



59th ANNUAL REPORT 2024-25



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, Hon'ble M.L.A.	- Chairman
2	Shri. Manojkumar, IFS	- Managing Director
3	Smt. Gunjan Krishna, IAS	- Director
4	Smt. Khushboo G. Chowdhary, IAS	- Director
5	Shri.R.Venkatesh Kumar, IAS	- Director
6	Shri. Mohammed Ikramulla Shariff, IAS	- Director
7	Shri. R Ramesh	- Director
8	Shri.Syama Raju.K	- Independent Director
9	Shri.Tejas Sampat	- Independent 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. Phillipos George & 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-ninth Annual General Meeting of the Members of Mysore Sales International Limited will be held on Tuesday, November 11, 2025 at 11:30 a.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 - To receive, consider and adopt:

- a. the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2025 including the Audited Balance Sheet as on March 31, 2025 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors, Statutory Auditor and Comptroller and Auditor General of India thereon.
- b. the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2025 including the Audited Balance Sheet as on March 31, 2025 and Statement of Profit & Loss for the year ended on that date and the Reports of Statutory Auditor and Comptroller and Auditor General of India thereon.

Item No.2 – To confirm 1st and 2nd interim dividend paid @ Rs.18.31 per share and Rs.166.964 per share respectively on equity shares and to declare final dividend @ Rs.59.63336 per equity share for the financial year 2024-25.

Item No.3 – To consider fixation of remuneration for the year ending on March 31, 2026 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

George & Co. (BA0008) Chartered Accountants, Bengaluru as the Statutory Auditors of the Company for the financial year 2025-2026 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.”

SPECIAL BUSINESS:

Item No.4 - Rectify the tenure of Shri Syama Raju K (DIN: 00314921) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in partial modification of the resolution passed at the Extraordinary General Meeting of the Company held on November 13, 2024 regarding the appointment of Shri Syama Raju K (DIN: 00314921) as an Independent Director, pursuant to the correction issued by the Government of Karnataka vide letter no. CI 2 CMI 2024 (E) dated 20.06.2025 and to bring clarity on the applicable provisions relating to the tenure of such appointment, the tenure earlier mentioned as two (2) years is hereby revised and confirmed as five (5) consecutive years, commencing from October 25, 2024, in accordance with the provisions of Section 149 of the Companies Act, 2013 and the rules made there under.

RESOLVED FURTHER THAT except for the above clarification and revision in tenure, all other terms and conditions of the appointment, as earlier approved by the Members, shall remain unchanged.

RESOLVED FURTHER THAT the Managing Director or the Company Secretary of the Company be and is hereby authorised to take all such steps, do all such

acts, deeds and things as may be necessary to give effect to this resolution, including making required filings with the Registrar of Companies.

Item No. 5 - Rectify the tenure of Shri Tejas Sampat, (DIN 07341828) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in partial modification of the resolution passed at the Extraordinary General Meeting of the Company held on November 13, 2024 regarding the appointment of Shri Tejas Sampat, (DIN 07341828) as an Independent Director, pursuant to the correction issued by the Government of Karnataka vide letter no. CI 2 CMI 2024 (E) dated 20.06.2025 and to bring clarity on the applicable provisions relating to the tenure of such appointment, the tenure earlier mentioned as two (2) years is hereby revised and confirmed as five (5) consecutive years, commencing from October 25, 2024, in accordance with the provisions of Section 149 of the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT except for the above clarification and revision in tenure, all other terms and conditions of the appointment, as earlier approved by the Members, shall remain unchanged.

RESOLVED FURTHER THAT the Managing Director or the Company Secretary of the Company be and is hereby authorised to take all such steps, do all such acts, deeds and things as may be necessary to give effect to this resolution, including making required filings with the Registrar of Companies.

Item No. 6— Amendment to Article 9 (2) of the Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of applicable, including Section 14 of the Companies Act, 2013 and the rules made thereunder and amended

from time to time, approval of the shareholders of the Company be and is hereby accorded to amend the existing Article 9 (2) of the Articles of Association of the Company by substituting the following Article in place thereof:

9 (2). Capital Expenditure exceeding Rs.10,00,00,000 (Rupees Ten Crore), provided that the annual budget be approved by the Board and the items are included in the annual action plan.”

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 2025-26 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.

Annexure to the Notice

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4 - Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The Members of the Company, at the Extraordinary General Meeting held on November 13, 2024, approved the appointment of Shri Syama Raju K (DIN: 00314921) as an Independent Director of the Company for a tenure of two (2) years commencing from October 25, 2024.

Subsequently, the Government of Karnataka, vide its letter no. CI 2 CMI 2024 (E) dated 20.06.2025, issued a correction clarifying that the tenure of the said appointment shall be for a period of five (5) consecutive years.

Accordingly, it is proposed to revise and confirm the tenure of Shri Syama Raju K as an Independent Director of the Company to five (5) consecutive years, commencing from October 25, 2024. Except for the above clarification and revision in tenure, all other terms and conditions of his appointment as approved earlier by the Members shall remain unchanged.

The Board of Directors recommends the passing of the resolution as set out in the Notice as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company, and their relatives, except Shri Syama Raju K, to the extent of his appointment, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board commends the partial modification to the resolution passed at the Extraordinary General Meeting of the Company held on November 13, 2024, for approval of the Members.

Item No. 5- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The Members of the Company, at the Extraordinary General Meeting held on November 13, 2024, approved the appointment of Shri Tejas Sampat, (DIN 07341828) as an Independent Director of the Company for a tenure of two (2) years commencing from October 25, 2024.

Subsequently, the Government of Karnataka, vide its letter no. CI 2 CMI 2024 (E) dated 20.06.2025, issued a correction clarifying that the tenure of the said appointment shall be for a period of five (5) consecutive years.

Accordingly, it is proposed to revise and confirm the tenure of Shri Tejas Sampat as an Independent Director of the Company to five (5) consecutive years, commencing from October 25, 2024. Except for the above clarification and revision in tenure, all other terms and conditions of his appointment as approved earlier by the Members shall remain unchanged.

The Board of Directors recommends the passing of the resolution as set out in the Notice as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company, and their relatives, except Shri Tejas Sampat, to the extent of his appointment, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board commends the partial modification to the resolution passed at the Extraordinary General Meeting of the Company held on November 13, 2024, for approval of the Members.

Item No.6 – Amendment to Article 9 (2) of the Articles of Association of the Company

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

To align the delegation of powers with the Company's current operational and administrative requirements, and to provide greater flexibility to the Board of Directors in assigning such powers—primarily in the interest of enhancing management efficiency and ensuring clarity in governance—the proposal to amend Article 9 (2) of the Articles of Association of the

Company was approved at the 347th Meeting of the Board of Directors held on 2nd July, 2025. The Board approved to forward the proposal to revise the existing Capital Expenditure limit of Mysore Sales International Limited to the Government of Karnataka for approval to amend the said Article, subject to the approval of the shareholders.

In accordance with the said approval, letter No. MD/102/2025-26 dated 30.07.2025, was addressed to the Principal Secretary to the Government, Commerce & Industries Department. In response, the Government of Karnataka, Department of Commerce & Industries, vide letter No. CI 69 CMI 2024(e) dated October 09, 2025, has conveyed its approval for the proposed amendment to the Articles of Association, referring to compliance with para 16(V) of the First Schedule of the Karnataka Government (Transaction of Business) Rules, 1977, and in accordance with the concurrence of the Finance Department vide note Nos. FD/50/INV/2024 and FD/214/Exp.1/2024, both dated September 30, 2025, The Government has approved the amendment of the AoA in accordance with the following increases:

Sl. No.	Amount details	Delegation of power
1	Upto Rs.2.50 crore	Prior approval of the Managing Director of the Company.
2.	Above Rs.2.50 crore Upto Rs.10.00 crore	Prior approval of the Board of Directors of the Company.
3.	Above Rs.10.00 crore	Prior approval of the Government of Karnataka.

This amendment will enable the Company to streamline its managerial functions and enhance operational efficiency by providing clear and updated delegation powers to the Managing Director.

The amendment to Article 9 (2) of the Articles of Association of the Company has intended purpose is increasing the capital expenditure limit from above Rs.2,50,00,000/- Rupees two crore fifty lakhs) to above Rs.10,00,00,000/- (Rupees ten crore). The Government of Karnataka approved for increasing the Capital Expenditure limit i.e. 'the Board of Directors shall not exercise the powers except with the approval of the Government of Karnataka, capital expenditure exceeding Rs.10,00,00,000/- provided that the annual budget be approved by the Board and the items are included in the annual action plan."

None of the directors, key managerial personnel of the Company or their relatives is concerned or interested in the resolution.

The Board commends the resolution for approval of the members.

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

Place: Bengaluru
Date: 31.10.2025

About us

Mysore Sales International Limited, popularly known as (MSIL) is a marketing organisation formed in 1966 to meet the marketing needs to 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 organisation and the main core of the company at present is Retail Liquor operations, Chit Fund, Retail outlets under Pradhan Mantri Bhartiya Janaushadi Kendra, Air Tickets / Package Tour and marketing of Note Books 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 has achieved a highest turnover of Rs. 388237.22 lakhs during the financial year as against the previous year's turnover of Rs. 376935.19 lakhs.

(Rs. In lakhs)				
Sl.No	Divisions	2024-25	2023-24	% of Growth
01	Beverage	322678.22	318708.98	1%
02	Chit Fund	46610.35	41049.66	14%
03	Paper & Stationery	14926.71	14339.28	4%
04	Consumer/Industrial Products	1,531.37	830.85	84%
05	Tours & Travels	1,084.51	549.79	97%
06	Pharmacy	1406.06	1456.63	-3%
Total		3,88,237.22	376935.19	3%

DIRECTORS' REPORT

To,

The Members,

Your directors take pleasure in presenting the 59th 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, 2025.

1. Highlights of Financial Performance

Description	Standalone		Consolidated	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue from Operations	3,63,960.40	3,37,884.75	3,82,422.78	3,76,424.14
Other Income	4,544.00	3,675.45	4,967.40	4,113.29
Total Income	3,48,504.40	3,41,560.20	3,87,390.18	3,80,537.43
Cost of materials consumed	2,304.58	2,936.80	2,184.39	2,853.94
Purchase of Stock-in- trade	3,08,552.21	3,01,230.30	3,08,552.21	3,03,883.87
Cost of Services			35,746.05	31,861.48
Changes in inventories of finished goods and traded goods	(2,420.50)	(979.41)	(2,420.50)	(197.25)
Employee benefits expense	2,171.28	2,003.83	2,784.26	2,485.08
Finance cost	433.25	238.52	433.24	239.43
Depreciation and amortization expenses	2,003.30	1,946.94	2,081.15	2,017.62
Other expenses	22,601.17	20,881.28	24,017.28	22,135.09
Group share of net profit of associated			(24.76)	(5.66)
Total expenses	3,35,645.29	3,28,258.26	3,73,402.83	3,65,284.92
Profit /(Loss) before discontinuing Operations	12,859.11	13,301.94	13,987.34	15,252.51
Discontinuing Operation Profit / (Loss)	6.09	5.32	6.10	5.32
Profit before Tax	12,865.20	13,307.26	13,993.44	15,257.83
Tax Expenses	3,238.17	3,287.80	3,615.03	4,046.53
Earlier year tax	1,354.30	124.14	1,151.74	25.92
Deferred Tax	(274.65)	(491.04)	(108.62)	(349.42)
Profit for the year	8,547.38	10,386.36	9,335.28	11,534.80
Other Comprehensive Income	(700.91)	889.82	(737.78)	892.71
Total Comprehensive Income for the year	7,846.47	11,276.18	8,597.50	14,247.51
Earning per share (Basic)	200.01	243.04	218.45	269.92
Earning per share (Diluted)	200.01	243.04	218.42	269.92

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

(Rs. in lakhs)

SI.No.	Divisions	2024-25	2023-24	Growth% of
01	Beverage	3,22,678.22	3,18,708.98	1%
02	Chit Fund	46,610.35	41,049.66	14%
03	Paper & Stationery	14,926.71	14,339.28	4%
04	Consumer/Industrial Products	1,531.37	830.85	84%

DIRECTORS' REPORT (continued)

05	Tours & Travels	1,084.51	549.79	97%
06	Pharmacy	1,406.06	1,456.63	-3%
	Total	3,88,237.22	3,76,935.19	3%

2. State of Company's Affairs and Future Outlook

(i) **Beverage Division:** The Government of Karnataka entrusted MSIL with the responsibility of establishing 463 CL-11(C) liquor retail outlets in the year 2009. Further, in 2016 the Government sanctioned an additional 900 CL-11(C) outlets to be opened across all Assembly Constituencies. In line with this mandate, the Beverages Division has taken all necessary steps in coordination with the Department of Excise to operationalize the sanctioned outlets across the state.

As of 31st March 2025, a total of 448 licenses under the 463 quota and 679 licenses under the 900 quota have been obtained. In total, 1067 outlets are currently operational across Karnataka. These MSIL-operated retail liquor outlets, primarily located in rural areas, have received an encouraging response from the public, offering quality liquor at Maximum Retail Price (MRP) in sealed bottles.

As a result, the Beverages Division has recorded a turnover of Rs. 3226.78 Crores for the financial year 2024-25 against the budgeted turnover of Rs. 3500 Crores. This reflects a marginal increase compared to the previous year's turnover of Rs. 3187.09 Crores.

The Division remains committed to operationalizing the remaining outlets under both the 463 and 900 quotas at the earliest, strictly in accordance with the rules and guidelines prescribed by the Government Concerned Departments

(ii) **Chit Funds Division:** The Chit Fund Division achieved a turnover of Rs. 46610.35lacs for the year 2024-25 as against actual turnover of Rs. 41049.66 lacs achieved during the previous year 2023-24. There is a significant increase of about Rs.5560.69 lacs in the turnover compared to previous year, an increase of 13.58% in

percentage terms year on year.

The Chit Fund Division is successfully running with profits since inception of business and having a vision to reach all quarters of Karnataka by scaling up the Chit Fund Business with opening new branches in every District, major towns and talukas of Karnataka.

As a strategic step, the Division is inducting new contemporary software developing to meet all aspirations and requirements of new generation youth having regular and passive income sources. The recruitment of permanent staff through KEA is under process to meet the targeted business requirements. The Division is focusing its operations towards customer centric, team building, time bound operations with corporate governance.

(iii) **Paper & Stationery Division:** Paper Division has achieved a turnover of Rs. 14926.71 Lakhs during the year under review as against previous year's achievement of Rs. 14339.28 Lakhs thereby registering a growth of about 14%.

Division has managed to achieve growth despite absence of regular manpower representing our products in the field. Unhealthy competition by many private players by compromising on quality is hindering our efforts to reach private market. However, Division continues its efforts to tap private market by strengthening its network through appointment of dealers/distributors. The possibility of implementing franchisee model is also being considered in association with Business Associates.

(iv) **Consumer and Industrial Products Division:** Consumer and Industrial Products division is involved in marketing of Solar Products, Furniture and Packaged Drinking Water and achieved a turnover of Rs. 825.24 lakhs during the financial year 2024-25. The Division is planning to diversify the activities by strengthening the product line in

DIRECTORS' REPORT (continued)

the current year. There are also plans to revive Hybrid Solar Wind Power plant project and apart from adding new products having good market potential, with this Industrial products division is expected to augment its turnover in the coming years.

(v) **Tours and Travels Division:** MSIL's T&T Division is an IATA accredited travel agency (IATA No. 1435229) During the year 2024-25, the Division has achieved a turnover of Rs.672.41 lakhs against the budgeted turnover of Rs.620.00 lakhs in ticketing. In the Tourism Package sector, the Division has achieved turnover of Rs.412.09 lakhs against the budgeted turnover of Rs. 380.00 lakhs. The total turnover achieved by the Division is Rs. 1084.51 lakhs against the budget of Rs.1,000.00 lakhs. The Division is now concentrating the growth and expansion and spreading its hands to the tourism sectors globally through empaneling well known and reputed service providers for organizing Fixed Departures to all the tourism destinations all over the world. The Division has also proposed to the management for publicity and advertisement to convey the entire State of Karnataka about the existence of the Tours & Travels Division and we cater to all income level groups with various schemes and expand our operations to grab the untapped segments of the districts and small towns, etc.

(vi) **Pharma Division:** Pharma Division has achieved a turnover of Rs. 1406.06 lakhs during 2024-25 as against the turnover Rs. 1456.63 during 2023-24. The Division has opened 89 outlets under the Pradhana Mantri Bharatiya Janaushadhi Kendra at Government Taluk/ District Hospital across Karnataka. Out of these 89 outlets currently 76 outlets are working. Remaining 13 outlets have been closed due to loss and non-availability of pharmacists. The Division has received Rs.41.20 lakhs as incentive from PMBI for the period 2024-25.

(vii) **Export & Import Division:** As requested by MSIL, the Govt. has approved for sale of

imported sand on "as is where is basis" on 5.11.2024. The Company has published Tender Notification in the Karnataka e-portal along with Press Publication in Business Standard and Times of India (all India edition) for the three consecutive times from November 2024 to February 2025, and the Tender was opened on 22.5.2025 and finalized the H1 bidder namely MK Dairy Farms Pvt., Ltd., Chennai, who have quoted Rs. 962.85 /MT. Letter Of Intent for sale and evacuation of sand from the port has also been issued on 12.3.2025.

The Writ Petition filed against Adani Krishnapatnam Port for the claim of illegal port charges on MSIL came up before the Hon'ble High Court of Karnataka and an interim order was passed on 13.9.2024 restraining the Adani port against its unilateral action. Further during the High Court proceedings on 20.1.2025 the Hon'ble High Court has passed another Order allowing Adani Port to withdraw 50% of the sale proceeds which is detrimental to the Company. Hence the matter was taken up before the Govt, and also sought legal opinion to implicate the Import supplier and its consortium entities for breach of contractual obligations. Subsequently the Govt, intimated in their letter dated: 13.5.2025 disagreeing the High Court Order allowing Adani port to withdraw 50% of the sale proceeds and directed the company to contest the case. Incidentally obtaining the modified order from the Hon'ble High Court and the block permission from the Director of Mines and Geology of Karnataka are awaited. Thereafter the sale of Imported sand through the finalized tender process would commence as per the guidelines of the High Court/Government.

3. Subsidiary Companies

As of March 31, 2025, 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

DIRECTORS' REPORT (continued)

of the subsidiaries in Form AOC-1 is attached as Annexure-I. The Consolidated Accounts of 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 2024–2025, the Company has paid interim dividends in accordance with Government Order No. FD 51 INV 2024, dated 15.07.2024. The first and second interim dividends were paid at the rate of ₹18.31 per equity share and ₹166.964 per equity share, respectively.

The Company has proposed to declare a final dividend of ₹59.63336 per equity share for the financial year 2024–2025, which represents 30% of the Company's profit after tax. The final dividend, amounting to ₹25,48,41,790/-, is payable to the Government of Karnataka and KSIIDC, subject to approval by the members at the ensuing Annual General Meeting.

Reserves

The reserve of the Company for the financial year 2024-25 and the previous year are as follows:

(Rs. in lakhs)

Particulars	2024-25	2023-24
General Reserve	19125.69	19125.69
Chit Reserve	1292.45	1103.35
Surplus in Statement of Profit and Loss	36170.49	38936.14

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 2025.

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

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

6. Share Capital

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

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

The particulars of loans, guarantees or investments U/s 186 for the year is Nil, as there is no loan outstanding in the name of the Company during the year under report. There is no loan outstanding in the name of the Company from any bank or financial institution and accordingly the applicability of one time settlement (OTS) does not arise. Further, there are no proceedings pending in the name of the Company under Insolvency and Bankruptcy Code (IBC).

8. Particulars of Employees:

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

9. Directors and Key Managerial Personnel

During the financial year 2024-25, 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 C. Puttaranga shetty, MLA	07745825	26.01.2024	-
2	Shri Manojkumar, IFS	09379177	03.07.2023	-
3	Dr. J. Ravishankar, IAS	07662542	03.08.2021	10.01.2025
4	Smt. Gunjan Krishna, IAS	08184500	28-08-2018	-
5	Dr. B.C.Sateesha, IAS	08379733	23.11.2023	23.08.2024
6	Smt. Khushboo G. Chowdhary, IAS	03313434	23.08.2024	-

DIRECTORS' REPORT (continued)

7	Shri.R.Venkatesh Kumar, IAS	10913884	22.01.2025	-
8	Shri Nitish. K, IAS	08890701	07.05.2022	16.07.2024
9	Shri. Mohammed Ikramulla Shariff, IAS	09660964	16.07.2024	-
10	Shri. R. Ramesh.	06820058	06.03.2018	-
11	Shri.Syama Raju.K	00314921	25.10.2024	-
12	Shri.Tejas Sampat	07341828	25.10.2024	-

The Board placed on its record with deep sense of gratitude for the excellent contribution made by Dr. J. Ravishankar, IAS, Dr. B.C.Sateesha, IAS and Shri Nitish. K, IAS Directors, during their tenure on the Board of Directors of the Company.

Directors on the date of report are as follows:-

Name of the Director	
1. Shri. C. Puttarangashetty, Hon'ble M.L.A.	- Chairman
2. Shri. Manoj Kumar, IFS	- Managing Director
3. Smt. Gunjan Krishna, IAS	- Director
4. Smt. Khushboo G. Chowdhary, IAS	- Director
5. Shri.R.Venkatesh Kumar, IAS	- Director
6. Shri. Mohammed Ikramulla Shariff, IAS	- Director
7. Shri. R Ramesh	- Director
8. Shri.Syama Raju.K	- Independent Director
9. Shri.Tejas Sampat	- Independent Director

During the financial year 2024-25, 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 Manojkumar, IFS – Managing Director	03.07.2023	-
2	Shri K.R. Avinash, KA&AS, Chief Financial Officer	01.12.2023	-
3	Smt. Sridevi B.N, Company Secretary	18.09.2013	-

Composition of the Audit Committee of the Board:

As on March 31, 2025		
1	Smt.Khushboo G. Chowdhary, IAS	Chairperson
2	Shri. Mohammed Ikramulla Shariff, IAS	Member
3	Shri. R. Ramesh	Member

1.	Smt.Khushboo G. Chowdhary, IAS	Chairperson
2.	Shri.R.Venkatesh Kumar, IAS	Member
3.	Shri. Mohammed Ikramulla Shariff, IAS	Member
4.	Shri. R Ramesh	Member
5	Shri.Syama Raju.K	Member
6	Shri.Tejas Sampat	Member

As on the date of report

1.	Smt.Khushboo G. Chowdhary, IAS	Chairperson
2.	Shri. Mohammed Ikramulla Shariff, IAS	Member
3.	Shri.Syama Raju.K	Member
4	Shri.Tejas Sampat	Member

Composition of the CSR Committee of the Board:

As on March 31, 2025		
1	Shri. Manojkumar, IFS	Chairman
2	Smt.Khushboo G. Chowdhary, IAS	Member
3	Shri. Mohammed Ikramulla Shariff, IAS	Member
4	Shri. R. Ramesh	Member
5	Shri.Syama Raju.K	Member
6	Shri.Tejas Sampat	Member

As on the date of report

1	Shri. Manojkumar, IFS	Chairman
2	Smt.Khushboo G. Chowdhary, IAS	Member
3	Shri. Mohammed Ikramulla Shariff, IAS	Member
4	Shri. R. Ramesh	Member
5	Shri.Syama Raju.K	Member
6	Shri.Tejas Sampat	Member

Composition of the Nomination & Remuneration Committee of the Board:

As on March 31, 2025		
1	Smt.Khushboo G. Chowdhary, IAS	Chairperson
2	Shri. Mohammed Ikramulla Shariff, IAS	Member
3	Shri. R. Ramesh	Member

DIRECTORS' REPORT (continued)

4	Shri.Syama Raju.K	Member
5	Shri.Tejas Sampat	Member

As on the date of report

1	Smt.Khushboo G. Chowdhary, IAS	Chairperson
2	Shri. R. Ramesh	Member
3	Shri.Syama Raju.K	Member
4	Shri.Tejas Sampat	Member

10. Meetings

Based on the requisition received from the divisional heads subject to the approval of the Managing Director and agenda subjects as statutorily required, the Company Secretary drafts the agenda for each meeting along with explanatory notes, in consultation / consensus with the Managing Director and distribute the same in advance to the Board of Directors. Six Board Meetings, Four Audit Sub-Committee Meetings, Two Corporate Social Responsibility Committee Meetings, One Nomination & Remuneration Committee Meeting and One Independent Director's Meeting were held during the year ended March 31, 2025 on the following dates:

Sl. No.	Board Meeting held on	Sl. No.	Audit Sub-Committee Meeting held on
1	July 27, 2024	1	August 29, 2024
2	August 17, 2024	2	September 10, 2024
3	September 10, 2024	3	November 20, 2024
4	November 27, 2024	4	February 25, 2025
5	January 22, 2025		
6	March 03, 2025		

Sl. No.	Corporate Social Responsibility Committee Meeting held on
1	August 21, 2024
2	January 31, 2025

Sl. No.	Nomination & Remuneration Committee Meeting held on- (Committee constituted on 27.06.2024)
1	March 11, 2025

Sl. No.	Independent Director's Meeting
1	March 21, 2025

Board Meeting attendance of directors during financial year 2024-25

Sl. No.	Name of the Director	No. of Board Meetings held	
		Held	Attended
1.	Shri C. Puttarangashetty, MLA	6	6
2.	Shri Manojkumar, IFS	6	6
3.	Dr. J. Ravishankar, IAS	3	2
4.	Smt. Gunjan Krishna, IAS	6	2
5.	Dr. B.C. Sateesha, IAS	2	2
6.	Shri Nitish K, IAS	1	1
7.	Shri. R. Ramesh.	6	4
8.	Smt. Khushboo G. Chowdhary, IAS	4	4
9.	Shri. Mohammed Ikramulla Shariff, IAS	5	3
10.	Shri.Syama Raju.K	3	3
11.	Shri.Tejas Sampat	3	3
12.	Shri.R.Venkatesh Kumar, IAS	2	0

1. Shri Nitish. K, IAS ceased to be a Director with effect from 16.07.2024
2. Dr. B.C. Sateesha, IAS ceased to be a Director with effect from 23.08.2024.
3. Dr. J. Ravishankar, IAS ceased to be a Director with effect from 10.01.2025.

11. 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 Phillipos & Company (BA0008) Chartered Accountants, Bangalore as Statutory Auditors for the year 2024-25. The statutory

DIRECTORS' REPORT (continued)

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. Kedarnath & Karthik, 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.

12. 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.

13. 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.

14. 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://msilonline.com/annual-returns>

15. 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.

16. Vigil mechanisms of the Company

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

17. 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.

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

There 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.

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

There are no such orders passed, to which impacting the going concern status and company's operations in future.

20. Deposits

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

21. Related Party Transactions:

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

22. 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 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.

23. 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.

24. Corporate Social Responsibility (CSR)

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

25. Human Resources

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

Your Company continued to give thrust for training and development of the employees. During the year 2024-25 to improve the employee's performance, the Company had imparted various training programmes. The company had imparted 13 employees (Officers/ employees) to training programme. In future, the Company has planned for more Training Programmes.

During 2024-25 (up to March 31, 2025) there are 69 employees in our Company (Executives-09, Officers – 22, Staff-38, Deputationist-06)

26. 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, Jayanagar, Navanagar (Hubli-Dharwad-Highway) etc.

27. Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts for the financial year ended March 31, 2025, 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, 2025 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, 2025, 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.

