 289947.45 | **317978.34** |
| Profit before Tax | 4660.26 | 6052.27 | 5400.50 | 5699.87 | 1486.84 | 3237.82 | 4246.68 | 6814.70 | 8290.41 | **8082.18** |
| Dividend | 10% | 10% | 10% | 10% | - | 5% | 5% | 7.50% | 25.86% | **42.77%** |
| Net Earning after tax per share (in Rs) | 162.96 | 166.36 | 178.71 | 181.68 | 12.68 | 46.30 | 61.45 | 127.43 | 167.20 | **142.51** |
| Net Worth per Share (in Rs) | 1062.90 | 1217.21 | 1377.63 | 1644.99 | 783.98 | 830.28 | 935.92 | 1058.35 | 1206.45 | **1323.17** |

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## SUMMARISED PROFIT AND LOSS ACCOUNT OF PREVIOUS TEN FINANCIAL YEARS

**(Rs. in lakhs)**

| Partuculars | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Turnover | 120066.32 | 146039.32 | 151490.75 | 161407.69 | 178875.91 | 204763.86 | 227065.31 | 276386.99 | 289947.45 | **317978.34** |
| Gross Income | 12325.68 | 14919.86 | 15490.81 | 16453.84 | 17952.46 | 20742.63 | 22446.00 | 27099.20 | 28206.30 | **31267.13** |
| Selling & Administrative Expenses | 6965.11 | 8923.90 | 9636.88 | 10433.61 | 15990.08 | 16723.59 | 16658.51 | 17839.76 | 17113.94 | **21105.65** |
| Interest | 30.76 | 48.68 | 145.35 | 2.44 | 0.90 | 33.52 | 0.33 | 1.30 | 39.22 | **4.62** |
| Depreciation | 280.77 | 291.01 | 255.39 | 285.21 | 341.85 | 721.80 | 1495.40 | 1725.69 | 1761.90 | **1834.44** |
| Provision/ Write off | 399.05 | 47.72 | 91.36 | 50.60 | 132.79 | 25.90 | 45.08 | 717.74 | 1000.83 | **245.94** |
| **TOTAL** | **7675.69** | **9311.31** | **10128.98** | **10771.86** | **16465.62** | **17504.81** | **18199.32** | **20284.49** | **19915.89** | **23190.65** |
| Profit before tax | 4649.99 | 5608.55 | 5361.83 | 5681.98 | 1486.84 | 3237.82 | 4246.68 | 6814.71 | 8290.41 | **8076.48** |
| Provision for taxation | 1372.76 | 2252.67 | 1923.22 | 1978.80 | 939.77 | 1153.69 | 1096.79 | 2017.85 | 1950.00 | **2055.00** |
| Deferred Tax Credit | (20.96) | (0.62) | (167.21) | 37.48 | 5.22 | 105.33 | 524.04 | (648.92) | (308.94) | **(71.42)** |
| Profit after tax | 3298.19 | 3356.50 | 3605.82 | 3665.70 | 541.85 | 1978.80 | 2625.85 | 5445.78 | 6649.35 | **6092.90** |

## SUMMARISED BALANCE SHEET OF PREVIOUS TEN FINANCIAL YEARS

**(Rs. in lakhs)**

| Partuculars | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OWN FUNDS** | | | | | | | | | | |
| Share Capital | 2017.66 | 2017.66 | 2017.66 | 2017.66 | 4273.48 | 4273.48 | 4273.48 | 4273.48 | 4273.48 | **4273.48** |
| Share Application Money | 2255.82 | 2255.82 | 2255.82 | 2255.82 | - | - | - | - | | **-** |
| Reserves & Surplus | 19428.05 | 22541.49 | 25778.22 | 31172.64 | 29229.68 | 31208.48 | 35722.99 | 40955.07 | 47283.92 | 52271.94 |
| **TOTAL** | **23701.53** | **26814.97** | **30051.70** | **35446.12** | **33503.16** | **35481.96** | **39996.47** | **45228.55** | **51557.40** | **56545.42** |
| **LOAN FUNDS** | | | | | | | | | | |
| Short-Term Loan Interest | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | **53.88** |
| Funds Employed | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | 53.88 | **53.88** |
| Deferred Tax Liability (Net) | - | - | - | - | - | - | - | - | - | **-** |
| **TOTAL** | **23755.41** | **26868.85** | **30105.58** | **35500.00** | **33557.04** | **35535.84** | **40050.35** | **45282.43** | **51611.28** | **56599.30** |
| **APPLICATION OF FUNDS** | | | | | | | | | | |
| Fixed Assets | 4221.84 | 5624.66 | 5626.25 | 6225.01 | 6974.83 | 7966.36 | 9590.61 | 9687.76 | 9330.15 | **9974.82** |
| Investments | 1336.06 | 1336.06 | 1336.51 | 3361.36 | 2900.13 | 2998.03 | 3173.12 | 3406.18 | 3021.36 | **3002.35** |
| Deferred Tax Asset (Net) | 846.00 | 846.62 | 1013.83 | 976.35 | 971.13 | 865.80 | 341.77 | 990.69 | 1299.62 | **1363.43** |
| Working Capital | 17351.51 | 19061.51 | 22128.99 | 24937.28 | 22710.95 | 23705.65 | 26944.85 | 31197.80 | 37960.15 | **42258.70** |
| **TOTAL** | **23755.41** | **26868.85** | **30105.58** | **35500.00** | **33557.04** | **35535.84** | **40050.35** | **45282.43** | **51611.28** | **56599.30** |

# Mysore Sales International Limited

## ACCOUNTS (STANDALONE)
## FOR THE YEAR ENDED
## 31ST MARCH 2023

# REVISED INDEPENDENT AUDITORS' REPORT

**To**

**The Members of**

**Mysore Sales International Limited**

**Report on the Standalone Ind AS Financial Statements**

## Qualified Opinion

We have audited the accompanying standalone financial statements of **M/s. Mysore Sales International Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the 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 the 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 31st March 2023, and its 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 29th November 2023 (the original report) at Bangalore on the financial statements as adopted by the 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. The revised report has no impact on the reported figures in the financial statements of the company except for clause (b) and (d) to (g) under paragraph Basis for Qualified Opinion. This audit report supersedes the original report which has been suitable revised to consider observations of Comptroller and Auditor General of India.

## Basis for Qualified Opinion:

a. The company has a policy of sending balance confirmation in respect of trade receivables, trade payables, other payables & advances. However, there is no proper follow-up to obtain the confirmation and reconciling it with the books of account. The company makes the provision in the books for bad and doubtful debts at the year end. In the absence of balance confirmations and reconciliations, the financial impact on standalone financial statements is not ascertainable.

b. We have observed that there is (i) no proper records being maintained /updated and produced to us for the inventory of pharmaceutical products; Inconsistencies are observed in periodical physical verification and reconciliation exercise being carried by the management. The GST calculation on pharmaceutical products is made on estimated basis post monthly closure. In the absence of confirmation on the quantity of the closing inventory of pharmaceuticals products, we are not able to comment on the correctness of the quantity and/or value of closing inventory amounting Rs. 351 lakhs. (ii) The company has obtained physical verification report of stock of imported river sand during the year where it was found shortage of 16565.002 MT amounting to Rs. 347.87 lakhs. However, there is no balance confirmation of the same on the Balance Sheet date though 100% provision made in books in the previous years and no sales is effected during the year; The company has neither written off the inventory found short nor it has withdrawn the corresponding provision made earlier in the books. Therefore, both the inventories and the provision for inventories are over stated to the extent of Rs. 347.87 lakhs.

c. For the Chit Fund Division, in the absence of (i) proper internal control measures in place; (ii) support for generation of accurate and required reports from the software deployed; (iii) any defined system and timely closure of books for offline branches (Shivamoga and Kengeri). (iv) Timely preparation of bank reconciliation statements etc. which may have an impact on the financial statements. During the year there was a financial misappropriation of funds by an outsourced employee of the company. The company has estimated the loss at Rs. 147.80 lakhs including future liability and the same is provided for. The company has filed FIR and has initiated steps to recover the same. The Company has also initiated forensic audit in respect of two branches and the audit report is awaited. In the absence of required information, the impact if any, on the financial statements could not be ascertained.

d. The company has received BPPI incentives Rs. 56.46 lakh received during the period and reported in the standalone financial statement. The estimated incentive for the year is Rs. 167.69 lakhs. The company stated to be following the cash basis of accounting in respect of recognition of BPPI incentives but has not disclosed the accounting policy regarding the same. The difference of Rs. 111.23 lakhs between eligible BPPI incentive receivable and received is neither recognized nor disclosed in the financial statements.

e. The income tax refunds receivable and provisions made accounts needs to be reconciled and necessary entries have to be passed. For the assessment years 2012-13 and 2014 15 there is a provision outstanding to the extent of Rs. 46.88 lakhs in the books where as no demand is outstanding. For assessment years 2013-14 Rs. 76.56 lakhs is shown as refundable whereas the refund is adjusted against the previous years' demand which is not disputed by the company. The combined effect of this is that the profit for the year is higher by Rs. 29.68 lakhs and the current tax assets is higher to the same extent.

f. In Tours and Travels Division, The company has received certain advances for the tours and travels services. The company has to reconcile the accounts of Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka and the corresponding service providers. The company has also made supplies to RGUHS in Papers Division. Since disputes arose between the company and RGUHS and also with the corresponding service providers the receivables and payables accounts of RGUHS and service providers needs to be reconciled. The company has made a provision for bad and doubtful debt to the extent of Rs. 200 lakhs in this regard. The effect of the same is not ascertainable in the absence of reconciliation statements.

g. The company recognises the interest income on Fixed Deposits on accrual basis. However, due to errors in the calculation, the interest income recognized during the year is short by Rs. 31.54 lakhs. Due to this and other errors, the Bank balances other than cash and cash equivalents under current assets is understated to the extent of Rs. 32.80 lakhs.

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

### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditors' report thereon. The Boards' Report is expected to be made available to us after the date of this auditor' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it is made available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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.

### Other Matters

a. We draw attention to note no. 8 read with note no. 40 (II) (vi) to the Standalone Financial Statements wherein the GST RCM on Transport claim in books is Rs 45.98 lakhs whereas the actual claim made is Rs. 121.42 lakh. The difference of Rs. 75.44 lakhs was taken to Statement of Profit and Loss in earlier years. The company's claim was rejected by Asst. Commissioner of Central Tax, North Division-3, Bengaluru. Subsequently, the appeal filed by the Company was also rejected at Additional Commissioner of GST, Appeals-II, Bengaluru. No provision is made for the receivables since the company is planning to appeal at GST Appellate Tribunal or at appropriate forum.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **'Annexure -I'** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 on the basis for qualified opinion paragraph above, in our opinion proper books of accounts 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 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 on the basis of qualified opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statement comply with the Accounting Standards specified under Section 133 of the Act.

(e) Reporting on the matters of disqualification of Directors of the Company under Section 164(2) of the Act is not applicable in terms of Notification no. G.S.R. 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs.

(f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure – II'.

(g) Being a government company provisions of section 197of the Act are not applicable to the company. Hence reporting requirement u/s 197(16) of the Act is not applicable.

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

i. The Company has disclosed the impact of pending litigations on its standalone financial statements in note 41 of the standalone 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.

iv. (a) the Management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) the Management has represented that, to the best of their knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. In respect of dividend:

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.

b) The Board of Directors of the Company have proposed final dividend for the year ended 31st March 2023 which is subject to the approval of the members. The amount of dividend proposed is in accordance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023, and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

3. As required under section 143(5) of the Act, which is applicable to the Company, findings on the direction issues by Comptroller and Auditor General of India is annexed (Refer -Annexure-III)

**For B S D & Co.**
**Chartered Accountants**
Firm Registration No. 000312S
Sd/-
**P L Venkatadri**
**PARTNER**
Membership No. 209054

**UDIN: 23209054BGTWBR7357**

**Place: Bengaluru**

**Date: 27-12-2023**

## ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

I. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets. However, the company has depreciated the residual valus of intangible assets during the year.

(b) The Company did not provide the report for having conducted the physical verification of fixed assets during the year. In the absence of physical verification report, we are unable to comment on the discrepancy if any, identified during the physical verification.

(c) According to information and explanations provided and the records verified, the title deeds of freehold immovable properties which consists of land and buildings are held by the company in its name. In respect of leasehold land, the lease agreements are in the name of the Company. However, the title deeds in respect of following leasehold land is not available for our verification.

| Description | Location | Nature of Property |
|---|---|---|
| 1 acre 32 guntas Land at Bangalore Air Cargo Complex, | Sy. No. 53, at Konena Agrahara, Varthur, Bengaluru | Leasehold Land |

(d) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its property, plant and equipment or intangible assets during the year.

(e) According to the information and explanation provided to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as (amended in 2016) and rules thereunder.

ii. (a) According to the information and explanations given to us, the management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies have been noticed on such verification. However, in absence of adequate evidence of physical verification of the inventory, we are unable to comment on the adequacy and frequency of such verification and correctness of the procedures followed for physical verification of inventories by management.

In view of incomplete documentation of physical verification of the inventories conducted by the management, we are unable to comment on the discrepancies between physical stock and stock as per books. However, the company has made adjustments in the inventories and its values on the basis of internal audit reports wherever available.

(b) According to the information and explanation given to us, the Company has not been sanctioned any working capital limits from Bank or Financials Institution on the basis of security of current assets at any point of time during the year, hence reporting under clause 3(ii)b of the order is not applicable.

iii. (a) According to the information and explanations given to us, during the year, the company has not made investment, provided any guarantee and granted any loans or advances in the nature of loans except employee advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties during the year. Accordingly reporting under clause 3(iii) of the order is not applicable.

(iv) According to information and explanations given to us, the Company has not given any loans or security or guarantee and in respect of investments, the provisions of section 185 and 186 of the Act are complied with.

(v) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.

(vi) According to 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.

(vii). (a) According to the information and explanation given to us, the company, in general, is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities. However, there have been slight delays in remittance of few statutory dues.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2023 for a period more than six months from the date they became payable except the following.

| Statute | Nature of dues | Amount in Rs. Lakhs | Period to which it relates to |
|---|---|---|---|
| The Building and Other Construction Workers' Welfare Cess Act, 1996 | Workers' Welfare Cess | 0.69 | 2013-14 |
| The Building and Other Construction Workers' Welfare Cess Act, 1996 | Workers' Welfare Cess | 0.23 | 2014-15 |
| Goods and Service Tax Act, 2016 | TDS on GST | 0.59 | 2022-23 |

(b) According to the information and explanation given to us, there are no statutory dues referred to above in sub clause (a) which have not been deposited on account of any dispute except for the below.

| Sl No | Name of the Act | Nature | Related Period | Amount (Rs. In Lakh) | Amount Paid (Rs. In Lakh) | Forum Where Dispute is pending |
|---|---|---|---|---|---|---|
| 1 | Finance Act, 1994 | Service Tax | 2005-06 and 2006-07 | 48.00 | 10.00 | Customs, Excise and Service Tax Appellate Tribunal |
| 2 | Finance Act, 1994 | Service Tax | 2002-03 and 2003-04 | 26.00 | 20.00 | Customs, Excise and Service Tax Appellate Tribunal |
| 3 | Finance Act, 1994 | Service Tax | 2003-04 and 2005-06 | 37.00 | 37.00 | Customs, Excise and Service Tax Appellate Tribunal |
| 4 | Finance Act, 1994 | Service Tax | 2007-08 and 2008-09 | 36.00 | 10.00 | Customs, Excise and Service Tax Appellate Tribunal |
| 5 | Finance Act, 1994 | Service Tax | 2013-14 to 2014-15 | 48.00 | 9.00 | Customs, Excise and Service Tax Appellate Tribunal |
| 6 | Finance Act, 1994 | Service Tax | 2015-16 | 72.00 | 5.00 | Customs, Excise and Service Tax Appellate Tribunal |
| 7 | Finance Act, 1994 | Service Tax | 2016-17 | 23.00 | 2.00 | Customs, Excise and Service Tax Appellate Tribunal |

| | | | | | | |
|---|---|---|---|---|---|---|
| 8 | Income Tax Act, 1961 | Disallowance under Income Tax Act | AY 2010-11 | 205.24 | - | Commissioner of Income Tax (Appeals) |
| 9 | Income Tax Act, 1961 | Disallowance under Income Tax Act | AY 2015-16 | 20.75 | - | Commissioner of Income Tax (Appeals) |
| 10 | Income Tax Act, 1961 | Disallowance under Income Tax Act | AY 2016-17 | 16.30 | - | Commissioner of Income Tax (Appeals) |
| 11 | Income Tax Act, 1961 | Disallowance under Income Tax Act | AY 2017-18 | 102.05 | - | Commissioner of Income Tax (Appeals) |
| 12 | Income Tax Act, 1961 | Disallowance and penalty under Income Tax Act | AY 2018-19 | 2,631.43 | | National Faceless Assessment Centre Delhi |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us, the company has not taken any loans or borrowed funds from any lenders. Hence, reporting under clause 3(ix) is not applicable.

(b) The Company has not been declared wilful defaulter by any bank, financial institution or any other lender.

(c) According to the information and explanation given to us, the company has not taken any term loans and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) Based on our examination of records of the Company and according to the information and explanations given to us, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) According to the information and explanations given to us, the company has noticed financial misappropriation by an outsourced employee of Chit Fund Division during the year. The company has filed FIR and the proceedings are in progress. The Company has also initiated forensic audit of two branches of Chit fund Division. The company has made a provision of Rs.147.80 lakhs in respect of the same. Excepting this, no fraud by

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the company and no fraud on the company has been noticed or reported during the year under report. However, the matter is yet to be taken up by the Audit Committee and also at the Board Meeting.

(b) No report under sub-section 12 of section 143 of the Companies Act 2013 has been filed in Form ADT-4 as prescribed under the rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to the information and explanations given to us, there were no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company. Hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act wherever applicable and the detail has been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) The internal audit reports for the year under audit has been considered by us in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanation given to us and based on our examination of the records, Company has not entered into non-cash transaction with directors or persons connected with them during the year.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company has not carried out any non-banking financial activities or Housing Finance Activities during the year. Hence reporting under Clause 3(xvi) (a) to (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.

(xviii) There has been no resignation of Statutory Auditor's of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected date of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on date of the audit report that company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) According to the information and explanation provided to us and based on our examination of the records, the Company has spent Rs. 90.66 lakhs during the year as against Rs. 129.01 lakhs. The shortfall is adjusted against the excess spent in the earlier years. Hence, no amount requires to be transferred to a Fund specified in Schedule VII to the Companies Act.

(b) According to information and explanations given to us, the company does not have any ongoing project with respect to CSR.

(xxi) This report is in respect of standalone financial statements of the company, hence reporting under clause xxi is not applicable.

**For B S D & Co.**
**Chartered Accountants**
**Firm Registration No. 000312S**
**Sd/-**
**P L Venkatadri**
**Partner**
**Membership No. 209054**

**UDIN: 23209054BGTWBR7357**
**Place: Bengaluru**
**Date: 27-12-2023**

## ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023.

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the Internal Financial Controls over Financial Reporting of **M/s. Mysore Sales International Limited, Bangalore,** ("the Company") as of 31st March 2023 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone 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 2023

a) The Company did not have an integrated ERP system to cover all its operative divisions and branches. Three of its divisions - beverages, chit fund and paper divisions are made in a standalone software. The trial balances from these divisions soft wares are extracted from the respective software and manually consolidated and integrated with other divisions in Tally ERP at Head Office.

b) The company does not have the program of physical verification of property, Plant and Equipment on periodical basis. The fixed assets registers are not periodically updated. In the absence of program of physical verification, the discrepancies, if any, are not identified and dealt with properly which could result in incorrect depreciation provision and assessment of impairment.

c) The company does not have follow up system for obtaining balance confirmations in respect of Debtors, Creditors and other parties on a periodic basis. The company provides for bad and doubtful debts on estimated/general basis. The absence of internal control procedure could potentially result in inaccurate assets and liabilities being disclosed in the books of accounts and may have an impact on financial results of the Company.

d) The accounting software used by the chit fund division is neither supported by the vendor nor the company has Annual Maintenance Contracts for mitigating the risk of technical issues. The financials of the two branches of the chit fund division are still maintained manually and not integrated with its software. The trial balances of these two branches are manually prepared in the excel work sheets to club with all other branches of chit fund division. Thereafter, it is integrated with Head Office accounts in Tally ERP. There have been delays in preparing periodical bank reconciliation statements in Chit fund division, which is vital in detecting misappropriation of funds.

e) The receivables and payables are not accounted client wise and hence 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 inaccurate reporting of assets & liabilities and under statement of income in books of account. The revenue accounting methodology for Tour and Travel business in New Delhi Branch is at net level in comparison to Tours & Travel Division in HO at gross level.

f) The procedure adopted for purchase of various property plant and equipment is not in compliance with the general purchase procedure for purchase above Rs.5.00 lakh. This could potentially result in irregularities in acquisition of property plant and equipment.

g) g) The company did not have an adequate system for physical verification, valuation of stock, and identification of non-moving/slow moving stock in Paper and pharmaceutical divisions. Hence the diminution in value of stock may not be dealt with correctly. This could potentially result in overstatement of inventory in books of accounts.

h) The Company has not provided the Form X1 (Receipts and expenditure account and Statement showing the assets and liabilities of the individual Chit groups) filed with the Registrar, as required under Rule 20 (2) of Chit Funds (Karnataka) Rules, 1983

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 2023, 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 2023 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 B S D & Co.**
**Chartered Accountants**
Firm Registration No. 000312S
**Sd/-**
**P L Venkatadri**
**Partner**
**Membership No. 209054**

**UDIN: 23209054BGTWBR7357**

**Place: Bengaluru**

**Date: 27-12-2023**

## ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023.

**Report under section 143 (5) of the Companies Act, 2013 ("the Act") relating to the direction issues 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 do have an IT system in place. It uses Tally ERP for consolidation and reporting.<br><br>However, Beverages, Chit Fund and Paper divisions use different accounting software and the same is not integrated with Tally ERP. These divisions extract Trial Balance from respective software and the same is entered manually into Head Office Tally ERP software for consolidation and reporting. The transaction details do remain with that specific accounting software.<br><br>The chit fund division maintain data in different software (not in Tally ERP) except for 2 branches where books are maintained manually. The trial balance of the above 2 branches are consolidated manually with the trial balance extract from the chit fund software. Post this consolidation at chit fund division, the trial balance is shared with HO for consolidation. |
| 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. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company). | The Company has not availed any loan facilities. |
| 3 | Whether funds (grants/subsidy etc) 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. | The Company has not received any funds (grants/ subsidy etc.) during the year from Central/State agencies. |
| **Additional Company Specific Directions:** | | |
| (a) | Whether the auditor has verified all the items with regards to Cash and Bank balances enclosed at Annexure-I. In case of specific non-compliances, whether the same has been reported? | **Refer Annexure-I.** No major non-compliances were observed during the course of the audit. |

| | | |
|---|---|---|
| (b) | Whether the Company has an effective system to deal with misappropriation /fraud cases and whether the loses, if any, were properly accounted for in the books of accounts?<br><br>It may also be commented upon as to whether the company has any unexplained balances and accounts operated under suspense head. | The company do have an effective system in place to deal with, except for the chit fund division where we have not obtained required reports and data to comment on this.<br><br>The company do have chit suspense balances accumulated over past years aggregating to Rs. 871.75 lakh. The company has to compile the data. |
| (c) | 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? | (a) The company has effective system for recovery of dues except in case of paper division. The recovery from the Debtors in Paper division is not done within the credit period stipulated in the invoice in most of the cases.<br><br>On the basis of test checking and the information and explanations given to us, we report that the dues outstanding and recoveries there against have been properly recorded in the books of accounts. However, balance confirmation has not been obtained from the debtors. |

## Annexure-I

| S.No. | Items in Check list | Remarks |
|---|---|---|
| 1. | Whether all Bank Accounts/Fixed Deposits have been opened with banks/proper authorization and approvals as per the aforesaid delegation of powers? | Yes |
| 2. | Whether there was a periodical system of preparation of Bank reconciliation statement and whether they were produced for verification to audit? | Yes. However, there have been delays in preparation of Bank Reconciliation Statements. |
| 3. | Whether Bank reconciliation of the Main account and all subsidiary bank accounts were done? | Yes |
| 4. | Was the authorisation to operate the bank accounts were given to a single signatory? | No, except that the Managing Director is authorized to operate bank accounts singly as per delegated authority. |
| 5. | Whether the interest for the entire duration of Fixed Deposits was accounted in the books of accounts? | Yes |
| 6. | Whether physical verification of cash has taken place periodically? | Yes |
| 7. | Whether the cash in hand as shown in the Balance Sheet tallies with the certificate of physical verification of cash? | Yes |
| 8. | Is there a register of Fixed Deposits showing amounts, maturity dates, rates of interest and dates for payment of interest? | No Register is maintained. However, the details are maintained in excel application. |
| 9. | Is there a follow-up system to ensure that interest on Fixed deposits is received on due dates? | Yes. |
| 10. | Is there a follow-up system to ensure that transfer of matured amount of Fixed Deposits is done without any delay? | Yes. However, in chit fund division the FDs are renewed wherever the chit group closure is delayed. |
| 11. | Whether bank confirmation statements are obtained periodically from the banks for all accounts: SB accounts, Current Accounts and Fixed deposits? | Yes. However, the Company does not have SB accounts. |
| 12. | Whether confirmations of balances in respect of all bank balances tally with the Bank statements? | The company has practice of taking periodical confirmations from Banks and preparing Bank Reconciliation statements. Few discrepancies observed were suitably dealt with. |
| 13. | Whether Fixed Deposits and interests as per Fixed Deposits Register tally with the confirmation/certificate issued by the bank? | Yes. As stated the company maintains FD details in Excel Application which matches with the FDs and the Interest accrued. |
| 14. | Whether the confirmation statements received from banks are authenticated and in the letter head by the bank? | Yes |
| 15. | In case of any difference observed in the above, check whether the same was adjusted in the subsequent year? | Yes. Refer to point no 12 |
| 16. | Details of external confirmation obtained from banks in the test check cases, if so, details thereof with. | The company has obtained the confirmations from the Banks and the same was verified by us. |
| 17. | Whether any of the aforesaid lapses were brought out in the Report of the Internal Financial Control by Statutory Auditor, if not whether audit enquiry was issued? | Yes, Refer clause “d” of Basis for qualified opinion Paragraph of our report on the Internal Financial Controls. |

