

20th ANNUAL REPORT

2019-20



ODISHA STATE BEVERAGES CORPORATION LIMITED

(A GOVERNMENT OF ODISHA UNDERTAKING)

**2nd FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR,
BHUBANESWAR-751023 (ODISHA), www.osbc.gov.in**

CIN: U51228OR2000SGC006372



Vision

To be recognized as an outstanding State Owned Corporation engaged in the business of distribution of alcoholic beverages in the State of Odisha.

Mission

To ensure wholesale supply and distribution of genuine brands of alcoholic beverages at competitive prices to the licensed retailers for sale to the consumers in the State of Odisha.

BOARD OF DIRECTORS



Left to Right: Shri Pramod Kumar Mohanty, OFS (SAG) (Director), Shri Santosh Kumar Bishwal (Independent Director), Shri Saroj Kumar Sethi, OAS(SAG), (Managing Director), Shri Prasanna Kumar Parida (Independent Director), Shri Parthasarathi Mishra, IAS (Director), Shri Sushil Kuamr Lohani, IAS (Chairman), Shri Anjan Kumar Manik, IAS, (Director), Shri Syama Charan Padhy (Independent Director), Shri Rupa Narayan Das, OFS(SAG) (Director)



CONTENTS

| Particulars | Page No. |
|---|----------|
| Board of Directors | 1 |
| Directors' Report | 2-22 |
| Replies of the Management on the comments of the Statutory Auditors | 23-24 |
| Replies of the Management on the comments of the Comptroller and Auditor General of India | 25-30 |
| Extract of Annual Return | 31-34 |
| CSR Report | 35-37 |
| Independent Auditors' Report | 38-50 |
| Balance Sheet | 51 |
| Statement of Profit & Loss | 52 |
| Cash Flow Statement | 53 |
| Statement of Changes in Equity | 54 |
| Notes to the Financial Statements | 55-70 |
| Significant Accounting Policies | 70-78 |
| Additional Notes to the Financial Statements | 79-92 |



BOARD OF DIRECTORS AS ON 31.03.2020

| | |
|-------------------------------------|----------------------|
| 1. Shri Sushil Kumar Lohani, IAS | Chairman |
| 2. Shri Anjan Kumar Manik, IAS | Director |
| 3. Shri Parthasarathi Mishra, IAS | Director |
| 4. Shri Rupa Narayan Das, OFS(SAG) | Director |
| 5. Shri Prasanna Kumar Parida | Independent Director |
| 6. Shri Santosh Kumar Bishwal | Independent Director |
| 7. Shri Syama Charan Padhy | Independent Director |
| 8. Shri Saroj Kumar Sethi, OAS(SAG) | Managing Director |

BOARD OF DIRECTORS AS ON 29.01.2021

| | |
|--|----------------------|
| 1. Shri Sushil Kuamr Lohani, IAS | Chairman |
| 2. Shri Anjan Kumar Manik, IAS | Director |
| 3. Shri Parthasarathi Mishra, IAS | Director |
| 4. Shri Rupa Narayan Das, OFS(SAG) | Director |
| 5. Shri Pramod Kumar Mohanty, OFS(SAG) | Director |
| 6. Shri Prasanna Kumar Parida | Independent Director |
| 7. Shri Santosh Kumar Bishwal | Independent Director |
| 8. Shri Syama Charan Padhy | Independent Director |
| 9. Shri Saroj Kumar Sethi, OAS(SAG) | Managing Director |

STATUTORY AUDITORS:

M/s. NAG & Associates,
Chartered Accountants,
C-52, Ground Floor,
Baramunda Housing Board Colony,
Bhubaneswar, Odisha – 751003.

INTERNAL AUDITORS:

M/s. JBMT & Associates
Chartered Accountants,
Bhubaneswar

COMPANY SECRETARY

M/s. Saroj Ray & Associates
N/6-215, IRC Village, Nayapalli
Bhubaneswar-751015

BANKERS:

Union Bank of India
State Bank of India
IDBI Bank Limited
Allahabad Bank
Axis Bank

REGISTERED OFFICE:

2nd Floor, Fortune Towers,
Chandrasekharapur, Bhubaneswar, Odisha – 751023.
CIN: U51228OR2000SGC006372



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting before you the 20th Annual Report of Odisha State Beverages Corporation Limited and the audited financial statements for the year ended 31st March, 2020 together with the reports of the Statutory Auditors and the Comptroller & Auditor General of India thereon.

1. FINANCIAL PERFORMANCE:

The details of financial performance are given below:

(Amount in Lakh)

| PARTICULARS | 2019-20 | 2018-19 |
|-------------------|------------|------------|
| Total Revenue | 521,210.77 | 479,490.41 |
| Total Expenses | 517,317.78 | 474,834.71 |
| Profit Before tax | 3,892.99 | 4,655.70 |
| Tax Expenses | | |
| Current Tax | 1,376.87 | 1,656.81 |
| Deferred Tax | (10.55) | (4.32) |
| Profit after Tax | 2,526.67 | 3,003.21 |

2. SUMMARY OF OPERATIONS:

The Odisha State Beverages Corporation Limited was incorporated and got its legal status under the Companies Act, 1956 on 6th November, 2000 from the Registrar of Companies, Odisha, Cuttack.