28. Transfer of Amounts to Investor Education and Protection Fund.

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

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: 12.09.2025

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

Reply to the Qualification in Statutory Auditors Report for the year 2024-25

	Audit Query	Company's Reply
a	<p>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 year 2022-23 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. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.</p>	<p>The Company has imported a total quantity of 103872 MTS of sand as per Bill of Entries in two shipments. The said quantity has been assessed and cleared by the Krishnapatnam Port customs authorities for onward storage in the port premises during the year 2017-18. Subsequently, on 17.06.2019 the Krishnkaptnam Port directed their authorized surveyors namely Mrine tec India Ltd to conduct volumetric assessment of the sand stock. The above surveyors conducted the assessment and quantified the stock as 93395 MTS reckoning the then dispatches of 4759 MTS.</p> <p>Subsequently, the Director of Mines and Geology of Andra Pradesh have also acknowledged the stock as 93395 MTS vide their letter dated 01.10.2019.</p> <p>Further, Krishnapatnam Port company Limited and Vishwasamudra Shipment services Limited, Nellore being the authorized port handling authority have also periodically declared the port stock as 95945 MTS after reckoning the dispatched quantity of 7927 MTS. In the meanwhile, as per the request of MSIL Director of Mines and Geology Bangalore have conducted volumetric survey at the port premises seemingly under Frustum method of assessment and declared the stock as 72554 MTS.</p> <p>Whereas from the above two surveys there seems to be certain quantity variation from 2019 to 2022 and current physical stock is yet to be carried out. Nevertheless, in the supply contract agreement, in the purchase orders and the supplementary agreement / amendments with the merchant importer, provision have been made to safeguard the interest of MSIL clearly mentioning that any short fall / storage/ quantity variation i.e. from the declared quantity in the Bill of Entry, onward quantity certified by the customs and accepted by the port authorities and stored in port premises and after reckoning the quantity dispatched will not be quantified for payment (supply Bill will be accepted only on the actual quantity handed over to MSIL). In view of the above, quantity losses if any will be recovered from the import supplier while clearing their final bill. In view of the above status actual quantity would be arrived only after evacuation of the entire stock from the port premises. There after actual short quantity will be valued for final settlement of bills. Therefore, the current book stock declared as 95945 MTS will hold good for the purpose of valuation as well to claim shortage if any.</p>

b	<p>As per Ind AS 109 – Financial Instruments, the Company, for Chit Fund Division, carries the impairment loss allowance as per Expected Credit Loss (ECL) Model 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 as required by Ind AS 1 - Presentation of Financial Statements for this departure. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.</p>	<p>As per the Ind AS 109, an impairment loss allowance for credit losses is an estimate of the debt that a company is unlikely to recover. The Statutory auditors mentioned that, in the absence of sufficient information, qualified entire Terminated prize Chit dues of Rs. 635.91 lakhs as on 31.03.2025 as Expected Credit Loss.</p> <p>Every Prized subscriber should provide sufficient securities for the due payment of future subscriptions payable by him (Sec 21E Sec 22 of CF Act 1982)</p> <p>All the chit dues (both running and terminated prize chits) are being secured by Liquid securities, collateral securities like land and buildings and in very few cases secured by personnel sureties of Staff members.</p> <p>The terminated dues vis-à-vis security as on 31st March 2025</p> <table border="1" data-bbox="833 729 1468 887"> <tbody> <tr> <td>Fixed Deposit</td> <td>149</td> <td>23%</td> </tr> <tr> <td>Properties</td> <td>448</td> <td>71%</td> </tr> <tr> <td>Personal surety</td> <td>38</td> <td>6%</td> </tr> <tr> <td></td> <td>635</td> <td>100%</td> </tr> </tbody> </table> <p>The company files 89 court cases to recover Rs. 596 lakhs against property.</p> <p>Each Prized file is being audited at branch level and division level by external auditors.</p> <p>Either the Branch concurrent Auditors or at divisional level not declared any assets as loss asset. When the asset is secured as above, the qualifying remarks of Auditors mentioning impairment loss as per ECL is a matter of discussion.</p> <p>All the relevant Standard Accounting Procedures are followed in making provision for Bad and doubtful debts and in finalizing annual accounts.</p>	Fixed Deposit	149	23%	Properties	448	71%	Personal surety	38	6%		635	100%
Fixed Deposit	149	23%												
Properties	448	71%												
Personal surety	38	6%												
	635	100%												
c	<p>The interest liability on trade payables to Micro and Small Enterprises (MSMEs) for delayed payments is required to be recognized in accordance with the provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. However, the Company has not provided for interest on delayed payments to MSME vendors, citing non-receipt of any claims from the concerned vendors. In the absence of requisite information regarding delays and vendor-wise classification, we are unable to quantify the potential interest liability, if any, under the MSMED Act, 2006. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.</p>	<p>Paper division is receiving orders from the government departments for supply of note books, stationery items and school bags including customized orders. Other than notebooks, division purchases stationery items, school bags and other customized products from the empaneled suppliers / vendors on back to back payment basis as per the agreement terms. In respect of Sundry Creditors other than vendors on back-to-back payment arrangement, division is settling the payments after receipt of original bills within stipulated time.</p> <p>With regard to information for filing half yearly returns with the Ministry of Corporate Affairs (MCA), the division has recognized MSME Sundry Creditors and vendor wise classified the amount due as on 31st March 2025.</p> <p>In respect of provision for interest on delayed payments exceeds over and above 45 days as per the MSME act, division not considered for making provision for delayed payment of interest in the books of account at the end of financial year, since there was no claim of interest from the MSME creditors.</p> <p>Further, as suggested by the Concurrent Auditors division had written vide letter dated 24.04.2025 to the all vendors to submit declaration if they fall under MSME category. In response, only few parties have provided declaration along with MSME certificate during the year 2025-26 and accordingly required steps will be taken as per the applicable presentation.</p>												

d	<p>During the year the Company has recognized the rental income as per the lease agreement from the following parties a) Athitheya Kshema Hotels Pvt Ltd b) Nestwell Constructions Private Limited and c) Pearl Port ("the tenants") amounting to Rs. 586.15 Lakhs. However, The Company has not recognized the interest to be recovered on non-payment of rental dues from tenants as per the lease agreement. This has resulted in understatement of interest income on rental dues amounting to Rs. 486.56 lakhs and understatement of receivable to the tune of Rs. 486.56 lakhs. Further, GST liability for the above amounting to Rs. 87.57 lakhs also not been recorded as on date resulting in understatement of receivable and payable to the extent of Rs. 87.57 lakhs</p>	<p>The Company has not recognized the Interest on non-payment of rental dues from the tenants as per the lease agreement as there is a dispute in the waiver of rental due to Govid.</p> <p>The company is anticipating to finalize the same during the year 2025-26 and recover the entire rental and Interest on delayed payment from the tenants as per the agreement.</p>
e	<p>The Company had purchased following immovable properties and the same was accounted under freehold land/Building in Note. No. 2 to the standalone Ind AS Financial Statement. While verifying the details of property tax paid for the below mentioned properties, we identified that the khata for the property is not yet transferred in the name of the Company as on date due to which property tax has not been deposited for these properties. Further, the Company has not made any provision for the property tax payable upon transfer of Khata in the name of the Company as on date. This has resulted in overstatement of profit and understatement of liability to the tune of Rs. 400 Lakhs. Due to the non-availability of sufficient information, we are unable to quantify the impact of penalty arising from nonpayment of property tax on the standalone Ind AS Financial Statement as on date.</p>	<p>The Company had purchased these immovable properties and the same is accounted under freehold land/Building for which the property tax is not paid due to the Khata for the property is not yet transferred in the name of company.</p> <p>The Project division is in the process of obtaining the khata for these properties and remit the Property tax once the process is completed.</p>
f	<p>Reference is invited to Note. No. 42(iv) of the standalone Ind AS financial statements wherein the Company, under Chit fund division, is showing amount of Rs. 35,833.58 lakhs as "Amount recoverable from prized subscribers". However, this item includes an unreconciled amount of Rs. 1408.91 Lakhs as on 31st March 2025. Due to the non-availability of subscriber wise details for the above amount, we are unable to comment on the impact of the same on the standalone Ind AS Financial Statement as on date. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.</p>	<p>The total prized amount recoverable from Prized Subscribers is amounted to Rs. 35835.58 lakhs. The division concurrent audit report of February 2025 vide para no. 9.2 under Bank Reconciliation Statement mentioned that, the Bank reconciliation is completed. The unreconciled amount of Rs. 1408.91 lakhs include the amount credited to respective Chit suspense account of subscribers by system where the amount remitted by subscribers is not equal to each instalment and interest of the month. Hence, entire Rs. 1408.91 lakhs cannot be treated as unreconciled as amount is being credited to respective chit suspense account only.</p>

		The entire unreconciled amount is being defined as 'amount being received from subscribers and pending being credited to subscriber chits. However, the credit is lying in respective prized chit subscriber's chit suspense account only. The new software which is being finalized will solve this nomenclature anomaly.
g	Them Company has not followed a system of obtaining confirmation and performing reconciliation of balances in respect of its receivables and payables. Due to non-availability of confirmations and reconciliations of the said balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of these receivables and payables on the Standalone Ind AS Financial Statements as on date.	The Company has sent the balance confirmation as on 31st March 2025 in the accounts of Sundry Creditors, Sundry Debtors, and business associates for which we have received the confirmation partly.
h	During the year, the Company has availed Direct Tax Vivad Se Vishwas Scheme, 2024 to buy peace and settle one of the old pending income tax litigations pertaining to AY 2008-09. Based on the same, the Income Tax department adjusted Rs. 14.15 crore from eligible refunds applicable to different assessment years against assessed tax liability of Rs. 13.42 crore for the AY 2008-09, leaving a balance of Rs. 73.06 lakhs as refund receivable. The Company has not received any refund till date, and the status of refund issue is not known. Accordingly, due to the non-availability of information on receipt of the above-mentioned refund, we are unable to quantify the impact of the adjustments, if any, arising from settlement of such refunds on the Standalone Ind AS Financial Statements as on date.	The Company has availed Direct Tax Vivad Se Vishwas Scheme, 2024 to settle the old pending Income Tax litigations for the Financial Year 2007-08. Out of the total tax liability of Rs. 13.42 crore, the department has adjusted the eligible refunds to different assessment years to the extent of Rs. 14.15 Crore. The company is in the process of receiving the excess amount adjusted of Rs. 73.06 lakhs and expecting to receive the same during the year 2025-26
	Events after the Reporting period: The Company, under Pharmacy division, undertakes Pharmacy retail business at Pradhan Mantri Janaushadhi outlets located at various Government hospitals. In this regard, the Government of Karnataka with an ideology of supplying free medicines has vide its order no. HFW 173 PTD 2025 Bangalore dated: 14th May 2025 ordered to close down all the Pradhan Mantri Janaushadhi outlets operating at Government hospitals. The above order has also been discussed in the 347th board meeting dated July 2, 2025 and concurrence was obtained from the board for the closure of the operations under Pharmacy division. The above facts and decisions have created uncertainty on the continuity of operations of the Pharmacy division and is expected to have a material impact on the future operations and financial position of the Company. However, the standalone Ind AS financial statement do not disclose the decision of discontinuance of Pharmacy division and its consequential financial implications as required under Ind AS 10.	As on 25th July 2025, out of 89 outlets, 27 pharma outlets have been closed 62 outlets are under operation.

Annexure – I

Form AOC -1

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

Part A : Subsidiaries

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)	Rs. in lakhs			
														Proposed Dividend on Equity Shares %	Proposed Dividend on Equity Shares		
1	Karnataka State Marketing Communication & Advertising Limited	31st March, 2025	Indian Rupee	357.25	21247.81	44141.77	22536.71	-	38582.56	1055.30	39637.86	1787.58	338.33	1449.25	-	-	100%
2	The Mysore Chrome Tanning Company Limited	31st March, 2025	Indian Rupee	75.74	(812.02)	145.38	83166	-	-	9.57	9.57	6.85	1.94	4.91	-	-	95.10%

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

- 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.

- 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. Manojkumar, IFS	Managing Director	2	2
2	Smt.Khushboo G. Chowdhary, IAS	Member	1	1
3	Shri. Mohammed Ikramulla Shariff, IAS	Member	2	0
4	Shri R Ramesh	Member	2	2
5	Shri.Syama Raju.K	Member	1	1
6	Shri.Tejas Sampat	Member	1	1

- 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:**

- Composition of CSR Committee:** <https://www.msilonline.com/committees-of-the-board>
- CSR Policy:** <https://www.msilonline.com/csr-policy>
- CSR Projects approved by the board:** <https://www.msilonline.com/csr-contributions>

- 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.
- (a) Average net profit of the company as per sub-section (5) of section 135: : Rs.9731.53. lakhs.**
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs.194.63 lakhs.
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: 9.09 lakhs.
(d) Amount required to be set-off for the financial year, if any: Rs.13.96 lakhs.
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs.185.54 lakhs.
- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs.199.50 lakhs**
(b) Amount spent in Administrative Overheads: Nil.
(c) Amount spent on Impact Assessment, if applicable: Nil.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs.199.50 lakhs.

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

Total amount spent for the Financial Year. (in Rs.) (in lakhs.)	Amount Unspent (in Rs.)				
	Total amount transferred to Unspent CSR Account as per subsection (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
199.50	-				

(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			194.63
(ii)	Total amount spent for the Financial Year			199.50
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]			(4.87)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any			(9.09)
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]			(13.96)

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

1	2	3	4	5	6		7
					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	
SI No	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount Spent in the Financial Year (in Rs)		Amount remaining to be spent in succeeding Financial Years (in Rs)
1	FY-1: 23-24	-	-	-	Amount (in Rs.)		-
2	FY-2: 22-23	-	-	-	Date of Transfer		-
3	FY-3: 21-22	-	-	-			-

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 percent 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 2025

[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-560 052, (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, 2025 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, 2025, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under – Not applicable to the Company, as it is an unlisted public company.
- (iii) The Depositories Act, 1996 and the Regulations and byelaws framed there under – Not applicable to the Company, however the company's equity shares are maintained in demat.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 Kedarnath & Karthik

Sd/-

Karthik S N

Company Secretaries

C. P No.: 17639

Date: September 08, 2025

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 Kedarnath & Karthik

Sd/-

Karthik S N

Company Secetaries

C. P No.: 17639

Date: September 08, 2025

Place: Bengaluru

TEN YEARS PERFORMANCE
FINANCIAL HIGHLIGHTS OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Net Worth (Share Capital, Reserve)	30051.70	33190.30	33503.15	34392.26	39996.46	45228.55	51557.40	56545.42	65993.73	62806.55
Paid-up Capital	2017.66	2017.66	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48
Share Application Money	2255.82	2255.82	-	-	-	-	-	-	-	
Reserves & Surplus	25778.22	31172.64	29229.68	31208.48	35722.99	40955.07	47283.92	52271.94	61720.25	58533.07
Net Fixed Assets	5626.25	6225.01	6974.83	7966.36	9590.61	9687.76	9330.15	9974.82	9798.96	9739.91
Turnover	151490.75	161407.69	178875.91	204763.86	227065.31	276386.99	289947.45	317978.34	376935.20	388237.22
Profit before Tax including OCI	5361.83	5681.98	1486.84	3237.82	4246.68	6814.71	8290.41	8076.48	14498.16	12216.95
Profit after tax	3605.82	3665.70	541.85	1978.80	2511.15	5201.49	7144.49	6087.18	10386.36	8547.38
Dividend % * 30% Dividend paid on Net Profit	10%	10%	-	5%	5%	7.50%	* 30%	* 30%	* 30%	* 30%
Dividend Amount paid	242.85	237.38	-	257.59	213.67	320.51	1105.19	1827.87	3115.91	2548.42
Special Dividend paid for the year 2023-24	-	-	-	-	-	-	-	-	-	7917.77
CSR Paid	600.00	200.00	540.80	205.41	152.25	92.00	121.60	90.66	147.90	199.50
Net Earning after tax per share (in Rs)	178.71	181.68	12.68	46.30	61.45	127.43	167.20	142.44	243.04	200.01
Net Worth per Share (in Rs)	1377.63	1644.99	783.98	830.28	935.92	1058.35	1206.45	1323.17	1544.26	1469.68

SUMMARISED PROFIT AND LOSS ACCOUNT OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Turnover	151490.75	161407.69	178875.91	204763.86	227065.31	276386.99	289947.45	317978.34	376935.20	388237.22
Gross Income	15490.81	16453.84	17952.46	20742.63	22446.00	27099.20	28206.30	31267.13	38412.39	40073.23
Selling & Administrative Expenses	9636.88	10433.61	15990.08	16723.59	16658.51	17839.76	17113.94	21105.65	21652.82	21896.36
Interest	145.35	2.44	0.90	33.52	0.33	1.30	39.22	4.62	2.53	261.65
Depreciation	255.39	285.21	341.85	721.80	1495.40	1725.69	1761.90	1834.44	1946.94	2003.30
Provision/ Write off	91.36	50.60	132.79	25.90	45.08	717.74	1000.83	245.94	488.87	64.87
TOTAL	10128.98	10771.86	16465.62	17504.81	18199.32	20284.49	19915.89	23190.65	24091.16	24226.18
Profit before tax including OCI	5361.83	5681.98	1486.84	3237.82	4246.68	6814.71	8290.41	8076.48	14498.16	12216.95
Provision for taxation	1923.22	1978.80	939.77	1153.69	1096.79	2017.85	1950.00	2055.00	3411.94	4592.47
Deferred Tax / Yearlier tax	(167.21)	37.48	5.22	105.33	524.04	(648.92)	(308.94)	(71.42)	(189.96)	(221.98)
Total Comprehensive Income for the year	3605.82	3665.70	541.85	1978.80	2625.85	5445.78	6649.35	6092.90	11276.18	7846.47

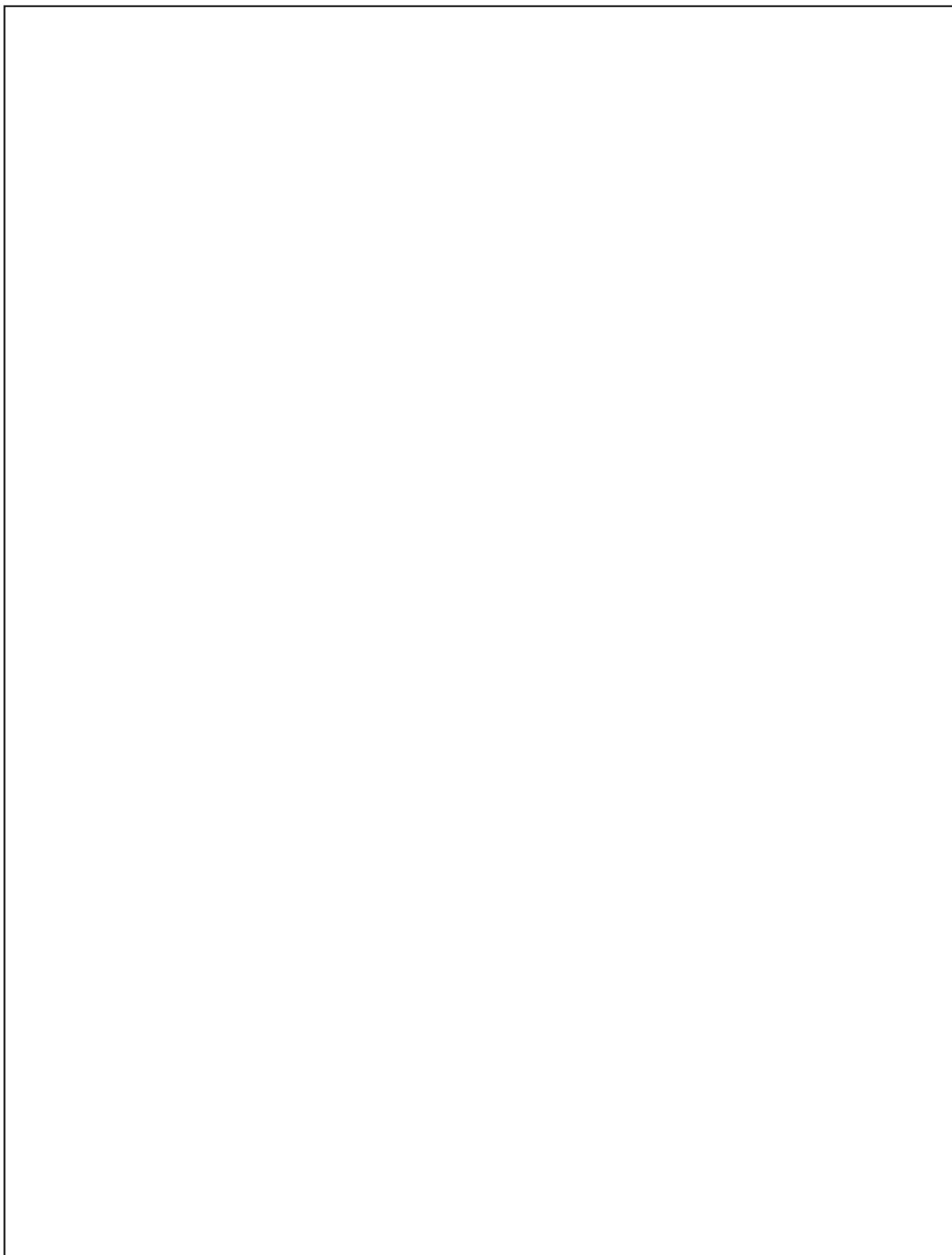
SUMMARISED BALANCE SHEET OF PREVIOUS TEN FINANCIAL YEARS

(Rs. in lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
OWN FUNDS										
Share Capital	2017.66	2017.66	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48	4273.48
Share Application Money	2255.82	2255.82	-	-	-	-	-	-	-	
Reserves & Surplus	25778.22	31172.64	29229.68	31208.48	35722.99	40955.07	47283.92	52271.94	61720.25	58533.07
TOTAL	30051.70	35446.12	33503.16	35481.96	39996.47	45228.55	51557.40	56545.42	65993.73	62806.55
LOAN FUNDS										
Short-Term Loan Interest	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	-	-
TOTAL	30105.58	35500.00	33557.04	35535.84	40050.35	45282.43	51611.28	56599.30	65993.73	62806.55
APPLICATION OF FUNDS										
Fixed Assets	5626.25	6225.01	6974.83	7966.36	9590.61	9687.76	9330.15	9974.82	9798.97	9739.92
Investments	1336.51	3361.36	2900.13	2998.03	3173.12	3406.18	3021.36	3002.35	4192.10	3615.96
Deferred Tax Asset (Net)	1013.83	976.35	971.13	865.80	341.77	990.69	1299.62	1363.43	1553.39	1775.37
Working Capital	22128.99	24937.28	22710.95	23705.65	26944.85	31197.80	37960.15	42258.70	50449.27	47675.30
TOTAL	30105.58	35500.00	33557.04	35535.84	40050.35	45282.43	51611.28	56599.30	65993.73	62806.55

Mysore Sales International Limited

**ACCOUNTS (STANDALONE)
FOR THE YEAR ENDED
31ST MARCH 2025**



INDEPENDENT AUDITORS' REPORT

To the Members of

Mysore Sales International Limited, Bengaluru

Report on the audit of the Standalone Ind AS Financial Statements

On completion of the audit of the accounts of Mysore Sales International Limited ('the Company') for the year ended 31st March 2025, we had rendered our audit report on July 02, 2025. Subsequent to our report, in the light of the observations arising from the audit by the Comptroller and Auditor General of India, the said audit report has been revised and the same supersedes our earlier report.

Qualified Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Mysore Sales International Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter together referred to as 'Standalone Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and the profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. 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 year

2022-23 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. The Company had invited (February 2025) tenders for the sale of imported river sand on 'as is where is' condition and had issued (12/03/2025) Letter of Intent to MK Dairy Farms Pvt. Limited for the sale of sand at their quoted rate of ₹962.86 per metric ton. However, the decision to sell the sand is yet to be finalized and no effect of the same is given on the valuation of the sand as on date. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.

2. As per Ind AS 109-Financial Instruments, the Company, for Chit Fund Division, carries the impairment loss allowance as per Expected Credit Loss (ECL) Model 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 as required by Ind AS 1 - Presentation of Financial Statements for this departure. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.
3. The interest liability on trade payables to Micro and Small Enterprises (MSMEs) for delayed payments is required to be recognized in

accordance with the provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. However, the Company has not provided for interest on delayed payments to MSME vendors, citing non-receipt of any claims from the concerned vendors. In the absence of requisite information regarding delays and vendor-wise classification, we are unable to quantify the potential interest liability, if any, under the MSMED Act, 2006. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.

4. During the year, the Company has recognized the rental income as per the lease agreement from the following parties a) Athitheya Kshema Hotels Pvt Ltd b) Nestwell Constructions Private Limited and c) Pearl Port ("the tenants") amounting to Rs. 586.15 Lakhs. However, The Company has not recognized the interest to be recovered on non-payment of rental dues from tenants as per the lease agreement. This has resulted in understatement of interest income on rental dues amounting to Rs. 486.56 lakhs and understatement of receivable to the tune of Rs. 486.56 lakhs. Further, GST liability for the above amounting to Rs. 87.57 lakhs also not been recorded as on date resulting in understatement of receivable and payable to the extent of Rs. 87.57 lakhs.
5. The Company had purchased following immovable properties and the same was accounted under freehold land/Building in Note. No. 2 to the standalone Ind AS Financial Statement. While verifying the details of property tax paid for the below mentioned properties, we identified that the khata for the property is not yet transferred in the name of the Company as on date due to which property tax has not been deposited for these properties. Further, the Company has not made any provision for the property tax payable upon transfer of Khata in the name of the Company as on date. This has resulted in overstatement of profit and understatement of liability to the tune of Rs.400 Lakhs. Due to the non-availability of sufficient information, we are unable to quantify

the impact of penalty arising from nonpayment of property tax on the standalone Ind AS Financial Statement as on date.

Address	Date of Purchase	Nature of Property	Status of Property tax payment
Baikampady Industrial Area, Mangalore	16.12.2005	Building	Tax not paid for 20 years
Hebbal Industrial Area, Mysore	21.07.2005	Building	Tax not paid for 20 years
Kapnoor Industrial Area, Kalaburgi	27.08.2007	Building	Tax not paid for 18 years
Konena Agrahara, HAL Airport, Bangalore	27.11.2001	Land	Tax not paid for 24 years
Sterling Apartment, Chennai	01.12.1978	Building	Tax not paid for 6 years

6. Reference is invited to Note. No. 42(iv) of the standalone Ind AS financial statements wherein the Company, under Chit fund division, is showing amount of Rs. 35,833.33 lakhs as "Amount recoverable from prized subscribers". However, this item includes an unreconciled amount of Rs. 1408.91 Lakhs as on 31st March 2025. Due to the non-availability of subscriber wise details for the above amount, we are unable to comment on the impact of the same on the standalone Ind AS Financial Statement as on date. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.
7. The Company has not followed a system of obtaining confirmation and performing reconciliation of balances in respect of its receivables and payables. Due to non-availability of confirmations and reconciliations of the said balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of these receivables and payables on the Standalone Ind AS Financial Statements as on date.

8. During the year, the Company had availed Direct Tax Vivad Se Vishwas Scheme, 2024 to buy peace and settle one of the old pending income tax litigations pertaining to AY 2008-09. Based on the same, the Income Tax department adjusted Rs. 14.15 crore from eligible refunds applicable to different assessment years against assessed tax liability of Rs. 13.42 Crore for the AY 2008-09, leaving a balance of Rs. 73.06 lakhs as refund receivable. The Company has not received any refund till date, and the status of refund issue is not known. Accordingly, due to the non-availability of information on receipt of the above-mentioned refund, we are unable to quantify the impact of the adjustments, if any, arising from settlement of such refunds on the Standalone Ind AS Financial Statements as on date.

9. Events after the Reporting period: The Company, under Pharmacy division, undertakes Pharmacy retail business at Pradhan Mantri Janaushadhi outlets located at various Government hospitals. In this regard, the Government of Karnataka with an ideology of supplying free medicines has vide its order no. HFW 173 PTD 2025 Bangalore dated: 14th May 2025 ordered to close down all the Pradhan Mantri Janaushadhi outlets operating at Government hospitals. The above order has also been discussed in the 347th board meeting dated July 2, 2025 and concurrence was obtained from the board for the closure of the operations under Pharmacy division.

The above facts and decisions have created uncertainty on the continuity of operations of the Pharmacy division and is expected to have a material impact on the future operations and financial position of the Company. However, the standalone Ind AS financial statement do not disclose the decision of discontinuance of pharmacy division and its consequential financial implications as required under Ind AS 10.

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

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 ethical requirements that are relevant to our audit of these Standalone Ind AS 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 audit opinion on the Standalone Ind AS Financial Statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to Standalone Ind AS Financial Statements. However, our opinion is not modified in respect of the below mentioned matters.

1 Reference is invited to note no. 42(ix) to the standalone Ind AS Financial Statements wherein it is mentioned that the Company has received certain advances for the tours and travels services and the Company has reconciled the accounts of Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka and the corresponding service providers to arrive at the final receivable of Rs. 69.76 Lakhs. In addition, the Company has also made supplies to RGUHS under Papers Division and the receivable in the paper division has been adjusted against the advance received in tours division. Further, the Company is in the process of reconciling the amount receivable from various tour service providers, the receivables and payables accounts of RGUHS and tour service providers need to be further reconciled to arrive at the actual receivable as on date. The Company has made a provision for bad and doubtful debt to the extent of Rs. 200 lakhs in this regard. The outcome of the above reconciliation does not have any material impact on the standalone financial statement as the Company is carrying the above mentioned provision in its books against the same.

2 Reference is invited 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. At present, the Company has preferred an appeal before the Karnataka High Court and the matter is pending adjudication as on date. The liability on GST RCM on Transport for the period from January 2021 to March 2025 is Rs. 319.94 lakhs have been disclosed as Contingent Liability by the Company. No provision has been made for the refund receivables as well as the contingent liability since the Company is legally advised that the chances of favourable outcome are high.

- 3 Reference is invited to note no. 37 to the standalone Ind AS Financial Statements. The Company has not calculated the net profit as per the provisions of the Act for the purpose of determining the CSR obligation, resulting in excess discharge of CSR liability by Rs. 13.96 lakhs. This excess amount is eligible to be carried forward and set off against future CSR obligations, in accordance with the provisions of the Companies Act, 2013. Accordingly, the unutilized amount has been recognized as an asset under 'Other Current Assets' in the standalone Ind AS Financial Statements.
- 4 Reference is invited to note no. 42(x) to the standalone Ind AS Financial Statements. The Company detected a cyber fraud related to its Tours and Travels division during the year, amounting to Rs. 2.87 lakhs, perpetrated by external parties. A First Information Report (FIR) has been filed, and the matter is currently under investigation. However, in view of the uncertainty regarding the recovery of the said amount, the Company has created a provision to the extent of Rs. 2.87 lakhs in the books of account.

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

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the Financial Highlights, Board's Report including annexures to Board's Report, Corporate Governance Report but does not include the Standalone Ind AS Financial Statements, consolidated Financial Statements and our Auditor's Report thereon. Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standard Rules), 2015, as amended.