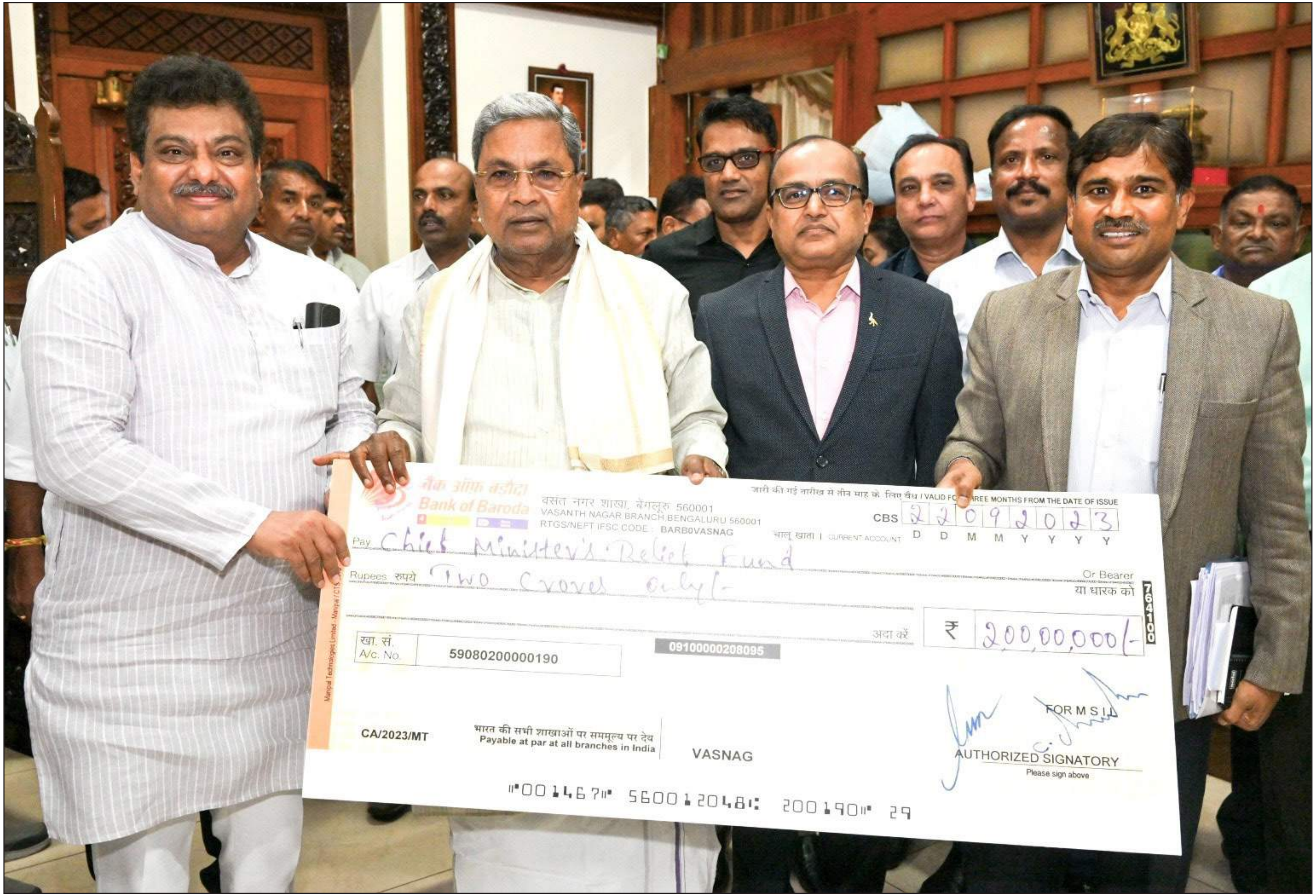
MSIL

## Replies to Qualification in statutory auditor's report for the year 2022-23 (Refer Basis for qualified opinion - audit report page No 1 & 2)

| Audit Query | Company's Reply |
|---|---|
| a.The company has a policy of sending balance confirmation in respect of trade receivables, trade payables, other payables & advances. However, there is no proper follow-up to obtain the confirmation and reconciling it with the books of account. The company makes the provision in the books for bad and doubtful debts at the year end. In the absence of balance confirmations and reconciliations, the financial impact on standalone financial statements is not ascertainable. | The Company has sent the balance confirmation as on 31st March 2023 in the accounts of Sundry creditors, sundry debtors, and business associates for which we have received the confirmation partly. |
| b.We have observed that there are (i) no proper records being maintained /updated and produced to us for the inventory of pharmaceutical products; Inconsistencies are observed in periodical physical verification and reconciliation exercise being carried by the management. The GST calculation on pharmaceutical products is made on estimated basis post monthly closure.In the absence of confirmation on the quantity of the closing inventory of pharmaceuticals products, we are not able to comment on the correctness of the quantity and/or value of closing inventory amounting Rs. 351.00 lakhs | The division has appointed concurrent auditors to carry out the audit work of the outlets and they carry out audit on quarterly basis, which includes physical verification of stocks, purchases, sales, remittances and expired stocks. In addition to the above, there is an in house dedicated team of audit wing which does surprises audit of the outlets at frequent intervals and reports any shortages to the management. In this way, proper control is being exercised over the inventory of pharmaceutical products. As regard GST calculation, the division obtains daily sales details with tax wise breakup from the outlets in excel format which is consolidated and submitted to HO. Now, the division has come up with a GST compliant report ( inassociation with the software developer) and integrated the same with the Pharma software. The new module has been rolled out across the outlets during the month of November 2023. Now, GST computation & reports are generated using the software module which has been working satisfactory. |
| (ii) The company has obtained physical verification report of stock of imported river sand during the year where it was found shortage of 16565.002 MT amounting to Rs. 347.87 lakhs. However , there is no balance confirmation of the same on the Balance Sheet date though 100% provision made in the books in the previous years and no sales is effected during the year: The Company has neither written off the inventory found short nor it has withdrawn the corresponding provision made earlier in the books. Therefore , both the inventories and the provision for inventories are over stated to the extent of Rs. 347.87 lakhs. | Sand division has not made any transactions during the year2021-22 and 2022-23 and the existing outstanding in the books holds good.<br><br>The officials from Mines & Geology Department had visited Krishnapatinam port on 16th December 2022, and verified the stock.<br><br>Since, the inventories are on estimated on volume calculation by frustum method. Unless we sell the entire/substantial quantity we will not able to identify the exact shortage. |

| | |
|---|---|
| c. For the Chit Fund Division, in the absence of (i) proper internal control measures in place; (ii) support for generation of accurate and required reports from the software deployed; (iii) any defined system and timely closure of books for offline branches (Shivamoga and Kengeri). (iv) Timely preparation of bank reconciliation statements etc. which may have an impact on the financial statements. During the year there was a financial misappropriation of funds by an outsourced employee of the company. The company has estimated the loss at Rs. 147.80 lakhs including future liability and the same is provided for. The company has filed FIR and has initiated steps to recover the same. The Company has also initiated forensic audit in respect of two branches and the audit report is awaited. In the absence of required information, the impact if any, on the financial statements could not be ascertained. | (1)The division has taken various measures to improve proper internal control mechanism.<br>(ii) The issue of software is being brought in every forum and the tender process initiated at present is under technical appraisal.<br>(iii)The deliberations are on for on boardingShimoga and Kengeri branches with standalone software at present and it is likely to be completed early.<br>(iv)The reconciliation of accounts are nearing completion up to November 2023 and likely to be updated in few days.<br><br>The impact of financial misappropriations surfaced are already brought under the provisions made for FY 2022-23 and requirement of any further provisions are to be reviewed based on the final report of Forensic Audit. |
| d. The company has received BPPI incentives Rs. 56.46 lakh received during the period and reported in the standalone financial statement. The estimated incentive for the year is Rs. 167.69 lakhs. The company stated to be following the cash basis of accounting policy regarding the same. The difference of Rs. 111.23 lakhs between eligible BPPI Incentive receivable and received is neither recognized nor disclosed in the financial statement. | As per changes in the guidelines of BPPI effective from 01.04.2020, BPPI is offering incentive @15% on the purchases of JAS outlets which is restricted to Rs. 0.15 lakhs per month and up to limit of Rs. 5.00 lakhs per outlet. During the FY 2020-21, the company received an incentive amount of Rs. 82.49 lakhs & during the FY 2021-22 and amount of Rs. 44.32 lakhs was received as incentive. These amounts were accounted in the books on receipt basis as BPPI collects the information regarding the purchases directly from the suppliers who are linked to BPPI headquarters through software. In the FY 2022-23, the company received the incentive amount of Rs. 56.46 lakhs which is again accounted on receipt basis. As under the scheme, since BPPI collects purchase details directly from their empanelled suppliers who are linked to BPPI headquarters through software, no estimation of incentive receivable is made in the books of division. Further, as the actual amount that BPPI would make by way of incentive is not known, no provisional entry is created in the books. |
| e. The income tax refunds receivable and provisions made accounts needs to be reconciled and necessary entries have to be passed. For the assessment years 2012-13 and 2014 15 there is a provision outstanding to the extent of Rs. 46.88 lakhs in the books whereas no demand is outstanding. For assessment years 2013-14 Rs. 76.56 lakhs is shown as refundable whereas the refund is adjusted against the previous years' demand which is not disputed by the company. The combined effect of this is that the profit for the year is higher by Rs. 29.68 lakhs and the current tax assets is higher to the same extent. | The Income tax recoverable for the financial year 2012-13 ( AY 2013-14) shown in the books is Rs. 76.56 lakhs. We have not got the refund in our Bank Account. We are in the process of obtaining the details from the Income Tax Department. It is possible that the refund would have been adjusted against demands of various Assessment years some of which are under appeal. The necessary entries if any will be passed in the books during the year 2023-24 after reconciliation. |

| | |
|---|---|
| f. In Tours and Travels Division, The company has received certain advances for the tours and travels services. The company has to reconcile the accounts of Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka and the corresponding service providers. The company has also made supplies to RGUHS in Papers Division. Since disputes arose between the company and RGUHS and also with the corresponding service providers the receivables and payables accounts of RGUHS and service providers needs to be reconciled. The company has made a provision for bad and doubtful debt to the extent of Rs. 200 lakhs in this regard. The effect of the same is not ascertainable in the absence of reconciliation statements. | The division has made several letters, many emails and visited Rajive Gandhi University of Health Sciences, Karnataka (RGUHS) several times and conducted meeting with then VC, Registrar and in-charge officers /accounts division requesting to reconcile the accounts pertaining to the pilot project which is unsettled as the project was completed long back. During the year 2021-22, the company has made provision to the extent of Rs. 200.00 lakhs on the above transactions. The same will be reconciled and pass necessary entries in the books of accounts during the year 2023-24 |
| g.The company recognises the interest income on Fixed Deposits on accrual basis. However, due to errors in the calculation, the interest income recognized during the year is short by Rs. 31.54 lakhs. Due to this and other errors, the Bank balances other than cash and cash equivalents under current assets are understated to the extent of Rs. 32.80 lakhs. | The difference is an accumulated figure over the years. This was due to error in the formula in excel sheet in case of few fixed deposits. Since, the Chit fund division is having more than 1200 statutory fixed deposits for various chit group (including small denominations) this kind of mistakes taken place. The same is being reconciled now and the necessary entries will be passed in FY 2023-24. |




Mysore Sales International Limited has contributed Rs.2.00 Crore to “Chief Minister Relief Fund” Cheque was handed over to Sri Siddaramaiah, Hon’ble Chief Minister, Government of Karnataka on 22.09.2023 by Sri M.B. Patil, Hon’ble Minister for Large and Medium Industries and Infrastruture Development and Chairman MSIL, Sri Selvakumar, IAS Principal Secretary, Commerace and Industries, Government of Karnataka, Sri Manojkumar, IFS, Managing Director, MSIL and Senior Executives of MSIL were present during the event.

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MYSORE SALES INTERNATIONAL LIMITED, BANGALORE FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31st March 2023** 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) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated **27 December 2023** which supersedes their earlier Audit Report dated **29 November 2023.**

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 2023** 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 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/-**
**(VIMALENDRA A. PATWARDHAN)**
**Pr. ACCOUNTANT GENERAL (AUDIT-II)**
**KARNATAKA, BENGALURU**

BENGALURU
Date:12.01.2024

MSIL

## MYSORE SALES INTERNATIONAL LIMITED
## CIN:U85110KA1966SGC001612
## STANDALONE BALANCE SHEET AS AT 31 MARCH 2023
## (ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

| | Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| | | | | |
| I | **ASSETS** | | | |
| | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 2 | 4,796.96 | 3,938.37 |
| | (b) Capital work-in-progress | 3 | 592.83 | 397.04 |
| | (c) Investment properties | 4 | 3,847.40 | 3,965.64 |
| | (d) Other intangible assets | 5 | - | 0.85 |
| | (e) Right-of-use assets | 5A | 737.64 | 1,028.26 |
| | (f) Financial assets | | | |
| | (i) Investments | 6 | 3,002.35 | 3,021.36 |
| | (ii) Other financial assets | 7 | 16,590.89 | 12,437.45 |
| | (iii) Non-current bank balances | 12 | 4,170.72 | 1,414.74 |
| | (g) Deferred tax assets (net) | 29 | 1,363.43 | 1,299.62 |
| | (h) Other non-current assets | 8 | 68.60 | 597.40 |
| | **Total non-current assets** | | **35,170.82** | **28,100.73** |
| | | | | |
| | **Current assets** | | | |
| | (a) Inventories | 9 | 15,062.08 | 14,449.87 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 10 | 3,912.11 | 8,404.24 |
| | (ii) Cash and cash equivalents | 11 | 4,181.43 | 8,409.14 |
| | (iii) Bank balances other than (ii) above | 12 | 20,287.90 | 15,633.87 |
| | (iv) Other financial assets | 7 | 12,365.78 | 10,746.12 |
| | (c) Other current assets | 8 | 7,406.21 | 5,550.35 |
| | (d) Assets held for sale | 30 | 5.00 | 5.00 |
| | (d) Current tax asset (net) | 8A | 437.44 | 1,148.68 |
| | | | | |
| | **Total current assets** | | **63,657.95** | **64,347.26** |
| | **Total assets** | | **98,828.77** | **92,447.99** |

| | | | | |
|---|---|---|---|---|
| **II.** | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity share capital | 13 | 4,273.48 | 4,273.48 |
| | (b) Other equity | 14 | 52,271.94 | 47,283.91 |
| | **Total equity** | | **56,545.42** | **51,557.39** |
| | | | | |
| | **Liabilities** | | | |
| | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Lease Liability | 15 | 342.75 | 462.31 |
| | (ii) Other Financial Liabilities | 15 | 17,706.03 | 9,553.23 |
| | (b) Provisions | 16 | 1,508.83 | 1,478.86 |
| | (c) Deferred tax liabilities (gross) | 29 | | |
| | **(c) Other non-current liabilities** | **17** | **-** | **-** |
| | **Total non-current liabilities** | | **19,557.61** | **11,494.40** |
| | | | | |
| | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Trade payables | 18 | | |
| | (a) Total outstanding dues of micro and small enterprises | | 2,647.61 | 514.52 |
| | (b) Total outstanding dues other than (i) (a) above | | 8,317.74 | 9,593.35 |
| | (ii) Lease Liability | 15 | 382.77 | 619.57 |
| | (iii) Other financial liabilities | 15 | 9,756.79 | 17,280.30 |
| | (b) Other current liabilities | 17 | 1,361.55 | 1,006.65 |
| | **(c) Provisions** | **16** | **259.28** | **381.81** |
| | | | | |
| | **Total current liabilities** | | **22,725.74** | **29,396.20** |
| | Total equity and liabilities | | **98,828.77** | **92,447.99** |

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

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

MSIL

## MYSORE SALES INTERNATIONAL LIMITED
## CIN:U85110KA1966SGC001612
## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023
## (ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

| Particulars | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue from operations | 19 | 282,499.26 | 260,863.56 |
| Other income | 20 | 3,094.28 | 1,875.95 |
| **Total income** | | **285,593.54** | **262,739.51** |
| | | | |
| **Expenses** | | | |
| Cost of materials consumed | 21 | 1,767.00 | 1,359.01 |
| Purchase of traded goods | 22 | 252,556.60 | 236,138.70 |
| Changes in inventories of finished goods and traded goods | 23 | (523.75) | (2,007.48) |
| Employee benefits expense | 24 | 1,860.32 | 2,043.25 |
| Finance costs | 25 | 179.92 | 162.13 |
| Depreciations and amortization expenses | 26 | 1,834.44 | 1,761.90 |
| Impairment losses | 28 | - | - |
| **Other expenses** | **27** | **19,839.72** | **17,956.09** |
| | | **277,514.25** | **257,413.60** |
| **Profit before exceptional items and tax from continuing operations** | | **8,079.29** | **5,325.91** |
| **Exceptional items** | **41** | **-** | **(3,460.54)** |
| **Profit before tax from continuing operations** | | **8,079.29** | **8,786.45** |
| Tax expense | 29 | | |
| (1) Current tax | | 2,019.71 | 1,950.00 |
| (2) Deferred tax | | (65.72) | (308.94) |
| (3) Adjustment of tax relating to earlier periods | | 35.29 | - |
| **Profit for the year from continuing operations** | | **6,090.01** | **7,145.39** |
| | | | |
| Discontinued operations | 30 | | |
| Profit/(loss) before tax for the year from discontinued operations | | (2.81) | (0.90) |
| Tax Income/ (expense) of discontinued operations | | - | - |
| **Profit/ (loss) for the year from discontinued operations** | | **(2.81)** | **(0.90)** |
| | | | |
| **Profit for the year** | | **6,087.20** | **7,144.49** |

| | | | |
|---|---|---|---|
| **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 | | (19.00) | (384.82) |
| Income tax effect | | 4.78 | - |
| | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | 26.61 | (110.32) |
| Income tax effect | | (6.69) | - |
| | | | |
| Other comprehensive income for the year, net of tax | | **5.70** | **(495.14)** |
| | | | |
| **Total comprehensive income for the year** | | **6,092.90** | **6,649.35** |
| | | | |
| Earnings per share for continuing operations | 32 | | |
| Basic (₹) | | 142.51 | 167.20 |
| Diluted (₹) | | 142.51 | 167.20 |
| | | | |
| Earnings per share for discontinued operations | 32 | | |
| Basic (₹) | | (0.07) | (0.02) |
| Diluted (₹) | | (0.07) | (0.02) |
| | | | |
| Earnings per share for continuing and discontinued operations | 32 | | |
| Basic (₹) | | 142.44 | 167.18 |
| Diluted (₹) | | 142.44 | 167.18 |
| Significant accounting policies | 1.2 | | |
| The accompanying notes are an integral part of the financial statements | | | |

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

MSIL

**MYSORE SALES INTERNATIONAL LIMITED**
**CIN:U85110KA1966SGC001612**
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023**
**(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)**

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| **Profit before tax and exceptional items as per Statement of Profit and Loss** | **8,076.48** | **8,785.55** |
| | | |
| **Adjustments for:** | | |
| Dividend | (280.69) | (78.82) |
| Provision for doubtful debts no longer required | (131.13) | (15.32) |
| Interest income | (1,270.79) | (858.39) |
| Profit on sale of property, plant and equipment | (6.11) | (1.67) |
| Rent | (855.40) | (666.76) |
| Depreciation and amortisation expenses | 1,834.45 | 1,761.90 |
| Finance costs | 179.92 | 162.13 |
| Bad & Doubtful Debts | - | - |
| Allowances for doubtful debts and advances | 245.94 | 1,000.83 |
| Impairment losses in value of other financial assets | 6.83 | 44.13 |
| Re-measurement gains (losses) on defined benefit plans | 26.61 | (110.32) |
| Exceptional items | - | 3,460.54 |
| Debtor PY impact | - | |
| Share of profit from joint arrangements | | - |
| **Operating profit before working capital changes** | **7,826.13** | **13,483.80** |
| | | |
| **Changes in working capital** | | |
| **Adjustments for increase / (decrease) in** | | |
| Trade receivables | 4,623.26 | (3,751.38) |
| Inventories | (612.21) | (1,794.78) |
| Other assets | (1,327.06) | (1,806.36) |
| Other financial assets | (5,527.18) | (2,301.97) |
| Trade payables | 857.48 | 1,951.59 |
| Other liabilities | 259.19 | (6,919.40) |
| Other financial liabilities | 662.14 | 5,532.04 |
| **Provisions** | **(92.55)** | **36.94** |
| **Cash generated from operations** | **6,669.20** | **4,430.49** |
| Taxes paid, net | (1,986.15) | (2,490.51) |
| **Net cash generated from operating activities** | **4,683.05** | **1,939.98** |

| B. Cash flow from investing activities | | |
|---|---|---|
| Purchase of Property, Plant & Equipment (including capital advances) | (2,093.24) | (1,407.70) |
| Government Grant | - | - |
| Movement in bank balances other than cash and cash equivalents | (7,410.01) | 887.45 |
| Proceeds from sale of Property, Plant & Equipment | 27.10 | 5.07 |
| (Purchase) / Sale of investments / Share of profit from Joint arrangements | - | (0.01) |
| Investment income (Rental income on investment Property) | 855.40 | 451.64 |
| Interest received | 1,241.65 | 845.62 |
| Dividend received | 280.69 | 78.82 |
| **Net cash (used in) / generated from investing activities** | **(7,098.41)** | **860.89** |
| | | |
| **C. Cash flow from Financing activities** | | |
| Finance cost paid | (76.08) | (39.18) |
| Principal element of lease payments | (631.08) | (794.72) |
| Dividend paid | (1,105.19) | (320.51) |
| Dividend Distribution tax paid | - | - |
| **Net cash used in financing activities** | **(1,812.35)** | **(1,154.40)** |
| | | |
| **Net changes in cash and cash equivalents** | **(4,227.71)** | **1,646.47** |
| Cash and cash equivalents as at beginning of the year | 8,409.14 | 6,762.67 |
| Cash and cash equivalents as at end of the year | **4,181.43** | **8,409.14** |
| The accompanying notes are an integral part of the financial statements | 1.2 | |

**Changes in liabilities arising from financing activities**

| **Particulars** | **4.1.2022** | **cash flows** | **Others** | **31.3.2023** |
|---|---|---|---|---|
| Lease Liability | 1,081.88 | (631.08) | 274.73 | 725.52 |
| **Particulars** | **4.1.2021** | **cash flows** | **Others** | **31.3.2022** |
| Lease Liability | 1,397.26 | (794.72) | 479.34 | 1,081.88 |

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

MSIL

**MYSORE SALES INTERNATIONAL LIMITED**
**CIN:U85110KA1966SGC001612**

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023
**(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)**

| A. | Equity Share Capital | |
|---|---|---|
| | **Particulars** | **Amount** |
| | **Balance as at 01 April 2021** | **4,273.48** |
| | Changes in Equity Share Capital during 2021-22 | - |
| | **Balance as at 31 March 2022** | **4,273.48** |
| | Changes in Equity Share Capital during 2022-23 | - |
| | **Balance as at 31 March 2023** | **4,273.48** |

| B. | Other equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Particulars | Reserves and Surplus | | | Other Comprehensive Income | | Total |
| | | General reserves | Retained Earnings | Share Application money pending allotment | Fair Valuation of Equity Instruments | Remeasure ment of defined benefit plans | |
| | **Balance as at 01 April 2021** | **19,125.69** | **22,371.53** | **-** | **49.84** | **(591.99)** | **40,955.07** |
| | Profit for the year | - | 7144.49 | - | - | - | 7,144.49 |
| | Transfer from retained earnings * | 816.48 | (816.48) | - | - | - | - |
| | Dividends (Refer note 33) | | (320.51) | - | | | (320.51) |
| | Total Comprehensive Income | - | - | - | (384.82) | (110.32) | (495.14) |
| | **Balance as at 31 March 2022** | **19,942.17** | **28,379.03** | **-** | **(334.98)** | **(702.31)** | **47,283.92** |
| | Profit for the year | - | 6,087.20 | - | - | - | 6,087.20 |
| | Transfer from retained earnings * | 928.21 | (928.21) | - | - | - | - |
| | Dividends (Refer note 33) | - | (1,105.19) | - | - | - | (1,105.19) |
| | Total Comprehensive Income | - | - | - | (14.22) | 19.93 | 5.71 |
| | **Balance as at 31 March 2023** | **20,870.39** | **32,432.82** | **-** | **(349.20)** | **(682.39)** | **52,271.95** |

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

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
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PARTNER
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**A M Chandrappa**
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 Bangalore, 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

### (i) Statement of compliance

The standalone 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 2023were authorized and approved for issue by the Board of Directors on 29.11.2023

### (ii) Basis of preparation of financial statements

The standalone 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.

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 116, '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)

### (iii) 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 judgements, 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.

### (iv) New Accounting Standards and amendments not yet adopted by the Company

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

a. Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

b. Ind AS 1 - Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

c. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

d. Other amendments in Ind AS 102, share based payments, Ind AS 103, Business Combinations, Ind AS 109, financial instruments, Ind AS 115, Revenue from Contract with customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

### (v) 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 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 dependent 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. b. Foreign currency transactions**

*Functional and presentation currency*

The financial statements are presented in Indian Rupee ('Rs') which is also the functional and presentation currency of the Company.

***(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. c. Revenue recognition**

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. 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. -refer to "k" - Leases

### 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 proportionbasis, 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. Duty credit / exemption under various promotional schemes of Foreign Trade Policy in force, Tax credit, and refund of income-tax/service tax / sales-tax /VAT/GST and interest thereon etc.

iii. Interest on overdue recoverable.

iv. 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 consumablesissued to convertors are considered as Finished Goods only at the time of receipt of notebooksfrom 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/Leasehold-Premises Improvements | 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 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 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

Finance cost comprises of Interest cost on lease and other financial liabilities, bank charges and guarantee commission. All finance costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

### 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.

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.

### k. Leases

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 and 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 itsinception. 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 anRoUasset 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 there-measurement in statement of profit and loss.

Lease liability payments are classified as "cash used in financing activities" in the Statement of Cash Flow.

### 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-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 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 taxes*

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.

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 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**

- 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.
- a present obligation arising from a past event, when a reliable estimate of the obligation cannot be made, and
- 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 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 alsorecognises 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 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. *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.

### u. *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.

### v. *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.

### w. *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 amortization.

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. The Company has classified its hire purchase business as discontinued operations. Interest income from hire purchase business is accounted on cash basis.

### x. *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 judgements as detailed in note 1.2(v)(c) that significantly affect the determination of the amount and timing of revenue from contracts with customers.

b. Net realisable value of inventory - The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement 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 (chit fund business) – 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 non-cancellable 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 judgements 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 judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

b. 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.

c. 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 judgement.

d. Contingent liabilities -The Company uses significant judgement 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 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 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 | Leasehold land | Building - Freehold | Building - Leasehold | Handling Equipment | Electrical Equipment | Computers | Furniture and fixtures | Vehicles | Leased Assets | Leasehold premises improvements | Office Equipment | Grant Assets | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | | | | | |
| As at 01 April 2021 | 31.93 | 21.54 | 176.60 | - | 0.32 | 1768.61 | 166.14 | 2735.33 | 300.40 | 0.00 | 7.05 | 1093.82 | 0.00 | 6301.72 |
| Additions | - | - | - | - | - | 228.43 | 45.57 | 573.24 | - | - | - | 153.97 | - | 1001.21 |
| Disposals | - | - | - | - | - | (3.44) | - | (11.77) | - | - | - | (3.85) | - | (19.06) |
| **As at 31 March 2022** | **31.93** | **21.54** | **176.60** | **-** | **0.32** | **1993.60** | **211.71** | **3296.80** | **300.40** | **0.00** | **7.05** | **1243.94** | **0.00** | **7283.87** |
| Additions | - | - | - | - | - | 719.64 | 18.12 | 871.39 | 82.76 | - | - | 301.25 | - | 1993.15 |
| Disposals | - | - | - | - | - | (3.13) | (0.58) | (19.09) | (0.80) | - | - | (3.51) | - | (27.10) |
| **As at 31 March 2023** | **31.93** | **21.54** | **176.60** | **-** | **0.32** | **2710.11** | **229.24** | **4149.10** | **382.36** | **0.00** | **7.05** | **1541.68** | **0.00** | **9249.92** |
| **Accumulated depreciation** | | | | | | | | | | | | | | |
| As at 01 April 2021 | - | - | 29.72 | - | 0.27 | 484.17 | 102.37 | 1171.78 | 91.04 | - | 0.86 | 539.26 | - | 2419.47 |
| Depreciation Charge for the year | - | - | 3.86 | - | - | 186.81 | 35.93 | 545.93 | 35.26 | - | 2.23 | 131.67 | - | 941.69 |
| Adjustments for disposals | - | - | - | - | - | (2.60) | - | (11.77) | - | - | - | (1.29) | - | (15.66) |
| **As at 31 March 2022** | **-** | **-** | **33.58** | **-** | **0.27** | **668.38** | **138.30** | **1705.94** | **126.30** | **-** | **3.09** | **669.64** | **-** | **3345.50** |
| Charge for the year | - | - | 4.71 | - | - | 228.43 | 37.31 | 629.50 | 38.71 | - | 2.23 | 183.49 | - | 1124.38 |
| Adjustments for disposals | - | - | - | - | - | (2.51) | (0.54) | (12.60) | - | - | - | (1.29) | - | (16.92) |
| **As at 31 March 2023** | **-** | **-** | **38.28** | **-** | **0.27** | **894.31** | **175.08** | **2322.85** | **165.01** | **-** | **5.32** | **851.84** | **-** | **4452.96** |
| **Net block as at 31 March 2022** | **31.93** | **21.54** | **143.03** | **-** | **0.04** | **1325.21** | **73.40** | **1590.86** | **174.10** | **0.00** | **3.96** | **574.30** | **0.00** | **3938.37** |
| **Net block as at 31 March 2023** | **31.93** | **21.54** | **138.32** | **-** | **0.04** | **1815.80** | **54.16** | **1826.25** | **217.35** | **0.00** | **1.73** | **689.84** | **0.00** | **4796.96** |

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

| 3 | **Capital work-in-progress (CWIP)** | | |
|---|---|---|---|
| | | | |
| | **Particulars** | **Capital work in progress** | **Total** |
| | As at 01 April 2021 | 405.86 | 405.86 |
| | Additions | 94.00 | 94.00 |
| | Capitalised during the year | 40.41 | 40.41 |
| | Deletion | | |
| | **As at 31 March 2022** | **397.04** | **397.04** |
| | Additions | 195.80 | 195.80 |
| | Capitalised during the year | - | - |
| | Deletion | - | - |
| | **As at 31 March 2023** | **592.83** | **592.83** |

| **Ageing of CWIP** | | | | | |
|---|---|---|---|---|---|
| **Amount in CWIP for period ending 31st March 2023** | | | | | |
| **CWIP** | **Less Than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Project In progress | 195.80 | 94.00 | 141.88 | 161.16 | 592.83 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **195.80** | **94.00** | **141.88** | **161.16** | **592.83** |

| **Details of projects in progress where the completion is overdue or cost has exceeded the estimated timelines as compared to its original plan** | | | | |
|---|---|---|---|---|
| | **Estimated date of completion** | **Budgeted Project Cost** | **Actual cost as on 31st March 2023** | **Reasons for delay** |
| **Project in progress** | | | | |
| Warehouse, Kapanoor Ind Area, Kalburgi | 31/5/2024 | 752.91 | 592.83 | Due to inclusion of additional work. |
| **Projects temporarily suspended** | **Nil** | | | |

| **CWIP** | **Amount in CWIP for period ending 31st March 2022** | | | | |
|---|---|---|---|---|---|
| | **Less Than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Project In progress | 94.00 | 141.88 | 161.16 | - | 397.04 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **94.00** | **141.88** | **161.16** | **-** | **397.04** |

| Details of projects in progress where the completion is overdue or cost has exceeded the estimated timelines as compared to its original plan | | | | |
|---|---|---|---|---|
| | **Estimated date of completion** | **Budgeted Project Cost** | **Actual cost as on 31st March** | **Reasons for delay** |
| **Project in progress** | | | | |
| Warehouse, Kapanoor Ind Area, Kalburgi | 31/7/2022 | 565.12 | 397.04 | Nil |
| Software Development at Chit Division | 31/3/2021 | 0.00 | 0.00 | Nil |
| Software Development at Pharma Division | 31/3/2021 | 0.00 | 0.00 | Nil |
| Custom Bonded Warehouse, Mangalore | 31/3/2021 | 0.00 | 0.00 | Nil |
| | | | | |
| **Projects temporarily suspended** | **Nil** | | | |
| **Projects temporarily suspended** | **Nil** | | | |

a. **Contractual obligations**

Details of contractual obligations is given in note 41.

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 2023 is Nil. (31 March 2022: Nil)

c. There are no borrowing cost capitalised during the year ended 31 March 2023 and 31 March 2022.

d. Capital work-in-progress comprises of Buildings in the current year.

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

## 4 Investment property

| Particulars | Freehold land | Leasehold land | Building Freehold | Building Leasehold | Total |
|---|---|---|---|---|---|
| As at 01 April 2021 | 53.06 | 100.95 | 1604.08 | 2686.59 | 4444.68 |
| Additions (subsequent expenditures) | - | - | - | - | - |
| Deletions | - | - | - | - | - |
| **As at 31 March 2022** | **53.06** | **100.95** | **1604.08** | **2686.59** | **4444.68** |
| Additions (subsequent expenditures) | - | - | - | - | - |
| Deletions | - | - | - | - | - |
| **As at 31 March 2023** | **53.06** | **100.95** | **1604.08** | **2686.59** | **4444.68** |
| **Depreciation and impairment** | | | | | |
| As at 01 April 2021 | - | - | 89.96 | 269.39 | 359.35 |
| Depreciation (Refer note 26) | - | - | 29.85 | 89.84 | 119.69 |
| **As at 31 March 2022** | **-** | **-** | **119.81** | **359.23** | **479.04** |
| Depreciation (Refer note 26) | - | - | 28.40 | 89.84 | 118.24 |
| **As at 31 March 2023** | **-** | **-** | **148.21** | **449.07** | **597.28** |
| **Net block as at 31 March 2022** | **53.06** | **100.95** | **1484.27** | **2327.36** | **3965.64** |
| **Net block as at 31 March 2023** | **53.06** | **100.95** | **1455.87** | **2237.52** | **3847.40** |

| Information regarding income and expenditure of Investment property | Year ended 31March 2023 | Year ended 31March 2022 |
|---|---|---|
| Rent from investment properties (Refer Note (20)) | 855.40 | 666.76 |
| Direct operating expenses (including repairs and maintenance) pertaining to investment property | (107.07) | (173.95) |
| **Profit arising from investment properties before depreciation and indirect expenses** | **748.33** | **492.81** |
| Less – Depreciation | (118.24) | (119.69) |
| **Profit arising from investment properties before indirect expenses** | **630.09** | **373.12** |

The company is in the process of getting its 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.