Your Corporation has been vested with the exclusive right and privilege of importing, exporting and carrying on the wholesale trade and distribution of foreign liquors, India made foreign liquors, Beers and Country liquors etc. and beverages of different brands in the State on behalf of the State Government for the whole of the State of Odisha.

During the year of operation, the Audited Financial results reveals that the total revenue was Rs. **521,210.77** Lakh and the total expenditure was Rs. **517,317.78** Lakh with the net profit after tax for the financial year at Rs. **2,526.67** Lakh.

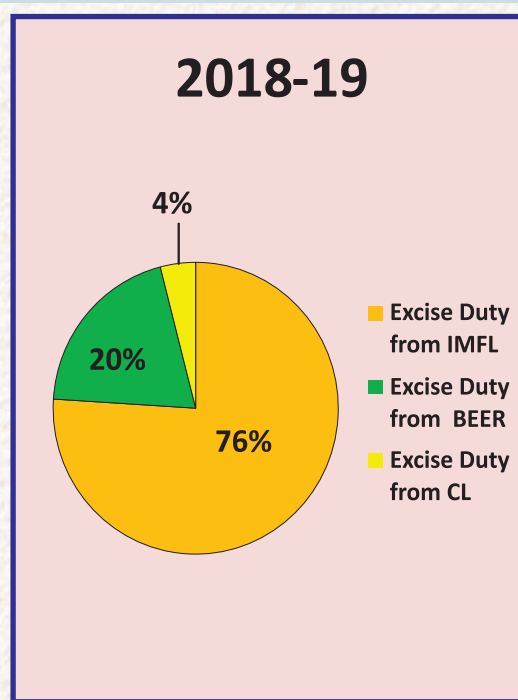
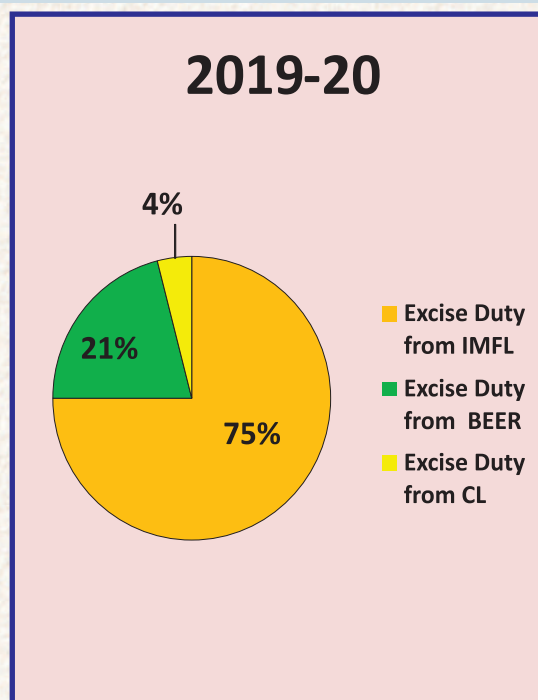
The Corporation has altogether 9 (nine) depots which are located at Angul, Balasore, Berhampur, Bolangir, Chandikhol, Khurda, Nirgundi (Cuttack), Rayagada and Sambalpur for storage and sale of IMFL/FMFL/Beer/Country liquor etc. purchased from its registered suppliers.



COMPARATIVE SALES VOLUME OF DEPOTS (Volume in Lakh Cases)