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- a. Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

- b. Obtain an understanding of internal controls 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 Ind AS Financials Statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d. 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 StandaloneInd AS 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.
- e. Evaluate the overall presentation, structure and content of the StandaloneInd AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in "Annexure A", as required under section 143(3) of the Act, we report that:
 - i. We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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 Standalone Ind AS Financial Statements;
 - ii. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - iv. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard Rules), 2015, as amended;
- v. Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.
- vi. With respect to the adequacy of the internal financial controls with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report.
- vii. Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Provisions of Sec 197(16) of the Act, are not applicable to the Company;
- viii. 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:
 - a. The Company has disclosed the impact of pending litigations on its financial position in Standalone Ind AS Financial Statements – Refer Note 40 and 42 to the Standalone Ind AS Financial Statements.
 - b. The Company has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
 - d. i. 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 or entity, 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.

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

iii. Based on the audit procedures adopted by us, that have been considered reasonable and appropriate, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.

- e. The Company has declared and paid dividend during the financial year in accordance with section 123 of the Companies Act 2013.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account

using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended 31 March 2025.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated 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 audit trail feature being tampered. In case of other divisions, the accounting software does not have the audit trail feature. The audit trail has been preserved by the company as per the statutory requirements for record retention.

- 3. As required under section 143(5) of the Companies Act, 2013 we give in the "Annexure C" a statement on the directions given by the Comptroller and Auditor General of India.

**For Phillipos George & Co.
Chartered Accountants
Firms Registration No. 002650S**

Sd/-

**Kedar Paranjape
PARTNER**

Membership No. 239004

UDIN:25239004BMIXMR5854

Place: Bengaluru

Date: 1st September 2025

‘ANNEXURE A’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our Auditor’s Report of even dated to the Members of MYSORE SALES INTERNATINOAL LIMITED (‘the Company’) on the Standalone Ind AS Financial Statements for the year ended March 31, 2025)

Based on our audit and taking into consideration the information and explanations given to us by the Company and the books of accounts and other records examined by us during the normal course of audit, and to the best of our knowledge and belief, we report that;

I.

- a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- b. As per the information and explanation given to us, the Company has physically verified all the PPE at its offices during the financial year which, in our opinion is reasonable having regard to the size and nature of business activity of the Company and the nature of its assets. The assets which are not in existence and having nominal value amounting to Rs. 21.53 Lakhs has been written off as expenditure during the financial year.
- 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. The Company has not re-valued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

- e. According to the information and explanation given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- II. a. According to the information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10 percent or more in aggregate for each class of inventory were noticed on such physical verification.
 - b. According to the information and explanations given to us and the records of the Company examined by us, the Company has not been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks at any point of time during the year on the basis of security of stock and book debts of the Company. Hence, reporting under clause 3(ii)(b) of the Order is not applicable.
- III. As explained to us, the Company has not granted any loans or advances, secured or unsecured, to Companies, Firms, LLPs or other parties nor made any investment or provided any guarantee or security. Accordingly, the requirement to report on clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the requirement

to report on clause 3 (iv) of the Order is not applicable to the Company.

V. In our opinion, the Company has not accepted any deposit during the year within the meaning of Sections 73 and 76 of the Act and the Companies (Acceptance and Deposit) Rules, 2014 (as amended) nor have any unclaimed deposits as of March 31, 2025. Accordingly, the requirement to report on clause 3 (v) of the Order are not applicable to the Company.

VI. According to the information and explanation given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured under paper division of the Company. We are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

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

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, erstwhile Sales Tax, Service Tax, Excise Duty and Value Added Tax, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues, wherever applicable to it, with the appropriate authorities. Further, no undisputed statutory dues outstanding as on 31 March 2025 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	24.98	FY 2017-18
Goods and Service Tax Act, 2017	GST	40.37	Up to Sep 23
Goods and Service Tax Act, 2017	TDS on GST	0.59	FY 2022-23
The Maharashtra State Tax on Professional, Trades, Callings and Employments Act, 1975	Professional Tax	0.06	FY 2021-22
Income Tax Act, 1961	TDS	0.03	AY 2022-23
Income Tax Act, 1961	IT Demand	3.13	AY 2017-18
Goods and Service Tax Act, 2017	GST-RCM	6.02	FY 2024-25
Goods and Service Tax Act, 2017	GST	215.01	FY 2024-25
Income Tax Act, 1961	TDS	47.50	FY 2024-25

b. The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	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
		26.00	2002-03, 2003-04	20.00	
		37.40	2003-04, 2005-06	37.40	
		36.14	2005-06, 2006-07	10.00	
		48.00	2005-06, 2006-07	9.00	
		72.00	2015-16	5.00	
		23.71	2016-17	2.37	
Income Tax Act, 1961	Income Tax	1669.98	AY 2018-19	-	Income Tax Faceless Appeal Centre
		749.86	AY 2022-23	-	

VIII. According to the information and explanations given to us and based on the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.

IX. On the basis of verification of records, on an overall examination of the Standalone Ind AS Financial Statements of the Company and according to the information and explanations given to us.

- a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- c) The term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Ind AS Financial Statements of the Company, the Company has not utilized funds raised on short-term basis for long-term purposes.

- e) According to the information and explanation given to us and on overall examination of the Standalone Ind AS Financial Statements of the Company, the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates or joint ventures.
- f) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate companies or joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- X. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments). Further, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit. Hence, the requirement to report on clause 3(x)(a) and (b) of the Order is not applicable to the Company.
- XI. In respect of fraud by the Company or on the Company:
 - a) According to the information and explanations given to us, the company has noticed a cyber

fraud in Tours and travels by outsiders during the year amounting to Rs. 2.87 Lakhs. The Company has filed the First Information Report, and the proceedings are in progress. The Company has made provision for an equal amount in respect of the same. Other than the above, no fraud on or by the Company has been noticed or reported during the year under report.

b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Further, according to the information and explanations given to us and based on the information provided to us and records verified by us, the Secretarial Auditor and the Cost Auditor have not filed report in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year covered under our audit.

c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

XII. In our opinion, the Company is not a Nidhi Company. Accordingly, requirement to report on clause 3 (xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Notes to Standalone Ind AS Financial Statements as required by the applicable Accounting Standard.

XIV. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. The internal audit reports of the Company for the period under audit have been considered by us while forming our opinion.

XV. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-

cash transactions with the Directors or persons connected with them covered under Section 192 of the Act. Accordingly, requirement to report on clause 3 (xv) of the Order is not applicable to the Company.

XVI.

- a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, requirement to report on clause 3 (xvi) (a) of the Order is not applicable to the Company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- d. The Group does not have any CICs which are registered with the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

XVII. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditor during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios disclosed notes to the Standalone Ind AS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS 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 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 subsection (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 Phillipos George & Co.
Chartered Accountants
Firms Registration No. 002650S
Sd/-
Kedar Paranjape
PARTNER
Membership No. 239004

UDIN:25239004BMIXMR5854

Place: Bengaluru

Date: 1st September 2025

'ANNEXURE B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(vi) under 'Report on Other Legal and Regulatory Requirements' section of our Auditor's Report of even dated to the Members of MYSORE SALES INTERNATIONAL Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2025)

Independent Auditor's 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')

We have audited the Internal Financial Controls over Financial Reporting of Mysore Sales International Limited ('the Company') as of March 31, 2025 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

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 Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls Over Reporting, and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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 over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting includes 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 Standalone Ind AS Financial Statements, whether due to fraud or error.

However, 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 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 Standalone Ind AS 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 the Standalone Ind AS 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 Standalone Ind AS 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 explanation given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting with respect to Standalone Ind AS Financial Statements as at March 31, 2025.

a. Beverage Division:

During our review of the internal financial controls relating to revenue recognition and receivables management, we identified that there are shortages in the remittances made by various outlets when compared to the actual sales achieved by respective outlets during the period. Such shortage of amount received from outlets are shown as amount recoverable under loans and advances. As on 31st March 2025, the

total amount recoverable from outlets towards such short remittance is Rs. 168.16 lakhs. The division's internal control towards recovery of the short remittance of cash collected at the outlets needs to be strengthened. We recommend that the management review and strengthen controls over cash collection and remittance, implement automated reconciliation mechanisms, and enforce accountability at the outlet level to ensure timely and complete deposit of collection on a timely basis.

b. 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 (Shivamogga, Kengeri and Chamarajnagar), there may be financial impact on the standalone Ind AS 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. 1408.91 lakhs as on 31st March 2025 which may have financial impact on the standalone Ind AS Financial Statements.

c. Pharma Division:

1. The company has the unreconciled balances of amount received from parties in advance from JAS Outlets amounting to Rs. 19.29 lakhs which may have financial impact on the standalone Ind AS Financial Statements.

2. During the course of audit, we identified that there are shortages in the physical stock of medicines when compared to the stock level maintained in the software due to non-accounting of cash sales made by the pharmacist in the respective outlets. This issue of stock shortage and non-accounting of cash sales usually comes to light only when a physical stock verification is done by the supervisors when visited to respective outlets. The internal audits conducted by external parties have failed to identify the stock shortages resulting in serious deficiency in the internal control aspects of the division.

d. Tours and Travels Division:

1. The company has the unreconciled balances of amount received from parties in advance received(Suspense accounts) amounting to Rs. 0.61 lakhs which may have financial impact on the standalone financial statements.
2. The division is not following the systematic procedure of recovery of the amounts from its customers under both Ticketing and Package Tours segment. The trade receivable under Package tour and ticketing services division as on 31st March is Rs. 213.20 Lakhs and Rs. 298.88 Lakhs respectively. The non recovery of outstanding balances would result in internal control deficiency in fund management of the division.
- e. The financial and operating controls established by the Company for the prompt, periodic and upto-date reconciliation of payables and receivables are not working effectively, which may have a financial impact on standalone financial statements.
- f. 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.

- g. The Company has not reconciled the bank balance as per books of accounts of the Mysore Branch with the bank balance confirmation received from the Bank for one of its bank accounts maintained with Canara Bank. The Company has not accounted the receipts from Hire Purchase business amounting to Rs. 0.66 Lakhs received in March month resulting in mismatch of bank balance as per books and confirmation. The closing balance of the bank account was, therefore, wrongly reckoned as Rs. 5.45 Lakhs instead of Rs. 6.11 Lakhs.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us except for the effects/possible effects of the material weaknesses 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 finance controls over financial reporting were operating effectively as of March 31,2025 based on internal control over financial 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".

For Phillipos George & Co.

Chartered Accountants

Firms Registration No. 002650S

Sd/-

Kedar Paranjape

PARTNER

Membership No. 239004

UDIN:25239004BMIXMR5854

Place: Bengaluru

Date: 1st September 2025

‘ANNEXURE C’ TO THE INDEPENDENT AUDITOR’S REPORT

(Refer to Paragraph 3, under ‘Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report of even dated to the Members of MYSORE SALES INTERNATIONAL Limited on the Standalone Ind AS Financial Statements for the period ended March 31, 2025)

1. **Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.**

The company is maintaining Gratuity, leave encashment and Death relief fund for post-retirement benefits. In relation to Gratuity liability, investments are being made under the Trust and the same is handled by LIC (Life insurance Corporation of India). During the course of audit, we were not provided with any information on the valuation approach adopted by LIC for such Gratuity Fund. Accordingly, we are not able to comment on the valuation approach, its reasonability, and compliance with applicable regulations for the same. In relation to the leave encashment and Death relief fund, the Company has recognized provisions towards Leave Encashment and Death Relief Fund in its books of accounts as per actuarial valuation as at the year end. However, it has not made any corresponding investments or earmarked assets to fund these liabilities. As a result, these obligations remain unfunded.

2. **Whether the Company has system in place to process all the accounting transactions through IT system? If No, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along the financial implication, if any, may be stated.**

Yes. The Company do have an IT system in place. It uses Tally ERP9 for consolidation and reporting.

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. The chit fund division maintains data in different software (not in Tally ERP9) except for 3 branches where books are maintained manually. The trial balances of the above 3 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.

3. **Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. 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. Further, the incentive received by the Company from BPPI towards purchase of generic medicines have been accounted on actual receipt basis.

4. **Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated**

considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately.

The Company generally identifies its key risk areas using the report of internal auditors appointed for the period. There are no specific Risk management policies formulated for the same to mitigate the risks. Further, the Company has not identified its data assets during the year under consideration.

5. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted

The Company is not a listed entity and hence, the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI are not applicable. Further, the Company is generally in compliance with all the applicable laws and regulations and there are no specific deviations from the same.

6. All the items with regard to Cash and Bank balances as in the Annexure-1 shall be verified and report the cases of specific non-compliances.

Based on the audit procedure carried out and as per the information and explanation given to us, the Company has reconciled all the cash and bank balances as at the Balance Sheet date and there are no specific non-compliances except for the items mentioned in the Annexure 1.

7. 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? Details of unexplained balances/balances operated under suspense head may be examined.

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. The Company do have chit suspense balances accumulated over past years aggregating to Rs. 1408.91 lakhs. Also, the company has the unreconciled balances of amount received from parties in advance from JAS Outlets under Pharmacy division amounting to Rs.19.29 lakhs. The Company is in the process of reconciling the data.

8. 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.

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. 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.

**For Phillipos George & Co.
Chartered Accountants**

Firms Registration No. 002650S

Sd/-

Kedar Paranjape

PARTNER

Membership No. 239004

UDIN:25239004BMIXMR5854

Place: Bengaluru

Date: 1st September 2025

Annexure-I

Sl. 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. All the bank accounts, fixed deposits have been opened with proper authorization and, approvals have been obtained as per the delegation of powers.
2.	Whether there was a periodical system of preparation of Bank reconciliation statement and whether they were produced for verification to audit?	Yes. The Company maintain reconciliation statement and the same was produced for verification during the audit. However, one of the branch bank accounts maintained with Canara Bank was not tallied with the confirmation received from the bank branch. There was a difference of Rs. 0.66 Lakhs between the balance as per bank and balance as per Company books. The Company has not accounted the receipts from Hire Purchase business amounting to Rs. 0.66 Lakhs received in March month resulting in mismatch of bank balance as per books and confirmation.
3.	Whether Bank reconciliation of the Main account and all subsidiary bank accounts were done?	Yes. The Company has maintained the reconciliation of main account and other subsidiary bank accounts regularly.
4.	Was the authorisation to operate the bank accounts given to a single signatory?	No. The authorization has been provided to two authorities.
5.	Whether the interest for the entire duration of Fixed Deposits was accounted in the books of accounts?	Yes. The interest has been accounted for entire duration as per the principle of accrual.
6.	Whether physical verification of cash has taken place periodically?	Yes. The physical verification of cash was done at regular intervals.
7.	Whether the cash in hand as shown in the Balance Sheet tallies with the certificate of physical verification of cash?	Yes, the cash balance shown in the Balance sheet tallies with the certificate.
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. Interest will be accrued on the deposit which has been accounted properly as per the interest certificate.
10.	Is there a follow-up system to ensure that transfer of matured amount of Fixed Deposits is done without any delay?	Yes. deposit will be renewed upon the maturity of the Fixed Deposits without any delay.

11.	Whether bank confirmation statements are obtained periodically from the banks for all accounts: SB accounts, Current Accounts and Fixed deposits?	Bank statements are obtained on a periodical basis for all the bank accounts except for one bank account maintained with ICICI Bank (Account No. 016905005350) having a balance of Rs. 32,290.80/- . The Company has mentioned that the balance in the account has been transferred to DEAF account maintained by RBI due to inactivity and the process of retrieval of balance is ongoing.
12.	Whether confirmations of balances in respect of all bank balances tally with the Bank statements?	Yes. The confirmation tallies with the bank statements and reconciliation for the same has been prepared.
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. The confirmation has been signed by the Branch manager and received on the letterhead of the bank.
15.	In case of any difference observed in the above check, whether the same was adjusted in the subsequent year?	No such 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 balance shown in the external confirmation is in agreement with the balance shown in the books of account. However, we have not received direct external confirmations from the most of the banks during the course of audit. Accordingly, we are unable to comment on the bank balances for which external confirmation is not received.
17.	Whether any of the aforesaid lapses were brought out in the Report of the Internal Financial controls?	Yes. The above deviation of mismatch of bank balance with company books has been brought out in the report of the Internal Financial Control.

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, BENGALURU FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31 March 2025** 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 01 September 2025 which supersedes their earlier Audit Report dated 02 July 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31 March 2025** 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 Auditors' 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 auditors' report under section 143(6)(b) of the Act.

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

BENGALURU

Date:04.09.2025

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
STANDALONE BALANCE SHEET AS AT MARCH 31, 2025
(ALL AMOUNTS IN RS LAKHS UNLESS OTHERWISE STATED)

	Particulars	Note	As at March 31, 2025	As at March 31, 2024
I	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	2	5,004.52	4,386.03
	(b) Capital work-in-progress	3	7.99	533.96
	(c) Investment properties	4	3,610.86	3,729.13
	(d) Other intangible assets	5	2.82	3.53
	(e) Right-of-use assets	5A	1113.72	1,146.31
	(f) Financial assets			
	(i) Investments	6	3,615.96	4,192.10
	(ii) Other financial assets	7	11,463.47	16,206.62
	(iii) Non-current bank balances	12	8,280.42	4,256.45
	(g) Deferred tax assets (net)	29	1,775.37	1,553.39
	(h) Other non-current assets	8	640.10	47.78
	(i) Non Current tax asset (net)	8A	3,407.44	3645.55
	Total non-current assets		38,922.67	39,700.85
	Current assets			
	(a) Inventories	9	18,394.66	15,925.70
	(b) Financial assets			
	(i) Trade receivables	10	2,545.33	7,455.19
	(ii) Cash and cash equivalents	11	12,826.20	5,635.43
	(iii) Bank balances other than (ii) above	12	32,387.50	32,049.10
	(iv) Other financial assets	7	25,082.29	16,853.19
	(c) Other current assets	8	1,795.62	2,893.04
	(d) Assets held for sale	30		
	Total current assets		93,031.60	80,811.65
	Asset Held for Sale	30	5.00	5.00
	Total assets		131,959.27	120,517.50

II.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	13	4,273.48	4,273.48
	(b) Other equity	14	58,533.06	61,720.25
	Total equity		62,806.55	65,993.73
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Lease Liability	15	575.44	438.14
	(ii) Other Financial Liabilities	15	21,423.75	17,539.74
	(b) Provisions	16	829.58	725.45
	Total non-current liabilities		22,828.77	18,703.33
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	18		
	(a) Total outstanding dues of micro and small enterprises		3,964.10	3,129.12
	(b) Total outstanding dues other than (i) (a) above	18	13,110.37	7,915.05
	(ii) Lease Liability	15	604.41	725.06
	(iii) Other financial liabilities	15	23,276.28	21,187.34
	(b) Other current liabilities	17	4,814.12	2,615.67
	(c) Provisions	16	554.67	248.20
	Total current liabilities		46,323.95	35,820.44
	Total equity and liabilities		1,31,959.27	1,20,517.50

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For Phillipos & Co

Firm Regn No.: 002650S

Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 2nd July 2025

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, 2025
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Continuing operations			
Income			
Revenue from operations	19	343,960.40	337,884.75
Other income	20	4,544.00	3,675.45
Total income		348,504.40	341,560.20
Expenses			
Cost of materials consumed	21	2,304.58	2,936.80
Purchase of Stock-in-trade	22	308,552.21	301,230.30
Changes in inventories of finished goods and stock-in-trade	23	(2420.50)	(979.41)
Employee benefits expense	24	2,171.28	2,003.83
Finance costs	25	433.25	238.52
Depreciations and amortization expenses	26	2,003.30	1,946.94
Other expenses	27	22,601.17	20,881.28
		335,645.29	328,258.26
Profit before tax from continuing operations		12,859.11	13,301.94
Tax expense	29		
(a) Current tax		3,236.64	3,286.46
(b) Deferred Tax Charge/(Credit)		(274.65)	(491.04)
(c) Short provision of tax for earlier years		1,354.30	124.14
Profit for the year from continuing operations		8,542.82	10,382.38
Discontinued operations	30		
Profit/(loss) before tax for the year from discontinued operations		6.09	5.32
Tax Income/ (expense) of discontinued operations		(1.53)	(1.34)
Profit/ (loss) for the year from discontinued operations		4.56	3.98
Profit for the year		8,547.38	10,386.36

Other comprehensive income	31		
(a) Items that will not be reclassified to profit or loss			
Net (loss)/gain on equity instruments through Other Comprehensive Income		(576.14)	1,189.74
Income tax effect		(34.52)	(300.79)
Re-measurement gains/ (losses) on defined benefit plans		(72.11)	1.16
Income tax effect on above		(18.15)	(0.29)
Other comprehensive income for the year, net of tax		(700.91)	889.82
Total comprehensive income for the year		7,846.47	11,276.18
Earnings per share (Nominal Value per share Rs. 100/-)	32		
-Earnings per share for continuing operations			
Basic & Diluted (Rs.)		199.90	242.95
-Earnings per share for discontinued operations	32		
Basic & Diluted (Rs.)		0.11	0.09
-Earnings per share for continuing and discontinued operations	32		
Basic & Diluted (Rs.)		200.01	243.04

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For Phillipos & Co

Firm Regn No.: 002650S
Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 2nd July 2025

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/-

Sridevi B N

Company Secretary

Sd/-
Avinash K R
Chief Financial Officer

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax and exceptional items as per Statement of Profit and Loss	12,863.67	13,307.26
Adjustments to reconcile profit before tax to net cash flows:		
Dividend	(655.19)	(638.58)
Excess Provision no longer required	(189.78)	(172.35)
Interest income	(2,392.86)	(2,196.75)
Profit on sale of property, plant and equipment	20.57	2.94
Rent	(1000.78)	(597.79)
Depreciation and amortisation expenses	2,003.30	1,946.94
Finance costs	433.25	238.52
Allowances for doubtful debts and advances	641.87	488.87
Impairment losses in value of other financial assets	66.06	-
Operating profit before working capital changes	11,790.11	12,379.06
Changes in working capital		
Adjustments for increase / (decrease) in		
(Increase)/Decrease in trade receivables	5,099.64	(3,367.03)
(Increase)/Decrease in inventories	(2468.96)	(903.15)
(Increase)/Decrease in other assets	505.10	1,967.10
(Increase)/Decrease in other financial assets	(4,193.88)	(5,576.27)
Increase/(Decrease) in trade payables	6,030.30	1,500.67
Increase/(Decrease) in other liabilities	2,198.45	1,318.27
Increase/(Decrease) in other financial liabilities	5,972.95	8,883.24
Increase/(Decrease) in provisions	338.49	17.41
Net Changes in Working Capital	13482.09	3840.24
Cash generated from operations	25,272.21	16,219.30
Taxes paid, net	(4,352.82)	(2,948.77)
Net cash generated from operating activities	20,919.39	13,270.53

B. Cash flow from investing activities			
Purchase of Property, Plant & Equipment (including capital advances)		(1300.28)	(643.67)
Changes in other bank balances not considered as cash and cash equivalents		(4,352.88)	(11,552.99)
Proceeds from disposal of Property, Plant & Equipment		27.05	2.90
Investment income (Rental income on investment Property)		1,000.78	597.79
Interest received		2,383.37	1,902.80
Dividend received		655.19	638.58
Net Cash Flow used in Investing Activities		(1,586.77)	(9,054.59)
C. Cash flow from Financing activities			
Finance cost paid		(343.84)	(106.74)
Payment of lease liabilities		(764.32)	(827.33)
Dividend paid		(11,033.68)	(1,827.87)
Net cash used in financing activities		(12,141.84)	(2,761.94)
Net changes in cash and cash equivalents		7,190.77	1,454.00
Cash and cash equivalents as at beginning of the year		5,635.43	4,181.43
Cash and cash equivalents as at end of the year		12,826.20	5,635.43

Reconciliation of cash and cash equivalents			
Particulars		As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents :			
Cash & Stamp on hand		2,736.89	2,077.20
Balances with Banks		10,077.62	3,553.99
Remittances in transit		11.69	4.24
Cash and cash equivalents as per Balance Sheet (Refer Note 11)		12,826.20	5,635.43
Cash and cash equivalents as per Cash flow Statement		12,826.20	5,635.43

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, 2025
Lease Liability	780.99	1,177.28
Particulars of liabilities arising from financing activity	Other changes	As at March 31, 2024
Lease Liability	1,265.01	1,265.01

In terms of our report attached

For Phillipos & Co

Firm Regn No.: 002650S
Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 2nd July 2025

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

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, 2025
(All amounts in Rs lakhs unless otherwise stated)**

Particulars (Note 13)	Amount
Balance as at March 31, 2023	4,273.48
Changes in Equity Share Capital during 2023-24	-
Balance as at March 31, 2024	4,273.48
As at April 1, 2024	4,273.48
Changes in Equity Share Capital during 2024-25	-
Balance as at March 31, 2025	4,273.48

Particulars	Reserves and Surplus				Total Other Equity
	General reserves	Chit Reserve Fund	Retained Earnings	Fair Valuation of Equity Instruments through Other Comprehensive Income	
Balance as at March 31, 2023	19,125.69	928.21	30,551.91	1,666.12	52,271.94
Profit for the year	-	-	10,386.36	-	10,386.36
Transfer from retained earnings	-	175.14	(175.14)	-	-
Dividends (Refer note 33)	-	-	(1827.87)	-	(1827.87)
Remeasurement of Defined Benefit Plan		-	0.87	-	0.87
Total Comprehensive Income	-	-	-	888.95	888.95
Balance as at March 31, 2024	19,125.69	1,103.35	38,936.14	2,555.08	61,720.85
Profit for the year			8,547.38	-	8,547.38
Transfer from retained earnings		189.10	(189.10)	-	-
Dividends (Refer note 33)			(11,033.68)	-	(11,033.68)
Remeasurement of Defined Benefit Plan			(90.26)	-	(90.26)
Total Comprehensive Income			-	(610.65)	(610.65)
Balance as at March 31, 2025	19,125.69	1,292.45	36,170.48	1,944.42	58,533.04

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For Phillipos & Co

Firm Regn No.: 002650S

Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 2nd July 2025

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Sd/-

Avinash K R

Chief Financial Officer

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 2025 were authorized and approved for issue by the Board of Directors on 02.07.2025.

(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 into 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, 2025, 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 proportionbasis, 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	Over the primary lease period - except for land
Lease hold Improvements	

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

to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

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

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

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

The Company as a lessor

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

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

I. Employee benefits

Defined contribution plan

The Company's defined contribution plans are Employees' Provident Fund (under the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952), ESI (under the provisions of Employees State Insurance Act,

1948) and Superannuation. The Company has no further obligations beyond making the company's contributions. The company's contribution to Provident Fund, ESI and Superannuation are made at prescribed rates and are charged to Statement of Profit and Loss. The Superannuation 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 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 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 recognized as an interest expense.

Present obligations arising under onerous contracts are recognized 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 counter party.

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.

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 and 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.

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Notes forming part of the Standalone Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)
2 Property, plant and equipment
Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting

Particulars	Freehold land	Leasehold land	Building - Freehold	Handling Equipment	Electrical Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Total
Gross carrying amount										
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	3,006.10	276.47	4,206.77	382.36	1,799.95	9,903.37
Additions	21.71	-	532.07	-	154.15	101.35	652.86	-	364.10	1826.25
Deductions	-	21.54	-	-	,396.06	162.72	1,001.41	-	184.49	1766.22
As at March 31, 2025	53.64	-	703.68	1.65	2,764.19	215.10	3,858.22	382.36	1,979.56	9,963.39
Accumulated depreciation As at March 31, 2023										
Depreciation for the year	-	5.07	0.21	272.55	36.45	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	1,166.20	211.52	2,831.35	208.75	1,055.66	5,517.34	
Depreciation for the year	-	54.44	0.25	286.60	30.71	469.54	42.62	275.99	1,160.15	
Deductions	-	-	-	383.42	162.51	989.49	-	183.18	1,718.60	
As at March 31, 2025	-	97.80	0.73	1,069.38	79.72	2,311.40	251.37	1,148.46	4,958.86	

Net Carrying Amount

Net block as at March 31, 2024	31.93	21.54	133.24	1.17	1,839.89	64.95	1,375.42	173.60	744.28	4,386.03
Net block as at March 31, 2025	53.64	-	610.88	0.91	1,694.81	135.38	1,546.81	130.99	831.09	5,004.52

Notes :

- Properties pledged as securities as at March 31, 2025 is Nil; (March 31, 2024: Nil).
- Refer Note 41(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 March 31, 2023		592.83	592.83
Additions		13.58	13.58
Capitalised during the year		-	-
Deletion		72.45	72.45
As at March 31, 2024		533.96	533.96
Additions		6.28	6.28
Capitalised during the year		532.25	532.25
Deletion		-	-
As at March 31, 2025		7.99	7.99

a. Capital work-in-progress ageing schedule:
As at March 31, 2025

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	
Project In progress	6.28	1.71	-	-	7.99
Projects temporarily suspended	-	-	-	-	-
Total	6.28	1.71	-	-	7.99

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

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, 2025

Project in progress	Budgeted Project Cost	Actual cost as on 31st March 2025	Reasons for delay
Warehouse, Kapanoor Ind Area, Kalburgi	195.78	5.44	Due to inclusion of additional work

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.

c. There are no borrowing cost capitalised during the year ended March 31, 2025 and March 31, 2024.