(All amounts in Rs lakhs unless otherwise stated)

**5. Other intangible assets**

| Particulars | Computer software | Total |
|---|---|---|
| **Gross Carrying Amount** | | |
| As at 01 April 2021 | 49.11 | 49.11 |
| Additions | - | - |
| Deletions | - | - |
| **As at 31 March 2022** | **49.11** | **49.11** |
| Additions | - | - |
| Deletions | - | - |
| As at 31 March 2023 | 49.11 | 49.11 |
| **Accumulated amortization** | | |
| As at 01 April 2021 | **46.73** | **46.73** |
| Charge for the year (Refer note 26) | 1.53 | 1.53 |
| **As at 31 March 2022** | **48.26** | **48.26** |
| Charge for the year (Refer note 26) | 0.85 | 0.85 |
| **As at 31 March 2023** | **49.11** | **49.11** |
| **Net block as at 31 March 2022** | **0.85** | **0.85** |
| **Net block as at 31 March 2023** | **-** | **-** |

| 5A. | Right of Use Assets | |
|---|---|---|
| | **Particulars** | **Right of Use** |
| | As at 1 April 2021 | 2,724.03 |
| | Additions (*) | 415.31 |
| | Disposals | - |
| | **As at 31 March 2022** | **3,139.34** |
| | Additions | 300.35 |
| | Disposals | - |
| | **As at 31 March 2023** | **3,439.69** |
| | **Accumulated depreciation** | |
| | As at 1 April 2021 | 1412.09 |
| | Charge for the year | 698.99 |
| | Adjustments for disposals | - |
| | **As at 31 March 2022** | **2,111.08** |
| | Charge for the year | 590.97 |
| | Adjustments for disposals | - |
| | **As at 31 March 2023** | **2,702.05** |
| | **Net carrying value as at 31 March 2022** | **1,028.26** |
| | **Net carrying value as at 31 March 2023** | **737.64** |

* Right of use assets are recgonised as on 1 April 2019 on adoption of Ind AS 116 using modified retrospective approach.

| The following are the expense recognised in profit & loss<br>Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| Depreciation expense of right-of-use assets | 590.97 | 698.99 |
| Interest expense on lease liabilities | 103.84 | 83.79 |
| Expense relating to short-term leases | 1,089.63 | 866.91 |
| Expense relating to leases of low-value assets | - | - |
| **Total amount recognised in profit or loss** | **1,784.45** | **1,649.69** |

**MYSORE SALES INTERNATIONAL LIMITED**
**CIN:U85110KA1966SGC001612**
**(All amounts in Rs lakhs unless otherwise stated)**

| | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| 6 | **Investments** | | |
| | **Non-current** | | |
| A. | **Quoted Investments** | | |
| | M/s J K Tyre Industries Limited | 508.89 | 386.15 |
| | 329,060 (31 March 2022: 329,060) fully paid equity shares of INR 2 each | | |
| | M/s Bengal & Assam Co Limited | 140.04 | 90.29 |
| | 3,831 (31 March 2022: 3,831) fully paid equity shares of INR 10 each | | |
| | **Total Aggregate Quoted Investments (A)** | **648.93** | **476.44** |
| | Aggregate book value of quoted investments | 648.93 | 476.44 |
| | Aggregate market value of quoted investments | | |
| 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 2022: 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 2022: 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 2022: 35) fully paid equity shares of INR 100 each | | |
| | M/s K T Mansions Appartments Owners' Association: | 0.03 | 0.03 |
| | 25 (31 March 2022: 25) fully paid equity shares of INR 100 each | | |
| | **Others- At fair value through OCI** | | |
| | M/s.Hassan Mangalore Rail Development Company Limited | 1,729.78 | 1,922.50 |
| | 7,000,000 (31 March 2022: 7,000,000) fully paid equity shares of INR 100 each | | |
| | M/s The Karnataka State Co-operative Apex Bank Limited - One -C- Class Ordinary Share: | 26.15 | 24.92 |
| | 1 (31 March 2022: 1) fully paid equity shares of INR 1,000,000 each | | |
| | M/s. Food Karnataka | | |
| | XX (31 March 2021: XX) fully paid equity shares of INR XX each | | |
| | **Total aggregate of un-quoted Investments (B)** | **2,353.42** | **2,544.92** |
| | **Total (A+B)** | **3,002.35** | **3,021.36** |
| | Aggregate amount of quoted investments and market value thereof | 648.93 | 476.44 |
| | Aggregate amount of unquoted investments | 2,353.42 | 2,544.92 |
| | Aggregate amount of impairment in value of investments | - | - |
| | | 3,002.35 | 3,021.36 |

(*) fair value on the date of transition is considered as deemed cost.
Only quoted investments have been restated to their value as at 31 March 2023.

**MYSORE SALES INTERNATIONAL LIMITED**
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**(All amounts in Rs lakhs unless otherwise stated)**

| 7 | Other Financial assets | As at 31 March 2023 Non-Current | As at 31 March 2023 Current | As at 31 March 2022 Non-Current | As at 31 March 2022 Current |
|---|---|---|---|---|---|
| | **At Amortized Cost** | | | | |
| | Loans and advances - related to Chit operations | | | | |
| | (i) Secured and Considered good | 16,590.87 | 9,061.44 | 12,437.45 | 7,767.12 |
| | (ii) Unsecured and Considered good | - | - | - | 6.00 |
| | (iii) Considered doubtful | 249.36 | 684.75 | 203.90 | 559.92 |
| | Less: Allowance for doubtful advances | (249.36) | (684.75) | (203.90) | (559.92) |
| | Other advances recoverable in kind or for value to be received | | | | |
| | (i) Secured and Considered good | - | - | - | - |
| | (ii) Unsecured and Considered good | - | 2,293.12 | - | 1,934.93 |
| | (iii) Considered doubtful | - | 915.61 | - | 1,133.20 |
| | Less: Allowance for doubtful advances | - | (915.61) | - | (1,133.20) |
| | Security Deposit - Unsecured and considered good | - | 1011.23 | - | 1038.07 |
| | Security Deposit - Unsecured and considered doubtful | - | (16.38) | - | (29.08) |
| | Less: Allowance for doubtful advances | - | (29.08) | - | (7.55) |
| | Deferred expense on above deposits | - | - | - | - |
| | Other receivable | 87.00 | 66.06 | 87.00 | 66.06 |
| | Less: Allowance for doubtful advances | (87.00) | (66.06) | (87.00) | (66.06) |
| | **Total** | **16,590.89** | **12,365.78** | **12437.45** | **10,746.12** |

**8.Other assets**

| | As at 31 March 2023 Non-Current | As at 31 March 2023 Current | As at 31 March 2022 Non-Current | As at 31 March 2022 Current |
|---|---|---|---|---|
| Prepaid Expenses | - | 1,207.69 | - | 1,130.41 |
| Balance with Statutory authorities | - | 176.62 | - | 1,422.73 |
| Advance Income Tax and TDS (net of provision for income tax) | - | - | - | - |
| Other Receivables | 5.39 | 3,692.36 | 597.40 | 2,752.77 |
| Gratuity Fund account (Refer note 34) | 63.21 | - | - | - |
| Advances to capital vendors and operational creditors | - | 3,359.32 | - | 1,274.22 |
| Provision advances given to vendors | | (1,029.79) | - | (1,029.79) |
| **Total** | **68.60** | **7,406.21** | **597.40** | **5,550.35** |

**8A Current tax asset (net)**

| | As at 31 March 2023 Non-Current | As at 31 March 2023 Current | As at 31 March 2022 Non-Current | As at 31 March 2022 Current |
|---|---|---|---|---|
| Advances tax and TDS | - | 2,504.03 | | 3,145.56 |
| Provision for income tax | - | (2066.60) | | (1996.88) |
| **Total** | **-** | **437.44** | **-** | **1,148.68** |

**MYSORE SALES INTERNATIONAL LIMITED**
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**(All amounts in Rs lakhs unless otherwise stated)**

| 9 | Inventories | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Raw Materials | | |
| | Paper and Straw board | 83.64 | 51.11 |
| | Convertors | 95.85 | 39.93 |
| | Work in Process | - | - |
| | Finished goods | 671.35 | 1317.85 |
| | Stock in trade pertaining to traded Goods | 16,263.08 | 15,132.39 |
| | Less: Provision for Expired/Damaged Stock- awaiting regulatory approval | (57.34) | (40.57) |
| | Less: Provision for Expired/Damaged Stock- awaiting regulatory approval | | |
| | Less: Provision for Expired/Damaged Stock- awaiting regulatory approval | | |
| | Less: Provision for Non Moving Stock | (1,994.50) | (2,050.84) |
| | Less: Provision for Non Moving Stock | (2,050.84) | (727.71) |
| | Stock with hirers | 296.76 | 298.43 |
| | Less: Expected Credit Loss for stock with hirers | (296.76) | (298.43) |
| | **Total** | **15,062.08** | **14,449.87** |

**Amounts recognised in profit or loss**

Write-downs of inventories to net realisable value amounted to INR 16.77 lakhs (31 March 2022 - 1398.90 lakhs). These were recognised as an expense during the year and included in 'changes in the value of inventories' in statement of profit and loss.

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **10** | **Trade Receivables** | | |
| | Secured, Considered good | 2.00 | 7.40 |
| | Unsecured, Considered good | 3,910.11 | 8,396.84 |
| | Trade receivables - credit impaired | 783.81 | 764.69 |
| | | 4,695.92 | 9,168.93 |
| | **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| | Unsecured, considered good | - | - |
| | Trade Receivables - credit impaired | (783.81) | (764.69) |
| | | **3,912.11** | **8,404.24** |
| Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. | | | |

| As at 31-03-2023 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed trade receivables** | | | | | | | |
| Considered good | - | 3,200.20 | 606.68 | 105.23 | - | - | 3,912.11 |
| which have significant increase in credit risk | - | - | - | - | - | - | - |
| credit impaired | - | - | - | 112.31 | 186.43 | 485.07 | 783.81 |
| **Disputed trade receivables** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Considered good | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **3,200.20** | **606.68** | **217.54** | **186.43** | **485.07** | **4,695.92** |

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

| As at 31-03-2022 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed trade receivables** | | | | | | | |
| Considered good | - | 6,866.92 | 733.19 | 513.65 | 198.67 | 91.81 | 8,404.24 |
| which have significant increase in credit risk | - | - | - | - | - | - | - |
| credit impaired | - | - | - | - | 200.00 | 564.69 | 764.69 |
| **Disputed trade receivables** | - | - | - | - | - | - | - |
| Considered good | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **6,866.92** | **733.19** | **513.65** | **398.67** | **656.50** | **9,168.93** |

| 11 | Cash and cash equivalents | | |
|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2022 |
| | Balances with banks | | |
| | In current accounts | 3,161.94 | 7,430.00 |
| | Deposits with original maturity less than three months | - | - |
| | Remittances in transit | 7.80 | 201.14 |
| | Cash on hand | 1,011.69 | 778.00 |
| | | **4,181.43** | **8,409.14** |

| 12 | Bank balances other than cash and cash equivalents | | | | |
|---|---|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
| | | Non-Current | Current | Non-Current | Current |
| | Deposits with original maturity less than 12 months | | 19215.19 | - | 9,858.61 |
| | Deposits with original maturity more than 12 months | 4170.72 | - | 1,414.74 | |
| | Interest Accrued on Bank Deposits | - | 1,072.71 | - | 709.39 |
| | Balances with banks in earmarked accounts | - | - | - | - |
| | - In margin money accounts for Bank Guarantee issued | - | - | - | 5,065.87 |
| | | **4170.72** | **20,287.90** | **1,414.74** | **15,633.87** |

Bank Balances given on lien as at 31 March 2023 is Rs 50.00 lakhs (31 March 2022 : Rs 1075.54 lakhs)
Statutory Deposits for Chit Operations as at 31 March 2023 is Rs 4629.68 lakhs (31 March 2022: Rs.3990.33 lakhs)

**MYSORE SALES INTERNATIONAL LIMITED**
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**(All amounts in Rs lakhs unless otherwise stated)**

| 13 | **Equity share capital** | **As at 31 March 2023** | | **As at 31 March 2022** | |
|---|---|---|---|---|---|
| | **Authorized shares** | **Number** | **Amount** | **Number** | **Amount** |
| | **Equity share capital of face value of ₹ 100 each** | | | | |
| | Equity shares of ₹ 100 each | 7,500,000 | 7,500.00 | 7,500,000 | 7,500.00 |
| | | 7,500,000 | 7,500.00 | 7,500,000 | 7,500.00 |
| | **Issued, subscribed and fully paid up shares** | | | | |
| | Equity shares of ₹ 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.<br>In the evnet of liquidation of the Company, the holders of equity shares will be entitled to receive remaining asset of the Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders. | | | | |
| c. | **Details of shareholders holding more than 5% shares in the company** | | | | |
| | | **As at 31 March 2023** | | **As at 31 March 2022** | |
| | **Name of the equity shareholder** | **Number** | **% holding** | **Number** | **% holding** |
| | Government of Karnataka | 2,255,817 | 52.79% | 2,255,817 | 52.79% |
| | Karnataka State Industrial Infrastructure & Development Corporation 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 2023. | | | | |
| 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) | | | | |
| | Shares of the company held by holding/ultimate holding company | | | | |
| f. | **Details of shareholding of promoters:** | **As at 31 March 2023** | | **As at 31 March 2022** | |
| | | **Number** | **% holding** | **Number** | **% holding** |
| | Government of Karnataka | 2,255,817 | 52.79% | 2,255,817 | 52.79% |
| | Karnataka State Industrial Infrastructure & Development Corporation Limited | 2,017,660 | 47.21% | 2,017,660 | 47.21% |

(All amounts in Rs lakhs unless otherwise stated)

| 14 | Other equity | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | **Securities premium** | | |
| | Balance at the beginning of the year | | |
| | Transferred/adjustment during the year | | |
| | **General reserve** | | |
| | Opening Balance | 19,942.17 | 19,125.69 |
| | Add: Appropriation during the year | 928.21 | 816.48 |
| | General reserve | 20,870.39 | 19,942.17 |
| | | | |
| | **Retained earnings** | | |
| | Opening Balance | 28,379.35 | 22,371.53 |
| | Add: Profit for the year from Statement of Profit & Loss | 6,087.20 | 7,144.49 |
| | Add: Appropriation from Statement of Profit or Loss to General Reserve | (928.21) | (816.48) |
| | Less: Dividend paid | (1,105.19) | (320.51) |
| | Add: DDT Taxes | - | - |
| | Retained earnings | 32,433.15 | 28,379.03 |
| | **Other comprehensive income** | | |
| | Opening Balance | (1,037.29) | (542.15) |
| | Additions/(Deletions) | 5.70 | (495.14) |
| | Other comprehensive income | (1,031.59) | (1,037.29) |
| | **Total** | **52,271.94** | **47,283.91** |

**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 an 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 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|---|
| | | Non-Current | Current | Non-Current | Current |
| | **At Amortised Cost** | | | | |
| | Security Deposit | | | | |
| | Unsecured and Considered good | 1,518.91 | - | 1,166.31 | 371.00 |
| | Interest payable | 53.88 | - | 53.88 | - |
| | Lease liability (Refer note A below ) | 342.75 | 382.77 | 462.31 | 619.57 |
| | Payable to Subsidiary Company (Refer note 39) | - | 10.59 | - | 22.32 |
| | Creditors for Capital Goods | - | - | - | - |
| | Other payables | 16,133.24 | 9,746.20 | 8,333.04 | 16,886.98 |
| | **Total** | **18,048.78** | **10,139.56** | **10,015.54** | **17,899.87** |

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

| **Note 15A** | |
|---|---|
| **Movement in Lease Liability for the year 2022-23** | |
| Opening Balance | 1,081.88 |
| Additions during the year | 288.53 |
| Deletions/ Utilisation | (117.65) |
| Interest on lease liabilities accrued during the year | 103.84 |
| Payment of lease liabilities | (631.08) |
| Closing Balance | 725.52 |
| **Current** | **382.77** |
| **Non-current** | **342.75** |

| **16** | **Provisions** | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|---|
| | | **Non-current** | **Current** | **Non-current** | **Current** |
| | Provision for employee benefits (*) | | | | |
| | Gratuity | | - | 0.00 | 9.22 |
| | Compensated Absences | 228.24 | 246.45 | 378.05 | 272.43 |
| | Employee Death Relief Fund | 93.13 | - | 17.03 | 87.33 |
| | Provision for Insurance Claim | 376.76 | 12.83 | 363.93 | 12.83 |
| | Provision - Others | 810.70 | - | 719.85 | - |
| | Provision for Income Tax (net of TDS and Advance Tax) | | | - | - |
| | Provision for TCS Relating to Arrack Dealers | | | | - |
| | **Total** | **1,508.83** | **259.28** | **1,478.86** | **381.81** |
| | **(*) Refer note 34 for details** | | | | |
| | **Movement in Provisions as at 31 March 2023**<br>**Information about provisions and significant estimates Insurance claims** | | | | |

| **Particulars** | **Opening Balance** | **Additions during the year** | **Deletions/ Utilisation** | **Closing Balance** |
|---|---|---|---|---|
| Provision for employee benefits (*) | 764.06 | - | (196.23) | **567.83** |
| Provision for Insurance Claim | 376.76 | 12.83 | - | **389.59** |
| Provision - Others | 719.85 | 90.85 | - | **810.70** |
| **Total** | **1,860.67** | **103.68** | **(196.23)** | **1,768.12** |

| **17** | **Other liabilities** | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| | Statutory remittances | - | 235.26 | - | 574.75 |
| | Others | - | 1.33 | - | 3.17 |
| | Capital creditors | - | 118.03 | - | 22.32 |
| | Contract Liability | - | 1,006.93 | - | 406.40 |
| | **Total** | **-** | **1,361.55** | **-** | **1,006.65** |

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

| 18 | Trade payables | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Dues of micro enterprises and small enterprises | 2647.61 | 514.52 |
| | Dues of creditors other than micro and small enterprises | 8,317.74 | 9,593.35 |
| | **Total** | **10,965.35** | **10,107.87** |

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 2022-23.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year. | | |
| Principal Amount | 2,647.61 | 204.10 |
| Interest payable under MSMED Act, 2006 | - | 39.16 |
| **Total** | **2,647.61** | **243.26** |
| 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* | - | 39.16 |
| The amount of interest accrued and remaining unpaid at the end of the accounting year | - | 39.16 |
| 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 was provided on a conservative basis in the books of accounts in the previous year.

| **As at 31-03-2023** | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | 839.52 | 1,476.23 | 70.76 | 261.09 | 2,647.61 |
| Others | - | 5,881.37 | 272.12 | 86.70 | 2,077.55 | 8,317.74 |
| Disputed Dues - MSME | - | - | - | - | - | - |
| Disputed Dues - Others | - | - | - | - | - | - |
| Debit Balances in Trade Payable | - | - | - | - | - | - |
| **Grand total** | **-** | **6,720.89** | **1,748.35** | **157.46** | **2,338.64** | **10,965.35** |

| **As at 31-03-2022** | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | 285.91 | 10.32 | 102.67 | 115.62 | 514.52 |
| Others | - | 7,163.07 | 363.30 | 345.63 | 1,721.35 | 9,593.35 |
| Disputed Dues - MSME | - | - | - | - | - | - |
| Disputed Dues - Others | - | - | - | - | - | - |
| Debit Balances in Trade Payable | - | - | - | - | - | - |
| **Grand total** | **-** | **7,448.98** | **373.62** | **448.30** | **1,836.97** | **10,107.87** |

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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)**

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| 19 | **Revenue from Operations** | | |
| | **Sale of products** | | |
| | Liquor | 266,072.84 | 239,978.00 |
| | Note Books & Stationery | 9,984.71 | 7,986.00 |
| | Pharmaceutical | 1,441.75 | 1,067.00 |
| | Industrial Products | 1,988.27 | 9,164.00 |
| | Others | 857.33 | 845.00 |
| | **Income Earned on Chit Fund Business** | | |
| | Foreman's Commission | 1,765.15 | 1,477.35 |
| | Dividend | 147.24 | 120.68 |
| | Default Interest | 224.29 | 215.55 |
| | Commission and service charges | 17.68 | 9.98 |
| | | **282,499.26** | **260,863.56** |

| | | | |
|---|---|---|---|
| 19.1 | **Disaggregated revenue information** | | |
| | **Geographical Location of customer** | | |
| | India | 282499.26 | 260863.56 |
| | Outside India | - | - |
| | | **282499.26** | **260863.56** |
| | Total revenue from contract with customer | 282499.26 | 260863.56 |
| | **Timining of revenue recognition** | | |
| | Goods or services transferred at a point in time | 282499.26 | 260863.56 |
| | Goods or services transferred at a over time | - | - |

| | | | |
|---|---|---|---|
| 19.2 | **Contract assets and contract liabilities** | | |
| | The company has recognised the following revenue related contract assets and liabilities | | |
| | **Particulars** | | |
| | Trade receivables | 3912.11 | 8404.24 |
| | Advance from customers | 1006.93 | 406.40 |

| | | | |
|---|---|---|---|
| 19.3 | **Reconciling the amount of revenue recognised in the statement of profit or loss with the contracted price** | | |
| | **Particulars** | | |
| | Revenue as per contracted price | 282499.26 | 260863.56 |
| | **Adjustments** | | |
| | Sales Return | - | - |
| | Trade and cash discounts | - | - |
| | **Revenue from contact with customer** | **282499.26** | **260863.56** |

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

| | | | |
|---|---|---|---|
| **20** | **Other Income** | | |
| | Interest on | | |
| | On bank deposits carried at amortised cost | 1,106.21 | 794.95 |
| | On other financial assets and deposits | 164.56 | 63.44 |
| | Income from Joint Venture :- ADD TO MISCELLANEOUS INCOME | | |
| | Rent (^)(#) | 855.40 | 666.76 |
| | Dividend(*) | 280.69 | 78.82 |
| | Provision for doubtful debts no longer required | 131.13 | 15.32 |
| | Profit on sale of property, plant and equipment | 6.11 | 1.67 |
| | Miscellaneous income | 550.18 | 254.99 |
| | | **3,094.28** | **1,875.95** |

(*) includes dividend received from subsidiary amounting to Rs.274.58lakhs (31 March 2022: 71.45). Refer note 39

(^) includes rent received from subsidiary amounting to INR 4.36 (31 March 2022: 4.30 lakhs). Refer note 39

# includes rent realised amounting to INR 444.49 lakhs (31 March 2021: 249.76 lakhs).

| | | | |
|---|---|---|---|
| **21** | **Cost of materials consumed** | | |
| | Inventories at the beginning of the year | 91.03 | 303.73 |
| | Purchases during the year | 1,855.45 | 1,146.31 |
| | Inventories at the end of the year | (179.49) | (91.03) |
| | | **1,767.00** | **1,359.01** |

| | | | |
|---|---|---|---|
| **22** | **Purchases of Stock-in-Trade** | | |
| | Liquor | 243,126.50 | 221,219.34 |
| | Notebooks and Stationery | 5,469.51 | 4,610.78 |
| | Pharmaceutical | 1,251.63 | 818.04 |
| | Industrial Products | 1,900.60 | 8,719.87 |
| | Others | 808.37 | 770.67 |
| | | **252,556.60** | **236,138.70** |

| | | | |
|---|---|---|---|
| **23** | **Changes in inventories of finished goods and stock-in-trade** | | |
| | Inventories at the end of the year | | |
| | Traded goods | 14,211.24 | 13,040.99 |
| | Finished goods | 671.35 | 1,317.85 |
| | | **14,882.59** | **14,358.84** |
| | Inventories at the beginning of the year | | |
| | Traded goods | 13,040.99 | 11,236.44 |
| | Finished goods | 1,317.85 | 1,114.92 |
| | | **14,358.84** | **12,351.36** |
| | | **(523.75)** | **(2007.48)** |

MSIL

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 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| 24 | **Employee Benefits Expenses** | | |
| | Salaries & Wages | 1,405.27 | 1,557.00 |
| | Contribution to Provident & Other funds | 147.45 | 187.92 |
| | Compensated Absences (Refer note 34) | 69.23 | 36.21 |
| | Gratuity (Refer note 34) | 24.35 | 91.85 |
| | Staff Welfare Expenses | 214.02 | 170.27 |
| | | **1,860.32** | **2,043.25** |

| | | | |
|---|---|---|---|
| 25 | **Finance Costs** | | |
| | Interest on lease liabilities (Refer note 15) | 103.84 | 83.79 |
| | Interest on financial liabilities and others | 4.62 | 0.06 |
| | Other borrowing cost | - | |
| | Bank charges | 71.15 | 38.87 |
| | Guarantee Commission | 0.31 | 0.25 |
| | **Interest on MSME** | **-** | **39.16** |
| | | **179.92** | **162.13** |

| | | | |
|---|---|---|---|
| 26 | **Depreciation and amortization expense** | | |
| | Depreciation on Property, plant and equipment (Refer note 2) | 1,124.38 | 941.69 |
| | Amortization of intangible assets (Refer note 5) | 0.85 | 1.53 |
| | Depreciation on Investment Properties (Refer note 4) | 118.24 | 119.69 |
| | Depreciation of Right-of-use assets (Refer note 5A) | 590.97 | 698.99 |
| | | **1,834.44** | **1,761.90** |

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

| | | | |
|---|---|---|---|
| **27** | **Other Expenses** | | |
| | Conversion charges - Notebooks | 254.67 | 237.65 |
| | Packing Material & Secondary Freight | 1,694.52 | 1,345.30 |
| | Outsourcing expenses | 7,372.10 | 6,383.36 |
| | Rent (Refer note 5A) | 1,089.63 | 866.91 |
| | Repairs & Maintenance : | | |
| | - Buildings | 107.07 | 173.95 |
| | - Vehicle | 65.28 | 56.96 |
| | - Others | 241.68 | 211.26 |
| | Insurance | 168.65 | 159.39 |
| | Rates and taxes | 5,186.59 | 4,903.43 |
| | Advertising and sales promotion (#) | 473.33 | 241.72 |
| | Communication costs | 81.74 | 85.70 |
| | Printing and stationery | 205.02 | 163.42 |
| | Payment to the Auditor(*) | 10.08 | 10.08 |
| | Legal and professional fees | 710.19 | 610.51 |
| | Travelling and conveyance | 293.16 | 180.23 |
| | Electricity & Water | 237.35 | 181.72 |
| | Security Services | 90.02 | 88.91 |
| | Commission | 608.53 | 571.36 |
| | Donation | 310.00 | 110.00 |
| | Corporate Social Responsibility expenditure (Refer note 37) | 90.66 | 121.60 |
| | Directors Sitting fees | 1.64 | 1.76 |
| | Bad & Doubtful Debts | | - |
| | Loss on sale of property, plant and equipment (net) | - | - |
| | Allowances for doubtful debts and advances | 245.94 | 1,000.83 |
| | Impairment losses in value of other financial assets | 6.83 | 44.13 |
| | Miscellaneous | 295.05 | 205.91 |
| | | **19,839.72** | **17,956.09** |
| | (*) Refer note 28 for payment to the auditor | | |
| | (#) includes advertising and sales promotion paid to subsidiary amounting to Rs.24.45Lakhs (31 March 2022 : Rs 56.44 lakhs) | | |

**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 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| 28 | **Payment to the Auditor Included under Legal and professional Fees:** | | |
| | - Audit fee | 9.17 | 9.17 |
| | - Tax audit fee | 0.91 | 0.91 |
| | | **10.08** | **10.08** |

| | | | |
|---|---|---|---|
| 29 | **Tax expense** | | |
| A | **Tax expense comprises of:** | | |
| | **Profit or loss section** | | |
| | Current tax | 2,019.71 | 1,950.00 |
| | Deferred tax | (65.72) | (308.94) |
| | Adjustment of tax relating to earlier periods | 35.28 | - |
| | Income tax expense reported in the statement of profit or loss | **1,989.28** | **1,641.06** |
| | **OCI section** | | |
| | Deferred tax related to items recognised in OCI during in the year: | | |
| | On Re-measurement gains/ (losses) on defined benefit plans | (6.70) | - |
| | On equity instruments | 4.78 | - |
| | **Deferred tax charged to OCI** | (1.92) | - |
| 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 | 8,079.29 | 8,786.45 |
| | Effect of Fair Valuation not considered for determining Tax Liability | | (2.22) |
| | Profit/(loss) before tax from discontinued operations | (2.81) | (0.90) |
| | Accounting profit before tax | **8,076.48** | **8,783.33** |
| | Effective tax rate in India | 25.17% | 25.17% |
| | At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%) | 2,032.85 | 2,210.77 |
| | **Adjustments:** | | |
| | Inadmissible expenditure | 784.49 | 1,110.42 |
| | Admissible Expenditure | (953.55) | (1669.95) |
| | Other Income offered to tax | 155.22 | 291.16 |
| | Eligible Deductions under the IT Act | - | - |
| | Additional provision made | - | - |
| | | | |
| | At the effective income tax rate of 25.17 % (31 March 2022 - 25.17 %) | | |
| | Income tax expense reported in the statement of profit and loss | **2,019.71** | **1,950.00** |
| | Income tax attributable to a discontinued operation | **(0.71)** | **(0.23)** |
| | | **2,019.00** | **1,949.77** |

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

| C | **Deferred tax** | | | | |
|---|---|---|---|---|---|
| | **Deferred tax relates to the following:** | **Balance sheet** | | **Statement of profit and loss** | **OCI** |
| | | **31 March 2023** | **31 March 2022** | **31 March 2023** | **31 March 2023** |
| | Difference in depreciation rates - Books & for tax purposes | (59.08) | (100.78) | 41.70 | - |
| | Unrealised Rental Income | (49.78) | (63.65) | 13.87 | - |
| | Provision for employee benefit expenses | 142.91 | 189.98 | (40.37) | (6.70) |
| | Provision for doubtful advances/ debts | 1,327.64 | 1,260.58 | 67.05 | - |
| | Impact on accounting for Right of use assets | (3.05) | 13.49 | (16.54) | - |
| | on Equity Investments | 4.78 | - | | 4.78 |
| | **Deferred tax expense/(income)** | | | | |
| | **Net deferred tax assets/(liabilities)** | **1,363.43** | **1,299.62** | **65.72** | **(1.92)** |

**Reflected in the balance sheet as follows:**

| | **As at 31 March 2023** | **As at 31 March 2022** |
|---|---|---|
| Deferred tax assets | 1,467.50 | 1,464.05 |
| Deferred tax liabilities | (108.85) | (164.43) |
| Deferred tax assets, net | 1,358.64 | 1,299.62 |
| **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. | | |

| | | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
|---|---|---|---|
| 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 | 1.80 | 5.65 |
| | Other expenses | 4.62 | 6.55 |
| | **Profit/(Loss) before tax from discontinuing operations** | **(2.82)** | **(0.90)** |
| | Tax expense on discontinuing operations | - | - |
| | **Profit/(Loss) for the year from discontinuing operations** | **(2.82)** | **(0.90)** |
| | There are no assets and liabilities related to HP operations as at 31 March 2023 and 31 March 2022. | | |

