

Annual Report

**SOM
DISTILLERIES & BREWERIES
ODISHA PRIVATE LIMITED**

for the year ended March-2020

**R.N. Gupta & Associates
Chartered Accountants
Bhopal**

R.N. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
66, NEW MARKET, (1st FLOOR), T.T. NAGAR, BHOPAL-462003
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INDEPENDENT AUDITOR'S REPORT

To the Members of Som Distilleries & Breweries Odisha Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its Profit/Loss, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Government of India in terms of subsection 11 of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by subsection 3 of Section 143 of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position – Refer Note 31 to the Financial Statement;
 - ii. As per the information given to us, the Company does not foresee any losses on any long-term contracts and has therefore not made any provision. We have been informed that the Company has not entered into any derivative contracts;
 - iii. As at 31.03.2020 as per its record, there were no amounts required to be transferred by the company to the Investor Education and Protection Fund.
4. With respect to the matter to be included in the Auditor's Report under section 197(16):
- As per the records of the company, no remuneration has been paid to any Director.

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

6, New Market (1st Floor),
T.T. Nagar,

Bhopal - 462 003
Dated: 27.08.2020

Sd/-
R.N. Gupta
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED

Year ended 31.03.2020

Annexure A to the Independent Auditors' Report

(Referred to in Para 1 under 'Report on other Legal and Regulatory Requirements' section of our Report of even date)

- i.
 - (a) As per the information given to us, the Company is reported to have maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) We have been informed that the fixed assets have been physically verified by the Management at the close of the financial year and no discrepancies are reported have been noticed on such verification.
 - (c) As per the records and information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information given to us the inventory has been physically verified, at reasonable intervals, during the year, by the Management and no material discrepancies are stated to have been noticed.
- iii. As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans and guarantees and security provided by it, to the extent applicable.
- v. According to the information given to us, the Company has not, accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. As per the explanations given to us, the Central Government has not specified maintenance of cost records in respect of the Company's products.
- vii. According to the records of the Company Provident Fund, Employee State Insurance, Sales Tax, State Excise duty, Value Added Tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.

According to the information given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Sales Tax, State Excise duty, Value Added Tax, cess and other statutory dues were in arrear as at March 31, 2020 for a period of more than six months from the date they became payable.

According to the information given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs & excise which have not been deposited with the appropriate authorities on account of any dispute.

- viii. As per the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of loans or borrowings to any financial institutions or bank or Government or dues to debenture holders, as applicable, as at Balance Sheet date.
- ix. According to the information and explanations given to us the moneys raised by way of term loans have been applied, on an overall basis, for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has not paid any managerial remuneration during the year.
- xii. As it is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act where applicable. The details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. Based on our examination of its records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us by the Management, the Company has not entered into any non cash transactions with its Directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 27.08.2020

Sd/-
R.N. Gupta
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED

Year ended 31.03.2020

Annexure B to Independent Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of **SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED** ("the Company"), as of March 31, 2020, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

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

Auditors' Responsibility

1. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under subsection 10 of section 143 of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the 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.
2. 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 standalone Financial Statements, whether due to fraud or error.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, despite it being a less complex Company, for more effective financial controls it needs to:

- a) formally codify the system of internal financial controls,
- b) document operations and effectively monitor controls, and
- c) more effectively segregate duties.

We have considered the matters identified and reported above and they do not affect our opinion on the Financial Statements of the Company.

For R. N. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No. 001419C

6, New Market (1st Floor),

T.T. Nagar,

Bhopal 462 003

Dated: 27.08.2020

Sd/-

R.N. Gupta

Proprietor

Membership No. 070590

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
BALANCE SHEET AS AT 31.03.2020

PARTICULARS	Note	As at 31.03.2020	As at 31.03.2019
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	733,552,432	24,955,065
(b) Capital Work-in-progress		-	491,013,171
(c) Financial Assets	4	3,688,536	3,488,536
(d) Other non current assets	5	-	24,060,166
(2) Current Assets			
(a) Inventories	6	130,070,856	44,420,212
(b) Financial Assets			
(i) Trade Receivables	7	142,054,099	22,481,565
(ii) Cash and cash equivalents	8	11,173,000	12,359,225
(iii) Loans	9	-	2,455,000
(c) Other Current Assets	10	108,995,896	105,280,691
TOTAL ASSETS		1,129,534,819	730,513,631
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	250,100,000	250,100,000
(b) Other Equity	12	22,593,431	(1,020,486)
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	60,594,006	74,247,330
(ii) Other	14	300,000	300,000
(b) Deferred Tax Liabilities	15	5,418,626	-
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables		133,954,443	30,136,887
(ii) Other Financial Liabilities	16	648,364,926	375,433,161
(b) Other Current Liabilities	17	7,583,198	1,316,740
(c) Provisions	18	626,189	-
TOTAL EQUITY AND LIABILITIES		1,129,534,819	730,513,631