4. Investment properties

Particulars	Freehold land	Leasehold land	Building	Building - Leasehold	Total
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
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2025	53.06	100.95	1604.08	2686.59	4444.68
Depreciation and impairment					
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
Depreciation (Refer note 26)	-	-	28.43	89.84	118.27
Deductions	-	-	-	-	-
As at March 31, 2025	-	-	205.08	628.75	833.82
Net block as at March 31, 2025	53.06	100.95	1,399.01	2,057.84	3,610.86
Net block as at March 31, 2024	53.06	100.95	1,427.44	2,147.68	3,729.13

Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent from investment properties (Refer Note (20))	1000.78	597.79
Direct operating expenses (including repairs and maintenance) pertaining to investment property	(326.94)	(186.49)
Profit arising from investment properties before depreciation and indirect expenses	673.84	411.30
Less – Depreciation	(118.27)	(118.27)
Profit arising from investment properties before indirect expenses	555.57	293.03

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, 2025 is Nil; (March 31, 2024: Nil)

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5 Other intangible assets			
	Particulars	Computer Software	Total
Gross carrying amount			
As at March 31, 2023		49.11	49.11
Additions		4.24	4.24
Deletions		-	-
As at March 31, 2024		53.35	53.35
Additions		-	-
Deletions		-	-
As at March 31, 2025		53.35	53.35
Accumulated amortization			
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
Amortisation for the year		0.71	0.71
Deductions		-	-
As at March 31, 2025		50.53	50.53
Net block as at March 31, 2025		2.82	2.82
Net block as at March 31, 2024		3.53	3.53

Note:

1. Intangible properties pledged as securities as at March 31, 2025 is Nil; (March 31, 2024 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 March 31, 2023	3,439.69
Additions		1,133.23
Disposals		-
	As at March 31, 2024	4,572.92
Additions		691.58
Disposals		-
	As at March 31, 2025	5,264.51
Accumulated depreciation		
	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
Charge for the year		724.17
Adjustments for disposals		-
	As at March 31, 2025	4,150.78
Net carrying value as at March 31, 2025		
	Net carrying value as at March 31, 2024	1,113.72
		1,146.31

The following are the expense recognised in the Statement of Profit and Loss

Particulars	Year ended as at March 31, 2025	Year ended as at March 31, 2024
Depreciation expense of right-of-use assets	724.17	724.56
Interest expense on lease liabilities	89.41	131.78
Expense relating to short-term leases	1152.15	981.62
Total amount recognised in profit or loss	1,965.73	1,837.96

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6	Investments	Particulars	As at March 31, 2025	As at March 31, 2024		
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		912.98	1421.70		
	329,060 (March 31, 2024: 329,060) fully paid equity shares of INR 2 each					
	Bengal & Assam Co Limited		276.18	327.43		
	3,831 (March 31, 2024: 3,831) fully paid equity shares of INR 10 each					
	Total (A)		1189.15	1749.13		
B.	Subsidiaries - Measured at Cost (Unquoted)					
	Karnataka State Marketing Communication & Advertising Limited		597.38	597.38		
	357,252 (March 31, 2024: 357,252) fully paid equity shares of INR 10 each					
	Mysore Chrome Tanning Company Limited		0.05	0.05		
	720,875 (March 31, 2024: 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, 2024: 35) fully paid equity shares of INR 100 each					
	K T Mansions Apartments Owners' Association*		0.03	0.03		
	25 (March 31, 2024: 25) fully paid equity shares of INR 100 each					
	Hassan Mangalore Rail Development Company Limited		1,802.59	1,819.06		
	7,000,000 (March 31, 2024: 7,000,000) fully paid equity shares of INR 10 each					
	The Karnataka State Co-operative Apex Bank Limited - One -C- Class Ordinary Share:		26.72	26.41		
	1 (March 31, 2024: 1) fully paid equity shares of INR 1,000,000 each					
	Total (C)		1,829.37	1,845.54		
	Total (A+B+C)		3,615.96	4,192.10		

Aggregate amount of quoted investments and market value thereof	1189.15	1749.13
Aggregate amount of unquoted investments	2426.81	2442.97
Aggregate amount of impairment in value of investments	-	-
Total Investments	3615.96	4192.10

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

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7	Other Financial assets	As at March 31, 2025		As at March 31, 2024	
		Particulars	Non-Current	Current	Non-Current
		Unsecured, considered good unless otherwise stated			
A	Chit Division				
	Loans and advances - Secured				
	-To Related Parties (Refer Note 39)	-	-	-	1.55
	-To Others	10,022.94	23,811.30	15,191.36	15,438.75
	Considered doubtful	-	767.18	-	986.41
	Less: Allowance for doubtful advances	-	(767.18)	-	(986.41)
	Advances recoverable in kind or for value to be received	448.55	979.90	-	963.94
B	Other Divisions				
	Security Deposit				
	Security Deposit	991.98	23.31	1,015.26	-
	Considered doubtful	-	13.33	-	16.38
	Less: Allowance for doubtful advances	-	(13.33)	-	(16.38)
	Rent Receivable				
	Less: Provision for Doubtful Rent Receivable	-	24.85	-	-
	Considered doubtful	-	1,388.46	-	839.02
	Less: Provision for Doubtful Rent Receivable	-	(1,388.46)	-	(839.02)
	Other receivable				
	(i) Considered doubtful	-	153.06	-	153.06
	Less: Allowance for doubtful advances	-	(153.06)	-	(153.06)
	Total	11,463.47	25,082.29	16,206.62	16,853.19

Other current financial assets are given as security for borrowings as at March 31, 2025 is Nil; (March 31, 2024: Nil).

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8	Other Non Current assets	As at March 31, 2025		As at March 31, 2024	
		Particulars	Non-Current	Current	Non-Current
					Current
	Unsecured, considered good unless otherwise stated				
	Prepaid Expenses	-	1,281.37	-	1,225.50
	Advance License Fee	675.08	483.00	-	1,020.08
	FleetCard	-	17.12		
	Balance with Statutory authorities	9.06	8.69	-	138.23
	Other Receivables	-	5.44	-	2.30
	Gratuity Fund account (Refer note 34)	(44.04)	-	47.78	-
	Advances to Suppliers	-	-		506.93
	Considered doubtful	-	1,445.57	-	1204.95
	Less: Provision for doubtful advances	-	(1,445.57)	-	(1,204.95)
	Total	640.10	1795.62	47.78	2,893.04

Notes:

- (i) No advances were given to Directors or to firm / Private company where directors are interested (March 31,2024: 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, 2025 is Nil; (March 31, 2024: Nil).

8A	Non Current tax asset (net)			
		Particulars	As at March 31, 2025	As at March 31, 2024
	Advances tax and Tax Deducted at source		6,645.61	6,933.35
	Current tax Liability		(3,238.17)	(3,287.80)
	Total		3,407.44	3,645.55

9	Inventories (At lower of cost or net realisable value)			
		Particulars	As at March 31, 2025	As at March 31, 2024
	Raw Materials			
	Paper and Straw board		67.18	54.39
	Raw Material with Convertors		44.98	9.31
	Finished goods		1,079.45	1,180.07
	Stock in trade		19,192.56	16,699.16
	Less: Provision for Expired/Damaged Stock		(9.76)	(84.17)
	Less: Provision for Non Moving Stock		(1,979.75)	(1,933.06)
	Total Inventory		18,394.66	15,925.70
	Stock with hirers		285.92	291.83
	Less: Provision for stock with hirers		(285.92)	(291.83)
	Total		18,394.66	15,925.70

Amounts recognised in profit or loss

- (i) Inventory write downs/(reversal) are accounted, considering the nature of inventory, ageing and net realisable value for Rs. 27.72 Lakhs (March 31, 2024 Rs. 34.61 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, 2025 is Nil; (March 31, 2024: Nil).

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10 Trade Receivables ~ Current		As at March 31, 2025	As at March 31, 2024
Particulars			
Unsecured, considered good unless otherwise stated			
Secured		6.50	6.27
Unsecured		2,538.83	7,448.92
Credit impaired		1,002.65	931.41
		3,547.98	8,386.60
Allowance for bad and doubtful debts			
Less: Allowance for doubtful debts		(1,002.65)	(931.41)
Total		2,545.33	7,455.19

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 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, 2025 is Nil; (March 31, 2024: Nil).
4. Movement in allowance for doubtful debts

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	931.41	783.81
Add: Allowance for the year (Refer Note 27)	71.24	158.12
Less: Reversal of Provision (Refer Note 20)	-	10.52
Total Trade receivables	1,002.65	931.41

5. Trade receivables ageing Schedule:
As at March 31, 2025

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	1,510.80	338.82	245.32	543.98	909.06	3,547.98
credit impaired						
Total	1,510.80	338.82	245.32	543.98	909.06	3,547.98

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

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11	Cash and cash equivalents	Particulars	As at March 31, 2025	As at March 31, 2024
	Balances with banks			
	In current accounts		10,077.62	3,553.99
	Remittances in transit		11.69	4.24
	Cash & Stamp on hand (*)		2,736.89	2,077.20
	Total		12,826.20	5,635.43

(*) includes Credit Card Collections

1. There are no repatriation restrictions with regard to cash and cash equivalents as at as at March 31, 2025 is Nil; (March 31, 2024: Nil).

12	Bank balances other than cash and cash equivalents	Particulars	As at March 31, 2025		As at March 31, 2024	
			Non- Current	Current	Non- Current	Current
	Fixed Deposit with Banks (Original maturity within 3 to 12 months) #			31,011.36	-	30,682.44
	Fixed Deposit with Banks (Original maturity of more than 12 months)*	8,280.42			4,256.45	-
	Interest Accrued on Bank Deposits		-	1,376.15	-	1,366.66
			8,280.42	32,387.50	4,256.45	32,049.10

Statutory Deposits for Chit Operations as at March 31, 2025 is Rs 6,414.80 lakhs (March 31, 2024: Rs 5,958.03 lakhs)

* Bank Deposits given on lien as at March 31, 2025 is Rs 4050.00 lakhs (March 31, 2024 : Rs 4050.00 lakhs)

13	Equity share capital	Particulars	As at March 31, 2025		As at March 31, 2024	
			Number	Amount	Number	Amount
		Authorised share capital				
	Equity shares of ₹ 100 each	7,500,000	7,500.00	7,500,000	7,500.00	
	Issued, subscribed and paid-up share capital					
	Equity shares of ₹ 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	

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Balance at the beginning of the year	4,273,477	4,273.48	4,273,477	4,273.48
Changes during the year	-	-	-	-
Balance at the end of the year	4,273,477	4,273.48	4,273,477	4,273.48

(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, 2025		As at March 31, 2024	
	Number	% holding	Number	% holding
Government of Karnataka	2,255,817	52.79%	2,255,817	52.79%
Karnataka State Industrial Infrastructure & Development Corporation Limited	2,017,660	47.21%	2,017,660	47.21%

(iv) Shareholding of Promoters

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	Number	% holding	Number	% holding
Government of Karnataka	2,255,817	52.79%	2,255,817	52.79%
Karnataka State Industrial Infrastructure & Development Corporation Limited	2,017,660	47.21%	2,017,660	47.21%

(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, 2025:

- 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, 2025	As at March 31, 2024
(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	1103.35	928.21
	Add: Transfer from Retained earning	189.10	175.14
	Balance at the end of the year	1,292.45	1,103.35
(c)	Retained earnings		
	Balance as per last financial statements	38,936.14	30,551.91
	Add: Profit for the year	8,547.38	10,386.36
	Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of tax)	(90.26)	0.87
	Less: Transfer to Chit Reserve fund	(189.10)	(175.14)
	Less: Dividend paid	(11,033.68)	(1,827.87)
	Retained earnings	36,170.49	38,936.14
	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	2,555.08	1,666.12
	Add/(Less): Addition during the year	(576.14)	1189.74
	Add/(Less): Tax impact on additions	(34.52)	(300.79)
	Balance at the end of the year	1,944.42	2,555.07
	Total Other Equity	58,533.06	61,720.25

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	As at March 31, 2025		As at March 31, 2024	
		Non-Current	Current	Non-Current	Current
	Lease liability (Refer note 15A below)	575.44	604.41	438.14	725.06
	Total A	575.44	604.41	438.14	725.06
	Deposit from customers and others	2,995.99	743.73	-	1,529.02
	Interest Accrued	-	-	-	-
	Payable to Subsidiary Company (Refer Note 39)		38.15	-	26.65
	Non Prized Chit Subscription	18,253.64	14,375.16	17,324.71	11,337.64
	Payable to Capital Vendors		43.19	-	3.22
	Payable to Employees	144.92	54.66	185.83	442.19
	Grants Unutilised		247.05	-	247.05
	Chit Payables			-	-
	-From Related Party (Refer Note 39)		29.50		7.50
	-From Others		3,802.93		3,572.08
	Liquor Division Related Payable*	-	3,531.53	-	3,531.53
	Other payables**	29.20	410.39	29.20	490.46
	Total B	21,423.75	23,276.28	17,539.74	21,187.34
	Total (A+B)	21,999.19	23,880.69	17,977.87	21,912.40

*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		
		As at March 31, 2025	As at March 31, 2024
	Balance as per last financial statements	1,163.20	725.52
	Additions during the year	691.58	1,133.23
	Deletions during the year	-	-
	Interest on lease liabilities accrued during the year	89.41	131.78
	Payment of lease liabilities	(766.91)	(827.33)
	Closing Balance	1,177.28	1,163.20
	Current	604.41	725.06
	Non-current	575.44	438.14

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16 Provisions					
	Particulars	As at March 31, 2025		As at March 31, 2024	
		Non-Current	Current	Non-Current	Current
	Provision for employee benefits (Refer Note 34)				
	Compensated Absences	331.09	159.42	307.65	169.40
	Employee Death Relief Fund	96.07	0.55	15.38	78.80
	Provision for Insurance Claim (Refer Note 40(i))	402.42	12.83	402.42	-
	Provision for Commission payable	-	381.87		
	Total	829.58	554.67	725.45	248.20

a Movement of Provision for insurance Claim		As at March 31, 2025	As at March 31, 2024
	Particulars		
	Balance as per last financial statements	402.42	389.59
	Addition during the year	12.83	12.83
	Balance at the year end	415.25	402.42

17 Other Current liabilities					
	Particulars	As at March 31, 2025		As at March 31, 2024	
		Non-Current	Current	Non-Current	Current
	Statutory dues (provident fund and tax deducted at source etc.)	-	509.53	-	235.62
	Advance from Customers	-	4,304.59	-	2,380.05
	Total	-	4,814.12	-	2,615.67

18 Trade payables					
	Particulars	As at March 31, 2025		As at March 31, 2024	
		Non-Current	Current	Non-Current	Current
	Dues of micro enterprises and small enterprises			3,964.10	3,129.12
	Dues of creditors other than micro and small enterprises			13,110.37	7,915.05
	Total	-	17,074.47	-	11,044.17

(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, 2025	As at March 31, 2024
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	3,964.10	3,129.12
	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, 2025	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	3,313.78	199.90	197.43	252.99	3,964.10	
Other than Micro and small Enterprises	7,639.17	14.27	3,598.17	1,858.75	13,110.37	
Grand total	10,952.96	214.17	3,795.60	2,111.74	17,074.47	

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

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19 Revenue from Operations			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		340,954.46	335,386.49
Income Earned on Chit Fund Business			
Foreman's Commission		2,264.03	2,001.22
Dividend		175.90	139.58
Default Interest		246.45	208.33
Other Operating Income			
Processing Charges		98.44	43.22
Commission and service charges		40.30	17.24
Sale of Scrap		138.18	76.66
Incentive from BPPI		42.64	12.02
Total		343,960.40	337,884.75

Disaggregation of Revenue from contracts with customers

a Revenue based on Geography			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Domestic		343,960.40	337,884.75
Export		-	-
Revenue from Operations		343,960.40	337,884.75

b Timing of revenue recognition			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Goods or services transferred at a point in time		343,960.40	337,884.75
Goods or services transferred at a over time		-	-
Total		343,960.40	337,884.75

c Revenue based on business segment			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Liquor		322,816.40	318,708.98
Note Books & Stationery		14,926.71	14,339.28
Pharmaceutical		1,448.70	1,456.63
CIPD		825.24	297.13
Chit Business		2,703.88	2,349.12
Others		1,239.46	644.94
Revenue from Operations		343,960.40	337,796.08

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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, 2025	Year ended March 31, 2024
Revenue as per contracted price	343,960.40	337,811.18
Adjustments		
Sales Return	-	15.10
Trade and cash discounts	-	-
Revenue from contact with customer	343,960.40	337,796.08

e Contract assets and contract liabilities

The Company has recognised the following revenue related contract assets and liabilities

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Trade receivables (Refer Note 10)	2,545.33	7,455.19
Advance from customers (Refer Note 17)	4,304.59	2,380.05

20 Other Income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income on financial assets measured at amortised cost		
-Fixed Deposits	2,313.27	2,136.46
-Other financial assets and deposits	79.58	60.29
Income from Joint Venture :- ADD TO MISCELLANEOUS INCOME		
Rent (^)	1,000.78	597.79
Dividend (*)	655.19	638.58
Excess Provision no longer required	189.78	172.35
Profit on sale of property, plant and equipment	0.97	-
Miscellaneous income	304.43	69.97
Total	4,544.00	3,675.45

(*) includes dividend received from subsidiary amounting to Rs.641.74 lakhs (PY: Rs.627.06 lakhs). Refer note 39

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

(**) Includes Liability written back amounting to Rs. 196.11 Lakhs from Long unclaimed Creditors, Debtors having Credit balance , long pending EMD and Security deposits which are more than 10 years old.

21 Cost of materials consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year	63.70	179.49
Add: Purchases during the year	2,353.02	2,821.01
Less: Inventory at the end of the year	112.16	(63.70)
Total	2,304.58	2,936.80

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22 Purchases of Stock-in-Trade			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Liquor		296,107.79	290,107.21
Notebooks and Stationery		9,571.66	9,138.80
Pharmaceutical		1,096.58	1,172.92
Industrial Products		785.59	282.97
Others		990.59	528.40
Total		308,552.21	301,230.30

23 Changes in inventories of finished goods and stock-in-trade			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the year			
Traded goods		17,203.05	14,681.93
Finished goods		1,079.45	1,180.07
		18,282.50	15,862.00
Inventories at the beginning of the year			
Traded goods		14,681.93	14,211.24
Finished goods		1,180.07	671.35
		15,862.00	14,882.59
Total		(2420.50)	(979.41)

24 Employee Benefits Expenses			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, Wages, Gratuity (Refer Note 34)		1,798.44	1,700.72
Contribution to Provident & Other funds (Refer Note 34)		238.14	175.13
Staff Welfare and Training Expenses		134.70	127.98
Total		2,171.28	2,003.83

25 Finance Costs			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on lease liabilities (Refer note 15A)		89.41	131.78
Interest on financial liabilities measured at amortised cost		3.04	2.53
Bank charges		57.94	73.53
Guarantee Commission		24.24	30.68
Interest Expense on Disputed Liability [Refer note 40(iv)]		258.62	-
Total		433.25	238.52

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26 Depreciation and amortization expense		Year ended March 31, 2025	Year ended March 31, 2024
Particulars			
Depreciation on Property, plant and equipment (Refer note 2)		1160.15	1,103.40
Amortization of intangible assets (Refer note 5)		0.71	0.71
Depreciation on Investment Properties (Refer note 4)		118.27	118.27
Depreciation of Right-of-use assets (Refer note 5A)		724.17	724.56
Total		2,003.30	1,946.94

27 Other Expenses		Year ended March 31, 2025	Year ended March 31, 2024
Particulars			
Conversion charges - Notebooks		296.07	320.54
Packing Material & Secondary Freight		1,983.78	1,930.21
Outsourcing expenses		7,877.90	7,661.79
Rent (Refer note 5A)		1,152.15	981.62
Repairs & Maintenance :			
- Buildings		326.94	186.49
- Vehicle		74.13	86.77
- Others		307.76	460.27
Insurance		149.79	162.55
Rates and taxes		5,841.76	5,324.30
Advertising and sales promotion (#)		494.35	354.40
Communication costs		71.12	70.16
Printing and stationery		200.51	220.70
Payment to the Auditor(*)		10.17	10.08
Legal and professional fees		616.37	667.71
Travelling and conveyance		223.79	159.21
Electricity & Water		330.41	297.52
Security Services		90.39	91.47
Commission		761.55	749.69
Donation		552.25	202.25
Corporate Social Responsibility expenditure (Refer note 37)		185.54	147.90
Directors Sitting fees		3.88	0.60
Loss on sale of property, plant and equipment (net)		-	2.94
Allowances for doubtful debts and advances		641.87	488.87
Impairment losses in value of other financial assets		66.06	-
Assets Written Off		21.53	-
Miscellaneous		321.10	303.24
Total		22,601.17	20,881.28

(#) includes advertising and sales promotion paid to subsidiary amounting to Rs. 120.18 Lakhs (PY: Rs 82.86 lakhs) - Refer Note 39

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28 (*) Payment to the Auditor		Year ended March 31, 2025	Year ended March 31, 2024
	Particulars		
	- Audit fee	9.17	9.17
	- Tax audit fee	1.00	0.91
	Total	10.17	10.08
29	Tax expense		
A	Tax expense comprises of:		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Statement of Profit and Loss		
	Current tax on continuing business	3,238.17	3,286.46
	Current tax on discontinuing business		
	Deferred tax charge/(credit)	(274.65)	(491.04)
	Adjustment of tax relating to earlier years	1,354.30	124.14
	Income tax expense reported in the Statement of Profit and Loss	4,317.82	2,919.56
	Statement of Other Comprehensive Income	Year ended March 31, 2025	Year ended March 31, 2024
	Deferred tax charge/(credit)		
	On Re-measurement gains/ (losses) on defined benefit plans	(18.15)	(0.29)
	On Fair value of Equity instruments	(34.52)	(300.79)
	Deferred tax charged to OCI	(52.66)	(301.08)
B	Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
	The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in profit or loss are as follows:		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Accounting profit before tax from continuing operations	12,859.11	13,301.94
	Profit/(loss) before tax from discontinued operations	6.09	5.32
	Accounting profit before tax	12,865.20	13,307.26
	Effective tax rate in India	25.17%	25.17%
	Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	3,238.17	3,349.44
	Adjustments:		
	Inadmissible expenditure	185.75	88.36
	Adjustment of tax relating to earlier years	1,354.30	124.14
	Eligible Deductions under the IT Act	(164.91)	(206.54)
	Other adjustment	(295.48)	(434.23)
	Total income tax expense	4317.82	2921.17
	Effective tax rate	33.56%	21.95%

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C	Deferred tax				
	Particulars	Balance sheet As at March 31, 2025	Balance sheet As at March 31, 2024	Statement of profit and loss and OCI for the year ended March 31, 2025	Statement of profit and loss and OCI for the year ended March 31, 2024
Accelerated depreciation for tax purposes	(74.78)	(8.78)	83.56	50.30	
Unrealised Rental Income		-	-	49.78	
Provision for employee benefit expenses	136.68	131.74	4.94	(11.17)	
Provision for doubtful advances/debts	1,877.77	1,722.17	155.60	394.54	
Lease Liabilities and Right of Use Assets	16.64	4.25	12.39	7.30	
Fair value of Equity Investments	(330.51)	(295.99)	(34.52)	(300.79)	
Deferred tax expense/(income)			221.98	189.96	
Net deferred tax assets/(liabilities)	1,775.37	1,553.39			

Reflected in the balance sheet as follows:	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax asset	2,031.10	1,858.18
Deferred tax liability	(255.73)	(304.79)
Deferred Tax Asset (Net)	1,775.37	1,553.39

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 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, 2025	Year ended March 31, 2024
Other income	6.10	5.56
Other expenses	-	0.24
Profit/(Loss) before tax from discontinuing operations	6.09	5.32
Tax expense on discontinuing operations	(1.53)	(1.34)
Profit/(Loss) for the year from discontinuing operations	4.56	3.98
Assets		
Stock with hirers	285.92	296.76
Less: Provision for stock with hirers	(285.92)	(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	As at March 31, 2025	As at March 31, 2024
Associate		
Food Karnataka Limited		
50,000 (31 March 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, 2025	Year ended March 31, 2024
Gain/(loss) on FVTOCI of Investment in equity shares of:		(576.14)	1189.74
- J K Tyre Industries Limited		(508.73)	912.81
- Bengal & Assam Co Limited		(51.25)	187.39
- The Karnataka State Co-operative Apex Bank Limited		0.31	0.26
- Hassan Mangalore Rail Development Company Limited		(16.47)	89.28
Re-measurement gains (losses) on defined benefit plans		(72.11)	1.16
Total Other Comprehensive Income		(648.25)	1190.90

32 Earnings Per Share			
Particulars		Year ended March 31, 2025	Year ended March 31, 2024
Profit attributable to equity holders of the company Continuing operations		8,542.82	10,382.38
Discontinued operations		4.56	3.98
Total		8,547.38	10,386.35
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.)		199.90	242.95
Earnings per share for discontinued operations			
Basic and Diluted (Rs.)		0.11	0.09
Earnings per share for continuing and discontinued operations			
Basic and Diluted (Rs.)		200.01	243.04

33 Dividend Paid			
Cash dividends on equity shares paid:		Year ended March 31, 2025	Year ended March 31, 2024
Dividend for the year ended			
Dividend paid		3,115.91	1827.87
Special Dividend Paid for FY 2023-24		7,917.77	
Total		11,033.68	1827.87

The Board has proposed Dividend of @ 30% of Profit after tax for the year which will have a outflow of Rs. 2548.42 lakhs (March 31, 2024: Rs. 3,115.91 lakhs). The Proposed dividends is subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2025.

As per the direction of GoK the Special Dividend was paid amounting to Rs. 7917.77 Lakhs for the FY 2023-24

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34 Employee benefits			
A. Define Contribution Plan			
Amount of Rs. 238.14 lakhs (March 31, 2024: Rs. 175.13 lakhs) is recognised as expenses and included in Note No. 24 "Employee benefits expense".			
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	
Contribution to Provident Fund & Other Funds	238.14	175.13	
Total	238.14	175.13	

Note:

- (a) Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The Company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.
- (b) The Company's Employee State Insurance Fund, for all eligible employees, is administered by ESIC Corporation. The Company is required to contribute specified amount to ESIC Corporation and has no further obligations to the same beyond its contribution.

B. Defined Benefit Plans and other long term benefits:

Gratuity(Funded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Life Insurance Corporation of India.

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, 2025		As at March 31, 2024	
	Defined benefit liability - Gratuity		44.04		(47.78)	
	Liability for Compensated Absences		490.50		477.05	
	Liability for Death Relief fund		96.62		94.18	
	Total employee benefit liabilities		631.17		523.45	
	Non-current		419.35		275.25	
	Current		211.82		248.20	
ii. Amount recognized in Balance Sheet - as per actuarial valuation						
	Particulars	Gratuity - Defined benefit plan		Compensated absences- Defined contribution plan		Death relief fund - Defined contribution plan
		2024-25	2023-24	2024-25	2023-24	2024-25
Present Value of Obligation at the end of the year	545.62	662.00	490.50	477.05	96.62	94.18
Fair Value of Plan Assets the end of the year	501.58	709.78	-	-	-	-
Funded Status	(44.04)	47.78	(490.50)	(477.05)	(96.62)	(94.18)
Asset/(liability) recognized in Balance Sheet	(44.04)	47.78	(490.50)	(477.05)	(96.62)	(94.18)
iii. Reconciliation of the net defined benefit liability-Change in Present Value of Obligation						
	Particulars	Gratuity - Defined benefit plan		Compensated absences-Defined contribution plan		Death relief fund - Defined contribution plan
		2024-25	2023-24	2024-25	2023-24	2024-25
Present Value of Obligation at the beginning of the year	662.00	793.85	477.05	474.70	94.18	93.13
Interest Cost	38.39	50.39			5.91	6.31
Current service cost	25.85	24.65	173.13	133.20	6.98	6.81
Prior service Cost						
Benefits paid	(256.19)	(209.02)	(159.67)	(130.85)	(9.82)	(10.63)
Remeasurement of obligation						
Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income	75.57	2.13			(0.63)	(1.45)
Balance as at the end of the year	545.62	662.00	490.50	477.05	96.62	94.18

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iv. Change in Fair Value of Plan Assets							
	Particulars	Gratuity - Defined benefit plan					
		2024-25	2023-24				
Fair Value of Plan Assets the beginning of the year			709.78	857.06			
Interest Cost							
Employer Contribution			4.58	4.70			
Benefits paid			(256.19)	(209.02)			
Return on plan assets excluding actual return on plan assets			41.99	55.18			
Actuarial gain /(loss) on obligation			1.41	1.85			
Balance as at the end of the year			501.58	709.78			

v. Expense recognised in Statement of Profit & Loss						
	Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund
		2024-25	2023-24	2024-25	2023-24	2024-25
Current service cost	25.85	24.65	173.13	133.20	6.98	6.81
Past service cost	-	-	-	-	-	-
Remeasurement of obligation	-	-	-	-	-	-
Net Interest on Net Defined Benefit Obligations	3.60	(4.79)	-	-	5.91	6.31
Expense recognised in Statement of Profit & Loss before tax	29.45	19.85	173.13	133.20	12.89	13.12

vi. Remeasurements recognised in Other Comprehensive Income						
	Particulars	Gratuity - Defined benefit plan		Compensated absences		Death relief fund
		2024-25	2023-24	2024-25	2023-24	2024-25
Actuarial loss/ (gain) on obligation	74.15	0.28	-	-	(0.63)	(1.45)

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			2024-25	2023-24				
			(%) of Present value of Obligation					
Funding Ratio			91.90%			108.00%		

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viii.	Assumptions	With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:					
		Gratuity - Defined benefit plan		Compensated absences		Death relief fund	
	Particulars	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Discount Rate		6.62%	7.19%	6.62%	7.19%	6.62%	7.19%
Salary Escalation Rate		7.00%	7.00%	0.00%	0.00%	0.00%	0.00%
Expected Return on assets		7.19%	7.31%	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	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate

ix.	Sensitivity Analysis	As at March 31, 2025			
		As at March 31, 2025		As at March 31, 2024	
		Increase	Decrease	Increase	Decrease
Gratuity					
Discount Rate (100 bps movement)	(17.03)	18.18	(16.65)	17.81	
Salary escalation rate (100 bps movement)	7.74	(8.92)	11.72	(11.76)	
Attrition Rate (100 bps movement)	0.41	(0.49)	0.13	(0.17)	
Compensated absences					
Discount Rate (100 bps movement)	(22.60)	24.53	(20.39)	22.09	
Salary escalation rate (100 bps movement)	22.87	(21.47)	20.88	(19.62)	
Attrition Rate (100 bps movement)	(1.41)	1.52	(0.91)	0.98	
Death Relief Fund					
Discount Rate (100 bps movement)	(3.28)	3.53	(2.36)	2.54	
Salary escalation rate (100 bps movement)	2.59	(3.65)	2.81	(2.65)	
Attrition Rate (100 bps movement)	0.84	(0.88)	0.70	(0.74)	

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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	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Gratuity						
Within the next 12 months	13.25	261.66	125.26	169.90	21.91	39.71
Between 2 to 5 years	149.49	290.41	250.59	237.09	44.36	37.23
Beyond 5 years	223.33	273.32	333.90	284.89	59.99	40.95
Total expected payments	386.06	825.39	709.76	691.88	126.26	117.89

Weighted average duration of defined plan obligation (based on discounted cash flows)			
Gratuity - Defined benefit plan		Death relief fund - Defined contribution plan	
2024-25	2023-24	2024-25	2023-24
5.86	5.52	6.86	5.52

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

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35	Capital management		
	The Company's capital management is intended to maximise the return to shareholders for meeting the long and short term objectives of the Company through the leveraging of the 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, 2025	As At March 31, 2024
Total equity (Note 13 and 14)		62,806.55	65,993.73
Debt		-	-
Cash equivalents including other bank balances (Note 11 and 12)		49,470.15	41,940.98
Net debt		(49,470.15)	(41,940.98)
Total equity plus net debt		13,336.39	24,052.75
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, 2025 and March 31, 2024.			