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

| | | | |
|---|---|---|---|
| | **Investment in equity shares** | | |
| | The Government of Karnataka, vide its order no AHD 172 AFT 2010 dated 5 March 2011, had advised the company to transfer the shares to 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 received any collateral for it. The parties to the transaction are in the process of finalising the consideration as at 31 March 2022. | | |
| | **Unquoted - fully paid** | | |
| | **Associate** | | |
| | Food Karnataka Limited | | |
| | 50,000 (31 March 2022: 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 | **(19.00)** | **(384.82)** |
| | - Investment in equity shares of J K Tyre Industries Limited: | 122.74 | 27.48 |
| | - Investment in equity shares of Bengal & Assam Co Limited: | 49.74 | 37.67 |
| | - Investment in The Karnataka State Co-operative Apex Bank Limited - One -C-Class Ordinary Share: | 1.23 | 0.26 |
| | - Investment in equity shares of Hassan Mangalore Rail Development Company Limited: | (192.72) | (450.22) |
| | Re-measurement gains (losses) on defined benefit plans | 26.62 | (110.32) |
| | | **7.61** | **(495.14)** |
| | Income Tax effect | 1.91 | - |
| | | 5.70 | (495.14) |

| | | | |
|---|---|---|---|
| **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 | 6,090.01 | 7,145.39 |
| | Discontinued operation | (2.81) | (0.90) |
| | **Total** | **6,087.20** | **7,144.49** |
| | No of shares used for Basic and diluted EPS | 4,273,477 | 4,273,477 |
| | Earnings per share for continuing operations | | |
| | Basic (₹) | 142.51 | 167.20 |
| | Diluted (₹) | 142.51 | 167.20 |
| | Earnings per share for discontinued operations | | |
| | Basic (₹) | (0.07) | (0.02) |
| | Diluted (₹) | (0.07) | (0.02) |
| | Earnings per share for continuing and discontinued operations | | |
| | Basic (₹) | **142.44** | **167.18** |
| | Diluted (₹) | **142.44** | **167.18** |

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

| | | | |
|---|---|---|---|
| **33** | **Dividend Paid** | | |
| | **Cash dividends on equity shares paid:** | | |
| | Dividend | 1,105.19 | 320.51 |
| | Tax on distribution of dividend | - | - |
| | The Board has proposed Dividend of @ 30% per eauity share which will have a outflow of Rs.1824.44 lakhs . The Proposed dividends is subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2023. | | |

| | | | |
|---|---|---|---|
| **34** | **Employee benefits** | | |
| i. | **Disclosure of Employee Benefits as per Ind AS 19** | | |
| | **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** |
| | Defined benefit liability - Gratuity | (63.21) | 9.22 |
| | Liability for Compensated Absences | 474.70 | 650.48 |
| | Liability for Death Relief fund | 93.13 | 104.37 |
| | **Total employee benefit liabilities** | **504.61** | **764.06** |
| | Non-current | 352.50 | 395.08 |
| | Current | 152.11 | 368.98 |

**ii. Amount recognized in Balance Sheet - as per actuarial valuation**

| Particulars | Gratuity - Defined benefit plan | | Compensated absences- Defined contribution plan | | Death relief fund - Defined contribution plan | |
|---|---|---|---|---|---|---|
| | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| Present Value of Obligation at the end of the year | 793.85 | 1,016.28 | 474.70 | 650.48 | 93.13 | 104.37 |
| Fair Value of Plan Assets the end of the year | 857.06 | 1,007.06 | - | - | - | - |
| Funded Status | 63.21 | (9.22) | (474.70) | (650.48) | (93.13) | (104.37) |
| **Asset/(liability) recognized in Balance Sheet** | **63.21** | **(9.22)** | **(474.70)** | **(650.48)** | **(93.13)** | **(104.37)** |

**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 | |
|---|---|---|---|---|---|---|
| | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| Present Value of Obligation at the beginning of the year | 1,016.28 | 1,173.42 | 650.48 | 811.01 | 104.37 | 98.18 |
| Interest Cost | 54.33 | 59.46 | | | 6.86 | 5.73 |
| Current service cost | 26.50 | 32.39 | 70.67 | 36.21 | 6.73 | 7.54 |
| Prior service Cost | | | - | - | | |
| Benefits paid | (291.28) | (374.72) | (246.45) | (196.74) | (20.95) | (12.58) |
| Remeasurement of obligation | - | - | - | - | | |
| Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income | (11.98) | 125.73 | - | - | (3.88) | 5.49 |
| **Balance as at the end of the year** | **793.85** | **1,016.28** | **474.70** | **650.48** | **93.13** | **104.37** |

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

**iv. Change in Fair Value of Plan Assets**

| Particulars | Gratuity - Defined benefit plan | | Compensated absences- Defined contribution plan | | Death relief fund - Defined contribution plan | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Fair Value of Plan Assets the beginning of the year | 1,007.06 | 1,269.00 | - | - | - | - |
| Interest Cost | | | - | | - | - |
| Employer Contribution | 74.45 | 31.21 | - | - | - | - |
| Benefits paid | (291.28) | (374.72) | - | - | - | - |
| Return on plan assets excluding actual return on plan assets | 56.08 | 66.16 | - | - | - | - |
| Actuarial gain /(loss) on obligation | 10.76 | 15.41 | - | - | - | - |
| **Balance as at the end of the year** | **857.06** | **1,007.06** | **-** | **-** | **-** | **-** |

**v. Expense recognised in Statement of Profit & Loss**

| Particulars | Gratuity - Defined benefit plan | | Compensated absences- Defined contribution plan | | Death relief fund - Defined contribution plan | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Current service cost | 26.50 | 32.39 | 70.67 | 36.21 | 6.73 | 7.54 |
| Past service cost | - | - | - | - | - | - |
| Remeasurement of obligation | - | - | - | - | - | - |
| Net Interest on Net Defined Benefit Obligations | (1.75) | (6.70) | - | - | 6.86 | 5.73 |
| Expense recognised in Statement of Profit & Loss before tax | **24.76** | **25.69** | **70.67** | **36.21** | **13.59** | **13.28** |

**vi. Remeasurements recognised in Other Comprehensive Income**

| Particulars | Gratuity - Defined benefit plan | | Compensated absences- Defined contribution plan | | Death relief fund - Defined contribution plan | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Actuarial loss/ (gain) on obligation | (22.74) | 110.32 | - | - | (3.88) | 5.49 |

Actuarial loss/ (gain) on obligation on non funded obligations are recognised in the books of accounts.

**vii. Assets**

The gratuity assets are managed by LIC of India.

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

### 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 | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Discount Rate | 7.31% | 6.24% | 7.31% | 6.24% | 7.31% | 6.24% |
| Salary Escalation Rate | 7.00% | 7.00% | 7.00% | 7.00% | 0.00% | 0.00% |
| Expected Return on assets | 6.24% | 6.03% | 0.00% | 0.00% | 0.00% | 0.00% |
| Attrition Rate | 10.00% | 10.00% | 10.00% | 10.00% | 1.00% | 1.00% |

### ix. Sensitivity Analysis

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| **Gratuity** | | | | |
| Discount Rate (100 bps movement) | (19.61) | 20.99 | (22.16) | 23.53 |
| Salary escalation rate (100 bps movement) | 15.53 | (15.63) | 17.62 | (17.55) |
| Attrition Rate (100 bps movement) | (0.09) | 0.09 | (1.01) | 1.03 |
| **Compensated absences** | | | | |
| Discount Rate (100 bps movement) | (20.77) | 22.52 | (22.85) | 24.50 |
| Salary escalation rate (100 bps movement) | 21.50 | (20.92) | 21.83 | (20.76) |
| Attrition Rate (100 bps movement) | (0.88) | 0.95 | (1.73) | 1.83 |
| **Death Relief Fund** | | | | |
| Discount Rate (100 bps movement) | (2.12) | 2.27 | (1.97) | 2.11 |
| Salary escalation rate (100 bps movement) | 2.32 | (2.43) | 2.27 | (2.24) |
| Attrition Rate (100 bps movement) | 0.58 | (0.61) | 0.04 | (0.05) |

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

| **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. |

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

**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 debt 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 2023 | 31 March 2022 |
|---|---|---|
| Total equity | 56,545.42 | 51,557.39 |
| Debt | - | - |
| Cash equivalents including other bank balances | 28,640.05 | 25,457.75 |
| **Net debt** | **-** | **-** |
| **Total capital (Equity + Net debt)** | **85,185.46** | **77,015.14** |
| Net debt to capital ratio | - | - |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

**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 securities | Sensitivity analysis |

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

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 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 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 Company calculates impairment on financial instruments under 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**
**Summary of significant accounting policies and other explanatory information**
**(All amounts in Rs lakhs unless otherwise stated)**

| 36 | **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 2023** | | | |
| | **Particulars** | **Estimated gross carrying amount** | **Expected credit losses** | **Carrying amount net of impairment provision** |
| | Trade receivables | 4,695.92 | (783.81) | 3,912.11 |
| | Cash and cash equivalents | 4,181.43 | - | 4,181.43 |
| | Other bank balance | 24,458.62 | - | 24,458.62 |
| | Other financial assets | 30,726.47 | (1769.79) | 28,956.68 |
| | | | | |
| | **31 March 2022** | | | |
| | **Particulars** | **Estimated gross carrying amount** | **Expected credit losses** | **Carrying amount net of impairment provision** |
| | Trade receivables | 9,168.93 | (764.69) | 8,404.24 |
| | Cash and cash equivalents | 8,409.14 | - | 8,409.14 |
| | Other bank balance | 17,048.61 | - | 17,048.61 |
| | Other financial assets | 24,701.86 | (1518.30) | 23,183.56 |

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

| | **Trade receivables** | **Other financial asset** |
|---|---|---|
| **Loss allowance on 01 April 2021** | **(743.67)** | **(1715.60)** |
| Allowance for expected credit loss | (21.02) | 363.56 |
| Reversals/ written off during the year | | - |
| **Loss allowance on 31 March 2022** | **(764.69)** | **(2079.16)** |
| Allowance for expected credit loss | (19.12) | |
| Reversals/ written off during the year | - | 60.01 |
| **Loss allowance on 31 March 2023** | **(783.81)** | **(2019.15)** |

(All amounts in Rs lakhs unless otherwise stated)

**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 the liability, 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 (except lease liabilities).

| 31 March 2023 | Less than 1 year | 1 year to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payables | 6,720.89 | 4,246.78 | - | 10,967.68 |
| Lease liabilities | 382.77 | 342.75 | | 725.52 |
| Other financial liabilities | 9,756.79 | 17,706.03 | - | 27,462.81 |
| **Total** | **16,860.45** | **22,295.56** | **-** | **39,156.02** |
| | | | | |
| **31 March 2022** | | | | |
| **Non-derivatives** | | | | |
| Trade payables | 0.07 | 0.03 | - | 0.10 |
| Lease liabilities | 619.57 | 462.31 | - | 1,081.88 |
| Other financial liabilities | 17,280.30 | 9,553.23 | - | 26,833.53 |
| **Total** | **17,899.94** | **10,015.57** | **-** | **27,915.51** |

**iii Market risk**

**a Foreign currency risk**

The company does not carry any asset or liability denominated in Foreign currency. 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.

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

| | | | |
|---|---|---|---|
| | **Sensitivity**<br>Profit or loss is sensitive to higher/lower prices of instruments on the Company's reserves for the periods. | | |
| | **Particulars** | **31 March 2023** | **31 March 2022** |
| | Price increase by 5% - FVOCI | 120.24 | 121.19 |
| | Price decrease by 5% - FVOCI | (120.24) | (121.19) |
| | | | |
| **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 2023** | **31 March 2022** |
| | Gross amount required to be spent by the Company during the year | 129.01 | 96.24 |
| | Amount spent during the year on other than construction/ acquisition of any asset | 90.66 | 121.60 |
| | - Paid | 90.66 | 121.60 |
| | - Yet to be paid | - | - |
| | Shortfall/(Excess) at the end of the year | 38.35 | (25.36) |
| | Excess spent in earlier years | (50.09) | (24.73) |
| | Total of previous year Shortfall | - | - |
| | Reason for Shortfall | - | - |
| | Nature of CSR Activities* | - | - |
| | Details of Related party transactions | - | - |
| | where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately | - | - |
| | **Total** | **90.66** | **121.60** |

*CSR activities are listed below
i) Healthcare Services
ii) Educational activities

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

**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, 2023 | | | | As at March 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVTOCI | Amortized cost | Total | FVTPL | FVTOCI | Amortized cost | Total |
| | **Financial assets :** | | | | | | | | |
| 6 | Investments (*) | - | 2,404.86 | ,597.43 | 3,002.29 | - | 2,423.86 | ,597.43 | 3,021.29 |
| 7 | Other financial assets | - | - | 28,956.68 | 28,956.68 | - | - | 23,183.56 | 23,183.56 |
| 10 | Trade receivables | - | - | 3,912.11 | 3,912.11 | - | - | 8,404.24 | 8,404.24 |
| 11 | Cash and cash equivalents | - | - | 4,181.43 | 4,181.43 | - | - | 8,409.14 | 8,409.14 |
| 12 | Other Bank Balances | - | - | 24,458.62 | 24,458.62 | - | - | 17,048.61 | 17,048.61 |
| | **Total financial assets** | **-** | **2,404.86** | **62,106.27** | **64,511.13** | **-** | **2,423.86** | **57,642.99** | **60,066.85** |
| | **Financial liabilities :** | | | | | | | | |
| 18 | Trade payables | - | - | 10,965.35 | 10,965.35 | - | - | 10,107.87 | 10,107.87 |
| 15 | Other financial liabilities | - | - | 28,188.34 | 28,188.34 | - | - | 27,915.41 | 27,915.41 |

(*) Investment in equity instruments of associates are measured at cost 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 date 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:

| | | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|---|
| | Note No | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Investments | 6 | 648.93 | 1,755.93 | 597.49 | 476.44 | 1,947.42 | 597.49 |

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

| | | |
|---|---|---|
| **39** | **Related Party - Disclosure under Ind AS 24** | |
| **(i)** | **Key management personnel** | |
| | Vikash Kumar Vikash | Managing Director |
| | Sridevi B N | Company Secretary |
| | A M Chandrappa | Chief Financial Officer |
| | | |
| **(ii)** | **Subsidiaries** | |
| | Marketing Communication & Advertising Limited | |
| | Mysore Chrome Tanning Company Limited | |

| | |
|---|---|
| **Associates** | |
| K T Apartment Owners' Association | |
| K T Mansions Apartments Owners' Association | |

| | | | |
|---|---|---|---|
| **(iii)** | **Transactions with related parties are as follows** | | |
| | | **March 31, 2023** | **March 31, 2022** |
| | Remuneration paid to Key management personnel (*)(#) | 107.37 | 94.09 |
| | Dividend from subsidiaries | 274.58 | 71.45 |
| | Rental income from subsidiaries | 4.36 | 4.30 |
| | Commission income from subsidiaries | | |
| | Advertisement and Printing Charges | 24.45 | 56.44 |
| | Expenses incurred on behalf of subsidiaries | 0.44 | 0.83 |
| (*) | 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, 2023** | **March 31, 2022** |
| | Receivable from subsidiaries | - | - |
| | Payable to subsidiaries | 10.59 | 22.32 |

**MYSORE SALES INTERNATIONAL LIMITED**
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**
**(All amounts in Rs lakhs unless otherwise stated)**

| 40 | Contingent Liabilities And Commitments | | | |
|---|---|---|---|---|
| | **SL.No** | **Particulars** | **2022-23** | **2021-2022** |
| | i | Guarantees / Counter Guarantees given by the Company to Banks | 38.57 | 31.84 |
| | 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 | 680.06 | 641.57 |
| | iii | Claim made by party in the business of Iron ore Export (including interest) | 1,714.76 | 1,714.76 |
| | iv | Claims made by Directorate of Pension, Small savings Asset Monitoring | 4,609.86 | 4,609.86 |
| | v | Claim against lease of windmill by Wes care (India) Limited | 119.23 | 119.23 |
| | vi | Income Tax Demands | 2,975.76 | 3,158.07 |
| | vii | Service Tax Demands | 197.00 | 197.00 |
| | viii | Claim by Airport Autority of India - Licence fee on lease of Bangalore Air Carco Complex (BACC) | 397.14 | 397.14 |
| | The above amounts have not been provided as the Company has disputed the claims. | | | |

i Bank Guarantees were given for other business Rs. 38.57 lakhs (PY: Rs. 31.84 Lakhs).

The company had made a submission to the Income Tax Department under the Vivad se Vishwas Act 2020 on 3rd December 2020 for 9 assessment years from 1995-96 to 2003-04. which has been accepted by the Income tax department.The Bank guarantee of Rs 3617.49 lakhs was cancelled by the Bank on 2 Jul 2021, on the directions of the Income Tax Department.”

ii Certain Insurance Companies who had settled the claims of their customers on account of fire accident at BACC 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 finally approached the Honarable Supreme Court against the order of the High Court of Karnataka. The Honourable Supreme Court had directed vide its order dated 6 Nov 2009 that all the parties (company,insurance companies and customs authorities) concerned being Government agencies, they should discuss mutually and settle the matter amicably.

Few cases amounting to Rs 207.73 lakhs (PY: Rs 207.73 lakhs) are still sub judice.

Since in the past on similar matter the lower courts had decided that the company and Dept of Customs are jointly and severally liable for settlement of the insurance claim, the company has provided Rs 162.90 lakhs (PY Rs 162.90 lakhs) being 25% of the total decreed liability of Rs 651.60 lakhs (PY Rs 651.60 lakhs) ; the unprovided portion of Rs 488.70 lakhs (PY: Rs 488.70 lakhs) is reported above In the current year Compound interest at 6% is calculated on an amount of Rs 906.75 lakhs (PY: Rs 855.42 lakhs). An amount of Rs 226.68 lakhs is provided in the current year (PY: Rs213.86 lakhs) and the balance amount of Rs 680.06 lakhs (PY: 641.57 lakhs) is reported under Contingent liability. Share of settlement by the insurance companies and the Department of Customs are not yet finalised. The Company has insured the cargo lying in BACC 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 commitment 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 this, an interest payable @ 5 %. USD 67,473 is due from the overseas buyer. The claim against the company is Rs 1714.16 lakhs (PY: Rs 1663.11 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. The Hon'ble HC directed City Civil Courtr tro admit and determine the case on merits.

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 , Bangalore.

iv 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.

v As per the Income Tax Department's Order, the following are the tax demands that have not been provided for

| Asst Year | Amount (In Rs. lakhs) | Forum where dispute is pending |
|---|---|---|
| 2010-11 | 205.23 | CIT(A) for fresh consideration |
| 2015-16 | 20.75 | Appeal is pending with CIT (A) |
| 2016-17 | 16.30 | Appeal is pending with CIT (A) |
| 2017-18 | 102.05 | Appeal is pending with CIT (A) |
| 2018-19 | 2,631.43 | Appeal pending with National Faceless Appeal Centre |
| **TOTAL** | **2,975.76** | |

**vi Service Tax**

The total amount of Service tax disputed before CESTAT is Rs 290.00 lakhs for various years from 2002-03 till 2016-17. However, the company has deposited Rs 93.00 lakhs against these dues. The balance amount of Rs 197.00 lakhs is shown under "Contingent Liability".

vii The company had leased 2,565.4 Sq Meter from Airport Authority of India (AAI) at Bangalore Air Cargo Complex (BACC), Bangalore. The lease was renewed for a period of 10 years from 01 Jan 2001 to 2010. After a joint survey, the property has been handed over on 02 March 2022. AAI has demanded Rs. 226.89 lakhs towards license fees , Damages of Rs. 167.24 Lakhs and interest of Rs. 229.90 Lakhs. The company is in the process of negotiating a settlement and provided so far Rs. 226.89 Lakhs against the licence fee demand (PY: Rs. 142.40 lakhs). Pending settlement with AAI, the company has provided for the rental demand in full and has reported Rs. 397.14 lakhs as contingent liability (PY :397.14 lakhs)

**Contractual Commitments**

Capital work in progress is Rs.592.83 lakhs. (PY 397.04 lakhs).

| Particulars | Commitment | CWIP |
|---|---|---|
| Gulbarga Warehouse | 160.08 | 592.83 |
| | 160.08 | 592.83 |

**II Other Notes** :

i

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

iii 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.

iv Trade Payables include Rs. 210.46 lakhs (Rs. 210.46 lakhs ) of advances received from various Government departments in respect of contract to supply imported cement.

v "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 (MBL) (Mysore Breweries was formerly known as M/s SKOL Breweries and now is called M/s AB Inbev India Limited). The decision of the Authorised Officer to pay Rs 2518 lakhs was disputed by MBL and the matter is subjudice.

The company has preferred an appeal before the City Civil Court for recovery of the commission. MBL has been ordered to deposit 60 % of decree amount within an outer limit of eight weeks from the date of order and to furnish Bank Guarantee in the name of Registrar General, High Court of Karnataka for the balance amount. The company has moved to HC for seizure. During the year FY 2023-24, the Company has received sum of Rs.3531.53Lakhs against the bank guarantee of Rs.3525.00Lakhs in favour of High Court of Karnataka.

**vi Government Grants/Incentive**

The Company is claiming grants from Government agency-BPPI. During FY2021-22, BPPI has changed the scheme of reimbursement linking to the purchases made in each Jan Aushadi outlets from earlier scheme of linking to the expenditure towards Fixed assets at the time of opening of a new outlet. The company made claim for 66 outlets and out of which, for 17 outlets, the claims have been rejected. For 13 outlets, the claim was not made. As at the end of previous year (2020-21) an amount of Rs. 66.06 lakhs was due under these claims and provision has been made for the same.

An amount 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.

vii The company had entered into a lease agreement with Mrs. Nagarathna for a property near their Bangalore Air Cargo Complex, Bangalore. The lease was renewed for a period of 5 years from 2003 to 2008. As there was a delay in vacating the property, the Lessor had approached the Court for recovery of unpaid rent of Rs. 43 lakhs and Interest at 18% of Rs. 16 lakhs (OS no.75/2014). The Hon'ble Additional Civil Judge, Bangalore had passed an order dated 24 June 2019, against the company for recovery of the unpaid rent of Rs. 59 lakhs with the Interest at 18 % from 15 Nov 2011 to 20 Dec 2013. The Company approached the Hon'ble HC, Karnataka and had obtained an interim stay on 21 Oct 2019. As per the court orders the company has deposited Rs. 50 lakhs with HC (RFA 1704/2019). The matter is subjudice in the High Court of Karnataka.

viii The company has entered into an agreement with M/s Poseidon FZE, Dubai (Supplier) for import of river sand in 2017. Till date it has imported 1,03,872.77 MT in 2 shipments (Oct 2017 and Jan 2018) and the same was stored at Krishnapatnam Port in Andhra Pradesh. So far, the company has sold 14,759 MT.

The Commissioner of Customs, Vijayawada had passed an order vide no: VJD-CUSTM-PRV-COM-003-20-21 dated 03 Dec 2020, demanding Rs.599 Lakhs towards differential duty, redemption fine and penalty.

The Company has filed an appeal before CESTAT, Hyderabad for setting aside the order of the Commissioner of Customs and the matter is sub-judice in CESTAT, Hyderabad. In this connection the bank has submitted Bank Guarantee of Rs. 11.80 Lakhs.The company hold sand measuring 6826 Tons belonging to the Pu8rchaser Ocean Agencies, out of the sale of 10000 MT"

ix M/s PearlmPorts and Warehousing Pv Limited, (BACC)

M/s PearlmPorts and Warehousing Pv Limited has entered into lease agreement with MSIL on 28th March 2018 fopr leasing 89888 Sq ft with 25% enhancement every three years, for a period of 15 years. The agreement was modified by an addendum datd 18 June 2018. As the tenant was not paying dues as per the Lease agreement , the Company has served Lease Termination Notice on 3 May 2021. Further a Police Compint also lodged as the tenant has undertaken civil works without the permisiion of the Company. The Company has filed a pettiion beflore Hon'ble HC of Karnataka for appointment of Sole Arbitrator and a retired judge has been appointed as Sole Arbitrator on 21 March 2022 As on 31 March 2023 an amount of Rs. 279.53 lakhs ( PY Rs. 259.85 lakhs) is due from the tenant.

x M/s Athitheya Kshma Hotels Pvt Ltd ( Karnataka Bhavan, Navi Mumbai)

xi The Company has entered into a lease agreement dated 27 September 2018, for letting out its leased property situated at Navi Mumbai (Karnataka Bhavan) with M/s Athitheya Kshema Hotels Pvt Ltd for a period of 15 years. The tenant was not paying dues as per lease agreement and as on 31 March 2023 an amount of Rs. 759.18 lakhs ( PY Rs. 731.15 lakhs) is due from the tenant and the Company is holding an equivalent amount of provision.

xii Exceptional items

The Company has made a submission to the Income Tax Department under the Vivad se Vishwas Act 2020 on 3rd December 2020 for nine financial year from 1994-95 to 2002-03 which has been accepted by the Income Tax department. As per the scheme, there is as Income tax liability for financial years 2000-01 to 2002-03 of Rs. 1000.73 and the Company is eligible for a refund of Rs. 818.52 lakhs for financial years 1994-95 to 1999-2000, resulting in a net income tax liability of rs. 182.21 lakhs

Accordingly the Company has paid Rs. 1000.73 lakhs and received the refund amount of Rs. 818.52 lakhs on 09.12.2022.

MSIL

**MYSORE SALES INTERNATIONAL LIMITED**
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**
**(All amounts in Rs lakhs unless otherwise stated)**

**41 Additional regulatory information required by Schedule III**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any borrowings secured against current assets.

(iii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) The company has not borrowed borrowed funds and has not collected any the there is no share premium during the period ended 31 March 2022

(viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) The Company has not revalued its property, plant and equipment or intangible assets during the current or previous year.

(xi) The company has not given any loans and advances to promoters,directors,key managerial personnel and related parties.

(xii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

**42 Financial Ratios**

| Particulars | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Variance |
|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liability | 2.80 | 2.26 | 23.94% |
| Debt Equity Ratio | Borrowings | Equity | No Borrowings | | NA |
| Debt Service Coverage Ratio | Net Profit + Depn + Int payments +/- FEX restatement effect if any - Loss/Profit on Sale of assets | | | | |
| Return on Equity Ratio | PAT | Average Equity | 0.11 | 0.15 | -24.85% |
| Inventory Turnover Ratio | Sales | Average Inventory | 19.14 | 19.11 | 0.18% |
| Trade Receiveble to Turnover Ratio | Net Credit Sales | Average Trade Debtors | 45.87 | 40.42 | 13.48% |
| Trade Payables to Turnover Ratio | Net Credit Purchases | Average Trade Payables | 24.15 | 26.69 | -9.53% |
| Net Capital to Turnover Ratio | Sales | Average Working Capital | 7.45 | 6.27 | 18.75% |
| Net Profit Ratio* | PAT | Net Sales | 0.02 | 0.03 | -28.11% |
| Return on Capital Employed Ratio | PBIT | Net Worth + LT Debt | 0.15 | 0.18 | -18.85% |
| Return on Investment | PAT | Average Equity | 0.11 | 0.15 | -24.85% |

Reason for difference if variation is morethan 25%

*Net Profit RatioDue to excepetional income during the FY 2021-22.

**MYSORE SALES INTERNATIONAL LIMITED**
**Summary**
**(All amounts in Rs lakhs unless otherwise stated)**

43 (1) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(2) The Company have not received any fund from any other person(s) or entity(ies), including foreign entities (funding parties) with the understanding (whether recordied in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

44 No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

45 The previous year figures have been reclassified to conform to the current year's classifications, wherever necessary.

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

| | |
|---|---|
| Sd/- | Sd/- |
| **M.B.Patil** | **Manoj Kumar** |
| Chairman | Managing Director |
| DIN: 02558869 | DIN: 09379177 |
| Sd/- | Sd/- |
| **A M Chandrappa** | **Sridevi B N** |
| Chief Financial Officer | Company Secretary |

# MYSORE SALES INTERNATIONAL LIMITED

## CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023

# INDEPENDENT AUDITORS'REPORT(REVISED)

## TO THE MEMBERS OF M/S. MYSORE SALES INTERNATIONAL LIMITED:

### Report on the Consolidated Financial Statements

**Qualified Opinion:**

We have audited the accompanying consolidated financial statements of **M/s. Mysore Sales International Limited** (hereinafter referred to as "the holding company") and its subsidiaries (holding company and it's subsidiaries together referred to as "the group")and its associate as listed in Annexure-A, which comprise the Consolidated Balance Sheet as at 31st March 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended, notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of the subsidiaries and the associate, except for the possible effects of the matters described under the "Basis for Qualified Opinion" section of our report, 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 Standard prescribed under section 133 of the Actread with 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 and its associate as at 31st March, 2023, and their consolidated profit (including consolidated other comprehensive income), consolidated changes in equity and its consolidated cashflows for the year ended as on that date.

We have issued an Audit Report dated 29th November 2023 (the original report) at Bangalore on the financial statements as adopted by the 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. The revised report has no impact on the reported figures in the financial statements of the company except for clause (b) and (d) to (g) under paragraph Basis for Qualified Opinion for Mysore Sales International Limited and clause (b) and (i) of Karnataka State Marketing Communication and Advertising Limited. This audit report supersedes the original report which has been suitable revised to consider observations of Comptroller and Auditor General of India.