As per our Report of even date

For and on Behalf of the Board

For R. N. Gupta & Associates
Chartered Accountants
Firm Registration No: 001419C

Sd/-
Deepak Arora
(Director)

Sd/-
Alok Arora
(Director)

Sd/-
R.N. Gupta
(Proprietor)
Membership No. 070590

Bhopal
Dated: 27.06.2020

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020

STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME

Particulars	Note	Year Ended 31.03.2020 (Rs.)	Year Ended 31.03.2019 (Rs.)
Revenue from operations		1,140,146,795	23,793,840
Other Income	19	6,822,223	1,969
Total Revenue		1,146,969,018	23,795,809
Expenses:			
Cost of Materials Consumed	20	317,196,110	25,044,120
Changes in Inventories of Finished Goods and Work in Progress		(55,366,626)	(20,549,295)
Excise Duties		656,055,772	14,520,240
Employees Remuneration & Benefits	21	17,687,202	1,021,138
Finance Costs	22	8,966,543	66,701
Depreciation & Amortisations		18,441,638	-
Other Expenses	23	154,936,305	4,713,392
Total Expenses		1,117,916,945	24,816,295
Profit Before Tax		29,052,073	(1,020,486)
Tax Expenses:			
Previous Year Taxes		19,530	-
Deferred Tax		5,418,626	-
Total Comprehensive Income for the year		23,613,918	(1,020,486)
Earning Per Equity Share:			
(1) Basic		0.94	(0.49)
(2) Diluted		0.94	(0.49)
Significant Accounting Policies	[2]		

As per our Report of even date

For and on Behalf of the Board

For R. N. Gupta & Associates

Chartered Accountants
Firm Registration No: 001419C

Sd/-
Deepak Arora
(Director)

Sd/-
Alok Arora
(Director)

Sd/-
R.N. Gupta
(Proprietor)
Membership No. 070590

Bhopal
Dated: 27.06.2020

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
Year ended 31.03.2020

Statement of Changes in Equity

A. Equity Share Capital

Balance as at 01.04.2019	250,100,000
Changes during the year	-
Balance as at 31.03.2020	250,100,000

B. Other Equity

Particulars	Retained Earnings	Total
Balance as at 31.03.2019	(1,020,486)	(1,020,486)
Total Comprehensive Income for the year	23,613,918	23,613,918
Balance as at 31.03.2020	22,593,431	22,593,431

As per our Report of even date
For R. N. Gupta & Associates
Chartered Accountants
Firm Registration No: 001419C

Sd/-
R.N. Gupta
(Proprietor)
Membership No. 070590

Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

Sd/-
Deepak Arora
(Director)

Sd/-
Alok Arora
(Director)

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020
Cash Flow Statement

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Cash flow from operating activities		
Profit before Tax	29,052,073	(1,020,486)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	18,441,638	-
Interest Expense	8,966,543	66,701
Operating profit before working capital changes	56,460,254	(953,785)
Movements in working capital:		
Decrease/(increase) in inventories	(85,650,644)	(44,420,212)
Decrease/(increase) in trade receivables	(119,572,534)	(22,481,565)
Decrease/(increase) in short term loans	2,455,000	(2,455,000)
Decrease/(increase) in other current assets	(3,715,205)	(105,280,691)
Increase/(decrease) in trade payables	103,817,556	30,136,887
Increase/(decrease) in other current financial liabilities	272,931,765	375,255,611
Increase/(decrease) in other current liabilities	6,266,459	1,316,740
Increase/(decrease) in short term provisions	626,189	-
Cash generated from/(used in) operations	233,618,841	231,117,984
Direct Taxes Paid (net of refunds)	(19,530)	-
Net Cash flow from/ (used in) operating activities (A)	233,599,311	231,117,984
Cash flow from Investing activities		
Purchase of fixed assets	(211,965,668)	(539,836,852)
Decrease/(increase) in other financial assets	(200,000)	(3,488,536)
Net Cash flow from/ (used in) Investing activities (B)	(212,165,668)	(543,325,388)
Cash flow from Financing activities		
Borrowings	(13,653,324)	74,247,330
Increase/(decrease) in other long term liabilities	-	300,000
Proceeds from issue of equity shares	-	250,000,000
Interest paid	(8,966,543)	(66,701)
Net Cash flow from/ (used in) Financing activities (C)	(22,619,867)	324,480,629
Net increase/(decrease) in cash and cash equivalents	(1,186,224)	12,273,225
Cash and cash equivalents at the beginning of the year	12,359,225	86,000
Cash and cash equivalents at the end of the year	11,173,000	12,359,225
Compenents of cash and cash equivalents		
Cash in hand	5,321,841	10,310,176
With Banks - in current account	4,613,119	1,898,160
With Banks - in deposit account	1,238,040	150,889
Total Cash and cash equivalents	11,173,000	12,359,225