36	Financial risk management		
	The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.		
	Risk	Exposure arising from	Measurement
	Credit risk	Other bank balances, trade receivables, investment carried at amortised cost, loans, other financial assets and financial guarantees	Ageing analysis and recoverability assessment
	Liquidity risk	Other financial liabilities & collaterals taken as security	Rolling cash flow forecasts
	Market risk- foreign exchange	Recognised financial assets and liabilities not denominated in INR	Sensitivity analysis
Market risk-security prices		Investment in equity securities	Sensitivity analysis

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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.

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:

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As at March 31, 2025			
Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	3,547.98	(1002.65)	2,545.33
Cash and cash equivalents	12,826.20	-	12,826.20
Other bank balance	40,667.92	-	40,667.92
Other financial assets	24,052.25	(2322.03)	21,730.73

As at 31 March 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	(1994.87)	2,428.15

As at 31 March 2023			
Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	4,695.93	(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	(1877.26)	2,199.94

Reconciliation of loss allowance provision - Trade Receivables and Other Financial Assets		
Particulars	Trade receivables	Other financial assets
Loss allowance on 31 March 2023	(783.81)	(1103.54)
Allowance for expected credit loss	(147.60)	-
Reversals/ written off during the year		(52.31)
Loss allowance on 31 March 2024	(931.41)	(1155.84)
Allowance for expected credit loss	(71.24)	-
Reversals/ written off during the year	-	235.60
Loss allowance on 31 March 2025	(1002.65)	(920.24)

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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 analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows (except lease liabilities).

As At March 31, 2025	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	17,074.47	-	-	17,074.47
Lease liabilities	604.41	575.44	-	1179.85
Other financial liabilities	23,276.28	21,423.75	-	44,700.03
Total	40,955.15	21,999.19	-	62,954.34

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

Summary of Material Accounting Policies and Other explanatory information:

As At 31 March 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	-	40,082.43

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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, 2025	March 31, 2024
Price increase by 5% - FVOCI	150.93	179.73
Price decrease by 5% - FVOCI	(150.93)	(179.73)

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, 2025	March 31, 2024
	Gross amount required to be spent by the Company during the year	194.63	149.00
	Amount spent during the year on other than construction/ acquisition of any asset	199.50	147.90
	- Paid	199.50	147.90
	- Yet to be paid	-	-
	Shortfall/(Excess) at the end of the year	(3.13)	1.09
	Excess spent in earlier years	(13.96)	(10.83)
	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, 2025					As at March 31, 2024		
		Cost	FVTOCI	Amortized cost	Total	Cost	FVTOCI	Amortized cost	Total
Financial assets :									
6	Investments	597.43	3,018.47	-	3,615.90	597.43	3,594.67	-	4,192.10
7	Other financial assets	-	-	36,545.76	36,545.76	-	-	33,059.81	33,059.81
10	Trade receivables	-	-	2,545.33	2,545.33	-	-	7,455.19	7,455.19
11	Cash and cash equivalents	-	-	12,826.20	12,826.20	-	-	5,635.43	5,635.43
12	Other Bank Balances	-	-	40,667.92	40,667.92	-	-	36,305.55	36,305.55
	Total financial assets	597.43	3,018.47	92,585.21	96,201.11	597.43	3,594.67	82,455.98	86,648.00
Financial liabilities :									
18	Trade payables	-	-	17,074.47	17,074.47	-	-	11,044.17	11,044.17
15	Other financial liabilities	-	-	41,858.57	41,858.57	-	-	39,890.28	39,890.28
	Total financial liabilities	-	-	58,933.04	58,933.04	-	-	50,934.45	50,934.45

Fair Value disclosure for Financial Instruments

Note No.	Particulars	As at March 31, 2025		As at March 31, 2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets :					
6	Investments measured at Fair Value through OCI	3,018.47	3,018.47	3,594.67	3,594.67
	Total financial assets	3,018.47	3,018.47	3,594.67	3,594.67
Financial liabilities :					
	Total financial liabilities	-	-	-	-

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

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, 2025			Total	As at March 31, 2024			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	1,189.15	-	1,829.37	3,018.53	1,749.13	-	1,845.54	3,594.67

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. Manoj Kumar	Managing Director	From 03/07/2023
3	Mr. Ravishankar J	Director	Up to 10/01/2025
4	Ms. Gunjan Krishna	Director	From 28/08//2018
5	Smt. Khushboo G. Chopwdhary	Director	From 22/08/2024
6	Mr. Nitish K	Director	Up to 16/07/2024
7	Mr. Mohammed Ikramulla Shariff	Director	From 16/07/2024
8	Mr. Venkatesh Kyumar R	Director	From 10/01/2025
9	Mr. Ramesh R	Director	From 06/03/2018
10	Mr. Sateesha B C	Director	Up to 23/08/2024
11	Mr. Tejesh Sampath	Independent Director	From 25/10/2024
12	Mr. Syama Raju K	Independent Director	From 25/10/2024
13	Ms. Sridevi B N	Company Secretary	From 18/09/2013
14	Mr. Avinash K R	Chief Financial Officer	From 01/12/2023
15	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, 2025	March 31, 2024
a) With KMP & Relative of KMP			
Remuneration paid to Key management personnel (*)(#)		110.44	113.92
Contribution to Chit		29.50	7.50
Repayment of Advance by Chit Contributors		-	4.20
Expenses incurred on behalf of KMP		-	1.13
Sitting Fee paid to Directors		3.88	0.51
b) With Subsidiaries			
Dividend received from subsidiaries		641.74	627.06
Rental income from subsidiaries		-	2.13
Advertisement and Printing expenses		120.18	82.86
Expenses incurred on behalf of subsidiaries		8.42	1.00

(*) 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, 2025	March 31, 2024
a) With KMP			
Advances from KMP for Chit		29.50	7.50
Advances to KMP for Chit		-	1.55
Receivable from KMP		1.14	10.53
b) With Subsidiaries			
Payable to subsidiaries		38.01	26.65

(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, 2025 (March 31, 2024: Rs. Nil)

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40 Contingent Liabilities And Commitments		As at March 31, 2025	As at March 31, 2024
Sr. No.	Particulars		
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	757.05	718.56
b	Claim made by party in the business of Iron ore Export (including interest) - Refer Note (ii) below	2746.60	2,594.64
c	Claims made by Directorate of Pension, Small savings Asset Monitoring - Refer Note (iii) below	1,553.60	1,553.60
d	Claim against lease of windmill by Wescare (India) Limited - Refer Note (iv) below	-	,123.79
e	Claim by Airport Authority of India - Licence fee on lease of Bangalore Air Carco Complex (BACC) Refer Note (v) below	397.15	397.15
3	Disputed Demands - Refer Note (vi) below		
	– In respect of Income Tax	2487.84	3,725.62
	– In respect of Service Tax	197.00	231.61
4	- In respect of TDS default	12.71	-
5	GST RCM on Transportation Charges - Refer Note (vii) below	319.94	234.72
	Interest liability on SKOL Breweries Claim - Refer Note (viii) below	635.43	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. 1009.40 lakhs (PY: Rs. 958.08 lakhs). An amount of Rs. 252.35 lakhs is provided in the current year (PY: Rs. 239.52 lakhs) and the balance amount of Rs 757.05 lakhs (PY: 718.56 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.

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(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. 2746.60 lakhs (PY: Rs. 2,594.64 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 1641.00 lakhs towards interest. The Company has provided Rs. 87.40 lakhs

against the said claim. The remaining amount of Rs.1,553.60 lakhs is reported under Contingent Liability. The Company has requested the Government for waiver of Interest vide our letter no. MD/253/2024-25 dated 07.11.2024.

- (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 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 disposed off by the High Court of Madras against the Company. Accordingly, the Wescare has filed its claim with the Company amounting to Rs. 369.02 lakhs (Including Interest on Disputed liability amounting to Rs. 258.62 Lakhs Refer note no. 25) and the same is recorded as liability as on 31st March 2025. The company has deposited Demand Draft in favour of M/s VAATA Smart Ltd (previously known as M/s Wescare (India) Ltd) for Rs. Two crore during the year 2025-26 and the same was handed over to the custody of XXVI City Civil & Sessions Judge for granting time till disposal of the assets
- (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. 226.90 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. 226.90 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 2025 is Rs. 319.94 lakhs (PY: 234.72 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 2023-24, 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. 635.43 lakhs (PY: 308.77 lakhs) as "Contingent Liability".

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41	Capital Commitment and Other Commitments		
	Particulars	As at March 31, 2025	As at March 31, 2024
	(a) Capital commitments		
	Property, Plant & Equipment	598.22	187.79
	(b) Other commitments		
	Commitment in respect of subscription for substituted chit	209.35	104.11

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. During the year 2024-25, the company has written off the amount receivable for Rs. 66.06 lakhs from BPPI. Currently, the BPPI has changed the scheme by providing one time incentive with overall limit of Rs 5 Lakhs per outlet due to which the Comapany is unable to acetaing the actual incentive to be received for the purchases of medicine. Accordingly, the Company have recognized the Incentive based on the details shared by PMBI on cash basis.
- (iv) With respect to Chit Fund Division "Amount Recoverable from Prized Subscribers" amounting to Rs. 35833.33 lakhs classified as "Loans under Financial Assets", measured at amortized cost, carrying amount in net of Rs. 1408.91 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

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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-CUSTM-PRV-COM-003-20-21 dated 03 Dec 2020, demanding Rs.599.00 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 Company has submitted Bank Guarantee of Rs. 11.80 lakhs. The Company holds sand measuring 6826 Tons belonging to the Purchaser Ocean Agencies, out of the sale of 10000 MT.

During the year, the company has received a claim of port outstanding dues amounting to Rs. 7622.83 lakhs plus applicable taxes from M/s Adhani Krishnapatnam Port Limited (AKPL) against which the company has gone for an appeal for the interim stay. Further, the Company has received approval from Government of Karnataka Vide order no. CA132 CMI 2021(e) dated 05.11.2024 for sale of Importer Sand through tender. Further the Company has initiated action to contest the Interim Order of the Hon'ble High Court of Karnataka dated 20.01.2025 directing the withdrawal of 50% of the sale proceeds payable to M/s (AKPL)

(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. 365.24 lakhs (PY Rs. 337.32 lakhs) is due from the tenant. The Company is carrying provision of Rs. 339.47 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. 897.02 lakhs (PY Rs. 1006.93 lakhs) is due from the tenant. The Company has approved the waiver of Rental for 20 months as per the direction of the Board. The company is carrying holding provision of Rs. 859.96 lakhs against the above outstanding amount receivable. The interest on delayed payment of Rent & Consequential GST on the same is not recognised as on Date.

(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 has been reconciled

and arrived an amount of Rs. 69.76 lakhs receivable from RGUHS. In addition to the above, the Company is in the process of reconciling the amount receivable from various other tour operator and has made a provision to the extent of Rs. 200.00 lakhs towards the same. The potential effect of the same on the financial statements is not ascertainable in the absence of reconciliation statements.

(x) Unauthorized access and fraudulent bookings in SpiceJet Airlines using MSIL Login: During the year there was an unauthorized access to the MSILs Airlines Agent Login resulting in Unauthorised Airline ticket booking to the extent of Rs. 2.87 Lakhs. The FIR for the same has been lodged and the investigation is under progress. The company has made provision against such receivable considering the recovery is uncertain.

During the year ended March 31, 2025 and March 31, 2024, 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) 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 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, 2025 and March 31, 2024, 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, 2025 (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, 2025 (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, 2025 (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, 2025 (PY: Nil).

MYSORE SALES INTERNATIONAL LIMITED

CIN:U85110KA1966SGC001612

Notes forming part of the Standalone Financial Statements

(All amounts in Rs lakhs unless otherwise stated)

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, 2025 (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.

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.

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

Note 44 : Financial Ratios						
Particulars	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Variance	Remarks for Variance more than 25%
Current Ratio (In times)	Current Assets	Current Liability	2.01	2.26	10.98%	Not Applicable
Debt Equity Ratio (In times)	Borrowings	Equity	No Borrowings	No Borrowings	NA	Not Applicable
Debt Service Coverage Ratio (In times)	Net Profit + Depn + Int payments +/- FEX restatement effect if any - Loss/ Profit on Sale of assets		No Borrowings	No Borrowings	NA	Not Applicable
Return on Equity Ratio (%)	PAT	Average Equity	12.18%	16.95%	28.13%	Increase in Dividend Payment.
Inventory Turnover Ratio (In times)	Sales	Average Inventory	20.04	21.81	8.09%	Not Applicable
Trade Receivable to Turnover Ratio (In times)	Net Credit Sales	Average Trade Debtors	68.79	59.45	-15.71%	Not Applicable
Trade Payables to Turnover Ratio (In times)	Net Credit Purchases	Average Trade Payables	20.53	29.57	30.56%	Payments made regularly.
Net Capital to Turnover Ratio (In times)	Sales	Average Working Capital	7.50%	8.77%	14.45%	Not Applicable
Net Profit Ratio (%)	PAT	Net Sales	2.28%	3.34%	31.64%	Increase in other Expenditures
Return on Capital Employed (%)	PBIT	Net Worth + LT Debt	0.21	0.21	-3.15%	Not Applicable
Return on Investment (%)	PAT	Average Equity	Not Applicable	Not Applicable	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 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	337,796.08	88.68	337,884.75
	Other income	20	3,764.12	(88.68)	3,675.45

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 July 2nd, 2025, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

In terms of our report attached

For Phillipos & Co

Firm Regn No.: 002650S

Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 2nd July 2025

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/-

Sridevi B N

Company Secretary

Chief Financial Officer

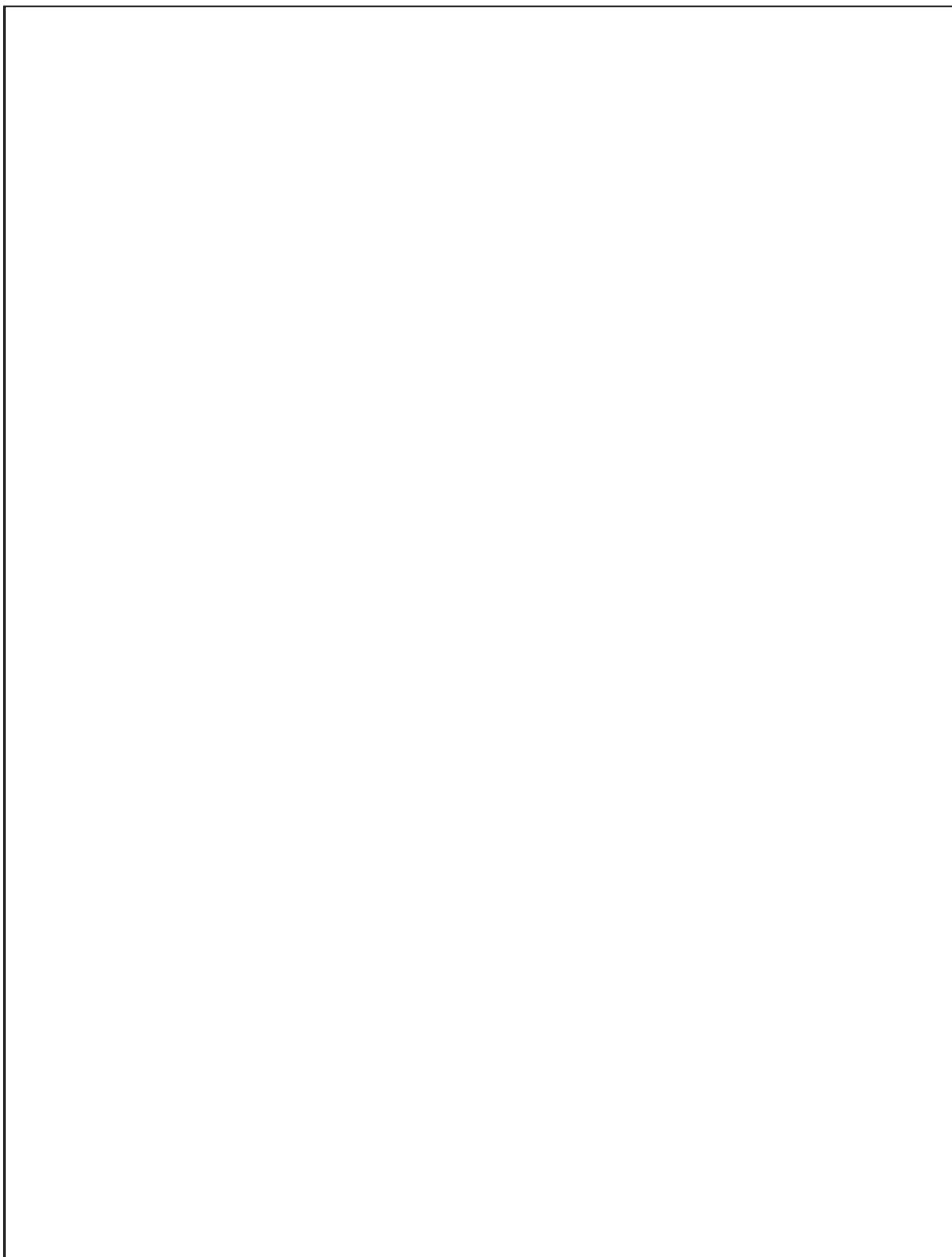
Avinash K R

Sd/-

Avinash K R

MYSORE SALES INTERNATIONAL LIMITED

**CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2025**



REVISED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYSORE SALES INTERNATIONAL LIMITED

Revised report on the Audit of Consolidated Financial Statements

On completion of the audit of the consolidated accounts of Mysore Sales International Limited ('the Company') for the year ended 31st March 2025, we had rendered our audit report on September 12, 2025. Subsequent to our report, in the light of the observations of the Comptroller and Auditor General of India under section 143(6)(a) of the Companies Act 2013, the said audit report has been revised and the same supersedes our earlier report.

Qualified Opinion

We have audited the accompanying Consolidated financial statements of **Mysore Sales International Limited** ("the Holding Company") and its Subsidiaries and Associate as listed in **Annexure A** (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, 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 notes to the Financial Statements, including a summary of 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, 2025, and the profit including other comprehensive income, its cash flows and changes in equity for the year ended

on that date.

Basis for Qualified Opinion for the Group: Mysore Sales International Limited

1. 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 year 2022-23 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. The Company had invited (February 2025) tenders for the sale of imported river sand on 'as is where is' condition and had issued (12/03/2025) Letter of Intent to MK Dairy Farms Pvt. Limited for the sale of sand at their quoted rate of ₹962.86 per metric ton. However, the decision to sell the sand is yet to be finalized and no effect of the same is given on the valuation of the sand as on date. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.
2. As per Ind AS 109 – Financial Instruments, the Company, for Chit Fund Division, carries the impairment loss allowance as per Expected Credit Loss (ECL) Model 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 as required by Ind AS 1 - Presentation of Financial Statements for this departure. The matter was also qualified in

the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.

3. The interest liability on trade payables to Micro and Small Enterprises (MSMEs) for delayed payments is required to be recognized in accordance with the provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. However, the Company has not provided for interest on delayed payments to MSME vendors, citing non-receipt of any claims from the concerned vendors. In the absence of requisite information regarding delays and vendor-wise classification, we are unable to quantify the potential interest liability, if any, under the MSMED Act, 2006. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.
4. During the year, the Company has recognized the rental income as per the lease agreement from the following parties a) Athitheya Kshema Hotels Pvt Ltd b) Nestwell Constructions Private Limited and c) Pearl Port ("the tenants") amounting to Rs. 586.15 Lakhs. However, The Company has not recognized the interest to be recovered on non-payment of rental dues from tenants as per the lease agreement. This has resulted in understatement of interest income on rental dues amounting to Rs. 486.56 lakhs and understatement of receivable to the tune of Rs. 486.56 lakhs. Further, GST liability for the above amounting to Rs. 87.57 lakhs also not been recorded as on date resulting in understatement of receivable and payable to the extent of Rs. 87.57 lakhs.
5. The Company had purchased following immovable properties and the same was accounted under freehold land/Building in Note. No. 2 to the Consolidated Financial Statement. While verifying the details of property tax paid for the below mentioned properties, we identified that the khata for the property is not yet transferred in the name of the Company as on date due to which property tax has not been deposited for these properties. Further, the Company has not made any provision for the property tax payable upon

transfer of Khata in the name of the Company as on date. This has resulted in overstatement of profit and understatement of liability to the tune of Rs. 400 Lakhs. Due to the non-availability of sufficient information, we are unable to quantify the impact of penalty arising from nonpayment of property tax on the standalone Ind AS Financial Statement as on date.

Address	Date of Purchase	Nature of Property	Status of Property tax payment
Baikampady Industrial Area, Mangalore	16-12-2005	Building	Tax not paid for 20 years
Hebbal Industrial Area, Mysore	21-07-2005	Building	Tax not paid for 20 years
Kapnoor Industrial Area, Kalaburgi	27-08-2007	Building	Tax not paid for 18 years
Konena Agrahara, HAL Airport, Bangalore	27-11-2001	Land	Tax not paid for 24 years
Sterling Apartment, Chennai	01-12-1978	Building	Tax not paid for 6 years

6. Reference is invited to Note. No. 42(iv) of the Consolidated Financial Statement wherein the Company, under Chit fund division, is showing amount of Rs. 35,833.33 lakhs as "Amount recoverable from prized subscribers". However, this item includes an unreconciled amount of Rs. 1408.91 Lakhs as on 31st March 2025. Due to the non-availability of subscriber wise details for the above amount, we are unable to comment on the impact of the same on the standalone Ind AS Financial Statement as on date. The matter was also qualified in the report of the predecessor Auditors on the standalone Ind AS Financial Statements for the year ended March 31, 2024.
7. The Holding Company has not followed a system of obtaining confirmation and performing reconciliation of balances in respect of its receivables and payables. Due to non-availability of confirmations and reconciliations of the said balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of these receivables and payables

on the Standalone Ind AS Financial Statements as on date.

8. During the year, the Company had availed Direct Tax Vivad Se Vishwas Scheme, 2024 to buy peace and settle one of the old pending income tax litigations pertaining to AY 2008-09. Based on the same, the Income Tax department adjusted Rs. 14.15 crore from eligible refunds applicable to different assessment years against assessed tax liability of Rs. 13.42 Crore for the AY 2008-09, leaving a balance of Rs. 73.06 lakhs as refund receivable. The Company has not received any refund till date, and the status of refund issue is not known. Accordingly, due to the non-availability of information on receipt of the above-mentioned refund, we are unable to quantify the impact of the adjustments, if any, arising from settlement of such refunds on the Standalone Ind AS Financial Statements as on date.
9. **Events after the Reporting period:** The Company, under Pharmacy division, undertakes Pharmacy retail business at Pradhan Mantri Janaushadhi outlets located at various Government hospitals. In this regard, the Government of Karnataka with an ideology of supplying free medicines has vide its order no. HFW 173 PTD 2025 Bangalore dated: 14th May 2025 ordered to close down all the Pradhan Mantri Janaushadhi outlets operating at Government hospitals. The above order has also been discussed in the 347th board meeting dated July 2, 2025 and concurrence was obtained from the board for the closure of the operations under Pharmacy division.

The above facts and decisions have created uncertainty on the continuity of operations of the Pharmacy division and are expected to have a material impact on the future operations and financial position of the Company. However, the standalone Ind AS financial statement does not disclose the decision of discontinuation of pharmacy division and its consequential financial implications as required under Ind AS 10.

Karnataka State Marketing Communication & Advertising Limited

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 Audit Report dated September 3, 2025 reproduced by us as under: -

1. Note No. 9 regarding Net Trade Receivables shown at Rs. 15,702.77 lakhs (P.Y. Rs. 17,802.24 lakhs) represent the net amount after deduction of unreconciled credit balances to the extent of Rs.720.83 lakhs (P.Y. Rs.359.96 lakhs), GST TDS of Rs.1,714.99 lakhs (P.Y. Rs.1,260.63 lakhs), unidentified Debtors collection of Rs.1,283.95 lakhs (P.Y. Rs.810.04 lakhs) and Income Tax TDS of Rs.1,832.87 (P.Y. Rs.1,483.94 lakhs) which are to be adjusted to the respective Debtors and after deduction of provision of Rs. 4,031.09 lakhs (P.Y. 3,772.02 lakhs) for doubtful debts.

As per Note No. 9(h) under Trade Receivables, the Company has revised the methodology of recognizing provision for doubtful debts and recognized additional provision of Rs. 259.08 lakhs (P.Y. 13.82 lakhs) for the year ended 31st March 2025. However, on examining the revised methodology adopted, in the absence of adequate information, we are unable to satisfy ourselves about the correctness of the provision of Rs. 259.08 lakhs provided for Doubtful Debts for the current year ended 31.3.2025.

Further, the Company has not obtained the approval of the Board of Directors for the adoption of the revised methodology of recognizing provision for doubtful debts.

In view of the aforesaid amounts of credits pending adjustment, we are unable to satisfy about the veracity of the provision of Rs. 4,031.09 lakhs (P.Y. Rs. 3,772.02 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 and Creditors having not been received, year after year, also compels us to regret our inability to place our reliance on

the same.

2. Advance Tax (Net of Provision) disclosed in Note No.8: Other Non-Current Assets and in Note No. 13: Other Current Assets include the Tax Deducted at Source by various clients of the Company. The Tax Deducted at Source (TDS) by various clients are not identified at the time of receipt of payment or at the time of recording the revenue but rather accounted as per the Form 26AS downloaded from E-filing portal of the Income Tax Department, as on the date of the entry.

The TDS credits are recorded in the books of accounts as appearing in the Form 26AS as on the date of finalization of the books of accounts and credited to a TDS suspense account as the Company failed to identify the parties. As and when the Company is able to identify the clients, the TDS credits are shifted from the suspense account to the respective client account. The cumulative amount of Income Tax TDS which is lying in the suspense account and remaining unidentified from the F.Y. 2019-20 till F.Y. 2024-25 is Rs.1,832.87 lakhs (P.Y. Rs.1,483.94 lakhs) and to this extent, the Trade Receivables are reduced to that extent.

In view of the aforesaid facts, the TDS so recorded as per Form 26AS on the date of entry varies from the total TDS as appearing in the totally updated Form 26AS for the years. The same also varies from the credit for TDS claimed in the Return of Income, whereby substantial portion of TDS remains without claiming credit as per the relevant provisions of the Income Tax Act, 1961. As a result, substantial amounts of TDS actually made by the parties remains unreconciled and unrecovered.

For the aforesaid reasons, we are unable to:

- (i) satisfy ourselves as to whether the Advance Tax of Rs.1,424.96 lakhs (P.Y. Rs. 760.46 lakhs) shown in Note No. 8 and Note No. 13 to the Balance Sheet is recoverable in entirety; and
- (ii) whether the Trade Receivables of Rs. 15,702.77 lakhs (P.Y. Rs. 17,802.24 lakhs) are either understated or overstated to any

extent.

3. That as the amount under Trade Advances and Other Receivables (Loans and Advances) in Note No.11, 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. 11 of Notes forming part of the Annual Accounts includes the advance paid to the News Publishers amounting to Rs. 46.96 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.

4. Note No. 30(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 said deceased employee. The same issue was brought up in the Audit Report for the preceding year, however, until the date of this Audit Report, no provision for such liability has been made. 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.

