

58th
ANNUAL REPORT
2023-24



Mysore Sales International Limited
(A Government of Karnataka Undertaking)



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

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BOARD OF DIRECTORS

Sl. No.	Name of the Director	
1	Shri C. Puttarangashetty, MLA	Chairman
2	Shri Manojkumar, IFS	Managing Director
3	Dr. J. Ravishankar, IAS	Director
4	Smt. Gunjan Krishna, IAS	Director
5	Smt. Khushboo G Chowdhary, IAS	Director
6	Shri Mohammed Ikramulla Shariff, IAS	Director
7	Shri. R. Ramesh.	Director

Shri K.R. Avinash, KA&AS

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. SORAB S. ENGINEER & 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-eighth Annual General Meeting of the Members of Mysore Sales International Limited will be held on Monday, September 30, 2024 at 4.30 p.m. at the Registered office, MSIL House, No.36, Cunningham Road, Bengaluru-560 052 to transact the following business at shorter notice.

ORDINARY BUSINESS:

Item No.1 – Adoption of financial statements: To consider and adopt the financial statements of the Company for the year ended March 31, 2024, (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.72.91 per equity share for the financial year ended March 31, 2024.

Item No.3 – To consider fixation of remuneration for the year ending on March 31, 2025 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. Phillipos & Company (BA0008) Chartered Accountants, Bengaluru as the Statutory Auditors of the Company for the financial year 2024-2025, and it 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.”

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

Place: Bengaluru

Date: September 25, 2024

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, the Comptroller & Auditor General of India has appointed the Statutory Auditors of the Company for the year 2024-25 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: September 25, 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 , Retail outlets under the Pradhan Mantri Bharatiya Janaushadi Kendra, Air Tickets / Package tour 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 achieved a highest turnover of Rs. 376935.19 lakhs during the current financial year as against the previous year's turnover of Rs. 317978.33 lakhs, showing a growth of 19%.

(Rs. In lakhs)				
Sl.No	Divisions	2023-24	2022-23	% of Growth
01	Beverage	318708.98	266072.84	20
02	Chit Fund	41049.66	36367.61	13
03	Paper & Stationery	14339.28	9984.71	44
03	Consumer/Industrial Products	830.85	2647.32	-
04	Tours & Travels	549.79	1464.10	-
05	Pharmacy	1456.63	1441.75	-
	Total	376935.19	317978.33	19

DIRECTORS' REPORT

To,

The Members,

Your directors take pleasure in presenting the 58th Annual Report covering the highlights of the finances, business and operations of your Company. Also included herein are the Audited Financial Statements of

the Company (Standalone and Consolidated) prepared in compliance with Ind AS Accounting Standards, for the financial year ended March 31, 2024..

1. Highlights of Financial Performance

(Rs. in lakhs)

Description	Standalone		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from Operations	337796.08	282531.70	376424.14	340421.62
Other Income	3764.12	3061.84	4113.29	3433.99
Total Income	341560.20	285593.54	380537.43	343855.61
Cost of materials consumed	2936.80	1766.99	2853.94	1742.54
Purchase of Stock-in- trade	301230.30	252556.61	303883.87	265845.06
Cost of Services			31861.48	40344.44
Changes in inventories of finished goods and traded goods	-979.41	-523.75	-197.25	-1100.41
Employee benefits expense	2003.83	1860.32	2485.08	2419.31
Finance cost	238.52	179.92	239.43	180.00
Depreciation and amortization expenses	1946.94	1834.44	2017.62	1904.75
Other expenses	20881.28	19839.73	22135.09	21314.73
Group share of net profit of associated			-5.66	-14.28
Total expenses	328258.26	277514.26	365284.92	33266.47
Profit /(Loss) before discontinuing Operations	13301.94	8079.28	15252.51	11190.91
Discontinuing Operation Profit / (Loss)	5.32	-2.82	3.98	-2.11
Profit before Tax	13307.26	8076.46	15256.49	11188.80
Tax Expenses	2920.90	1989.28	3721.69	2763.66
Profit for the year	10386.36	6087.18	11534.80	8425.14
Other Comprehensive Income	889.82	5.69	892.71	-12.18
Total Comprehensive Income for the year	11276.18	6092.87	12427.51	8412.96
Earning per share (Basic)	243.04	142.44	269.92	197.15
Earning per share (Diluted)	243.04	142.44	269.92	197.15

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

(Rs. in lakhs)

Sl. No.	Divisions	2023-24	2022-23	Growth% of
01	Beverage	318708.98	266072.84	20%
02	Chit Fund	41049.66	36367.61	13%
03	Paper & Stationery	14339.28	9984.71	44%
04	Consumer/ Industrial Products	830.85	2647.32	-69%

05	Tours & Travels	549.79	1464.10	-62%
06	Pharmacy	1456.63	1441.75	1%
	Total	376935.19	317978.33	19%

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

DIRECTORS' REPORT (continued)

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 447 licenses under 463 quota and 653 licenses under 900 quota have been received as on 31 March, 2024. In total, 1046 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.3187 Crores against the budgeted turnover of Rs.3000 Crores in the financial year 2023-24 as compared to previous year's turnover of Rs.2660.73 Crores. The Division would continue to put its best efforts to open the remaining outlets under both 463 and 900 quota at the earliest possible time.

- (ii) **Chit Funds Division:** The Chit Fund Division achieved a turnover of Rs.41049.66 lakhs for the year 2023-24 as against actual turnover of Rs.36367.61 lakhs achieved during the previous year 2022-23. There is a significant increase of about Rs.4682.05 lakhs in the turnover compared to previous year, an increase of 12.87 % in percentage terms.

The Chit Fund Division is successfully running 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 taken steps for recruitment of permanent staff through KEA.

The induction of new user friendly and latest technology software is under process and likely to be installed before the completion of 2024 to achieve the maximization and scaling up of the new business.

- (iii) **Paper & Stationery Division:** The Paper & Stationery Division has achieved a turnover of Rs. 14339.28 Lakhs during the year under review as against the budgeted turnover of Rs 11000.00 Lakhs. The Division has registered a business growth of about 43% over previous financial year's achievement.

With bare minimum manpower working in the field representing our products, Division had to rely on Govt. orders generated by the Business Associates. Despite all the difficulties, the Division has achieved a substantial business growth during the year under review. Necessary steps have been initiated to tap the private market which is expected to yield results in the coming years. There are also plans to strengthen the product line and promoting the products aggressively through conventional and technology based promotional methods.

- (iv) **Consumer / Industrial Products Division:**

- Prestigious One Mega Watt Solar Power Project which is worth of Rs.8.77 crores, the work is on the urge of completion and will be shortly commissioned.
- To install the various Solar Products the enquiry is received from the Karnataka Residential Educational Institutions Society (KREIS) at 633 hostels. The project cost is expected to be around Rs.200 crores.
- The Solar 4 (G) Exemption proposal has been resubmitted which is expected to get positive response from the Government of Karnataka.
- Engine Oil, Tilli Oil and Mustard Oil are currently carrying a business of around Rs.45 lakhs per month and the division planning to increase to Rs.75 lakhs per month.
- KMF products like Ghee and Milk powder distribution at Delhi, Mumbai and Chennai Branches which is also expecting business of around Rs.50 crores per annum.

- (v) **Tours and Travels Division:** MSIL T&T Division is an IATA accredited Travel Agency (IATA No.1435229) operating for nearly around 20 years, the division has continued to book the

DIRECTORS' REPORT (continued)

air tickets to government departments, senior government officials, Bureaucrats, High court Judges and Chief Justice of the government of Karnataka etc. Further the division is also operating institutional study tours (State & Central Government departments) from many years. Management has taken initiation to expand the wings of operations across the country and overseas tourism destinations. Management has also planned further to extend the special offline packages benefiting to untapped segments by conveying the message of our offers through promotional activities to increase the turn over and profits which contributes to the company under intension of establishing the division activities across the state being the core product of the company.

(vi) **Pharma Division:** Phama Division has achieved a turnover of Rs.1627.97 during 2023-24 as against the turn over 22-23 Rs.1568.09. The Division has opened 88 outlets under the Pradhana Mantri Bharatiya Janaushadhi Kendra at Government Taluk/ District Hospital across Karnataka. The Division has obtained PMBI approval for opening of new outlet in CIMS Teaching Hospital Chamrajanagar which is under process. Upgraded the software of GST inclusivity is updated for smoothly billing.

(vii) **Sand Division:** 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 was taken over by

Poseidon FZC and the agreement is yet to be entered with the said party. As per the BOD resolution dated: 24.03.2023, final reminder notice dated: 26.03.2023 to M/s Poseidon FZC and M/s Ocean Agency have been issued instructing them to facilitate for the renewal of the agreement. Whereas, the said notices have been returned as "unclaimed". Further as per the 340th BOD meeting dated 27.06.2024 action has been initiated to seek the opinion from Advocate General of Karnataka regarding legal aspects concerning all the agreements entered into by MSIL with the above supplier and their consortium entities and any other applicable agreements relating to the sand stock that may impose legal restraints on the sand stock disposal by auction process on **as is where is basis**.

In the 341st Board Meeting held on 17.08.2024 further issues pertaining to sand division has been apprised. After deliberation the board has resolved as "the consent of the Board be and is hereby accorded for the disposal of the entire imported river sand stored at Krishnapatnam port on an '**as is where is basis**' subject to the approval of the Government of Karnataka for the disposal of sand stock outside Karnataka i.e. at the Krishnapatnam Port."

As per the approval of the Board, action has been initiated to seek the approval of the Government for disposal of the sand on as is where is basis through the principal secretary (C&I) vide our letter dated 03.03.2024. On approval, disposal process would be initiated.

3. **Subsidiary Companies**

As of March 31, 2024, your Company had two subsidiary companies viz., M/s. Karnataka State Marketing Communication and Advertising Limited and M/s. Mysore Chrome Tanning Company Limited. The Statement under Section 129 (3) of the Companies Act 2013 in respect of the subsidiaries in Form AOC-1 is attached as Annexure-I. The Consolidated Accounts of

DIRECTORS' REPORT (continued)

your Company duly audited by the Statutory Auditors are presented as part of this Report.

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

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

5. Dividend

During the Financial year 2023-2024, the Company has proposed to declare dividend of 30% of the Company's profit after tax i.e. Rs.72.91 per equity share, which is payable to Government of Karnataka and KSIIDC for a sum of Rs.31,15,90,768/- if approved by the members in the ensuing Annual General Meeting.

6. Reserves

The reserve of the Company for the financial year 2023-24 and the previous year are as follows:

(Rs. in lakhs)

Particulars	2023-24	2022-23
General Reserve	19125.69	19125.69
Chit Reserve	1103.35	928.21
Surplus in Statement of Profit and Loss	38936.14	30551.92

Transfer of Reserves in Terms of Section 134 (3) (J) of the Companies Act, 2013:

The Company has not transferred any amount to General Reserve Account for the financial year ended 31st March 2024.

Events subsequent to the date of Financial Statements, if Any.

There are no changes in the nature of business of the Company.

7. Share Capital

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

8. 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).

9. 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.

10. Directors and Key Managerial Personnel

During the financial year 2023-24, 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	DIN	Date of Appointment	Date of Cessation
1	Shri. H Halappa	02321290	27.07.2020	12.04.2023
2	Shri M.B. Patil	02558869	13.06.2023	26.01.2024
3	Shri C. Puttaranga shetty	07745825	26.01.2024	-
4	Shri. Vikash Kumar Vikash, IPS	08122455	31.03.2021	03.07.2023
5	Shri Manoj Kumar, IFS	09379177	03.07.2023	-
6	Dr. J. Ravishankar, IAS	07662542	03.08.2021	-
7	Smt. Gunjan Krishna, IAS	08184500	28.08.2018	-
8	Dr. M R Ravi, IAS	08254276	05.02.2022	23.11.2023
9	Dr. B.C.Sateesha, IAS	08379733	23.11.2023	-
10	Shri Nitish. K, IAS	08890701	07.05.2022	-
11	Shri. R. Ramesh.	06820058	06.03.2018	-
12	Shri Venkatesh Naidu	08980109	02.12.2020	22.05.2023
13	Shri. C Channadevaru	08601746	19.10.2019	22.05.2023
14	Shri. Shivaji Shivaray Dollin	08759087	10.06.2020	22.05.2023
15	Shri. Andappa Javali	08745350	22.05.2020	22.05.2023

DIRECTORS' REPORT (continued)

16	Shri. Totappa Nagappa Nidagundi	08744799	21.05.2020	22.05.2023
17	Dr. R D Satish	08745322	22.05.2020	22.05.2023
18	Shri. Ningappa	08744756	21.05.2020	22.05.2023
19	Shri Shashidhar B Honnannavar	10048176	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 M.B. Patil, Shri. Vikash Kumar Vikash, IPS, Dr. M.R. Ravi, IAS, and 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 Directors, during their tenure on the Board of Directors of the Company.

Notification No. CI 02 CMI 2024(E) dated 12.01.2024, the designations of Dr. J. Ravishankar, IAS, and Shri R. Ramesh have been changed from Independent Directors to Directors on the Board of the Company.

Directors on the date of report are as follows:-

Name of the Director	
1. Shri. C. Puttarangashetty, Hon'ble M.L.A.	- Chairman
2. Shri. Manoj Kumar, IFS	- Managing Director
3. Dr. J. Ravishankar, IAS	- Director
4. Smt. Gunjan Krishna, IAS	- Director
5. Smt. Khushboo G. Chowdhary, IAS	- Director
6. Shri. Mohammed Ikramulla Shariff, IAS	- Director
7. Shri. R Ramesh	- Director

During the financial year 2023-24, 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	03.07.2023
2	Shri Manoj Kumar, IFS-Managing Director	03.07.2023	-

3	Shri. A M Chandrappa, Chief Financial Officer	14.12.2021	30.11.2023
4	Shri K.R. Avinash, KA&AS, Chief Financial Officer	01.12.2023	-
5	Smt. Sridevi B.N, Company Secretary	18.09.2013	-

Composition of the Audit Committee of the Board:

As on March 31, 2024		
1.	Dr. B.C.Sateesha, IAS	Chairman
2.	Dr. J. Ravishankar, IAS	Member
3.	Shri. Nitish K, IAS	Member
4.	Shri. R Ramesh	Member

As on the date of report		
1.	Smt.Khushboo G. Chowdhary, IAS	Chairperson
2.	Dr. J. Ravishankar, IAS	Member
3.	Shri. Mohammed Ikramulla Shariff, IAS	Member
4.	Shri. R Ramesh	Member

Composition of the CSR Committee of the Board:

As on March 31, 2024		
1	Shri. Manoj Kumar, IFS	Chairman
2	Dr. Sateesha B.C., IAS	Member
3	Shri. Nitish K, IAS	Member
4.	Shri. R. Ramesh	Member

As on the date of report

1	Shri. Manoj Kumar, IFS	Chairman
2	Smt.Khushboo G. Chowdhary, I.A.S	Member
3	Shri. Mohammed Ikramulla Shariff, IAS	Member
4	Shri. R. Ramesh	Member

11. 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

DIRECTORS' REPORT (continued)

in advance to the Board of Directors. Five Board Meetings, Four Audit Sub-Committee Meetings and One Corporate Social Responsibility Committee Meeting were held during the year ended March 31, 2024 on the following dates:

Sl. No.	Board Meeting held on	Sl. No.	Audit Sub-Committee Meeting held on
1	July 20, 2023	1	July 19, 2023
2	November 15, 2023	2	November 29, 2023
3	November 29, 2023	3	January 05, 2024
4	January 25, 2024	4	March 06, 2024
5	March 07, 2024		

Sl. No.	Corporate Social Responsibility Committee Meeting held on
1	January 25, 2024

Board Meeting attendance of directors during financial year 2023-2024

Sl. No.	Name of the Director	No. of Board Meetings held	
		Held	Attended
1.	Shri. H Halappa	0	0
2.	Shri M.B. Patil	4	3
3.	Shri C. Puttarangashetty	1	1
4.	Shri. Vikash Kumar Vikash, IPS	0	0
5.	Shri Manoj Kumar, IFS	5	5
6.	Dr. J. Ravishankar, IAS	5	2
7.	Smt. Gunjan Krishna, IAS	5	2
8.	Dr. M R Ravi, IAS	2	1
9.	Dr. B.C. Sateesha, IAS	3	2
10.	Shri Nitish K, IAS	5	2
11.	Shri. R. Ramesh.	5	4
12.	Shri Venkatesh Naidu	0	0
13.	Shri. C Channadevaru	0	0
14.	Shri. Shivaji Shivaray Dollin	0	0
15.	Shri. Andappa Javali	0	0
16.	Shri. Totappa Nagappa Nidagundi	0	0

17	Dr. R D Satish	0	0
18	Shri. Ningappa	0	0
19	Shri Shashidhar B Honnannavar	0	0

- Shri H. Halappa ceased to be Director & Chairman with effect from April 12, 2023.
- Shri M.B. Patil was appointed as Director & Chairman on 13.06.2023 and ceased to be Director & Chairman with effect from 26.01.2024.
- Shri C. Puttarangashetty was appointed as Director & Chairman on 26.01.2024.
- Shri Vikash Kumar Vikash, IPS ceased to be Managing Director with effect from 03.07.2023
- Shri Manoj Kumar, IFS was appointed as Managing Director on 03.07.2023
- Dr. M.R. Ravi, IAS ceased to be a Director with effect from 23.11.2023
- Dr. B.C. Sateesha, IAS was appointed as Director on 23.11.2023.
- Shri Venkatesh Naidu ceased to be a Director with effect from May 22, 2023.
- Shri. C Channadevaru ceased to be a Director with effect from May 22, 2023.
- Shri. Shivaji Shivaray Dollin ceased to be a Director with effect from May 22, 2023.
- Shri. Andappa Javali ceased to be a Director with effect from May 22, 2023.
- Shri. Totappa Nagappa Nidagundi ceased to be a Director with effect from May 22, 2023.
- Dr. R D Satish ceased to be a Director with effect from May 22, 2023.
- Shri. Ningappa ceased to be a Director with effect from May 22, 2023.
- Shri Shashidhar B Honnannavar ceased to be a Director with effect from May 22, 2023.

12. Auditors & Auditors' Report

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 Sorab Engineer &

DIRECTORS' REPORT (continued)

Co, (BO0036) Chartered Accountants, Bangalore as Statutory Auditors for the year 2023-24. The statutory auditors appointed by C&AG will hold office till the conclusion of the next Annual General Meeting.

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

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. S. Kedarnath & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks. The report of the Secretarial Auditors is enclosed as **Annexure III** to this report. The report is self-explanatory and do not call for any further comments.

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143 (12) of the Companies Act 2013, details of which needs to be mentioned in the Report.

13. Internal Audit & Controls

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

14. Declaration by independent directors

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

15. Annual return

Pursuant to Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management

and Administration) Rules, 2014, copies of the Annual Returns of the Company for the previous financial years prepared in accordance with Section 92 (1) of the Act have been placed on the website and is available at <https://msionline.com/annual-returns>

16. 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.

17. Vigil mechanisms of the Company

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

18. Risk Management Policy

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.

The Company has assessed the risk factors of all the operating divisions and steps as appropriate are taken to mitigate the same.

19. 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.

20. 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.

21. 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.

22. 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.

23. Disclosure under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act')

The POSH Act stands as a crucial legislation in India dedicated to preventing sexual harassment. It was put in place to ensure a safe and secure working environment for women and to deter harassment in the workplace. We believe that POSH Act has played a significant role in promoting teamwork, diversity and trust within our Company. At MSIL, we are committed to fostering a safe and professional work setting. In addition to maintaining a gender-neutral Anti-Sexual Harassment Policy, we comply with the regulations of the POSH Act. To address complaints related to sexual harassment, we have established an Internal Complaint Committee. From the inception of the POSH Act, MSIL has been compliant with the establishment of the Internal Complaint Committee. Complaints of sexual harassment at work will be dealt with judiciously and expeditiously by this committee. The committee comprises female and male members, of whom more than 50% are women. As required under the POSH Act, we have filed an Annual Report with the competent authorities. All required documents in compliance with the POSH Act have been filed.

We have received no POSH complaints during the year under review. Regardless of no complaints, we have ensured that we have created awareness of POSH through our POSH awareness program.

24. 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. The Company being mainly a trading concern, is consuming power for the purpose of office use only. 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.

25. 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 II** to this report.

26. 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 2023-24 to improve the employee's performance, the Company had imparted various training programmes.

During 2023-24 (up to March 31, 2024) there are 72 employees in our Company (Executives-11, Officers – 28, Staff-33.

27. Project / Estate Department

The core objective of Project Division in the Company is to ensure that all the Company Properties are maintained in a good and ready to use condition by carrying out period inspection and maintenance of the properties and to ensure that all the properties are monetized. The Project Division is also vested with responsibility to update all Company Properties data by paying property taxes regularly and reviewing the Rental / Lease Agreements as needed.

The Project Division is in the process of monetizing the properties of the Company in a planned manner and has taken up construction of a Semi-commercial building on the vacant plot at Malleswaram along with repair works of the Head Office building at Cunningham Road, Bengaluru.

28. 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, 2024, 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, 2024 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, 2024, 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.

29. 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).

30. Acknowledgements

Your Directors are pleased to record their appreciation for the guidance, cooperation and support received from the Government of Karnataka, particularly the Commerce & Industries Department, Finance Department, M/s Karnataka State Industrial Infrastructure & Development Corporation Ltd., as well as from Principals, Suppliers, Bankers, the Comptroller and Auditor General of India, Principal Accountant General (Civil and Commercial Audit) Karnataka, Statutory Auditors, Secretarial Auditors, Internal Auditors, and other stakeholders for their consistent support for your Company's operations.

Your Directors take this opportunity to place on record their sincere appreciation for the dedication, contribution and commitment of all employees to the Company's growth.

For and on behalf of the
Board of Directors
Sd/-

C. Puttarangashetty
Chairman

Place: Bengaluru

Date: September 10, 2024

Annexure Index	
Annexure	Content
I	Details of subsidiary – AOC-1
II	Annual Report on CSR Activities
III	MR-3 Secretarial Audit Report

Annexure – I

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)	Investments	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, 2024	Indian Rupee	357.25	20477.17	46405.07	25571.65	-	38710.92	956.81	39667.73	2550.85	788.18	1762.81	-	-	100%
2	The Mysore Chrome Tanning Company Limited	31st March, 2024	Indian Rupee	75.74	(816.94)	147.30	888.50	-	-	6.89	6.89	32.41	13.96	18.45	-	-	95.10%

Annexure – II
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:

SI 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. Manoj Kumar, IPS	Managing Director	1	1
2	Dr. B.C.Sateesha, IAS	Member	1	1
3	Shri K. Nitish, IAS	Member	1	1
4	Shri R Ramesh	Member	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.7815.35 lakhs.
 (b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** Rs.156.31 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.10.83 lakhs.
 (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs.145.48 lakhs
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs.147.90 lakhs
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.147.90 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 subsection (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
147.90	-				

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

SI 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	156.31
(ii)	Total amount spent for the Financial Year	147.90
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	(8.41)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	10.83
(v)	Amount available for set off in succeeding Financial Years. [(iii)-(iv)]	2.42

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

1	2	3	4	5	6		7
SI No	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (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: 22-23	-	-	-	-		-
2	FY-2: 21-22	-	-	-	-		-
3	FY-3: 20-21	-	-	-	-		-

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 - III
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2024

[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

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 bearing CIN: U85110KA1966SGC001612 having its registered office at MSIO House 36, Cunningham Road, Bangalore, Karnataka, India – 560052, (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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 June 05, 2015, by Ministry of Corporate Affairs, Government companies are exempted from complying with some of the provisions of Companies Act, 2013 ("the Act").

Based on 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 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:

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 March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder – Not applicable to the Company, as it is an unlisted public company.
- (iii) The Depositories Act, 1996 and the Regulations and byelaws framed thereunder – Not applicable to the Company, as company's equity shares are maintained in physical form during the audit period under review.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings, if any.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the company has delayed holding the Annual General Meeting and held no such events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

In general, it was observed that the Company, being a Government Company and subject to audit by the Comptroller and Auditor General of India, is maintaining all the required records properly and have established systems and procedures for complying with various applicable laws.

For S Kedarnath & Associates

Sd/-

Swayambhu Kedarnath

Company Secretaries

C. P No.: 4422

Date: September 09, 2024

Place: Bengaluru

This report is to be read with our letter annexed to the secretarial audit report and forms an integral part of the report.

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 the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in 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 financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the company
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S Kedarnath & Associates

Sd/-

Swayambhu Kedarnath

Company Secretaries

C. P No.: 4422

Date: September 09, 2024

Place: Bengaluru

TEN YEARS PERFORMANCE
FINANCIAL HIGHLIGHTS OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Net Worth (Share Capital, Reserve)	26814.97	30051.70	33190.30	33503.15	34392.26	39996.46	45228.55	51557.40	56545.42	65993.73
Paid-up Capital	2017.66	2017.66	2017.66	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48
Share Application Money	2255.82	2255.82	2255.82	-	-	-	-	-	-	
Reserves & Surplus	22541.49	25778.22	31172.64	29229.68	31208.48	35722.99	40955.07	47283.92	52271.94	61720.25
Net Fixed Assets	5624.66	5626.25	6225.01	6974.83	7966.36	9590.61	9687.76	9330.15	9974.82	9798.95
Turnover	146039.32	151490.75	161407.69	178875.91	204763.86	227065.31	276386.99	289947.45	317978.34	376935.20
Profit before Tax	6052.27	5400.50	5699.87	1486.84	3237.82	4246.68	6814.70	8290.41	8084.08	14498.16
Dividend	10%	10%	10%	-	5%	5%	7.50%	30.00%	30.00%	30.00%
Dividend Amount Paid	242.11	242.85	237.38	-	257.59	213.67	320.51	1105.19	1827.87	3115.91
Interim Dividend Amount Paid	-	-	-	-	-	-	-	-	-	782.57
CSR Amount Paid	-	600.00	200.00	540.80	205.41	152.25	92.00	121.60	90.66	147.90
Net Earning after tax per share (in Rs)	166.36	178.71	181.68	12.68	46.30	61.45	127.43	167.20	142.44	243.04
Net Worth per Share (in Rs)	1217.21	1377.63	1644.99	783.98	830.28	935.92	1058.35	1206.45	1323.17	1544.26

SUMMARISED PROFIT AND LOSS ACCOUNT OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Turnover	146039.32	151490.75	161407.69	178875.91	204763.86	227065.31	276386.99	289947.45	317978.34	376935.20
Gross Income	14919.86	15490.81	16453.84	17952.46	20742.63	22446.00	27099.20	28206.30	31267.13	38589.32
Selling & Administrative Expenses	8923.90	9636.88	10433.61	15990.08	16723.59	16658.51	17839.76	17113.94	21105.65	21652.82
Interest	48.68	145.35	2.44	0.90	33.52	0.33	1.30	39.22	4.62	2.53
Depreciation	291.01	255.39	285.21	341.85	721.80	1495.40	1725.69	1761.90	1834.44	1946.94
Provision/ Write off	47.72	91.36	50.60	132.79	25.90	45.08	717.74	1000.83	245.94	488.87
TOTAL	9311.31	10128.98	10771.86	16465.62	17504.81	18199.32	20284.49	19915.89	23190.65	24091.16
Profit before tax	5608.55	5361.83	5681.98	1486.84	3237.82	4246.68	6814.71	8290.41	8076.48	14498.16
Provision for taxation	2252.67	1923.22	1978.80	939.77	1153.69	1096.79	2017.85	1950.00	2055.00	3411.94
Deferred Tax Credit	(0.62)	(167.21)	37.48	5.22	105.33	524.04	(648.92)	(308.94)	(71.42)	(189.96)
Profit after tax	3356.50	3605.82	3665.70	541.85	1978.80	2625.85	5445.78	6649.35	6092.90	11276.18

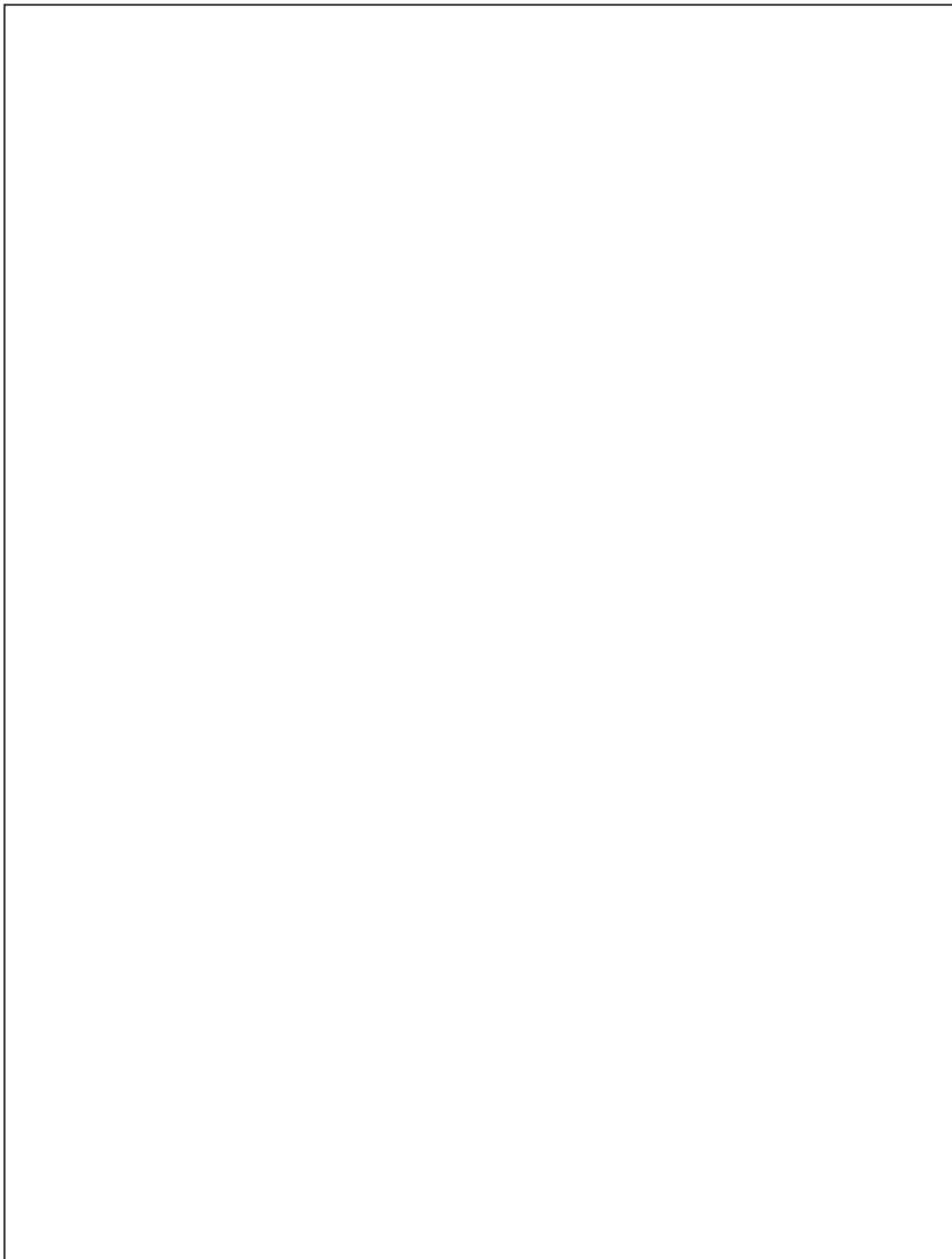
SUMMARISED BALANCE SHEET OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
OWN FUNDS										
Share Capital	2017.66	2017.66	2017.66	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48
Share Application Money	2255.82	2255.82	2255.82	-	-	-	-	-	-	
Reserves & Surplus	22541.49	25778.22	31172.64	29229.68	31208.48	35722.99	40955.07	47283.92	52271.94	61720.25
TOTAL	26814.97	30051.70	35446.12	33503.16	35481.96	39996.47	45228.55	51557.40	56545.42	65993.73
LOAN FUNDS										
Short-Term Loan Interest	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	-
TOTAL	26868.85	30105.58	35500.00	33557.04	35535.84	40050.35	45282.43	51611.28	56599.30	65993.73
APPLICATION OF FUNDS										
Fixed Assets	5624.66	5626.25	6225.01	6974.83	7966.36	9590.61	9687.76	9330.15	9974.82	9798.96
Investments	1336.06	1336.51	3361.36	2900.13	2998.03	3173.12	3406.18	3021.36	3002.35	4192.10
Deferred Tax Asset (Net)	846.62	1013.83	976.35	971.13	865.80	341.77	990.69	1299.62	1363.43	1553.39
Working Capital	19061.51	22128.99	24937.28	22710.95	23705.65	26944.85	31197.80	37960.15	42258.70	50449.28
TOTAL	26868.85	30105.58	35500.00	33557.04	35535.84	40050.35	45282.43	51611.28	56599.30	65993.73

Mysore Sales International Limited

**ACCOUNTS (STANDALONE)
FOR THE YEAR ENDED
31ST MARCH 2024**



REVISED INDEPENDENT AUDITORS' REPORT

To

The Members of

Mysore Sales International Limited

Revised Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Mysore Sales International Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year ended on that date and the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described under the "Basis for Qualified Opinion" section of our report the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and the 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 27th June 2024 (the original report) at Bangalore on the financial statements as adopted by the Board of Directors on even date. Pursuant to the observations 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 (d) under paragraph Basis for Qualified Opinion. This audit report supersedes the original report which has been suitably revised to consider observations of Comptroller and Auditor General of India

Basis for Qualified Opinion:

- a. The Company, for Export Division, has not conducted physical verification of imported river sand stock during the year. However, the physical verification was conducted in the previous year where it was found that there was a shortage of 16565.002 MT amounting to Rs. 347.87 lakhs. 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.
- b. For 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), there may be impact on the financial statements which are not ascertainable.
- c. As per Ind AS 109 – Financial Instruments, the Company, for Chit Fund Division, carries the impairment loss allowance as per Expected Credit Loss Model (ECL) of Rs. 635.91 lakhs. However, in absence of sufficient information about the accuracy and reasonableness of various parameters including the "Probability of Default (%)", "Loss Given Default (%)" and the basis of classification of financial assets based on the significant increase in credit risk and consequently determination of the 12 months ECL and lifetime ECL, we are unable to evaluate and comment on adequacy of ECL. The Company has not made necessary disclosure required by Ind AS 1 - Presentation of Financial Statements for this departure.
- d. The Company, for Tours and Travel Division, has not provided for the doubtful advances to Nishi Forex and Leisure Limited for Rs 169.16 Lakhs. Non provision for this doubtful advance has resulted into overstatement of profit for the period and overstatement of Advances to supplier by Rs.169.16 Lakhs.