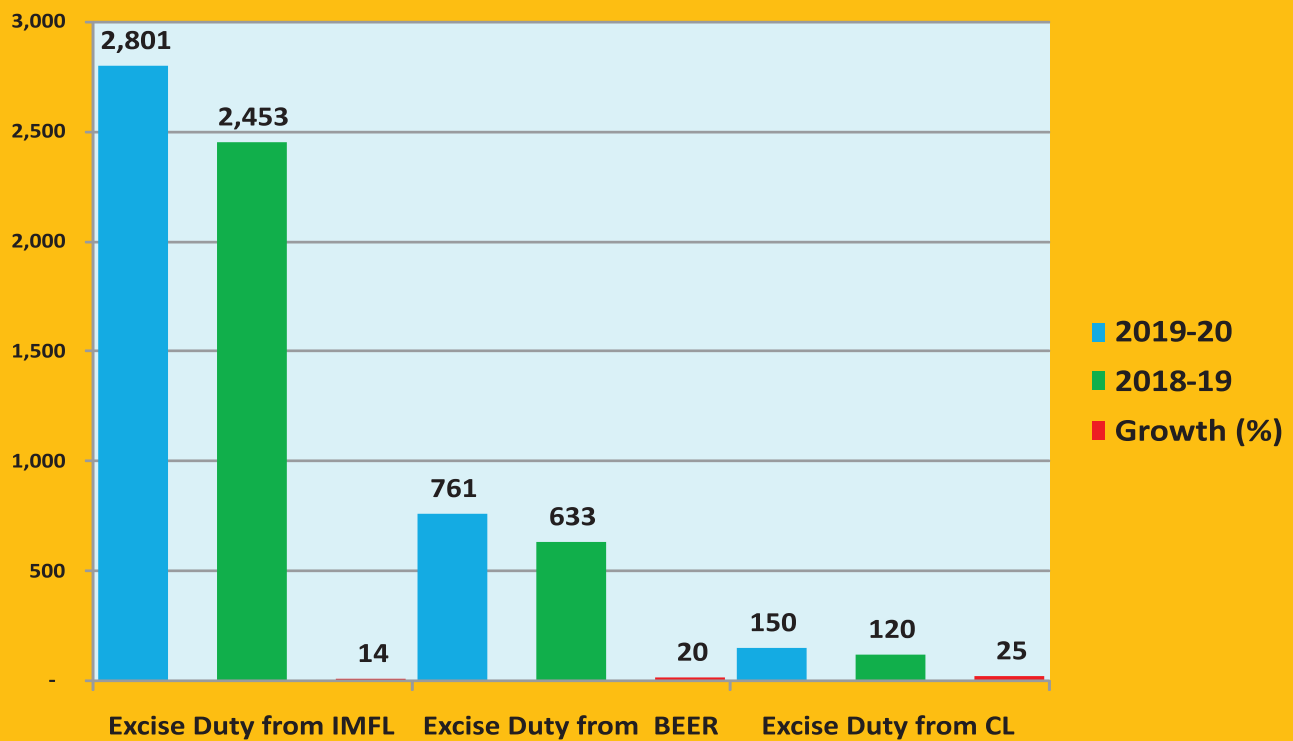
| Sl. No. | DEPOT | 2019-20 | | | | Sales Contribution (%) | 2018-19 | | | | Sales Contribution (%) |
|---------|-----------|---------|--------|-------|--------|------------------------|---------|--------|-------|--------|------------------------|
| | | IMFL | BEER | CL | TOTAL | | IMFL | BEER | CL | TOTAL | |
| 1 | Khurda | 15.44 | 20.49 | 9.82 | 45.76 | 22.30 | 15.27 | 20.18 | 11.85 | 47.29 | 23.90 |
| 2 | Cuttack | 13.82 | 15.40 | 10.41 | 39.63 | 19.64 | 13.72 | 15.69 | 12.26 | 41.67 | 19.93 |
| 3 | Balasore | 13.91 | 14.26 | 3.17 | 31.34 | 14.76 | 13.85 | 13.19 | 4.26 | 31.31 | 14.68 |
| 4 | Rayagada | 6.86 | 14.52 | | 21.38 | 9.04 | 6.74 | 12.43 | | 19.18 | 8.07 |
| 5 | Sambalpur | 10.26 | 13.80 | | 24.06 | 8.75 | 7.39 | 11.17 | | 18.56 | 10.56 |
| 6 | Angul | 6.85 | 9.02 | | 15.88 | 8.54 | 9.16 | 8.95 | | 18.11 | 7.08 |
| 7 | Berhampur | 7.77 | 10.24 | | 18.01 | 8.28 | 7.86 | 9.70 | | 17.55 | 7.63 |
| 8 | Jajpur | 4.44 | 5.13 | 2.60 | 12.18 | 5.68 | 4.19 | 4.66 | 3.20 | 12.05 | 6.29 |
| 9 | Bolangir | 1.67 | 4.27 | | 5.94 | 3.01 | 2.28 | 4.11 | | 6.39 | 1.86 |
| TOTAL | | 81.04 | 107.13 | 26.00 | 214.17 | 100.00 | 80.47 | 100.09 | 31.57 | 212.12 | 100.00 |

EXCISE DUTY – Segment Wise Contribution (in %)

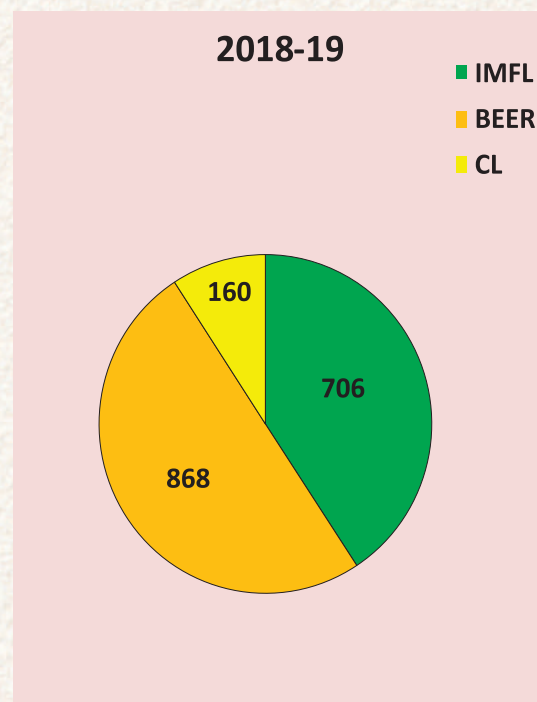
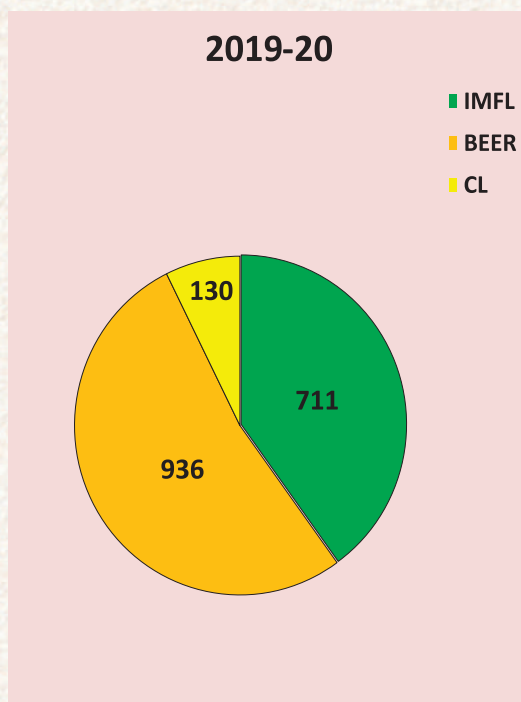




COMPARATIVE STATUS OF EXCISE DUTY CONTRIBUTION (value in Cr.)