5. Note No. 11 on Loans and Advances includes Earnest Money Deposits paid of Rs.36.70 lakhs (P.Y. 69.57 lakhs), out of which Rs.29.70 lakhs are relating to the periods prior to April 2022 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 Loans and Advances is to that extent.
6. The amount disclosed in Note No. 21 under Earnest Money Deposits amounting to Rs.112.22 lakhs, includes an amount of Rs. 69.19 lakhs (P.Y. Rs. 71.19 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 to whom it is to be refunded even when the respective projects have been completed quite a few years ago.
7. Note No. 28: Other Expenses includes Business Promotion and Development Expenses of Rs. 30.74 lakhs (P.Y. Rs. 20.17 lakhs), which includes Rs. 16.53 lakhs (P.Y. Rs. Nil) being the cost of gold coins weighing in all to 160 grams, which are claimed to have been presented gifts to certain vendors in consideration of their contribution in development of the business of the Company. The Company claimed to have delivered the entire gold coins of 160 grams to the donee vendors on 31.3.2025. However, on verification of the related invoices we observe that the gold coins weighing 100 grams with a cost of Rs. 10.69 lakhs were purchased and received by the Company in the succeeding F.Y. 2025-26. This being the case, the said expenses to the extent of Rs.10.69 lakhs ought not to have been accounted and charged as revenue expenditure for the F.Y. 2024-25. Hence, the Other Expenses so accounted for the year are in excess to the extent of Rs.10.69 lakhs. Therefore, in our opinion, the Net Profit for the year is understated to that extent.
8. The Deputy Commissioner of Commercial Taxes (DCCT) had raised a demand of Rs.165.12 lakhs u/s 73(9) of the CGST Act. 2017 & SGST Act, 2017 dated 27.3.2024 for the tax period 2018-19

against which order the Company went on Appeal before the Appellate Authority. The Appeal was subsequently dismissed vide Appellate Order date 30.6.2025 wherein the demand raised by the DCCT was upheld. However, the Company has not accounted the said liability in the Financial Statements. Therefore, in our opinion, the Non-Current Liabilities is understated to the extent and the Net Profit for the year is overstated to the said extent of Rs. 165.12 lakhs.

9. The Company had incorrectly charged GST at the rate of 12% on supply of Excise Adhesive Labels from 1.10.2021 instead of the applicable rate of 18%. On discovering the lapse in charging of the GST rate, the differential amount was accounted as GST payable voluntarily and interest was calculated on the same and accounted every year. During the year F.Y. 2024-25, the Company has paid the entire differential amount of Rs.14,76,50,206/- (i.e. 6% extra tax from 1.10.2021 till June 2023 when sale Excise Adhesive Labels were stopped) voluntarily without any demand being raised by the GST authorities. However, the Company has recognized interest liability payable of Rs.406.44 lakhs only on such GST liability, whereas the total interest liability calculated, amounts to Rs.570.29 lakhs. The differential interest liability of Rs. 163.85 lakhs has not been accounted by the Company, resulting in the Non-Current Liabilities being understated to the extent and the Net Profit for the year being overstated to the said extent.
10. The Company received an order dated 15.2.2025 by the State Government of Karnataka directing it to release an amount of Rs. 100 lakhs as sponsorship amount for the development of software for "Ultramodern Single Window System" and for Aero India-2025 programmes and that the said amount ought to be paid to Commerce and Industries Department represented by Karnataka Udyog Mitra. The said amount was approved in the 279th Board Meeting held on 4.3.2025. However, the Company has not provided for the said amount of Rs. 100 lakhs in the books of accounts even when the liability was crystalized. Hence, the Current Liabilities are understated and the Net Profit for the year is overstated to that extent.

11. The State Government of Karnataka had issued an order bearing No. FD 51 INV 2024 dated 15.7.2024 directing all state owned PSEs to pay an interim Special Dividend for the financial year 2023-24, equivalent to 30 per cent of cash and cash equivalents out of their surplus or free reserves or combination of both held as at 31 March 2024. However, the Company paid special dividend as an interim dividend, aggregating to Rs.112.93 lakhs only during the Financial Year and requested the State Government vide its letters dated 27.5.2025 and 3.6.2025 for a reassessment of the Dividend based on existing liabilities of the Company. The State Government thereafter issued a Circular No. AE/63/INV/2025 dated 17.06.2025 assessing the special dividend at Rs.3,425 lakhs and further issued another Circular No. CI 31 CMI (E) 2025 dated 15.07.2025 demanding payment of the balance dividend by providing two options for mode of remittance. The Company has not disclosed information regarding the delayed compliance with the State Government's directives and regarding the quantum of Special Dividend payable in the Notes forming part of the Annual Financial Statements.

The Mysore Chrome Tanning Company Limited

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 9, 2025 reproduced by us as under: -

1. The Company has not been carrying any manufacturing activities since 1986. The Company has accumulated losses of Rs. 811.83 lakhs (March 31, 2024 - Rs. 816.94 lakhs) and net-worth stands eroded. As of that date, the Company's liabilities exceeded its total assets by Rs 736.09 lakhs (March 31, 2024 - Rs 741.20 lakhs). These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.
2. The Company has not provided for interest on loan availed from KSIIDC & Government of Karnataka amounting to Rs. 5.48 lakhs (March

31, 2024- Rs.5.48 lakhs) in the current year and Rs.142.51 lakhs since April 1999. Had this interest been provided for, the profit for the year would have been Rs 1.64 lakhs against the profit before tax for the year of Rs 7.12 lakhs as per statement of profit and loss account for the year ended 31st March 2025 (March 31, 2024 - Profit would have been Rs. 26.93 lakhs against profit of Rs.32.41 lakhs). Further, current liability understated to the extent of Rs. 5.48 lakhs for the current year (March 31, 2024 -Rs.5.48 lakhs) and accumulated loss understated by Rs. 142.51 lakhs

3. The Statement of Cash Flows doesn't reconcile with the cash & cash equivalents as shown in the balance sheet date as the figure of cash and cash equivalents at the end of the year drawn in cash flow statement (Rs 145.08 lakhs) does not tally with the figure of cash & cash equivalent depicted in the balance sheet (0.01 Lakhs) and also as the Fixed deposit and advance are being shown under cash and cash equivalent, the amount represented under cash from operating activities were also not in agreement with books of accounts.

Emphasis of Matters for Mysore Sales International Limited

1. Reference is invited to CFS 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 and the Company has reconciled the accounts of Rajiv Gandhi University of Health Sciences, (RGUHS) Karnataka and the corresponding service providers to arrive at the final receivable of Rs. 69.76 Lakhs. In addition, the Company has also made supplies to RGUHS under Papers Division and the receivable in the paper division has been adjusted against the advance received in tours division. Further, the Company is in the process of reconciling the amount receivable from various tour service providers, the receivables and payables accounts of RGUHS and tour service providers need to be further reconciled to arrive at the actual receivable as on date. The Company has made a provision for bad and doubtful debt to the extent of Rs. 200 lakhs in this regard. The

outcome of the above reconciliation does not have any material impact on the standalone financial statement as the Company is carrying the above mentioned provision in its books against the same.

- 2 Reference is invited to CFS note no. 41(ix) 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. At present, the Company has preferred an appeal before the Karnataka High Court and the matter is pending adjudication as on date. The liability on GST RCM on Transport for the period from January 2021 to March 2025 is Rs. 319.94 lakhs have been disclosed as Contingent Liability by the Company. No provision has been made for the refund receivables as well as the contingent liability since the Company is legally advised that the chances of favourable outcome are high.
- 3 Reference is invited to CFS note no. 7 "Other Financial Asset" to the consolidated Financial Statements. The Company has not calculated the net profit as per the provisions of the Act for the purpose of determining the CSR obligation, resulting in excess discharge of CSR liability by Rs. 13.96 lakhs. This excess amount is eligible to be carried forward and set off against future CSR obligations, in accordance with the provisions of the Companies Act, 2013. Accordingly, the unutilized amount has been recognized as an asset under 'Other Current Assets' in the standalone Ind AS Financial Statements.
- 4 Reference is invited to CFS note no. 7 "Other Financial Asset" to the consolidated Financial Statements. The Company detected a cyber fraud related to its Tours and Travels division during the year, amounting to Rs. 2.87 lakhs, perpetrated by external parties. A First Information Report (FIR)

has been filed, and the matter is currently under investigation. However, in view of the uncertainty regarding the recovery of the said amount, the Company has created a provision to the extent of Rs. 2.87 lakhs in the books of account.

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 Audit Report dated September 3, 2025 reproduced by us as under: -

Attention is drawn to the amount disclosed in Note No. 19(B) under Trade Payables of Rs.24.12 lakhs (P.Y. Rs.66.07 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 18 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 9, 2024 reproduced by us as under: -

1. Note No.1(1.6) regarding recovery of compensation amount from BDA, amount being unascertainable.
2. Note No. 1 (1.7) regarding non provision of Interest on Special Component plan, effect of which is not ascertainable.
3. Note No. 1 (1.11) regarding non-confirmation of loans and advances.

4. The financial statements which, describes the uncertainty related to the outcome against the contingent liabilities of the Company vide Note No.1 (1.3) (i) (ii).
5. Note No. 1 (1.12) regarding pending compliances with registrar of companies under Companies Act 2013.
6. Note No.1 .2 (1) & (2) 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 ethical requirements that are relevant to our audit of the consolidated 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 Holding 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 consolidated financial statements, standalone 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 consolidated 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 consolidated 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 Holding 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 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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, 2024 were audited by another auditor whose revised report dated September 27, 2024 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. 44,287.37 lakhs as at March 31, 2025 and total Revenues of Rs. 39,647.70 lakhs for the year ending March 31, 2025 and net

cash flows amounting to Rs. 3,657.94 Lakhs for the year ending March 31, 2025, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net loss of Rs. 24.76 lakhs for the year ended March 31, 2025 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) Except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph above, 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 Company and its Subsidiary companies. Our report expresses a modified 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 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 5,777 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. a. The respective managements of the Company 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 their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company 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 Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The respective managements of the Company 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 Company 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 Company 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

- c. 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 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 Company's beverage division and Company's subsidiaries 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 Company and its subsidiaries. Further, during the course of our audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Company, have not come across any instance of the audit trail feature being tampered with and audit trail has been preserved by the Company and its subsidiaries as per the statutory requirements for record retention. In case of other divisions of the Company, the accounting software does not have the audit trail feature.

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 Phillipos George & Co
Chartered Accountants
Firm Registration No. 002650S
 Sd/-
Kedar Paranjape
PARTNER
Membership No. 239004

UDIN:25239004BMIXPU7206

Place: Bengaluru

Date: 23rd October 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
List of Subsidiaries and Associates

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

ANNEXURE "B" TO THE 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")

We have audited the Internal Financial Controls over Financial Reporting of **Mysore Sales International Limited** ("the Holding Company") and its subsidiary companies and associate as of March 31, 2025 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 respective Company's management and Board of Directors of the Company and its subsidiary Companies is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 and its subsidiary Companies 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 with reference to Consolidated Financial Statements of the Company and its subsidiary companies.

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 of March 31, 2025.

a. Beverage Division:

During our review of the internal financial controls relating to revenue recognition and receivables management, we identified that there are shortages in the remittances made by various outlets when compared to the actual sales achieved by respective outlets during the period. Such shortage of amount received from outlets are shown as amount recoverable under loans and advances. As on 31st March 2025, the total amount recoverable from outlets towards such short remittance is Rs. 168.16 lakhs. The division's internal control towards recovery of the

short remittance of cash collected at the outlets needs to be strengthened. We recommend that the management review and strengthen controls over cash collection and remittance, implement automated reconciliation mechanisms, and enforce accountability at the outlet level to ensure timely and complete deposit of collection on a timely basis.

b. 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 (Shivamogga, Kengeri and Chamarajnagar), there may be financial impact on the standalone Ind AS 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. 1408.91 lakhs as on 31st March 2025 which may have financial impact on the consolidated Financial Statements.

c. Pharma Division:

1. The company has the unreconciled balances of amount received from parties in advance from JAS Outlets amounting to Rs.19.29 lakhs which may have financial impact on the standalone Ind AS Financial Statements.
2. During the course of audit, we identified that there are shortages in the physical stock of medicines when compared to the stock

level maintained in the software due to non-accounting of cash sales made by the pharmacist in the respective outlets. This issue of stock shortage and non-accounting of cash sales usually comes to light only when a physical stock verification is done by the supervisors when visited to respective outlets. The internal audits conducted by external parties have failed to identify the stock shortages resulting in serious deficiency in the internal control aspects of the division.

d. Tours and Travels Division:

1. The company has the unreconciled balances of amount received from parties in advance received (Suspense accounts) amounting to Rs. 0.61 lakhs which may have financial impact on the standalone financial statements.
2. The division is not following the systematic procedure of recovery of the amounts from its customers under both Ticketing and Package Tours segment. The trade receivable under Package tour and ticketing services division as on 31st March is Rs. 213.20 Lakhs and Rs. 298.88 Lakhs respectively. The non recovery of outstanding balances would result in internal control deficiency in fund management of the division.
- e. 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.
- f. 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.
- g. The Company has not reconciled the bank

balance as per books of accounts of the Mysore Branch with the bank balance confirmation received from the Bank for one of its bank accounts maintained with Canara Bank. The Company has not accounted the receipts from Hire Purchase business amounting to Rs. 0.66 Lakhs received in March month resulting in mismatch of bank balance as per books and confirmation. The closing balance of the bank account was, therefore, wrongly reckoned as Rs. 5.45 Lakhs instead of Rs. 6.11 Lakhs.

We draw attention to the adverse opinion on internal control and following material weaknesses included in the report on Internal Financial Controls Over Financial Reporting issued by independent firm of Chartered Accountants vide their Audit Report dated October 14, 2025 on financial statements of Karnataka State Marketing Communication & Advertising Limited (Formerly known as Marketing Communication & Advertising Limited), the subsidiary of the 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 so 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 inordinate delay in reconciliation and adjustment of the amounts received from various Debtors, the TDS made by the Debtors, the 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 (In Rs. lakhs)	Unadjusted for the years (Rs. in lakhs)
Amounts Collected from the unidentified Debtors	1,283.95	< 1 year: 773.51 1 – 2 years: 258.09 2 – 3 years: 142.59 > 3 years: 109.77
GST TDS to be adjusted	1,714.99	F.Y. 18-19: 65.44 F.Y. 19-20: 142.74 F.Y. 20-21: 170.79 F.Y. 21-22: 196.83 F.Y. 22-23: 338.36 F.Y. 23-24: 401.95 F.Y. 24-25: 398.88
Income Tax TDS to be adjusted	1,832.87	F.Y. 21-22: 268.90 F.Y. 22-23: 542.38 F.Y. 23-24: 446.82 F.Y. 24-25: 574.77

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

(d) Trade Advances and Other Receivables shown under Note No. 11 of Notes forming part of Annual Accounts, in all amounting to Rs.515.87 lakhs which represents target incentives receivables to the extent of Rs. 68.51 lakhs and advances paid to the extent of Rs. 46.96 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 2022-23 amounting to Rs. 623.84 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. 66.91 lakhs.

(g) Trade Payables which are due for more than 3 years amounting in all to Rs.2,759.89 lakhs (P.Y. 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 creditor 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, as per the details of the pending misappropriation case, the details of which are specified in Note No. 36(v) to the Notes forming part of the Annual Accounts.

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 due to non-reconciliation of physical assets with the assets as per the Fixed Assets Register.
- (j) 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.
- (k) The Company does not have Internal Control Systems 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.
- (l) The Company does not have Standard Operating Procedures 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. The Company has a Risk Control Matrix, the controls mentioned therein are tested during the annual audit of the Internal Financial Controls over Financial Reporting. However, the periodicity of these checks are not commensurate with the size and nature of the business of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material

misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, 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, 2025, 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, 2025 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 Phillipos George & Co
Chartered Accountants
Firm Registration No. 002650S
 Sd/-
Kedar Paranjape
PARTNER
Membership No. 239004

UDIN:25239004BMIXPU7206

Place: Bengaluru

Date: 23rd October 2025

ANNEXURE 'C' 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)

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 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	U85110KA 1966SGC001612	Holding company	September 1, 2025	Para (vii)
2	Karnataka State Marketing Communication and Advertising Limited (Formerly known as Marketing Communication & Advertising Limited)	U51101KA 1972PLC002242	Subsidiary	September 3, 2025	Para (i)(c) Para (xiv) (a) Para (vii) Para (xx)(b)
3	The Mysore Chrome Tanning company Limited	U85110KA 1940SGC000261	Subsidiary	September 9, 2025	Para (ix)(a) Para (vii) Para (xix)

For Phillipos George & Co
Chartered Accountants
Firm Registration No. 002650S
 Sd/-
Kedar Paranjape
PARTNER
Membership No. 239004

UDIN:25239004BMIXPU7206

Place: Bengaluru

Date: 23rd October 2025

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MYSORE SALES INTERNATIONAL LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2025

The preparation of consolidated financial statements of **Mysore Sales International Limited, Bengaluru** for the year ended **31 March 2025** 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 Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are 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 **23 October 2025** which supersedes their earlier Audit Report dated **12 September 2025**.

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 **31 March 2025** under section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Mysore Sales International Limited, Karnataka State Marketing Communication & Advertising Limited and The Mysore Chrome Tanning Company Limited**, but did not conduct supplementary audit of the financial statements of **Food Karnataka Limited** for the year ended **31 March 2025**. 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 **revisions made in the Statutory Auditors' 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 Auditors' report under section 143(6)(b) read with section 129(4) of the Act.

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

BENGALURU
Date: 28.10.2025

mysore sales international limited
CIN:U85110KA1966SGC001612
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025
(All amounts in Rs. lakhs unless otherwise stated)

	Particulars	Note	As at March 31, 2025	As at March 31, 2024
I	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	2	5,729.84	5,118.91
	(b) Capital work-in-progress	3	7.99	533.96
	(c) Investment properties	4	3,610.86	3,729.13
	(d) Other intangible assets	5	5.17	13.35
	(e) Right-of-use assets	5A	1,255.03	1,292.82
	(f) Financial assets			
	(i) Investments	6	3,018.54	3,594.67
	(ii) Other financial assets	7	11,466.53	16,209.69
	(iii) Non-current bank balances	12	8,291.10	4,432.13
	(g) Deferred tax assets (net)	29	2,903.71	2,854.66
	(h) Other non-current assets	8	765.60	200.85
	(i) Non Current tax asset (net)	8A	4,832.40	4,406.03
	Total non-current assets		41,886.77	42,386.20
	Current assets			
	(a) Inventories	9	18,394.66	15,925.70
	(b) Financial assets			
	(i) Trade receivables	10	18,209.95	25,230.78
	(ii) Cash and cash equivalents	11	19,266.90	15,608.95
	(iii) Bank balances other than (ii) above	12	45,872.19	44,477.28
	(iv) Other financial assets	7	25,648.09	17,523.96
	(c) Other current assets	8	6,315.39	5,295.50
	Total current assets		133,707.18	124,062.17
	Asset Held for Sale	30	384.31	409.07
	Total assets		175,978.28	166,857.44

II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	4,273.48	4,273.48	
(b) Other equity	14	78,873.66	81,310.10	
(c) Non controlling Interest		(35.48)	(35.73)	
Total equity		83,111.66	85,547.85	
 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15A	149.28	149.28	
(ii) Lease Liability	15B	575.44	438.14	
(iii) Other Financial Liabilities	15C	21,423.76	17,539.74	
(b) Provisions	16	976.28	830.38	
(c) Other Non-current Liabilities	17	36.72	36.72	
Total non-current liabilities		23,161.48	18,994.26	
 Current liabilities				
(a) Financial liabilities				
(i) Trade payables	18			
(a) Total outstanding dues of micro and small enterprises		3,988.22	3,195.19	
(b) Total outstanding dues other than above		34,260.08	31,940.97	
(ii) Borrowings	15A		-	
(iii) Lease Liability	15B	604.41	725.06	
(iv) Other financial liabilities	15C	23,376.91	21,430.15	
(b) Other liabilities	17	6,919.96	4,768.00	
(c) Current tax Liabilities (net)	8B	0.91	7.76	
(d) Provisions	16	554.67	248.20	
Total current liabilities		69,705.15	62,315.33	
 Total equity and liabilities		175,978.28	166,857.44	

See accompanying notes forming part of the Consolidated Financial Statements

As per report of even date

M/s. Phillipos George & Co.,

Firm Regn No.: 002650S

Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 12-09-2025

For and on behalf of the Board of Directors of

Mysore Sales International Limited

Sd/-

Sd/-

Puttarangashetty C

Chairman

DIN: 07745825

Manoj Kumar

Managing Director

DIN: 09379177

Sd/-

Avinash K R

Chief Financial Officer

Sd/-

Sridevi B N

Company Secretary

MYSORE SALES INTERNATIONAL LIMITED
CIN:U85110KA1966SGC001612
Consolidated Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Continuing operations			
Income			
Revenue from operations	19	382,422.78	376,424.14
Other income	20	4,967.40	4,113.29
Total income		387,390.18	380,537.43
Expenses			
Cost of materials consumed	21	2,304.58	2,853.94
Purchase of Stock-in-trade	22	308,552.21	303,883.87
Cost of Services	23	35,746.05	31,861.48
Changes in inventories of finished goods and stock-in-trade	24	(2,420.50)	(197.25)
Employee benefits expense	25	2,784.26	2,485.08
Finance costs	26	433.24	239.43
Depreciation and amortization expense	27	2,081.15	2,017.62
Other expenses	28	23,897.10	22,135.09
		373,378.08	365,279.26
Profit before exceptional items, share of net profit/(loss) of investment accounted using equity method and tax from continuing operations		14,012.09	15,258.17
Group's share of net loss of associates accounted for using equity method		(24.76)	(5.66)
Profit before tax from continuing operations		13,987.33	15,252.51
Tax expense	29		
(a) Current tax		3,613.50	4,045.19
(b) Deferred Tax Charge/(Credit)		(108.62)	(349.42)
(c) Short provision of tax for earlier years		1,151.74	25.92
Profit for the year from continuing operations		9,330.71	11,530.82

Discontinued operations	30		
Profit/(loss) before tax for the year from discontinued operations		6.10	5.32
Tax Income/ (expense) of discontinued operations		(1.53)	(1.34)
Profit/ (loss) for the year from discontinued operations		4.56	3.98
Profit for the year		9,335.27	11,534.80
Other comprehensive income	31		
(a) Items that will not be reclassified to profit or loss			
Net (loss)/gain on equity instruments through Other Comprehensive Income		(576.14)	1,189.74
Income tax effect on above		(34.52)	(300.79)
Re-measurement gains/ (losses) on defined benefit plans		(102.08)	(1.38)
Income tax effect on above		(25.05)	5.14
Other comprehensive income for the year, net of tax		(737.78)	892.71
Total comprehensive income for the year		8,597.49	12,427.51
Net Profit attributable to:			
Equity Holders of Parent company		9,335.02	11,533.91
Non Controlling Interest		0.25	0.89
Total other comprehensive income/(loss) (net of taxes) attributable to:			
Equity Holders of Parent company		(737.78)	892.71
Non Controlling Interest			-
Total comprehensive income/(loss) (net of taxes) attributable to:			
Equity Holders of Parent company		8,597.24	12,426.62
Non Controlling Interest		0.25	0.89
Earnings per share (Nominal Value per share Rs. 100/-)	32		
Basic & Diluted (Rs.)			
For Continued operations		218.34	269.82
For Discontinued operations		0.11	0.09
For Continued and Discontinued operations		218.45	269.92

See accompanying notes forming part of the Consolidated Financial Statements

As per report of even date

M/s. Phillipos George & Co.,

Firm Regn No.: 002650S

Chartered Accountants

Sd/-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 12-09-2025

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
CIN:U85110KA1966SGC001612
Consolidated Statement of Cash Flow for the year ended March 31, 2025
(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax and exceptional items as per Statement of Profit and Loss	13,993.43	15,257.83
Adjustments to reconcile profit before tax to net cash flows:		
Dividend	(13.45)	(11.53)
Excess Provision no longer required	(189.78)	(172.35)
Interest income	(3,442.48)	(3,131.78)
Profit/Loss on sale of property, plant and equipment	20.57	3.24
Rental income on investment Property	(1,000.78)	(595.66)
Depreciation and amortisation expenses	2,081.15	2,017.62
Finance Cost	433.24	239.43
Allowances for doubtful debts and advances	900.97	502.84
Impairment losses in value of other financial assets	66.06	-
Adjustment on Consolidation	-	(2.54)
Group's share of net loss of associates accounted for using equity method	24.76	5.66
Operating profit before working capital changes	12,873.69	14,112.76
Adjustments for changes in working capital :		
(Increase)/Decrease in trade receivables	7,210.61	(6,420.90)
(Increase)/Decrease in inventories	(2,468.96)	(81.46)
(Increase)/Decrease in other assets	(1,559.88)	4,324.34
(Increase)/Decrease in other financial assets	(4,348.00)	(3,951.72)
Increase/(Decrease) in trade payables	3,112.14	6,036.73
Increase/(Decrease) in other liabilities	2,151.96	(345.78)
Increase/(Decrease) in other financial liabilities	5,830.78	8,970.10
Increase/(Decrease) in provisions	326.11	(16.79)
Net Changes in Working Capital	10,254.76	8,514.52
Cash generated from operations	23,128.45	22,627.28
Taxes paid, net	(5,198.46)	(4,330.87)
Net cash generated from operating activities	17,929.99	18,296.41

B. Cash flow from investing activities			
Purchase of Property, Plant & Equipment (including capital advances)		(1,358.07)	(703.94)
Proceeds from disposal of Property, Plant & Equipment		27.61	3.39
Purchase of Intangible Assets		-	(2.95)
Changes in other bank balances not considered as cash and cash equivalents		(5,253.88)	(12,604.91)
Investment income (Rental income on investment Property)		1,000.78	595.66
Interest received		3,442.48	2,655.69
Dividend received		13.45	11.53
Net Cash Flow used in Investing Activities		(2,127.63)	(10,045.53)
C. Cash flow from Financing activities			
Finance cost paid		(343.84)	(161.51)
Payment of lease liabilities		(766.91)	(827.33)
Dividend paid		(11,033.68)	(1,827.87)
Net cash used in financing activities		(12,144.42)	(2,816.71)
Net changes in cash and cash equivalents		3,657.94	5,434.17
Cash and cash equivalents as at beginning of the year		15,608.95	10,174.78
Cash and cash equivalents as at end of the year		19,266.90	15,608.95
Reconciliation of cash and cash equivalents			
Cash and cash equivalents :			
Cash & Stamp on hand		2,738.06	2,078.42
Balances with Banks		16,517.15	13,526.29
Remittances in transit		11.69	4.24
Cash and cash equivalents as per Balance Sheet (Refer Note 11)		19,266.90	15,608.95
Cash and cash equivalents as per Cash flow Statement			

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, 2024	Other Changes	As at March 31, 2025
Lease Liability	1,163.20	780.99	1,177.28
Particulars of liabilities arising from financing activity	As at March 31, 2023	Other Changes	As at March 31, 2024
Lease Liability	725.52	1,265.01	1,163.20

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.

As per report of even date
M/s. Phillipos George & Co.,
Firm Regn No.: 002650S
Chartered Accountants
Sd/-
Kedar Paranjape
PARTNER
Membership No : 239004
Place: Bengaluru
Date : 12-09-2025

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, 2025

(All amounts in Rs. lakhs unless otherwise stated)

A.	Equity Share Capital	
	Particulars (Note 13)	Amount
	As at April 1, 2023	4,273.48
	Changes in Equity Share Capital during the year	-
	As at March 31, 2024	4,273.48
	As at April 1, 2024	4,273.48
	Changes in Equity Share Capital during the year	-
	As at March 31, 2025	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, 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
Balance as at April 1, 2024	23,621.55	1,103.35	53,952.15	77.98	2,555.07	81,310.10
Profit for the year			9,335.27			9,335.27
Other comprehensive income/(loss) for the year			(127.13)		(610.65)	(737.78)
Total Comprehensive Income	23,621.55	1,103.35	63,160.29	77.98	1,944.42	89,907.58
Transfer (to)/ from retained earnings	200.00	189.10	(389.10)			-
Less: Dividend paid during the year			(11,033.68)			(11,033.68)
Share of Profit -Non Controlling Interest			(0.25)			(0.25)
Adjustment On Consolidation			-			-
Balance as at March 31, 2025	23,821.55	1,292.45	51,737.26	77.98	1,944.42	78,873.66

See accompanying notes forming part of the Consolidated Financial Statements

As per report of even date

M/s. Phillipos George & Co.,
Firm Regn No.: 002650S
Chartered Accountants
Sd/-
Kedar Paranjape
PARTNER

Membership No : 239004
Place: Bengaluru
Date : 12-09-2025

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/-
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 (Ind AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') 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, 2025 were authorized and approved for issue by the Board of Directors on 12.09.2025.

(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 into 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 and 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, 2025, 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) a. 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.

b. Investment in Associate – Food Karnataka Limited (As per Ind AS 28)

The investment in Food Karnataka Limited, an associate of Mysore Sales International Limited, is accounted for using the equity method in accordance with the principles laid down under Ind AS 28 - Investments in Associates and Joint Ventures.

Under the equity method, the investment is initially recognised at cost. Subsequently, MSIL's share of the profit or loss of the associate is recognised in the consolidated statement of profit and loss, in proportion to its ownership interest. The carrying amount of the investment is - adjusted to reflect the share of post-acquisition profits or losses and other comprehensive income of the associate.