- e. The interest liability on MSME trade payables for delayed payment has to be provided as per MSME Act, 2006. However, the Company has not provided interest for the period of delay in making payments to MSME trade payables as the Company has not received any interest claim by MSME vendors. In absence of information, we could not quantify such interest amount.
- f. The Company has recognised long term leases as per Ind AS 116 during the year which were considered as short-term leases up to the end of previous financial year. Due to this, addition to Right of Use Assets (ROU Assets) and Lease Liabilities are higher by Rs. 1011.20 lakhs, Depreciation on ROU Assets is higher by Rs. 326.34 lakhs and Interest on Lease Liabilities is higher by Rs. 49.18 lakhs. The Company has not complied with the disclosure requirement required by Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors for these changes in accounting estimates.
- g. The disclosure in Note 42 (viii) to the financials doesn't include complete details on accounting done by the Company. The Company has recognized the recoverable from Athithaya Kshema Hotels Pvt Ltd ("the tenant") without recognizing rental income of Rs 245.05 Lakhs and provided for the provision on the same without charging the provision in other expenses by Rs 245.05 Lakhs. The entries are passed without routing through profit and loss account. There is no impact to the financial profit, as the Company considers the receivable as doubtful.
- h. The Company has not recognised rent income for the warehouse in Mysore leased to NestwellConstructions Private Limited("Lessee") for the period from December 2021 till March 2024 because of dispute with the Lessee. The Company has not made suitable disclosure of this dispute and amount recoverable from the lessee on account of the dispute in the financial statements. Rental income for the Lessee for the year ending March 31, 2024 is Rs 41.73 Lakhs has not been accounted in Statement of Profit and Loss. There is no impact to the financial profit, as the Company considers the receivable as doubtful.

Emphasis of Matters

- a. We draw attention to note no. 42 (iv) to the standalone financial statements wherein it is mentioned that with respect to "Amount Recoverable from Prized Subscribers" amounting to Rs. 31618.08 lakhs classified as "Loans under Financial Assets", measured at amortized cost, carrying amount in net of Rs. 1196.65 lakhs being the unreconciled balances, the impact of which on the financial statements is not ascertainable.
- b. We draw attention to note no. 42(ix) to the standalone financial statements wherein it is mentioned that the Company has received certain advances for the tours and travels services. The Company must 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 with the corresponding service providers, the receivables and payables accounts of RGUHS and service providers need 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 potential effect of the same on the financial statements is not ascertainable in the absence of reconciliation statements.
- c. We draw attention to note no. 40(vii) to the standalone financial statements wherein it is mentioned that "Refund claim receivable" on account of GST RCM on Transport is Rs. 45.98 lakhs whereas the actual claim up to December 2020 was Rs. 121.42 lakhs. The difference of Rs. 75.44 lakhs were charged to the Statement of Profit and Loss in earlier years. The Company's claim was rejected by Assistant 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. Further liability on GST RCM on Transport for the period from January 2021 to March 2024 is Rs. 319.51 lakhs which has not been discharged by the Company. No provision has been made for the refund receivables as well as additional liability since the

Company is legally advised that the chances of favourable outcome are high.

- d. We draw attention to note no. 42(ii) to the standalone financial statements which describes the uncertainty related to the payables and receivables outstanding balances. In the absence of balance confirmations and reconciliations, the financial impact on standalone financial statements is not ascertainable.

Our opinion is not qualified in respect of this matter.

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

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 Board's Report is expected to be made available to us after the date of this auditor's 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or

our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 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 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 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.

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

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

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

Other Matters

The financial statements of the Company for the year ended March 31, 2023 were audited by another auditor whose revised report dated December 27, 2023 expressed a modified opinion on those statements.

Our opinion is not qualified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the possible effects of the matters described in 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 matters described in the “Basis for 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) Being a government company, reporting on the matter 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 A”. Our report expresses an Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) Being a government company, reporting on the matters of managerial remuneration under Section 197(16) of the Act is not applicable in terms of Notification no. G.S.R. 463 (E) dated 05.06.2015 issued by the Ministry of Corporate Affairs.
 - (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 no. 40(3) 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. 1. The management has represented that, to the best of its 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 person(s) or entity(ies), 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.
2. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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

3. Based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.
- v. The dividend declared or paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail facility and the audit trail feature has been operating throughout the year for all relevant transactions recorded in the software in respect of Beverages division. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. In case of other divisions, the accounting software does not have the audit trail feature.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014

on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 given in "Annexure C".

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No. 110417W
Sd/-

CA. Chokshi Shreyas B.
PARTNER
Membership No. 100892

UDIN:24100892BJZXRJ4530

Place: Bengaluru

Date: Sept 6, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Mysore Sales International Limited of even date)

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

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

We have audited the Internal Financial Controls over Financial Reporting of Mysore Sales International Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Companies Act, 2013, 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 March 31, 2024.

a. Chit Fund Division:

1. 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), there may be financial impact on the standalone financial statements.
2. The Company does not have sufficient information about the accuracy and reasonableness of various parameters including the "Probability of Default (%)", Loss Given Default (%) and the basis of classification of financial assets based on the significant increase in credit risk and consequently determination of the 12 months

ECL and lifetime ECL which may have financial impact on the standalone financial statements.

3. The Company has the unreconciled balances of subscribers amounting to Rs. 1196.65 lakhs which may have financial impact on the standalone financial statements.
4. The division does not have proper internal controls to identify the surplus funds and have not complied with the requirements of investing the surplus funds as per Circular No. FD 91 TAR 2022 dated 02.07.2022 issued by Finance Department of Government of Karnataka
- b. The financial and operating controls established by the Company for the prompt, periodic and up-to-date reconciliation of payables and receivables are not working effectively, which may have a financial impact on standalone financial statements.
- c. The Company does not have an integrated ERP system. Different software packages used by the Company are interfaced through software links or manual intervention leaving gaps between them. This could potentially result into impaired financial reporting. Also the majority of software does not have an audit trail feature except for Beverage division which could impact the financials.
- d. The Company has not provided the physical verification report of the property, plant and equipment (PPE). This could potentially result in the understatement/overstatement of the balances of PPE, inaccurate depreciation provision and assessment of impairment.

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 March 31, 2024, 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 standalone financial statements of the Company for the year ended March 31, 2024 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 Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

UDIN:24100892BJZXRJ4530

Place: Bengaluru

Date: Sept 6, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mysore Sales International Limited of even date)

i. In respect of the Company's fixed assets:

- a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (2) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has not provided the physical verification report of fixed assets conducted 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) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment and capital work-in-progress, according to the information and explanations given to us and based on the examination of the registered sale deed/ transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- 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 March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as (amended in 2016) and rules thereunder.

ii. In respect of Company's Inventories:

- a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate, and no material discrepancies were noticed on verification between the physical stocks and the book records which were 10% or more in the aggregate for each class of inventory, and the same have been properly dealt with in the books of account except for (i) inventory of imported sand which are not physically verified during the year
- b) According to the information and explanations 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. The Company has not made investments in, provided any guarantee or security and granted loans or advances in the nature of loans, 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 the information and explanations given to us and on the basis of our examination of the records, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. According to information and explanations given to us, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the activities of the Company except for Paper Division. However, the Company has not made and maintained the cost records for paper division.

vii. According to the information and explanations given to us, in respect of statutory dues:

- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except for the following:

Name of the Act	Nature of dues	Amount Rs. in Lakhs	Period to which the amount relates
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
The Building and Other Construction Workers' Welfare Cess Act, 1996	Workers' Welfare Cess	24.98	2017-18
Goods and Service Tax Act, 2016	GST	40.37	Up to Sep 23
	TDS on GST	0.59	2022-23
The Maharashtra State Tax on Professional, Trades, Callings and Employments Act, 1975	Professional Tax	0.06	2021-22
Income Tax Act, 1961	TDS	0.03	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:

Name of the Act	Nature of dues	Amount Rs. in Lakhs	Period to which the dispute relates	Amount paid Rs. in Lakhs	Forum Where Dispute is pending
Finance Act, 1994	Service Tax	48.43	2005-06, 2006-07	10.00	Customs, Excise and Service Tax Appellate Tribunal
		19.83	2002-03, 2003-04	19.83	
		37.40	2003-04, 2005-06	37.40	
		36.14	2007-08, 2008-09	10.00	
		48.00	2013-14, 2014-15	9.00	
		18.10	2015-16	5.43	
		23.71	2016-17	2.37	
Income Tax Act, 1961	Income Tax	91,288.46	AY 2018-19	-	Assessing Officer/ National Faceless Assessment Centre
		0.10	AY 2020-21	-	
		749.86	AY 2022-23	-	

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. In our opinion and 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.
 - The Company has not been declared willful defaulter by any bank, financial institution or any other lender.
 - The Company has not taken any term loans and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - The Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.
 - 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.
 - 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. In our opinion and according to the information and explanations given to us, the Company has not raised funds by way of initial public offer or further public offer (including debt instruments) or preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x) of the Order is not applicable.
- xi. In respect of fraud by the Company or on the Company:
- According to the information and explanations given to us, the Company has noticed misappropriation of funds by outsourced employees of the Chit Fund Division and Pharmacy Division during the year amounting to Rs. 34.28 Lakhs and Rs. 23.34 Lakhs respectively, of which Rs. Nil and Rs. 17.63 Lakhs respectively have been recovered. The Company has filed the First Information Report, and the proceedings are in progress. The Company has also made provision for an equal amount in respect of the same. Excepting this, no fraud on or by the Company has been noticed or reported during the year under report.
 - No report under sub-section 12 of section 143 of the Companies Act 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
 - According to the information and explanations given to us, the Company is in the process of establishing whistle blower mechanism. However, the Company has not received any informal complaints 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, all the transactions with the related parties are in compliance with Section 177 and 188 of the Act, wherever applicable and the details have been disclosed as required by the applicable accounting standards.
- xiv.
 - Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - We have considered the internal audit reports issued to the Company during the year and till date, for the period under the audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion and according to the information and explanations given to us:

- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under clause 3(xvi)(c) of the Order is not applicable.
- d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. According to the information and explanations given to us, the Company has not incurred cash losses in the current and immediately preceding financial year.

xviii. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment 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 the date of the audit report that the 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In respect of the Company's Corporate Social Responsibility (CSR):

- a) There is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 in respect of other than ongoing projects.
- b) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year required a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the Companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Sorab S. Engineer & Co.
Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.
PARTNER

Membership No. 100892

UDIN:24100892BJZXRJ4530

Place: Bengaluru

Date: Sept 6, 2024

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mysore Sales International Limited of even date)

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.	<p>Yes. The Company do have an IT system in place. It uses Tally ERP9 for consolidation and reporting.</p> <p>However, Beverage, Paper divisions and Branch Offices use different accounting software and the same is not integrated with Tally ERP9. These divisions extract Trial Balance from respective software and the same is entered manually into the Tally ERP9 software for consolidation and reporting. The transaction details do remain with that specific accounting software.</p> <p>The chit fund division maintains data in different software (not in Tally ERP9) except for 2 branches where books are maintained manually. The trial balances of the above 2 branches are consolidated manually with the trial balance extracted from the chit fund software. Post this consolidation at chit fund division, the trial balance is entered manually into the Tally ERP9 software for consolidation and reporting.</p>
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. However, the Company had received Grant under ASIDE Assistance in January 2007 of which Rs. 247.05 lakhs are unutilized at the year end.

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 our audit.
(b)	Whether the Company has an effective system to deal with misappropriation/fraud cases and whether the losses, if any, were properly accounted for in the books of account? It may also be commented upon as to whether the Company has any unexplained balances and accounts operated under Suspense head.	<p>The Company do have an effective system in place to deal with misappropriation/fraud cases. However, in respect of misappropriation during the year, we have obtained the details and our comments are given in Clause xi of Annexure B to Independent Auditors Report. (CARO 2020).</p> <p>The Company do have chit suspense balances accumulated over past years aggregating to Rs. 1196.65 lakhs. The Company is in the process of reconciling the data.</p>
(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?	<p>The Company has effective system for recovery of dues except in case of paper division and tours and travel division. The recovery from the Debtors is not done within the credit period stipulated in the invoice in most of the cases.</p> <p>Based on our 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 received from most of the debtors.</p>

Annexure-I

S.No.	Items in Check list	Remarks
1.	Whether all Banks 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
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?	Yes. Fixed deposit register is maintained. However, the details regarding dates of payment of interest are not maintained.
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
11.	Whether bank confirmation statements are obtained periodically from the banks for all accounts: SB accounts, Current Accounts and Fixed deposits?	Yes
12.	Whether confirmations of balances in respect of all bank balances tally with the Bank statements?	Yes
13.	Whether Fixed Deposits and interests as per Fixed Deposits Register tally with the confirmation/certificate issued by the bank?	Yes, fixed deposits and interests as per Books of Account are in agreement with the confirmation/certificate issued by the banks.
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?	No difference observed
16.	Whether bank balances accounted in the books are in agreement with the external confirmations obtained by the auditors from the banks.	The Company has obtained the confirmations from the Banks which are in agreement with books of accounts and the same were verified by us.
17.	Whether any of the aforesaid lapses were brought out in the Report of the Internal Financial controls by the Statutory Auditor, if not, whether Audit Enquiry was issued?	No material lapses observed which need reporting under Internal Financial Controls Report.

For Sorab S. Engineer & Co.
Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

UDIN:24100892BJZXRJ4530

Place: Bengaluru

Date: Sept 6, 2024

Replies to the Qualification in Statutory Auditors Report for the year 2023-24

	Audit Query	Company's Reply
a.	The Company has not conducted physical verification of imported river sand stock during the year. However, the physical verification was conducted in the previous year where it was found that there was a shortage of 16565.002 MT amounting to Rs. 347.87 lakhs. 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.	During the financial year 2021-22, the company has made provision for entire stock of sand to the extent of Rs. 1871.50 lakhs. The division has not made any transaction since from 2021-22. Since, the inventories are on estimated on volume calculation by frustum method. Unless we sell the entire/substantial quantity we will not be able to identify the exact shortage.
b.	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), there may be impact on the financial statements which are not ascertainable.	The Chit Fund division is in the process of introducing new web based software and once the new software is implemented the Shivamoga and Kengeri chit fund branches issues will get solved. The new software probably will be implemented during the year 2024-25.
c.	As per Ind AS 109 – Financial Instruments, the Company carries the impairment loss allowance as per Expected Credit Loss Model (ECL) of Rs. 635.91 lakhs. However, in absence of sufficient information about the accuracy and reasonableness of various parameters including the "Probability of Default (%)", Loss Given Default (%) and the basis of classification of financial assets based on the significant increase in credit risk and consequently determination of the 12 months ECL and lifetime ECL, we are unable to evaluate and comment on adequacy of ECL.	Evaluation of Expected Credit Loss is a very lengthy process involving many data points in the assessment. Once, the division implements the new software, the division can update all the relevant points in the current financial year 2024-25
d.	The Company has not provided for the doubtful advances to Nishi Forex and Leisure Limited for Rs 169.16 Lakhs. Non provision for this doubtful advance has resulted into overstatement of profit for the period and overstatement of Advances to supplier by Rs 169.16 Lakhs.	There are tours which were conducted by the party, bills for which are not yet received. Additionally, the division is in the process of exploring legal actions on recovering the outstanding values as on the date and hence the same are not considered for provision. Based on the outcome of legal process, the division will take corrective action, if required, in current year.
e.	The interest liability on MSME trade payables for delayed payment has to be provided as per MSME Act, 2006. However, the Company has not provided interest for the period of delay in making payments to MSME trade payables as the Company has not received any interest claim by MSME vendors. In absence of information, we could not quantify such interest amount.	As the company has not received any interest claims from MSME vendors, no provision for such interest has been made. Without specific information related to these claims, it is not possible to quantify the interest liability. The company shall take appropriate action to record the necessary provisions, if required in the current year 2024-25.

f.	The Company has recognized long term leases as per Ind AS 116 during the year which were considered as short-term leases up to the end of previous financial year. Due to this, addition to Right of Use Assets (ROU Assets) and Lease Liabilities are higher by Rs. 1011.20 lakhs, Depreciation on ROU Assets is higher by Rs. 326.34 lakhs and Interest on Lease Liabilities is higher by Rs. 49.18 lakhs. The Company has not complied with the disclosure requirement required by Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors for these changes in accounting estimates.	The Company have not disclosed the impact of changes in estimates in the standalone financial statement and disclosure of change in Accounting Policies of Depreciation on ROU Assets as per Ind AS 8 will be reviewed and take suitable action If required , in the current financial year 2024-25.
g.	The disclosure in Note 42 (viii) to the financials doesn't include complete details on accounting done by the Company. The Company has recognized the recoverable from Athitheya Kshema Hotels Pvt Ltd ("the tenant") without recognizing rental income of Rs 245.05 Lakhs and provided for the provision on the same without charging the provision in other expenses by Rs 245.05 Lakhs. The entries are passed without routing through profit and loss account. There is no impact to the financial profit, as the Company considers the receivable as doubtful.	The Company has classified the receivable as doubtful since financial year ending 31st March 2021. The assurance to clear the outstanding arrears as well as current rental is also conditional on waiver of interest for which the board has taken a decision to recover the rent payable with interest. As there will be no impact on the profitability of the company, the decision taken by the board, the company ensure to make necessary accounting in the current financial year 2024-25
h.	The Company has not recognized rent income for the warehouse in Mysore leased to Nestwell Constructions Private Limited ("Lessee") for the period from December 2021 till March 2024 because of dispute with the Lessee. The Company has not made suitable disclosure of this dispute and amount recoverable from the lessee on account of the dispute in the financial statements. Rental income for the Lessee for the year ending March 31, 2024 is Rs 41.73 Lakhs has not been accounted in Statement of Profit and Loss. There is no impact to the financial profit, as the Company considers the receivable as doubtful.	As per the books of accounts, the party have not made payments for dues and there is no recognition of income by Company since financial year ending 31st March 2022 to 31st March 2024. In the absence of probability that the Company will be able to collect the consideration, the recognition of income is deferred. The rent receivable from the party will be reviewed in the current financial year and pas the suitable entries.



Mysore Sales International Limited has contributed Rs.2.50 Crore to "Chief Minister Relief Fund" Cheque was handed over to Sri Siddaramaiah, Hon'ble Chief Minister, Government of Karnataka and Sri M.B. Patil, Hon'ble Minister for Large and Medium Industries and Infrastructure Development on 25.07.2024 by Sri Puttarangashetty.C Chairman MSIL, Sri H.C. Mahadevappa, Hon'ble Minister for Social Welfare, IAS Selvakumar, IAS Principal Secretary, Commerce 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 2024

The preparation of financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31st March 2024** 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 **06 September 2024** which supersedes their earlier Audit Report dated **27 June 2024**.

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** for the year ended **31st March 2024** 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 ANAND PATWARDHAN)
Pr. ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU

BENGALURU

Date:12.09.2024

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
STANDALONE BALANCE SHEET AS AT MARCH 31, 2024
(ALL AMOUNTS IN RS. LAKHS UNLESS OTHERWISE STATED)

	Particulars	Note	As at March 31, 2024	As at March 31, 2023
I	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	2	4,386.03	4,796.96
	(b) Capital work-in-progress	3	533.96	592.83
	(c) Investment properties	4	3,729.13	3,847.40
	(d) Other intangible assets	5	3.53	-
	(e) Right-of-use assets	5A	1,146.31	737.64
	(f) Financial assets			
	(i) Investments	6	4,192.10	3,002.36
	(ii) Other financial assets	7	16,206.62	17,851.46
	(iii) Non-current bank balances	12	4,256.45	4,170.72
	(g) Deferred tax assets (net)	29	1,553.39	1,363.43
	(h) Other non-current assets	8	47.78	63.21
	(i) Non Current tax asset (net)	8A	3,645.55	4,108.74
	Total non-current assets		39,700.85	40,534.75
	Current assets			
	(a) Inventories	9	15,925.70	15,062.08
	(b) Financial assets			
	(i) Trade receivables	10	7,455.19	3,912.11
	(ii) Cash and cash equivalents	11	5,635.43	4,181.43
	(iii) Bank balances other than (ii) above	12	32,049.10	20,287.90
	(iv) Other financial assets	7	16,853.19	10,000.79
	(c) Other current assets	8	2,893.04	4,844.71
	Total current assets		80,811.65	58,289.02
	Asset Held for Sale	30	5.00	5.00
	Total assets		120,517.50	98,828.77

II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	4,273.48	4,273.48
(b) Other equity	14	61,720.25	52,271.94
Total equity		65,993.73	56,545.42
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liability	15	438.14	342.75
(ii) Other Financial Liabilities	15	17,539.74	14,983.32
(b) Provisions	16	725.45	742.08
Total non-current liabilities		18,703.33	16,068.15
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		3,129.12	2,647.61
(b) Total outstanding dues other than above		7,915.05	6,865.45
(ii) Lease Liability	15	725.06	382.77
(iii) Other financial liabilities	15	21,187.34	14,860.52
(b) Other liabilities	17	2,615.67	1,243.52
(c) Provisions	16	248.20	215.33
Total current liabilities		35,820.44	26,215.20
Total equity and liabilities		120,517.50	98,828.77

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W
CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : June 27, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Continuing operations			
Income			
Revenue from operations	19	337,796.08	282,531.70
Other income	20	3,764.12	3,061.84
Total income		341,560.20	285,593.54
Expenses			
Cost of materials consumed	21	2,936.80	1,766.99
Purchase of Stock-in-trade	22	301,230.30	252,556.61
Changes in inventories of finished goods and stock-in-trade	23	(979.41)	(523.75)
Employee benefits expense	24	2,003.83	1,860.32
Finance costs	25	238.52	179.92
Depreciation and amortization expense	26	1,946.94	1,834.44
Impairment losses	28	-	-
Other expenses	27	20,881.28	19,839.73
		328,258.26	277,514.26
Profit before exceptional items and tax from continuing operations		13,301.94	8,079.28
Exceptional items	41	-	-
Profit before tax from continuing operations		13,301.94	8,079.28
Tax expense	29		
(a) Current tax		3,286.46	2,020.42
(b) Deferred Tax Charge/(Credit)		(491.04)	(65.72)
(c) Short provision of tax for earlier years		124.14	35.29
Profit for the year from continuing operations		10,382.38	6,089.29
Discontinued operations	30		
Profit/(loss) before tax for the year from discontinued operations		5.32	(2.82)
Tax Income/ (expense) of discontinued operations		(1.34)	0.71
Profit/ (loss) for the year from discontinued operations		3.98	(2.11)
Profit for the year		10,386.36	6,087.18

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Net (loss)/gain on equity instruments through Other Comprehensive Income	31	1,189.74	(19.01)
Income tax effect on above	29	(300.79)	4.78
Re-measurement gains/ (losses) on defined benefit plans	31	1.16	26.61
Income tax effect on above	29	(0.29)	(6.69)
Other comprehensive income for the year, net of tax		889.82	5.69
Total comprehensive income for the year		11,276.18	6,092.87
Earnings per share (Nominal Value per share Rs. 100/-)	32		
-Earnings per share for continuing operations			
Basic & Diluted (Rs.)		242.95	142.49
-Earnings per share for discontinued operations			
Basic & Diluted (Rs.)		0.09	(0.05)
-Earnings per share for continuing and discontinued operations			
Basic & Diluted (Rs.)		243.04	142.44

Significant accounting policies

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : June 27, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax and exceptional items as per Statement of Profit and Loss	13,307.26	8,076.46
Adjustments to reconcile profit before tax to net cash flows:		
Dividend	(638.58)	(280.69)
Excess Provision no longer required	(172.35)	(131.13)
Interest income	(2,196.75)	(1,270.77)
Profit on sale of property, plant and equipment	2.94	(6.11)
Rent	(597.79)	(855.40)
Depreciation and amortisation expenses	1,946.94	1,834.44
Finance costs	238.52	179.92
Allowances for doubtful debts and advances	488.87	245.94
Impairment losses in value of other financial assets	-	6.83
Operating profit before working capital changes	12,379.06	7,799.49
Adjustments for changes in working capital :		
(Increase)/Decrease in trade receivables	(3,367.03)	4,623.26
(Increase)/Decrease in inventories	(903.15)	(612.21)
(Increase)/Decrease in other assets	1,967.10	1,240.19
(Increase)/Decrease in other financial assets	(5,576.27)	(4,422.75)
Increase/(Decrease) in trade payables	1,500.67	(594.81)
Increase/(Decrease) in other liabilities	1,318.27	259.19
Increase/(Decrease) in other financial liabilities	8,883.24	3,043.18
Increase/(Decrease) in provisions	17.41	(876.65)
Net Changes in Working Capital	3,840.24	2,659.40
Cash generated from operations	16,219.30	10,458.89
Taxes paid, net	(2,948.77)	(5,657.81)
Net cash generated from operating activities	13,270.53	4,801.08
B. Cash flow from investing activities		
Purchase of Property, Plant & Equipment (including capital advances)	(643.67)	(2,211.27)
Government Grant	-	-
Changes in other bank balances not considered as cash and cash equivalents	(11,552.99)	(7,046.68)
Proceeds from disposal of Property, Plant & Equipment	2.90	27.10
(Purchase) / Sale of investments / Share of profit from Joint arrangements	-	-
Investment income (Rental income on investment Property)	597.79	855.40
Interest received	1,902.80	878.32
Dividend received	638.58	280.69
Net Cash Flow used in Investing Activities	(9,054.59)	(7,216.44)

C. Cash flow from Financing activities		
Finance cost paid	(106.74)	(76.08)
Payment of lease liabilities	(827.33)	(631.08)
Dividend paid	(1,827.87)	(1,105.19)
Dividend Distribution tax paid	-	-
Net cash used in financing activities	(2,761.94)	(1,812.35)
Net changes in cash and cash equivalents	1,454.00	(4,227.71)
Cash and cash equivalents as at beginning of the year	4,181.43	8,409.14
Cash and cash equivalents as at end of the year	5,635.43	4,181.43

Reconciliation of cash and cash equivalents		
Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents :		
Cash & Stamp on hand	2,077.20	1,011.69
Balances with Banks	3,553.99	3,161.94
Remittances in transit	4.24	7.80
Cash and cash equivalents as per Balance Sheet (Refer Note 11)	5,635.43	4,181.43
Cash and cash equivalents as per Cash flow Statement	5,635.43	4,181.43

See accompanying notes forming part of the Standalone Financial Statements

Disclosure under para 44A as set out in Ind As 7 on cash flow statements under companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Other changes	As at March 31, 2024
Lease Liability	1,265.01	1,265.01
Particulars of liabilities arising from financing activity	Other changes	As at March 31, 2023
Lease Liability	274.72	274.72

Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : June 27, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024
(All amounts in Rs lakhs unless otherwise stated)

Particulars (Note 13)	Amount
As at April 1, 2022	4,273.48
Changes in Equity Share Capital during the year	-
As at March 31, 2023	4,273.48
As at April 1, 2023	4,273.48
Changes in Equity Share Capital during the year	-
As at March 31, 2024	4,273.48

Particulars	Reserves and Surplus (Note 14)				Total Other Equity
	General reserves	Chit Reserve Fund	Retained Earnings	Fair Valuation of Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2022	19,125.69	816.48	25,661.74	1,680.35	47,284.26
Profit for the year	-	-	6,087.18	-	6,087.18
Other comprehensive income/(loss) for the year	-	-	19.92	(14.23)	5.69
Total Comprehensive Income	19,125.69	816.48	31,768.84	1,666.12	53,377.13
Transfer (to)/ from retained earnings	-	111.73	(111.73)	-	-
Less: Dividend paid during the year	-	-	(1,105.19)	-	(1,105.19)
Balance as at March 31, 2023	19,125.69	928.21	30,551.92	1,666.12	52,271.94
Balance as at April 1, 2023	19,125.69	928.21	30,551.92	1,666.12	52,271.94
Profit for the year	-	-	10,386.36	-	10,386.36
Other comprehensive income/(loss) for the year	-	-	0.87	888.95	889.82
Total Comprehensive Income	19,125.69	928.21	40,939.15	2,555.07	63,548.12
Transfer (to)/ from retained earnings	-	175.14	(175.14)	-	-
Less: Dividend paid during the year	-	-	(1,827.87)	-	(1,827.87)
Balance as at March 31, 2024	19,125.69	1,103.35	38,936.14	2,555.07	61,720.25

See accompanying notes forming part of the Standalone Financial Statements

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

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.
PARTNER

Membership No. 100892

Place: Bengaluru

Date : June 27, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

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DIN: 07745825

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Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1. Company overview and Material Accounting Policies Information

1.1 Company overview

Mysore Sales International Limited ("the Company") 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 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.