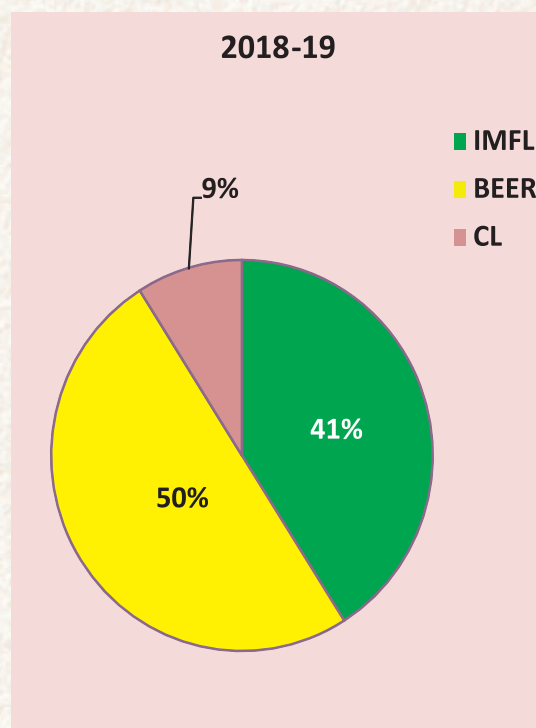
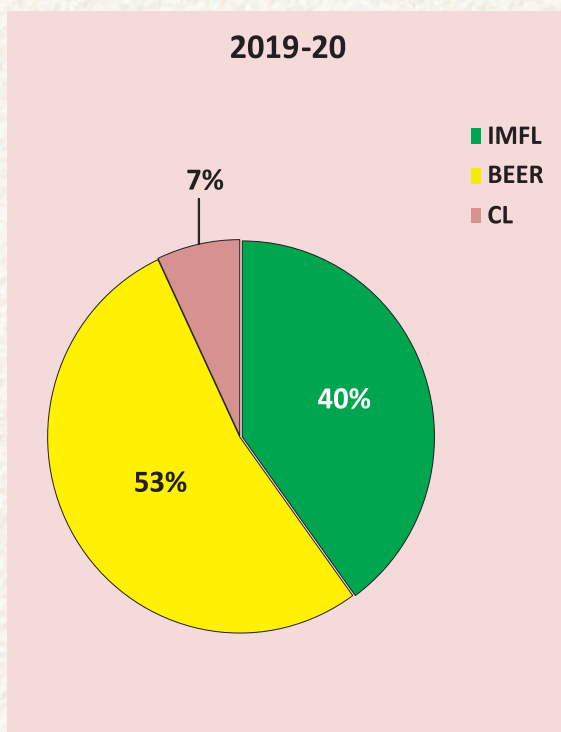


SALES VOLUME OF IMFL/BEER/CL (in lakh litre)

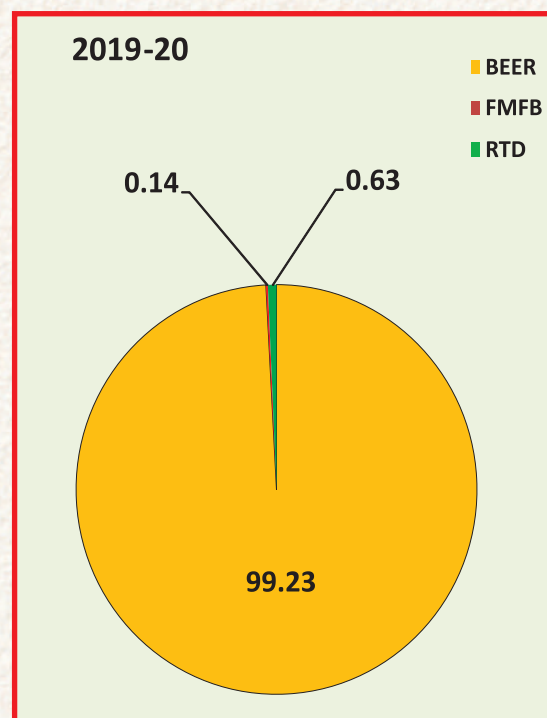
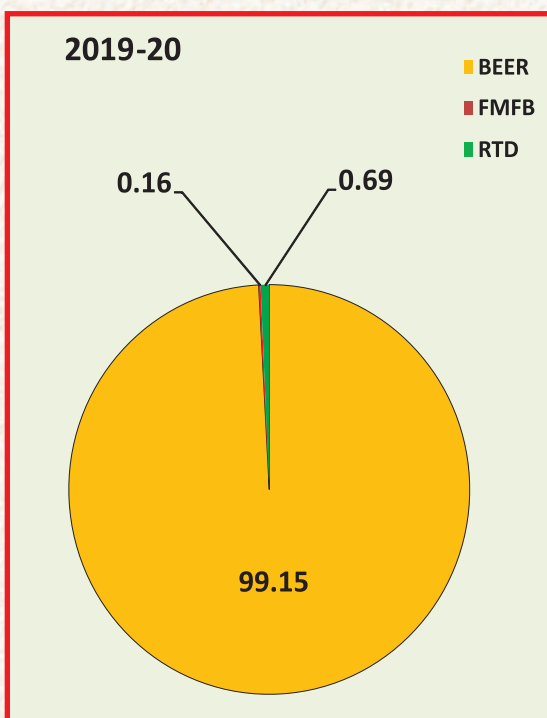