Distributions received from the associate reduce the carrying amount of the investment. Appropriate adjustments are also made to the

carrying amount for any changes in MSIL's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the profit or loss (e.g., revaluation reserves or exchange differences).

(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 Ind As 115:

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

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

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

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

Step 5. 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 convertors are considered as Finished Goods only at the time of receipt of note books from the convertors in the case of Paper Division.
- iii. Freight inward is not considered for valuation of stock of liquor and is charged to the 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	Over the primary lease period-except for land
Lease hold Improvements	

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 de recognition 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 –

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

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

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

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-

use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

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

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

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

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of 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 utilized, 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 Note and of 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	Com-puters	Furniture and fixtures	Vehicles	Office Equipment	Leased Assets	Total
Gross carrying amount											
As at April 1st , 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 error in previous year**	-	-	11.38	-	(3.39)	-	(20.23)	-	15.45	-	3.21
Adjustment due to error in previous year**	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to asset reclassified as Expense*	-	-	-	-	-	-	(0.45)	-	-	-	(0.45)
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
Additions	21.71	-	532.07	-	155.00	109.15	654.45	40.73	370.93	-	1,884.04
Deductions	-	(21.54)	-	-	(396.43)	(162.72)	(1,001.41)	-	(184.49)	-	(1,766.59)
As at March 31, 2025	189.40	178.59	1,056.08	1.64	2,839.06	434.77	4,145.72	474.19	2,081.13	7.05	11,407.64
Accumulated depreciation											
As at April 01, 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	65.70	550.18	46.96	211.27	-	1,159.79
Deductions	-	-	-	-	(1.87)	-	(37.15)	-	(1.23)	-	(40.26)
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	386.91	3,060.19	255.43	1,118.58	5.32	6,171.28	
Depreciation for the year	-	-	60.32	0.25	290.56	63.17	478.83	48.08	284.14	-	1,225.35
Deductions	-	-	-	-	(383.62)	(162.51)	(989.49)	-	(183.18)	-	(1,718.80)
Adjustment due to error in previous year**	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	-	182.95	0.73	1,128.67	287.57	2,549.53	303.51	1,219.53	5.32	5,677.83	
Net Carrying Amount	189.40	178.59	873.13	0.91	1,710.39	147.20	1,596.19	170.68	861.59	1.73	5,729.84
As at March 31, 2025	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

Wholly Owned Subsidiary- Karnataka State Marketing Communication & Advertising Ltd

*During the F.Y.2023-24, 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 same has been reconciled in the current year by adjusting Gross block and Accumulated Derecataion.

***Errors in previous year financials with regard to classification of balances of the accumulated depreciation to the extent of Rs. 0.43 Lakhs in Furnitures and Fixtures has been shifted to Electrical equipment to reflect the current amounts as per the fixed asset register.

Notes:

1. Properties pledged as securities as at March 31, 2025 is Nil; (March 31, 2024: Nil).

2. Refer Note 40(a) for contractual commitments with respect to Property, Plant and Equipments.

Mysore Sales International Limited
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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

3	Capital work-in-progress (CWIP)		Capital work in progress	Total
	Particulars			
	As at April 01, 2024		592.83	592.83
	Additions		13.58	13.58
	Capitalized during the year		-	-
	Deductions		(72.45)	(72.45)
	As at April 01, 2025		533.96	533.96
	Additions		6.28	6.28
	Capitalized during the year		(532.25)	(532.25)
	Deductions		-	-
	As at March 31st 2025		7.99	7.99

a	Capital work-in-progress ageing schedule:					Total	
	Capital work-in-progress	Amount in Capital work-in-progress for a period of					
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
	Projects in progress	6.28	1.71	-	-	7.99	
	Projects temporarily suspended	-	-	-	-	-	
	Total	6.28	1.71	-	-	7.99	
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	

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, 2025			
	Project in progress	Budgeted Project Cost	Actual cost as on March 31, 2025	Reasons for delay
	Warehouse, Kapanoor Ind Area, Kalburgi	195.78	5.44	Due to inclusion of additional work.

As at March 31, 2024			
	Project in progress	Budgeted Project Cost	Actual cost as at March 31, 2023
	Warehouse, Kapanoor Ind Area, Kalburgi	752.91	533.96

c. There are no borrowing cost capitalised during the year ended March 31, 2025 and March 31, 2024.

Mysore Sales International Limited
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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

4	Investment properties					
	Particulars	Freehold land	Leasehold land	Building	Building - Leasehold	Total
As at April 01, 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	
Additions	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
As at March 31, 2025	53.06	100.95	1,604.08	2,686.59	4,444.68	
Depreciation and impairment						
As at April 01, 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	
Depreciation for the year	-	-	28.43	89.84	118.27	
Deductions	-	-	-	-	-	-
As at March 31, 2025	-	-	205.08	628.75	833.82	
Net block as at March 31, 2025	53.06	100.95	1,399.01	2,057.84	3,610.86	
Net block as at March 31, 2024	53.06	100.95	1,427.44	2,147.68	3,729.13	

Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent from investment properties (Refer note 20)	1,000.78	595.66
Direct operating expenses (including repairs and maintenance) pertaining to investment property	(326.94)	(186.49)
Profit arising from investment properties before depreciation and indirect expenses	673.84	409.17
Depreciation for the year	(118.27)	(118.27)
Profit arising from investment properties before indirect expenses	555.57	290.90

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, 2025 is Nil; (March 31, 2024: Nil).

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(All amounts in Rs. lakhs unless otherwise stated)

5 Other intangible assets		
	Particulars	Computer software
	Gross carrying amount	
	As at April 01, 2023	110.59
	Additions	5.50
	Adjustment due to error in previous year*	(3.20)
	As at March 31, 2024	112.89
	Additions	-
	Adjustment due to error in previous year*	-
	As at March 31, 2025	112.89
	Accumulated amortization	
	As at April 01, 2023	89.90
	Amortisation for the year	10.29
	Deductions	(0.65)
	As at March 31, 2024	99.55
	Amortisation for the year	8.17
	Deductions	-
	As at March 31, 2025	107.72
	As at March 31, 2025	5.17
	As at March 31, 2024	13.35

Note:

1. Intangible Properties pledged as securities as at March 31, 2025 is Nil; (March 31, 2024: Nil).

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Limited

*During the F.Y. 2023-24, 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.

Mysore Sales International Limited
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Notes forming part of the Consolidated Financial Statements
(All amounts in Rs. lakhs unless otherwise stated)

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, 2023		3,567.05
Additions		1,161.82
Disposals		-
As at March 31, 2024		4,728.87
Additions		691.58
Disposals		-
As at March 31, 2025		5,420.45
 Accumulated depreciation		
As at April 01, 2023		2,706.78
Charge for the year		729.27
Adjustments for disposals		-
As at March 31, 2024		3,436.05
Charge for the year		729.37
Adjustments for disposals		-
As at March 31, 2025		4,165.42
Net carrying value as at March 31, 2025		1,255.03
Net carrying value as at March 31, 2024		1,292.82

The following are the expense recognised in the Statement of Profit and Loss		
Particulars	Year ended as at March 31, 2025	Year ended as at March 31, 2024
Depreciation expense of right-of-use assets	729.37	729.27
Interest expense on lease liabilities	89.41	131.78
Expense relating to short-term leases	1,172.84	995.78
Total amount recognised in the statement of Profit and Loss	1,991.62	1,856.83

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6	Investments		
		As at March 31, 2025	As at March 31, 2024
	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	912.98	1,421.70
	329,060 (March 31, 2024: 329,060) fully paid equity shares of INR 2 each		
	Bengal & Assam Co Limited	276.18	327.43
	3,831 (March 31, 2024: 3,831) fully paid equity shares of INR 10 each		
	Total (A)	1,189.16	1,749.13
B.	Others-Measured at Fair Value through Other Comprehensive Income (Unquoted)		
	K T Apartment Owners' Association*	0.04	0.04
	35 (March 31, 2024: 35) fully paid equity shares of INR 100 each		
	K T Mansions Apartments Owners' Association*	0.03	0.03
	25 (March 31, 2024: 25) fully paid equity shares of INR 100 each		
	Hassan Mangalore Rail Development Company Limited	1,802.59	1,819.06
	7,000,000 (March 31, 2024: 7,000,000) fully paid equity shares of INR 10 each		
	The Karnataka State Co-operative Apex Bank Limited - One -C-Class Ordinary Share:	26.72	26.41
	1 (March 31, 2024: 1) fully paid equity shares of INR 1,000,000 each		
	Total (B)	1,829.38	1,845.54
	Total (A+B)	3,018.54	3,594.67

Aggregate amount of quoted investments and market value thereof	1,189.16	1,749.13
Aggregate amount of unquoted investments	1,829.38	1,845.54
Aggregate amount of impairment in value of investments		-
Total Investments	3,018.54	3,594.67

* 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, 2025		As at March 31, 2024	
			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
	-To Others	10,022.94	23,811.30	15,191.36	15,438.75	
	Considered doubtful		767.18		-	986.41
	Less: Allowance for doubtful advances		(767.18)		-	(986.41)
	Advances recoverable in kind or for value to be received	448.55	979.90		-	963.94
B	Other Divisions					
	Security Deposit	995.04	36.54	1,018.32	15.40	
	Considered doubtful	-	13.33		-	16.38
	Less: Allowance for doubtful advances	-	(13.33)		-	(16.38)
	Rent Receivable	-	242.93		-	448.95
	Less: Allowance for Rent Receivable	-	24.85		-	-
	Considered doubtful	-	1,388.46		-	839.02
	Less: Provision for Doubtful Rent Receivable	-	(1,388.46)		-	(839.02)
	Other receivable		-			
	Considered good	-		0.01		-
	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	-	552.57		-	655.37
	Total	11,466.53	25,648.09	16,209.69	17,523.96	
	Other current financial assets are given as security for borrowings as at March 31, 2025 is Nil; (March 31, 2024: Nil).					

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8	Other assets	As at March 31, 2025		As at March 31, 2024	
		Non- Current	Current	Non- Current	Current
	Unsecured, considered good unless otherwise stated				
	Prepaid Expenses	-	1,289.94	-	1,233.42
	Advance License Fee	675.08	483.00	-	1,020.08
	Balance with Government authorities (Refer note (ii) below)	11.39	17.12	10.30	268.75
	Other Receivables	-	-	-	2.95
	Advance to Employees	-	6.09	-	14.32
	Gratuity Fund account (Refer note 34)	(56.12)	7.26	54.38	-
	Unbilled Revenue	-	-	-	2,249.05
	Capital Advances	135.25	2,496.88	136.17	-
	Advances to Suppliers	-	-	-	506.93
	Considered doubtful	-	1,445.57	-	1,204.95
	Less: Provision for doubtful advances	-	(1,445.57)	-	(1,204.95)
	Total	765.60	6,315.39	200.85	5,295.50

Notes:

- (i) No advances were given to Directors or to firm / Private company where director is interested (March 31,2024: 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, 2025 is Nil; (March 31, 2024: Nil).

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Limited

- a 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.
- b GST Receivable of Rs. 508.26 lakhs (March 31, 2023 : Rs. 122.61 Lakhs) is shown under 'Balance with Government Authorities' for which reconciliation is pending.
- c Balance with Government Authorities includes VAT refund of Rs.2.34 lakhs (PY: 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, 2025	As at March 31, 2024
	Advances tax and Tax Deducted at source	4,832.40	4,406.03
	Total	4,832.40	4,406.03

8B Current tax liability (net)			
	Particulars	As at March 31, 2025	As at March 31, 2024
	Current tax liability (net of advance tax)	0.91	7.76
	Total	0.91	7.76

9 Inventories (At lower of cost or net realisable value)			
	Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials			
Paper and Straw board		67.18	54.39
Raw Material with Convertors		44.98	9.31
Finished goods		1,079.45	1,180.07
Stock in trade		19,192.56	16,699.16
Less: Provision for Expired/Damaged Stock		(9.76)	(84.17)
Less: Provision for Non Moving Stock		(1,979.75)	(1,933.06)
Total Inventory		18,394.66	15,925.70
Stock with hirers		285.92	291.83
Less: Provision for stock with hirers		(285.92)	(291.83)
Total		18,394.66	15,925.70

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. 27.72 Lakhs (March 31, 2024 Rs. 34.61 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, 2025 is Nil; (March 31, 2024: 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		As at March 31, 2025	As at March 31, 2024
Particulars			
Unsecured, considered good unless otherwise stated			
Secured	6.50	6.27	
Unsecured Considered good	18,203.45	25,224.51	
Credit impaired	5,033.75	4,703.43	
	23,243.69	29,934.21	
Less: Allowance for doubtful debts	(5,033.75)	(4,703.43)	
Total	18,209.95	25,230.78	

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 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, 2025 is Nil; (March 31, 2024: Nil).
4. Movement in allowance for doubtful debts

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	4,703.43	4,542.00
Add: Allowance for the year (Net)	330.32	161.43
	5,033.75	4,703.43

5. Trade receivables ageing Schedule:
As at March 31, 2025

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	9,517.22	1,421.77	2,731.58	4,425.73	1,116.30	19,212.60
Undisputed Trade receivables - credit impaired	-	-			4,031.09	4,031.09
Total	9,517.22	1,421.77	2,731.58	4,425.73	5,147.39	23,243.69

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

Mysore Sales International Limited

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Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd

1. Trade Receivables include Rs. 25.33 lakhs (March 31, 2024: Rs. 9.29 lakhs) from Karnataka State Industrial Infrastructure Development Corporation Limited- Promoter Company.
2. Trade Receivables includes Rs. 24.48 lakhs (March 31, 2024: Rs. 24.48 lakhs) due from M/s. Cyber Expo and Rs. 32.22 lakhs (March 31, 2024: 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. 1283.95 lakhs (March 31, 2024: Rs. 810.04 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.

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11	Cash and cash equivalents		
		As at March 31, 2025	As at March 31, 2024
	Balances with banks		
	In current accounts	16,517.15	13,526.29
	Deposit with originally maturity less than three months		-
	Remittances in transit	11.69	4.24
	Cash & Stamp on hand (*)	2,738.06	2,078.42
	Total	19,266.90	15,608.95

(*) includes Credit Card Collections

1. There are no repatriation restrictions with regard to cash and cash equivalents as at as at March 31, 2025 is Nil; (March 31, 2024: Nil).

12	Bank balances other than cash and cash equivalents	As at March 31, 2025		As at March 31, 2024	
		Non- Current	Current	Non- Current	Current
	Fixed Deposit with Banks (Original maturity within 3 to 12 months) #	-		-	42,583.45
	Fixed Deposit with Banks (Original maturity of more than 12 months)*	8,291.10	45,872.19	4,432.13	-
	Interest Accrued on Bank Deposits			-	1,893.83
	Total Bank	8,291.10	45,872.19	4,432.13	44,477.28

Holding Company- Mysore Sales International Limited

Statutory Deposits for Chit Operations as at March 31, 2025 is Rs. 6,414.80 lakhs (March 31, 2024 : Rs. 5,958.03 lakhs)

* Bank Deposits given on lien as at March 31, 2025 is Rs. 4,050.00 lakhs (March 31, 2024 : Rs. 4050.00 lakhs)

Wholly Owned subsidiary- Karnataka State Marketing Communication & Advertising Ltd

*includes Margin Money Deposits against guarantees of Rs. 181.88 lakhs (March 31, 2024 Rs. 175.68 lakhs).

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

13	Equity share capital	As at March 31, 2025		As at March 31, 2024	
		Number	Amount	Number	Amount
Authorised share capital					
Equity shares of ₹ 100 each	7,500,000	8,100.00	7,500,000	8,100.00	
Issued, subscribed and fully paid up share capital					
Equity shares of ₹ 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:					
Particulars		As at		As at	
		March 31, 2025		March 31, 2024	
Balance 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, 2025		As at March 31, 2024	
	Number	% holding	Number	% holding
Government of Karnataka	2,255,817	52.79%	2,255,817	52.79%
Karnataka State Industrial Infrastructure & Development Corporation Limited	2,017,660	47.21%	2,017,660	47.21%

(iv) Shareholding of Promoters

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	Number	% holding	Number	% holding
Government of Karnataka	2,255,817	52.79%	2,255,817	52.79%
Karnataka State Industrial Infrastructure & Development Corporation Limited	2,017,660	47.21%	2,017,660	47.21%

(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, 2025:

- 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.

14 Other equity			
	Particulars	As at March 31, 2025	As at March 31, 2024
(a) General reserve			
Balance as per last financial statements		23,621.55	23,421.55
Add: Addition during the year		200.00	200.00
Balance at the end of the year		23,821.55	23,621.55
(b) Chit Reserve Fund			
Balance as per last financial statements		1,103.35	928.21
Add: Transfer from Retained earning		189.10	175.14
Balance at the end of the year		1,292.45	1,103.35
(c) Retained earnings			
Balance as per last financial statements		53,952.15	44,620.03
Less: Adjustment On Consolidation		-	(2.54)
Add: Profit for the year		9,335.27	11,534.80
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of tax)		(127.13)	3.76
Less: Share of Profit/(Loss) Non-Controlling Interest		(0.25)	(0.89)
Less: Transfer to Chit Reserve fund		(189.10)	(175.14)
Less: Transfer to General Reserve		(200.00)	(200.00)
Less: Dividend paid		(11,033.68)	(1,827.87)
Add: Taxes		-	-
Less: KIADB Land		-	-
Balance at the end of the year		51,737.26	53,952.15
(d) Capital Reserve			
Balance as per last financial statements		77.98	77.98
Balance at the end of the year		77.98	77.98
Other comprehensive income (OCI)			
Items that will not be reclassified to profit and loss			
(e) Equity Instruments through OCI			
Balance at the end of the year		2,555.07	1,666.12
Add: Addition during the year		(576.14)	1,189.74
Less: Tax impact on above		(34.52)	(300.79)
Balance at the end of the year		1,944.42	2,555.07
Total Other Equity		78,873.66	81,310.10
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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15A	Borrowings	Particulars	As at March 31, 2025		As at March 31, 2024	
			Non-current	Current	Non-current	Current
	Secured					
	(i) Loan from Government of Karnataka	3.02	-	3.02	-	
	(ii) Interest Accrued 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) Interest Accrued and due on above Unsecured	99.08	-	99.08	-	
	Total Borrowings	149.28	-	149.28	-	

*Interest accrued on loans from KSIIDC and Government of Karnataka has not been provided since April 1999. The Group has approached for waiver of interest.

15B	Lease Liability	Particulars	As at March 31, 2025		As at March 31, 2024	
			Non-current	Current	Non-current	Current
	Balance as per last financial statements		1,163.20		725.52	
	Additions during the year		694.15		1,133.23	
	Deletions during the year				-	
	Interest on lease liabilities accrued during the year		89.41		131.78	
	Payment of lease liabilities		(766.91)		(827.33)	
	Balance at the year end		1,179.85		1,163.20	

Current	604.41	725.06
Non-current	575.44	438.14

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15C	Other Financial Liabilities	As at March 31, 2025		As at March 31, 2024	
		Particulars	Non- Current	Current	Non- Current
	Deposit from customers and others	2,995.99	855.94	-	1,712.83
	Interest Accrued	-	-	-	-
	Non Prized Chit Subscription	18,253.64	14,375.16	17,324.71	11,337.64
	Payable to Capital Vendors	-	43.19	-	3.22
	Payable to Employees	144.92	71.22	185.83	517.84
	Grants Unutilised	-	247.05	-	247.05
	Chit Payables	-			
	-From Related Party (Refer Note 38)	-	29.50	-	7.50
	-From Others	-	3,802.93	-	3,572.08
	Liquor Division Related Payable*	-	3,531.53	-	3,531.53
	Other payables**	29.20	420.39	29.20	500.46
	Total	21,423.76	23,376.91	17,539.74	21,430.15

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	As at March 31, 2025		As at March 31, 2024	
		Particulars	Non-current	Current	Non-current
	Provision for employee benefits (Refer Note 34)				
	Compensated Absences	477.79	159.42	412.58	169.40
	Employee Death Relief Fund	96.07	0.55	15.38	78.80
	Provision for Insurance Claim (Refer Note 39(i))	402.42	12.83	402.42	-
	Others	-	381.87	-	-
	Total	976.28	554.67	830.38	248.20

a	Movement of Provision for insurance Claim		
		Particulars	As at March 31, 2025
	Balance as per last financial statements		402.42
	Addition during the year		12.83
	Balance at the year end	415.25	402.42

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17	Other liabilities	As at March 31, 2025		As at March 31, 2024	
		Non-current	Current	Non-current	Current
	Statutory dues (provident fund and tax deducted at source etc.)*	36.72	875.38	36.72	587.92
	Advance from Customers	-	4,448.00	-	2,595.78
	Amount received in Advance	-	1,067.07	-	1,067.07
	Other Liabilities**	-	529.52	-	517.23
	Total	36.72	6,919.96	36.72	4,768.00

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, 2025	As at March 31, 2024
	Total outstanding dues of micro enterprises and small enterprises		3,988.22	3,195.19
	Total outstanding dues of creditors other than micro enterprises and small enterprises		34,260.08	31,940.97
	Total		38,248.30	35,136.16

(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 2024-25.

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	Particulars	As at March 31, 2025	As at March 31, 2024
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	3,988.22	3,195.19
	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, 2025	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
Micro and small Enterprises	3,332.17	201.29	198.19	256.57	3,988.22
Other than Micro and small Enterprises	23,081.90	1,469.46	5,093.13	4,615.59	34,260.08
Grand total	26,414.08	1,670.75	5,291.32	4,872.16	38,248.30

As at March 31, 2024	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
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

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19 Revenue from Operations			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		340,954.46	339,180.58
Income Earned on Chit Fund Business			
Foreman's Commission		2,264.03	2,001.22
Dividend		175.90	139.58
Default Interest		246.45	208.33
Revenue from services			
Media Advertisements		7,235.56	6,957.22
Event organising and others		20,101.02	19,944.14
Revenue from Production		11,067.19	7,908.47
Other Operating Income			
Processing Charges		98.44	43.22
Commission and service charges		98.91	41.38
Sale of Scrap		138.18	
Incentive from BPPI		42.64	
Total		382,422.78	376,424.14

Disaggregation of Revenue from contracts with customers

a Revenue based on Geography			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Domestic		382,422.78	376,424.14
Export			-
Revenue from Operations		382,422.78	376,424.14
b Timing of revenue recognition			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Goods or services transferred at a point in time		382,422.78	376,424.14
Goods or services transferred at a over time			-
		382,422.78	376,424.14

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c	Revenue based on business segment		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Liquor		322,816.40	318,708.98
Note Books & Stationery		14,926.71	14,339.28
Pharmaceutical		1,448.70	1,456.63
Industrial Products		825.24	297.13
Chit Business		2,703.88	2,349.12
Marketing and Advertisement		38,462.39	38,710.92
Others		1,239.46	562.08
Revenue from Operations		382,422.78	376,424.14

d	Reconciling the amount of revenue recognised in the statement of profit or loss with the contracted price		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per contracted price		382,422.78	376,439.24
Adjustments			
Sales Return		-	15.10
Trade and cash discounts		-	-
Revenue from contact with customer		382,422.78	376,424.14

e	Contract assets and contract liabilities		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Trade receivables (Refer Note 10)		2,545.33	25,230.78
Advance from customers (Refer Note 17)		4,304.59	2,595.78

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20	Other Income		
		Year ended March 31, 2025	Year ended March 31, 2024
	Interest Income on financial assets measured at amortised cost		
	-Fixed Deposits	3,362.89	3,071.48
	-Other financial assets and deposits	79.58	60.30
	Rent	1,000.78	595.66
	Dividend	13.45	11.53
	Excess Provision no longer required	189.78	172.35
	Profit on sale of property, plant and equipment	0.97	-
	Miscellaneous income	319.95	201.97
	Total	4,967.40	4,113.29

21	Cost of materials consumed		
		Year ended March 31, 2025	Year ended March 31, 2024
	Inventory at the beginning of the year	63.70	179.49
	Add: Purchases during the year	2,353.02	2,738.15
	Less: Inventory at the end of the year	(112.16)	(63.70)
	Total	2,304.58	2,853.94

22	Purchases of Stock-in-Trade		
		Year ended March 31, 2025	Year ended March 31, 2024
	Liquor	296,107.79	290,107.21
	Notebooks and Stationery	9,571.66	9,138.80
	Pharmaceutical	1,096.58	1,172.92
	Industrial Products	785.59	282.97
	Excise Labels		2,653.57
	Others	990.59	528.40
	Total	308,552.21	303,883.87

23	Cost of Services		
		Year ended March 31, 2025	Year ended March 31, 2024
	Media Advertisement	6,176.81	5,902.89
	Event Organising and others	19,099.99	18,579.23
	Production	10,469.26	7,379.36
	Total	35,746.05	31,861.48

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24 Changes in inventories of finished goods and stock-in-trade			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the year			
Traded goods	17,203.05	14,681.93	
Finished goods	1,079.45	1,180.07	
	18,282.50	15,862.00	
Inventories at the beginning of the year			
Traded goods	14,681.93	14,993.40	
Finished goods	1,180.07	671.35	
	15,862.00	15,664.75	
Total	(2,420.50)	(197.25)	

25 Employee Benefits Expense			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, Wages, Gratuity (Refer Note 34)	2315.10	2,086.17	
Contribution to Provident & Other funds (Refer Note 34)	273.01	207.17	
Staff Welfare and Training Expenses	196.15	191.74	
Total	2,784.26	2,485.08	

26 Finance Costs			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on lease liabilities (Refer note 15B)	89.41	131.78	
Interest on financial liabilities measured at amortised cost	3.04	2.53	
Bank charges	57.94	74.44	
Guarantee Commission	24.24	30.68	
Interest Expense on Disputed Liability	258.62	-	
Total	433.24	239.43	

27 Depreciation and amortization expense			
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on Property, plant and equipment (Refer note 2)	1225.34	1,159.79	
Depreciation on Investment Properties (Refer note 4)	118.27	118.27	
Amortization of intangible assets (Refer note 5)	8.17	10.29	
Depreciation of Right-of-use assets (Refer note 5A)	729.37	729.27	
Total	2,081.15	2,017.62	

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28	Other Expenses	Year ended March 31, 2025	Year ended March 31, 2024
Conversion charges - Notebooks	296.07	320.54	
Packing Material & Secondary Freight	1983.78	1,930.21	
Outsourcing expenses	8547.55	8,240.06	
Rent (Refer note 5B)	1169.53	995.78	
Repairs & Maintenance :			
- Buildings	326.94	186.49	
- Vehicle	74.13	86.77	
- Others	328.45	479.53	
Insurance	149.79	162.55	
Rates and taxes	5849.00	5,603.02	
Advertising and sales promotion	416.74	384.57	
Communication costs	87.60	88.54	
Printing and stationery	291.32	259.45	
Payment to Auditors (Refer Note 28A)	14.60	14.20	
Legal and professional fees	658.31	700.57	
Travelling and conveyance	253.50	180.45	
Electricity & Water	343.75	307.78	
Security Services	90.39	91.47	
Commission	761.55	749.69	
Donation	652.25	302.25	
Corporate Social Responsibility expenditure	236.54	200.40	
Directors Sitting fees	4.95	1.17	
Loss on sale of property, plant and equipment (net)	0.09	3.24	
Allowances for doubtful debts and advances	900.97	502.84	
Impairment losses in value of other financial assets	66.06	-	
Asset Write off	21.53		
Miscellaneous Expenses	340.97	323.35	
Business promotion and Development expenses	30.74	20.17	
Total	23,897.10	22,135.09	

28A	Payment to the Auditor:	Year ended March 31, 2025	Year ended March 31, 2024
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	- Audit fee	11.60	11.29
	- Tax audit fee	3.00	2.91
	Total	14.60	14.20

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29A	Tax expense		
	Tax expense comprises of:		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Statement of Profit and Loss		
	Current tax on continuing business	3,613.50	4,045.19
	Current tax on discontinuing business	-	1.34
	Deferred tax charge/(credit)	(108.62)	(349.42)
	Adjustment of tax relating to earlier years	1,151.74	25.92
	Income tax expense reported in the Statement of Profit and Loss	4,656.62	3,723.03
	Statement of Other Comprehensive Income		
	Deferred tax charge/(credit)		
	On Re-measurement gains/ (losses) on defined benefit plans	(25.05)	5.14
	On Fair value of Equity instruments	(34.52)	(300.79)
	Deferred tax charged to OCI	(59.57)	(295.65)
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, 2025	Year ended March 31, 2024
	Accounting profit before tax from continuing operations	13,987.33	15,252.51
	Profit/(loss) before tax from discontinued operations	6.10	5.32
	Accounting profit before tax	13,993.43	15,257.83
	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	3,521.87	3,840.09
	Adjustments:		
	Inadmissible expenditure	185.75	88.36
	Adjustment of tax relating to earlier years	1,151.74	25.92
	Eligible Deductions under the IT Act	(164.91)	(206.54)
	Other adjustment	(36.29)	(24.80)
	Total income tax expense	4,658.15	3,723.03
	Effective tax rate	33.288%	24.401%

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C	Deferred tax				
	Particulars	Balance sheet As at March 31, 2025	Balance sheet As at March 31, 2024	Statement of profit and loss and OCI for the year ended March 31, 2025	Statement of profit and loss and OCI for the year ended March 31, 2024
Accelerated depreciation for tax purposes	125.32	41.93	83.39	44.49	
Disallowance u/s 40(a)(ia) and 43B	20.91	269.39	(248.48)	(131.92)	
Unrealised Rental Income	-	-	-	49.78	
Provision for employee benefit expenses	179.02	163.57	15.45	(13.11)	
Provision for doubtful advances/debts	2,892.33	2,671.53	220.80	398.02	
Lease Liabilities and Right of Use Assets	16.64	4.25	12.39	7.30	
Fair value of Equity Investments	(330.53)	(296.01)	(34.52)	(300.79)	
Deferred tax expense/(income)			49.05	53.77	
Net deferred tax assets/(liabilities)	2,903.71	2,854.66			

Reflected in the balance sheet as follows:	As at March 31, 2025	As at March 31, 2024
Deferred tax asset	3,234.22	3,150.67
Deferred tax liability	(330.53)	(296.01)
Deferred Tax Asset(Net)	2,903.71	2,854.66

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, 2025	Year ended March 31, 2024
	Other income	6.10	5.56
	Other expenses	0.00	0.24
	Profit/(Loss) before tax from discontinuing operations	6.10	5.32
	Tax expense on discontinuing operations	(1.53)	(1.34)
	Profit/(Loss) for the year from discontinuing operations	4.56	3.98
Assets			
	Stock with hirers	285.92	291.83
	Less: Provision for stock with hirers	(285.92)	(291.83)
		-	-
	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, 2025	As at March 31, 2024
Associate			
	Food Karnataka Limited		
	50,000 (March 31, 2023: 50,000) fully paid equity shares of INR 10 each	384.31	409.07
		384.31	409.07
	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, 2025	Year ended March 31, 2024
	Gain/(loss) on FVTOCI of Investment in equity shares of:	(576.14)	1,189.74
	- J K Tyre Industries Limited	(508.73)	912.81
	- Bengal & Assam Co Limited	(51.25)	187.39
	- The Karnataka State Co-operative Apex Bank Limited	0.31	0.26
	- Hassan Mangalore Rail Development Company Limited	(16.47)	89.28
	Re-measurement gains (losses) on defined benefit plans	(102.08)	(1.38)
	Total Other Comprehensive Income	(678.22)	1,188.36
32	Earnings Per Share		
	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Profit attributable to equity holders of the company Continuing operations	9,330.71	11,530.82
	Discontinued operations	4.56	3.98
	Total	9,335.27	11,534.80
	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.)	218.34	269.82
	Earnings per share for discontinued operations		
	Basic and Diluted (Rs.)	0.11	0.09
	Earnings per share for continuing and discontinued operations		
	Basic and Diluted (Rs.)	218.45	269.92
33	Dividend Paid		
	Cash dividends on equity shares paid:	Year ended March 31, 2025	Year ended March 31, 2024
	Dividend for the year ended		
	Dividend paid	11,033.68	1,827.87
	The Board of Mysore Sales International Limited has proposed Dividend of @ 30% of Profit after tax for the year which will have a outflow of Rs. 2,548.42 lakhs (March 31, 2024: Rs. 3,115.91 lakhs). The Proposed dividends is subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2025.		
	As per the direction of GoK the Special Dividend was paid amounting to Rs. 7917.77 Lakhs for the FY 2023-24		

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34	Employee benefits		
A.	Define Contribution Plan		
Amount recognised as expenses and included in Note No. 25 "Employee benefits expense".			
	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Contribution to Provident Fund & Other Funds	273.01	207.17
	Total	273.01	207.17

Note:

- (a) Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The Company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.
- (b) The Company's Employee State Insurance Fund, for all eligible employees, is administered by ESIC Corporation. The Company is required to contribute specified amount to ESIC Corporation and has no further obligations to the same beyond its contribution.