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 (IndAS) 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') except for Ind AS 109 – Financial Instruments in respect of Expected Credit Loss on Chit Financial Assets. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2024 were authorized and approved for issue by the Board of Directors on 27.06.2024.

(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.

(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, 2024, there are no new standards or amendments to the existing standards notified by MCA.

(v) Rounding of amounts

The standalone financial statements are presented in Indian Rupee ("INR") and all

values are rounded to the nearest Lakhs as per the requirement of Schedule III, except when otherwise indicated.

(vi) Material Accounting Policies Information

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 ChitBusiness, being the most popular chit tenor.

b. Foreign currency transactions

Functional and presentation currency

The Company's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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 recognizes 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. - Recognize revenue when (or as) the entity satisfies a performance obligation. The Company 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 Company's performance as the Company performs; or
 2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
 3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is 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.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance claims

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Dividend income

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

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principal outstanding applying effective interest rate. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- 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 converters are considered as Finished Goods only at the time of receipt of notebooks from the converters in the case of Paper Division.
- iii. Freight inward is not considered for valuation of stock of liquor and is charged to the Statement of Profit and Loss.
- 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
Firefighting equipment	10
Electrical equipment	10
Furniture & fixtures	10
Vehicles	8
Furniture & fixtures - Liquor	5
Handling equipment	5
Weighing Machines	5
Office equipment	5
Computers	3
Lease hold assets Lease hold Improvements	Over the primary lease period - except for land

Depreciation on fixed assets added/ disposed off/ discarded during the year has been provided on pro rata 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. 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 Building 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.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

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 its inception. A contract is, or contains, a lease if the contract conveys the right to –

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

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

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

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

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

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have

topay 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 assets 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 a 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 the 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 the 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

Tax expense comprises of current income tax and deferred tax.

Current taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit assets at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

n. Earnings per share

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

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 an 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– initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Financial assets at amortized cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortized cost:

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets 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 (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. 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 amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset 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 financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at

amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income 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.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial

assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these 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 recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- (a) amortized cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Company shall reclassify all

affected financial assets prospectively from the reclassification date as subsequently measured at amortized cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks

are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

q. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for 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.

r. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may

be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

s. 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.

t. Dividend

The Company recognizes a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the

liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

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.

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.

v. Non-Current Assets Held For Sale And Discontinued Operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),

- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an asset but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortized.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented

as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

w. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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. 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 Critical accounting estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful life of Property, plant and equipment and Intangible Assets

As described in Note e and f of the material accounting policies information, the Company reviews the estimated useful lives of property,

plant and equipment and intangible assets at the end of each reporting period.

(b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(c) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain

obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

(d) Defined benefit plans

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

Further details about defined benefit obligations are provided in Note 30.

(e) Expected credit losses on financial assets (chit fund business)

The impairment provisions of financial assets are based on assumptions about risk of probable 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.

(f) 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.

MYSORE SALES INTERNATIONAL LIMITED

CIN:U85110KA1966SGC001612

Notes forming part of the Standalone Financial Statements (All amounts in Rs. lakhs unless otherwise stated)

2 Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Building - Freehold	Handling Equipment	Electrical Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Total
Gross carrying amount										
As at April 01, 2022	31.93	21.54	176.60	0.32	1,993.60	211.71	3,303.85	300.40	1,243.94	7,283.89
Additions	-	-	-	-	719.64	18.11	871.39	81.96	301.25	1,992.35
Deductions	-	-	-	-	(3.13)	(0.58)	(19.09)	-	(3.51)	(26.31)
As at March 31, 2023	31.93	21.54	176.60	0.32	2,710.11	229.24	4,156.15	382.36	1,541.68	9,249.93
Additions	-	-	-	1.33	300.65	47.23	87.78	-	261.32	698.31
Deductions	-	-	-	-	(4.66)	-	(37.16)	-	(3.05)	(44.87)
As at March 31, 2024	31.93	21.54	176.60	1.65	3,506.10	276.47	4,206.77	382.36	1,799.95	9,903.37
Accumulated depreciation As at April 01, 2022	-	-	33.58	0.27	668.38	138.30	1,709.03	126.30	669.64	3,345.50
Depreciation for the year	-	-	4.71	-	228.43	37.31	631.73	38.71	183.49	1,124.38
Deductions	-	-	-	-	(2.50)	(0.54)	(12.59)	-	(1.28)	(16.91)
As at March 31, 2023	-	-	38.29	0.27	894.31	175.07	2,328.17	165.01	851.85	4,452.97
Depreciation for the year	-	-	5.07	0.21	272.55	36.46	540.33	43.74	205.04	1,103.40
Deductions	-	-	-	-	(0.65)	-	(37.15)	-	(1.23)	(39.03)
As at March 31, 2024	-	-	43.36	0.48	666.21	(288.47)	2,831.35	208.75	1,055.66	5,517.34
Net Carrying Amount										
As at March 31, 2024		31.93	21.54	133.24	501.17	2,339.89	564.94	1,375.42	244.29	4,386.03
As at March 31, 2023		31.93	21.54	(361.69)	500.05	2,315.80	554.17	1,827.98	217.35	4,796.96

Notes :

- Properties pledged as securities as at March 31, 2024 is Nil; (March 31, 2023: Nil).
- Refer Note 41(a) for contractual commitments with respect to Property, Plant and Equipments.

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Notes forming part of the Standalone Financial Statements
(All amounts in Rs lakhs unless otherwise stated)

3	Capital work-in-progress (CWIP)		
	Particulars	Capital work in progress	Total
	As at April 01, 2022	397.04	397.04
	Additions	195.79	195.79
	Deductions	-	-
	As at March 31, 2023	592.83	592.83
	Additions	13.58	13.58
	Deductions	(72.45)	(72.45)
	As at March 31, 2024	533.96	533.96

a. Capital work-in-progress ageing schedule:
As at March 31, 2024

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.58	195.79	94.00	230.59	533.96
Projects temporarily suspended	-	-	-	-	-
Total	13.58	195.79	94.00	230.59	533.96

As at March 31, 2023

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	195.79	94.00	141.88	161.16	592.83
Projects temporarily suspended	-	-	-	-	-
Total	195.79	94.00	141.88	161.16	592.83

b Details of projects in progress where the completion is overdue or cost has exceeded the estimated timelines as compared to its original plan:
As at March 31, 2024

Project in progress	Budgeted Project Cost	Actual cost as on March 31, 2024	Reasons for delay
Warehouse, Kapanoor Ind Area, Kalburgi	752.91	533.96	Due to inclusion of additional work.

As at March 31, 2023

Project in progress	Budgeted Project Cost	Actual cost as at March 31, 2023	Reasons for delay
Warehouse, Kapanoor Ind Area, Kalburgi	752.91	592.83	Due to inclusion of additional work.

c. There are no borrowing cost capitalised during the year ended March 31, 2024 and March 31, 2023.

4. Investment properties

Particulars	Freehold land	Leasehold land	Building	Building - Leasehold	Total
As at April 01, 2022	53.06	100.95	1,604.08	2,686.59	4,444.68
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2023	53.06	100.95	1,604.08	2,686.59	4,444.68
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2024	53.06	100.95	1,604.08	2,686.59	4,444.68
Depreciation and impairment					
As at April 01, 2022	-	-	119.81	359.23	479.04
Depreciation for the year	-	-	28.40	89.84	118.24
Deductions	-	-	-	-	-
As at March 31, 2023	-	-	148.21	449.07	597.28
Depreciation for the year	-	-	28.43	89.84	118.27
Deductions	-	-	-	-	-
As at March 31, 2024	-	-	176.64	538.91	715.55

Net block as at March 31, 2024	53.06	100.95	1,427.44	2,147.68	3,729.13
Net block as at March 31, 2023	53.06	100.95	1,455.87	2,237.52	3,847.40

Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent from investment properties (Refer note 20)	597.79	855.40
Direct operating expenses (including repairs and maintenance) pertaining to investment property	(186.49)	(107.07)
Profit arising from investment properties before depreciation and indirect expenses	411.30	748.33
Depreciation for the year	(118.27)	(118.24)
Profit arising from investment properties before indirect expenses	293.03	630.09

Notes:

1. Titles deeds of investment properties are in the name of the Company.
2. The Company is in the process of getting its investment property valued.
3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase or develop investment properties.
4. Investment Properties pledged as securities as at March 31, 2024 is Nil; (March 31, 2023: Nil)

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5	Other intangible assets		
	Particulars	Computer Software	Total
	Gross carrying amount		
	As at April 01, 2022	49.11	49.11
	Additions	-	-
	Deductions	-	-
	As at March 31, 2023	49.11	49.11
	Additions	4.24	4.24
	Deletions	-	-
	As at March 31, 2024	53.35	53.35
	Accumulated amortization		
	As at April 01, 2022	48.26	48.26
	Amortisation for the year	0.85	0.85
	Deductions	-	-
	As at March 31, 2023	49.11	49.11
	Amortisation for the year	0.71	0.71
	Deductions	-	-
	As at March 31, 2024	49.82	49.82
	As at March 31, 2024	3.53	3.53
	As at March 31, 2023	-	-

Note:

- Intangible Properties pledged as securities as at March 31, 2024 is Nil; (March 31, 2023: Nil).

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5A. Right of Use Assets	The Company has taken offices & buildings on lease period of 3 to 5 years with option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:	
	Particulars	Right of Use
	As at April 01, 2022	3,139.34
	Additions	300.35
	Disposals	-
	As at March 31, 2023	3,439.69
	Additions	1,133.23
	Disposals	-
	As at March 31, 2024	4,572.92
	Accumulated depreciation	
	As at April 01, 2022	2,111.08
	Charge for the year	590.97
	Adjustments for disposals	-
	As at March 31, 2023	2,702.05
	Charge for the year	724.56
	Adjustments for disposals	-
	As at March 31, 2024	3,426.61
	Net carrying value as at March 31, 2024	1,146.31
	Net carrying value as at March 31, 2023	737.64

The following are the expense recognised in the Statement of Profit and Loss		
Particulars	Year ended as at March 31, 2024	Year ended as at March 31, 2023
Depreciation expense of right-of-use assets	724.56	590.97
Interest expense on lease liabilities	131.78	103.84
Expense relating to short-term leases	981.62	1,089.63
Total amount recognised in the statement of Profit and Loss	1,837.96	1,784.44

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6	Investments	Particulars	As at	As at
			March	March
			31, 2024	31, 2023
	Non-current Investments			
	Investments in Equity Shares (fully paid up)			
A.	Others-Measured at Fair Value through Other Comprehensive Income (Quoted)			
	J K Tyre Industries Limited		1421.70	508.89
	329,060 (March 31, 2023: 329,060) fully paid equity shares of INR 2 each			
	Bengal & Assam Co Limited		327.43	140.04
	3,831 (March 31, 2023: 3,831) fully paid equity shares of INR 10 each			
	Total (A)		1749.13	648.93
B.	Subsidiaries - Measured at Cost (Unquoted)			
	Karnataka State Marketing Communication & Advertising Limited		597.38	597.38
	357,252 (March 31, 2023: 357,252) fully paid equity shares of INR 10 each			
	Mysore Chrome Tanning Company Limited		0.05	0.05
	720,875 (March 31, 2023: 720,875) fully paid equity shares of INR 10 each - issued at nominal value of Rs.5000 as per order of Government of Karnataka			
	Total (B)		597.43	597.43
C.	Others-Measured at Fair Value through Other Comprehensive Income (Unquoted)			
	K T Apartment Owners' Association*		0.04	0.04
	35 (March 31, 2023: 35) fully paid equity shares of INR 100 each			
	K T Mansions Apartments Owners' Association*		0.03	0.03
	25 (March 31, 2023: 25) fully paid equity shares of INR 100 each			
	Hassan Mangalore Rail Development Company Limited		1819.06	1729.78
	7,000,000 (March 31, 2023: 7,000,000) fully paid equity shares of INR 10 each			
	The Karnataka State Co-operative Apex Bank Limited - One -C- Class Ordinary Share:		26.41	26.15
	1 (March 31, 2023: 1) fully paid equity shares of INR 1,000,000 each			
	Total (C)		1845.54	1756.00
	Total (A+B+C)		4192.10	3002.36

Aggregate amount of quoted investments and market value thereof	1749.13	648.93
Aggregate amount of unquoted investments	2442.97	2353.43
Aggregate amount of impairment in value of investments	-	-
Total Investments	4192.10	3002.36

* The management has assessed that carrying value of the investments approximate to their fair value.

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7	Other Financial Assets				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Unsecured, considered good unless otherwise stated				
A	Chit Division				
	Loans and advances - Secured				
	-To Related Parties (Refer Note 39)	-	1.55	-	5.75
	-To Others	15,191.36	15,438.75	16,840.23	8,806.33
	Considered doubtful	-	986.41	-	934.11
	Less: Allowance for doubtful advances	-	(986.41)	-	(934.11)
	Advances recoverable in kind or for value to be received	-	963.94	-	755.03
B	Other Divisions				
	Security Deposit	1,015.26	-	1,011.23	-
	Considered doubtful	-	16.38	-	16.38
	Less: Allowance for doubtful advances	-	(16.38)	-	(16.38)
	Rent Receivable	-	448.95	-	433.68
	Less: Allowance for Rent Receivable	-	-	-	-
	Considered doubtful	-	839.02	-	773.71
	Less: Provision for Doubtful Rent Receivable	-	(839.02)	-	(773.71)
	Other receivable				
	Considered doubtful	-	153.06	-	153.06
	Less: Allowance for doubtful advances	-	(153.06)	-	(153.06)
	Total	16,206.62	16,853.19	17,851.46	10,000.79

Other current financial assets are given as security for borrowings as at March 31, 2024 is Nil; (March 31, 2023: Nil).

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8	Other assets				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Unsecured, considered good unless otherwise stated				
	Prepaid Expenses	-	1,225.50	-	1,207.69
	Advance License Fee	-	1,020.08	-	969.17
	Balance with Government authorities (Refer note (ii) below)	-	138.23	-	332.92
	Advance Income Tax and TDS (net of provision for income tax)	-		-	
	Other Receivables	-	2.30	-	5.39
	Gratuity Fund account (Refer note 34)	47.78	-	63.21	-
	Advances to Suppliers	-	506.93	-	2,329.54
	Considered doubtful	-	1,204.95	-	1,029.79
	Less: Provision for doubtful advances	-	(1,204.95)	-	(1,029.79)
	Total	47.78	2,893.04	63.21	4,844.71

Notes:

- (i) No advances were given to Directors or to firm / Private company where director is interested (March 31, 2023: Nil)
- (ii) Balance with Government Authorities mainly consist of input credit availed.
- (iii) Other current financial assets are given as security as at March 31, 2024 is Nil; (March 31, 2023: Nil).

8A	Non Current tax asset (net)		
	Particulars	As at March 31, 2024	
		As at March 31, 2023	
	Advances tax and Tax Deducted at source	3,645.55	4,108.74
	Advances tax and TDS	-	-
	Total	3,645.55	4,108.74

9	Inventories (At lower of cost or net realisable value)		
	Particulars	As at March 31, 2024	
		As at March 31, 2023	
	Raw Materials		
	Paper and Straw board	54.39	83.64
	Raw Material with Convertors	9.31	95.85
	Finished goods	1,180.07	671.35
	Stock in trade	16,699.16	16,263.08
	Less: Provision for Expired/Damaged Stock	(84.17)	(57.34)
	Less: Provision for Non Moving Stock	(1,933.06)	(1,994.50)
	Total Inventory	15,925.70	15,062.08
	Stock with hirers	291.83	296.76
	Less: Provision for stock with hirers	(291.83)	(296.76)
	Total	15,925.70	15,062.08

Notes:

- (i) Inventory write downs/(reversal) are accounted, considering the nature of inventory, ageing and net realisable value for Rs. (34.61) Lakhs (March 31, 2023 Rs. 16.77 Lakhs).
The changes in write downs are recognised as an expense during the year and included in 'changes in the value of inventories' in the statement of profit and loss.
- (ii) Inventories are hypothecated as security as at March 31, 2024 is Nil; (March 31, 2023: Nil).

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10	Trade Receivables ~ Current		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Unsecured, considered good unless otherwise stated		
	Secured	6.27	2.00
	Unsecured	7,448.92	3,910.11
	Credit impaired	931.41	783.81
		8,386.60	4,695.92
	Less: Allowance for doubtful debts	(931.41)	(783.81)
	Total	7,455.19	3,912.11

Notes:

1. No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firm or private companies respectively in which any director is interested.
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.
3. Trade receivables are given as security as at March 31, 2024 is Nil; (March 31, 2023: Nil).
4. Movement in allowance for doubtful debts

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as per last financial statements	783.81	764.69
Add: Allowance for the year (Refer Note 27)	158.12	19.12
Less: Reversal of Provision (Refer Note 20)	(10.52)	-
Total Trade receivables	931.41	783.81

5. Trade receivables ageing Schedule:
As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	2,501.18	4,451.42	502.59	-	-	7,455.19
Undisputed Trade receivables - credit impaired	-	-	62.67	196.98	671.76	931.41
Total	2,501.18	4,451.42	565.26	196.98	671.76	8,386.60

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	3,133.75	576.37	201.99	-	-	3,912.11
Undisputed Trade receivables - credit impaired	-	-	22.85	59.57	701.39	783.81
Total	3,133.75	576.37	224.84	59.57	701.39	4,695.92

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11	Cash and cash equivalents		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Balances with banks		
	In current accounts	3,553.99	3,161.94
	Remittances in transit	4.24	7.80
	Cash & Stamp on hand (*)	2,077.20	1,011.69
	Total	5,635.43	4,181.43

(*) includes Credit Card Collections

1. There are no repatriation restrictions with regard to cash and cash equivalents as at as at March 31, 2024 is Nil; (March 31, 2023: Nil).

12	Bank Balances other than Cash and cash equivalents				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Fixed Deposit with Banks (Original maturity within 3 to 12 months)#	-	30,682.44	-	19,215.19
	Fixed Deposit with Banks (Original maturity of more than 12 months)*	4,256.45	-	4,170.72	-
	Interest Accrued on Bank Deposits	-	1,366.66	-	1,072.71
	Balances with banks in earmarked accounts	-	-	-	-
	- In margin money accounts for Bank Guarantee issued	-	-	-	-
	Total Bank	4,256.45	32,049.10	4,170.72	20,287.90

Statutory Deposits for Chit Operations as at March 31, 2024 is Rs 5,958.03 lakhs (March 31, 2023: Rs 4,629.68 lakhs)

* Bank Deposits given on lien as at March 31, 2024 is Rs 4,050.00 lakhs (March 31, 2023 : Rs 50.00 lakhs)

13	Equity share capital				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
	Authorised share capital				
	Equity shares of Rs. 100 each	7,500,000	7,500.00	7,500,000	7,500.00
	Issued, subscribed and paid-up share capital				
	Equity shares of Rs. 100 each	4,273,477	4,273.48	4,273,477	4,273.48
	Total	4,273,477	4,273.48	4,273,477	4,273.48

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

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Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Outstanding at the beginning of the year	4,273,477	4,273.48	4,273,477	4,273.48
Changes during the year	-	-	-	-
Outstanding at the end of the year	4,273,477	4,273.48	4,273,477	4,273.48

(ii) Rights, Preferences and Restrictions attached to equity shares:

The Company has one class of shares having par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shareholder holding more than 5% Shares in the Company:

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
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%

(iv) Shareholding of Promoters

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
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%

(v) The Company has not issued any equity shares under ESOP (Employee Stock Option).

(vi) In the period of five years immediately preceding March 31, 2024:

i) The Company has not allotted any equity shares without payment being received in cash

ii) The Company has not allotted any equity shares by way of bonus issue.

iii) The Company has not Buy-back any equity shares.

(vii) Objective, policy and procedure of capital management, refer Note 35.

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14	Other equity		
	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	General reserve		
	Balance as per last financial statements	19,125.69	19,125.69
	Add: Addition during the year	-	-
	Balance at the end of the year	19,125.69	19,125.69
(b)	Chit Reserve Fund		
	Balance as per last financial statements	928.21	816.48
	Add: Transfer from Retained earning	175.14	111.73
	Balance at the end of the year	1,103.35	928.21
(c)	Retained earnings		
	Balance as per last financial statements	30,551.92	25,661.74
	Add: Profit for the year	10,386.36	6,087.18
	Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of tax)	0.87	19.92
	Less: Transfer to Chit Reserve fund	(175.14)	(111.73)
	Less: Dividend paid	(1,827.87)	(1,105.19)
	Balance at the end of the year	38,936.14	30,551.92
	Other comprehensive income (OCI)		
	Items that will not be reclassified to profit and loss		
(d)	Equity Instruments through OCI		
	Balance at the end of the year	1,666.12	1,680.35
	Add/(Less): Addition during the year	1,189.74	(19.01)
	Add/(Less): Tax impact on additions	(300.79)	4.78
	Balance at the end of the year	2,555.07	1,666.12
	Total Other Equity	61,720.25	52,271.94

The description of the nature and purpose of each reserve within equity is as follows:

(a) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(b) Chit Reserve Fund

This Reserve is maintained as per the requirements of Chit Fund Act, 1982. During the year, the Company has transferred 10% of its profit relating to chit operations to the reserve.

(c) Equity Instruments through OCI

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to Retained earnings on derecognition of equity instrument.

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15	Other Financial liabilities				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Lease liability (Refer Note 15A below)	438.14	725.06	342.75	382.77
	Total A	438.14	725.06	342.75	382.77
	Deposit from customers and others	-	1,529.02	-	1,518.91
	Interest Accrued	-	-	-	53.88
	Payable to Subsidiary Company (Refer Note 39)	-	26.65	-	10.59
	Non Prized Chit Subscription	17,324.71	11,337.64	14,803.97	9,365.50
	Payable to Capital Vendors	-	3.22	-	118.03
	Payable to Employees	185.83	442.19	179.35	381.88
	Grants Unutilised	-	247.05	-	247.05
	Chit Payables			-	
	-From Related Party (Refer Note 39)	-	7.50	-	-
	-From Others	-	3,572.08	-	2,935.03
	Liquor Division Related Payable*	-	3,531.53	-	-
	Other payables**	29.20	490.46	-	229.65
	Total B	17,539.74	21,187.34	14,983.32	14,860.52
	Total (A+B)	17,977.88	21,912.40	15,326.07	15,243.29

*Against which security guarantee given for Rs.3,525.00 lakhs. Refer Note No 40 (viii)

**Other Payables include Rs. 210.46 lakhs (PY: Rs. 210.46 lakhs) of advances received from various Government departments in respect of contract to supply imported cement.

15A	Lease Liability		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Balance as per last financial statements	725.52	1,081.88
	Additions during the year	1,133.23	288.53
	Deletions during the year	-	(117.65)
	Interest on lease liabilities accrued during the year	131.78	103.84
	Payment of lease liabilities	(827.33)	(631.08)
	Balance at the year end	1,163.20	725.52

Current	725.06	382.77
Non-current	438.14	342.75

Contractual maturities of lease liabilities on undiscounted basis		
Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	682.91	406.72
One to five years	734.13	479.17
More than five years	-	-
Total	1,417.04	885.89

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16	Provisions				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
	Provision for employee benefits (Refer Note 34)				
	Compensated Absences	307.65	169.40	337.29	137.40
	Employee Death Relief Fund	15.38	78.80	15.20	77.93
	Provision for Insurance Claim (Refer Note 40(i))	402.42	-	389.59	-
	Total	725.45	248.20	742.08	215.33

a	Movement of Provision for insurance Claim		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Balance as per last financial statements	389.59	363.93
	Addition during the year	12.83	25.66
	Balance at the year end	402.42	389.59

17	Other liabilities				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
	Statutory dues (provident fund and tax deducted at source etc.)	-	235.62	-	236.59
	Advance from Customers	-	2,380.05	-	1,006.93
	Total	-	2,615.67	-	1,243.52

18	Trade payables				
	Particulars	As at March 31, 2024	As at March 31, 2023		
	Total outstanding dues of micro enterprises and small enterprises	3,129.12	2,647.61		
	Total outstanding dues of creditors other than micro enterprises and small enterprises	7,915.05	6,865.45		
	Total	11,044.17	9,513.06		

- (i) 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 2023-24

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	Particulars	As at March 31, 2024	As at March 31, 2023
a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
	Principal amount due to small and medium enterprise	3,129.12	2,647.61
	Interest due on above	-	-
b	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.	-	-
c	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 *	-	-
d	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
e	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. The same has been relied upon by the auditors.		

(ii) Trade Payables aging schedule					
As at March 31, 2024		Outstanding for following periods from due date of payment			
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and small Enterprises	2,358.83	370.44	167.64	232.21	3,129.12
Other than Micro and small Enterprises	3,934.95	1,498.69	173.94	2,307.47	7,915.05
Grand total	6,293.78	1,869.13	341.58	2,539.68	11,044.17

As at March 31, 2023		Outstanding for following periods from due date of payment			
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and small Enterprises	839.53	1,476.23	70.76	261.09	2,647.61
Other than Micro and small Enterprises	3,889.73	414.72	197.10	2,363.90	6,865.45
Grand total	4,729.26	1,890.95	267.86	2,624.99	9,513.06

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19	Revenue from Operations		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Sale of products	335,386.49	280,344.90
	Income Earned on Chit Fund Business		
	Foreman's Commission	2,001.22	1,765.15
	Dividend	139.58	147.24
	Default Interest	208.33	224.29
	Other Operating Income		
	Processing Charges	43.22	32.44
	Commission and service charges	17.24	17.68
	Total	337,796.08	282,531.70

Disaggregation of Revenue from contracts with customers

a	Revenue based on Geography		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Domestic	337,796.08	282,531.70
	Export	-	-
	Revenue from Operations	337,796.08	282,531.70

b	Timing of revenue recognition		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Goods or services transferred at a point in time	337,796.08	282,531.70
	Goods or services transferred at a over time	-	-
		337,796.08	282,531.70

c	Revenue based on business segment		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Liquor	318,708.98	266,072.84
	Note Books & Stationery	14,339.28	9,984.71
	Pharmaceutical	1,456.63	1,441.75
	Industrial Products	297.13	1,988.27
	Chit Business	2,349.12	2,136.68
	Others	644.94	907.45
	Revenue from Operations	337,796.08	282,531.70

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d	Reconciling the amount of revenue recognised in the statement of profit or loss with the contracted price		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue as per contracted price	337,811.18	282,531.70
	Adjustments		
	Sales Return	15.10	-
	Trade and cash discounts	-	-
	Revenue from contact with customer	337,796.08	282,531.70

e	Contract assets and contract liabilities		
	The Company has recognised the following revenue related contract assets and liabilities		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Trade receivables (Refer Note 10)	7,455.19	3,912.11
	Advance from customers (Refer Note 17)	2,380.05	1,006.93

20	Other Income		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Interest Income on financial assets measured at amortised cost		
	-Fixed Deposits	2,136.46	1,106.21
	-Other financial assets and deposits	60.29	164.56
	Rent (^)(#)	597.79	855.40
	Dividend(*)	638.58	280.69
	Excess Provision no longer required	172.35	131.13
	Profit on sale of property, plant and equipment	-	6.11
	Miscellaneous income	158.65	517.74
	Total	3,764.12	3,061.84

(*) includes dividend received from subsidiary amounting to Rs.627.06 lakhs (PY: Rs.274.58 lakhs). Refer note 39

(^) includes rent received from subsidiary amounting to Rs. 2.13 (PY: Rs. 3.64 lakhs). Refer note 39

21	Cost of materials consumed		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Inventory at the beginning of the year	179.49	91.03
	Add: Purchases during the year	2,821.01	1,855.45
	Less: Inventory at the end of the year	63.70	179.49
	Total	2,936.80	1,766.99

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22	Purchases of Stock-in-Trade		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Liquor	290,107.21	243,126.50
	Notebooks and Stationery	9,138.80	5,469.51
	Pharmaceutical	1,172.92	1,251.63
	Industrial Products	282.97	1,900.60
	Others	528.40	808.37
	Total	301,230.30	252,556.61

23	Changes in inventories of finished goods and stock-in-trade		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Inventories at the end of the year		
	Traded goods	14,681.93	14,211.24
	Finished goods	1,180.07	671.35
		15,862.00	14,882.59
	Inventories at the beginning of the year		
	Traded goods	14,211.24	13,040.99
	Finished goods	671.35	1,317.85
		14,882.59	14,358.84
	Total	(979.41)	(523.75)

24	Employee Benefits Expense		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Salaries, Wages, Gratuity (Refer Note 34)	1,700.72	1,498.85
	Contribution to Provident & Other funds (Refer Note 34)	175.13	147.45
	Staff Welfare and Training Expenses	127.98	214.02
	Total	2,003.83	1,860.32

25	Finance Costs		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Interest on lease liabilities (Refer note 15A)	131.78	103.84
	Interest on financial liabilities measured at amortised cost	2.53	4.62
	Bank charges	73.53	71.15
	Guarantee Commission	30.68	0.31
	Total	238.52	179.92

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26	Depreciation and amortization expense		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Depreciation on Property, plant and equipment (Refer note 2)	1,103.40	1,124.38
	Depreciation on Investment Properties (Refer note 4)	118.27	118.24
	Amortization of intangible assets (Refer note 5)	0.71	0.85
	Depreciation of Right-of-use assets (Refer note 5A)	724.56	590.97
	Total	1,946.94	1,834.44
27	Other Expenses		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Conversion charges - Notebooks	320.54	254.67
	Packing Material & Secondary Freight	1,930.21	1,694.52
	Outsourcing expenses	7,661.79	7,372.10
	Rent (Refer note 5A)	981.62	1,089.63
	Repairs & Maintenance :		
	- Buildings	186.49	107.07
	- Vehicle	86.77	65.28
	- Others	460.27	241.68
	Insurance	162.55	168.65
	Rates and taxes	5,324.30	5,186.59
	Advertising and sales promotion (#)	354.40	473.33
	Communication costs	70.16	81.74
	Printing and stationery	220.70	205.02
	Payment to the Auditors(Refer Note 28)	10.08	10.08
	Legal and professional fees	667.71	710.19
	Travelling and conveyance	159.21	293.16
	Electricity & Water	297.52	237.35
	Security Services	91.47	90.02
	Commission	749.69	608.53
	Donation	202.25	310.00
	Corporate Social Responsibility expenditure (Refer note 37)	147.90	90.66
	Directors Sitting fees	0.60	1.64
	Loss on sale of property, plant and equipment (net)	2.94	-
	Allowances for doubtful debts and advances	488.87	245.94
	Impairment losses in value of other financial assets	-	6.83
	Miscellaneous	303.24	295.05
	Total	20,881.28	19,839.73

(#) includes advertising and sales promotion paid to subsidiary amounting to Rs.82.86 Lakhs (PY: Rs 24.45 lakhs) - Refer Note 39.