As per our Report of even date

For and on Behalf of the Board

For R. N. Gupta & Associates
Chartered Accountants
Firm Registration No: 001419C

Sd/-
Deepak Arora
(Director)

Sd/-
Alok Arora
(Director)

Sd/-
R.N. Gupta
(Proprietor)
Membership No. 070590

Bhopal
Dated: 27.06.2020

SOM DISTILLEREIS & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020

NOTES TO THE FINANCIAL STATEMENTS

1. **COMPANY INFORMATION**

Som Distilleries and Breweries Odisha Private Limited is a private company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company has been set up for the manufacture and sale of Beer. The Company is a wholly owned subsidiary of Som Distilleries & Breweries Ltd.

2. **SIGNIFICANT ACCOUNTING POLICIES**

2.1 **Basis for preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, and the provisions of the Companies Act, 2013 ('Act') to the extent notified. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 70 days for the purpose of current/ non-current classification of assets and liabilities.

2.2 **Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ('ICAI'), the Company has assumed that recovery of State excise duty flows to the Company on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

2.3 **Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

2.4 **Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Asset class	Useful Life (in years)
<u>Building and civil work</u>	
Roads	10
Labour Quarters	15
Factory Buildings	30
Computer Hardware	3
Electrical Installation	25
Furniture and Fixtures	10
Office Equipment	5
Plant & Machinery	25
Tubwell	5
Vehicles	8

The residual values, useful lives and methods of depreciation and amortization of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 **Impairment**

Non financial assets

Tangible and Intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount of the asset (or CGU) is reduced to its recoverable amount. An important loss is recognised in the statement of profit and loss.

2.6 **Inventories**

Inventories are stated at lower of cost and net realizable value. Costs are arrived at as follows:

- (i) Raw materials, components, packing material, stores and spares on first in first out basis.
- (ii) Stock in process and finished goods taking into account the annual average cost of materials consumed, direct production expenses, interest, depreciation and related Government duties.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.7 **Foreign Currency Transactions**

The functional currency of the Company is the Indian rupee (INR). These financial statements are presented in INR.

Transactions in foreign currencies are initially recorded by the Company at their respective 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. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

2.8 **Retirement and other employee benefits**

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentives and compensated absences.

2.9 **Taxes on Income**

Current income tax

Current income tax liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

2.10 **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement, if any.

2.11 **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

2.12 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. These exchange difference are presented in finance cost to the extent which the exchange loss does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency.

2.13 **Earnings per equity share ('EPS')**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.14 **Cash and cash equivalents**

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

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

[3] Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2019	ADDITION/ (DISPOSAL) DURING 2019-20	AS AT 31.03.2020	Upto 31.03.2019	FOR THE YEAR 2019-20	Upto 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
LAND & SITE DEVELOPMENT	24,159,600	79,235,000	103,394,600	-	-	-	103,394,600	24,159,600
BUILDING & CIVIL WORKS	-	144,547,381	144,547,381	-	3,433,991	3,433,991	141,113,390	-
PLANT & MACHINERY	-	500,141,947	500,141,947	-	14,580,710	14,580,710	485,561,237	-
FURNITURE & FIXTURES	138,992	140,894	279,886	-	23,444	23,444	256,442	138,992
OFFICE EQUIPMENTS	656,473	1,533,043	2,189,516	-	317,481	317,481	1,872,035	656,473
VEHICLES	-	1,440,740	1,440,740	-	86,011	86,011	1,354,729	-
TOTAL	24,955,065	727,039,005	751,994,070	-	18,441,638	18,441,638	733,552,432	24,955,065
CAPITAL WOK IN PROGRESS	491,013,171	(491,013,171)	-	-	-	-	-	491,013,171
GRAND TOTAL							733,552,432	