### Basis for Qualified Opinion:

### Mysore Sales International Limited

a. The company has a policy of sending balance confirmation in respect of trade receivables, trade payables, other payables & advances. However, there is no proper follow-up to obtain the confirmation and reconciling it with the books of account. The company makes the provision in the books for bad and doubtful debts at the year end. In the absence of balance confirmations and reconciliations, the financial impact on standalone financial statements is not ascertainable.

b. b. We have observed that there is (i) no proper records being maintained /updated and produced to us for the inventory of pharmaceutical products; Inconsistencies are observed in periodical physical verification and reconciliation exercise being carried by the management. The GST calculation on pharmaceutical products is made on an estimated basis post monthly closure.In the absence of confirmation on the quantity of the closing inventory of pharmaceuticals products, we are not able to comment on the correctness of the quantity and/or value of closing inventory amounting Rs. 351 lakhs. (ii) The company has obtained physical verification report of stock of imported river sand during the year where it was found shortage of 16565.002 MT amounting to Rs. 347.87 lakhs. However, there is no balance confirmation of the same on the Balance Sheet date though 100% provision made in books in the previous years and no sales is effected during the year; The company has neither written off the inventory found short nor it has withdrawn the corresponding provision made earlier in the books. Therefore,both the inventories and the provision for inventories are overstated to the extent of Rs. 347.87 lakhs.

c. For the Chit Fund Division, in the absence of (i) proper internal control measures in place; (ii) support for generation of accurate and required reports from the software deployed; (iii) any defined system and timely closure of books for offline branches (Shivamoga and Kengeri). (iv) Timely preparation of bank reconciliation statements etc. which may have an impact on the financial statements. During the year there was a financial misappropriation of funds by an outsourced employee of the company. The company has estimated the loss at Rs. 147.80 lakhs including future liability and the same is provided for. The company has filed FIR and has initiated steps to recover the same. The company has also initiated forensic audit in respect of two branches and the audit report is awaited. In the absence of required information, the impact if any, on the financial statements could not be ascertained. We draw attention to the following qualifications to the audit opinion of the financial statements of Karnataka State Marketing Communication & Advertising Limited (Formerly known as 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 October 27,2022 and October 11,2022 respectively reproduced by us as under: -

d. d. The company has received BPPI incentives Rs. 56.46 lakh received during the period and reported in the standalone financial statement. The estimated incentive for the year is Rs. 167.69 lakhs. The company stated to be following the cash basis of accounting in respect of recognition of BPPI incentives but has not disclosed the accounting policy regarding the same. The difference of Rs. 111.23 lakhs between eligible BPPI incentive receivable and received is neither recognized nor disclosed in the financial statements.

e. The income tax refunds receivable and provisions made accounts needs to be reconciled and necessary entries have to be passed. For the assessment years 2012-13 and 2014 15 there is a provision outstanding to the extent of Rs. 46.88 lakhs in the books where as no demand is outstanding. For assessment years 2013-14 Rs. 76.56 lakhs is shown as refundable whereas the refund is adjusted against the previous years' demand which is not disputed by the company. The combined effect of this is that the profit for the year is higher by Rs. 29.68 lakhs and the current tax assets is higher to the same extent.

f. In Tours and Travels Division, The company has received certain advances for the tours and travels services. The company has to reconcile the accounts of Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka and the corresponding service providers. The company has also made supplies to RGUHS in Papers Division. Since disputes arose between the company and RGUHS and also with the corresponding service providers the receivables and payables accounts of RGUHS and service providers needs to be reconciled. The company has made a provision for bad and doubtful debt to the extent of Rs. 200 lakhs in this regard. The effect of the same is not ascertainable in the absence of reconciliation statements.

g. The company recognises the interest income on Fixed Deposits on accrual basis. However, due to errors in the calculation, the interest income recognized during the year is short by Rs. 31.54 lakhs. Due to this and other errors, the Bank balances other than cash and cash equivalents under current assets is understated to the extent of Rs. 32.80 lakhs.

h. Interest accrued and due as stated in note no. 14 includes an amount of Rs. 25.27 lakhs payable by The Mysore Chrome Tanning company Limited to the Holding Company. The Holding Company has written off the balances recoverable in their books and receivable is not reflected in the Company's books. Therefore, the borrowings of Consolidated Financial Statements of the Holding Company and interest accrued and due is over stated to the extent of Rs 25.27 Lakhs.

We draw attention to the following qualifications to the audit opinion of the financial statements of Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited) and The Mysore Chrome Tanning company Limited the subsidiaries of the holding company issued by independent firm of Chartered Accountants vide their Reports dated October 27,2023 and August 25,2023 respectively reproduced by us as under: -

**Karnataka State Marketing Communication & Advertising Limited**

a. The balance of trade receivables, advances, payables and advance from customers have not been reconciled nor confirmed from the counter parties as at 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 adjustments to these amounts are necessary. The financial impact of these unreconciled or unconfirmed 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 lakh)**

| Sl No | Particulars | Amount as per Books | Amount for which Confirmation received and reconciled | Percentage of unreconciled/ unconfirmed Account Balance |
|---|---|---|---|---|
| 1 | Trade Receivable | 15,408.87 | 0.40 | 99.99 % |
| 2 | Trade Advances | 1,734.92 | - | 100.00% |
| 3 | Trade Payable | 19,702.52 | 677.28 | 96.56% |
| 4 | Advance from Customers | 2,133.20 | - | 100.00% |

b. Trade Receivables in Note 10 of the financial statements include Rs.349.80 Lakh which are received through NEFT/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 analyze the Trade Receivables 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, payables and advance 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.

The company is not in position to do analyses against which customer withholding of taxes under Income Tax Act 1961 to be accounted Rs. 1,012.97 Lakh financial impact on these adjustments could not be determined.

The company is not in position to do analyses against which customer GST TDS to be accounted Rs. 1,022.50 Lakh financial impact on these adjustments could not be determined.

c. Non-compliance to Rule 42 of CGST, company has not derived common credits and reversed the ITC to the extent of exempt supplies. We are unable to comment upon the amount as improper record maintenance.

d. The company 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 May 30, 2019. During the Financial year 2021-22 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.

e. Advance payments amounting to Rs.62.06 lakhs remaining unadjusted for more than three years under trade advances and other receivables as at March 31, 2023 includes Rs.0.12 Lakh paid to the Mr. M.S.Patil during the financial year 2012-13 through transfer to his personal bank account. The Financial Impact of such non collection of Interest, if any, could not be determined.

f. Trade Advances and other receivables Note No.7, Target incentive of Rs.68.52 lakh receivables from publication houses is not reconciled, no confirmation available and realization of the same is not certain, to this extent current assets are overstated.

g. Trade Advances and other receivables Note No.7 Advance paid to publication houses Rs 51.13 lakh is not reconciled, no confirmation available and realization of the same is not certain, to this extent current assets are overstated.

h. Unbilled revenue Note no. 8 Other Assets Rs. 3,843.24 lakhs have been recognized as on 31st March 2023 of which Rs. 3,048.36 lakhs are billed to customers subsequently. Rs.794.88 lakhs are not billed to customers till date of audit, towards want of documentation regarding rendering of services, we are unable to frame our opinion to the extent of Rs. 794.88 lakhs.

**The Mysore Chrome Tanning company Limited**

a) The company is not a going concern as the companyis not carrying on any manufacturing activities since 1986. The company has accumulated losses of Rs 835.39 lakhs (PY: Rs. 838.42 lakhs) and net-worth stands eroded. As of that date, the company's liabilities exceeded its total assets by Rs 759.65 lakhs (PY: Rs 762.68 lakhs). These events or conditions, along with other matters are reported in the individual financials and auditor reports that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

b. The company has not provided interest on the loan availed from KSIIDC & Government of Karnataka amounting to Rs. 5.48 lakhs (Previous year Rs.5.48 lakhs) for the current year and Rs.143.10 lakhs from April 1999. Had this interest been provided, the loss for the year would have been Rs. 1.44 lakhs against the profit before tax for the year of Rs 4.04 lakhs as per statement of profit and loss account for the year ended 31st March 2023(Previous year loss would have been Rs.1.80 lakhs against profit of Rs. 3.68 lakhs). Current Liability understated to the extent of Rs. 5.48 lakhs for the current year (Previous year liability understated by Rs.5.48 lakhs) and accumulated loss understated by Rs. 143.10 lakhs.

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

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 October 27,2023 and August 25,2023 respectively on the financial statements of Karnataka State Marketing

Communication and Advertising Limited (Formerly known as Marketing Communication & Advertising Limited) and The Mysore Chrome Tanning company Limited, the subsidiary companies reproduced by us as under:

**Karnataka State Marketing Communication & Advertising Limited**

a. Note No 16 to the Consolidated Financial Statement, Earnest Money Deposits, Rs 73.69 lakh has been collected as refundable earnest money deposit and shown as other current liabilities, company is not able to identify the respective supplier name and also amount not refunded even the relative project has been completed.

**The Mysore Chrome Tanning company Limited**

We draw attention to the following matters in the Notes to the financial statements:

a) The company initiated process for recovery of compensation amount from Bangalore Development Authority, Bangalore on land for an area 5,777 Sq. Yd acquired for road purpose. The amount being unascertainable.

b) Rs 10.00 lakh received from Government of Karnataka during the year 1985-86 under special component plan has been shown under current liabilities of the Consolidated Financial Statement, regarding non provision of Interest on Special Component plan, effect of which is not ascertainable.

c) Secured and Unsecured Loans in current and non-current liabilities for Rs 905.88 lakh are subject to confirmation.

d) The liability has understated by Rs 143.10 lakh (PY 137.62 lakh) towards interest accrued on loan from KSIIDC from April 1999. The company has approached for waiver of same.

**Information other than the Consolidated Financial Statement and Auditor's Report thereon.**

The holding company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board report but does not include the consolidated financial statements and our auditor's report thereon. The Boards' Report is expected to be made available to us after the date of this auditor' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Management's Responsibility for the Consolidated Financial Statements**

The holding company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, consolidated financial performance 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 of the group and its associate and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the holding company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group and its associate are responsible for assessing the group'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 group and associate 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 its associate company are responsible for overseeing the financial reporting process of the companies.

**Auditors' Responsibility for the Audit of Consolidated Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group 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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 financial statements, which 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.

We communicate with those charged with governance of the holding company and its subsidiaries and associate included in the consolidated 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.

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

### Other Matters:

We did not audit the financial statements/financial information of two subsidiaries whose financial statements reflect total assets of Rs 42,727.60 lakhs as at 31st March 2023 and Total Revenues of Rs 58,565.53 lakhs and net cash flows amounting to Rs 2,180.06 lakhs for the year ended on that date and the company's share of net profit of Rs. 2,343.09 lakhs for the year ended 31st March,2023, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net profit Rs 14.28 lakhs for the year ended 31st March 2023 as considered in the consolidated financial statements in respect of one associate. These financial statements / financial information 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 associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, 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 / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure – II' a statement on the matters specified in paragraphs 3 (xxi) of the said Order.

2. As required by Section 143(3) of the Act, 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 audit of the aforesaid consolidated 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 account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements.

d) Except for the possible effects of the matters described in the Basis for the Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) (e) Based on audit report of subsidiary (The Mysore Chrome Tanning company Limited- MCTL), the matters related to MCTL described in Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the subsidiary.

(f) Reporting on the matters of disqualification of Directors of the group and its associate under Section 164(2) of the Act is not applicable in terms of Notification no. G.S.R. 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs.

g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the group and its associate, refer to our separate Report in "Annexure C" to this report.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate, as noted in the 'Other Matter' paragraph:i. The company has disclosed the impact of pending litigations on its consolidated financial position of the groupand its associate in note 41of the consolidated financial statements.

ii. The group and its associate 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 group and its associate.

iv. (a) the Management has represented that, to the best of their knowledge and belief,no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the Management has represented that, to the best of their knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of Rule 11(e), as provided under (a)and (b) above, contain any material misstatement.

v. **In respect of dividend:**

a) The final dividend proposed in the previous year, declared and paid by the holding companyand its subsidiary (KSMCA) during the year is in accordance with Section 123 of the Companies Act, 2013.

b) b) The Board of Directors of the holding company has proposed final dividend for the year as stated in Note 14 of the Consolidated Financial statement, which is subject to the approval of the members of the company at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of “the Act” to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the group and its associate with effect from 1st April 2023, and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

**For B S D & Co.**
**Chartered Accountants**
Firm Registration No. 000312S
Sd/-
**P L Venkatadri**
**PARTNER**
Membership No. 209054

**UDIN:24209054BJZYZK8098**
**Place: Bengaluru**
**Date: 30-12-2023**

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**ANNEXURE -A**

**List of Entities**

| Sl No | Name of the Company | Relationship with the Holding Company |
|---|---|---|
| 1 | Karnataka State Marketing Communication & Advertising Limited (formerly known as Marketing Communication & Advertising Limited) | Wholly Owned Subsidiary |
| 2 | The Mysore Chrome Tanning company Limited | Subsidiary |
| 3 | Food Karnataka Limited | Associate |

**ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT**

Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” Section of our Report of even date to the members of Mysore Sales International Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023.

As required by paragraph 3(xxi) of the Companies (Auditor’s Report) Order, 2020, (“CARO”) we report that the auditors of the following companies have given qualification or adverse remarks in their report on the standalone/ consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the holding company:

| S. No. | Name of the Company | CIN | Category | Date of the respective auditor’s report | Paragraph number in the respective CARO reports |
|---|---|---|---|---|---|
| 1 | Mysore Sales International Limited | U85110KA1966 SGC001612 | Holding company | November 29,2023 | (i)(b) (i)(c) (ii)(a) (vii)(a) |
| 2 | Karnataka State Marketing Communication and Advertising Limited (Formerly known as Marketing Communication & Advertising Limited) | U51101KA1972 PLC002242 | Subsidiary | October 27,2022 | (xi) (a) |
| 3 | The Mysore Chrome Tanning company Limited | U85110KA1940 SGC000261 | Subsidiary | August 25, 2023 | (i)(c) (vii)(a) (ix)(a) (xix) |

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Mysore Sales International Limited ("the holding company"), its subsidiary companies and its associate, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company, its subsidiary companies and its associate company, which are incorporated in India, are 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company, its subsidiaries and associate, which are incorporated in India, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, 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 and 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 preparation of standalone 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 standalone 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 standalone 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

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 March 31,2023:

a) The company did not have an integrated ERP system to cover all its operative divisions and branches. Three of its divisions - beverages, chit fund and paper divisions are made in a standalone software. The trial balances from these divisions software are extracted from the respective software and manually consolidated and integrated with other divisions in Tally ERP at Head Office.

b) The company does not have the program of physical verification of property, Plant and Equipment on periodical basis. The fixed assets registers are not periodically updated. In the absence of program of physical verification,the discrepancies, if any, are not identified and dealt with properly which could result in incorrect depreciation provision and assessment of impairment.

c) The company does not have follow up system for obtaining balance confirmations in respect of Debtors, Creditors and other parties on a periodic basis. The company provides for bad and doubtful debts on estimated/general basis. The absence of internal control procedure could potentially result in inaccurate assets and liabilities being disclosed in the books of accounts and may have an impact on financial results of the company.

d) The accounting software used by the chit fund division is neither supported by the vendor nor the company has Annual Maintenance Contracts for mitigating the risk of technical issues. The financials of the two branches of the chit fund division are still maintained manually and not integrated with its software. The trial balances of these two branches are manually prepared in the excel work sheets to club with all other branches of chit fund division. Thereafter, it is integrated with Head Office accounts in Tally ERP. There have been delays in preparing periodical bank reconciliation statements in Chit fund division, which is vital in detecting misappropriation of funds.

e) The receivables and payables are not accounted client wise and hence 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 inaccurate reporting of assets & liabilities and under statement of income in books of account. The revenue accounting methodology for Tour and Travel business in New Delhi Branch is at net level in comparison to Tours & Travel Division in HO at gross level.

f) The procedure adopted for purchase of various property plant and equipment is not in compliance with the general purchase procedure for purchase above Rs.5.00 lakh. This could potentially result in irregularities in acquisition of property plant and equipment.

g) The company did not have an adequate system for physical verification, valuation of stock, and identification of non-moving/slow moving stock in Paper and pharmaceutical divisions. Hence the diminution in value of stock may not be dealt with correctly. This could potentially result in overstatement of inventory in books of accounts.

h) The company has not provided the Form X1(Receipts and expenditure account and Statement showing the assets and liabilities of the individual Chit groups) filed with the Registrar, as required under Rule 20 (2) of Chit Funds (Karnataka) Rules, 1983.

We draw attention to the following material weakness included in the report on Internal Financial Controls Over Financial Reporting issued by an independent chartered accountant dated October27,2023, on financial statements of Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited), a subsidiary company of the holding company and reproduced by us as under:

a. The company's Internal control over Property, Plant and Equipment does not commensurate to the size of operations, no proper control over Sale/exchange of fixed assets, no proper control over recognition of Capital advances paid towards acquisition of property plant and equipment. company doesn't have asset capitalization process.

b. The company's Internal Control over settlement of Travel Advance does not commensurate to the size of operations.

c. The company's internal control system over cash maintenance at branches and reimbursement of imprest to the branches doesn't commensurate to the size of operations. Expense accounting is not credited to imprest accounts, on reimbursement company is posting payment entries by debiting to expense, which is incorrect way of accounting.

d. The company's internal control system over bank deposit pertaining to direct transfers from customers does not commensurate to the size of operations. The same were accounted in Miscellaneous Debtors collection, outstanding collections to be adjusted as on 31st March 2023 is Rs. 281.37 lakh.

e. The company's Internal Control system over intimation to the employees regarding increments/ time bound promotion does not commensurate to the size of operations.

f. The company's Internal Control system over maintaining Share Transfer Certificate does not commensurate to the size of the operations.

g. The company's Internal Control system over book closure does not commensurate with the size of the operations. No control on creating the ledger accounts and proper classifications of ledgers.

h. The company does not have the Risk Matrix/Risk book and Standard operating procedures and risk mitigation plan.

i. One of the major revenue for the company is from event management, but books of accounts does not provide the profit per event.

j. The company's Internal Control system over Rent does not commensurate to the size of the operations, the rental agreements are expired and no vacation of building details are available and corresponding security deposit is adjusted against the rent.

k. The company's Internal Control system over unclaimed TDS which results in cash loss to the company, reconciliation and accounting of TDS does not commensurate to the size of operations.

l. The company's internal control system over the allocation of expenses towards employee benefits is not commensurate with the size of the operations, incremental to the employees are not given based on the terms and policies of the company.

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 reports of the other auditors on Internal Financial Controls Over Financial Reporting of the subsidiary (MCTL) and its associate, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the holding company and its subsidiary (MCTL) and its associate, have, in all material respects, adequate Internal Financial Controls Over Financial Reporting and such controls were operating effectively as at March 31, 2023 and as reported by the auditors of KSMCA, a subsidiary of the holding company, because of the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, Internal Financial Controls Over Financial Reporting were not operating effectively commensurate with the nature and size of business of KSMCA, a subsidiary of the holding company as at 31 March 2023, 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 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 March 31,2023, and the material weakness has affected our opinion on the consolidated financial statements of the group and its associate, and we have issued a qualified opinion on the consolidated financial statements.

## Other Matters

Our aforesaid reports 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 which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

**For B S D & Co.**
**Chartered Accountants**
Firm Registration No. 000312S
Sd/-
**P L Venkatadri**
**PARTNER**
Membership No. 209054

**UDIN:24209054BJZYZK8098**
**Place: Bengaluru**
**Date: 30-12-2023**

## 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, BANGALORE FOR THE YEAR ENDED 31 MARCH 2023

The preparation of consolidated financial statements of **Mysore Sales International Limited, Bangalore** for the year ended **31st March 2023** 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 **30 December 2023** which supersedes their earlier Audit Report dated **29 November 2023.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Mysore Sales International Limited, Bangalore** for the year ended **31st March 2023** 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, Karnataka State Marketing Communication and Advetising Limited, Bangalore and The Mysore Crome Tanning Company Limited, Bangalore** but did not conduct supplimentary audit of **Food Karnataka Limited, Bangalore** for the year ended **31st March 2023.** This supplimentary 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 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. Read with section 129(4) of the Act.

**For and on behalf of the**
**Comptroller & Auditor General of India**
**Sd/-**
**(VIMALENDRA A. PATWARDHAN)**
**Pr. ACCOUNTANT GENERAL (AUDIT-II)**
**KARNATAKA, BENGALURU**

BENGALURU
Date:12.01.2024

MSIL

## MYSORE SALES INTERNATIONAL LIMITED
## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023
## (ALL AMOUNTS IN RS LAKHS, UNLESS OTHERWISE MENTIONED)

| | | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| I | ASSETS | | | |
| | Non-current assets | | | |
| | (a) Property, plant and equipment | 2 | 5,493.94 | 4,755.67 |
| | (b) Capital work-in-progress | 3 | 592.83 | 397.04 |
| | (c) Investment property | 4 | 3,847.40 | 3,965.64 |
| | (d) Other intangible assets | 5 | 20.70 | 26.86 |
| | (e) Right-of-use assets | 5A | 860.28 | 1,028.26 |
| | (f) Financial assets | | | |
| | (i) Investments | 6 | 2,404.92 | 2,423.94 |
| | (ii) Other financial assets | 7 | 16,594.17 | 12,441.71 |
| | (iii) Non-current bank balances | 12 | 76.80 | 1,487.72 |
| | (g) Deferred tax assets (net) | 30 | 2,800.89 | 2,200.96 |
| | (h) Other non-current assets | 8 | 86.51 | 1,159.31 |
| | Total non-current assets | | 32,778.44 | 29,887.11 |
| | | | | |
| | Current assets | | | |
| | (a) Inventories | 9 | 15,844.24 | 14,655.37 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 10 | 19,312.72 | 16,845.67 |
| | (ii) Cash and cash equivalents | 11 | 10,174.77 | 17,853.77 |
| | (iii) Bank balances other than (iii) above | 12 | 35,751.60 | 21,251.67 |
| | (iv) Other financial assets | 7 | 14,292.61 | 10,928.49 |
| | (c) Other current assets | 8 | 12,327.28 | 7,635.31 |
| | Assets held for sale | 32 | 414.73 | 430.02 |
| | (d) Current tax asset (net) | 8A | 468.55 | 2,174.26 |
| | | | | |
| | **Total current assets** | | **108,586.51** | **91,774.56** |
| | **Total assets** | | **141,364.95** | **121,661.67** |

| II. | EQUITY AND LIABILITIES | | | |
|---|---|---|---|---|
| | **Equity** | | | |
| | (a) Equity share capital | 13 | 4,273.48 | 4,273.48 |
| | (b) Other equity | 14 | 71,060.40 | 63,821.97 |
| | (c) Non - Controlling Interest | | (37.38) | (37.38) |
| | **Total equity** | | **75,296.50** | **68,058.07** |
| | | | | |
| | **Liabilities** | | | |
| | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 15 | 175.00 | 174.55 |
| | (ii) Other Financial Liabilities | 16 | 18,469.86 | 10,305.69 |
| | (iii) Lease Liabilities | 16 | 342.75 | 462.31 |
| | (b) Provisions | 17 | 1,643.02 | 1,542.14 |
| | (c) Other non-current liabilities | 18 | 36.72 | 36.72 |
| | **Total non-current liabilities** | | **20,667.35** | **12,521.41** |
| | | | | |
| | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Trade payables | 19 | | |
| | (a) Total outstanding dues of micro and small enterprises | | 2,694.04 | 547.20 |
| | (b) Total outstanding dues of creditors other than (i) (a) above | | 27,976.15 | 20,146.94 |
| | (ii) Other financial liabilities | 16 | 9,924.10 | 17,601.67 |
| | (iii) Lease Liabilities | 16 | 382.77 | 619.57 |
| | (b) Other current liabilities | 18 | 4,163.81 | 1,750.79 |
| | (c) Provisions | 17 | 260.23 | 416.01 |
| | | | | |
| | **Total current liabilities** | | **45,401.10** | **41,082.19** |
| | **Total equity and liabilities** | | **141,364.95** | **121,661.67** |
| | | | | |
| | **Significant accounting policies** | | | |
| | The accompanying notes referred to above form an integral part of the financial statements | | | |

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
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, 2023

## (ALL AMOUNTS IN Rs LAKHS, UNLESS OTHERWISE MENTIONED

| | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| Continuing operations | | | |
| Revenue from operations | 20 | 340,389.17 | 296,037.34 |
| Other income | 21 | 3,466.51 | 2,348.05 |
| **Total income** | | **343,855.68** | **298,385.39** |
| | | | |
| **Expenses** | | | |
| Cost of materials consumed | 22 | 1,742.55 | 1,359.00 |
| Purchase of traded goods | 23 | 265,845.07 | 247,767.71 |
| Cost of Services | 24 | 40,344.44 | 20,217.12 |
| Changes in inventories of finished goods and traded goods | 25 | (1,100.42) | (1,888.39) |
| Employee benefits expense | 26 | 2,408.35 | 2,515.53 |
| Finance costs | 27 | 179.99 | 162.14 |
| Depreciation and amortization expenses | 28 | 1,904.75 | 1,795.86 |
| Other expenses | 29 | 21,325.73 | 19,599.73 |
| **Total expenses** | | **332,650.46** | **291,528.70** |
| **Profit before exceptional items, share of net profit/(loss) of investment accounted using equity method and tax from continuing operations** | | **11,205.23** | **6,856.69** |
| Exceptional items | 41 | - | 3,460.54 |
| Group's share of net profit/(loss) of associates accounted for using equity method | | (14.28) | (12.32) |
| **Profit before tax from continuing operations** | | **11,190.93** | **10,304.91** |
| Tax expense | 30 | | |
| (1) Current tax | | 3,335.76 | 2,620.98 |
| (2) Deferred tax | | (608.09) | (514.94) |
| (3) Adjustment of tax relating to earlier periods | | 35.28 | 13.26 |
| **Profit for the year from continuing operations** | | **8,427.97** | **8,185.61** |
| | | | |
| **Discontinued operations** | **31** | | |
| Profit/(loss) before tax for the year from discontinued operations | | (2.82) | (0.90) |
| Tax Income/ (expense) of discontinued operations | | - | - |
| Profit/ (loss) for the year from discontinued operations | | **(2.82)** | **(0.90)** |
| | | | |
| **Profit/(loss) for the year** | | **8,425.16** | **8,184.71** |

| | | | |
|---|---|---|---|
| **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 | | (19.00) | (384.81) |
| Income tax effect | | **4.78** | |
| Re-measurement gains/ (losses) on defined benefit plans | | 2.50 | (109.62) |
| Income tax effect | | **(0.45)** | **(8.24)** |
| Other comprehensive income for the year, net of tax | | **(12.17)** | **(502.67)** |
| | | | |
| **Total comprehensive income for the year** | | **8,412.99** | **7,682.04** |
| **Net Profit attributable to :** | | | |
| Equity Holders of the Parent | | 8,424.49 | 8,184.58 |
| Non Controlling interest | | 0.67 | 0.13 |
| | | | |
| **Total other comprehensive income/(loss) (net of tax) attributable to:** | | | |
| Equity Holders of the Parent | | -12.17 | -502.67 |
| Non Controlling interest | | -0.00 | - |
| | | | |
| **Total comprehensive income/(loss) (net of tax) attributable to:** | | | |
| Equity Holders of the Parent | | 8,412.32 | 7,681.91 |
| Non Controlling interest | | 0.67 | 0.13 |
| | | | |
| Earnings per share for continuing operations | 34 | | |
| Basic (₹) | | 197.22 | 191.54 |
| Diluted (₹) | | 197.22 | 191.54 |
| | | | |
| Earnings per share for discontinued operations | 34 | | |
| Basic (₹) | | (0.07) | (0.02) |
| Diluted (₹) | | (0.07) | (0.02) |
| | | | |
| Earnings per share for continuing and discontinued operations | 34 | | |
| Basic (₹) | | 197.15 | 191.52 |
| Diluted (₹) | | 197.15 | 191.52 |

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

## MYSORE SALES INTERNATIONAL LIMITED
## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023
## (ALL AMOUNTS IN Rs LAKHS, UNLESS OTHERWISE STATED)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax and exceptional items as per Statement of Profit and Loss | 11,188.12 | 10,316.33 |
| | | |
| **Adjustments for:** | | |
| Dividend | (6.11) | (7.37) |
| Provision for doubtful debts no longer required | (131.13) | (15.32) |
| Interest income | (1,918.85) | (1,395.90) |
| Profit on sale of property, plant and equipment | (6.11) | (1.67) |
| Loss on damage of assets | - | - |
| Rent | (851.04) | (662.46) |
| Depreciation and amortisation expenses | 1,904.75 | 1,795.86 |
| Finance costs | 179.99 | 162.14 |
| Allowances for doubtful debts and advances | 430.33 | 1,840.33 |
| Impairment of DIGITAL FLEX PRINTING MACHINE | - | 2.55 |
| Impairment losses in value of other financial assets | 6.83 | 44.13 |
| Re-measurement gains (losses) on defined benefit plans | 2.05 | (101.38) |
| Share of profit from joint arrangements | - | - |
| Excess/(Short) Provisions of Tax of Previous Years | - | (93.87) |
| Exceptional Items | - | 3,460.54 |
| Group's share of net profit/(loss) of associates accounted for using equity method | 14.28 | |
| **Operating profit before working capital changes** | **10,813.11** | **15,343.91** |
| | | |
| **Changes in working capital** | | |
| **Adjustments for increase / (decrease) in** | | |
| Trade receivables | (2,598.18) | (5,026.74) |
| Inventories | (1,188.87) | (1,675.70) |
| Other assets | (3,619.18) | (4,439.09) |
| Other financial assets | (10,549.05) | (3,817.78) |
| Trade payables | 9,976.06 | 5,971.55 |
| Other liabilities | 2,413.02 | (6,163.78) |
| Other financial liabilities | 486.61 | 5,232.12 |
| Provisions | (54.90) | 31.34 |
| **Cash generated from operations** | **5,678.62** | **5,455.83** |
| Taxes paid, net | (3,249.39) | (3,187.97) |
| **Net cash generated from operating activities** | **2,429.22** | **2,267.86** |

| | | |
|---|---|---|
| **B. Cash flow from investing activities** | | |
| Purchase of Property, Plant & Equipment (including capital advances and Right of use of asset) | 2,265.93 | (1,191.85) |
| Government Grant | - | - |
| Share of profit from joint arrangements | - | - |
| Movement in bank balances other than cash and cash equivalents | (13,089.01) | 4,374.80 |
| Rent | 851.04 | 451.64 |
| Interest received | 1,518.14 | 1,320.28 |
| Dividend received | 6.11 | 7.37 |
| **Net cash (used in) / generated from investing activities** | **(8,447.79)** | **4,962.24** |
| | | |
| **C. Cash flow from Financing activities** | | |
| Finance cost paid | 75.83 | (39.19) |
| Dividend paid | (1,105.19) | (320.51) |
| Lease Liability Paid | (631.08) | (794.72) |
| Tax Impact | - | (7.34) |
| **Net cash used in financing activities** | **(1,660.44)** | **(1,161.76)** |
| **Net changes in cash and cash equivalents** | **(7,679.00)** | **6,068.34** |
| Cash and cash equivalents as at beginning of the year | 17,853.77 | 11,785.43 |
| Cash and cash equivalents as at end of the year | 10,174.77 | 17,853.77 |

| **Cash and non cash changes in liabilities arising from financing activities** | | |
|---|---|---|
| Borrowings | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
| At the beginning of the year | 174.56 | 174.56 |
| Cash Flow | - | - |
| Non Cash Changes | - | - |
| **At the end of the year** | **174.56** | **174.56** |
| Lease Liability | | |
| At the beginning of the year | 1,081.88 | 1,397.26 |
| Cash Flow | (631.08) | (794.72) |
| Non Cash Changes | 274.73 | 479.34 |
| **At the end of the year** | **725.52** | **1,081.88** |

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

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

## 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 01 April 2021 | 4,273.48 |
| Changes in Equity Share Capital during 2021-22 | - |
| **Balance as at 31 March 2022** | **4,273.48** |
| Changes in Equity Share Capital during 2022-23 | - |
| **Balance as at 31 March 2023** | **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-measurement of defined benefit plans | |
| Balance as at 01.04.2021 | 23,021.54 | 33,621.97 | 77.98 | (37.51) | 345.74 | 49.84 | (665.90) | 56,413.66 |
| Profit for the year | - | 8,197.03 | - | - | - | - | - | 8,197.03 |
| Transfer from retained earnings* | 1,016.48 | (1,016.48) | - | - | - | - | - | - |
| Share of Profit -Non Controlling Interest | - | 0.13 | - | 0.13 | - | - | - | 0.26 |
| Dividend paid | - | (320.51) | - | - | - | - | - | (320.51) |
| Dividend Distribution Tax | - | | - | - | - | - | - | - |
| Ind AS adjustments | - | | - | | - | (384.81) | (101.38) | (486.19) |
| Excess Income Tax Provision made during 2018-2019 reversed | - | | - | - | - | - | - | - |
| Share of Loss - Food Karnataka | | (12.32) | | | | | | (12.32) |
| Tax Impact | | -7.34 | | | | | | (7.34) |
| **Balance at the end of the reporting period 31.03.2022** | **24,038.02** | **40,462.48** | **77.98** | **(37.38)** | **345.74** | **(334.97)** | **(767.28)** | **63,784.60** |
| Profit for the year | | 8,439.44 | - | - | - | - | - | 8,439.44 |
| Transfer from retained earnings* | 1,128.21 | (1,128.21) | - | - | - | - | - | - |
| OCI adjustments | | | | | | (14.22) | 2.05 | (12.17) |
| Share of Profit -Non Controlling Interest | | (0.00) | - | 0.00 | - | - | - | - |
| Dividend paid | | (1,105.19) | - | - | - | - | - | (1,105.19) |
| KIADB Land | | (69.41) | | | | | | (69.41) |
| Income tax refund | | 0.04 | | | | | | 0.04 |
| Share of Loss - Food Karnataka | | (14.28) | | | | | | (14.28) |
| Tax Impact | | (7.34) | | | | | | (7.34) |
| **Balance at the end of the reporting period 31.03.2023** | **25,166.23** | **46,584.87** | **77.98** | **(37.38)** | **345.74** | **(349.19)** | **(765.23)** | **71,023.03** |

* Transfer from Retained Earnings includes 10% of average profit of Chit Fund Division's transferred to General Reserve every year.