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28	Payment to the Auditor Included under Legal and professional Fees :		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	- Audit fee	9.17	9.17
	- Tax audit fee	0.91	0.91
	Total	10.08	10.08
29 A	Tax expense		
	Tax expense comprises of:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Statement of Profit and Loss		
	Current tax on continuing business	3,286.46	2,020.42
	Current tax on discontinuing business	1.34	(0.71)
	Deferred tax charge/(credit)	(491.04)	(65.72)
	Adjustment of tax relating to earlier years	124.14	35.29
	Income tax expense reported in the Statement of Profit and Loss	2,920.90	1,989.28
	Statement of Other Comprehensive Income		
	Deferred tax charge/(credit)		
	On Re-measurement gains/ (losses) on defined benefit plans	(0.29)	(6.69)
	On Fair value of Equity instruments	(300.79)	4.78
	Deferred tax charged to OCI	(301.08)	(1.91)
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:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Accounting profit before tax from continuing operations	13,301.94	8,079.28
	Profit/(loss) before tax from discontinued operations	5.32	(2.82)
	Accounting profit before tax	13,307.26	8,076.46
	Effective tax rate in India	25.168%	25.168%
	Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	3,349.17	2,032.85
	Adjustments:		
	Inadmissible expenditure	88.36	100.84
	Adjustment of tax relating to earlier years	124.14	35.29
	Eligible Deductions under the IT Act	(206.54)	(117.08)
	Other adjustment	(434.23)	(62.62)
	Total income tax expense	2,920.90	1,989.28
	Effective tax rate	21.95%	24.63%

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C	Deferred tax				
	Particulars	Balance sheet As at March 31, 2024	Balance sheet As at March 31, 2023	Statement of profit and loss and OCI for the year ended March 31, 2024	Statement of profit and loss and OCI for the year ended March 31, 2023
	Accelerated depreciation for tax purposes	(8.78)	(59.08)	50.30	41.70
	Unrealised Rental Income	-	(49.78)	49.78	13.87
	Provision for employee benefit expenses	131.74	142.91	(11.17)	(47.07)
	Provision for doubtful advances/debts	1,722.19	1,327.65	394.54	67.07
	Lease Liabilities and Right of Use Assets	4.25	(3.05)	7.30	(16.54)
	Fair value of Equity Investments	(296.01)	4.78	(300.79)	4.78
	Deferred tax expense/(income)			189.96	63.81
	Net deferred tax assets/(liabilities)	1,553.39	1,363.43		

Reflected in the balance sheet as follows:	As at March 31, 2024	As at March 31, 2023
Deferred tax asset	1,858.18	1,475.34
Deferred tax liability	(304.79)	(111.91)
Deferred Tax Asset (Net)	1,553.39	1,363.43

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.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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30	Discontinued Operations and assets held for sale		
A	Hire purchase operations- Discontinued Operations		
	The Company has discontinued its Hire Purchase Operations in July 2008, which was also a separate segment as per Ind AS-108, Operating Segments. The Company accounts for interest income from Hire Purchase Operations on cash basis. The scheduled EMI periods terminated in 2013-14. The results of Hire Purchase Operations for the year are presented below:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Other income	5.56	1.80
	Other expenses	0.24	4.62
	Profit/(Loss) before tax from discontinuing operations	5.32	(2.82)
	Tax expense on discontinuing operations	(1.34)	0.71
	Profit/(Loss) for the year from discontinuing operations	3.98	(2.11)
	Assets		
	Stock with hirers	291.83	296.76
	Less: Provision for stock with hirers	(291.83)	(296.76)
		-	-
	Liabilities	-	-

B Investment in equity shares - Assets held for Sale

The Government of Karnataka, vide its order no AHD 172 AFT 2010 dated March 05, 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 June 30, 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 the year end.

Unquoted - Fully paid equity shares	As at March 31, 2024	As at March 31, 2023
Associate		
Food Karnataka Limited		
50,000 (March 31, 2023: 50,000) fully paid equity shares of INR 10 each	5.00	5.00
	5.00	5.00
Liabilities associated with the assets held for sale	-	-

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31	Other Comprehensive Income		
	Items that will not be reclassified to profit or loss	Year ended March 31, 2024	Year ended March 31, 2023
	Gain/(loss) on FVTOCI of Investment in equity shares of:	1,189.74	(19.01)
	- J K Tyre Industries Limited	912.81	122.74
	- Bengal & Assam Co Limited	187.39	49.74
	- The Karnataka State Co-operative Apex Bank Limited	0.26	1.23
	- Hassan Mangalore Rail Development Company Limited	89.28	(192.72)
	Re-measurement gains (losses) on defined benefit plans	1.16	26.61
	Total Other Comprehensive Income	1,190.90	7.60

32	Earnings Per Share		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Profit attributable to equity holders of the company Continuing operations	10,382.38	6,089.29
	Discontinued operations	3.98	(2.11)
	Total	10,386.36	6,087.18
	No. of shares used for Basic and diluted Earnings Per Share	4,273,477	4,273,477
	Face Value of Share (Rs.)	100.00	100.00
	Earnings per share for continuing operations		
	Basic and Diluted (Rs.)	242.95	142.49
	Earnings per share for discontinued operations		
	Basic and Diluted (Rs.)	0.09	(0.05)
	Earnings per share for continuing and discontinued operations		
	Basic and Diluted (Rs.)	243.04	142.44

33	Dividend Paid		
	Cash dividends on equity shares paid:	Year ended March 31, 2024	Year ended March 31, 2023
	Dividend for the year ended	March 31, 2023	March 31, 2022
	Dividend paid	1,827.87	1,105.19

The Board has proposed Dividend of @ 30% of Profit after tax for the year which will have a outflow of Rs. 3,115.91 lakhs (March 31, 2023: Rs. 1,827.87 lakhs). The Proposed dividends is subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2024.

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34	Employee benefits		
A.	Define Contribution Plan		
	Amount of Rs. 175.13 lakhs (March 31, 2023: Rs. 147.45 lakhs) is recognised as expenses and included in Note No. 24 "Employee benefits expense".		
	Particulars	For the year ended March 31,2024	For the year ended March 31,2023
	Contribution to Provident Fund & Other Funds	175.13	147.45
	Total	175.13	147.45

B. Defined Benefit Plans and other long term benefits:

Gratuity(Funded)

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

Leave encashment (Unfunded)

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Death Relief fund (Unfunded)

The Company has a policy on Death relief fund for its employees. Each and every member is covered for death risk. In case of death the beneficiary gets certain fixed amount including company's contribution. The expected cost of accumulated death relief liability is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method.

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i. Disclosure of Employee Benefits as per Ind AS 19			
Particulars		As at March 31, 2024	As at March 31, 2023
Defined benefit liability - Gratuity		(47.78)	(63.21)
Liability for Compensated Absences		477.05	474.69
Liability for Death Relief fund		94.18	93.13
Total employee benefit liabilities		523.45	504.61
Non-current		275.25	289.28
Current		248.20	215.33

ii. Amount recognized in Balance Sheet - as per actuarial valuation						
Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation at the end of the year	662.00	793.85	477.05	474.69	94.18	93.13
Fair Value of Plan Assets the end of the year	709.78	857.06	-	-	-	-
Funded Status	47.78	63.21	-	-	-	-
Asset/(liability) recognized in Balance Sheet	47.78	63.21	(477.05)	(474.69)	(94.18)	(93.13)

iii. Reconciliation of the net defined benefit liability-Change in Present Value of Obligation						
Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation at the beginning of the year	793.85	1,016.28	474.69	650.48	93.13	104.36
Interest Cost	50.39	54.33	-	-	6.31	6.86
Current service cost	24.65	26.50	133.21	70.66	6.81	6.73
Benefits paid	(209.02)	(291.28)	(130.85)	(246.45)	(10.63)	(20.95)
Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income	2.13	(11.98)	-	-	(1.44)	(3.87)
Balance as at the end of the year	662.00	793.85	477.05	474.69	94.18	93.13

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iv.	Change in Fair Value of Plan Assets		
	Particulars	Gratuity - Defined benefit plan	
		2023-24	2022-23
	Fair Value of Plan Assets the beginning of the year	857.06	1,007.05
	Interest Cost	-	-
	Employer Contribution	4.70	74.45
	Benefits paid	(209.02)	(291.28)
	Return on plan assets excluding actual return on plan assets	55.19	56.08
	Actuarial gain /(loss) on obligation	1.85	10.76
	Balance as at the end of the year	709.78	857.06

v.	Expense recognised in Statement of Profit & Loss					
	Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund
		2023-24	2022-23	2023-24	2022-23	2023-24
	Current service cost	24.65	26.50	133.21	70.66	6.81
	Past service cost	-	-	-	-	-
	Remeasurement of obligation	-	-	-	-	-
	Net Interest on Net Defined Benefit Obligations	(4.80)	(1.75)	-	-	6.31
	Expense recognised in Statement of Profit & Loss before tax	19.85	24.75	133.21	70.66	13.12

vi.	Remeasurements recognised in Other Comprehensive Income					
	Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund
		2023-24	2022-23	2023-24	2022-23	2023-24
	Actuarial loss/ (gain) on obligation	0.28	(22.74)	-	-	(1.44)

vii. Assets			
The gratuity assets are managed by LIC of India.			
The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:			
Particulars		2023-24	2022-23
		(%) of Present value of Obligation	
Funding Ratio		108.00%	107.20%

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viii. Assumptions	<p>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:</p>					
Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Discount Rate	7.19%	7.31%	7.19%	7.31%	7.19%	7.31%
Salary Escalation Rate	7.00%	7.00%	0.00%	0.00%	0.00%	0.00%
Expected Return on assets	7.31%	6.24%	0.00%	0.00%	0.00%	0.00%
Attrition Rate	10.00%	10.00%	10.00%	10.00%	1.00%	1.00%
Mortality rate during employment	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate

ix. Sensitivity Analysis				
Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount Rate (100 bps movement)	(16.65)	17.81	(19.61)	20.99
Salary escalation rate (100 bps movement)	11.72	(11.76)	15.53	(15.63)
Attrition Rate (100 bps movement)	0.13	(0.17)	(0.09)	0.09
Compensated absences	-	-	-	-
Discount Rate (100 bps movement)	(20.39)	22.09	(20.77)	22.52
Salary escalation rate (100 bps movement)	20.88	(19.62)	21.50	(20.92)
Attrition Rate (100 bps movement)	(0.91)	0.98	(0.88)	0.95
Death Relief Fund	-	-	-	-
Discount Rate (100 bps movement)	(2.36)	2.54	(2.12)	2.27
Salary escalation rate (100 bps movement)	2.81	(2.65)	2.32	(2.43)
Attrition Rate (100 bps movement)	0.70	(0.74)	0.58	(0.61)

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The followings are the expected future benefit payments for the defined benefit plan :						
Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Gratuity						
Within the next 12 months	261.66	232.57	169.90	136.78	39.71	29.30
Between 2 to 5 years	290.41	479.39	237.09	297.84	37.23	55.22
Beyond 5 years	273.32	278.04	284.89	266.64	40.95	29.79
Total expected payments	825.39	990.00	691.88	701.26	117.89	114.31

Weighted average duration of defined plan obligation (based on discounted cash flows)				
Particulars	Gratuity - Defined benefit plan		Death relief fund - Defined contribution plan	
	2023-24	2022-23	2023-24	2022-23
Gratuity	5.52	5.86	5.52	5.86

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

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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	As At March 31, 2024	As At March 31, 2023
Total equity (Note 13 and 14)	65,993.73	56,545.42
Debt	-	-
Cash equivalents including other bank balances (Note 11 and 12)	41,940.98	28,640.05
Net debt	(41,940.98)	(28,640.05)
Total equity plus net debt	24,052.75	27,905.37
Gearing Ratio (Net debt to capital ratio)	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

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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**CIN:U85110KA1966SGC001612****Notes forming part of the Standalone Financial Statements****(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
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Notes forming part of the Standalone Financial Statements
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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:

As at March 31, 2024			
Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	8,386.60	(931.41)	7,455.19
Cash and cash equivalents	5,635.43	-	5,635.43
Other bank balance	36,305.55	-	36,305.55
Other financial assets	4,423.02	(1,994.87)	2,428.15

As at March 31, 2023			
Particulars	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	4,077.20	(1,877.26)	2,199.94

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 and Other Financial Assets		
Particulars	Trade receivables	Other financial assets
Loss allowance on 01 April 2021	(743.67)	(1715.60)
Allowance for expected credit loss	,743.67	363.56
Reversals/ written off during the year		-
Loss allowance on April 01, 2022	(764.69)	(1,937.27)
Allowance for expected credit loss	(19.12)	-
Reversals/ written off during the year	-	60.01
Loss allowance on March 31,2023	(783.81)	(1,877.26)
Allowance for expected credit loss	(158.12)	(155.57)
Reversals/ written off during the year	10.52	37.96
Loss allowance on March 31, 2024	(931.41)	(1,994.87)

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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 analyse 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).

As At March 31, 2024	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	11,044.17	-	-	11,044.17
Lease liabilities	725.06	438.14	-	1,163.20
Other financial liabilities	21,187.34	17,539.74	-	38,727.08
Total	32,956.57	17,977.88	-	50,934.45

As At March 31, 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	9,513.06		-	9,513.06
Lease liabilities	382.77	342.75	-	725.52
Other financial liabilities	14,860.52	14,983.32	-	29,843.84
Total	24,756.35	15,326.07	-	40,082.42

As At 31 March 2022	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	0.07	0.02	-	0.09
Lease liabilities	619.57	462.31	-	1,081.88
Other financial liabilities	16,660.73	9,090.92	-	25,751.65
Total	17,280.37	9,553.25	-	26,833.62

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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.
	Sensitivity
	Profit or loss is sensitive to higher/lower prices of instruments on the Company's reserves for the periods.

Particulars	March 31, 2024	March 31, 2023	31 March 2022
Price increase by 5% - FVOCI	179.73	120.25	-
Price decrease by 5% - FVOCI	(179.73)	(120.25)	-

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	March 31, 2024	March 31, 2023
	Gross amount required to be spent by the Company during the year	149.00	129.01
	Amount spent during the year on other than construction/ acquisition of any asset	147.90	90.66
	- Paid	147.90	90.66
	- Yet to be paid	-	-
	Shortfall/(Excess) at the end of the year	1.10	38.35
	Excess spent in earlier years	(10.83)	(50.09)
	Total of previous year Shortfall	-	-
	Reason for Shortfall	-	-
	Nature of CSR Activities*	-	-
Details of Related party transactions	-	-	

*CSR activities are listed below

- i) Healthcare Services
- ii) Educational activities

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38	Financial Instruments								
Financial instruments by category									
The following table shows the carrying amounts and fair values of financial assets and financial liabilities.									
Note No.	Particulars	As at March 31, 2024				As at March 31, 2023			
		Cost	FVTOCI	Amortized cost	Total	Cost	FVTOCI	Amortized cost	Total
Financial assets :									
6	Investments	597.43	3,594.67	-	4,192.10	597.43	2,404.93	-	3,002.36
7	Other financial assets	-	-	33,059.81	33,059.81	-	-	27,852.25	27,852.25
10	Trade receivables	-	-	7,455.19	7,455.19	-	-	3,912.11	3,912.11
11	Cash and cash equivalents	-	-	5,635.43	5,635.43	-	-	4,181.43	4,181.43
12	Other Bank Balances	-	-	36,305.55	36,305.55	-	-	24,458.62	24,458.62
	Total financial assets	597.43	3,594.67	82,455.98	86,648.08	597.43	2,404.93	60,404.41	63,406.77
Financial liabilities :									
18	Trade payables	-	-	11,044.17	11,044.17	-	-	9,513.06	9,513.06
15	Other financial liabilities	-	-	38,727.08	38,727.08	-	-	29,843.84	29,843.84
15	Lease Liability	-	-	1,163.20	1,163.20	-	-	725.52	725.52
	Total financial liabilities	-	-	50,934.45	50,934.45	-	-	40,082.42	40,082.42

Fair Value disclosure for Financial Instruments					
Note No.	Particulars	As at March 31, 2024		As at March 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial assets :				
6	Investments measured at Fair Value through OCI	3,594.67	3,594.67	2,404.93	2,404.93
	Total financial assets	3,594.67	3,594.67	2,404.93	2,404.93
	Financial liabilities :	-	-	-	-
	Total financial liabilities	-	-	-	-

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.

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.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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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, 2024			Total	As at March 31, 2023			Total
	Quoted price in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Un observable inputs (Level 3)		Quoted price in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Un observable inputs (Level 3)	
Asset measured at fair value								
Fair value through Other Comprehensive Income								
Investment in Equity shares	1,749.13	-	1,845.54	3,594.67	648.93	-	1,756.00	2,404.93

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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39	Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures		
(a)	Name of Related Parties and Nature of Relationship :		
Sr. No.	Name of Related Parties	Relationship	Remark
(I)	Key Management Personnel(KMP)		
1	Mr. Puttarangashetty	Chairman	From 26/01/2024
2	Mr. Patil M B	Chairman	From 13/06/2023 Up to 26/01/2024
3	Mr. Halappa	Chairman	Up to 12/04/2023
4	Mr. Manoj Kumar	Managing Director	From 03/07/2023
5	Mr. Vikash Kumar Vikash	Managing Director	Up to 03/07/2023
6	Mr. Ravishankar J	Director	
7	Ms. Gunjan Krishna	Director	
8	Mr. Nitish K	Director	
9	Mr. Ramesh R	Director	
10	Mr. Sateesha B C	Director	From 23/11/2023
11	Mr. Ravi M R	Director	Up to 23/11/2023
12	Mr. Venkatesh Naidu	Director	Up to 22/05/2023
13	Mr. Channadevaru C	Director	Up to 22/05/2023
14	Mr. Shivaji Shivaray Dollin	Director	Up to 22/05/2023
15	Mr. Andappa Javali	Director	Up to 22/05/2023
16	Mr. Totappa Nagappa Nidagundi	Director	Up to 22/05/2023
17	Mr. Satish R D	Director	Up to 22/05/2023
18	Mr. Ningappa	Director	Up to 22/05/2023
19	Mr. Shashidhar B Honnannavar	Director	Up to 22/05/2023
20	Ms. Sridevi B N	Company Secretary	
21	Mr. Avinash K R	Chief Financial Officer	From 01/12/2023
22	Mr. Chandrappa A M	Chief Financial Officer	Up to 01/12/2023
23	Ms. Sharada Manoj Kumar	Relative of Managing Director	
(II)	Subsidiaries		
1	Karnataka State Marketing Communication & Advertising Limited		
2	Mysore Chrome Tanning Company Limited		

Associates

K T Apartment Owners' Association

K T Mansions Apartments Owners' Association

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(b) Transactions with related parties:			
		March 31, 2024	March 31, 2023
a) With KMP & Relative of KMP			
Remuneration paid to Key management personnel (*)(à)		113.92	107.37
Contribution to Chit		7.50	-
Repayment of Advance by Chit Contributors		4.20	4.20
Expenses incurred on behalf of KMP		1.13	9.41
Sitting Fee paid to Directors		0.51	1.64
b) With Subsidiaries			
Dividend received from subsidiaries		627.06	274.58
Rental income from subsidiaries		2.13	3.64
Advertisement and Printing expenses		82.86	24.45
Expenses incurred on behalf of subsidiaries		1.00	0.44

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

(à) Includes contribution to provident fund

(c) Balances with related parties as on date are as follows			
		March 31, 2024	March 31, 2023
a) With KMP			
Advances from KMP for Chit		7.50	-
Advances to KMP for Chit		1.55	5.75
Receivable from KMP		10.53	9.41
b) With Subsidiaries			
Payable to subsidiaries		26.65	10.59

(d) Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given, at the year-end are unsecured and interest free and settlement occurs in cash.

(e) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2024 (March 31, 2023: Rs. Nil)

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(All amounts in Rs lakhs unless otherwise stated)

40 Contingent Liabilities And Commitments				
Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023	
1	Guarantees / Counter Guarantees given by Banks on behalf of the Company	38.57	38.57	
2	Claims against the Company not acknowledged as debt			
a	Insurance Claim on Fire Policy - Refer Note (i) below			
	– Pending cases	207.73	207.73	
	– Decreed cases	488.70	488.70	
	– Interest on above	718.56	680.06	
b	Claim made by party in the business of Iron ore Export (including interest) - Refer Note (ii) below	2,594.64	2,465.96	
c	Claims made by Directorate of Pension, Small savings Asset Monitoring - Refer Note (iii) below	1,553.60	4,609.86	
d	Claim against lease of windmill by Wescare (India) Limited - Refer Note (iv) below	123.79	119.23	
e	Claim by Airport Authority of India - Licence fee on lease of Bangalore Air Carco Complex (BACC) Refer Note (v) below	397.14	397.14	
3	Disputed Demands - Refer Note (vi) below			
	– In respect of Income Tax	3,725.62	2,975.76	
	– In respect of Service Tax	231.61	290.00	
4	GST RCM on Transportation Charges - Refer Note (vii) below	365.49	45.98	
5	Interest liability on SKOL Breweries Claim - Refer Note (viii) below	308.77	-	

- (i) Certain Insurance Companies who had settled the claims of their customers on account of fire accident at BACC owned by the 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 Honourable Supreme Court against the order of the High Court of Karnataka. The Honourable Supreme Court had directed vide its order dated November 06, 2009 that all the parties (the 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 subjudice.

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. 958.08 lakhs (PY: Rs. 906.75 lakhs). An amount of Rs. 239.52 lakhs is provided in the current year (PY: Rs. 226.69 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 had

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(All amounts in Rs lakhs unless otherwise stated)

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.

- (ii) 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. 2,594.64 lakhs (PY: Rs. 2,465.96 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 Court to 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

An irrevocable Letter of Credit in favour of MMI for Rs. 5 Crores was established. The supplier, having failed to mobilize funds to procure ore, sought advance from MSIL. As the ship had already arrived at the port on December 10th 2009, to avoid demurrage, the Company had advanced Rs. 2.15 Crores against post dated cheques and commitment to create equitable mortgage on properties which the company could not complete. In view of continued failure to supply the ore, the Company had deposited the cheques for collection but these were dishonoured and hence a criminal case under Negotiable Instruments Act, 1881 was filed on 25.02.2010, now the case is pending before the Chief Metropolitan Court, Bangalore. In the hearing held on 8th August 2019 it was informed by the Advocate for the accused that the accused had expired and the Death Certificate will be produced in the next hearing.

When MMI failed to supply, the Company approached another supplier, Saram Exports, who had agreed on the same terms and conditions. MSIL advanced Rs. 4.5 Cr to the new supplier and the ship loaded with 46,846.48 MT ore sailed on January 14th 2010 after a delay of 29 days. MSIL had to incur additional customs duty of Rs.32,22,680/- due to increase by Government of India. The supply by Saram Exports was dispatched on an urgent basis as the time available for shipping was over and could not wait for Test Report. Subsequently the test report revealed that Fe content of the shipment was only 49.37%.

The Company raised an invoice on the buyer and negotiated the documents through LC which could not be negotiated as it was lapsed. On the cargo reaching Hong Kong port, Chinese Inspection Quality Report revealed an Fe content of 45.9% and hence the buyer rejected the ore as sub standard. Subsequently, overseas buyer was authorized to sell the ore and realize the proceeds. The ore was sold at US\$ 35 per MT on CFR basis realising US\$ 16,39,626.80 vide invoice dated March 23rd 2010. MSIL requested the foreign buyer to remit the sale proceeds who in turn claimed US\$ 24,25,051.88 towards its claim against the Company, which the company didn't agree.

- (iii) Directorate of Small Savings: A letter dated November 18, 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. 4,609.86 lakhs drawing reference to their earlier letters. However the Company vide its letter dated December 10, 2020 had communicated that it had earlier remitted a sum of Rs. 352.61 lakhs on October 17, 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. After submission of necessary documents, the Government of Karnataka has reduced the demand to 1787.00 lakhs including interest. The Company has provided Rs. 233.40 lakhs against the said claim. The remaining amount of Rs.1,553.60 lakhs is reported under Contingent Liability. The Company is in the process of submitting request for waiver of Interest.

- (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) 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 January 01, 2001 to 2010. After a joint survey, the property has been handed over on March 02, 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. 226.89 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: Rs. 397.14 lakhs)
- (vi) Disputed Demands
 - (a) It is not practicable for the Company to estimate the timing of cash outflows, if any, pending resolution of the respective proceedings.
 - (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
 - (c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- (vii) Refund claim of GST RCM of Rs. 45.98 lakhs were paid towards transportation charges which is reported under "Other Assets" in note no. 8. The actual claim up to December 2020 was Rs. 121.42 lakhs. The difference of Rs. 75.44 lakhs were charged to the Statement of Profit and Loss in earlier years. The Company's claim was rejected by Assistant 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. Further liability on GST RCM on transportation charges for the period from January 2021 to March 2024 is Rs. 319.51 lakhs which has not been discharged by the Company. No provision has been made for the refund receivables as well as additional liability since the Company is legally advised that the chances of favourable outcome are high. The Company has disclosed such amount as "Contingent Liability".
- (viii) Honourable Supreme Court, vide order dated February 13, 2003 had ordered for the appointment of an Authorised Officer to quantify the commission due to the Company from Mysore Breweries (MBL) (MBL was formerly known as SKOL Breweries and now is known as AB Inbev India Limited). The decision of the Authorised Officer to pay Rs. 2,518.00 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, the Company has received sum of Rs.3531.53 lakhs against the bank guarantee of Rs.3,525.00 lakhs issued in favour of High Court of Karnataka. If the order of appeal goes against the Company, the Company will have to refund the entire amount including interest at bank rate. Pending resolution, the Company has disclosed interest on such fixed deposits of Rs. 308.77 lakhs as "Contingent Liability".

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Notes forming part of the Standalone Financial Statements
(All amounts in Rs lakhs unless otherwise stated)

41	Capital Commitment and Other Commitments		
	Particulars	As at March 31, 2024	As at March 31, 2023
	(a) Capital commitments		
	Property, Plant & Equipment	187.79	160.08
	(b) Other commitments		
	Commitment in respect of subscription for substituted chit	104.11	22.53

42 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) Government Grants/Incentive

The Company is claiming grant/incentive from Government agency-BPPI. During the financial year 2021-2022, 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 year, an amount of Rs. 66.06 lakhs was due under these claims and an equal amount provision has been made for the same. However, as per the communication received from Janaushadi department, the Company has received the complete amount of normal incentive and there are no outstanding receivable on account of such incentive.

(iv) With respect to Chit Fund Division “Amount Recoverable from Prized Subscribers” amounting to Rs. 31618.08 lakhs classified as “Loans under Financial Assets”, measured at amortized cost, carrying amount in net of Rs. 1196.65 lakhs being the unreconciled balances. Consequential impact of such reconciliation and confirmation, if any, on the profit and on the assets/liabilities is not ascertainable.

(v) The Company had entered into a lease agreement with Mrs. Nagarathna for a property near 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 June 24, 2019 against the Company for recovery of the unpaid rent of Rs. 59 lakhs with the Interest at 18 % from November 15, 2011 to December 20, 2013. The Company approached the Hon’ble HC, Karnataka and had obtained an interim stay on October 21, 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.

MYSORE SALES INTERNATIONAL LIMITED**CIN:U85110KA1966SGC001612****Notes forming part of the Standalone Financial Statements****(All amounts in Rs lakhs unless otherwise stated)**

- (vi) 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-CUSTOM-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.

- (vii) M/s. Pearl Ports and Warehousing Pvt Limited has entered into lease agreement with MSIL on March 28, 2018 for leasing 89,888 Sq. ft with 25% enhancement every three years, for a period of 15 years. The agreement was modified by an addendum dated June 18, 2018. As the tenant was not paying dues as per the lease agreement, the Company has served Lease Termination Notice on May 03, 2021. Further a Police Complaint also lodged as the tenant has undertaken civil works without the permission of the Company. The Company has filed a petition before Hon'ble HC of Karnataka for appointment of Sole Arbitrator and a retired judge has been appointed as Sole Arbitrator on March 21, 2022. As at the year end, an amount of Rs. 337.32 lakhs (PY Rs. 279.53 lakhs) is due from the tenant. The Company is carrying provision of Rs. 137.24 lakhs (PY: Rs. 137.24 lakhs) against the same.
- (viii) The Company has entered into a lease agreement dated September 27, 2018, for letting out its leased property situated at Navi Mumbai (Karnataka Bhavan) with M/s. Athithaya Kshema Hotels Pvt Ltd for a period of 15 years. The tenant was not paying dues as per lease agreement and as at the year end, an amount of Rs. 1,006.03 lakhs (PY Rs. 759.18 lakhs) is due from the tenant and the Company is holding an equivalent amount of provision.
- (ix) The Company has received certain advances for the tours and travels services from Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka. The Company has also made supplies to RGUHS in Papers Division. Since disputes arose between the Company and RGUHS and with the corresponding service providers, the receivables and payables accounts of RGUHS and service providers need to be reconciled. The Company has made a provision for bad and doubtful advances to the extent of Rs. 200 lakhs in this regard. The potential effect of the same on the financial statements is not ascertainable in the absence of reconciliation statements.

MYSORE SALES INTERNATIONAL LIMITED**CIN:U85110KA1966SGC001612****Notes forming part of the Standalone Financial Statements****(All amounts in Rs lakhs unless otherwise stated)****43. Other regulatory information required by Schedule III****a. Utilisation of borrowed funds**

During the year ended March 31, 2024 and March 31, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries)

- i) 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
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Further, during the year ended March 31, 2024 and March 31, 2023, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i) 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
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

b. Details of crypto currency or virtual currency

The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 (PY: Nil)

c. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2024 (PY: Nil).

d. Wilful Defaulter

The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2024 (PY: Nil).

e. Undisclosed Income

The Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year ended March 31, 2024 (PY: Nil)

f. Relationship with struck off companies

The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2024 (PY: Nil).

g. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Notes forming part of the Standalone Financial Statements
(All amounts in Rs lakhs unless otherwise stated)
h. Compliance with approved Scheme(s) of Arrangements

The Company has entered into an scheme of arrangement as disclosed in note 43. The accounting effect of such scheme has been accounted for in the books of account of the Company in accordance with “the Scheme” and Ind AS.

i. Valuation of Property, Plant and Equipment's, right-of-use assets and intangible asset

The Company has not revalued its Property, Plant and equipment, right-of-use assets and intangible asset during the current or previous year.

Note 44 : Financial Ratios

Sr.	Type of Ratio	Numerator	Denominator	2023-24	2022-23	Variance (in %)	Remarks for variance more than 25%
1	Current Ratio (In times)	Current Assets	Current Liabilities	2.26	2.22	1.46%	Not Applicable
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	NA	NA	NA	Not Applicable
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Depreciation and amortisation and after tax other adjustments like loss/profit on sale of Fixed assets etc.	Debt Service	NA	NA	NA	Not Applicable
4	Return on Equity Ratio (%)	Net Profit after Tax	Average Total Equity	16.95%	11.00%	54.11%	Increase in Profit
5	Inventory turnover Ratio (In times)	Revenue from operations	Average Inventories	21.80	19.14	13.91%	Not Applicable
6	Trade Receivables turnover Ratio (In times)	Revenue from operations	Average Trade Receivables	59.43	45.87	29.57%	Increase in Revenue and Debtors
7	Trade Payables turnover Ratio (In times)	Total purchases	Average Trade Payables	59.16	24.15	144.98%	Increase in purchases and trade payables
8	Net capital turnover Ratio (In times)	Revenue from operations	Working Capital	5.44	7.45	-27.00%	Increase in Revenue
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from operations	3.07%	2.15%	42.71%	Increase in Net profit
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed ((Total Equity + Total Debt + Deferred Tax Liabilities/ (Assets)	20.05%	14.26%	40.65%	Increase in profit before tax
11	Return on investment (%)	Not Applicable		NA	NA	NA	

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Notes forming part of the Standalone Financial Statements
(All amounts in Rs lakhs unless otherwise stated)
45 Reclassification of items in the standalone financial statements

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

A. For Balance Sheet Items:

Reclassification has been done because of following reasons:

1. Reclassification of items from Current to Non-current and vice-a-versa.
2. Reclassification of items from financial to non-financial category and vice-a-versa.