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED**YEAR ENDED 31.03.2020****NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	As At 31.03.2020	As At 31.03.2019
[4] Other Financial Assets		
Security Deposits		
Security Deposit	3,688,536	3,488,536
Total	3,688,536	3,488,536
Note: All the above amounts are unsecured and considered good.		
[5] Other Non Current Assets Assets		
Preliminary Exp.	-	16,500
Preoperative Expenses	-	24,043,666
Total	-	24,060,166
[6] Inventories (as taken, valued and certified by the Management)		
Raw Materials	33,174,836	13,652,565
Stores, Consumables & Packing Materials	20,980,099	10,218,352
Stock In Process	22,074,755	12,382,381
Finished Goods	53,841,166	8,166,914
Total	130,070,856	44,420,212
[7] Trade Receivables (Unsecured, considered good)		
Outstanding for a period exceeding six months	-	-
Other Debts	142,054,099	22,481,565
Total	142,054,099	22,481,565
[8] Cash and Cash Equivalents		
Cash in hand	5,321,841	10,310,176
Balance With Scheduled Banks		
Current Accounts	4,613,119	1,898,160
Deposit Accounts	1,238,040	150,889
Total	11,173,000	12,359,225
[9] Current Loans		
Advances to Parties	-	2,455,000
Total	-	2,455,000
Note: All the above amounts are unsecured and considered good.		
[10] Other Current Assets		
Capital Advances	34,979,484	86,001,966
Staff Advances	133,896	
Prepaid Expenses	62,959,375	8,518,260
Advances to suppliers	10,923,141	10,760,465
Total	108,995,896	105,280,691

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As At 31.03.2020	As At 31.03.2019
[11] <u>Equity Share Capital</u>		
Authorized		
3,50,00,000 Equity Shares of Rs. 10 each	350,000,000	350,000,000
Issued, Subscribed and Fully Paid		
2,50,10,000 [Prev Year 2,50,10,000] Equity Shares of Rs.10 each	250,100,000	250,100,000

Terms/Rights attached to the shares

(a) The Company has only one class of Equity Shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of Shareholders holding more than 5% Shares in the Company.

Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	%	No. of Shares	%
SOM Distilleries & Breweries Ltd.	25010000	100%	25010000	100%

	As At 31.03.2020	As At 31.03.2019
[12] <u>Other Equity</u>		
Surplus - In Statement of Profit & Loss		
Balance as per last Financial Statement	(1,020,486)	
Add: Comprehensive Income during the year	23,613,918	(1,020,486)
Balance at the end of the year	22,593,431	(1,020,486)
Total Reserves & Surplus	22,593,431	(1,020,486)

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Non Current		Current Maturities	
	As At 31.03.2020	As At 31.03.2019	As At 31.03.2020	As At 31.03.2019
[13] Borrowings				
<u>Long Term Borrowings</u>				
(i) Secured Loans				
(a) PNB Term Loan	59,980,629	74,247,330	9,139,580	-
(b) Vehicle Loans	613,377	-	401,994	-
Grand Total	60,594,006	74,247,330	9,541,574	-

Notes:

- (a) PNB Term Loan is secured by way of corporate guarantee of the Holding Company and personal guarantee of Directors and a Promoter of Holding company and by Collateral Security of Company's additional land at Orissa.
- (b) Vehicle Loan is secured by hypothecation of respective vehicles.

	As At 31.03.2020	As At 31.03.2019
[14] Other Long Term Financial Liabilities		
Security Deposits (Unsecured)	300,000	300,000
Total	300,000	300,000

[15] Deferred Tax Liability (Net)	
Difference between depreciation as per books of account and the Income Tax Act 1961.	29,162,135
Others	515,424
Gross Deferred Tax Liability	29,677,559
Losses Carried Forward	24,258,933
Gross Deferred Tax Assets	24,258,933
Deferred Tax Liability (Net)	5,418,626

Notes:

- (a) Deferred tax assets and Deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities.
- (b) Deferred tax assets and Deferred tax liabilities relate to income taxes levied by the same taxation authority.

[16] Other Financial Liabilities		
Current maturities of long-term borrowing	9,541,574	-
Bank Overdrafts (Book)	1,489,531	146,777
Expenses Payable	27,096,460	960,316
Other Payables	610,237,361	374,326,069
Total	648,364,926	375,433,161

[17] Other Current Liabilities		
Advances from customers	3,660,000	-
Statutory dues payable	3,923,198	1,316,740
Total	7,583,198	1,316,740

[18] Short Term Provisions		
Employee Benefits	626,189	-
Total	626,189	-

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2020

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Year Ended 31.03.2020	Year Ended 31.03.2019
[19] <u>Other Income</u>		
Interest	28,021	1,969
Other Revenues	6,794,202	-
Total	6,822,223	1,969

[20] <u>Cost of Materials consumed</u>		
Opening Stocks	23,870,917	-
Add: Purchases	347,480,128	48,915,037
Less: Closing Stocks	54,154,935	23,870,917
Cost of Materials Consumed	317,196,110	25,044,120