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054

Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

**MYSORE SALES INTERNATIONAL LIMITED**
**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 Bangalore, Karnataka, India. Since then, the group has grown primarily as a marketing force with a national presence. It has 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 has two subsidiaries and an Associate:

| Name | Year of Incorporation | % Holding | Relation-ship |
|---|---|---|---|
| Marketing Communication & Advertising Limited | 1972 | 100 | Wholly Owned Subsidiary |
| The Mysore Chrome Tanning Company Limited | 1940 | 95.10 | Subsidiary |
| Food Karnataka Limited | 2003 | 50 | Associate |

The Group together with its subsidiaries is collectively referred to as 'Group' in these consolidated financial statements.

### 1.2 Basis of preparation of financial statements

### (i) 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 2023were authorized and approved for issue by the Board of Directors on29.11.2023.

### (ii) 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 carrying amount and fair value less costs to sell.

c) Employee's Defined Benefit Plan as per actuarial valuation.

d) certain arrangements whichare 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 116, ‘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)

### (iii) Basis of Consolidation

The consolidated financials include financials statements of Mysore Sales International Limitedand its subsidiaries and an associate. The consolidated financial statements of the Group incorporatethe 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 variablereturns 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 principallyfollowed 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 areeliminated; and (c) intra group assets and liabilities, equity, income, expenses, and cash flows relatingto transactions between entities of the Group are eliminated in full

### (iv) 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 judgements, 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 inestimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex andsubjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

### (v) New Accounting Standards and amendments not yet adopted by the Group–

The Ministry of Corporate Affairs (MCA)notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

a. Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

b. Ind AS 1 - Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

c. Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors-This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

d. Other amendments in Ind AS 102, share based payments, Ind AS 103, Business Combinations, Ind AS 109, financial instruments, Ind AS 115, Revenue from Contract with customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

## (vi) 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 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 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 dependent 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 Rupee ('Rs') 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 costs 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 Grouprecognizes 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 morethan 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. - Recognize revenue when (or as) the entity satisfies a performance obligation.

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

1. The customer simultaneously receives and consumes the benefits provided by the Group'sperformance 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 recognized, this gives rise to 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 & Advertising Limited recognizes -

(a) Revenue from sale of goods when the goods are delivered to the buyer. Sales amount is net of taxes

(b) Revenue from rendering of serviceson rendering of services as per terms of the contract and excludes taxes.

(c) (c) Interest on Deposits is recognized on a time proportion basis and accrual basis.

### 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 doubtfuland, 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 realizability is uncertain: -

i. Chit Operations: All streams of revenue from Chit operations are on cash basis.

ii. HirePurchase: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 realizable value except scrap and by products which are valued at net realizable value.Net realizable 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. Excise adhesive labels printed but not yet supplied are considered as inventories as at balance sheet date.

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. iv. Obsolete inventories, slow moving and defective inventories are identified and written down to net realizable 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 |
| Firefighting 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 |
| Plant & Machinery (Digi Flex Machine) | 15 |
| Computers | 3 |
| Dark room equipment | 3 |
| Partitions | 3 |
| Leasehold assets/Leasehold- Premises Improvements | Over the primary lease period -except for land |

Depreciation on fixed assets added/ disposed off/ discarded during the year has been provided on prorate 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) acquiredseparately are measured at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria is 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 andLoss 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 costs

Finance cost comprises of Interest cost on lease and other financial liabilities, bank charges and guarantee commission. All finance costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

### 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

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 and offices. Such arrangements are generally for a fixed period but may have extension or termination options. The Groupassesses 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 Group 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 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 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 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 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 Group recognizes any remaining amount of the re-measurement in the 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.

## l. 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 the 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 are 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 as 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 assets to be recovered.

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 assets 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 related 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 are 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 assumingthe 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 instrument’ 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 FVTOCI, 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, theGroup 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 FVTOCI, 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 Grouprecognizes 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 recognize the financial asset and also recognizes a collateralized 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 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) (i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(ii) (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 amortization.

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 judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

b. Net realizable value of inventory - The determination of net realizable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement 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 the 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 judgements in applying accounting policies

a. 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 judgement 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 judgement.

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. 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 judgement.

e. e. Contingent liabilities -The Group uses significant judgement 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 Group's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

| Particulars | Freehold land | Lease hold land (*) | Building-Freehold | Building - Leasehold | Handling Equipment | Electrical Equipment | Computers (***) | 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 2021** | **167.69** | **269.55** | **440.65** | **-** | **0.32** | **1,834.57** | **286.47** | **2,874.15** | **351.50** | **7.05** | **1,145.02** | **0.00** | **-** | **4.51** | **105.89** | **7,487.37** |
| Additions | - | 72.83 | - | - | - | 230.87 | 132.99 | 574.28 | - | - | 165.19 | - | - | - | - | 1,176.16 |
| Disposals | - | - | - | - | - | (3.44) | - | (11.77) | - | - | (3.85) | - | - | - | - | (19.06) |
| Reclassification from Building to Land | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reclassification to investment property | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **As at 31 March 2022** | **167.69** | **342.38** | **440.65** | **-** | **0.32** | **2,062.00** | **419.46** | **3,436.66** | **351.50** | **7.05** | **1,306.36** | **0.00** | **-** | **4.51** | **105.89** | **8,644.47** |
| Additions | - | - | - | - | - | 726.91 | 21.71 | 932.18 | 82.76 | - | 306.58 | - | - | - | - | 2,070.14 |
| Disposals | - | - | - | - | - | (3.36) | (0.58) | (19.09) | (0.80) | - | (3.51) | - | - | - | - | (27.33) |
| Adjustment due to previous year* | - | (69.41) | - | - | - | - | - | - | - | - | - | - | - | - | - | (69.41) |
| Adjustment due to previous year** | - | (72.83) | - | - | - | - | - | - | - | - | - | - | - | - | - | (72.83) |
| As at 31 March 2023 | 167.69 | 200.14 | 440.65 | - | 0.32 | 2,785.55 | 440.58 | 4,349.75 | 433.46 | 7.05 | 1,609.44 | 0.00 | - | 4.51 | 105.89 | 10,545.03 |
| **Accumulated depreciation** | | | | | | | | | | | | | | | | |
| **As at 01 April 2021** | **-** | **-** | **94.59** | **-** | **0.27** | **531.84** | **214.57** | **1,285.14** | **124.66** | **0.86** | **577.60** | **-** | **-** | **4.51** | **100.60** | **2,934.64** |
| Charge for the year | - | - | 8.36 | - | - | 190.41 | 41.88 | 550.01 | 40.18 | 2.23 | 136.75 | - | - | - | - | 969.82 |
| Adjustments for disposals | - | - | - | - | - | (2.60) | - | (11.77) | - | - | (1.29) | - | - | - | - | (15.66) |
| Reclassification | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | 0.00 |
| **As at 31 March 2022** | **-** | **-** | **102.95** | **-** | **0.27** | **719.65** | **256.45** | **1,823.38** | **164.84** | **3.09** | **713.06** | **-** | **-** | **4.51** | **100.60** | **3,888.80** |
| Charge for the year | - | - | 9.21 | - | - | 231.77 | 65.30 | 636.66 | 43.63 | 2.23 | 190.55 | - | - | - | - | 1,179.35 |
| Adjustments for disposals | - | - | - | - | - | (2.64) | (0.54) | (12.60) | - | - | (1.29) | - | - | - | - | (17.06) |
| Adjustment due to transfer of asset to held for sale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **As at 31 March 2023** | **-** | **-** | **112.16** | **-** | **0.27** | **948.78** | **321.21** | **2,447.44** | **208.47** | **5.32** | **902.33** | **-** | **-** | **4.51** | **100.60** | **5,051.10** |
| **Net block as at 31 March 2022** | **167.69** | **342.38** | **337.70** | **-** | **0.05** | **1,342.35** | **163.01** | **1,613.28** | **186.66** | **3.96** | **593.30** | **0.00** | **-** | **-** | **5.29** | **4,755.67** |
| **Net block as at 31 March 2023** | **167.69** | **200.14** | **328.49** | **-** | **0.05** | **1,836.77** | **119.38** | **1,902.31** | **224.99** | **1.73** | **707.11** | **0.00** | **-** | **-** | **5.29** | **5,493.94** |

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

| 3 | Capital work-in-progress | | |
|---|---|---|---|
| | **Particulars** | **Capital work in progress** | **Total** |
| | | | |
| | **As at 01 April 2021** | **405.86** | **405.86** |
| | Additions | 94.00 | 94.00 |
| | Capitalised during the year | 40.41 | 40.41 |
| | Deletion | 62.42 | 62.42 |
| | **As at 31 March 2022** | **397.04** | **397.04** |
| | Additions | 195.80 | 195.80 |
| | Capitalised during the year | - | - |
| | **Deletion** | **-** | **-** |
| | **As at 31 March 2023** | **592.83** | **592.83** |

**Ageing of CWIP**

| | Amount in CWIP for period ending 31st March 2022 | | | | |
|---|---|---|---|---|---|
| **CWIP** | **Less Than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Project In progress | 195.80 | 94.00 | 141.88 | 161.16 | 592.83 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **195.80** | **94.00** | **141.88** | **161.16** | **592.83** |

**Details of projects in progress where the completion is overdue or cost has exceeded the estimated timelines as compared to its original plan**

| | Estimated date of completion | Budgeted Project Cost | Actual cost as on 31st March 2022 | Reasons for delay |
|---|---|---|---|---|
| **Project in progress** | | | | |
| Warehouse, Kapanoor Ind Area, Kalburgi | 31.05.2024 | 752.91 | 592.83 | Due to inclusion of additional work. |
| **Projects temporarily suspended** | Nil | | | |

| | Amount in CWIP for period ending 31st March 2022 | | | | |
|---|---|---|---|---|---|
| **CWIP** | **Less Than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Project In progress | 94.00 | 141.88 | 161.16 | - | 397.04 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **94.00** | **141.88** | **161.16** | **-** | **397.04** |

(All amounts in Rs Lakhs, unless otherwise mentioned)

| Details of projects in progress where the completion is overdue or cost has exceeded the estimated timelines as compared to its original plan | | | | |
|---|---|---|---|---|
| | Estimated date of completion | Budgeted Project Cost | Actual cost as on 31st March 2023 | Reasons for delay |
| **Project in progress** | | | | |
| Warehouse, Kapanoor Ind Area, Kalburgi | 31/7/2022 | 565.12 | 397.04 | *Refer note below |
| Software Development at Chit Division | 31/3/2021 | 83.80 | 61.46 | Nil |
| Software Development at Pharma Division | 31/3/2021 | 41.36 | 41.36 | Nil |
| Custom Bonded Warehouse, Mangalore | 31/3/2021 | 25.00 | 20.00 | Nil |
| **Projects temporarily suspended** | **Nil** | | | |

a. **Contractual obligations**

Details of contractual obligations is given in note 41

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 2023 is Nil. (31 March 2022: Nil)

c. There are no borrowing cost capitalised during the year ended 31 March 2023 and 31 March 2022.

d. Capital work-in-progress comprises of Buildings

| 4 | **Investment property** | | | | | |
|---|---|---|---|---|---|---|
| | **Particulars** | **Freehold land** | **Leasehold land** | **Building - Freehold** | **Building - Leasehold** | **Total** |
| | | | | | | |
| | **As at 01 April 2021** | **53.06** | **100.95** | **1,604.08** | **2,686.59** | **4,444.68** |
| | Additions (subsequent expenditures) | - | - | - | - | - |
| | Reclassification from Property, plant and equipment | - | - | - | - | - |
| | **As at 31 March 2022** | **53.06** | **100.95** | **1,604.08** | **2,686.59** | **4,444.68** |
| | Additions (subsequent expenditures) | - | - | - | - | - |
| | **As at 31 March 2023** | **53.06** | **100.95** | **1,604.08** | **2,686.59** | **4,444.68** |
| | **Depreciation and impairment** | | | | | |
| | **As at 01 April 2021** | **-** | **-** | **89.96** | **269.39** | **359.35** |
| | Depreciation (note 28) | - | - | 29.85 | 89.84 | 119.69 |
| | Reclassification from PP&E | - | - | | - | - |
| | **As at 31 March 2022** | **-** | **-** | **119.81** | **359.23** | **479.04** |
| | Depreciation (note 28) | - | - | 28.40 | 89.84 | 118.24 |
| | **As at 31 March 2023** | **-** | **-** | **148.21** | **449.07** | **597.28** |
| | **Net block as at 31 March 2022** | **53.06** | **100.95** | **1,484.27** | **2,327.36** | **3,965.64** |
| | **Net block as at 31 March 2023** | **53.06** | **100.95** | **1,455.87** | **2,237.52** | **3,847.40** |

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

**Information regarding income and expenditure of Investment property**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Rental income derived from investment properties (Refer Note 21) | 855.40 | 666.76 |
| Direct operating expenses (including repairs and maintenance) pertaining to investment property | (107.07) | (173.95) |
| **Profit arising from investment properties before depreciation and indirect expenses** | **748.33** | **492.81** |
| Less – Depreciation | (118.24) | (119.69) |
| **Profit arising from investment properties before indirect expenses** | **630.09** | **373.12** |

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.

| 5 | **Other intangible assets** | | |
|---|---|---|---|
| | **Particulars** | **Computer software** | **Total** |
| | | | |
| | **Gross carrying amount** | | |
| | **As at 01 April 2021** | **78.24** | **78.24** |
| | Additions | 27.05 | 27.05 |
| | **As at 31 March 2022** | **105.29** | **105.29** |
| | Additions | 5.30 | 5.30 |
| | **As at 31 March 2023** | **110.59** | **110.59** |
| | **Accumulated amortization** | | |
| | **As at 01 April 2021** | **71.08** | **71.08** |
| | Amortization Charge for the year | 7.36 | 7.36 |
| | **As at 31 March 2022** | **78.43** | **78.43** |
| | Amortization Charge for the year | 11.46 | 11.46 |
| | **As at 31 March 2022** | **89.89** | **89.89** |
| | **Net block as at 31 March 2022** | **26.86** | **26.86** |
| | **Net block as at 31 March 2023** | **20.70** | **20.70** |

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

| 5A | Right of Use Assets | |
|---|---|---|
| | **Particulars** | **Right of Use** |
| | **Disposals** | **-** |
| | As at 31 March 2022 | 3,139.34 |
| | Additions (*) | 354.87 |
| | Adjustment due to error in the previous year | 72.83 |
| | **Disposals** | **-** |
| | **As at 31 March 2023** | **3,567.04** |
| | Accumulated depreciation | |
| | **As at 1 April 2021** | **1,412.09** |
| | Charge for the year | 698.99 |
| | Adjustments for disposals | **-** |
| | **As at 31 March 2022** | **2,111.08** |
| | Charge for the year | 595.69 |
| | Adjustments for disposals | **-** |
| | **As at 31 March 2023** | **2,706.77** |
| | **Net carrying value as at 31 March 2022** | **1,028.26** |
| | **Net carrying value as at 31 March 2023** | **860.28** |

(*) Right of use assets are recognised as on 01 April 2019 on adoption of Ind AS 116 using modified retrospective approach.

The following are the expense recognised in the statement of profit & loss.

| **Particulars** | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
|---|---|---|
| Depreciation expense of right-of-use assets | 595.69 | 698.99 |
| Interest expense on lease liabilities | 103.84 | 83.79 |
| Expense relating to short-term leases | 1,117.99 | 866.91 |
| Total amount recognised in profit & loss | **1,817.53** | **1,649.69** |

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

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| 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 | 508.89 | 386.15 |
| | 329,060 (31 March 2022: 329,060) fully paid equity shares of INR 2 each | | |
| | M/s Bengal & Assam Co Limited | 140.04 | 90.29 |
| | 3,831 (31 March 2022: 3,831) fully paid equity shares of INR 10 each | | |
| | | | |
| | **Total Aggregate Quoted Investments (a)** | **648.93** | **476.44** |
| | Aggregate Book value of quoted investments | 648.93 | 476.44 |
| | Aggregate market value of quoted investments | 648.93 | 476.44 |
| B. | **Un-quoted Investments** | | |
| | **Investments in Equity Instruments in subsidiaries, Associates and Joint venture** | | |
| | **Subsidiaries at deemed cost (*)** | | |
| | M/s Marketing Communication & Advertising Limited | - | - |
| | 357,252 (31 March 2022: 357,252) fully paid equity shares of INR 10 each | | |
| | M/s Mysore Chrome Tanning Company Limited | - | |
| | 720,875 (31 March 2022: 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 | | |
| | 35 (31 March 2022: 35) fully paid equity shares of INR 100 each | 0.04 | 0.04 |
| | M/s K T Mansions Apartments Owners' Association: | | |
| | 25 (31 March 2022: 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 | 1,729.78 | 1,922.50 |
| | 7,000,000 (31 March 2022: 7,000,000) fully paid equity shares of INR 100 each | | |
| | The Karnataka State Co-operative Apex Bank Limited - One -C- Class Ordinary Share: | 26.15 | 24.92 |
| | 1 (31 March 2022: 1) fully paid equity shares of INR 1,000,000 each | | |
| | **Total aggregate of un-quoted Investments (b)** | **1,755.99** | **1,947.49** |
| | **Total (a+b)** | **2,404.92** | **2,423.94** |
| | Aggregate amount of quoted investments and market value thereof | 648.93 | 476.44 |
| | Aggregate amount of unquoted investments | 1,755.99 | 1,947.49 |

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

| 7 | Other Financial assets | | | | |
|---|---|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
| | | Non-Current | Current | Non-Current | Current |
| | **At Amortized Cost** | | | | |
| | a) Loans and advances - Chit operations | | | | |
| | (i) Secured and Considered good | 16,590.87 | 9,061.44 | 12,437.45 | 7,767.12 |
| | (ii) Unsecured and Considered good | - | - | - | 6.00 |
| | (iii) Considered doubtful | 249.36 | 684.75 | 203.90 | 559.92 |
| | Less: Allowance for doubtful advances | -249.36 | (684.75) | (203.90) | (559.92) |
| | b) Other advances recoverable in kind or for value to be received | | | | |
| | (i) Secured and Considered good | - | - | - | - |
| | (ii) Unsecured and Considered good(**) | - | 4,071.52 | 1.20 | 2,030.76 |
| | (iii) Considered doubtful | - | 915.61 | - | 1,220.20 |
| | Less: Allowance for doubtful advances | - | (915.61) | - | (1,220.20) |
| | c) Security Deposit (*) | - | | | |
| | (i) Secured and Considered good | - | 148.43 | - | - |
| | (ii) Unsecured and Considered good | 3.06 | 1,011.23 | 3.06 | 1,124.54 |
| | (iii) Considered doubtful | - | 16.38 | - | 29.08 |
| | Less: Allowance for doubtful advances | - | (16.38) | - | (29.08) |
| | d) Other receivable | 87.24 | 66.06 | - | 66.13 |
| | Less: Allowance for doubtful advances | -87.00 | (66.06) | - | (66.06) |
| | **Total** | **16,594.17** | **14,292.61** | **12,441.71** | **10,928.49** |

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

| 8 | Other assets | | | | |
|---|---|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
| | | Non-Current | Current | Non-Current | Current |
| | Prepaid Expenses | - | 1,213.26 | - | 1,132.69 |
| | Balance with statutory authorities | 10.30 | 1,081.38 | 10.30 | 2,003.71 |
| | Advance Income Tax and TDS | - | - | 551.61 | 1,752.77 |
| | Other Receivables | 10.61 | 3,695.09 | 597.40 | 2,746.14 |
| | Gratuity Fund account | 65.60 | - | | - |
| | Rebate/Discount receivable on volume of business | - | - | - | - |
| | Trade Advances & Other Receivables | - | - | - | - |
| | Unbilled Revenue | - | 3,843.24 | - | - |
| | Advances to capital vendors and operational creditors | - | 3,524.09 | | |
| | Provision advances given to vendors | - | -1,029.79 | | |
| | **Total** | **86.51** | **12,327.28** | **1,159.31** | **7,635.31** |

**Wholly Owned subsidiary- Karnataka State Marketing Communication & 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, Bangalore. 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.

The VAT Credit receivable 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.

| 8A | Current tax asset (net) | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|---|
| | | Non-Current | Current | Non-Current | Current |
| | Advances tax and TDS | - | 3,851.20 | - | 4,486.14 |
| | Provision for income tax | - | -3,382.65 | - | -2,311.88 |
| | | **-** | **468.55** | **-** | **2,174.26** |

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

| 9 | Inventories | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Raw Materials | | |
| | Paper and Straw board | 83.64 | 51.11 |
| | Convertors | 95.85 | 39.93 |
| | Finished goods | 671.35 | 1,317.85 |
| | Stock in trade (acquired for trading) -Traded Goods | 17,045.24 | 15,337.89 |
| | Less : Provision for Expired/Damaged Stock- awaiting regulatory approval | (57.34) | (40.57) |
| | Less: Provision for Non Moving Stock | (1,994.50) | (2,050.84) |
| | Stock with hirers | 296.76 | 298.43 |
| | Less: Expected Credit Loss for stock with hirers | (296.76) | (298.43) |
| | **Total** | **15,844.24** | **14,655.37** |

**Holding Company- Mysore Sales International Limited**

Write-downs of inventories to net realisable value amounted to INR 16.77 lakhs (31 March 2022 - 1398.90 lakhs). These were recognised as an expense during the year and included in 'changes in the value of inventories' in statement of profit and loss.

**Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd**

As per letter no ICD/04/lable/2019 dated 18th November 2020, Excise department has directed company to stop selling sheet form labels and migrate to roll form, Accordingly company has migrated to Roll form. As on the cut off date 15th November 2020 company has inventory to the extent of 17,51,600 labels in hand. Company has requested for destruction on 23rd December 2020, no approval was received. Company has recovered from the supplier to the extent of Rs 3.33 lakhs towards sheet form labels.

| 10 | Trade Receivables | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Secured, Considered good | 2.00 | 7.40 |
| | Unsecured, Considered good | 19,310.72 | 16,838.27 |
| | Unsecured, Considered doubtful | 4,542.00 | 4,338.48 |
| | | 23,854.73 | 21,184.15 |
| | **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| | Unsecured, Considered doubtful | (4,542.00) | (4,338.48) |
| | | **19,312.72** | **16,845.67** |
| | **Holding Company- Mysore Sales International Limited** | | |
| | Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. | | |

| As at 31-03-2023 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | **Unbilled** | **Less than 6 months** | **6 months - 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Considered good | | 15,376.75 | 2,016.90 | 1,825.37 | 93.70 | 3,758.20 | 23,070.92 |
| Which have significant increase in credit risk | - | | | | | | - |
| Credit impaired | | | - | 112.31 | 186.43 | 485.07 | 783.81 |
| **Disputed trade receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | | | - | - | - | - | - |
| **Total** | **-** | **15,376.75** | **2,016.90** | **1,937.68** | **280.12** | **4,243.27** | **23,854.73** |
| **As at 31-03-2022** | | | | | | | |
| **Undisputed trade receivables** | **Unbilled** | **Less than 6 months** | **6 months - 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Considered good | | 11,547.35 | 2,039.56 | 1,743.41 | 1,423.54 | 91.81 | 16,845.67 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | | | - | - | 200.00 | 4,081.78 | 4,281.78 |
| **Disputed trade receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | | | - | - | - | 56.70 | 56.70 |
| **Total** | **-** | **11,547.35** | **2,039.56** | **1,743.41** | **1,623.54** | **4,230.29** | **21,184.15** |

**Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd**

Balances in the Trade Receivables are subject to reconciliation and confirmation. Trade Receivables include Rs.6.24 lakhs (Previous year 31st March 2022: Rs.22.63 lakhs) due from Mysore Sales International Limited, Holding Company and Rs. 4.19 lakhs (Previous Year 31st March 2022: Rs. 60.90 lakhs) from Karnataka State Industrial Infrastructure Development Corporation Limited, Associate Company

Trade Receivables includes Rs. 24.48 lakhs (Previous Year 31st March 2022: Rs. 24.48 lakhs) due from M/s. Cyber Expo and Rs. 32.22 lakhs (Previous Year 31st March 2022: 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. 349.80 lakhs (Previous year 31st March 2022, Rs. 617.15 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. 3758.20 lakhs (Previous year 31st March 2022, Rs. 3573.79 lakhs) has been made in books of account.

| 11 | Cash and cash equivalents | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Balances with banks | | |
| | In current accounts | 8,617.13 | 11,727.71 |
| | Deposits with original maturity less than three months | 537.00 | 5,145.24 |
| | Remittances in transit | 7.80 | 201.14 |
| | Cash on hand | 1,012.85 | 779.68 |
| | | **10,174.77** | **17,853.77** |

| 12 | Bank balances other than cash and cash equivalents | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|---|
| | | Non-Current | Current | Non-Current | Current |
| | Deposits with maturity less than 12 months | - | 23,534.66 | - | 15,168.36 |
| | Deposits with maturity more than 12 months | 76.80 | 10,799.20 | 1,487.72 | - |
| | Interest Accrued on Bank Deposits | - | 1,417.74 | - | 1,017.04 |
| | Balances with banks in earmarked accounts | - | - | - | - |
| | - In margin money accounts for Bank Guarantee issued | - | - | - | 5,066.27 |
| | | **76.80** | **35,751.60** | **1,487.72** | **21,251.67** |

**Holding Company- Mysore Sales International Limited**

Bank Balances given on lien as at 31 March 2023 is Rs 50.00 lakhs (31 March 2022 : Rs 1075.54 lakhs)

Statutory Deposits for Chit Operations as at 31 March 2023 is Rs 4629.68 lakhs (31 March 2022 : Rs 3990.33 lakhs)

**Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd**

*Margin Money Deposits in Bank of Baroda (erstwhile Vijaya Bank) and Punjab National Bank (erstwhile oriental bank of commerce) against guarantees having a maturity period of more than 12 months of Rs.76.80 lakhs (Previous year 31st March 2022 Rs 72.98 lakhs) as on balance sheet date has been grouped under other non current financial asset.

*Margin Money Deposits in Punjab National Bank (erstwhile oriental bank of commerce) of Rs 0.04 lakhs is against locker held.

Margin Money Deposits against guarantees having a maturity period of more than 3 months and less than 12 months as on balance sheet date has been grouped under Balances with Banks other than Cash and Cash Equivalents

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

| 13 | Equity share capital | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|---|
| | **Authorized shares** | **Number** | **Amount** | **Number** | **Amount** |
| | **Equity share capital of face value of ₹ 100 each** | | | | |
| | Equity shares of ₹ 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 ₹ 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** | | | | |
| | | **31 March 2023** | | **31 March 2022** | |
| | **Name of the equity shareholder** | **Number** | **% holding** | **Number** | **% holding** |
| | Government of Karnataka | 2,255,817 | 52.79% | 2,255,817 | 52.79% |
| | Karnataka State Industrial Infrastructure & Development Corporation 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 2023. | | | | |
| **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) | | | | |

| f. | Details of shareholding of promoters: | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | **Number** | **% holding** | **Number** | **% holding** |
| | Government of Karnataka | 2,255,817 | 52.79% | 2,255,817 | 52.79% |
| | Karnataka State Industrial Infrastructure & Development Corporation Limited | 2,017,660 | 47.21% | 2,017,660 | 47.21% |

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

| 14 | Other equity | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Securities premium | | |
| | General reserve | | |
| | Opening Balance | 24,038.02 | 23,021.54 |
| | Add: Appropriation during the year | 1,128.21 | 1,016.48 |
| | General reserve | 25,166.23 | 24,038.02 |
| | **Retained earnings** | | |
| | Opening Balance | 40,462.48 | 33,621.97 |
| | Add: Profit for the year from Statement of Profit & Loss | 8,425.16 | 8,197.03 |
| | Share of Profit -Non Controlling Interest | (0.00) | 0.13 |
| | Add: Appropriation from Statement of Profit or Loss to General Reserve | (1,128.21) | (1,016.48) |
| | Add: Dividend paid | (1,105.19) | (320.51) |
| | Add: Taxes | 0.04 | - |
| | Less: KIADB Land | (69.41) | |
| | Share of Profit-Food Karnataka | - | (12.32) |
| | Tax Impact | - | (7.34) |
| | Retained earnings | 46,584.87 | 40,462.48 |
| | Capital Reserve | 77.98 | 77.98 |
| | Other comprehensive income | (1,114.42) | (1,102.25) |
| | Share Application Money Pending Allotment (Refer Note b) | 345.74 | 345.74 |
| | **Total** | **71,060.40** | **63,821.97** |
| | Non-Controlling Interest | (37.38) | (37.38) |

**Nature of reserves**

**(a) General reserve**

The General reserve is created by appropriation from retained earnings. 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 - Karnataka State Marketing Communication & 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.345.74 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.