Sr. No.	Class of Item reclassified	Note	As per previous audited financial statements	Adjustments	As per reclassified financials statements
I	ASSETS				
	Non-current assets				
	(a) Financial assets				
	(i) Other financial assets	7	16,590.89	1,260.57	17,851.46
	(b) Other non-current assets	8	68.60	(5.39)	63.21
	(c) Non Current tax asset (net)	8A	-	4,108.74	4,108.74
	Current assets				
	(a) Financial assets				
	(i) Other financial assets	7	12,365.78	(2,364.99)	10,000.79
	(b) Other current assets	8	7,406.21	(2,561.50)	4,844.71
	(c) Current tax asset (net)	8A	437.44	(437.44)	-
II.	EQUITY AND LIABILITIES				
	Liabilities				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Other Financial Liabilities	15	17,706.03	(2,722.71)	14,983.32
	(b) Provisions	16	1,508.83	(766.75)	742.08
	Current liabilities				
	(a) Financial liabilities				
	(i) Trade payables	18			
	(a) Total outstanding dues other than micro and small		8,317.74	(1,452.29)	6,865.45
	(ii) Other financial liabilities	15	9,756.79	5,103.73	14,860.52
	(b) Other current liabilities	17	1,361.55	(118.03)	1,243.52
	(c) Provisions	16	259.28	(43.95)	215.33

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Notes forming part of the Standalone Financial Statements
(All amounts in Rs lakhs unless otherwise stated)

B.	For Statement of Profit and Loss Items:				
	Reclassification has been done because of following reason: 1. Reclassification of items from Other Income to Revenue from Operations.				
Sr. No.	Class of Item reclassified	Note	As per previous audited financial statements	Adjustments	As per reclassified financials statements
I	Continuing operations				
	Revenue from operations	19	282,499.26	32.44	282,531.70
	Other income	20	3,094.28	(32.44)	3,061.84

- 46** The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of June 27, 2024, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.
PARTNER

Membership No. 100892

Place: Bengaluru

Date : June 27, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

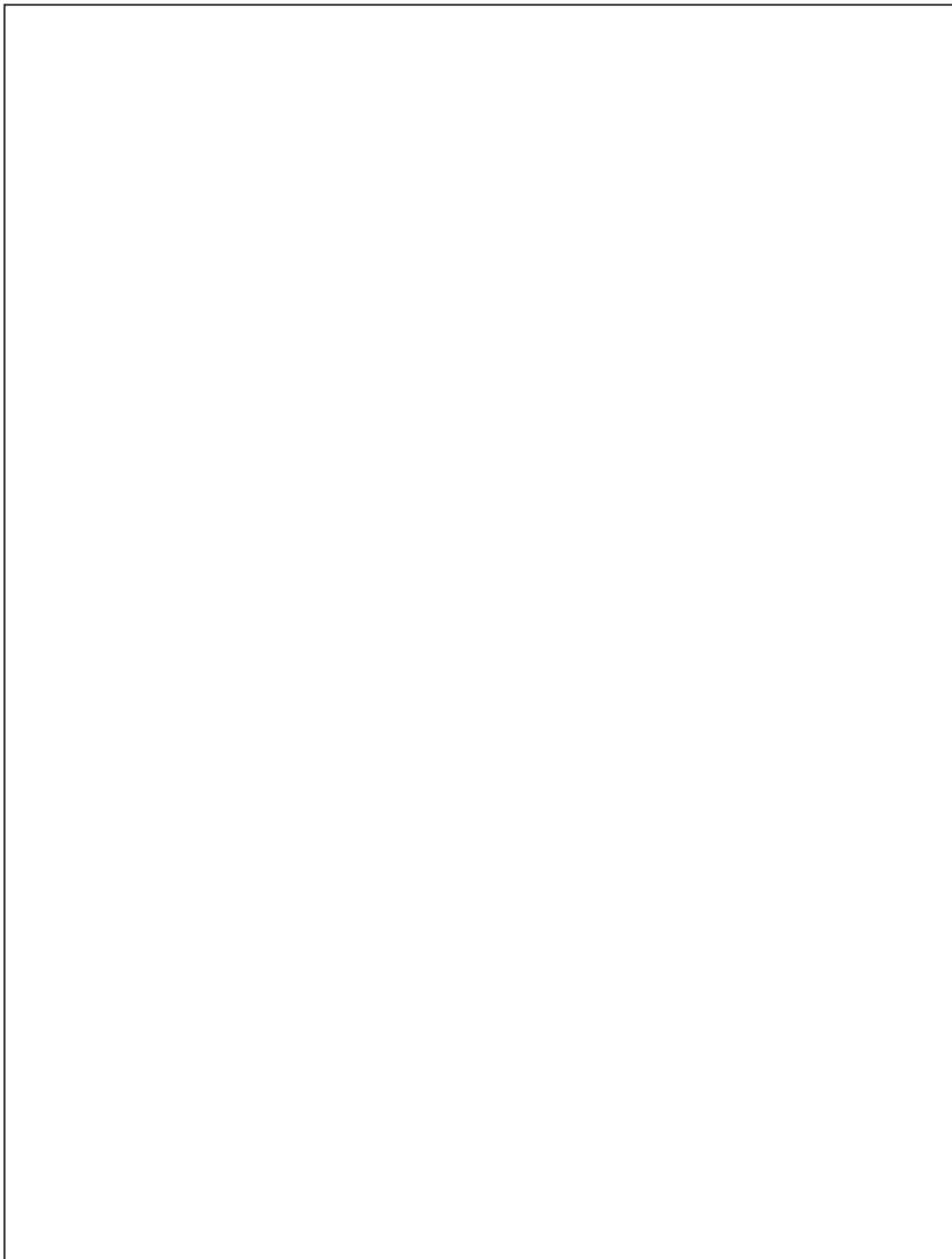
Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED

**CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2024**



REVISED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYSORE SALES INTERNATIONAL LIMITED

Revised Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated financial statements of Mysore Sales International Limited ("the Parent") and its Subsidiaries and Associate as listed in Annexure A (the parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date and the material 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 the other auditors on separate financial statements of the subsidiaries, except for the effects of the matters described under the "Basis for Qualified Opinion" section of our report the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2024, and the 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 10th Sept 2024 (the original report) at Bangalore on the financial statements as adopted by the Board of Directors on even date. Pursuant to the observations 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 (f),(g) and (h) under paragraph Basis for Qualified Opinion for Karnataka State Marketing Communication and Advertisement Limited (formerly known as Marketing Communication & Advertising Limited). This audit report supersedes the original report which has been suitably revised to consider observations of Comptroller and Auditor General of India.

Basis for Qualified Opinion for Mysore Sales International Limited:

- a. The Company, for Export Division, has not conducted physical verification of imported river sand stock during the year. However, the physical verification was conducted in the previous year where it was found that there was a shortage of 16,565.002 MT amounting to Rs. 347.87 lakhs. 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.
- b. For 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), there may be impact on the financial statements which are not ascertainable.
- c. As per Ind AS 109-Financial Instruments, the Company, for Chit Fund Division, carries the impairment loss allowance as per Expected Credit Loss Model (ECL) of Rs. 635.91 lakhs. However, in absence of sufficient information about the accuracy and reasonableness of various parameters including the "Probability of Default (%)", "Loss Given Default (%)" and the basis of classification of financial assets based on the significant increase in credit risk and consequently determination of the 12 months ECL and lifetime ECL, we are unable to evaluate and comment on adequacy of ECL.

The Company has not made necessary disclosure required by Ind AS 1 - Presentation of Financial Statements for this departure.

- d. The Company, for Tours and Travel Division, has not provided for the doubtful advances to Nishi Forex and Leisure Limited for Rs 169.16 Lakhs. Non provision for this doubtful advance has resulted into overstatement of profit for the period and overstatement of Advances to supplier by Rs 169.16 Lakhs.
- e. The interest liability on MSME trade payables for delayed payment has to be provided as per MSME Act, 2006. However, the Company has not provided interest for the period of delay in making payments to MSME trade payables as the Company has not received any interest claim by MSME vendors. In absence of information, we could not quantify such interest amount.
- f. The Company has recognised long term leases as per Ind AS 116 during the year which were considered as short-term leases up to the end of previous financial year. Due to this, addition to Right of Use Assets (ROU Assets) and Lease Liabilities are higher by Rs. 1,011.20 lakhs, Depreciation on ROU Assets is higher by Rs. 326.34 lakhs and Interest on Lease Liabilities is higher by Rs. 49.18 lakhs. The Company has not complied with the disclosure requirement required by Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors for these changes in accounting estimates.
- g. The disclosure in Note 41 (viii) to the financials doesn't include complete details on accounting done by the Company. The Company has recognized the recoverable from Athithaya Kshema Hotels Pvt Ltd ("the tenant") without recognizing rental income of Rs 245.05 Lakhs and provided for the provision on the same without charging the provision in other expenses by Rs 245.05 Lakhs. The entries are passed without routing through profit and loss account. There is no impact to the financial profit, as the Company considers the receivable as doubtful.

- h. The Company has not recognised rent income for the warehouse in Mysore leased to Nest well Constructions Private Limited ("Lessee") for the period from December 2021 till March 2024 because of dispute with the Lessee. The Company has not made suitable disclosure of this dispute and amount recoverable from the lessee on account of the dispute in the financial statements. Rental income for the Lessee for the year ending March 31, 2024 is Rs 41.73 Lakhs has not been accounted in Statement of Profit and Loss. There is no impact to the financial profit, as the Company considers the receivable as doubtful.

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), the subsidiary of the holding company issued by independent firm of Chartered Accountants vide their Revised Audit Report dated September 24, 2024 reproduced by us as under: -

- a. Trade Receivables shown at Rs. 17,802.24 lakhs (P.Y. Rs. 15,408.87 lakhs) represent the net amount after deduction of credit balances to the extent of Rs. 359.96 lakhs, GST TDS of Rs. 1,260.63 lakhs, unidentified Debtors collection of Rs. 810.04 lakhs and Income Tax TDS of Rs. 1,483.94 lakhs to be adjusted to the respective Debtors.

In view of the aforesaid amounts of credits pending adjustment, we are unable to satisfy about the veracity of the provision of Rs. 3,772.02 lakhs (P.Y. Rs. 3,758.20 lakhs) made in the books of accounts towards the Trade Receivables doubtful of recovery and in the absence of adequate information, we are unable to quantify the extent by which it is either excessive or otherwise.

Further, the fact that the confirmation of balances from majority of the Debtors having not been received, year after year, also compels us to regret our inability to place our reliance on the same.

b. Considering the fact that substantial portions of the Income Tax Refunds claimed, have been adjusted towards various Tax demands of earlier years by the Tax Authorities and for the reasons of absence of reconciliation of the same for the years beginning from the F.Y. 2001-02 to F.Y. 2022-23, the Company's right to claim the refund of Rs. 488.73 lakhs towards the excess paid Income tax up to the period F.Y. 2022-23, as shown under the Non-current Assets in Note No. 8 of Notes forming part of the Annual Accounts, we are unable to satisfy ourselves as to whether it is good for recovery.

c. That as the amount under Trade Advances and Other Receivables (Loans and Advances) in Note No.12, includes Target Incentive of Rs. 68.51 lakhs (P.Y. Rs.68.51 lakhs) receivable from various News Publishers which is not reconciled, for which no confirmation is available and the realization of the same is not certain, the same is in our opinion doubtful of recovery.

Similarly, the Trade Advances and Other Receivables in Note No. 12 of Notes forming part of the Annual Accounts includes the advance paid to the News Publishers amounting to Rs. 51.12 lakhs (P.Y. Rs. 51.12 lakhs) which is not reconciled, for which no confirmation is available and the realization of the same is not certain, the same is in our opinion doubtful of recovery.

To this extent, the balance of Current Assets is overstated, the same having not been provided for in the accounts.

d. Note No. 31(b) regarding Contingent Liabilities includes explanations regarding a concluded case involving the Company's erstwhile employee late Mr.H S Hanumanthaiah where the liability is ascertained and confirmed by the order of the Hon'ble High Court of Karnataka which is further upheld by the Hon'ble Supreme Court of India by dismissing the Special Leave Petition vide its order dated 12-Oct-2017. The Company has not provided for the said ascertained liability in its books of accounts for the reason that the employee passed away during the pendency of

the proceedings and there has been no claim from the legal heirs.

Since the said liability is an ascertained liability and the same will have to be dealt with as per the applicable labour laws, the Company cannot avoid providing for it in the books of account taking shelter under no claim from the legal heirs of the dismissed and deceased employee.

For want of details from the Management, we are unable to quantify the liability to the said deceased employee so not provided for in the accounts.

e. The Company has incurred Interest on Belated Payment of GST Cash of Rs. 275.43 lakhs (P.Y. Rs.149.21 lakhs) disclosed in Note No. 29 under Other Expenses. The Company has treated the said expense as Cash Flow from Operating Activities whereas the same ought to have been treated as Cash Flow from Financing Activities, which has resulted in incorrect disclosure as per IND AS-7.

f. Note No. 8, Other Non-Current Assets, includes Rs. 10.30 lakhs being VAT refund receivable with respect to VAT paid to de-registered dealer/ Vendor and pending to be received since making a refund application on 05-March-2015. In the absence of any representations made by the Company with the Tax authorities during the year to recover such amount and considering the period of pendency of such matter, we are unable to satisfy ourselves as to whether it is good for recovery.

g. Note No. 7 on Advances recoverable in kind or for value to be received includes Earnest Money Deposits paid of Rs.69.57 lakhs (P.Y. 41.07 lakhs), out of which Rs. 40.42 lakhs are relating to the periods 2013-14 to 2018-19 and pending recovery. In the absence of any action to recover the same and considering the period of pendency, we are unable to satisfy ourselves as to whether the deposits are good for recovery. The extent of the financial impact of the overstatement of Advances recoverable in kind or for value to be received cannot be determined, in absence of further information.

- h. The amount disclosed in Note No. 15C under Deposit from customers and others includes Earnest Money Deposits amounting to Rs.183.82 lakhs, includes an amount of Rs. 71.19 lakhs (P.Y. Rs. 73.69 lakhs) which has been collected as refundable Earnest Money Deposit and shown as Other Current Liabilities. However, the Company is not able to identify the respective suppliers and to refund the same even when the respective projects have been completed quite a few years ago.

We draw attention to the adverse audit opinion of the financial statements of The Mysore Chrome Tanning Company Limited, the subsidiary of the holding company issued by independent firm of Chartered Accountants vide their revised Audit Report dated September 6,2024 reproduced by us as under: -

Basis for adverse opinion:

- a) The Company is not a going concern as the Company has not carried on any manufacturing activities since 1986. The Company has accumulated losses of Rs. 816.94 lakhs and net-worth stand eroded. As of that date, the Company's liabilities exceeded its total assets by Rs. 741.20 lakhs. These events or conditions, along with other matters indicate that material uncertainty does exist and 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 for the current year and Rs.137.03 lakhs from April 1999. Had this interest been provided, the profit for the year would have been Rs 26.93 lakhs against the profit before tax for the year of Rs 32.41 lakhs. Current Liability understated to the extent of Rs. 5.48 lakhs for the year and accumulated loss understated by Rs. 137.03 lakhs. Although the same has been reported as contingent liability by the Company.

Emphasis of Matters for Mysore Sales International Limited

- a. We draw attention to Note no. 41 (iv) to the consolidated financial statements wherein it is mentioned that with respect to "Amount

Recoverable from Prized Subscribers" amounting to Rs. 31618.08 lakhs classified as "Loans under Financial Assets", measured at amortized cost, carrying amount in net of Rs. 1196.65 lakhs being the unreconciled balances, the impact of which on the financial statements is not ascertainable.

- b. We draw attention to Note no. 41 (ix) to the consolidated financial statements wherein it is mentioned that the Company has received certain advances for the tours and travels services. The Company must 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 with the corresponding service providers, the receivables and payables accounts of RGUHS and service providers need 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 potential effect of the same on the financial statements is not ascertainable in the absence of reconciliation statements.

- c. We draw attention to Note no. 39 (vii) to the consolidated financial statements wherein it is mentioned that "Refund claim receivable" on account of GST RCM on Transport is Rs. 45.98 lakhs whereas the actual claim up to December 2020 was Rs. 121.42 lakhs. The difference of Rs. 75.44 lakhs were charged to the Statement of Profit and Loss in earlier years. The Company's claim was rejected by Assistant

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. Further liability on GST RCM on Transport for the period from January 2021 to March 2024 is Rs. 319.51 lakhs which has not been discharged by the Company. No provision has been made for the refund receivables as well as additional liability since the Company is legally advised that the chances of favourable outcome are high.

- d. We draw attention to Note no. 41(ii) to the consolidated financial statements which describes the uncertainty related to the payables and receivables outstanding balances. In the absence of balance confirmations and reconciliations, the financial impact on consolidated financial statements is not ascertainable.

Our opinion is not qualified in respect of this matter.

We draw attention to the following Emphasis of Matters to the audit opinion of the financial statements of Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited), the subsidiary of the holding company issued by independent firm of Chartered Accountants vide their Revised Audit Report dated September 24, 2024 reproduced by us as under:-

Attention is drawn to the disclosed in Note No. 18 under Trade Payables which includes amount of Rs.66.07 lakhs (P.Y. Rs.46.44 lakhs) which relate to dues outstanding to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSEMD Act, 2006") and to the explanatory note under provided thereunder which discloses the methodology of collection of such information and reliance on such information to present the data. Our reliance regarding the suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSEMD Act, 2006"), is limited to the 23 suppliers who have confirmed their registration status, as MSME, to the Company.

Their opinion is not modified in respect of this matter.

We draw attention to the Emphasis on Matter to the adverse audit opinion of the financial statements of The Mysore Chrome Tanning Company Limited, the subsidiary of the holding company issued by independent firm of Chartered Accountants vide their revised Audit Report dated September 6, 2024 reproduced by us as under: -

- a) Regarding recovery of compensation amount from BDA, amount being unascertainable.
- b) Regarding non provision of Interest on Special Component plan, effect of which is not ascertainable.

- c) Regarding non confirmation of loans and advances.
- d) The financial statements which, describes the uncertainty related to the outcome against the contingent liabilities of the Company
- e) Regarding pending compliances with registrar of companies under Companies Act 2013.
- f) Regarding TDS shown as advance related to prior year written off.
- g) Regarding 2979 Sq. meter of land being occupied by slum dweller for which compensation is agreed by the KSCB but the compensation amount has not been ascertained.

Their opinion is not modified in respect of this matter

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

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Parent'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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group 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 parent 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management and Board of Director of the companies included in the group are responsible

for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 are also responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of the 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 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 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 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 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 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 consolidated 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 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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:

1. The financial statements of the Group for the year ended March 31, 2023 were audited by another auditor whose revised report dated December 30, 2023 expressed a modified opinion on those statements.
2. We did not audit the financial statements of two subsidiaries whose financial statements reflect

total assets of Rs. 46,559.95 lakhs as at March 31, 2024 and total Revenues of Rs. 39,689.39 lakhs for the year ending March 31, 2024 and net cash flows amounting to Rs. 4,939.11 Lakhs for the year ending March 31, 2024, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net loss of Rs. 5.66 lakhs for the year ended March 31, 2024 as considered in the consolidated financial statements in respect of one associate. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the 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 is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the other matters section above 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 matters described in the "Basis for Qualified Opinion" paragraph above, in our opinion proper books of accounts as required by law have been kept by the group including relevant records relating to preparation of the aforesaid consolidated financial statements so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and

Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the 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 Qualified Opinion" paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) Based on revised audit report of The Mysore Chrome Tanning Company Limited (MCTCL) the matters related to MCTCL described in basis for adverse opinion paragraphs above and also stated in Emphasis of Matter, in the opinion of MCTCL's Independent Auditor, may have an adverse effect on the functioning of the MCTCL.
- f) Being a government company, reporting on the matter 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.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditor's reports of the Parent, Subsidiary companies. Our report expresses an Qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements of those companies.
- h) Being a government company, reporting on the matters of managerial remuneration under Section 197(16) of the Act is not applicable in terms of Notification no. G.S.R. 463 (E) dated 05.06.2015 issued by the Ministry of Corporate Affairs.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer Note no. 39(3) of the consolidated financial statements.

Additionally, for Mysore Crome Tanning Company Limited does not have any pending litigations which would impact its financial position except dispute related to recovery of compensation amount from Bangalore Development Authority, on land for an area of 5777 square yards acquired for road purpose

- ii. The Group 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 Parent and its subsidiary companies.
- iv. 1 The respective managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of its 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 Parent or any of such subsidiaries to or in any other person(s) or entity(ies), 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 Parent or any of such subsidiaries ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 2 The respective managements of the Parent and its subsidiaries which are companies incorporated in India, whose financials have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, 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
- 3 Based on the audit procedures conducted by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.
- v. The final dividend proposed in the previous year, declared or paid by the Parent Company and its subsidiaries which are companies incorporated in India, whose financials have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and based on the other auditor's reports of its subsidiary companies, whose financials have been audited under the Act, the Parent and its subsidiary companies have used accounting software for maintaining its books of account which have

a feature of recording audit trail facility and the audit trail feature has been operating throughout the year for all relevant transactions recorded in the software in respect of Beverages division of the Parent Company and Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited), the subsidiary company. Further, during the course of our audit we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with. In case of other divisions of the Parent Company and the other subsidiary company, the accounting software does not have the audit trail feature.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014

on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure C" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

UDIN:24100892BJZXVK4603

Place: Bengaluru

Date: Sept 27, 2024

ANNEXURE “A” TO THE REVISED INDEPENDENT AUDITOR’S REPORT**List of Subsidiaries and Associate**

Sr No	Name of the Company	Category
1	Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited)	Subsidiary
2	The Mysore Chrome Tanning Company Limited	Subsidiary
3	Food Karnataka Limited	Associate

For Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

UDIN:24100892BJZXVK4603

Place: Bengaluru

Date: Sept 27, 2024

ANNEXURE “B” TO THE REVISED INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Mysore Sales International Limited of even date)

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

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

We have audited the Internal Financial Controls over Financial Reporting of **Mysore Sales International Limited** (“the Parent”) and its subsidiary companies and associate as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company, its subsidiaries and associate for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting

of the Company 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 Companies Act, 2013, 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 March 31, 2024.

a. Chit Fund Division:

1. 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), there may be financial impact on the consolidated financial statements.
2. The Company does not have sufficient information about the accuracy and reasonableness of various parameters including the "Probability of Default (%)", Loss Given Default (%) and the basis of

classification of financial assets based on the significant increase in credit risk and consequently determination of the 12 months ECL and lifetime ECL which may have financial impact on the consolidated financial statements.

3. The Company has the unreconciled balances of subscribers amounting to Rs. 1196.65 lakhs which may have financial impact on the consolidated financial statements.
4. The division does not have proper internal controls to identify the surplus funds and have not complied with the requirements of investing the surplus funds as per Circular No. FD 91 TAR 2022 dated 02.07.2022 issued by Finance Department of Government of Karnataka
- b. The financial and operating controls established by the Company for the prompt, periodic and up-to-date reconciliation of payables and receivables are not working effectively, which may have a financial impact on consolidated financial statements.
- c. The Company does not have an integrated ERP system. Different software packages used by the Company are interfaced through software links or manual intervention leaving gaps between them. This could potentially result into impaired financial reporting. Also the majority of software does not have an audit trail feature except for Beverage division which could impact the financials.
- d. The Company has not provided the physical verification report of the property, plant and equipment (PPE). This could potentially result in the understatement/overstatement of the balances of PPE, inaccurate depreciation provision and assessment of impairment.

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.

We draw attention to the following material weakness included in the report on Internal Financial Controls Over Financial Reporting issued by independent firm of Chartered Accountants vide their Revised Audit Report dated September 24, 2024 on financial statements of Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited), the subsidiary of the holding company reproduced by us as under: -

- (a) As per the order of the Government of Karnataka, the goods and the services supplied by or caused to be supplied by the Company entitles it to a margin of profit at a specified percentage for Other Media & Events, Production and Media Contracts. The terms of the contract as are prevalent now provide that the quotations are called for by the Company from the empaneled suppliers and the quotations are forwarded to the various departments of the Government of Karnataka and its agencies. Once the supplier of goods and services is chosen by the buyer departments and agencies of the Government, the Company awards the contract to the successful empaneled supplier.

Though the Company has no say in the matter of the amounts quoted by the suppliers, keeping in view of the Contractual terms between the Government and the Company, the same warrants that the Company evaluates the quotation so received as to whether the prices quoted are reasonable and comparable to the prevalent market prices. Such an evaluation is not being done by the Company before it forwards the quotations received from the bidding suppliers. As a result, the Company is not aware whether the prices quoted by the suppliers and accepted by the Government Departments are reasonable or not.

- (b) Awarding of contracts of substantially higher amounts to a single party without calling for tenders by bifurcating or sub-dividing the whole contract(s) in order to overcome the process of calling for tenders are seen, and such instances are to be avoided in order to avoid dilution of the effect of internal controls and internal audit.

- (c) There is an inordinate delay in reconciliation and adjustment of the amounts received from various Debtors, TDS and GST TDS made by the debtors and appropriation of the same towards the amounts due from the debtors. In the process, as of the date of the Balance Sheet under audit, the following amounts have remained unreconciled, unidentified and unappropriated:

Particulars	Amount (Rs. in lakhs)	Unadjusted for the years (Rs. in lakhs)
Amounts Collected from the unidentified Debtors	810.04	< 1 year: 16.57 1-2 years: 136.73 2- 3 years: 235.03 > 3 years: 47.17
GST TDS to be adjusted	1,260.63	F.Y. 18-19: 65.57 F.Y. 19-20: 142.95 F.Y. 20-21: 174.70 F.Y. 21-22: 197.85 F.Y. 22-23: 364.37 F.Y. 23-24: 315.16
Income Tax TDS to be adjusted	1,483.94	F.Y. 21-22: 279.74 F.Y. 22-23: 601.84 F.Y. 23-24: 602.34

The inordinate delay in reconciliation of the same has led to an increase in such unreconciled and unadjusted balances year after year.

- (d) Trade Advances and Other Receivables shown under Note No. 7 to the financials amounting to Rs.119.63 lakhs which represents target incentives receivables to the extent of Rs. 68.51 lakhs and advances paid to the extent of Rs. 51.12 lakhs which have remained unrecovered for more than 3 years.
- (e) Non-reconciliation of Income Tax Refunds receivable for the period beginning from 2007-08 to 2023-24 amounting to Rs. 623.65 lakhs as appearing in the Books of account.
- (f) Non-reconciliation of Income Tax demands for the Assessment years from A.Y. 2002-03 to A.Y. 2018-19 for which refunds of other years have been adjusted to the extent of Rs. 542.28 lakhs.
- (g) Trade Payable which are due for more than 3 years amounting to Rs.1,891.76 lakhs have remained unreconciled for an undue longer

period and the amounts so being accumulated are increasing year after year. The situation warrants immediate attention of the management to investigate into the matter and to bring the reasons for the same on record and evaluate the existence or otherwise of such liability and to write back the liabilities that are no longer required, in order to avoid any scope for misuse of the same. Keeping view of the fact that no creditors would allow the Company to retain their funds for such a long period.

h) The Company's Internal Controls over action regarding recovery of dues caused by fraud and misappropriation by employees is not commensurate with the size of the operations:

- (i) As per the information given to us, and as specified in Note No. 41(x) to the financials, a criminal case filed against one of employees of the Company who is under suspension was withdrawn after recovery of the amount from the said employee.
- (ii) Having regard to the fact that the payment of the defrauded amount by itself would not absolve the employee committing such frauds and hence the decision for withdrawal of the criminal case by the management appears to be unwarranted. It may be noted that immediately after withdrawal of the case by the Company, instances of more fraudulent acts of higher value committed by the said employee have come to notice and the Company is yet to take action against him. The facts relating to the same can be seen in Note No. 41(x) to the financials.
- (iii) The said instance appears to be against commercial prudence and not in the best interests of the Company. The controls with regard to such instances warrant strengthening.

Considering all the aforesaid factors and keeping in view the size of the Company and the nature of its business, we are compelled to report that the Internal Audit and Internal Control Systems in the Company are

inadequate and to be strengthened in order to ensure that all the aforesaid issues pending for longer years are reconciled, recovered and adjusted at the earliest and reoccurrence of such situation in the future years are avoided to bring more clarity and reliability in the accounting data.

(i) The Company's Internal control over accounting and reporting of Property, Plant and Equipment is not commensurate to the size of operations as per errors in reclassification noted in Note No. 3 to the Notes forming part of subsidiary's Annual Accounts

(j) The Company's Internal control over accounting and reporting of Provisions for Unbilled Revenue is not commensurate to the size of operations, due to the following reasons:

Based on our sample checking, we found instances relating to Other Media & Events department, where the completion certificate by the Company is not available but only photos of work done is provided and placed in the file. The sample file nos. are 3852, 3738, 3742, 3925, 3682, 3774, 4138, 3907 among others.

(k) The Company's Internal control over accounting and reporting of Income and Expenses of the Other Media & Events department and Production department is not commensurate to the size of operations, due to the following reasons:

(i) Based on our sample checking, we found that Work Completion Certificates and Photos / other proof of works are not available with the Company. Sample Invoice Nos. are 3966/OM/23-24, 5024/OM/23-24, 5003/OM/23-24 among others. File Nos. of Production department checked include: 407, 396, 392, 394, 60, 82, 430 among others.

(ii) Based on our sample checking, we found that Job Requisition Letter, Enquiry Replies, Work orders were not documented in the files maintained by the Company and were placed in the file only after observations made during the course of the audit. Sample file nos. include: 4012, 4000, 4001, 4002 among others.

(iii) Based on our sample checking, we found instances where additional payments were made to vendors for which Work Completion certificate and Photos of the event were not available in the file and photos were placed only after audit observations were made. This indicates lack of internal systems and control in documentation and lack of control and procedures in requisitioning work and making payments. Sample file nos. include: 3833, 3836, 3185.

(iv) Based on our sample checking, we noted in certain cases that Tender Forms were not signed by Authorized Signatory of the Company.

(l) The Company's internal control system over reporting of shares held and transferred is not adequate considering that the Company does not maintain copies of the Share Certificates issued to the shareholders of the Company and does not maintain the register of share transfers.

(m) The Company does not have Internal Control System and Standard Operating Procedures for availing the services of freelancers in various departments of the Company. No standard agreements are entered into with the freelancers and payments are made against invoices issued by the freelancers.

(n) The Company does not have Standard Operating Procedures and Risk Control Matrices for the various processes of the Company, including the processes involved in preparation of the books of account and the financial statement, creation of ledger accounts and classification of ledger accounts in the books of accounts.

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 Group 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 March 31, 2024, based on the internal control over financial reporting criteria established by the Group 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 consolidated financial statements of the Company for the year ended March 31, 2024 and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

For Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

UDIN:24100892BJZXVK4603

Place: Bengaluru

Date: September 27, 2024

ANNEXURE 'C' TO THE REVISED INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mysore Sales International Limited of even date)

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 financial statements of the respective companies included in the Consolidated Financial Statements of the holding company:

Sr. 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	U85110KA1966SGC001612	Holding company	September 6, 2024	Para (i)(b) Para (vi)
2	Karnataka State Marketing Communication and Advertising Limited (Formerly known as Marketing Communication & Advertising Limited)	U51101KA1972PLC002242	Subsidiary	August 16, 2024	Para (i)(c) Para (xiv) (a)
3	The Mysore Chrome Tanning company Limited	U85110KA1940SGC000261	Subsidiary	September 6, 2024	Para (ix)(a) Para (xix)

For Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No. 110417W

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

UDIN:24100892BJZXVK4603

Place: Bengaluru

Date: September 27, 2024

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 2024

The preparation of consolidated financial statements of **Mysore Sales International Limited** for the year ended **31st March 2024** 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 **27 September 2024** which supersedes their earlier Audit Report dated **10 September 2024**.