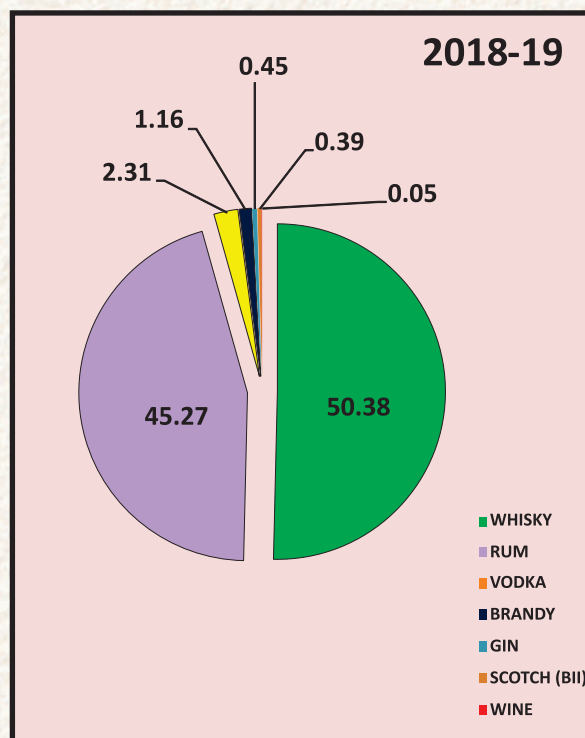
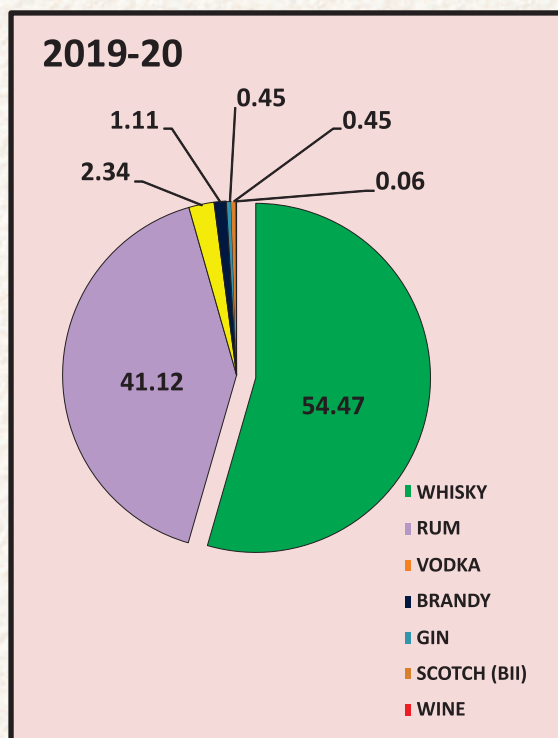
MARKET SHARE OF IMFL/BEER/CL (in %)



SEGMENT WISE MARKET SHARE – BEER (in %)



Segment wise MARKET SHARE – IMFL (in %)

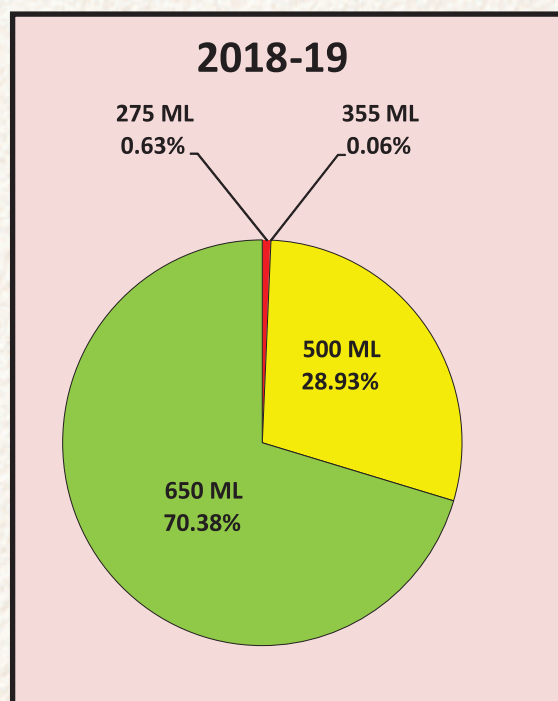
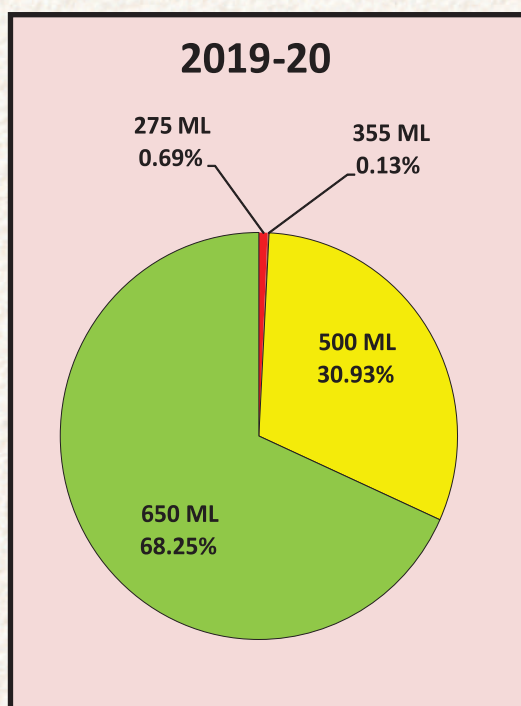