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

**Distributions paid and proposed**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Cash dividends on Equity shares declared and paid:** | | |
| Final dividend for the year ended on 31 March 2023: INR 25.86 per share (31 March 2022: INR 7.50 per share) | 1,105.19 | 320.51 |
| | | |
| **Proposed dividends on Equity shares:** | | |
| Proposed dividends for the year ended on 31 March 2023: INR 42.79 per share (31 March 2022: 25.86 per share) | 1,828.44 | 1,105.19 |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability at the year end.

| 15 | Borrowings | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| | **Non-current** | | |
| | **Secured** | | |
| | Loan from Government of Karnataka | 3.02 | 3.02 |
| | Interest Accrued & due on above Unsecured | 9.62 | 9.62 |
| | 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 | 124.35 | 124.35 |
| | | **174.56** | **174.55** |
| | **Current** | | |
| | from related party holding company | 0.44 | - |
| | Others | - | - |
| | **Total Borrowings** | **175.00** | **174.55** |

**For Subsidiary-Mysore Chrome Tanning Company Limited**

The Company received a sum of Rs. 4,00,000/- in 1974-75 to set up a Raw Materials Depot and a Development loan of Rs. 5,00,000/- in 1975-76 from Government of Karnataka. No orders have been received from the government specifying the terms and conditions for the said amounts. However, interest at the rate of 12% p.a. has been provided in the accounts up to 31.03.1999. The Company has not set up the Raw Materials Depot.

As per the records, the company has defaulted in repayment of dues to financial institutions as per the details given below:

| Name of the Financial Institution | Amount of Default | Period of Default |
|---|---|---|
| Karnataka State Industrial Investment & Development Corporation | Rs 28.56 lakhs | |
| | Rs 173.54 lakhs | Since 1981 |

## 16 Other Financial liabilities

| | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|
| **At Amortised Cost** | **Non-Current** | **Current** | **Non-Current** | **Current** |
| Security Deposit (Unsecured considered good) | | | | |
| Unsecured and Considered good | 1,551.41 | 94.39 | 1,236.91 | 665.21 |
| Interest Accrued | 53.88 | - | 53.88 | - |
| Lease liability | 342.75 | 382.77 | 462.31 | 619.57 |
| Payable to Subsidiary Company (Refer note 39) | - | - | | |
| Creditors for Capital Goods | - | - | - | - |
| Other payables | 16,864.58 | 9,829.72 | 9,014.90 | 16,936.46 |
| **Total** | **18,812.61** | **10,306.88** | **10,768.00** | **18,221.24** |

**Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd**

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.

**For Subsidiary-Mysore Chrome Tanning Company Limited**

The State Government in principle has permitted the Sale of land belonging to the Company to KSRTC. As a first step, the Company sold 2 acres and 20 guntas of land for a consideration of Rs. 277.78 lakhs and has entered into an agreement for sale of 5 acres and 20 guntas of land for a consideration of Rs. 722.22 lakhs. The sum paid by KSRTC, net of expenses, stands at Rs. 721.33 lakhs as advance consideration and the same has been considered under other liabilities in the Balance Sheet. The balance land has been occupied by Slum Dwellers and KSCB as assured vide letter dated 27-08-2011 to compensate the land of 2979 sq. mtrs

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.

| **17** | **Provisions** | **As at 31 March 2023** | **As at 31 March 2023** | **As at 31 March 2022** | **As at 31 March 2022** |
|---|---|---|---|---|---|
| | | **Non-current** | **Current** | **Non-current** | **Current** |
| | Provision for Gratuity | - | - | - | 12.46 |
| | Provision for Leave Encashment (Net) | 362.43 | 246.45 | 428.50 | 316.12 |
| | Provision for Employee Death Relief Fund | 93.13 | - | 17.03 | 87.33 |
| | Provision for Insurance Claim - Other payables | 376.76 | 12.83 | 376.76 | - |
| | Provision - Others | 810.70 | 0.95 | 719.85 | 0.10 |
| | **Total** | **1,643.02** | **260.23** | **1,542.14** | **416.01** |
| | **Movement in Provisions as at 31 March 2023** | | | | |
| | **Particulars** | **Opening Balance** | **Additions during the year** | **Deletions/ Utilisation** | **Closing Balance** |
| | Provision for employee benefits | 861.44 | -0.00 | (0.00) | 861.44 |
| | Provision for Insurance Claim | 376.76 | 0.00 | - | 376.76 |
| | Provision - Others | 719.95 | 169.35 | - | 719.95 |
| | **Total** | **1,958.15** | **169.35** | **(0.00)** | **1,958.15** |

| 18 | Other liabilities | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2022 |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| | Statutory remittances | 36.72 | 623.22 | 36.72 | 714.24 |
| | Others | - | 282.43 | - | 629.82 |
| | Employee Benefits payable | - | - | - | - |
| | Advances from Customers | - | - | - | - |
| | Capital Creditors | - | 118.03 | | |
| | Current Tax Liabilities | - | - | - | 0.33 |
| | Contract Liability | - | 3,140.13 | | 406.40 |
| | **Total** | **36.72** | **4,163.81** | **36.72** | **1,750.79** |

**Wholly Owned subsidiary- Karnataka State Marketing Communication & 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.

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 2023 | As at 31 March 2022 |
|---|---|---|---|
| | Dues of micro enterprises and small enterprises | 2,694.04 | 547.20 |
| | Dues of creditors other than micro enterprises and small enterprises | 27,976.15 | 20,146.94 |
| | **Total** | **30,670.20** | **20,694.14** |

| **As at 31-03-2023** | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| MSME | 1,477.68 | 70.76 | 261.79 | 2,694.04 | 547.20 |
| Others | 1,189.41 | 400.12 | 3,620.89 | 27,976.15 | 20,146.94 |
| Disputed Dues - MSME | - | - | - | - | - |
| Disputed Dues - Others | - | - | - | - | - |
| Debit Balances in Trade Payable | - | - | - | - | - |
| **Grand total** | **2,667.09** | **470.88** | **3,882.68** | **30,670.20** | **20,694.14** |
| **As at 31-03-2022** | | | | | |
| **Particulars** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| MSME | 1.78 | 16.98 | 0.72 | 547.20 | 92.31 |
| Others | 717.61 | 538.13 | 3,024.54 | 20,146.94 | 14,591.12 |
| Disputed Dues - MSME | - | - | - | - | - |
| Disputed Dues - Others | - | - | - | - | - |
| Debit Balances in Trade Payable | - | - | - | - | - |
| **Grand total** | **719.39** | **555.11** | **3,025.26** | **20,694.14** | **14,683.43** |

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

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **20** | **Revenue from Operations** | | |
| | Sales | | |
| | Liquor | 266,072.84 | 239,978.00 |
| | Note Books & Stationery | 9,984.71 | 7,986.00 |
| | Industrial Products | 1,441.75 | 9,164.00 |
| | Pharmaceutical | 1,988.27 | 1,067.00 |
| | Others | 857.33 | 845.00 |
| | **Income Earned on Chit Fund Business** | | |
| | Foreman's Commission | 1,765.15 | 1,477.35 |
| | Dividend | 147.24 | 120.68 |
| | Default Interest | 224.29 | 215.55 |
| | Commission and service charges | 17.68 | 9.98 |
| | **Revenue from Wholly Owned Subsidiary** | | |
| | Revenue from Excise Adhesive Labels | 14,037.47 | 12,969.94 |
| | Revenue from Services | | |
| | i) Media Advertisements | 10,962.82 | 7,126.09 |
| | ii) Event Organising & Others | 25,157.70 | 8,717.41 |
| | iii) Revenue from Production | 7,609.69 | 6,285.26 |
| | Revenue from Other operating activities* | 122.24 | 75.08 |
| | | **340,389.17** | **296,037.34** |
| | **Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd** | | |
| | *Rebate/Discount received on volume of business done with news paper publications have been shown as target incentive. | | |

| | | | |
|---|---|---|---|
| **20.1** | **Disaggregated revenue information** | | |
| | | | |
| | **Geographical Location of customer** | | |
| | India | 340,389.17 | 296,037.34 |
| | Outside India | - | - |
| | | 340,389.17 | 296,037.34 |
| | Total revenue from contract with customer | 340,389.17 | 296,037.34 |
| | | | |
| | **Timining of revenue recognition** | | |
| | Goods or services transferred at a point in time | 340,389.17 | 296,037.34 |
| | Goods or services transferred at a over time | - | - |

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

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **20.2** | **Contract assets and contract liabilities** | | |
| | | | |
| | The company has recognised the following revenue related contract assets and liabilities | | |
| | | | |
| | **Particulars** | | |
| | Trade receivables | 19,312.72 | 16,845.67 |
| | Advance from customers | 3,140.13 | 406.40 |

| | | | |
|---|---|---|---|
| **20.3** | **Reconciling the amount of revenue recognised in the statement of profit or loss with the contracted price** | | |
| | | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
| | **Particulars** | | |
| | Revenue as per contracted price | 340,389.17 | 296,037.34 |
| | **Adjustments** | | |
| | Sales Return | - | - |
| | Trade and cash discounts | - | - |
| | **Revenue from contact with customer** | **340,389.17** | **296,037.34** |

| **21** | **Other Income** | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
|---|---|---|---|
| | Interest on :- | | |
| | Deposits & advances- Gross | 164.61 | 102.95 |
| | Bank Deposits - Gross | 1,754.24 | 1,292.95 |
| | Rent (^) | 851.04 | 662.46 |
| | Dividend | 6.11 | 7.37 |
| | Provision for doubtful debts no longer required | 131.13 | 15.32 |
| | Profit on sale of property, plant and equipment | 6.11 | 1.67 |
| | Sale of Tender Forms | 0.02 | - |
| | Foreign exchange fluctuation | - | - |
| | Miscellaneous income | 553.24 | 265.33 |
| | Leave Encashment Defined Benefit Cost | - | - |
| | | **3,466.51** | **2,348.05** |
| | (^) includes rent realised amounting to INR 451.64 lakhs (31 March 2021: 249.76 lakhs). | | |

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

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | | | |
| **22** | **Cost of materials consumed** | | |
| | Inventories at the beginning of the year | 91.03 | 303.73 |
| | Purchases during the year | 1,831.00 | 1,146.31 |
| | Less: Inventories at the end of the year | -179.49 | (91.04) |
| | | **1,742.55** | **1,359.00** |
| | | | |
| **23** | **Purchase of Traded goods** | | |
| | Liquor | 243,126.50 | 221,219.34 |
| | Notebooks and Stationery | 5,469.51 | 4,610.78 |
| | Industrial Products | 1,900.60 | 8,719.87 |
| | Pharmaceutical | 1,251.63 | 818.04 |
| | Others | 808.37 | 770.67 |
| | Cost of Excise Labels | 13,288.47 | 11,629.01 |
| | | **265,845.07** | **247,767.71** |
| | | | |
| **24** | **Cost of Services** | | |
| | -Media Advertisements | 9,132.32 | 6,030.94 |
| | -Event Organising & Others | 24,008.34 | 8,281.55 |
| | -Production | 7,203.78 | 5,904.63 |
| | | **40,344.44** | **20,217.12** |
| | | | |
| **25** | **Changes in inventories of finished goods and stock-in-trade** | | |
| | Inventories at the end of the year | | |
| | Traded goods | 14,211.24 | 13,246.48 |
| | Finished goods | 1,453.51 | 1,317.85 |
| | | **15,664.75** | **14,564.33** |
| | Inventories at the beginning of the year | | |
| | Traded goods | 13,040.99 | 11,561.02 |
| | Finished goods | 1,523.35 | 1,114.92 |
| | | **14,564.34** | **12,675.94** |
| | | **(1,100.42)** | **(1,888.39)** |

(All amounts in Rs Lakhs, unless otherwise mentioned)

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **26** | **Employee Benefits Expenses** | | |
| | Salaries & Wages | 1,765.07 | 1,896.68 |
| | Contribution to Provident & Other funds | 187.34 | 226.00 |
| | Compensated Absences (Refer note 36) | 153.05 | 68.08 |
| | Gratuity (Refer note 36) | 30.36 | 100.82 |
| | Staff Welfare Expenses | 272.54 | 223.95 |
| | | **2,408.35** | **2,515.53** |
| **27** | **Finance Costs** | | |
| | Interest | 4.62 | 0.06 |
| | Interest on lease liabilities | 103.84 | 83.79 |
| | Bank charges | 71.23 | 38.88 |
| | Guarantee Commission | 0.31 | 0.25 |
| | Interest on MSME | - | 39.16 |
| | | **179.99** | **162.14** |
| **28** | **Depreciation and amortization expense** | | |
| | Depreciation on Property, plant and equipment (Refer note 2) | 1,179.35 | 969.82 |
| | Amortization of intangible assets (Refer note 5) | 11.46 | 7.36 |
| | Depreciation on Investment Properties (Refer note 4) | 118.24 | 119.69 |
| | Depreciation of Right-of-use assets (Refer note 5A) | 595.69 | 698.99 |
| | | **1,904.75** | **1,795.86** |
| **29** | **Other Expenses** | | |
| | Conversion charges - Notebooks | 254.67 | 237.65 |
| | Packing Material & Secondary Freight | 1,694.52 | 1,345.30 |
| | Outsourcing expense | 7,943.44 | 6,828.15 |
| | Rent | 1,117.99 | 868.13 |
| | Repairs & Maintenance : | - | |
| | - Buildings | 107.07 | 173.95 |
| | - Vehicle | 65.28 | 56.96 |
| | - Others | 268.19 | 234.60 |
| | Insurance | 168.65 | 159.39 |
| | Rates and taxes | 5,332.95 | 4,915.96 |
| | Advertising and sales promotion | 473.33 | 160.45 |
| | Communication costs | 101.02 | 108.67 |
| | Printing and stationery | 275.38 | 192.56 |
| | Legal and professional fees | 14.46 | 14.46 |
| | Travelling and conveyance | 733.99 | 639.66 |
| | Electricity & Water | 335.79 | 209.54 |
| | Security Services | 254.04 | 195.10 |
| | Commission | 90.02 | 88.91 |
| | CSR expenditure | 608.53 | 571.36 |
| | Sales Discount | 37.07 | - |
| | Business Promotion and Development Expenses | 24.25 | - |
| | Donations | 410.00 | 210.00 |

(All amounts in Rs Lakhs, unless otherwise mentioned)

| | | | |
|---|---|---|---|
| | Directors Sitting fees | 3.19 | 2.97 |
| | Bad & Doubtful Debts | 0.06 | 0.19 |
| | Directors Sitting fees | 3.19 | 2.97 |
| | Loss on sale of fixed assets | 0.07 | |
| | Allowances for doubtful debts and advances | 430.34 | 1,840.33 |
| | Impairment of DIGITAL FLEX PRINTING MACHINE | - | 2.55 |
| | Impairment losses in value of other financial assets | 6.83 | 44.13 |
| | Remuneration to Chairman | 10.95 | |
| | Miscellaneous Expenses | 435.51 | 269.99 |
| | | **21,325.73** | **19,599.73** |

| **Payment to the Auditor Included under Legal and professional Fees :** | | |
|---|---|---|
| - Audit fee | 11.55 | 11.55 |
| - Tax audit fee | 2.91 | 2.91 |
| | **14.46** | **14.46** |

| **30** | **Tax expense** | | |
|---|---|---|---|
| | Tax expense comprises of: | | |
| | **Profit or loss section** | | |
| | Current tax | 3,335.76 | 2,620.98 |
| | Deferred tax | (608.09) | (514.94) |
| | **Adjustment of tax relating to earlier periods** | **35.28** | **13.26** |
| | Income tax expense reported in the statement of profit or loss | **2,762.96** | **2,119.30** |

| **Deferred tax** | **As at 31 March 2023** | **As at 31 March 2022** |
|---|---|---|
| Deferred tax assets | 2,918.86 | 2,365.39 |
| Deferred tax Liabilities | -117.97 | (164.43) |
| Deferred tax assets, net | **2,800.89** | **2,200.96** |
| **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. | | |

| | | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
|---|---|---|---|
| **31** | **Discontinuing Operations** | | |
| **A.** | 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 | 1.80 | 5.65 |
| | Expenses | 4.62 | 6.55 |
| | **Profit/(Loss) before tax from discontinuing operations** | **(2.82)** | **(0.90)** |
| | Tax expense on discontinuing operations | - | - |
| | **Profit/(Loss) for the year from discontinuing operations** | **(2.82)** | **(0.90)** |

There are no assets and liabilities related to HP operations as at 31 March 2022 and 31 March 2021.

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

| | | | |
|---|---|---|---|
| **32** | **Asset held for Sale** | | |
| **A.** | **Investment in equity shares** | | |
| | The Government of Karnataka, vide its order no AHD 172 AFT 2010 dated 5 March 2011, had advised the company to transfer the shares to 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 has not pledged the financial asset nor received any collateral for it. The parties to the transaction are in the process of finalising the consideration as at 31 March 2022. | | |
| | | | |
| | **Unquoted - fully paid** | | |
| | **Associate** | | |
| | Food Karnataka Limited | | |
| | 50,000 (31 March 2022: 50,000) fully paid equity shares of INR 10 each and Share in Reserves | 414.73 | 429.01 |
| | | **414.73** | **429.01** |
| **B.** | **Digi Flex Printing Machine** | | |
| | The wholly owned subsidiary Karnataka State Marketing Communication & Advertising Limited has classified Digi Flex Printing Machine as 'asset held for sale' during the year 2021-22. | | |
| | | | |
| | Asset held for sale | - | 1.01 |
| | | **-** | **1.01** |
| | | | |
| | Digi Flex Printing Machine are classified as "Held for sale" as on 31st March 2022, as it meet the criteria laid out under Ind AS 105. As on the audit date, tender was called and the asset has been sold on 04-08-2022 for Rs 1.01 lakhs. | | |

| | | | |
|---|---|---|---|
| **33** | **Other Comprehensive Income** | | |
| | **Items that will not be reclassified to profit or loss** | | |
| | Gain/(loss) on FVTOCI financial assets | (19.00) | (384.81) |
| | Re-measurement gains (losses) on defined benefit plans | 2.50 | (109.62) |
| | | **(16.50)** | **(494.43)** |

(All amounts in Rs Lakhs, unless otherwise mentioned)

| | | | |
|---|---|---|---|
| **34** | **Earnings Per Share** | | |
| | Profit attributable to equity holders of the company | | |
| | Continuing operations | 8,427.97 | 8,185.61 |
| | Discontinued operation | (2.82) | (0.90) |
| | **Total** | **8,425.15** | **8,184.71** |
| | | | |
| | No of shares used for Basic and diluted EPS | 4,273,477 | 4,273,477 |
| | | | |
| | Earnings per share for continuing operations | | |
| | Basic (₹) | 197.22 | 191.54 |
| | Diluted (₹) | 197.22 | 191.54 |
| | | | |
| | Earnings per share for discontinued operations | | |
| | Basic (₹) | (0.07) | (0.02) |
| | Diluted (₹) | (0.07) | (0.02) |
| | | | |
| | Earnings per share for continuing and discontinued operations | | |
| | Basic (₹) | 197.15 | 191.52 |
| | Diluted (₹) | 197.15 | 191.52 |

| | | | |
|---|---|---|---|
| **35** | **Dividend paid** | | |
| | | | |
| | **Cash dividends on equity shares paid:** | | |
| | Dividend | 1,105.19 | 320.51 |
| | Tax on distribution of dividend | - | - |

| | | | |
|---|---|---|---|
| **36** | **Employee benefits** | | |
| **i.** | **Disclosure of Employee Benefits as per Ind AS 19** | | |
| | **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** |
| | Holding Company - (net asset) /net liability | (65.60) | 12.46 |
| | Subsidiary Company - net liability | (65.60) | 12.46 |
| | **Total Gratuity Liability - (net asset) /net liability** | **(65.60)** | **-** |
| | Non-current | - | 12.46 |
| | Current | -65.60 | 12.46 |
| | **Total Gratuity Liability** | | |
| | Liability for Compensated Absences | 608.88 | 744.62 |
| | Liability for Death Relief fund (DRF) | 93.13 | 104.37 |
| | **Employee benefit liabilities - Comp Absences & DRF** | **702.02** | **848.99** |
| | Non-current | 455.56 | 445.53 |
| | Current | 246.45 | 403.45 |
| | | **702.02** | **848.98** |

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

| ii. | Amount recognized in Balance Sheet | | | | | | |
|---|---|---|---|---|---|---|---|
| | Particulars | Gratuity - Defined benefit plan | | Compensated absences-Defined contribution plan | | Death relief fund - defined contribution plan | |
| | | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| | Present Value of Obligation at the end of the year | 920.02 | 1,175.89 | 608.88 | 744.62 | 93.13 | 104.37 |
| | Fair Value of Plan Assets the end of the year | 985.62 | 1,163.42 | - | - | - | - |
| | Funded Status | 65.60 | (12.46) | (608.88) | (744.62) | (93.13) | (104.37) |
| | **Liability recognized in Balance Sheet (as per actuarial valuation)** | **65.60** | **(12.46)** | **(608.88)** | **(744.62)** | **(93.13)** | **(104.37)** |

| 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 | |
| | | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| | Present Value of Obligation at the beginning of the year | 1,175.89 | 1,354.84 | 744.62 | 899.54 | 104.37 | 98.18 |
| | Interest Cost | 63.06 | 70.87 | | 48.08 | 6.86 | 5.73 |
| | Current service cost | 33.56 | 40.58 | 153.00 | 89.35 | 6.73 | 7.54 |
| | Prior service Cost | - | - | - | | - | - |
| | Benefits paid | (365.16) | (417.14) | (288.73) | (219.80) | (20.95) | (12.58) |
| | Remeasurement of obligation | - | - | | (80.70) | | 5.49 |
| | Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income | 12.67 | 126.74 | | 8.15 | (3.88) | - |
| | **Balance as at the end of the year** | **920.02** | **1,175.89** | **608.88** | **744.62** | **93.13** | **104.37** |

(All amounts in Rs Lakhs, unless otherwise mentioned)

| iv. | Change in Fair Value of Plan Assets | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Particulars** | **Gratuity - Defined benefit plan** | | **Compensated absences-Defined contribution plan** | | **Death relief fund - defined contribution plan** | |
| | | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| | Fair Value of Plan Assets the beginning of the year | 1,163.42 | 1,435.87 | - | - | - | |
| | Interest Cost | - | 11.05 | - | - | - | - |
| | Employer Contribution | 110.20 | 50.36 | - | - | - | - |
| | Benefits paid | (365.16) | (417.14) | - | - | - | - |
| | Return on plan assets | 65.85 | 66.16 | - | - | - | - |
| | Actuarial gain /(loss) on obligation | 11.30 | 17.12 | - | - | - | - |
| | **Balance as at the end of the year** | **985.62** | **1,163.42** | **-** | **-** | **-** | **-** |

| v. | Expense recognised in Statement of Profit & Loss | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Particulars** | **Gratuity - Defined benefit plan** | | **Compensated absences-Defined contribution plan** | | **Death relief fund - defined contribution plan** | |
| | | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| | Current service cost | 33.56 | 40.58 | 110.72 | 89.35 | 6.73 | 7.54 |
| | Past service cost | | 59.46 | | - | - | - |
| | Remeasurement of obligation | - | - | | (80.70) | | 5.49 |
| | Net Interest on Net Defined Benefit Obligations | (2.79) | (6.34) | 42.28 | 48.08 | 6.86 | 5.73 |
| | Expense recognised in Statement of Profit & Loss before tax | **30.77** | **93.70** | **152.99** | **56.73** | **13.59** | **18.76** |

| vi. | Remeasurements recognised in Other Comprehensive Income | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Particulars** | **Gratuity - Defined benefit plan** | | **Compensated absences-Defined contribution plan** | | **Death relief fund - defined contribution plan** | |
| | | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| | Actuarial loss/ (gain) on obligation | 1.37 | 109.62 | | | | |
| | 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: | | | | | | |

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

| **Mysore Sales International Limited** | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Gratuity - Defined benefit plan** | | **Compensated absences-Defined contribution plan** | | **Death relief fund - defined contribution plan** | |
| | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| Discount Rate | 7.31% | 6.03% | 7.31% | 6.03% | 7.31% | 6.03% |
| Salary Escalation Rate | 7.00% | 5.75% | 7.00% | 5.75% | 0.00% | 0.00% |
| Expected Return on assets | 6.24% | 6.03% | 0.00% | 0.00% | 0.00% | 0.00% |
| Attrition Rate | 10.00% | 5.00% | 10.00% | 5.00% | 1.00% | 1.00% |
| **Karnataka State Marketing Communication & Advertising Limited** | | | | | | |
| Particulars | **Gratuity - Defined benefit plan** | | **Compensated absences-Defined contribution plan** | | **Death relief fund - defined contribution plan** | |
| | **2022-23** | **2021-22** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| Discount Rate | 7.47% | 7.12% | 7.47% | 7.12% | | |
| Salary Escalation Rate | 6.00% | 6.00% | 6.00% | 6.00% | | |
| Expected Return on assets | 7.12% | 6.32% | 7.12% | 6.32% | | |
| Attrition Rate | 6.00% | 5.00% | 6.00% | 5.00% | | |
| **Subsidiary-Mysore Chrome Tanning Company Limited** | | | | | | |
| In the absence of any employees on Company's payroll, the applicability of Ind AS 19 does not arise | | | | | | |

| **ix.** | **Sensitivity Analysis** | | | | |
|---|---|---|---|---|---|
| | **Particulars** | **As at March 31, 2023** | | **As at March 31, 2022** | |
| | | **Increase** | **Decrease** | **Increase** | **Decrease** |
| | **Defined Benefit Obligations - Gratuity** | | | | |
| | Discount Rate (100 bps movement) | (27.31) | 29.17 | (22.16) | 23.53 |
| | Salary escalation rate (100 bps movement) | 22.21 | (22.58) | 17.62 | (17.55) |
| | Attrition Rate (100 bps movement) | (0.94) | 1.00 | (1.01) | 1.03 |
| | **Compensated absences(Increase)/decrease in Defined Benefit Obligations - Leave Salary** | | | | |
| | Discount Rate (100 bps movement) | (32.27) | 36.00 | (22.85) | 24.50 |
| | Salary escalation rate (100 bps movement) | 34.24 | (31.97) | 21.83 | (20.76) |
| | Attrition Rate (100 bps movement) | (2.12) | 2.16 | (1.73) | 1.83 |
| | **Death Relief Fund (Increase)/decrease in Defined Benefit Obligations** | | | | |
| | Discount Rate (100 bps movement) | (2.12) | 2.27 | (1.97) | 2.11 |
| | Salary escalation rate (100 bps movement) | 2.32 | (2.43) | 2.27 | (2.24) |
| | Attrition Rate (100 bps movement) | 0.58 | (0.61) | 0.04 | (0.05) |

| **Description of risk exposures** | |
|---|---|
| Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group and Associate are exposed to various risks in providing the above benefit which are as follows: | |
| Interest rate risk | The plan exposes the Group and Associate 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 Group and Associate are 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 Group and Associate has used certain mortality and attrition assumptions in valuation of the liability. The Group and Associate 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 Group and Associate 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 Group and Associate through the leveraging of the debt 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 2023 | 31 March 2022 |
|---|---|---|
| Total equity | 75,296.50 | 68,058.07 |
| Debt | 175.00 | 174.55 |
| Cash equivalents including other bank balances | 46,003.17 | 39,105.44 |
| **Net debt** | **175.00** | **174.55** |
| **Total capital (Equity + Net debt)** | 75,471.50 | 68,232.62 |
| Net debt to capital ratio | - | - |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

## 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 fore casts |
| 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 Group and Associate's established policy, procedures and control relating to the customer credit risk management. The Group and Associate 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 Group and Associate 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 is 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 instruments 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'.

(All amounts in Rs Lakhs, unless otherwise mentioned)

**38 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 2023** | | | |
|---|---|---|---|
| **Particulars** | **Estimated gross carrying amount** | **Expected credit losses** | **Carrying amount net of impairment provision** |
| Trade receivables | 23,854.73 | (4,542.00) | 19,312.72 |
| Cash and cash equivalents | 10,174.77 | - | 10,174.77 |
| Other bank balance | 35,828.40 | - | 35,828.40 |
| Other financial assets | 32,736.50 | (1,849.72) | 30,886.78 |

| **31 March 2022** | | | |
|---|---|---|---|
| **Particulars** | **Estimated gross carrying amount** | **Expected credit losses** | **Carrying amount net of impairment provision** |
| Trade receivables | 21,184.15 | (4,338.48) | 16,845.67 |
| Cash and cash equivalents | 17,853.77 | - | 17,853.77 |
| Other bank balance | 22,739.39 | - | 22,739.39 |
| Other financial assets | 25,150.31 | (1,780.12) | 23,370.19 |

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

| | **Trade receivables** | **Other financial asset** |
|---|---|---|
| **Loss allowance on 1st April 2022** | (4,338.48) | (1,780.12) |
| Allowance for expected credit loss | (203.52) | - |
| Reversals/ written off during the year | - | (69.60) |
| **Loss allowance on 31 March 2023** | (4,542.00) | (1,849.72) |

**ii Liquidity risk**

The liquidity risk is managed by maintaining adequate reserves 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.