B. Defined Benefit Plans and other long term benefits:

Gratuity(Funded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Life Insurance Corporation of India.

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.

i. Disclosure of Employee Benefits as per Ind AS 19			
Particulars		As at March 31, 2025	As at March 31, 2024
Defined benefit liability - Gratuity		48.86	(54.38)
Liability for Compensated Absences		572.00	581.98
Liability for Death Relief fund		15.93	94.18
Total employee benefit liabilities		636.78	621.78
Non-current		469.56	373.58
Current		167.22	248.20

ii. Amount recognized in Balance Sheet - as per actuarial valuation			
Particulars		Gratuity - Defined benefit plan	
		2024-25	2023-24
Present Value of Obligation at the end of the year		705.42	790.96
Fair Value of Plan Assets the end of the year		649.29	845.34
Funded Status		(56.13)	54.38
Asset/(liability) recognized in Balance Sheet		(56.13)	54.38

iii. Change in Fair Value of Plan Assets			
Particulars		Gratuity - Defined benefit plan	
		2024-25	2023-24
Fair Value of Plan Assets the beginning of the year		845.34	985.64
Interest Cost			
Employer Contribution		34.02	27.48
Benefits paid		(274.30)	(224.81)
Return on plan assets excluding actual return on plan assets		42.82	55.18
Actuarial gain /(loss) on obligation		1.41	1.85
Balance as at the end of the year		649.29	845.34

iv. Reconciliation of the net defined benefit liability-Change in Present Value of Obligation			
Particulars		Gratuity - Defined benefit plan	
		2024-25	2023-24
Present Value of Obligation at the beginning of the year		790.96	920.02
Interest Cost		47.02	59.23
Current service cost		35.37	31.85
Benefits paid		(274.30)	(224.81)
Actuarial loss/(gain) on obligation recognised in the statement of Other Comprehensive Income		106.37	4.67
Balance as at the end of the year		705.42	790.96

v.	Expense recognised in Statement of Profit & Loss		
	Particulars		Gratuity - Defined benefit plan
		2024-25	2023-24
	Current service cost	35.37	31.85
	Past service cost	-	-
	Remeasurement of obligation	-	-
vi.	Net Interest on Net Defined Benefit Obligations	12.23	4.04
	Expense recognised in Statement of Profit & Loss before tax	47.60	35.89
vi.	Remeasurements recognised in Other Comprehensive Income		
	Particulars		Gratuity - Defined benefit plan
		2024-25	2023-24
vii.	Actuarial loss/ (gain) on obligation	(102.08)	(1.38)
	Assets		
viii.	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	2024-25	2023-24
		(%) of Present value of Obligation	
	Funding Ratio	91.90%	108.00%
viii.	Assumptions		
	With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:		
	Particulars		Gratuity - Defined benefit plan
	Holding Company	2024-25	2023-24
	Discount Rate	6.62%	7.19%
	Salary Escalation Rate	7.00%	7.00%
	Expected Return on assets	7.19%	7.31%
	Attrition Rate	10.00%	10.00%
	Mortality rate during employment	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate
	Karnataka State Marketing Communication & Advertising Limited	2024-25	2023-24
	Discount Rate	6.27%	7.25%
	Salary Escalation Rate	7.00%	7.00%
	Mortality rate during employment	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate	Mortality - Indian Assured Lives Mortality (2012-14) Ultimate

ix. Sensitivity Analysis					
Particulars		As at March 31, 2025		As at March 31, 2024	
		Increase	Decrease	Increase	Decrease
Gratuity					
Discount Rate (100 bps movement)		(17.03)	18.18	(16.65)	17.81
Salary escalation rate (100 bps movement)		7.74	(8.92)	11.72	(11.76)
Attrition Rate (100 bps movement)		0.41	(0.49)	0.13	(0.17)
Compensated absences				-	-
Discount Rate (100 bps movement)		(22.60)	24.53	(20.39)	22.09
Salary escalation rate (100 bps movement)		22.87	(21.47)	20.88	(19.62)
Attrition Rate (100 bps movement)		(1.41)	1.52	(0.91)	0.98
Death Relief Fund				-	-
Discount Rate (100 bps movement)		(3.28)	3.53	(2.36)	2.54
Salary escalation rate (100 bps movement)		2.59	(3.65)	2.81	(2.65)
Attrition Rate (100 bps movement)		0.84	(0.88)	0.70	(0.74)
x. Weighted average duration of defined plan obligation (based on discounted cash flows)					
Particulars		Gratuity - Defined benefit plan		Death relief fund - Defined contribution plan	
		2024-25	2023-24	2024-25	2023-24
Gratuity		5.86	5.52	6.86	5.52
xi. Description of risk exposures					
Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:					
Interest rate risk		The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).			
Liquidity risk		This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.			
Salary escalation risk		The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.			
Demographic risk		The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.			
Regulatory risk		Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability of gratuity to INR 20 lakhs).			
Investment risk		The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.			
Asset liability mismatching or market risk		The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.			

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35	Capital management				
	The 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, 2025	As At March 31, 2024		
	Total equity (Note 13 and 14)	83,147.14	85,583.58		
	Debt	149.28	149.28		
	Cash equivalents including other bank balances (Note 11 and 12)	73,430.19	64,518.36		
	Net debt	(73,280.91)	(64,369.08)		
	Total equity plus net debt	9,866.23	21,214.50		
	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, 2025 and March 31, 2024.				

36	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, 2025

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	23,243.69	(5,033.75)	18,209.95
Cash and cash equivalents	19,266.90	-	19,266.90
Other bank balance	54,163.29	-	54,163.29
Other financial assets	39,436.65	(2,322.03)	37,114.62

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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

Reconciliation of loss allowance provision - Trade Receivables and Other Financial Assets

Particulars	Trade receivables	Other financial assets
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)
Add: Allowance for the year (Net)	(330.32)	(562.76)
Reversals/ written off during the year	-	235.60
Loss allowance on March 31, 2025	(5,033.75)	(2,322.03)

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, 2025	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	149.28	-	149.28
Trade payables	26,414.08	11,834.22	-	38,248.30
Lease liabilities	604.41	575.44	-	1,179.85
Other financial liabilities	23,376.91	21,423.76	-	44,800.67
Total	50,395.39	33,833.42	-	84,228.82

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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

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, 2025	March 31, 2024
Price increase by 5% - FVOCI	150.93	179.73
Price decrease by 5% - FVOCI	(150.93)	(179.73)

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, 2025, 100% of the Group's borrowings are at fixed rate of interest. (March 31, 2024 : 100%).

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37 Financial Instruments									
Financial instruments by category									
Note No.	Particulars	As at March 31, 2025				As at March 31, 2024			
		Cost	FVTOCI	Amortized cost	Total	Cost	FVTOCI	Amortized cost	Total
Financial assets:									
6	Investments	-	3,018.54	-	3,018.54	-	3,594.67	-	3,594.67
7	Other financial assets	-	-	37,114.62	37,114.62	-	-	33,733.65	33,733.65
10	Trade receivables	-	-	18,209.95	18,209.95	-	-	25,230.78	25,230.78
11	Cash and cash equivalents	-	-	19,266.90	19,266.90	-	-	15,608.95	15,608.95
12	Other Bank Balances	-	-	54,163.29	54,163.29	-	-	48,909.41	48,909.41
	Total financial assets	-	3,018.54	128,754.75	131,773.29	-	3,594.67	123,482.79	127,077.46
Financial liabilities :									
18	Trade payables	-	-	38,248.30	38,248.30	-	-	35,136.16	35,136.16
15A	Borrowings	-	-	149.28	149.28	-	-	149.28	149.28
15B	Lease Liability	-	-	1,179.85	1,179.85	-	-	1,163.20	1,163.20
15C	Other financial liabilities	-	-	44,800.67	44,800.67	-	-	38,969.89	38,969.89
	Total financial liabilities	-	-	84,378.11	84,378.11	-	-	75,418.53	75,418.53

Fair Value disclosure for Financial Instruments

Note No.	Particulars	As at March 31, 2025		As at March 31, 2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets :					
6	Investments measured at Fair Value through OCI	3,018.54	3,018.54	3,594.67	3,594.67
	Total financial assets	3,018.54	3,018.54	3,594.67	3,594.67
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, 2025			Total	As at March 31, 2024			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	1,189.16	-	1,829.38	3,018.54	1,749.13	-	1,845.54	3,594.67

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. Manoj Kumar	Managing Director	From 03/07/2023
3	Mr. Ravishankar J	Director	Up to 10/01/2025
4	Ms. Gunjan Krishna	Director	From 28/08/2018
5	Smt. Khushboo G. Chopwdhary	Director	From 22/08/2024
6	Mr. Nitish K	Director	Up to 16/07/2024
7	Mr. Mohammed Ikramulla Shariff	Director	From 16/07/2024
8	Mr. Venkatesh Kyumar R	Director	From 10/01/2025
9	Mr. Ramesh R	Director	From 06/03/2018
10	Mr. Sateesha B C	Director	Up to 23/08/2024
11	Mr. Tejesh Sampath	Independent Director	From 25/10/2024
12	Mr. Syama Raju K	Independent Director	From 25/10/2024
13	Ms. Sridevi B N	Company Secretary	From 18/09/2013
14	Mr. Avinash K R	Chief Financial Officer	From 01/12/2023
15	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, 2025	March 31, 2024
a) With KMP & Relative of KMP			
Remuneration paid to Key management personnel (*)(#)		110.44	113.92
Contribution to Chit		29.50	7.50
Repayment of Advance by Chit Contributors		-	4.20
Expenses incurred on behalf of KMP		-	1.13
Sitting Fee paid to Directors		3.88	0.51
b) With entity having significant interest in Holding Company			
Revenue from services		24.16	56.32
c) With Associate			
Share of Profit/(Loss)		(24.76)	(5.66)

(*) 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, 2025	March 31, 2024
a) With KMP			
Advances from KMP for Chit		29.50	7.50
Advances to KMP for Chit		-	1.55
Receivable from KMP		1.14	10.53
b) With entity having significant interest in Holding Company			
Trade Receivable		25.33	9.29
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, 2025 (March 31, 2024: Rs. Nil)

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39 Contingent Liabilities and Commitments		As at March 31, 2025	As at March 31, 2024
Sr. No.	Particulars		
1	Guarantees / Counter Guarantees given by Banks on behalf of the Group	83.87	215.49
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	757.05	718.56
b	Claim made by party in the business of Iron ore Export (including interest) - Refer Note (ii) below	2,746.60	2,594.64
c	Claims made by Directorate of Pension, Small savings Asset Monitoring - Refer Note (iii) below	1,553.60	1,553.60
d	Claim against lease of windmill by Wescare (India) Limited - Refer Note (iv) below	-	123.79
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	60.04	57.18
3	Disputed Demands - Refer Note (vi) below		
	– In respect of Income Tax	2991.58	4,229.47
	– In respect of Service Tax - Refer Note (xii) below	276.12	310.73
	– In respect of TDS Defalut	12.71	-
4	GST RCM on Transportation Charges - Refer Note (vii) below	319.94	365.49
5	Interest liability on SKOL Breweries Claim - Refer Note (viii) below	635.43	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. 1009.40 lakhs (PY: Rs. 958.08 lakhs).

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An amount of Rs. 252.35 lakhs is provided in the current year (PY: Rs. 239.52 lakhs) and the balance amount of Rs 757.05 lakhs (PY: 718.56 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. 2746.60 lakhs (PY: Rs. 2,594.64 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.

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- (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 1641.00 lakhs towards interest. The Company has provided Rs. 87.40 lakhs against the said claim. The remaining amount of Rs.1,553.60 lakhs is reported under Contingent Liability. The Company has requested the Government for waiver of Interest vide our letter no. MD/253/2024-25 dated 07.11.2024.
- (iv) A claim was made by M/s Wescarfe (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 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 disposed off by the High Court of Madras against the Company. Accordingly, the Wescarfe has filed its claim with the Company amounting to Rs. 369.02 lakhs (Including Interest on Disputed liability amounting to Rs. 258.62 Lakhs Refer note no. 25) and the same is recorded as liability as on 31st March 2025. The company has deposited amount of Rs 200 Lakhs till the date of Adopting the Financial statements.
- (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. 226.90 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. 226.90 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 2025 is Rs. 319.94 lakhs (PY: 234.72 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

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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 2023-24, 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. 635.43 lakhs (PY: 308.77 lakhs) as "Contingent Liability".

Notes for Karnatak State Marketing Communication & Advertising Limited

(ix) b) The Company has preferred a Special Leave Petition before the Hon'ble Supreme Court [Civil Appeal No (s). 9320/2010] against the Order of the Hon'ble High Court of Karnataka upholding the Labour Court's decision directing the reinstatement of an erstwhile employee late Mr.H S Hanumanthaiah with 25% back wages from 23-Jul-1984. During the year the Supreme Court of India vide order dated 12-Oct-2017 has opined that there is no merit in the matter. In addition the appeal against the respondent was abated. Consequently, the appeal stands dismissed as abated. The Company sought opinion from the Advocate regarding further course of action to be taken by the Company as per the Order of the Hon'ble Supreme Court of India. The Advocate has opined that the special leave petition has been disposed of recording the fact that the respondent has died during the pendency of the appeal. If and when any claim is made on his behalf, by his legal representatives or survivors, at the stage, further opinion may be sought as to the course of action to be pursued in the matter. Till now, Company has not received any claim from his legal representatives or survivors.

(x) c) The Company had debited Business Development Cost at 8% of its turnover from Financial year 1997-98 to 2003-04 against specific Government Orders [Govt.Order No.CI29 CMI 2000[PUC]. However from 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 Goverment of Karnataka in 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

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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.

(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, 2025	As at March 31, 2024
(a) Capital commitments			
Property, Plant & Equipment		598.22	187.79
(b) Other commitments			
Commitment in respect of subscription for substituted chit		209.35	104.11

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

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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. During the year 2024-25, the company has written off the amount receivable for Rs. 66.06 lakhs from BPPI. Currently, the BPPI has changed the scheme by providing one time incentive with overall limit of Rs 5 Lakhs per outlet due to which the Company is unable to accept the actual incentive to be received for the purchases of medicine. Accordingly, the Company have recognized the Incentive based on the details shared by PMBI on cash basis.

- (iv) With respect to Chit Fund Division "Amount Recoverable from Prized Subscribers" amounting to Rs. 35833.33 lakhs classified as "Loans under Financial Assets", measured at amortized cost, carrying amount in net of Rs. 1408.91 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.
- (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-CUSTM-PRV-COM-003-20-21 dated 03 Dec 2020, demanding Rs.599.00 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 Company has submitted Bank Guarantee of Rs. 11.80 lakhs. The Company holds sand measuring 6826 Tons belonging to the Purchaser Ocean Agencies, out of the sale of 10000 MT. During the year, the company has received a claim of port outstanding dues amounting to Rs. 7622.83 lakhs plus applicable taxes from M/s Adhani Krishnapatnam Port Limited against which the company has gone for an appeal for the interim stay. Further, the Company has received approval from Government of Karnataka Vide order no. CA132 CMI 2021(e) dated 05.11.2024 for sale of Importer Sand through tender. Currently, the tender process and the negotiation with M/s Adhani Krishnapatnam Port Limited is under process.
- (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

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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. 365.24 lakhs (PY Rs. 337.32 lakhs) is due from the tenant. The Company is carrying provision of Rs. 339.47 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. 897.02 lakhs (PY Rs. 1006.93 lakhs) is due from the tenant . The Company has approved the waiver of Rental for 20 months as per the direction of the Board. The company is carrying holding provision of Rs. 859.96 lakhs against the above outstanding amount receivable. The interest on delayed payment of Rent & Consequential GST on the same is not recognised as on Date.
- (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 has been reconciled and arrived an amount of Rs. 69.76 lakhs receivable from RGUHS. In addition to the above, the Company is in the process of reconciling the amount receivable from various other tour operator and has made a provision to the extent of Rs. 200.00 lakhs towards the same. The potential effect of the same on the financial statements is not ascertainable in the absence of reconciliation statements.
- (x) Unauthorized access and fraudulent bookings in SpiceJet Airlines using MSIL Login: During the year there was an unauthorized access to the MSILs Airlines Agent Login resulting in Unauthorised Airline ticket booking to the extent of Rs. 2.87 Lakhs. The FIR for the same has been lodged and the investigation is under progress. The company has made provision against such receivable considering the recovery is uncertain.

For Karnataka State Marketing Communication & Advertising Limited

- (xi) 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 Rs39.29 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.1,34,21,091/-, forging of various official documents and so on. The misappropriated amount of Rs.1,34,21,091/- 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

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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.1,34,21,091/- . 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.94,92,019/- 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.

(xii) **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 Udyoga Mitra, the execution of work of GOK Chalet and Exhibition Stall Fabrication of Aero India 2013 for Rs.26,69,110/- 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 Udyoga Mitra raised certain objections with respect to execution of work and sought clarification for the same. The said clarifications 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.

(xiii) **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.3,89,40,000/- . The Company had released an amount of Rs. 1, 42, 85,714/- 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 2,46,54,286/-.
- (b) The court on 25.01.2023 disposed the case and ordered as follows:
 - 1)The Writ petition is allowed

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- 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.

(xiv) Regarding Appeal No. 236/2014 in the case of KSMC&A v. Mr. SM Pasha pending before the Hon’ble High Court of Karnataka

- a. 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.

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(xv) Regarding the suspension of Sri. Suresh Rathod, Branch Manager-Bidar

(a)As per the decision of Board in its 270th Meeting held on 07.12.2022, Sri Suresh Rathod, Branch Manager – Bidar was kept under suspension Vide Order No: MCA/ADMIN/MD/24/2022-23 dated:13.01.2023 on charges of misconduct under Rule 3(i), (ii), (iii) ((i) Maintain absolute integrity (ii) Maintain Devotion to duty (iii) Do nothing which is unbecoming of a Government Servant) of The Karnataka Civil Services (Misconduct) Rules 1966 and Company's Service Rules 2022. The Departmental enquiry has been concluded and the Enquiry Officer has submitted the report. Suspension of Mr. Suresh Rathod has been revoked. The report will be placed before the Board for further directions in this regard.

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 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, 2025					
Particulars	Paper	Beverages	Marketing and Advertisement	Others	Total	
Segment Revenue						
External customers						
Inter-segment	14,926.71	322,678.22	38,582.56	50,632.29	426,819.78	
Total Enterprise Revenue	14,926.71	322,678.22	38,582.56	50,632.29	426,819.78	
Segment Results						
Segment Profit before tax and finance cost	1,296.93	11,323.34	1,787.58	678.20	15,086.05	
Less: Finance Cost					(433.25)	
Less: Tax Expense					14,652.80	
Segment Assets	11,670.65	22,319.96	44,141.77	98,114.04	176,246.42	
Unallocated Assets	-	-	-	-	-	-
Total Assets	11,670.65	22,319.96	44,141.77	98,114.04	176,246.42	
Segment Liabilities	9,849.29	3,698.42	22,536.71	56,486.67	92,571.09	
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities	9,849.29	3,698.42	22,536.71	56,486.67	92,571.09	
Depreciation and amortisation expense	5.90	826.73	77.85	1,170.67	2,081.15	
Unallocated Depreciation and amortisation	-	-	-	-	-	-
Total Depreciation and amortisation	5.90	826.73	77.85	1,170.67	2,081.15	
Capital Expenditure	1.57	1,040.29	72.65	784.39	1,898.90	
Unallocated Capital Expenditure	-	-	-	-	-	-
Total Capital Expenditure	1.57	1,040.29	72.65	784.39	1,898.90	

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Particulars	Paper	Beverages	Marketing and Advertisement	Others	Total
Segment Revenue					
External customers	14,339.28	318,708.98	38,710.92	4,753.64	376,512.82
Inter-segment					-
Total Enterprise Revenue	14,339.28	318,708.98	38,710.92	4,753.64	376,512.82
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

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, 2025 and 2024.

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, 2025 and March 31, 2024, 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, 2025 and March 31, 2024, 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, 2025 (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, 2025 (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, 2025 (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, 2025 (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, 2025 except for the following: (PY: 0.64 Lakhs).

Name of the Struck off Company -

- i. ISHA Enterprises Private Kimited
- ii. Tag Enterprises Private Lumited"

Nature of Transaction: Customer

Balance Outstanding : Rs. 2.76 lakhs

Mysore Sales International Limited

CIN:U85110KA1966SGC001612

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

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.

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	337,796.08	88.68	337,884.75
	Other income	20	3,764.12	(88.68)	3,675.45

44B Interest on Other Entities

Sr No.	Name of Entities	Country of In-corporation	Activities	Proportion of Ownership of Interest	
				As At March 31, 2025	As At March 31, 2024
	Subsidiaries				
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	Food Karnataka Limited	India	Special Purpose Vehicle	50.00%	50.00%

Mysore Sales International Limited
CIN:U85110KA1966SGC001612
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 2024-25	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	76%	62,806.56	86%	8,547.39	-3%	(700.91)	85%	7,846.48	
Subsidiaries									
Karnataka State Marketing Communication & Advertising Limited	26%	21,259.32	15%	1,449.25	0%	(23.07)	15%	1,426.18	
The Mysore Chrome Tanning Company Limited	-1%	(736.10)	0%	5.10	0%	-	0%	5.10	
Associates									
Investment in Associates (Equity Method)									
Food Karnataka Limited	0%	384.30595	0%	(24.76)	0%	0	0%	(24.76)	
Adjustment arising out of consolidation									
Non Controlling Interest	0%	(35.48)							
Adjustments due to consolidation (Elimination)	-1%	(531.48)							
Total	100%	83,147.14	100%	9,976.98	100%	(723.98)	100%	9,253.01	

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	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
Associate								
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

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 12, 2025, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

M/s. Phillipos George & Co.,

Firm Regn No.: 002650S

Chartered Accountants

Sd-

Kedar Paranjape

PARTNER

Membership No : 239004

Place: Bengaluru

Date : 12.09.2025

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

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 59th Annual General Meeting of Mysore Sales International Limited, to be held on Tuesday, September 30, 2025, at 00.00 a.m. / 00.00 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

(59th Annual General Meeting of the Company to be held on November 11, 2025 at 11.30 a.m.)

Name of the Shareholder:

Regd. Folio No.:

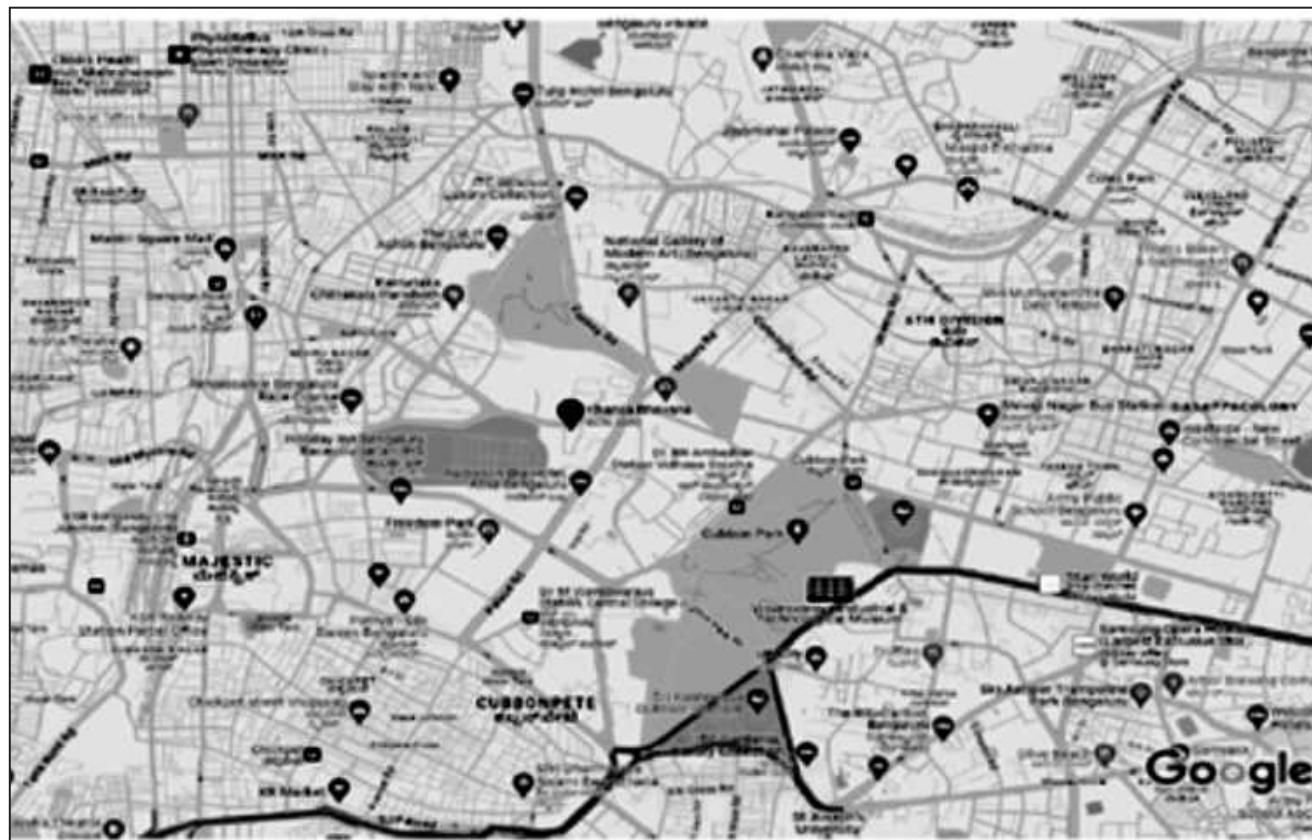
No. of Shares held:

Note: Shareholder / Proxy must hand over the duly signed attendance slip at the venue.

Signature of Shareholder / Proxy

59th Annual General Meeting of the Company to be held on November 11, 2025 at 11.30 a.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 Activities



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@msilonline.com **Website** : www.msilonline.com