Comparative Sales volume - FMFL Brands

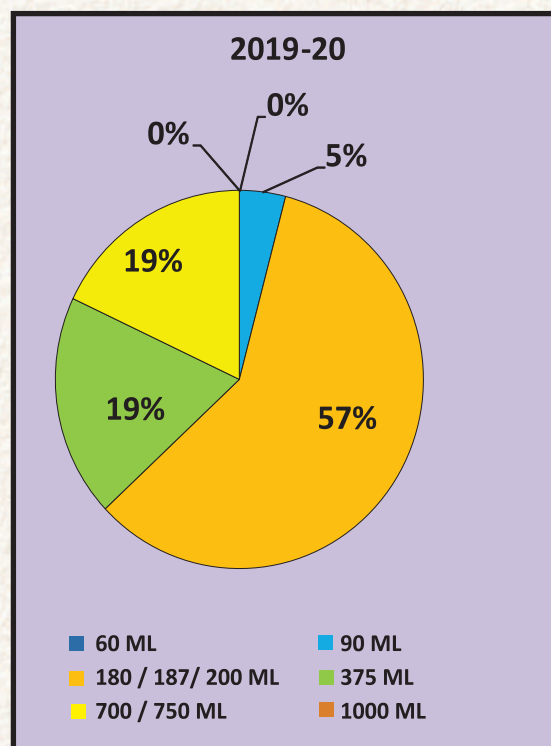
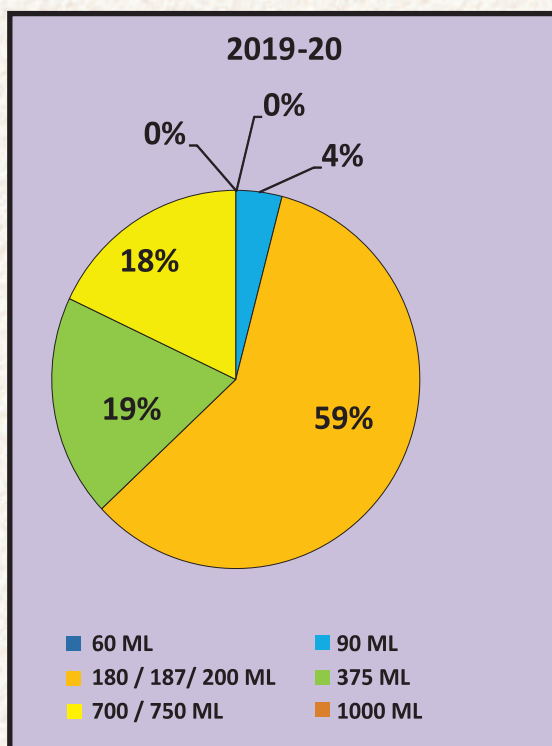
| Category | FMFL (Volume in Cases) | | | FMFL (Volume in BL) | | |
|--------------|------------------------|--------------|-------------|---------------------|---------------|--------------|
| | 2019-20 | 2018-19 | Growth (%) | 2019-20 | 2018-19 | Growth (%) |
| FMFL | 9481 | 8232 | 15.17 | 80752 | 70380 | 14.74 |
| FMFW | 1898 | 1527 | 24.30 | 16558 | 13424 | 23.35 |
| FMFB | 16054 | 15541 | 3.30 | 151697 | 123345 | 22.99 |
| TOTAL | 27433 | 25300 | 8.43 | 249007 | 207149 | 20.21 |



SKU WISE MARKET SHARE – BEER (in %)