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, Bengaluru** for the year ended **31st March 2024** 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, Karnataka State Marketing Communication & Advertising Limited** and **The Mysore Crome Tanning Company Limited** but did not conduct supplementary audit of the financial statements of **Food Karnataka Limited** for the year ended **31st March 2024**. 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. Read with section 129(4) of the Act.

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

BENGALURU

Date: 30 September 2024

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Consolidated Balance Sheet as at March 31, 2024
(All amounts in Rs. lakhs unless otherwise stated)

	Particulars	Note	As at March 31, 2024	As at March 31, 2023
I	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	2	5,118.91	5,493.93
	(b) Capital work-in-progress	3	533.96	592.83
	(c) Investment properties	4	3,729.13	3,847.40
	(d) Other intangible assets	5	13.35	20.69
	(e) Right-of-use assets	5A	1,292.82	860.27
	(f) Financial assets			
	(i) Investments	6	3,594.67	2,404.93
	(ii) Other financial assets	7	16,209.69	17,854.75
	(iii) Non-current bank balances	12	4,432.13	4,247.52
	(g) Deferred tax assets (net)	29	2,854.66	2,800.89
	(h) Other non-current assets	8	200.85	248.27
	(i) Non Current tax asset (net)	8A	4,406.03	4,139.85
	Total non-current assets		42,386.20	42,511.33
	Current assets			
	(a) Inventories	9	15,925.70	15,844.24
	(b) Financial assets			
	(i) Trade receivables	10	25,230.78	19,312.72
	(ii) Cash and cash equivalents	11	15,608.95	10,174.78
	(iii) Bank balances other than (ii) above	12	44,477.28	31,580.89
	(iv) Other financial assets	7	17,523.96	11,927.18
	(c) Other current assets	8	5,295.50	9,601.01
	Total current assets		124,062.17	98,440.82
	Asset Held for Sale	30	409.07	414.73
	Total assets		166,857.44	141,366.88

II.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	13	4,273.48	4,273.48
	(b) Other equity	14	81,310.10	70,713.89
	(c) Non controlling Interest	-	(35.73)	(36.62)
	Total equity		85,547.85	74,950.75
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15A	149.28	174.55
	(ii) Lease Liability	15B	438.14	342.75
	(iii) Other Financial Liabilities	15C	17,539.74	15,015.82
	(b) Provisions	16	830.38	878.66
	(c) Other Non-current Liabilities	17	36.72	36.72
	Total non-current liabilities		18,994.26	16,448.50
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	18		
	(a) Total outstanding dues of micro and small enterprises		3,195.19	2,694.04
	(b) Total outstanding dues other than above		31,940.97	26,523.86
	(ii) Borrowings	15A	-	-
	(iii) Lease Liability	15B	725.06	382.77
	(iv) Other financial liabilities	15C	21,430.15	15,037.85
	(b) Other liabilities	17	4,768.00	5,113.78
	(c) Current tax Liabilities (net)	8B	7.76	-
	(d) Provisions	16	248.20	215.33
	Total current liabilities		62,315.33	49,967.63
	Total equity and liabilities		166,857.44	141,366.88
	See accompanying notes forming part of the Consolidated Financial Statements			

In terms of our report attached

For Sorab S Engineer & Co.
Firm Registration No. 110417W
CHARTERED ACCOUNTANTS
Sd/-
CA. Chokshi Shreyas B.
PARTNER
Membership No. 100892
Place: Bengaluru
Date : September 10, 2024

For and on behalf of the Board of Directors of
Mysore Sales International Limited
Sd/-
Puttarangashetty C
Chairman
DIN: 07745825
Sd/-
Avinash K R
Chief Financial Officer
Sd/-
Manoj Kumar
Managing Director
DIN: 09379177
Sd/-
Sridevi B N
Company Secretary

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Consolidated Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Continuing operations			
Income			
Revenue from operations	19	376,424.14	340,421.62
Other income	20	4,113.29	3,433.99
Total income		380,537.43	343,855.61
Expenses			
Cost of materials consumed	21	2,853.94	1,742.54
Purchase of Stock-in-trade	22	303,883.87	265,845.06
Cost of Services	23	31,861.48	40,344.44
Changes in inventories of finished goods and stock-in-trade	24	(197.25)	(1,100.41)
Employee benefits expense	25	2,485.08	2,419.31
Finance costs	26	239.43	180.00
Depreciation and amortization expense	27	2,017.62	1,904.75
Other expenses	28	22,135.09	21,314.73
		365,279.26	332,650.42
Profit before exceptional items, share of net profit/(loss) of investment accounted using equity method and tax from continuing operations		15,258.17	11,205.19
Group's share of net loss of associates accounted for using equity method		(5.66)	(14.28)
Profit before tax from continuing operations		15,252.51	11,190.91
Tax expense	29		
(a) Current tax		4,045.19	3,336.47
(b) Deferred Tax Charge/(Credit)		(349.42)	(608.09)
(c) Short provision of tax for earlier years		25.92	35.28
Profit for the year from continuing operations		11,530.82	8,427.25
Discontinued operations	30		
Profit/(loss) before tax for the year from discontinued operations		5.32	(2.82)
Tax Income/ (expense) of discontinued operations		(1.34)	0.71
Profit/ (loss) for the year from discontinued operations		3.98	(2.11)
Profit for the year		11,534.80	8,425.14

Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Net (loss)/gain on equity instruments through Other Comprehensive Income	31	1,189.74	(19.01)
Income tax effect on above	29	(300.79)	4.78
Re-measurement gains/ (losses) on defined benefit plans	31	(1.38)	2.50
Income tax effect on above	29	5.14	(0.45)
Other comprehensive income for the year, net of tax		892.71	(12.18)
Total comprehensive income for the year		12,427.51	8,412.96
Net Profit attributable to:			
Equity Holders of Parent company		11,533.91	8,425.00
Non Controlling Interest		0.89	0.14
Total other comprehensive income/(loss) (net of taxes) attributable to:			
Equity Holders of Parent company		892.71	(12.18)
Non Controlling Interest		-	-
Total comprehensive income/(loss) (net of taxes) attributable to:			
Equity Holders of Parent company		12,426.62	8,412.82
Non Controlling Interest		0.89	0.14
Earnings per share (Nominal Value per share Rs. 100/-)	32		
Basic & Diluted (Rs.)			
For Continued operations		269.82	197.20
For Discontinued operations		0.09	(0.05)
For Continued and Discontinued operations		269.92	197.15
See accompanying notes forming part of the Consolidated Financial Statements			

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : September 10, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Consolidated Statement of Cash Flow for the year ended March 31, 2024
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax and exceptional items as per Statement of Profit and Loss	15,257.83	11,188.09
Adjustments to reconcile profit before tax to net cash flows:		
Dividend	(11.53)	(6.11)
Excess Provision no longer required	(172.35)	(131.13)
Interest income	(3,131.78)	(1,918.85)
Profit/Loss on sale of property, plant and equipment	3.24	(6.11)
Rental income on investment Property	(595.66)	(851.04)
Depreciation and amortisation expenses	2,017.62	1,904.75
Finance Cost	239.43	179.99
Allowances for doubtful debts and advances	502.84	430.33
Impairment losses in value of other financial assets	-	6.83
Adjustment on Consolidation	(2.54)	-
Group's share of net loss of associates accounted for using equity method	5.66	14.28
Operating profit before working capital changes	14,112.76	10,811.03
Adjustments for changes in working capital :		
(Increase)/Decrease in trade receivables	(6,420.90)	(2,598.18)
(Increase)/Decrease in inventories	(81.46)	(1,188.87)
(Increase)/Decrease in other assets	4,324.34	(3,619.18)
(Increase)/Decrease in other financial assets	(3,951.72)	(10,549.05)
Increase/(Decrease) in trade payables	6,036.73	9,976.06
Increase/(Decrease) in other liabilities	(345.78)	2,413.02
Increase/(Decrease) in other financial liabilities	8,970.10	486.61
Increase/(Decrease) in provisions	(16.79)	(52.81)
Net Changes in Working Capital	8,514.52	(5,132.40)
Cash generated from operations	22,627.28	5,678.63
Taxes paid, net	(4,330.87)	(3,249.39)
Net cash generated from operating activities	18,296.41	2,429.24
B. Cash flow from investing activities		
Purchase of Property, Plant & Equipment (including capital advances)	(703.94)	2,265.93
Proceeds from disposal of Property, Plant & Equipment	3.39	-
Purchase of Intangible Assets	(2.95)	-
Changes in other bank balances not considered as cash and cash equivalents	(12,604.91)	(13,089.01)
Investment income (Rental income on investment Property)	595.66	851.04
Interest received	2,655.69	1,518.14
Dividend received	11.53	6.11
Net Cash Flow used in Investing Activities	(10,045.53)	(8,447.79)

C. Cash flow from Financing activities		
Finance cost paid	(161.51)	75.83
Payment of lease liabilities	(827.33)	(631.08)
Dividend paid	(1,827.87)	(1,105.19)
Net cash used in financing activities	(2,816.71)	(1,660.44)
Net changes in cash and cash equivalents	5,434.17	(7,678.99)
Cash and cash equivalents as at beginning of the year	10,174.78	17,853.77
Cash and cash equivalents as at end of the year	15,608.95	10,174.78
Reconciliation of cash and cash equivalents		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents :		
Cash & Stamp on hand	2,078.42	1,012.85
Balances with Banks	13,526.29	9,154.13
Remittances in transit	4.24	7.80
Cash and cash equivalents as per Balance Sheet (Refer Note 11)	15,608.95	10,174.78
Cash and cash equivalents as per Cash flow Statement		
See accompanying notes forming part of the Consolidated Financial Statements		

Disclosure under para 44A as set out in Ind AS 7 on Cash Flow Statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	As at March 31, 2023	Cash Flows	Other Changes	As at March 31, 2024
Lease Liability	725.52	(827.33)	1,265.01	1,163.20
Particulars of liabilities arising from financing activity	As at March 31, 2022	Cash Flows	Other Changes	As at March 31, 2023
Lease Liability	1,081.88	(631.08)	274.72	725.52

Note:

The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : September 10, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED

CIN:U85110KA1966SGC001612

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in Rs. lakhs unless otherwise stated)

A.	Equity Share Capital	
	Particulars (Note 13)	Amount
	As at April 1, 2022	4,273.48
	Changes in Equity Share Capital during the year	-
	As at March 31, 2023	4,273.48
	As at April 1, 2023	4,273.48
	Changes in Equity Share Capital during the year	-
	As at March 31, 2024	4,273.48

B. Other equity	Particulars	Reserves and Surplus (Note 14)					Total Other Equity
		General reserves	Chit Reserve Fund	Retained Earnings	Capital Reserve	Fair Valuation of Equity Instruments through Other Comprehensive Income	
	Balance as at April 1, 2022	23,221.55	816.48	37,661.40	77.98	1,680.35	63,457.76
	Profit for the year	-	-	8,425.14	-	-	8,425.14
	Other comprehensive income/(loss) for the year	-	-	19.92	-	(14.23)	5.69
	Total Comprehensive Income	23,221.55	816.48	46,106.46	77.98	1,666.12	71,888.59
	Transfer (to)/ from retained earnings	200.00	111.73	(311.73)	-	-	-
	Less: Dividend paid during the year	-	-	(1,105.19)	-	-	(1,105.19)
	Less: Share of Profit/(Loss) Non-Controlling Interest	-	-	(0.14)	-	-	(0.14)
	Less: KIADB Land	-	-	(69.41)	-	-	(69.41)
	Add: Taxes	-	-	0.04	-	-	0.04
	Balance as at March 31, 2023	23,421.55	928.21	44,620.03	77.98	1,666.12	70,713.89
	Balance as at April 1, 2023	23,421.55	928.21	44,620.03	77.98	1,666.12	70,713.89
	Profit for the year	-	-	11,534.80	-	-	11,534.80
	Other comprehensive income/(loss) for the year	-	-	3.76	-	888.95	892.71
	Total Comprehensive Income	23,421.55	928.21	56,158.59	77.98	2,555.07	83,141.40
	Transfer (to)/ from retained earnings	200.00	175.14	(375.14)	-	-	-
	Less: Dividend paid during the year	-	-	(1,827.87)	-	-	(1,827.87)
	Share of Profit -Non Controlling Interest	-	-	(0.89)	-	-	(0.89)
	Adjustment On Consolidation	-	-	(2.54)	-	-	(2.54)
	Balance as at March 31, 2024	23,621.55	1,103.35	53,952.15	77.98	2,555.07	81,310.10

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W

CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : September 10, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED

Notes forming part of Consolidated Financial Statements

1. Group overview and Material Accounting Policies Information

1.1 Group overview

Mysore Sales International Limited ("the Company") 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 Company has two subsidiaries and one associate company.

1.2 Basis of preparation of financial statements

(i) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (IndAS) 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') except for Ind AS 109 – Financial Instruments in respect of Expected Credit Loss on Chit Financial Assets. The Group has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended March 31, 2024 were authorized and approved for issue by the Board of Directors on 10.09.2024.

(ii) Basis of preparation of financial statements

The consolidated 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 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) 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 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.

(iv) 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 31, 2024, there are no new standards or amendments to the existing standards notified by MCA.

(v) Rounding of amounts

The consolidated financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest Lakhs as per the requirement of Schedule III, except when otherwise indicated.

(vi) Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Financial Statement comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(vii) **Material Accounting Policies Information**

a. Current versus non-current classification

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

- (i) An asset is classified as current when it is:
- Expected to be realized or intended to sold or consumed in normal operating cycle;
 - Held primarily for the purpose of trading;
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(iii) A liability is classified as current when:

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

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

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

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

b. **Foreign currency transactions**

Functional and presentation currency

The Group's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Revenue recognition

The Group has applied the following accounting policy in the preparation of its consolidated financial statements:

Revenue from contracts with customers

The Group recognizes 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 Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts

the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

- Step 5. 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's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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

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

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

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance claims

Insurance claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

Dividend income

Income from dividend is 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 principal outstanding applying effective interest rate. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- 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 converters are considered as Finished Goods only at the time of receipt of notebooks from the converters in the case of Paper Division.
- iii. Freight inward is not considered for valuation of stock of liquor and is charged to the Statement of Profit and Loss.
- 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
Firefighting equipment	10
Electrical equipment	10
Furniture & fixtures	10
Vehicles	8
Furniture & fixtures - Liquor	5
Handling equipment	5
Weighing Machines	5
Office equipment	5
Computers	3
Lease hold assets	3
Lease hold Improvements	Over the primary lease period -except for land

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

The Group, based on technical assessment made by technical expert and management estimate, depreciates furniture & fixture at Liquor outlets over

estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

De-recognition

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

f. Intangible assets

Recognition and measurement

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

Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

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

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

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

g. Capital Work in Progress

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

h. Investment Property

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

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

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

The useful life of the Building 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.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

k. Leases

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 Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use 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.

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 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 Group as a lessor

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

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

I. Employee benefits Defined contribution plan

The Group's defined contribution plans are Employees' Provident Fund (under the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952), ESI (under the provisions of Employees State Insurance Act, 1948) and Superannuation. The Group has no further obligations beyond making the Group's contributions. The Group's contribution to Provident Fund, ESI and Superannuation are made at prescribed rates and are charged to Statement of Profit and Loss. The Superannuation assets 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 a 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 the 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 the policy of the Group, employees can carry forward unutilized accrued leave and utilize it in next service period or receive cash compensation. The compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified

as a current employee benefit. The Group records an obligation for such compensated absences in the year in which the employee renders the services that increase his entitlement.

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

Other short-term benefits

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

Tax expense comprises of current income tax and deferred tax.

Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid

to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a

transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as

an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit assets at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

n. Earnings per share

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the consolidated financial statements by the Board of Directors.

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 an 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

- 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– initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Financial assets at amortized cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortized cost:

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets 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 (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. 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 amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset 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 financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair

value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income 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.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL,

unless there has been significant increase in credit risk from initial recognition in which case these 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 recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(a) amortized cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortized cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit or Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

q. Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for 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.

r. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other

comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

s. 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.

t. Dividend

The Group recognizes a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

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.

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.

v. Non-Current Assets Held For Sale And Discontinued Operations

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an asset but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortized.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

w. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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 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 Critical accounting estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful life of Property, plant and equipment and Intangible Assets

As described in Notee and fof the material accounting policies information, the Group

reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(c) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances,

are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the consolidated financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

(d) Defined benefit plans

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income.

Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the consolidated financial statements.

Further details about defined benefit obligations are provided in Note 34.

(e) Expected credit losses on financial assets (chit fund business)

The impairment provisions of financial assets are based on assumptions about risk of probable 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.

(f) 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 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.

MYSORE SALES INTERNATIONAL LIMITED
Notes forming part of the Consolidated Financial Statements
(All amounts in Rs Lakhs, unless otherwise mentioned)

2 Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Building - Freehold	Handling Equipment	Electrical Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Leased Assets	Total
Gross carrying amount											
As at April 01, 2022	167.69	342.38	440.65	0.32	2,062.00	419.46	3,542.55	351.50	1,310.87	7.05	8,644.47
Additions	-	-	-	-	726.91	21.71	932.18	82.76	306.58	-	2,070.14
Deductions	-	-	-	-	(3.36)	(0.58)	(19.09)	(0.80)	(3.51)	-	(27.34)
Adjustment due to error in previous year**	-	(142.24)	-	-	-	-	-	-	-	-	(142.24)
As at March 31, 2023	167.69	200.14	440.65	0.32	2,785.55	440.59	4,455.64	433.46	1,613.94	7.05	10,545.03
Additions	-	-	71.98	1.32	304.97	47.75	94.90	-	268.36	-	789.28
Deductions	-	-	-	-	(6.64)	-	(37.18)	-	(3.06)	-	(46.88)
Adjustment due to asset reclassified as Expense*	-	-	-	-	-	-	(0.45)	-	-	-	(0.45)
Adjustment due to error in previous year**	-	-	11.38	-	(3.39)	-	(20.23)	-	15.45	-	3.21
As at March 31, 2024	167.69	200.14	524.01	1.64	3,080.49	488.34	4,492.68	433.46	1,894.69	7.05	11,290.19
Accumulated depreciation											
As at April 01, 2022	-	-	102.95	0.27	719.65	256.45	1,923.98	164.84	717.57	3.09	3,888.80
Depreciation for the year	-	-	9.21	-	231.77	65.30	636.66	43.63	190.55	2.23	1,179.35
Deductions	-	-	-	-	(2.64)	(0.54)	(12.59)	-	(1.28)	-	(17.05)
As at March 31, 2023**	-	-	112.16	0.27	948.78	321.21	2,548.05	208.47	906.84	5.32	5,051.10
Depreciation for the year	-	-	10.37	0.21	275.10	65.71	550.18	46.96	211.26	-	1,159.79
Deductions	-	-	-	-	(1.87)	-	(37.15)	-	(1.23)	-	(40.25)
Adjustment due to error in previous year**	-	-	0.10	-	(0.28)	-	(0.88)	-	1.70	-	0.64
As at March 31, 2024	-	-	122.63	0.48	1,221.73	386.92	3,060.20	255.43	1,118.57	5.32	6,171.28
Net Carrying Amount											
As at March 31, 2024	167.69	200.14	401.38	1.16	1,858.76	101.42	1,432.48	178.03	776.12	1.73	5,118.91
As at March 31, 2023	167.69	200.14	328.49	0.05	1,836.77	119.38	1,907.59	224.99	707.10	1.73	5,493.93

Wholly Owned Subsidiary- Karnataka State Marketing Communication & Advertising Ltd

*During the F.Y. 2022-23, C&AG observed that revenue expenditure to the extent of Rs. 0.45 lakhs was wrongly classified as Capital Expenditure and the same has been rectified in the current year.

**During the F.Y. 2022-23, C&AG observed that certain assets were wrongly classified and the same has been rectified in the current year by adjusting Gross Block and Accumulated Depreciation.

*** Errors in previous years' financials with regard to classification of balances of the Accumulated depreciation to the extent of Rs. 0.43 lakhs in Furniture and Fixtures has been shifted to Electrical Equipment to reflect the correct amounts as per the Fixed Assets Register.

Notes:

1. Properties pledged as securities as at March 31, 2024 is Nil; (March 31, 2023: Nil).
2. Refer Note 40(a) for contractual commitments with respect to Property, Plant and Equipments.

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3	Capital work-in-progress (CWIP)		
	Particulars	Capital work in progress	Total
	As at April 01, 2022	397.04	397.04
	Additions	195.79	195.79
	Deductions	-	-
	As at March 31, 2023	592.83	592.83
	Additions	13.58	13.58
	Deductions	(72.45)	(72.45)
	As at March 31, 2024	533.96	533.96

a	Capital work-in-progress ageing schedule:					
	As at March 31, 2024					
	Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	13.58	195.79	94.00	230.59	533.96
	Projects temporarily suspended	-	-	-	-	-
	Total	13.58	195.79	94.00	230.59	533.96
	As at March 31, 2023					
	Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	195.79	94.00	141.88	161.16	592.83
	Projects temporarily suspended	-	-	-	-	-
	Total	195.79	94.00	141.88	161.16	592.83

b	Details of projects in progress where the completion is overdue or cost has exceeded the estimated timelines as compared to its original plan:				
	As at March 31, 2024				
	Project in progress	Budgeted Project Cost	Actual cost as on March 31, 2024	Reasons for delay	
	Warehouse, Kapanoor Ind Area, Kalburgi	752.91	533.96	Due to inclusion of additional work.	

As at March 31, 2023				
Project in progress	Budgeted Project Cost	Actual cost as at March 31, 2023	Reasons for delay	
Warehouse, Kapanoor Ind Area, Kalburgi	752.91	592.83	Due to inclusion of additional work.	

c. There are no borrowing cost capitalised during the year ended March 31, 2024 and March 31, 2023.

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4	Investment properties					
	Particulars	Freehold land	Leasehold land	Building	Building - Leasehold	Total
	As at April 01, 2022	53.06	100.95	1,604.08	2,686.59	4,444.68
	Additions	-	-	-	-	-
	Deductions	-	-	-	-	-
	As at March 31, 2023	53.06	100.95	1,604.08	2,686.59	4,444.68
	Additions	-	-	-	-	-
	Deductions	-	-	-	-	-
	As at March 31, 2024	53.06	100.95	1,604.08	2,686.59	4,444.68
	Depreciation and impairment					
	As at April 01, 2022	-	-	119.81	359.23	479.04
	Depreciation for the year	-	-	28.40	89.84	118.24
	Deductions	-	-	-	-	-
	As at March 31, 2023	-	-	148.21	449.07	597.28
	Depreciation for the year	-	-	28.43	89.84	118.27
	Deductions	-	-	-	-	-
	As at March 31, 2024	-	-	176.64	538.91	715.55
	Net block as at March 31, 2024	53.06	100.95	1,427.44	2,147.68	3,729.13
	Net block as at March 31, 2023	53.06	100.95	1,455.87	2,237.52	3,847.40

Information regarding income and expenditure of Investment property		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent from investment properties (Refer note 20)	595.66	851.04
Direct operating expenses (including repairs and maintenance) pertaining to investment property	(186.49)	(107.07)
Profit arising from investment properties before depreciation and indirect expenses	409.17	743.97
Depreciation for the year	(118.27)	(118.24)
Profit arising from investment properties before indirect expenses	290.90	625.73

Notes:

1. Titles deeds of investment properties are in the name of the Company.
2. The Company is in the process of getting its investment property valued.
3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase or develop investment properties.
4. Investment Properties pledged as securities as at March 31, 2024 is Nil; (March 31, 2023: Nil)

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5	Other intangible assets	
	Particulars	Computer software
	Gross carrying amount	
	As at April 01, 2022	105.29
	Additions	5.30
	Deductions	-
	As at March 31, 2023	110.59
	Additions	5.50
	Adjustment due to error in previous year*	(3.20)
	As at March 31, 2024	112.89
	Accumulated amortization	
	As at April 01, 2022	78.44
	Amortisation for the year	11.46
	Deductions	-
	As at March 31, 2023	89.90
	Amortisation for the year	10.29
	Adjustment due to error in previous year*	(0.65)
	As at March 31, 2024	99.54
	As at March 31, 2024	13.35
	As at March 31, 2023	20.69

Note:

- Intangible Properties pledged as securities as at March 31, 2024 is Nil; (March 31, 2023: Nil).**
 Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Limited
 *During the F.Y. 2022-23, C&AG observed that certain assets were wrongly classified and the same has been rectified in the current year by adjusting Gross Block and Accumulated Amortisation.

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5A.

Right of Use Assets	
The Company has taken offices & buildings on lease period of 3 to 5 years with option of renewal.	
Disclosures as per Ind AS 116 - Leases are as follows:	
Particulars	Right of Use
As at April 01, 2022	3,139.34
Additions	354.88
Disposals	-
Adjustment due to error in previous year	72.83
As at March 31, 2023	3,567.05
Additions	1,161.82
Disposals	-
As at March 31, 2024	4,728.87
Accumulated depreciation	
As at April 01, 2022	2,111.08
Charge for the year	595.70
Adjustments for disposals	-
As at March 31, 2023	2,706.78
Charge for the year	729.27
Adjustments for disposals	-
As at March 31, 2024	3,436.05
Net carrying value as at March 31, 2024	1,292.82
Net carrying value as at March 31, 2023	860.27

The following are the expense recognised in the Statement of Profit and Loss		
Particulars	Year ended as at March 31, 2024	Year ended as at March 31, 2023
Depreciation expense of right-of-use assets	729.27	595.70
Interest expense on lease liabilities	131.78	103.84
Expense relating to short-term leases	995.78	1,117.99
Total amount recognised in the statement of Profit and Loss	1,856.83	1,817.53

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(All amounts in Rs. lakhs unless otherwise stated)

6	Investments		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Non-current Investments		
	Investments in Equity Shares (fully paid up)		
A.	Others-Measured at Fair Value through Other Comprehensive Income (Quoted)		
	J K Tyre Industries Limited	1,421.70	508.89
	329,060 (March 31, 2023: 329,060) fully paid equity shares of INR 2 each		
	Bengal & Assam Co Limited	327.43	140.04
	3,831 (March 31, 2023: 3,831) fully paid equity shares of INR 10 each		
	Total (A)	1,749.13	648.93
B.	Others-Measured at Fair Value through Other Comprehensive Income (Unquoted)		
	K T Apartment Owners' Association*	0.04	0.04
	35 (March 31, 2023: 35) fully paid equity shares of INR 100 each		
	K T Mansions Apartments Owners' Association*	0.03	0.03
	25 (March 31, 2023: 25) fully paid equity shares of INR 100 each		
	Hassan Mangalore Rail Development Company Limited	1,819.06	1,729.78
	7,000,000 (March 31, 2023: 7,000,000) fully paid equity shares of INR 10 each		
	The Karnataka State Co-operative Apex Bank Limited - One -C- Class Ordinary Share:	26.41	26.15
	1 (March 31, 2023: 1) fully paid equity shares of INR 1,000,000 each		
	Total (B)	1,845.54	1,756.00
	Total (A+B)	3,594.67	2,404.93

Aggregate amount of quoted investments and market value thereof	1,749.13	648.93
Aggregate amount of unquoted investments	1,845.54	1,756.00
Aggregate amount of impairment in value of investments	-	-
Total Investments	3,594.67	2,404.93

* The management has assessed that carrying value of the investments approximate to their fair value.

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7	Other Financial Assets				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Unsecured, considered good unless otherwise stated				
A	Chit Division				
	Loans and advances - Secured				
	-To Related Parties (Refer Note 38)	-	1.55	-	5.75
	-To Others	15,191.36	15,438.75	16,840.23	8,806.33
	Considered doubtful	-	986.41	-	934.11
	Less: Allowance for doubtful advances	-	(986.41)	-	(934.11)
	Advances recoverable in kind or for value to be received	-	963.94	-	755.03
B	Other Divisions				
	Security Deposit	1,018.32	15.40	1,014.28	148.43
	Considered doubtful	-	16.38	-	16.38
	Less: Allowance for doubtful advances	-	(16.38)	-	(16.38)
	Rent Receivable	-	448.95	-	433.68
	Less: Allowance for Rent Receivable	-	-	-	-
	Considered doubtful	-	839.02	-	773.71
	Less: Provision for Doubtful Rent Receivable	-	(839.02)	-	(773.71)
			-		
	Other receivable		-		
	Considered good	0.01	-	0.24	-
	Considered doubtful	-	153.06	-	153.06
	Less: Allowance for doubtful advances	-	(153.06)	-	(153.06)
	Advances recoverable in kind or for value to be received	-	655.37	-	1,777.96
	Total	16,209.69	17,523.96	17,854.75	11,927.18
	Other current financial assets are given as security for borrowings as at March 31, 2024 is Nil; (March 31, 2023: Nil).				

Mysore Sales International Limited
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8	Other assets	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Particulars				
	Unsecured, considered good unless otherwise stated				
	Prepaid Expenses	-	1,233.42	-	1,213.26
	Advance License Fee	-	1,020.08	-	969.18
	Balance with Government authorities (Refer note (ii) below)	10.30	268.75	15.52	1,237.68
	Other Receivables	-	2.95	-	6.03
	Advance to Employees	-	14.32	-	2.08
	Gratuity Fund account (Refer note 34)	54.38	-	67.99	-
	Unbilled Revenue	-	2,249.05	-	3,843.24
	Capital Advances	136.17	-	164.76	-
	Advances to Suppliers	-	506.93	-	2,329.54
	Considered doubtful	-	1,204.95	-	1,029.79
	Less: Provision for doubtful advances	-	(1,204.95)	-	(1,029.79)
	Total	200.85	5,295.50	248.27	9,601.01

Notes:

- No advances were given to Directors or to firm / Private company where director is interested (March 31, 2023: Nil)
- Balance with Government Authorities mainly consist of input credit availed.
- Other current financial assets are given as security as at March 31, 2024 is Nil; (March 31, 2023: Nil).

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Limited

- The Company filed a case [O.S.No.8758 of 1996] against erstwhile employees Mr.S.M Pasha and Mr. ANM Rao for 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.
- GST Receivable of Rs. 122.61 lakhs (March 31, 2023 : Rs. 408.04 Lakhs) is shown under 'Balance with Government Authorities' for which reconciliation is pending.
- Balance with Government Authorities includes VAT refund of Rs.10.30 lakhs with respect to VAT paid to de-registered dealer/Vendor and the same is applied as refund from the VAT department on 05-Mar-2015. No reply has been received from the VAT authorities as at the Balance Sheet date. The Company proposes to follow-up on the said matter in the next F.Y. 2024-25.

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8A	Non Current tax asset (net)		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Advances tax and Tax Deducted at source	4,406.03	4,139.85
	Total	4,406.03	4,139.85

8B	Current tax liability (net)		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Current tax liability (net of advance tax)	7.76	-
	Total	7.76	-

9	Inventories (At lower of cost or net realisable value)		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Raw Materials		
	Paper and Straw board	54.39	83.64
	Raw Material with Convertors	9.31	95.85
	Finished goods	1,180.07	671.35
	Stock in trade	16,699.16	17,045.24
	Less: Provision for Expired/Damaged Stock	(84.17)	(57.34)
	Less: Provision for Non Moving Stock	(1,933.06)	(1,994.50)
	Total Inventory	15,925.70	15,844.24
	Stock with hirers	291.83	296.76
	Less: Provision for stock with hirers	(291.83)	(296.76)
	Total	15,925.70	15,844.24

Holding Company- Mysore Sales International Limited

- (i) Inventory write downs/(reversal) are accounted, considering the nature of inventory, ageing and net realisable value for Rs. (34.61) Lakhs (March 31, 2023 Rs. 16.77 Lakhs).