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

**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 2023 | Less than 1 year | 1 year to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payables | 23,649.54 | 7,020.65 | - | 30,670.20 |
| Lease liabilities | 382.77 | 342.75 | - | 725.52 |
| Other financial liabilities | 9,924.10 | 18,469.86 | - | 28,393.96 |
| **Total** | **33,956.42** | **25,833.26** | **-** | **59,789.68** |
| | | | | |
| **31 March 2022** | | | | |
| **Non-derivatives** | | | | |
| Trade payables | 16,394.38 | 4,299.76 | - | 20,694.14 |
| Lease liabilities | 619.57 | 462.31 | - | 1,081.88 |
| Other financial liabilities | 17,601.67 | 10,305.69 | - | 27,907.35 |
| **Total** | **34,615.61** | **15,067.76** | **-** | **49,683.37** |

**iii Market risk**

**a Foreign currency risk**

The Group does not carry any asset or liability denominated in Foreign currency 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 2023 | 31 March 2022 |
|---|---|---|
| Price increase by 5% - FVOCI | 120.24 | 20.54 |
| Price decrease by 5% - FVOCI | (120.24) | (20.54) |

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

| 39 | **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, 2023** | | | | **As at March 31, 2022** | | | |
| | | | **Fair value -Profit & Loss (FVTPL)** | **Fair value- OCI (FVTOCI)** | **Fair Value - Amortized cost** | **Total carrying value** | **Fair value - Profit & Loss (FVTPL)** | **Fair value- OCI (FVTOCI)** | **Fair Value - Amortized cost** | **Total carrying value** |
| | I | **Financial assets measured at fair value** | | | | | | | | |
| | 6 | Investments | - | 2,404.86 | - | 2,404.86 | - | 2,423.86 | - | 2,423.86 |
| | 7 | Other financial assets | - | - | 30,886.78 | 30,886.78 | - | - | 23,370.19 | 23,370.19 |
| | 10 | Trade receivables | - | - | 19,312.72 | 19,312.72 | - | - | 16,845.67 | 16,845.67 |
| | 11 | Cash and cash equivalents | - | - | 10,174.77 | 10,174.77 | - | - | 17,853.77 | 17,853.77 |
| | 12 | Other Bank Balances | - | - | 35,828.40 | 35,828.40 | - | - | 22,739.39 | 22,739.39 |
| | | **Total financial assets** | **-** | **2,404.86** | **96,202.68** | **98,607.54** | **-** | **2,423.86** | **80,809.02** | **83,232.88** |
| | | **Financial liabilities :** | | | | | | | | |
| | 19 | Trade payables | | | 30,670.20 | 30,670.20 | | | 20,694.14 | 20,694.14 |
| | 16 | Other financial liabilities | | | 28,393.96 | 28,393.96 | | | 27,907.35 | 27,907.35 |
| | | | **-** | **-** | **59,064.16** | **59,064.16** | **-** | **-** | **48,601.49** | **48,601.49** |

**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.

**Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of 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, 2023** | | | **As at March 31, 2022** | | |
|---|---|---|---|---|---|---|---|
| | **Note No** | **Level 1** | **Level 2** | **Level 3** | **Level 1** | **Level 2** | **Level 3** |
| Investments | 6 | 648.93 | 1,755.99 | - | 476.44 | 1,947.49 | - |

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

| | | |
|---|---|---|
| **40** | **Related Party - Disclosure under Ind AS 24** | |
| **(i)** | **Key management personnel** | |
| | **For Mysore Sales International Limited** | |
| | Vikash Kumar Vikash | Managing Director |
| | Sridevi B N | Company Secretary |
| | A M Chandrappa | Chief Financial Officer |
| | | |
| | | |
| | **For Karnataka State Marketing Communication & Advertising Limited** | |
| | Siddalingappa B.Pujari | Managing Director |
| | | |
| | **Entity having significant interest in Holding Company** | |
| | Karnataka State Industrial & Infrastructure Development Corporation Limited | |

| | | | |
|---|---|---|---|
| | **Associate Company** | | |
| | Food Karnataka Limited | | |
| **(ii)** | **Transactions with related parties are as follows** | **March 31, 2023** | **March 31, 2022** |
| | **Managerial remuneration(*)(#)** | | |
| | Mysore Sales International Limited | 117.35 | 94.09 |
| | Karnataka State Marketing Communication & Advertising Limited | 23.27 | 18.82 |
| (*) | 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 | | |
| | **Karnataka State Marketing Communication & Advertising Limited** | | |
| | Sales - M/s Karnataka State Industrial & Infrastructure Development Corporation Limited | 72.19 | 74.80 |
| **(iii)** | **Balances with related parties as on date are as follows** | **March 31, 2023** | **March 31, 2022** |
| | **Karnataka State Marketing Communication & Advertising Limited** | | |
| | Trade Receivables - M/s Karnataka State Industrial & Infrastructure Development Corporation Limited | 4.19 | 60.90 |

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

| **41. Contingent Liabilities and Commitments** | | | | |
|---|---|---|---|---|
| **A** | **For Mysore Sales International Limited (Holding Company)** | | | |
| | **Sl.No** | **Particulars** | **2022-23** | **2021-22** |
| | i | Guarantees / Counter Guarantees given by the Company to Banks | 207.73 | 207.73 |
| | ii | Insurance Claim on Fire Policy –pending cases | 488.70 | 488.70 |
| | | Insurance Claim on Fire Policy –decreed cases | 680.06 | 641.57 |
| | | Interest on Insurance Claim | 1,714.76 | 1,714.76 |
| | iii | Claim made by party in the business of Iron ore Export (including interest) | 4,609.86 | 4,609.86 |
| | iv | Claims made by Directorate of Pension, Small savings Asset Monitoring | 119.23 | 119.23 |
| | v | Claim against lease of windmill by Wes care (India) Limited | 2,975.76 | 3,158.07 |
| | vi | Income Tax Demands | 197.00 | 197.00 |
| | vii | Service Tax Demands | 397.14 | 397.14 |
| | viii | Claim by Airport Authority of India - Licence fee on lease of Bangalore Air Carco Complex (BACC) | 397.14 | 397.14 |

The above amounts have not been provided as the Company has disputed the claims.

i Bank Guarantees were given for other business Rs .38.57 lakhs (PY: Rs. 31.84 Lakhs).

The company had made a submission to the Income Tax Department under the Vivad se Vishwas Act 2020 on 3rd December 2020 for 9 assessment years from 1995-96 to 2003-04. which has been accepted by the Income tax department.The Bank guarantee of Rs 3617.49 lakhs was cancelled by the Bank on 2 Jul 2021, on the directions of the Income Tax Department.

ii “Certain Insurance Companies who had settled the claims of their customers on account of fire accident at BACC 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 finally approached the Honarable Supreme Court against the order of the High Court of Karnataka. The Honourable Supreme Court had directed vide its order dated 6 Nov 2009 that all the parties (company,insurance companies and customs authorities) concerned being Government agencies, they should discuss mutually and settle the matter amicably.

Few cases amounting to Rs 207.73 lakhs (PY: Rs 207.73 lakhs) are still sub judice.

Since in the past on similar matter the lower courts had decided that the company and Dept of Customs are jointly and severally liable for settlement of the insurance claim, the company has provided Rs 162.90 lakhs (PY Rs 162.90 lakhs) being 25% of the total decreed liability of Rs 651.60 lakhs (PY Rs 651.60 lakhs) ; the unprovided portion of Rs 488.70 lakhs (PY: Rs 488.70 lakhs) is reported above In the current year Compound interest at 6% is calculated on an amount of Rs 906.75 lakhs (PY: Rs 855.42 lakhs). An amount of Rs 226.68 lakhs is provided in the current year (PY: Rs213.86 lakhs) and the balance amount of Rs 680.06 lakhs (PY: 641.57 lakhs) is reported under Contingent liability. Share of settlement by the insurance companies and the Department of Customs are not yet finalised. The Company has insured the cargo lying in BACC 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 commitment 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 this, an interest payable @ 5 %. USD 67,473 is due from the overseas buyer. The claim against the company is Rs 1714.16 lakhs (PY: Rs 1663.11 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.

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

The arbitration award was contested by the company and it had filed a case in the High Court of Karnataka. The Hon'ble HC directed City Civil Courtr tro admit and determine the case on merits.

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 , Bangalore.

iv **Directorate of Small Savings:** A letter dated 18th November 2020 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 letters . However the company vide its letter dated 10th December 2020 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. The amount demanded is reported under Contingent Liability.

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 that have not been provided for

| Asst Year | Amount (In Rs. lakhs) | Forum where dispute is pending |
|---|---|---|
| 2010-11 | 205.23 | CIT(A) for fresh consideration |
| 2015-16 | 20.75 | Appeal is pending with CIT (A) |
| 2016-17 | 16.30 | Appeal is pending with CIT (A) |
| 2017-18 | 102.05 | Appeal is pending with CIT (A) |
| 2018-19 | 2,631.43 | Appeal pending with National Faceless Appeal Centre |
| **TOTAL** | **2,975.76** | |

**vii Service Tax**

The total amount of Service tax disputed before CESTAT is Rs 290.00 lakhs for various years from 2002-03 till 2016-17. However, the company has deposited Rs 93.00 lakhs against these dues. The balance amount of Rs 197.00 lakhs is shown under "Contingent Liability.

**viii** The company had leased 2,565.4 Sq Meter from Airport Authority of India (AAI) at Bangalore Air Cargo Complex (BACC), Bangalore. The lease was renewed for a period of 10 years from 01 Jan 2001 to 2010. After a joint survey, the property has been handed over on 02 March 2022. AAI has demanded Rs. 226.89 lakhs towards license fees , Damages of Rs. 167.24 Lakhs and interest of Rs. 229.90 Lakhs. The company is in the process of negotiating a settlement and provided so far Rs. 226.89 Lakhs against the licence fee demand( PY : Rs. 142.40 lakhs). Pending settlement with AAI, the company has provided for the rental demand in full and has reported Rs. 397.14 lakhs as contingent liability (PY :397.14 lakhs)

**Contractual Commitments**

Capital work in progress is Rs 592.83 lakhs. (PY 397.04 lakhs).

| Particulars | Commitment | CWIP |
|---|---|---|
| Gulbarga Warehouse | 160.08 | 592.83 |
| | **160.08** | **592.83** |

**II Other Notes :**

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

ii 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.

iii Trade Payables include Rs. 210.46 lakhs (Rs. 210.46 lakhs ) of advances received from various Government departments in respect of contract to supply imported cement.

iv “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 (MBL) (Mysore Breweries was formerly known as M/s SKOL Breweries and now is called M/s AB Inbev India Limited). The decision of the Authorised Officer to pay Rs 2518 lakhs was disputed by MBL and the matter is subjudice.

v The company has preferred an appeal before the City Civil Court for recovery of the commission. MBL has been ordered to deposit 60 % of decree amount within an outer limit of eight weeks from the date of order and to furnish Bank Guarantee in the name of Registrar General, High Court of Karnataka for the balance amount. The company has moved to HC for seizure. During the year FY 2023-24, the Company has received sum of Rs.3531.53Lakhs against the bank guarantee of Rs.3525.00Lakhs in favour of High Court of Karnataka.”

v “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 (MBL) (Mysore Breweries was formerly known as M/s SKOL Breweries and now is called M/s AB InBev India Limited). The decision of the Authorised Officer to pay Rs 2518 lakhs was disputed by MBL and the matter is subjudice.

The company has preferred an appeal before the City Civil Court for recovery of the commission. MBL has been ordered to deposit 60 % of decree amount within an outer limit of eight weeks from the date of order and to furnish Bank Guarantee in the name of Registrar General, High Court of Karnataka for the balance amount. The company has moved to HC for seizure of assets. “

**vii Grant/Incentive**

The Company is claiming grants from Government agency-BPPI. During FY2021-22, BPPI has changed the scheme of reimbursement linking to the purchases made in each Jan Aushadi outlets from earlier scheme of linking to the expenditure towards Fixed assets at the time of opening of a new outlet. The company made claim for 66 outlets and out of which, for 17 outlets, the claims have been rejected. For 13 outlets, the claim was not made. As at the end of previous year (2020-21) an amount of Rs. 66.06 lakhs was due under these claims and provision has been made for the same.

**vii GST recoverable - Beverage Division**

An amount 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.

viii The company had entered into a lease agreement with Mrs. Nagarathna for a property near their Bangalore Air Cargo Complex, Bangalore. The lease was renewed for a period of 5 years from 2003 to 2008. As there was a delay in vacating the property, the Lessor had approached the Court for recovery of unpaid rent of Rs. 43 lakhs and Interest at 18% of Rs. 16 lakhs (OS no.75/2014). The Hon'ble Additional Civil Judge, Bangalore had passed an order dated 24 June 2019, against the company for recovery of the unpaid rent of Rs. 59 lakhs with the Interest at 18 % from 15 Nov 2011 to 20 Dec 2013. The Company approached the Hon'ble HC, Karnataka and had obtained an interim stay on 21 Oct 2019. As per the court orders the company has deposited Rs. 50 lakhs with HC (RFA 1704/2019). The matter is subjudice in the High Court of Karnataka.

ix The company has entered into an agreement with M/s Poseidon FZE, Dubai (Supplier) for import of river sand in 2017. Till date it has imported 1,03,872.77 MT in 2 shipments (Oct 2017 and Jan 2018) and the same was stored at Krishnapatnam Port in Andhra Pradesh. So far, the company has sold 14,759 MT.

The Commissioner of Customs, Vijayawada had passed an order vide no: VJD-CUSTM-PRV-COM-003-20-21 dated 03 Dec 2020, demanding Rs.599 Lakhs towards differential duty, redemption fine and penalty.

The Company has filed an appeal before CESTAT, Hyderabad for setting aside the order of the Commissioner of Customs and the matter is sub-judice in CESTAT, Hyderabad. In this connection the bank has submitted Bank Guarantee of Rs. 11.80 Lakhs.The company hold sand measuring 6826 Tons belonging to the Purchaser Ocean Agencies, out of the sale of 10000 MT"

**xi M/s Pearl Ports and Warehousing Pvt Limited (BACC):**

M/s PearlmPorts and Warehousing Pv Limited has entered into lease agreement with MSIL on 28th March 2018 fopr leasing 89888 Sq ft with 25% enhancement every three years, for a period of 15 years. The agreement was modified by an addendum datd 18 June 2018. As the tenant was not paying dues as per the Lease agreement , the Company has served Lease Termination Notice on 3 May 2021. Further a Police Compint also lodged as the tenant has undertaken civil works without the permisiion of the Company. The Company has filed a pettiion beflore Hon'ble HC of Karnataka for appointment of Sole Arbitrator and a retired judge has been appointed as Sole Arbitrator on 21 March 2022 As on 31 March 2023 an amount of Rs. 279.53 lakhs ( PY Rs. 259.85 lakhs) is due from the tenant.

**xii M/s. Athitheya Kshema Hotels Pvt Ltd (Karnataka Bhavan, Navi Mumbai)**

The Company has entered into a lease agreement dated 27 September 2018, for letting out its leased property situated at Navi Mumbai (Karnataka Bhavan) with M/s Athitheya Kshema Hotels Pvt Ltd for a period of 15 years. The tenant was not paying dues as per lease agreement and as on 31 March 2023 an amount of Rs. 759.18 lakhs ( PY Rs. 731.15 lakhs) is due from the tenant and the Company is holding an equivalent amount of provision.

**xiii Exceptional items**

The Company has made a submission to the Income Tax Department under the Vivad se Vishwas Act 2020 on 3rd December 2020 for nine financial year from 1994-95 to 2002-03 which has been accepted by the Income Tax department. As per the scheme, there is as Income tax liability for financial years 2000-01 to 2002-03 of Rs. 1000.73 and the Company is eligible for a refund of Rs. 818.52 lakhs for financial years 1994-95 to 1999-2000, resulting in a net income tax liability of rs. 182.21 lakhs

Accordingly the Company has paid Rs. 1000.73 lakhs and received the refund amount of Rs. 818.52 lakhs on 09.12.2022.

Accordingly the company has paid Rs. 1000.73 lakhs and is yet to receive the refund of Rs. 818.52 lakhs and the said outstanding is reported under Note no.8 - “”Other assets - Balance with Statutory authorities””.

An amount of Rs 3067.66 lakhs, being provision created towards Interest liability and an amount of Rs 575.09 Lakhs, being partial provision created towards the above Income Tax demand were reversed by the company in the current financial year and the net impact is shown under the “Exceptional items”.

**B For Karnataka State Marketing Communication & Advertising Limited (Wholly Owned Subsidiary)**

**Commitments**

a) Bank Guarantees Rs.83.91 lakhs (Previous year 31st March 2022, Rs.73.38 lakhs) are guarantees issued by bank to Prasara Bharathi, Department of Horticulture, Karnataka Road Development Corporation, PWD Mysore Dasara, Bangalore Electricity Supply Company Limited towards business for which the Company is contingently liable. These guarantees are issued against the pledge of Bank Deposits worth Rs.83.91 lakhs.

**Contingent Liabilities**

b) 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. Till now, Company has not received any claim from his legal representatives or survivors.

c) 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 2020-21, 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.

d) 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.57.18 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, Karnataka State Marketing Communications & Advertising limited for recovery of Rs. Rs.57.18 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.57.18 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 Karnataka State

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.Further, a fresh case has been filed vide W P No. 10161/2022 on the same set of facts but claimed amount has been changed from Rs.57.18 Lakhs to Rs.60.04 Lakhs. The case is pending before Hon'ble High Court of Karnataka

e) The Company has the following Income Tax demands pending for various Financial Years i.e., for Rs.1.411 lakhs (2001-2002),Rs.0.64 lakhs (2003-2004), Rs.0.60 lakhs (2004-2005), Rs 26.38 lakhs (2005-2006), Rs.27.75 lakhs (2007-2008), Rs.0.24 lakhs (2008-2009), Rs.1.40 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.357.31 lakhs (2017-2018), Rs 3.95 lakhs (2018-2019).

f) During the FY 2019-20 Service Tax Audit was conducted by department of revenue .The audit was conducted for the period October 2016 to June 2017. It has been determined during the course of audit by the audit team that the company has not paid service tax on additional trade discounts / incentives received from various publication houses.The total demand raised by the department in this regard is Rs.79,12,284. Out of the total demand amount 10% i.e Rs. 7,91,228 has been paid as deposit to the Appellate Authority during the FY 2020-21.

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

**42. Segment Information**

**Disclosures pursuant to Ind AS - 108**

The parent has determined following reporting segments based on the information reviewed by the Group and Associate's Chief Operating Decision Maker ('CODM') i.e., 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 & , Pharmaceutical products, Export & Import operations and Tours & Travels Industrial product division.

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 Karnataka State Marketing Communication & 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, 2023 | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Paper** | **Beverages** | **Others/ unallocated** | **Subsidiaries** | **Total** |
| **Revenue** | | | | | |
| External customers | 9,984.71 | 266,072.84 | 5,766.09 | 58,565.53 | 340,389.17 |
| Inter-segment | - | - | | | - |
| **Total revenue** | **9,984.71** | **266,072.84** | **5,766.09** | **58,565.53** | **340,389.17** |
| Segment profit | 448.29 | 8,414.21 | (109.23) | 2,617.66 | 11,370.92 |
| Total assets | 5,190.92 | 18,335.85 | 75,110.58 | 42,727.60 | 141,364.95 |
| Total liabilities | 3,532.83 | 944.67 | 37,799.60 | 23,791.35 | 66,068.45 |
| Capital expenditure | 3.33 | 1,824.72 | 437.88 | - | 2,265.93 |
| Depreciation and amortization | 2.11 | 1,153.56 | 678.78 | 70.31 | 1,904.75 |

(All amounts in Rs Lakhs, unless otherwise mentioned)

| For the year ended March 31, 2022 | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Paper** | **Beverages** | **Others/ unallocated** | **Subsidiaries** | **Total** |
| **Revenue** | | | | | |
| External customers | 7,986.09 | 239,978.17 | 12,899.30 | 35,775.76 | 296,639.32 |
| Inter-segment | - | - | | (97.77) | (97.77) |
| **Total revenue** | **7,986.09** | **239,978.17** | **12,899.30** | **35,173.77** | **296,541.55** |
| Segment profit | 688.24 | 7,511.09 | 677.83 | 1,602.22 | 10,479.38 |
| Total assets | 8,392.58 | 18,891.67 | 64,489.25 | 29,888.15 | 121,661.65 |
| Total liabilities | 4,884.66 | 1,834.13 | 33,510.69 | 13,374.10 | 53,603.58 |
| Capital expenditure | 3.28 | 892.22 | 199.72 | 174.94 | 1,270.16 |
| Depreciation and amortization | 68.83 | 628.19 | 1,064.87 | 33.97 | 1,795.86 |

**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, 2023** | **For the year ended March 31, 2022** |
| **Reconciliation of profit** | | |
| Segment profit | 11,370.92 | 10,479.38 |
| Finance costs | 179.99 | 162.14 |
| Profit before tax | 11,190.92 | 10,317.24 |
| **Particulars** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
| Reconciliation of assets | | |
| Paper | 5,190.92 | 8,392.58 |
| Beverages | 18,335.85 | 18,891.67 |
| Un-allocated | 75,110.58 | 64,489.25 |
| Subsidiaries | 42,727.60 | 29,888.15 |
| **Total** | **141,364.95** | **121,661.65** |
| **Particulars** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
| **Reconciliation of liabilities** | | |
| Paper | 3,532.83 | 4,884.66 |
| Beverages | 944.67 | 1,834.13 |
| Un-allocated/Others | 37,799.60 | 33,510.69 |
| Subsidiaries | 23,791.35 | 13,374.10 |
| **Total** | **66,068.45** | **53,603.57** |

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

## 43 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

| Name of the Entity | Net Assets | | Share in profit and loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| FY 2022-23 | as % of con-solidated net assets | Amount | as % of con-solidated profit and loss | Amount | as % of con-solidated other comprehensive income | Amount | as % of con-solidated total comprehensive income | Amount |
| Mysore Sales International Limited | 74.81% | 56,360.23 | 68.72% | 5,789.62 | -46.80% | 5.70 | 68.89% | 5,795.31 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Karnataka State Marketing Communication & Advertising Limited | 26.14% | 19,695.91 | 31.25% | 2,632.54 | 146.80% | -17.87 | 31.08% | 2,614.67 |
| The Mysore Chrome Tanning Company Limited | -1.01% | (759.65) | 0.04% | 2.99 | 0.00% | - | 0.04% | 2.99 |
| Non Controlling Interest | -0.05% | (37.38) | 0.00% | 0.15 | 0.00% | - | 0.00% | 0.15 |
| Adjustments due to consolidation (Elimination) | -0.45% | (339.97) | 14.79% | 1,245.78 | 0.00% | - | 14.81% | 1,245.78 |
| Investment in Associates (Equity Method) | 0.00% | | -14.62% | (1,231.64) | 0.00% | - | -14.64% | (1,231.64) |
| **Indian** | | | | | | | | |
| **1. Food Karnataka Ltd.** | 0.55% | 414.73 | -0.17% | (14.28) | 0.00% | - | -0.17% | (14.28) |
| **Total** | **100.00%** | **75,333.88** | **100.00%** | **8,425.16** | **100.00%** | **-12.2** | **100.00%** | **8,412.99** |

| Name of the Entity | Net Assets | | Share in profit and loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| FY 2021-22 | as % of con-solidated net assets | Amount | as % of con-solidated profit and loss | Amount | as % of con-solidated other comprehensive income | Amount | as % of con-solidated total comprehensive income | Amount |
| **MYSORE SALES INTERNATIONAL LIMITED** | | | | | | | | |
| Mysore Sales International Limited | 75.71% | 51,557.40 | 87.16% | 7,144.49 | 98.50% | (495.14) | 86.42% | 6,649.36 |
| **Subsidiaries** | | | | | | | | |
| **MARKETING COMMUNICATION & ADVERTISING LIMITED** | | | | | | | | |
| Indian | | | | | | | | |
| Karnataka State Marketing Communication & Advertising Limited | 25.61% | 17,437.73 | 13.68% | 1,121.26 | -1.50% | 7.54 | 14.67% | 1,128.80 |
| The Mysore Chrome Tanning Company Limited | -1.12% | (762.68) | 0.03% | 2.70 | 0.00% | - | 0.04% | 2.70 |
| Non Controlling Interest | -0.05% | (37.38) | 0.00% | 0.13 | 0.00% | - | 0.00% | 0.13 |
| Adjustments due to consolidation (Elimination) | -0.78% | (529.64) | 14.15% | 1160.09 | 3.00% | -15.1 | 14.88% | 1,145.01 |
| Investment in Associates (Equity Method) | | | | | | | | |
| Indian | | | | | | | | |
| 1. Food Karnataka Ltd. | 0.63% | 430.02 | -15.03% | (1,231.64) | 0.00% | - | -16.01% | -1,231.64 |
| Total | 100.00% | 68,095.45 | 100.00% | 8,197.03 | 100.00% | -502.7 | 100.00% | 7,694.36 |

**44 Additional regulatory information required by Schedule III**

(i) No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Group does not have any borrowings secured against current assets.

(iii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) The Holding company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) The Group has not borrowed funds and the company has not collected any share premium during the period ended 31 March 2023

(viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(xi) The Group has not given any loans and advances to promoters,directors,key managerial personnel and related parties.

(xii) The Group does not have any working capital loans as on 31-03-2023

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

**45. Financial Ratios**

| Particulars | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Variance |
|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liability | 2.39 | 2.23 | 7.06% |
| Debt Equity Ratio | Borrowings | Equity | 0.0023 | 0.0026 | -9.38% |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | 59.03 | 57.18 | 3.24% |
| Return on Equity Ratio | PAT | Average Equity | 0.12 | 0.13 | -7.55% |
| Inventory Turnover Ratio | Sales | Average Inventory | 22.32 | 21.42 | 4.18% |
| Trade Receiveble to Turnover Ratio | Net Credit Sales | Average Trade Debtors | 18.83 | 19.64 | -4.12% |
| Trade Payables to Turnover Ratio | Net Credit Purchases | Average Trade Payables | 10.42 | 14.07 | -25.93% |
| Net Capital to Turnover Ratio | Sales | Average Working Capital | 5.98 | 5.58 | 7.05% |
| Net Profit Ratio | PAT | Net Sales | 0.02 | 0.03 | -10.47% |
| Return on Capital Employed Ratio | PBIT | Net Worth + LT Debt | 0.15 | 0.15 | -1.78% |
| Return on Investment | PAT | Average Equity | 0.12 | 0.13 | -7.55% |

| 46 | **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** | **March 31, 2023** | **March 31, 2022** |
| | Gross amount required to be spent by the Company during the year | 158.93 | 140.57 |
| | Amount spent during the year on other than construction/ acquisition of any asset | 128.16 | 164.70 |
| | - Paid | 128.16 | 164.70 |
| | - Yet to be paid | - | - |
| | Shortfall/(Excess) at the end of the year | 30.77 | -24.12 |
| | Excess spent in earlier years | -47.09 | -22.96 |
| | Total of previous year Shortfall | - | - |
| | Reason for Shortfall | - | - |
| | Nature of CSR Activities* | - | - |
| | Details of Related party transactions | - | - |
| | where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately | - | - |
| | **Total** | **128.16** | **164.70** |
| | *CSR activities are listed below | | |
| | Healthcare Services | | |
| | Educational activities | | |

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

47 a) The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**48 Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

49 The previous year figures have been reclassified to conform to the current year's classifications, wherever necessary.

As per Report of Even date

**For B S D & Co**
CHARTERED ACCOUNTANTS
Firm Regn No.: 000312S
Sd/-
**(P L Venkatadri)**
PARTNER
Membership No : 209054
Place: Bengaluru
Date : 29.11.2023

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

Sd/-
**M.B.Patil**
Chairman
DIN: 02558869

Sd/-
**Manoj Kumar**
Managing Director
DIN: 09379177

Sd/-
**A M Chandrappa**
Chief Financial Officer

Sd/-
**Sridevi B N**
Company Secretary

MSIL

**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 57th Adjourned Annual General Meeting of Mysore Sales International Limited, to be held on Monday, January 22, 2024 at 3.30 p.m. at Invest Karnataka Forum Meeting Hall, Khanija Bhavan, 3rd Floor, East Wing, # 49, R.C. Road, Bengaluru -560 001and 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**

**(57thAdjourned Annual General Meeting of the Company to be held on January 22, 2024 at 03.30p.m.)**

Name of the Shareholder: ………………………………………………………………………...........……………

Regd. Folio No.: ………………………………………………………………………………………...........……………..

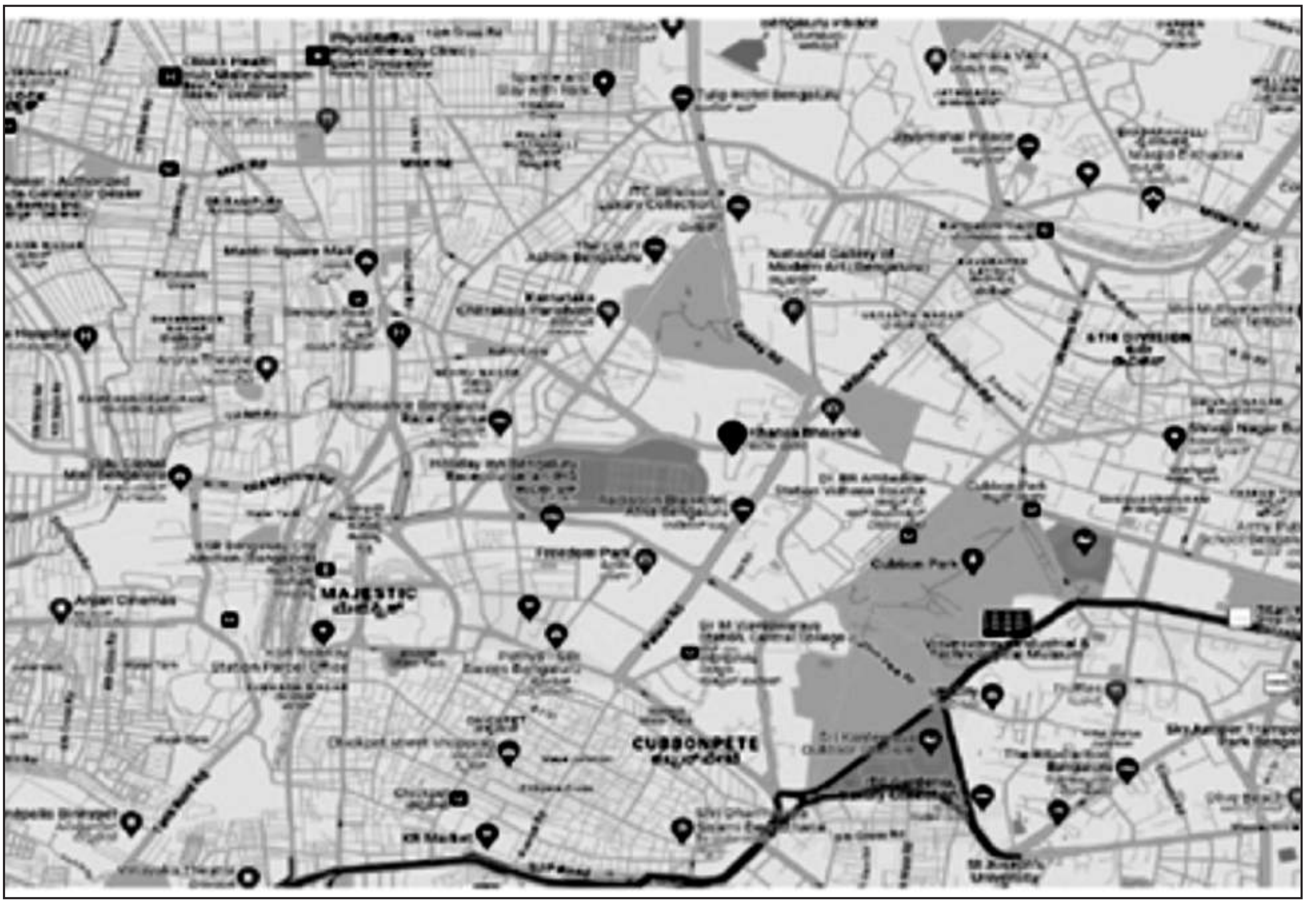
No. of Shares held: ……………………………………………………………………………………...........……………

Note: Shareholder / Proxy must hand over the duly signed attendance slip at the venue.

Signature of Shareholder / Proxy

**57thAdjourned Annual General Meeting of the Company to be held on January 22, 2024 at 03.30p.m. at Invest Karnataka Forum Meeting Hall, Khanija Bhavan, 3rd Floor, East Wing, # 49, R.C. Road, Bengaluru -560 001**

**ROUTE MAP**




By order of the Board

**For Mysore Sales International Limited**

**Sd/-**

**Sridevi B.N.**

**Company Secretary**

**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