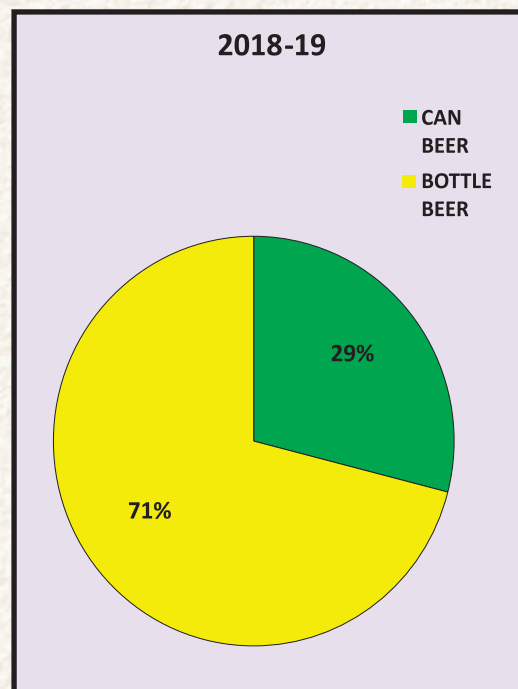
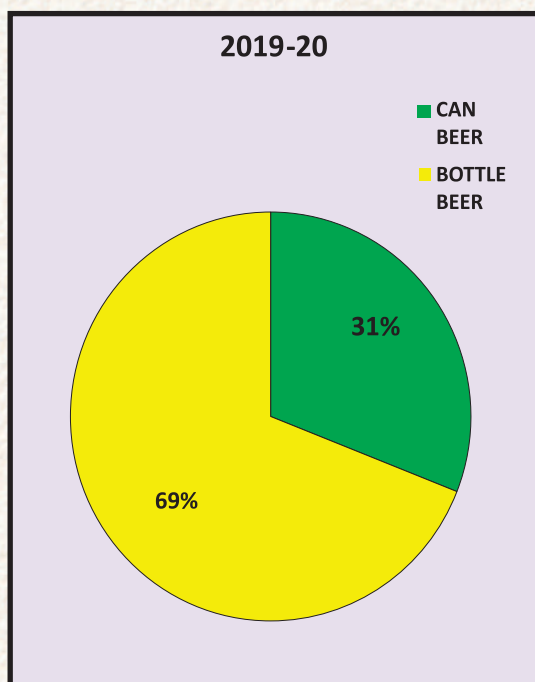


SKU WISE MARKET SHARE - IMFL

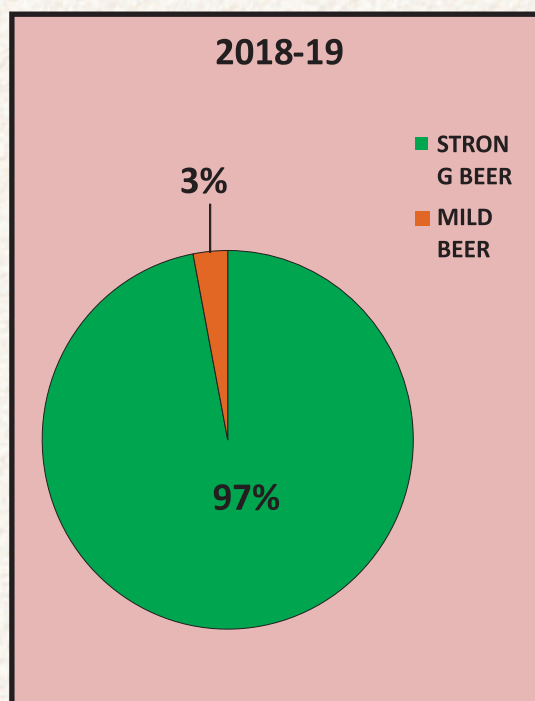
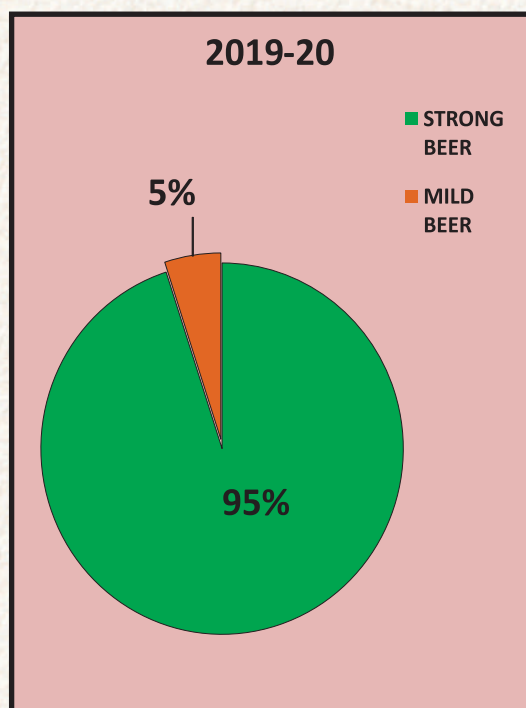




MARKET SHARE OF CAN BEER & BOTTLE BEER (in %)



MARKET SHARE OF STRONG & MILD BEER (in %)