The changes in write downs are recognised as an expense during the year and included in 'changes in the value of inventories' in the statement of profit and loss.

- (ii) Inventories are hypothecated as security as at March 31, 2024 is Nil; (March 31, 2023: Nil).

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Limited

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

Mysore Sales International Limited
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10	Trade Receivables ~ Current		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Unsecured, considered good unless otherwise stated		
	Secured	6.27	2.00
	Unsecured Considered good	25,224.51	19,310.72
	Credit impaired	4,703.43	4,542.00
		29,934.21	23,854.72
	Less: Allowance for doubtful debts	(4,703.43)	(4,542.00)
	Total	25,230.78	19,312.72

Holding Company- Mysore Sales International Limited

1. No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is interested
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.
3. Trade receivables are given as security as at March 31, 2024 is Nil; (March 31, 2023: Nil).
4. Movement in allowance for doubtful debts

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as per last financial statements	4,542.00	4,338.48
Add: Allowance for the year (Net)	161.43	203.52
	4,703.43	4,542.00

5. Trade receivables ageing Schedule:

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	14,054.53	5,055.13	5,251.86	869.26	-	25,230.78
Undisputed Trade receivables - credit impaired	-	-	62.67	196.98	4,443.78	4,703.43
Total	14,054.53	5,055.13	5,314.53	1,066.24	4,443.78	29,934.21

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
"Undisputed Trade receivables - Considered Good"	15,376.75	2,016.90	1,825.37	93.70	-	19,312.72
"Undisputed Trade receivables - credit impaired"	-	-	112.31	186.43	4,243.26	4,542.00
Total	15,376.75	2,016.90	1,937.68	280.13	4,243.26	23,854.72

Mysore Sales International Limited**CIN:U85110KA1966SGC001612****Notes forming part of the Consolidated Financial Statements****(All amounts in Rs. lakhs unless otherwise stated)****Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd**

- 1 Trade Receivables include Rs. 9.29 lakhs (March 31, 2023: Rs. 4.19 lakhs) from Karnataka State Industrial Infrastructure Development Corporation Limited- Promoter Company.
- 2 Trade Receivables includes Rs. 24.48 lakhs (March 31, 2023: Rs. 24.48 lakhs) due from M/s. Cyber Expo and Rs. 32.22 lakhs (March 31, 2023: 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 was 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.

The Company received a letter dated 17.10.2023 from the Principal Secretary, Commerce and Industries Department enclosing the letter received from the Managing Director, Karnataka Innovation and Technology Society, (KITS) which falls under the Department of ITBT. Through the said letter, it is informed that the bills of Rs. 56.70 lakhs pertaining to Bangalore IT.Com 2002 and 2003 are not available in the Office of KITS. However, the Company had already sent the copies of the bills of Rs. 56.70 lakhs pertaining to Bangalore IT.Com 2002 and 2003 vide letter No: 13.08.2019. Accordingly, vide letter dated 13.12.2023 sent to the Commerce and Industries Department, the Company informed that the said bills have already been submitted and thereby has requested to issue direction to the Managing Director, Karnataka Innovation and Technology Society, (KITS) to verify the bills and make the payment. As the Company has not received any reply either from the Commerce and Industries Department or from the Managing Director, Karnataka Innovation and Technology Society, (KITS), one more letter dated 26.04.2024 was sent to the Commerce and Industries Department requesting to issue direction to the Managing Director, Karnataka Innovation and Technology Society in this regard.

- 3 Trade Receivables include Rs. 810.04 lakhs (March 31, 2023: Rs. 631.17 lakhs) which are received directly to the 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.

Mysore Sales International Limited
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11	Cash and cash equivalents		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Balances with banks		
	In current accounts	13,526.29	8,617.13
	Deposit with originally maturity less than three months	-	537.00
	Remittances in transit	4.24	7.80
	Cash & Stamp on hand (*)	2,078.42	1,012.85
	Total	15,608.95	10,174.78

(*) includes Credit Card Collections

1. There are no repatriation restrictions with regard to cash and cash equivalents as at as at March 31, 2024 is Nil; (March 31, 2023: Nil).

12	Bank balances other than cash and cash equivalents				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Fixed Deposit with Banks (Original maturity within 3 to 12 months)#	-	42,583.45	-	30,163.15
	Fixed Deposit with Banks (Original maturity of more than 12 months)	4,432.13	-	4,247.52	-
	Interest Accrued on Bank Deposits	-	1,893.83	-	1,417.74
	Total Bank	4,432.13	44,477.28	4,247.52	31,580.89

Holding Company- Mysore Sales International Limited

Statutory Deposits for Chit Operations as at March 31, 2024 is Rs. 5,958.03 lakhs (March 31, 2023 : Rs. 4,629.68 lakhs)

* Bank Deposits given on lien as at March 31, 2024 is Rs. 4,050.00 lakhs (March 31, 2023 : Rs. 50.00 lakhs)

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd

*includes Margin Money Deposits against guarantees of Rs. 175.68 lakhs (March 31, 2023 Rs. 76.80 lakhs).

*Margin Money Deposits of Rs 0.04 lakhs is against locker held.

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15A	Borrowings				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
	Secured				
	(i) Loan from Government of Karnataka	3.02	-	3.02	-
	(ii) InterestAccrued and due on above Unsecured	9.62	-	9.62	-
	Unsecured				
	(i) Loan from Related parties* (Refer Note 38)	28.56	-	28.56	-
	(ii) Loan from Government of Karnataka*	9.00	-	9.00	-
	(iii) InterestAccrued and due on above Unsecured	99.08	-	124.35	-
	Total Borrowings	149.28	-	174.55	-
	*Interest accrued on loans from KSIIDC and Government of Karnatakahas not been provided since April 1999. The Group has approached for waiver of interest.				

15B	Lease Liability		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Balance as per last financial statements	725.52	1,081.88
	Additions during the year	1,133.23	288.53
	Deletions during the year	-	(117.65)
	Interest on lease liabilities accrued during the year	131.78	103.84
	Payment of lease liabilities	(827.33)	(631.08)
	Balance at the year end	1,163.20	725.52

Current	725.06	382.77
Non-current	438.14	342.75

Contractual maturities of lease liabilities on undiscounted basis		
Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	682.91	406.72
One to five years	734.13	479.17
More than five years	-	-
Total	1,417.04	885.89

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15C	Other Financial liabilities				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-Current	Current	Non-Current	Current
	Deposit from customers and others	-	1,712.83	32.50	1,613.29
	Interest Accrued	-	-	-	53.88
	Non Prized Chit Subscription	17,324.71	11,337.64	14,803.97	9,365.51
	Payable to Capital Vendors	-	3.22	-	118.03
	Payable to Employees	185.83	517.84	179.35	465.31
	Grants Unutilised	-	247.05	-	247.05
	Chit Payables				
	-From Related Party (Refer Note 38)	-	7.50	-	-
	-From Others	-	3,572.08	-	2,935.03
	Liquor Division Related Payable*	-	3,531.53	-	-
	Other payables**	29.20	500.46	-	239.75
	Total	17,539.74	21,430.15	15,015.82	15,037.85

Holding Company- Mysore Sales International Limited

*Against which security guarantee given for Rs.3,525.00 lakhs. Refer Note No 39 (viii)

**Other Payables include (a) Rs. 210.46 lakhs (PY: Rs. 210.46 lakhs) of advances received from various Government departments in respect of contract to supply imported cement and (b) Rs. 10 lakhs (PY:Rs. 10 lakhs) received from Government of Karnataka during the year 1985- 86 under Special Component Plan. No repayment terms has been specified by the Government. No interest provision has been made on the same.

16	Provisions				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
	Provision for employee benefits (Refer Note 34)				
	Compensated Absences	412.58	169.40	473.87	137.40
	Employee Death Relief Fund	15.38	78.80	15.20	77.93
	Provision for Insurance Claim (Refer Note 39(i))	402.42	-	389.59	-
	Total	830.38	248.20	878.66	215.33

a	Movement of Provision for insurance Claim		
	Particulars	As at March	
		31, 2024	31, 2023
	Balance as per last financial statements	389.59	363.93
	Addition during the year	12.83	25.66
	Balance at the year end	402.42	389.59

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17	Other liabilities				
	Particulars	As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
	Statutory dues (provident fund and tax deducted at source etc.)*	36.72	587.92	36.72	624.55
	Advance from Customers	-	2,595.78	-	3,140.13
	Amount received in Advance	-	1,067.07	-	1,067.07
	Other Liabilities**	-	517.23	-	282.03
	Total	36.72	4,768.00	36.72	5,113.78

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Limited

*Statutory dues includes 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.

**Government Order No. C18 CMI 2003 (PUC), Bangalore dated 31-Mar-2003 & 29-Apr-2004 directed to issue Equity Shares to GOK amounting to Rs. 345.74 lakhs. 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. The Company has shown this amount as 'Amount received in Advance'.

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 Amount received in Advance. 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.

18	Trade payables		
	Particulars	As at March 31, 2024	As at March 31, 2023
	Total outstanding dues of micro enterprises and small enterprises	3,195.19	2,694.04
	Total outstanding dues of creditors other than micro enterprises and small enterprises	31,940.97	26,523.86
	Total	35,136.16	29,217.90

- (i) 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 2023-24.

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	Particulars	As at March 31, 2024	As at March 31, 2023
a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
	Principal amount due to small and medium enterprise	3,195.19	2,694.04
	Interest due on above	-	-
b	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.	-	-
c	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 *	-	-
d	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
e	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. The same has been relied upon by the auditors.		

(ii) Trade Payables aging schedule					
As at March 31, 2024		Outstanding for following periods from due date of payment			
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and small Enterprises	2,418.45	371.73	170.78	234.23	3,195.19
Other than Micro and small Enterprises	23,216.15	3,460.92	1,066.70	4,197.20	31,940.97
Grand total	25,634.60	3,832.65	1,237.48	4,431.43	35,136.16

As at March 31, 2023		Outstanding for following periods from due date of payment			
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and small Enterprises	883.81	1,477.68	70.76	261.79	2,694.04
Other than Micro and small Enterprises	20,776.42	1,332.01	510.52	3,904.91	26,523.86
Grand total	21,660.23	2,809.69	581.28	4,166.70	29,217.90

Mysore Sales International Limited

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Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. lakhs unless otherwise stated)

19	Revenue from Operations		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Sale of products	339,180.58	294,382.37
	Income Earned on Chit Fund Business		
	Foreman's Commission	2,001.22	1,765.15
	Dividend	139.58	147.24
	Default Interest	208.33	224.29
	Revenue from services		
	Media Advertisements	6,957.22	10,962.82
	Event organising and others	19,944.14	25,157.70
	Revenue from Production	7,908.47	7,609.69
	Other Operating Income		
	Processing Charges	43.22	32.44
	Commission and service charges	41.38	139.92
	Total	376,424.14	340,421.62

Disaggregation of Revenue from contracts with customers

a	Revenue based on Geography		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Domestic	376,424.14	340,421.62
	Export	-	-
	Revenue from Operations	376,424.14	340,421.62

b	Timing of revenue recognition		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Goods or services transferred at a point in time	376,424.14	340,421.62
	Goods or services transferred at a over time	-	-
		376,424.14	340,421.62

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c	Revenue based on business segment		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Liquor	318,708.98	266,072.84
	Note Books & Stationery	14,339.28	9,984.71
	Pharmaceutical	1,456.63	1,441.75
	Industrial Products	297.13	1,988.27
	Chit Business	2,349.12	2,136.68
	Marketing and Advertisement	38,710.92	57,889.92
	Others	562.08	907.45
	Revenue from Operations	376,424.14	340,421.62

d	Reconciling the amount of revenue recognised in the statement of profit or loss with the contracted price		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue as per contracted price	376,439.24	340,421.62
	Adjustments		
	Sales Return	15.10	-
	Trade and cash discounts	-	-
	Revenue from contact with customer	376,424.14	340,421.62

e	Contract assets and contract liabilities		
	The Company has recognised the following revenue related contract assets and liabilities		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Trade receivables (Refer Note 10)	25,230.78	19,312.72
	Advance from customers (Refer Note 17)	2,595.78	3,140.13

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20	Other Income		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Interest Income on financial assets measured at amortised cost		
	-Fixed Deposits	3,071.48	164.61
	-Other financial assets and deposits	60.30	1,754.24
	Rent	595.66	851.04
	Dividend	11.53	6.11
	Excess Provision no longer required	172.35	131.13
	Profit on sale of property, plant and equipment	-	6.04
	Miscellaneous income	201.97	520.82
	Total	4,113.29	3,433.99

21	Cost of materials consumed		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Inventory at the beginning of the year	179.49	91.03
	Add: Purchases during the year	2,738.15	1,831.00
	Less: Inventory at the end of the year	(63.70)	(179.49)
	Total	2,853.94	1,742.54

22	Purchases of Stock-in-Trade		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Liquor	290,107.21	243,126.50
	Notebooks and Stationery	9,138.80	5,469.51
	Pharmaceutical	1,172.92	1,251.63
	Industrial Products	282.97	1,900.60
	Excise Labels	2,653.57	13,288.45
	Others	528.40	808.37
	Total	303,883.87	265,845.06

23	Cost of Services		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Media Advertisement	5,902.89	9,132.32
	Event Organising and others	18,579.23	24,008.34
	Production	7,379.36	7,203.78
	Total	31,861.48	40,344.44

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24	Changes in inventories of finished goods and stock-in-trade		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Inventories at the end of the year		
	Traded goods	14,681.93	14,993.40
	Finished goods	1,180.07	671.35
		15,862.00	15,664.75
	Inventories at the beginning of the year		
	Traded goods	14,993.40	13,040.99
	Finished goods	671.35	1,523.35
		15,664.75	14,564.34
	Total	(197.25)	(1,100.41)

25	Employee Benefits Expense		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Salaries, Wages, Gratuity (Refer Note 34)	2,086.17	1,806.38
	Contribution to Provident & Other funds (Refer Note 34)	207.17	187.34
	Staff Welfare and Training Expenses	191.74	425.59
	Total	2,485.08	2,419.31

26	Finance Costs		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Interest on lease liabilities (Refer note 15B)	131.78	103.84
	Interest on financial liabilities measured at amortised cost	2.53	4.62
	Bank charges	74.44	71.23
	Guarantee Commission	30.68	0.31
	Total	239.43	180.00

27	Depreciation and amortization expense		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Depreciation on Property, plant and equipment (Refer note 2)	1,159.79	1,179.35
	Depreciation on Investment Properties (Refer note 4)	118.27	118.24
	Amortization of intangible assets (Refer note 5)	10.29	11.46
	Depreciation of Right-of-use assets (Refer note 5A)	729.27	595.70
	Total	2,017.62	1,904.75

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28	Other Expenses		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Conversion charges - Notebooks	320.54	254.67
	Packing Material & Secondary Freight	1,930.21	1,694.52
	Outsourcing expenses	8,240.06	7,943.44
	Rent (Refer note 5B)	995.78	1,117.99
	Repairs & Maintenance :		
	- Buildings	186.49	107.07
	- Vehicle	86.77	65.28
	- Others	479.53	268.19
	Insurance	162.55	168.65
	Rates and taxes	5,603.02	5,332.95
	Advertising and sales promotion	384.57	510.40
	Communication costs	88.54	101.02
	Printing and stationery	259.45	275.38
	Payment to Auditors (Refer Note 28A)	14.20	14.46
	Legal and professional fees	700.57	733.99
	Travelling and conveyance	180.45	335.79
	Electricity & Water	307.78	254.04
	Security Services	91.47	90.02
	Commission	749.69	608.53
	Donation	302.25	410.00
	Corporate Social Responsibility expenditure	200.40	128.16
	Directors Sitting fees	1.17	3.19
	Loss on sale of property, plant and equipment (net)	3.24	-
	Allowances for doubtful debts and advances	502.84	430.40
	Impairment losses in value of other financial assets	-	6.83
	Miscellaneous Expenses	323.35	435.51
	Business promotion and Development expenses	20.17	24.25
	Total	22,135.09	21,314.73

28A	Payment to the Auditor:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	- Audit fee	11.29	11.55
	- Tax audit fee	2.91	2.91
	Total	14.20	14.46

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29A	Tax expense		
	Tax expense comprises of:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Statement of Profit and Loss		
	Current tax on continuing business	4,045.19	3,336.47
	Current tax on discontinuing business	1.34	(0.71)
	Deferred tax charge/(credit)	(349.42)	(608.09)
	Adjustment of tax relating to earlier years	25.92	35.28
	Income tax expense reported in the Statement of Profit and Loss	3,723.03	2,762.95
	Statement of Other Comprehensive Income		
	Deferred tax charge/(credit)		
	On Re-measurement gains/ (losses) on defined benefit plans	5.14	(0.45)
	On Fair value of Equity instruments	(300.79)	4.78
	Deferred tax charged to OCI	(295.65)	4.33

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:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Accounting profit before tax from continuing operations	15,252.51	11,190.91
	Profit/(loss) before tax from discontinued operations	5.32	(2.82)
	Accounting profit before tax	15,257.83	11,188.09
	Effective tax rate in India	25.168%	25.168%
	Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	3,840.09	2,815.82
	Adjustments:		
	Inadmissible expenditure	88.36	100.84
	Adjustment of tax relating to earlier years	25.92	35.28
	Eligible Deductions under the IT Act	(206.54)	(117.08)
	Other adjustment	(24.80)	(71.91)
	Total income tax expense	3,723.03	2,762.95
	Effective tax rate	24.401%	24.695%

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C	Deferred tax				
	Particulars	Balance sheet As at March 31, 2024	Balance sheet As at March 31, 2023	Statement of profit and loss and OCI for the year ended March 31, 2024	Statement of profit and loss and OCI for the year ended March 31, 2023
	Accelerated depreciation for tax purposes	41.93	(2.56)	44.49	120.20
	Disallowance u/s 40(a)(ia) and 43B	269.39	401.31	(131.92)	413.62
	Unrealised Rental Income	-	(49.78)	49.78	13.87
	Provision for employee benefit expenses	163.57	176.68	(13.11)	(36.99)
	Provision for doubtful advances/debts	2,671.53	2273.51	398.02	113.48
	Lease Liabilities and Right of Use Assets	4.25	(3.05)	7.30	(16.54)
	Fair value of Equity Investments	(296.01)	4.78	(300.79)	4.78
	Deferred tax expense/(income)			53.77	612.42
	Net deferred tax assets/(liabilities)	2,854.66	2,800.89		

Reflected in the balance sheet as follows:	As at March 31, 2024	As at March 31, 2023
Deferred tax asset	3,150.67	2,856.28
Deferred tax liability	(296.01)	(55.39)
Deferred Tax Asset(Net)	2,854.66	2,800.89

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.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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30	Discontinued Operations and assets held for sale		
A	Hire purchase operations- Discontinued Operations		
	The Company has discontinued its Hire Purchase Operations in July 2008, which was also a separate segment as per Ind AS-108, Operating Segments. The Company accounts for interest income from Hire Purchase Operations on cash basis. The scheduled EMI periods terminated in 2013-14. The results of Hire Purchase Operations for the year are presented below:		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Other income	5.56	1.80
	Other expenses	0.24	4.62
	Profit/(Loss) before tax from discontinuing operations	5.32	(2.82)
	Tax expense on discontinuing operations	(1.34)	0.71
	Profit/(Loss) for the year from discontinuing operations	3.98	(2.11)
	Assets		
	Stock with hirers	291.83	296.76
	Less: Provision for stock with hirers	(291.83)	(296.76)
		-	-
	Liabilities	-	-

B	Investment in equity shares - Assets held for Sale		
	The Government of Karnataka, vide its order no AHD 172 AFT 2010 dated March 05, 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 June 30, 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 the year end.		
	Unquoted - Fully paid equity shares	As at March 31, 2024	As at March 31, 2023
	Associate		
	Food Karnataka Limited		
	50,000 (March 31, 2023: 50,000) fully paid equity shares of INR 10 each	409.07	414.73
		409.07	414.73
	Liabilities associated with the assets held for sale	-	

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31	Other Comprehensive Income		
	Items that will not be reclassified to profit or loss	Year ended March 31, 2024	Year ended March 31, 2023
	Gain/(loss) on FVTOCI of Investment in equity shares of:	1,189.74	(19.01)
	- J K Tyre Industries Limited	912.81	122.74
	- Bengal & Assam Co Limited	187.39	49.74
	- The Karnataka State Co-operative Apex Bank Limited	0.26	1.23
	- Hassan Mangalore Rail Development Company Limited	89.28	(192.72)
	Re-measurement gains (losses) on defined benefit plans	(1.38)	2.50
	Total Other Comprehensive Income	1,188.36	(16.51)

32	Earnings Per Share		
	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Profit attributable to equity holders of the company Continuing operations	11,530.82	8,427.25
	Discontinued operations	3.98	(2.11)
	Total	11,534.80	8,425.14
	No. of shares used for Basic and diluted Earnings Per Share	4,273,477	4,273,477
	Face Value of Share (Rs.)	100.00	100.00
	Earnings per share for continuing operations		
	Basic and Diluted (Rs.)	269.82	197.20
	Earnings per share for discontinued operations		
	Basic and Diluted (Rs.)	0.09	(0.05)
	Earnings per share for continuing and discontinued operations		
	Basic and Diluted (Rs.)	269.92	197.15

33	Dividend Paid		
	Cash dividends on equity shares paid:	Year ended March 31, 2024	Year ended March 31, 2023
	Dividend for the year ended	March 31, 2023	March 31, 2022
	Dividend paid	1,827.87	1,105.19
	The Board has proposed Dividend of @ 30% of Profit after tax for the year which will have a outflow of Rs. 3,115.91 lakhs (March 31, 2023: Rs. 1,827.87 lakhs). The Proposed dividends is subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2024.		

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Capital management

The Group’s capital management is intended to maximise the return to shareholders for meeting the long and short term objectives of the Group through the leveraging of the debt and equity balance.

The Group 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 Group monitors the capital structure on the basis of debt to equity ratio and the maturity of the overall debt of the Group.

The following table summarises the capital of the Group:

Particulars	As At March 31, 2024	As At March 31, 2023
Total equity (Note 13 and 14)	85,583.58	74,987.37
Debt	149.28	174.55
Cash equivalents including other bank balances (Note 11 and 12)	64,518.36	46,003.19
Net debt	(64,369.08)	(45,828.64)
Total equity plus net debt	21,214.50	29,158.73
Gearing Ratio (Net debt to capital ratio)	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

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Financial risk management		
The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.		
Risk	Exposure arising from	Measurement
Credit risk	Other bank balances, trade receivables, investment carried at amortised cost, loans, other financial assets and financial guarantees	Ageing analysis and recoverability assessment
Liquidity risk	Other financial liabilities & collaterals taken as security	Rolling cash flow forecasts
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in INR	Sensitivity analysis
Market risk – security prices	Investment in equity securities	Sensitivity analysis

i Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group 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's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past

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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 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 Group 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 Group 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 Group 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'.

Credit risk exposure

Provision for expected credit losses

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

As at March 31, 2024

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	29,934.21	(4,703.43)	25,230.78
Cash and cash equivalents	15,608.95	-	15,608.95
Other bank balance	48,909.41	-	48,909.41
Other financial assets	35,728.52	(1,994.87)	33,733.65

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As at March 31, 2023			
Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	23,854.72	(4,542.00)	19,312.72
Cash and cash equivalents	10,174.78	-	10,174.78
Other bank balance	35,828.41	-	35,828.41
Other financial assets	31,659.19	(1,877.26)	29,781.93

Reconciliation of loss allowance provision - Trade Receivables and Other Financial Assets		
Particulars	Trade receivables	Other financial assets
Loss allowance on April 01, 2022	(4,338.48)	(1,937.27)
Add: Allowance for the year (Net)	(203.52)	-
Reversals/ written off during the year	-	60.01
Loss allowance on March 31, 2023	(4,542.00)	(1,877.26)
Add: Allowance for the year (Net)	(161.43)	(155.57)
Reversals/ written off during the year	-	37.96
Loss allowance on March 31, 2024	(4,703.43)	(1,994.87)

ii Liquidity risk

The Group 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 Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group'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 analyse the Group'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).

As At March 31, 2024	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	149.28	-	149.28
Trade payables	25,634.60	9,501.56	-	35,136.16
Lease liabilities	725.06	438.14	-	1,163.20
Other financial liabilities	21,430.15	17,539.74	-	38,969.89
Total	47,789.81	27,479.44	-	75,269.25

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As At March 31, 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	174.55	-	174.55
Trade payables	21,660.23	7,557.67	-	29,217.90
Lease liabilities	382.77	342.75	-	725.52
Other financial liabilities	15,037.85	15,015.82	-	30,053.67
Total	37,080.85	22,916.24	-	59,997.09

iii Market risk
a Foreign currency risk

The Group does not carry any asset or liability denominated in Foreign currency. Hence the Group is not exposed to currency risk.

b Price risk

The Group's exposure to equity securities price risk arises from the investments held by the group and classified in the balance sheet at fair value through OCI.

Sensitivity

Profit or loss is sensitive to higher/lower prices of instruments on the Group's reserves for the periods.

Particulars	March 31, 2024	March 31, 2023
Price increase by 5% - FVOCI	179.73	120.25
Price decrease by 5% - FVOCI	(179.73)	(120.25)

iv Interest risk

Interest rate risk refers to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

As on March 31, 2024, 100% of the Group's borrowings are at fixed rate of interest. (March 31, 2023 : 100%).

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37	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, 2024				As at March 31, 2023			
		Cost	FVTOCI	Amortized cost	Total	Cost	FVTOCI	Amortized cost	Total
	Financial assets:								
6	Investments	-	3,594.67	-	3,594.67	-	2,404.93	-	2,404.93
7	Other financial assets	-	-	33,733.65	33,733.65	-	-	29,781.93	29,781.93
10	Trade receivables	-	-	25,230.78	25,230.78	-	-	19,312.72	19,312.72
11	Cash and cash equivalents	-	-	15,608.95	15,608.95	-	-	10,174.78	10,174.78
12	Other Bank Balances	-	-	48,909.41	48,909.41	-	-	35,828.41	35,828.41
	Total financial assets	-	3,594.67	123,482.79	127,077.46	-	2,404.93	95,097.84	97,502.77
	Financial liabilities :								
18	Trade payables	-	-	35,136.16	35,136.16	-	-	29,217.90	29,217.90
15A	Borrowings	-	-	149.28	149.28	-	-	174.55	174.55
15B	Lease Liability	-	-	1,163.20	1,163.20	-	-	725.52	725.52
15C	Other financial liabilities	-	-	38,969.89	38,969.89	-	-	30,053.67	30,053.67
	Total financial liabilities	-	-	75,418.53	75,418.53	-	-	60,171.64	60,171.64

Fair Value disclosure for Financial Instruments					
Note No.	Particulars	As at March 31, 2024		As at March 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial assets :				
6	Investments measured at Fair Value through OCI	3,594.67	3,594.67	2,404.93	2,404.93
	Total financial assets	3,594.67	3,594.67	2,404.93	2,404.93
	Financial liabilities :	-	-	-	-
	Total financial liabilities	-	-	-	-

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.

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.

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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, 2024			Total	As at March 31, 2023			Total
	Quoted price in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Un-observable inputs (Level 3)		Quoted price in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Un-observable inputs (Level 3)	
Asset measured at fair value								
Fair value through Other Comprehensive Income								
Investment in Equity shares	1,749.13	-	1,845.54	3,594.67	648.93	-	1,756.00	2,404.93

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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38	Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures		
(a)	Name of Related Parties and Nature of Relationship :		
Sr. No.	Name of Related Parties	Relationship	Remark
(I)	Key Management Personnel(KMP)		
1	Mr. Puttarangashetty	Chairman	From 26/01/2024
2	Mr. Patil M B	Chairman	From 13/06/2023 Up to 26/01/2024
3	Mr. Halappa	Chairman	Up to 12/04/2023
4	Mr. Manoj Kumar	Managing Director	From 03/07/2023
5	Mr. Vikash Kumar Vikash	Managing Director	Up to 03/07/2023
6	Mr. Ravishankar J	Director	
7	Ms. Gunjan Krishna	Director	
8	Mr. Nitish K	Director	
9	Mr. Ramesh R	Director	
10	Mr. Sateesha B C	Director	From 23/11/2023
11	Mr. Ravi M R	Director	Up to 23/11/2023
12	Mr. Venkatesh Naidu	Director	Up to 22/05/2023
13	Mr. Channadevaru C	Director	Up to 22/05/2023
14	Mr. Shivaji Shivaray Dollin	Director	Up to 22/05/2023
15	Mr. Andappa Javali	Director	Up to 22/05/2023
16	Mr. Totappa Nagappa Nidagundi	Director	Up to 22/05/2023
17	Mr. Satish R D	Director	Up to 22/05/2023
18	Mr. Ningappa	Director	Up to 22/05/2023
19	Mr. Shashidhar B Honnannavar	Director	Up to 22/05/2023
20	Ms. Sridevi B N	Company Secretary	
21	Mr. Avinash K R	Chief Financial Officer	From 01/12/2023
22	Mr. Chandrappa A M	Chief Financial Officer	Up to 01/12/2023
23	Ms. Sharada Manoj Kumar	Relative of Managing Director	
(II)	Entity having significant interest in Holding Company		
	Karnataka State Industrial & Infrastructure Development Corporation Limited		
(III)	Associate Company		
	Food Karnataka Limited		

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(b) Transactions with related parties:			
		March 31, 2024	March 31, 2023
a) With KMP & Relative of KMP			
	Remuneration paid to Key management personnel (*) (#)	113.92	107.37
	Contribution to Chit	7.50	-
	Repayment of Advance by Chit Contributors	4.20	4.20
	Expenses incurred on behalf of KMP	1.13	9.41
	Sitting Fee paid to Directors	0.51	1.64
b) With entity having significant interest in Holding Company			
	Revenue from services	56.32	72.19
c) With Associate			
	Share of Profit/(Loss)	(5.66)	(14.28)

(*) 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

(c) Balances with related parties as on date are as follows			
		March 31, 2024	March 31, 2023
a) With KMP			
	Advances from KMP for Chit	7.50	-
	Advances to KMP for Chit	1.55	5.75
	Receivable from KMP	10.53	9.41
b) With entity having significant interest in Holding Company			
	Trade Receivable	9.29	4.19
	Non Current Borrowings	28.56	28.56

(d) Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given, at the year-end are unsecured and interest free and settlement occurs in cash.

(e) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2024 (March 31, 2023: Rs. Nil)

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39	Contingent Liabilities and Commitments			
	Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
	1	Guarantees / Counter Guarantees given by Banks on behalf of the Group	215.49	122.48
	2	Claims against the Company not acknowledged as debt		
	a	Insurance Claim on Fire Policy - Refer Note (i) below		
		– Pending cases	207.73	207.73
		– Decreed cases	488.70	488.70
		– Interest on above	718.56	680.06
	b	Claim made by party in the business of Iron ore Export (including interest) - Refer Note (ii) below	2,594.64	2,465.96
	c	Claims made by Directorate of Pension, Small savings Asset Monitoring - Refer Note (iii) below	1,553.60	4,609.86
	d	Claim against lease of windmill by Wescare (India) Limited - Refer Note (iv) below	123.79	119.23
	e	Claim by Airport Authority of India - Licence fee on lease of Bangalore Air Carco Complex (BACC) Refer Note (v) below	397.14	397.14
	f	Claim made by party in business of Advertisement - Refer Note (xi) below	57.18	57.18
	3	Disputed Demands - Refer Note (vi) below		
		– In respect of Income Tax	4,229.47	3,399.00
		– In respect of Service Tax - Refer Note (xii) below	310.73	369.12
	4	GST RCM on Transportation Charges - Refer Note (vii) below	365.49	45.98
	5	Interest liability on SKOL Breweries Claim - Refer Note (viii) below	308.77	-

Notes for Holding Company

- (i) “Certain Insurance Companies who had settled the claims of their customers on account of fire accident at BACC owned by the 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 Honourable Supreme Court against the order of the High Court of Karnataka. The Honourable Supreme Court had directed vide its order dated November 06, 2009 that all the parties (the 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 subjudice. 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. 958.08 lakhs (PY: Rs. 906.75 lakhs). An amount of Rs. 239.52 lakhs is provided in the current year (PY: Rs. 226.69 lakhs) and the balance amount of Rs 680.06 lakhs

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(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 had 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.”