[21] <u>Employee Remuneration and Benefits</u>		
Salaries, allowances and bonus	14,853,550	967,353
Employer's contribution to Provident and Other Fund	889,809	-
Staff welfare expenses	1,943,843	53,785
Total	17,687,202	1,021,138

[22] <u>Financial Costs</u>		
Interest to Bank & FIs	8,966,543	66,701
Total	8,966,543	66,701

[23] <u>Other Expenses</u>		
Power and fuel	26,747,258	2,502,921
Labour	9,877,013	685,486
Rent	541,800	41,866
<u>Repairs</u>		
Machinery	15,224,718	358,420
Others	1,863,948	-
Insurance	1,300,977	-
Rates and taxes (Other than on income)	7,828,571	92,000
Other Manufacturing Exp	3,027,123	460,668
Auditors Remuneration	2,500	2,500
Donations	31,611	50,000
Travelling & Conveyance	627,308	49,683
Legal & Professional	2,406,297	-
Sales promotion	54,572,024	-
Advertisement & Publicity	329,141	25,480
Freight outward	21,662,050	412,839
Other selling expenses	5,110,964	-
General expenses	1,612,956	31,529
Postage, Telegrams & Telephones	526,842	-
Vehicle Running & Maintenance	1,643,205	-
Total	154,936,305	4,713,392

Other Notes

24. The Company had sought but has not received information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on 31st March, 2020 are not ascertainable.

25. Imports

a) Value of Imports Calculated on CIF Basis (As certified by the Management)	2019-20	2018-19
i) Raw & Packing Materials	1,28,21,971	13,84,527
ii) Components and Spare Parts	4,79,567	-
iii) Capital Goods	-	25,21,067
b) Expenditure in Foreign Currency		
Bank Charges	26,379	27,729

26. Consumption of raw material, packing materials, stores, spares consumed. (As certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2019-20	2018-19	2019-20	2018-19
Imported				
Percentage	4.69%	5%	3.15%	-
Value (Rs)	1,48,76,718	11,53,814	4,79,567	-
Indigenous				
Percentage	95.31%	95%	96.85%	-
Value (Rs)	30,23,19,392	2,38,90,304	1,47,45,151	-
Total	100%	100%	100%	-
Total	31,71,96,110	2,50,44,118	1,52,24,718	-

27. Contingent Liabilities

	2019-20	2018-19
Guarantees given by Bankers on behalf of the company not provided for	10,64,910	1,11,690

28. The company is engaged in the business of manufacture and sale of Alcoholic beverages which constitutes a single business segment. The company's exports outside India did not exceed the threshold limits for disclosure as envisaged in Ind AS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in Ind AS – 108 are not applicable to the Company.

29. Information as per Ind AS 24: "Related Party Disclosures" is:

a) Related Party

Group Companies	Directors	Others
- Som Distilleries & Breweries Limited - Woodpecker Distilleries and Breweries Private Limited	Deepak Arora Alok Arora Navin Doshija S. Lal D.N. Singh	Som Distilleries Private Limited

b) Transactions with Related Parties

(In Rupees)

Nature of Transactions	Som Distilleries & Breweries Limited	Som Distilleries Private Limited
Purchases	8,82,173	-
Sales	40,82,400	-
Other transactions	15,02,06,023	6,02,00,248
Closing Balance	39,45,68,321 Cr	18,13,23,078 Cr
Maximum amount outstanding at any time during the year	46,77,03,704 Cr	22,17,23,077 Cr

30. Earnings per share in accordance with Ind AS 33 on "Earnings per Share" are given below:

S. No.	Particulars	2019-20	2018-19
a)	Numerator Profit/(Loss) after tax Rs.	2,36,09,262	(10,20,486)
b)	Weighted average number of equity shares Nos.	2,50,10,000	20,92,500
c)	Basic & Diluted earnings per shares (Rs.)	0.94	(0.49)
d)	Nominal value of shares (Rs.)	10/-	10/-

31. Global Health Pandemic on Covid-19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

32. The company's pending litigations pertain to claims and cases occurring in the normal course of business. The company has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial position.
33. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
34. Previous year's figures have been regrouped/restated wherever considered necessary to make them comparable to those of the current year.
35. All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.

As per our Report of even date
For R. N. Gupta & Associates
Chartered Accountants
Firm Registration No: 001419C

Sd/-
R.N. Gupta
(Proprietor)
Membership No. 070590

Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

Sd/-
Deepak Arora
(Director)

Sd/-
Alok Arora
(Director)