- (ii) “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. 2,594.64 lakhs (PY: Rs. 2,465.96 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 Court to 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.”

An irrevocable Letter of Credit in favour of MMI for Rs. 5 Crores was established. The supplier, having failed to mobilize funds to procure ore, sought advance from MSIL. As the ship had already arrived at the port on December 10th 2009, to avoid demurrage, the Company had advanced Rs. 2.15 Crores against post dated cheques and commitment to create equitable mortgage on properties which the company could not complete. In view of continued failure to supply the ore, the Company had deposited the cheques for collection but these were dishonoured and hence a criminal case under Negotiable Instruments Act, 1881 was filed on 25.02.2010, now the case is pending before the Chief Metropolitan Court, Bangalore. In the hearing held on 8th August 2019 it was informed by the Advocate for the accused that the accused had expired and the Death Certificate will be produced in the next hearing.

The Company raised an invoice on the buyer and negotiated the documents through LC which could not be negotiated as it was lapsed. On the cargo reaching Hong Kong port, Chinese Inspection Quality Report revealed an Fe content of 45.9% and hence the buyer rejected the ore as sub standard. Subsequently, overseas buyer was authorized to sell the ore and realize the proceeds. The ore was sold at US\$ 35 per MT on CFR basis realising US\$ 16,39,626.80 vide invoice dated March 23rd 2010. MSIL requested the foreign buyer to remit the sale proceeds who in turn claimed US\$ 24,25,051.88 towards its claim against the Company, which the company didn't agree.

- (iii) Directorate of Small Savings: A letter dated November 18, 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. 4,609.86 lakhs drawing reference to their earlier letters . However the Company vide its letter dated December 10, 2020 had communicated that it had earlier remitted a sum of Rs. 352.61 lakhs on October 17, 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. After submission of necessary documents, the Government of Karnataka

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has reduced the demand to 1787.00 lakhs including interest. The Company has provided Rs. 233.40 lakhs against the said claim. The remaining amount of Rs. 1,553.60 lakhs is reported under Contingent Liability. The Company is in the process of submitting request for waiver of Interest.

- (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) 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 January 01, 2001 to 2010. After a joint survey, the property has been handed over on March 02, 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. 226.89 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: Rs. 397.14 lakhs).
- (vi) Disputed Demands
 - (a) It is not practicable for the Company to estimate the timing of cash outflows, if any, pending resolution of the respective proceedings.
 - (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
 - (c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- (vii) a) Refund claim of GST RCM of Rs. 45.98 lakhs were paid towards transportation charges which is reported under "Other Assets" in note no. 8. The actual claim up to December 2020 was Rs. 121.42 lakhs. The difference of Rs. 75.44 lakhs were charged to the Statement of Profit and Loss in earlier years. The Company's claim was rejected by Assistant 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. Further liability on GST RCM on transportation charges for the period from January 2021 to March 2024 is Rs. 319.51 lakhs which has not been discharged by the Company. No provision has been made for the refund receivables as well as additional liability since the Company is legally advised that the chances of favourable outcome are high. The Company has disclosed such amount as "Contingent Liability".
- (viii) "Honourable Supreme Court, vide order dated February 13, 2003 had ordered for the appointment of an Authorised Officer to quantify the commission due to the Company from Mysore Breweries (MBL) (MBL was formerly known as SKOL Breweries and now is known as AB Inbev India Limited). The decision of the Authorised Officer to pay Rs. 2,518.00 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

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balance amount. The Company has moved to HC for seizure. During the year, the Company has received sum of Rs.3531.53 lakhs against the bank guarantee of Rs.3,525.00 lakhs issued in favour of High Court of Karnataka. If the order of appeal goes against the Company, the Company will have to refund the entire amount including interest at bank rate. Pending resolution, the Company has disclosed interest on such fixed deposits of Rs. 308.77 lakhs as ""Contingent Liability""."

Notes for Karnatak State Marketing Communication & Advertising Limited

- (ix) 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.
- (x) 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 Financial 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 Government of Karnataka is awaited.
- (xi) 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, 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 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 on the same set of facts but claim amount has been changed from Rs. 57.18 Lakhs to Rs. 60.04 lakhs, which is pending before the Hon'ble High Court of Karnataka.

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- (xii) 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 lakhs. The Company is on Appeal in this matter and out of the total demand amount 10% i.e Rs. 7.91 lakhs has been paid as deposit to the Appellate Authority during the FY 2020-21. The said amount is disclosed under Other Current Assets.

40 Capital Commitment and Other Commitments			
	Particulars	As at March 31, 2024	As at March 31, 2023
	(a) Capital commitments		
	Property, Plant & Equipment	187.79	160.08
	(b) Other commitments		
	Commitment in respect of subscription for substituted chit	104.11	22.53

41 Other Notes

For Holding Company

- (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) Government Grants/Incentive**
- The Company is claiming grant/incentive from Government agency-BPPI. During the financial year 2021-2022, 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 year, an amount of Rs. 66.06 lakhs was due under these claims and an equal amount provision has been made for the same. However, as per the communication received from Janaushadi department, the Company has received the complete amount of normal incentive and there are no outstanding receivable on account of such incentive.
- (iv) With respect to Chit Fund Division "Amount Recoverable from Prized Subscribers" amounting to Rs. 31618.08 lakhs classified as "Loans under Financial Assets", measured at amortized cost, carrying amount in net of Rs. 1196.65 lakhs being the unreconciled balances. Consequential impact of such reconciliation and confirmation, if any, on the profit and on the assets/liabilities is not ascertainable.

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- (v) The Company had entered into a lease agreement with Mrs. Nagarathna for a property near 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 June 24, 2019 against the Company for recovery of the unpaid rent of Rs. 59 lakhs with the Interest at 18 % from November 15, 2011 to December 20, 2013. The Company approached the Hon'ble HC, Karnataka and had obtained an interim stay on October 21, 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.
- (vi) "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-CUSTOM-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."

- (vii) M/s. Pearl Ports and Warehousing Pvt Limited has entered into lease agreement with MSIL on March 28, 2018 for leasing 89,888 Sq. ft with 25% enhancement every three years, for a period of 15 years. The agreement was modified by an addendum dated June 18, 2018. As the tenant was not paying dues as per the lease agreement, the Company has served Lease Termination Notice on May 03, 2021. Further a Police Complaint also lodged as the tenant has undertaken civil works without the permission of the Company. The Company has filed a petition before Hon'ble HC of Karnataka for appointment of Sole Arbitrator and a retired judge has been appointed as Sole Arbitrator on March 21, 2022. As at the year end, an amount of Rs. 337.32 lakhs (PY Rs. 279.53 lakhs) is due from the tenant. The Company is carrying provision of Rs. 137.24 lakhs (PY: Rs. 137.24 lakhs) against the same.
- (viii) The Company has entered into a lease agreement dated September 27, 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 at the year end, an amount of Rs. 1,006.03 lakhs (PY Rs. 759.18 lakhs) is due from the tenant and the Company is holding an equivalent amount of provision.
- (ix) The Company has received certain advances for the tours and travels services from Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka. The Company has also made supplies to RGUHS in Papers Division. Since disputes arose between the Company and RGUHS and with the corresponding service providers, the receivables and payables accounts of RGUHS and service providers need to be reconciled. The Company has made a provision for bad and doubtful advances to the extent of Rs. 200 lakhs in this regard. The potential effect of the same on the financial statements is not ascertainable in the absence of reconciliation statements.

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- (x) Regarding the misappropriation of funds by Mr. MS Patil, Branch Manager and the cases of Sri. M S Patil v. Karnataka State Government (Ministry of Commerce and Industries) and Managing Director of Karnataka State Marketing Communication & Advertising Limited [Case No. WP 202699/2022 and WP No. 200418/2023]
- (a) It was noted in Board Meeting dated June 18, 2019, regarding collection of receivables of Rs.39.29 lakhs by Mr.M.S.Patil, the then Branch Manager of Vijayapura from the various clients of the Company being Public Works, Ports and Inland Water Transport Department, Vijayapura into an unauthorized bank account. Accordingly, a FIR had been registered with the Jalanagar police station, Vijayapura on 30th May 2019. During the F.Y. 20-21, the said FIR was withdrawn consequent to the recovery of Rs. 39.29 lakhs from Mr. M.S. Patil. However, as per the decision of Board in its 270th Meeting held on 07.12.2022, Sri M.S.Patil, Branch Manager - Vijayapura was kept under suspension Vide Order No: MCA/ADMIN/MD/24/2022-23 Dated:11.01.2023 on charges of misappropriation of company funds to the tune of Rs.134.21 lakhs, forging of various official documents and so on. The misappropriated amount of Rs.134.21 lakhs includes Rs. 39.29 Lakhs pertains to Public Works Port & Inland Water Transport Department the same was disclosed in earlier years. The said amount of Rs. 39.29 Lakhs has been remitted back to the company by Sri M.S.Patil. Departmental enquiry was initiated on the charges mentioned above. The said Departmental Enquiry has been concluded on 30.12.2023. The said Departmental enquiry confirms the misappropriation of Rs.134.21 lakhs. The Company is due to take further action on the basis of the latest Departmental Enquiry.
- (b) Sri. MS Patil had filed a Writ Petition bearing WP No. 202699/2022 against the Company challenging the order issued for re-enquiry of the charges by the Company pertaining to the opening of unauthorized bank account, misappropriation of amount and other charges. The Writ was disposed off by the Hon'ble High of Karnataka, vide order dated 25.9.2023, ruling in favour of Mr. MS Patil quashing the order issued for re-enquiry of charges. Appeal against the said order was not filed by the Company. Instead, a fresh enquiry was initiated and the enquiry was concluded by the issue of report dated 30.12.2023, wherein the charges of further misappropriation of funds to the tune of Rs. 94.92 lakhs have been proved among other charges such as forgery.
- (c) Additionally, Sri. MS Patil had filed a Writ Petition bearing WP No. 200418/2023 against the Company challenging the order of suspension from the services of the Company. The Writ Petition has been disposed off by the Hon'ble High Court of Karnataka, vide its order dated 4.6.2024, wherein the petition by Mr. MS Patil has been dismissed, in favour of the Company.
- (xi) Regarding the WP 10332/2022 in the case of M/s. Monuments Advertisers Limited v. Karnataka State Government (Ministry of Commerce and Industries), Managing Director, Karnataka Udyog Mitra and Managing Director of Karnataka State Marketing Communication & Advertising Limited.

As per the work order of the client, Karnataka Udyog Mitra, the execution of work of GOK Chalet and Exhibition Stall Fabrication of Aero India 2013 for Rs. 26.69 lakhs was executed by the Company through its Business Associates M/s. Monuments Advertisers Limited. After completion of the work, M/s. Monuments Advertisers Limited submitted the invoices. However, the client, Karnataka Udyog Mitra raised certain objections with respect to execution of work and sought clarification for the same. The said clarifications

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were provided, yet the payment was not released by the client. A Writ Petition has been filed by the Business Associate bearing WP NO. 10332/2022. The Company holds the stand that since the Business Associate agreement entered into between the Company and the Business Associate mentions that the payment will be released only after receiving the payment from the client. The said Writ Petition is pending before the Hon'ble High Court of Karnataka.

- (xii) Regarding WP No. 21308/2022 in the case of 1) Invest Karnataka Forum 2)Karnataka State Marketing Communication And Advertising Ltd v/s 1)BBP Studio Virtual Bharath Pvt Ltd 2) State Of Karnataka Represented By Additional Chief Secretary, Ministry Of Commerce And Industry
- (a) M/s. BBP Studio Virtual Bharat PVT LTD was issued work order by the Company for the work of creating 3D animation film showcasing Karnataka during Global Investors Meet 2022 for Rs.389.40 lakhs. The Company had released an amount of Rs. 142.85 lakhs as the Client released the advance payment. Subsequently, on 25.10.2022, the said work order was withdrawn by the Company as per orders of the Client -Invest Karnataka Forum. Later, M/s. BBP Studio Virtual Bharat PVT LTD had filed a case vide WP No. 21308/2022 for release of balance payment of 246.54 lakhs.
- (b) The court on 25.01.2023 disposed the case and ordered as follows:
- 1) The Writ petition is allowed
 - 2) The Impugned communication dated 25.10.2022 issued by the 3rd Respondent stands quashed
 - 3) A mandamus issued to the 1st respondent/State to release balance payments due to the petitioner in terms of its invoice dated 27.10.2022
 - 4) The petitioner is at liberty to seek arbitration of any other disputes the remains unresolved apart from what is considered in the case at hand.
- (c) Subsequently, on 03.03.2023, a Review Petition no.104/2023 was filed by the Government and the company against the order passed in the above Writ Petition. The said review petition has been rejected by the Hon'ble High Court. M/s. BBP Studio Virtual Bharat PVT LTD filed Civil Contempt petition No.495/2023 against the Government of Karnataka, the client – Invest Karnataka Forum and the Company for not implementing the order passed in WP.No. 21308/2022. After hearing the submission made by the Company, the Hon'ble Court has dropped the Contempt proceedings against the company vide order dated 07.08.2023 as there is no specific order to the company to release the payment.
- (d) Subsequently, a Writ appeal has been filed against the Order passed in WP.No. 21308/2022 by client the Invest Karnataka Forum and KSMC&A Company against the Business Associate M/s.BBP Studio and the Govt. of Karnataka.
- (e) Further, The Govt of Karnataka has also filed an appeal against the M/s BBP Studio, Invest Karnataka Forum and KSMC&A Company (W A 1266/2023) challenging the Order passed in WP.No. 21308/2022.
- (f) The judgment and order of learned Single Judge dated 25.01.2023 as well as the order dated 07.08.2023 passed in Review Petition No.104 of 2023 rejecting the review in W P No:21308/2022 are set aside. Both the appeals are mentioned aforesaid in para (e) were allowed. The contempt application which was filed against the impugned judgment is dismissed. The matter is referred to Arbitration.

Mysore Sales International Limited**CIN:U85110KA1966SGC001612****Notes forming part of the Consolidated Financial Statements****(All amounts in Rs. lakhs unless otherwise stated)**

(xiii) Regarding Appeal No. 236/2014 in the case of KSMC&A v. Mr. SM Pasha pending before the Hon'ble High Court of Karnataka

The Company had 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. Thereafter, 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 is filed and the same is pending before Hon'ble High Court of Karnataka for disposal. During the year 1995-96, the disputed amounts were 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 had 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 Appeal No. 236/2014 is still pending before the Hon'ble High Court of Karnataka.

42 Segment Reporting**i Identification of Segments:**

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision 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. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group.

ii Operating Segments:

- a) Paper division deals in both Note Books and Stationery
- b) Sale of liquor is reported under Beverages Division
- c) Marketing and Advertisement
- d) Others include Chit Operations, Consumer & Pharmaceutical Products, Export & Import Operations, Tours & Travels and Industrial Product Division.

iii Segment revenue and results:

Revenue and expenses directly attributable to segments are reported under each reportable segment. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income). Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level.

iv Segment assets and Liabilities:

"Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventories and other operating

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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

assets. Segment liabilities primarily includes trade payable and other liabilities excluding borrowings. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.”

v Inter Segment transfer:

“Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level. The accounting policies of the reportable segments are the same as the Group’s accounting policies described in note 3. The Group’s financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.”

vi Geographical segment:

Geographical segment is considered based on sales within India and rest of the world.

vii	Summarised segment information:					
	For the year ended March 31, 2024					
	Particulars	Paper	Beverages	Marketing and Advertisement	Others	Total
	Segment Revenue					
	External customers	14,339.28	318,708.98	38,710.92	4,664.96	376,424.14
	Inter-segment	-	-	-	-	-
	Total Enterprise Revenue	14,339.28	318,708.98	38,710.92	4,664.96	376,424.14
	Segment Results					
	Segment Profit before tax and finance cost	1,002.13	12,295.10	2,550.85	-356.14	15,491.94
	Less: Finance Cost					(239.43)
	Less: Tax Expense					(3,721.69)
	Net profit/(loss) after tax	1,002.13	12,295.10	2,550.85	-356.14	11,530.82
	Segment Assets	10,349.42	21,214.92	46,412.67	88,880.43	166,857.44
	Unallocated Assets	-	-	-	-	-
	Total Assets	10,349.42	21,214.92	46,412.67	88,880.43	166,857.44
	Segment Liabilities	9,740.21	9,289.92	25,578.24	36,701.22	81,309.59
	Unallocated Liabilities	-	-	-	-	-
	Total Liabilities	9,740.21	9,289.92	25,578.24	36,701.22	81,309.59
	Depreciation and amortisation expense	5.90	826.73	70.68	1,114.31	2,017.62
	Unallocated Depreciation and amortisation	-	-	-	-	-
	Total Depreciation and amortisation	5.90	826.73	70.68	1,114.31	2,017.62
	Capital Expenditure	1.31	628.26	92.31	86.48	808.36
	Unallocated Capital Expenditure	-	-	-	-	-
	Total Capital Expenditure	1.31	628.26	92.31	86.48	808.36

Mysore Sales International Limited

CIN:U85110KA1966SGC001612

Notes forming part of the Consolidated Financial Statements

(All amounts in Rs. lakhs unless otherwise stated)

For the year ended March 31, 2023					
Particulars	Paper	Beverages	Marketing and Advertisement	Others	Total
Segment Revenue					
External customers	9,984.71	266,072.84	57,914.37	6,449.70	340,421.62
Inter-segment					-
Total Enterprise Revenue	9,984.71	266,072.84	57,914.37	6,449.70	340,421.62
Segment Results					
Segment Profit before tax and finance cost	448.29	8,414.21	2,617.66	-109.25	11,370.91
Less: Finance Cost					(180.00)
Less: Tax Expense					(2,763.66)
Net profit/(loss) after tax	448.29	8,414.21	2,617.66	-109.25	8,427.25
Segment Assets	5,190.92	18,335.85	42,727.60	75,112.51	141,366.88
Unallocated Assets					-
Total Assets	5,190.92	18,335.85	42,727.60	75,112.51	141,366.88
Segment Liabilities	3,532.83	944.67	23,791.35	38,147.28	66,416.13
Unallocated Liabilities					-
Total Liabilities	3,532.83	944.67	23,791.35	38,147.28	66,416.13
Depreciation and amortisation expense	2.11	1,153.56	70.31	678.77	1,904.75
Unallocated Depreciation and amortisation	-	-	-	-	-
Total Depreciation and amortisation	2.11	1,153.56	70.31	678.77	1,904.75
Capital Expenditure	3.33	1,824.72	5.30	437.88	2,271.23
Unallocated Capital Expenditure					-
Total Capital Expenditure	3.33	1,824.72	5.30	437.88	2,271.23

Capital expenditure consists of additions to property, plant and equipment, intangible assets, investment properties, capital work-in-progress and Right of Use assets.

Information about major customers:

Considering the nature of business of group in which it operates, the group deals with various customers including multiple geographic. No single customer has accounted for more than 10% of the group's total revenue for the years ended March 31, 2024 and 2023.

Mysore Sales International Limited**CIN:U85110KA1966SGC001612****Notes forming part of the Consolidated Financial Statements****(All amounts in Rs. lakhs unless otherwise stated)****43 Other regulatory information required by Schedule III****a. Utilisation of borrowed funds**

During the year ended March 31, 2024 and March 31, 2023, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Further, during the year ended March 31, 2024 and March 31, 2023, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- i) 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
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

b. Details of crypto currency or virtual currency

The Group has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 (PY: Nil)

c. Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2024 (PY: Nil).

d. Wilful Defaulter

The Group has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2024 (PY: Nil).

e. Undisclosed Income

The Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year ended March 31, 2024 (PY: Nil).

f. Relationship with struck off companies

The Group does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2024 except for the following: (PY: Nil).

Mysore Sales International Limited**CIN:U85110KA1966SGC001612****Notes forming part of the Consolidated Financial Statements****(All amounts in Rs. lakhs unless otherwise stated)**

Name of the Struck off Company - Infrastructure Development Corporation Private Limited

Nature of Transaction: Customer

Balance Outstanding : Rs. 0.64 lakhs

g. Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

h. Compliance with approved Scheme(s) of Arrangements

The Group has entered into an scheme of arrangement as disclosed in note 43. The accounting effect of such scheme has been accounted for in the books of account of the Group in accordance with “the Scheme” and Ind AS.

i. Valuation of Property, Plant and Equipment's, right-of-use assets and intangible asset

The Group has not revalued its Property, Plant and equipment, right-of-use assets and intangible asset during the current or previous year.

44A Reclassification of items in the Consolidated financial statements

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

A. For Balance Sheet Items:

Reclassification has been done because of following reasons:

1. Reclassification of items from Current to Non-current and vice-a-versa.
2. Reclassification of items from financial to non-financial category and vice-a-versa.

Mysore Sales International Limited
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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

Sr. No.	Class of Item reclassified	Note	As per previous audited financial statements	Adjustments	As per reclassified financials statements
I	ASSETS				
	Non-current assets				
	(a) Financial assets				
	(i) Other financial assets	7	16,594.17	1,260.58	17,854.75
	(ii) Non Current Bank Balances	12	76.80	4,170.72	4,247.52
	(b) Other non-current assets	8	86.51	161.76	248.27
	(c) Non Current tax asset (net)	8A	-	4,139.85	4,139.85
	Current assets				
	(a) Financial assets				
	(i) Bank Balances	12	35,751.60	(4,170.71)	31,580.89
	(ii) Other financial assets	7	14,292.61	(2,365.43)	11,927.18
	(b) Other current assets	8	12,327.28	(2,726.27)	9,601.01
	(c) Current tax asset (net)		468.55	(468.55)	-
II.	EQUITY AND LIABILITIES				
	Equity				
	(a) Other equity	14	71,060.40	(346.51)	70,713.89
	(b) Non controlling Interest		(37.38)	0.76	(36.62)
	Liabilities				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	15A	175.00	(0.45)	174.55
	(ii) Other Financial Liabilities	15C	18,469.86	(3,454.04)	15,015.82
	(b) Provisions	16	1,643.02	(764.36)	878.66
	Current liabilities				
	(a) Financial liabilities				
	(i) Trade payables	18			
	(a) Total outstanding dues other than micro and small		27,976.15	(1,452.29)	26,523.86
	(ii) Other financial liabilities	15C	9,924.10	5,113.75	15,037.85
	(b) Other current liabilities	17	4,163.81	949.97	5,113.78
	(c) Provisions	16	260.23	(44.90)	215.33

Mysore Sales International Limited
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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

B.	For Statement of Profit and Loss Items: Reclassification has been done because of following reason: 1. Reclassification of items from Other Income to Revenue from Operations.				
Sr. No.	Class of Item reclassified	Note	As per previous audited financial statements	Adjustments	As per reclassified financials statements
I	Continuing operations				
	Revenue from operations	19	340,389.17	32.45	340,421.62
	Other income	20	3,466.51	(32.52)	3,433.99
	Employee benefits expense	25	2,408.35	10.96	2,419.31
	Other expenses	28	21,325.73	(11.00)	21,314.73

44B	Interest on Other Entities					
	Sr No.	Name of Entities	Country of In corporation	Activities	Proportion of Ownership of Interest	
					As At March 31, 2024	As At March 31, 2023
	1	Karnataka State Marketing Communication & Advertising Limited	India	Marketing and Advertisement	100.00%	100.00%
	2	Mysore Chrome Tanning Company Limited	India	Service Industry	95.18%	95.18%
		Associate				
	3	Associate	India	Special Purpose Vehicle	50.00%	50.00%

Mysore Sales International Limited
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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

45	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 2023-24	as % of consolidated net assets	Amount	as % of consolidated net assets	Amount	as % of consolidated net assets	Amount	as % of consolidated net assets	Amount
	Parent								
	Mysore Sales International Limited	77.11%	65,993.73	90.04%	10,386.37	99.68%	889.82	90.74%	11,276.19
	Subsidiaries								
	Karnataka State Marketing Communication & Advertising Limited	23.94%	20,488.68	15.28%	1,762.69	0.32%	2.89	14.21%	1,765.58
	The Mysore Chrome Tanning Company Limited	-0.87%	(741.20)	0.15%	17.57	-	-	0.14%	17.57
	Associates								
	Investment in Associates (Equity Method)								
	Food Karnataka Limited	0.48%	409.07	-0.05%	(5.66)	-	-	-0.05%	(5.66)
	Adjustment arising out of consolidation								
	Non Controlling Interest	-0.04%	(35.73)	0.01%	0.89	-	-	0.01%	0.89
	Adjustments due to consolidation (Elimination)	-0.62%	(530.97)	-5.43%	(627.06)	-	-	-5.05%	(627.06)
	Total	100.00%	85,583.58	100.00%	11,534.80	100.00%	892.71	100.00%	12,427.51

Mysore Sales International Limited
CIN:U85110KA1966SGC001612
Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

Name of the Entity	Net Assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
FY 2023-24	as % of consolidated net assets	Amount	as % of consolidated net assets	Amount	as % of consolidated net assets	Amount	as % of consolidated net assets	Amount
Parent								
Mysore Sales International Limited	75.41%	56,545.42	72.15%	6,078.33	-46.72%	5.69	72.32%	6,084.02
Subsidiaries								
Karnataka State Marketing Communication & Advertising Limited	26.27%	19,695.92	31.25%	2,632.54	146.72%	(17.87)	31.08%	2,614.67
The Mysore Chrome Tanning Company Limited	-1.01%	(759.65)	0.04%	2.99	-	-	0.04%	2.99
Associate								
Investment in Associates (Equity Method)								
Food Karnataka Limited	0.55%	414.73	-0.17%	(14.28)	-	-	-0.17%	(14.28)
Adjustment arising out of consolidation								
Non Controlling Interest	-0.05%	(36.62)	0.00%	0.14	-	-	0.00%	0.14
Adjustments due to consolidation (Elimination)	-1.17%	(872.43)	-3.27%	(274.58)	-	-	-3.27%	-274.58
Total	100.00%	74,987.37	100.00%	8,425.14	100.00%	(12.18)	100.00%	8,412.96

- 46** The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of September 10, 2024, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

In terms of our report attached

For Sorab S Engineer & Co.

Firm Registration No. 110417W
CHARTERED ACCOUNTANTS

Sd/-

CA. Chokshi Shreyas B.

PARTNER

Membership No. 100892

Place: Bengaluru

Date : September 10, 2024

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Sridevi B N

Company Secretary



MYSORE SALES INTERNATIONAL LIMITED

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 58th Annual General Meeting of Mysore Sales International Limited, to be held on Monday, September 30, 2024, at 4.30 p.m. at the Registered office, MSIL House, No.36, Cunningham Road, Bengaluru - 560 052 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1 to 3

Signed this day of..... 20....

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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

(58th Annual General Meeting of the Company to be held on September 30, 2024 at 4.30 p.m)

Name of the Shareholder:

Regd. Folio No.:

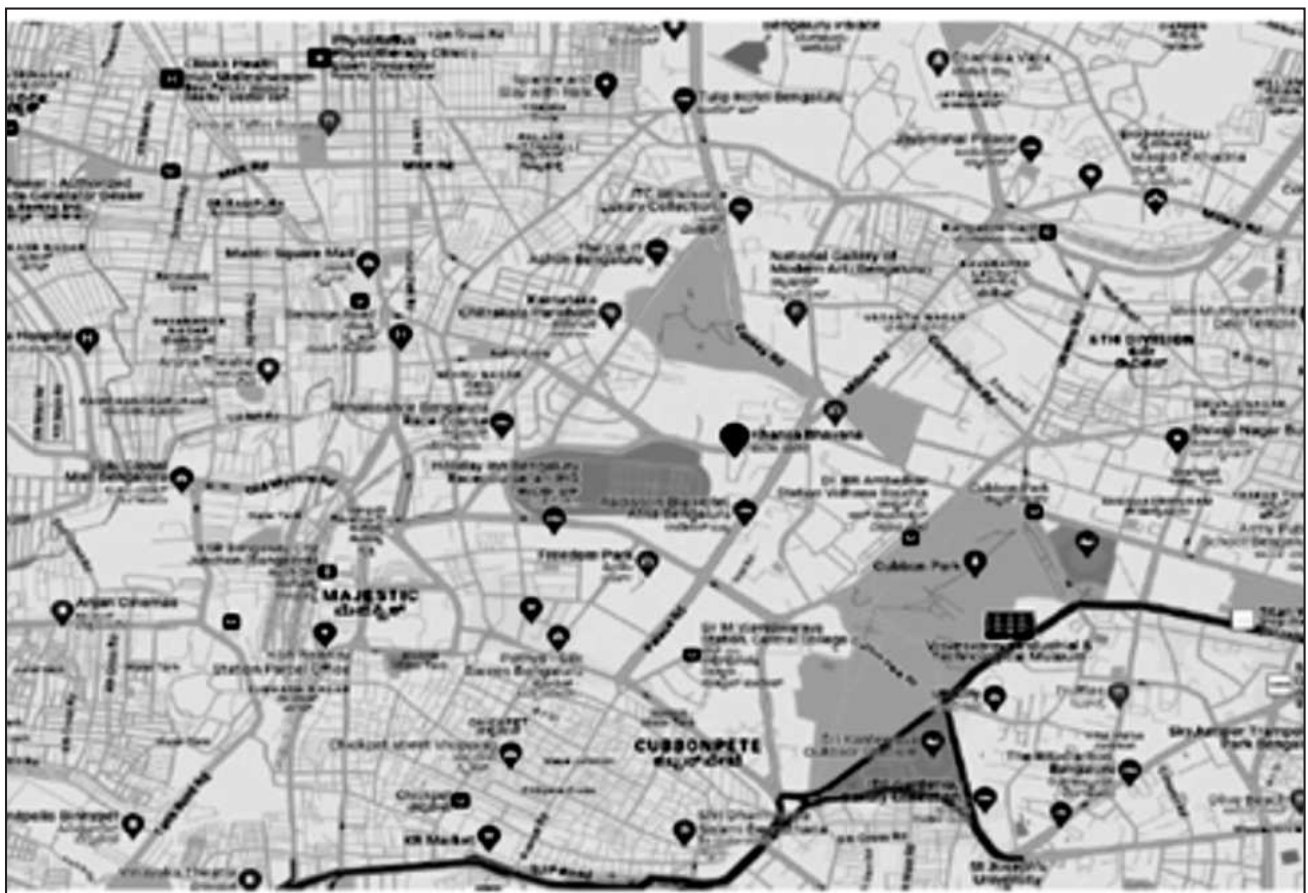
No. of Shares held:

Note: Shareholder / Proxy must hand over the duly signed attendance slip at the venue.

Signature of Shareholder / Proxy

**58th Annual General Meeting of the Company to be held on September 30, 2024 at 4.30 p.m. at the
Registered Office, MSIL House, No.36, Cunningham Road, Bengaluru - 560 052.**

ROUTE MAP



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

CSR and Other Activites



CSR and Other Activities





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@msionline.com **Website** : www.msionline.com