EXPORT OF BEER & IMFL TO OUTSIDE THE STATE

EXPORT OF BEER TO OUTSIDE THE STATE OF ODISHA

| Sl. No. | Supplier Name | BEER (Volume in Cases) | | | BEER (Volume in BL) | | | Processing Fee Received by OSBC (in Lacs) | | Growth (%) |
|---------|---|------------------------|---------------|-------------|---------------------|----------------|---------------|---|--------------|--------------|
| | | 2019-20 | 2018-19 | Growth (%) | 2019-20 | 2018-19 | Growth (%) | 2019-20 | 2018-19 | |
| 1 | M/s United Breweries Ltd. | 318731 | 507148 | -37.15 | 3563847 | 6085776 | -41.44 | 36.81 | 61.88 | -40.51 |
| 2 | M/s Denzong Breweries Pvt. Ltd. | 12000 | 56400 | -78.72 | 93600 | 439920 | -78.72 | 0.64 | 3.16 | -79.75 |
| 3 | M/s Som Distilleries & Breweries Odisha Pvt. Ltd. | 234200 | 0 | 100.00 | 1826760 | 0 | 100.00 | 21.62 | 0.00 | 100.00 |
| 4 | M/s Maikal Breweries | 25200 | 0 | 100.00 | 196560 | 0 | 100.00 | 2.21 | 0.00 | 100.00 |
| 5 | M/s Agnes Beverages LLP | 1600 | 0 | 100.00 | 12480 | 0 | 100.00 | 0.12 | 0.00 | 100.00 |
| 6 | M/s Kanoe Impex India Pvt. Ltd. | 0 | 4000 | -100.00 | 0 | 31220 | -100.00 | 0.00 | 0.28 | -100.00 |
| | TOTAL | 591731 | 563548 | 5.00 | 5693247 | 6556916 | -13.17 | 61.40 | 65.32 | -6.00 |

EXPORT OF IMFL TO OUTSIDE THE STATE OF ODISHA

| Sl. No. | Supplier Name | IMFL (Volume in Cases) | | | IMFL (Volume in LPL) | | | Processing Fee Received by OSBC (in Lacs) | | Growth (%) |
|---------|-------------------------------------|------------------------|--------------|--------------|----------------------|---------------|--------------|---|--------------|---------------|
| | | 2019-20 | 2018-19 | Growth (%) | 2019-20 | 2018-19 | Growth (%) | 2019-20 | 2018-19 | |
| 1 | M/s Bacardi India Pvt. Ltd. | 94650 | 54750 | 72.88 | 680967 | 364410 | 86.87 | 30.02 | 14.92 | 101.21 |
| 2 | M/s STSP Spirits Ltd. | 4179 | 0 | 100.00 | 28208 | 0 | 100.00 | 1.45 | 0.00 | 100.00 |
| 3 | M/s Kaya Blenders & Distillers Ltd. | 0 | 2044 | -100.00 | 0 | 13741 | -100.00 | 0.00 | 0.66 | 400.00 |
| | TOTAL | 98829 | 56794 | 74.01 | 709175 | 378150 | 87.54 | 31.47 | 15.58 | 101.99 |



3. DIVIDEND AND APPROPRIATIONS:

Annual Dividend of 30% of the profit after tax amounting to Rs. 7,58,01,325.84/-has been paid to Govt. of Odisha.

4. OTHER EQUITY:

Profit After Tax of Rs.2,526.67 Lakh for the Financial Year 2019-20 has been transferred to other equity.

5. AWARDS AND RECOGNITION:

During the Financial Year your Corporation has not received any awards and recognition.

6. BUSINESS REVIEW / STATE OF THE CORPORATION'S AFFAIRS:

Your Directors, by extending a warm welcome to all the stakeholders, feel honoured to place a brief account of positive achievements of your Corporation before you. Your Directors on behalf of the Corporation were interested not only in increasing the earnings of the Corporation but also in providing qualitative services to its customers and society and continuing their efforts for achieving both the objectives of protecting the interest of the shareholders as well as its customers and society as a whole.

i. Changes in the nature of the Business:

During the year under review, there were no changes in nature of business of the Corporation.

ii. Material changes and Commitments affecting the Financial Position of the Corporation:

There are no material changes and commitments affecting the financial position of the Corporation, from the date of the Balance Sheet till the date of the Board's Report.

7. COMPUTERISATION INITIATIVE OF OSBC:

OSBC computerization project was started in early 2014 in order to automate the work flow related to goods procurement and distribution at the depot level. The project was planned in three phases as below:

Phase 1: Automate all activities related to in-bound process, i.e. movement of goods from bottling unit to depot.

Phase 2: Automate all activities related to out-bound process, i.e. movement of goods from depot to retailers.

Phase 3: Payment integration & management reporting



Implementation of Inbound Process (Phase 1):-

Phase 1 has been launched successfully and running since 6th July 2015. Following modules have been completed as part of Phase – 1

- Launch of website osbc.gov.in. This website gives all the necessary information related to the corporation along with a login page for stakeholders
- Indent application to permit generation process is made online.
- Generation of dispatch note, gate entry registration and daily receipt note is also made online.
- Real-time tracking of goods in transit from bottling unit to depot.
- e-wallet system in respect of excise duty, import fee and pass fee.

Below are the critical re-engineered areas in the inbound process

- i. Movement and approval of Indents was done manually from Supplier -> OSBC -> Excise Spdt. The process usually used to take 2-3 days. With the current system developed, it is just a matter of 2-3 hours till Indent approval process is completed. The Permit Process as a whole which used to take about 4-5 days is now a one day affair.
- ii. Calculation of Excise Duty, Taxes, Other fees etc. is taken care by the system. Moreover, the majority fields in the Permit Pass are populated by system, thereby minimizing human effort and error.
- iii. The dispatch records (filled by supplier at the time of dispatch of consignment from source), which used to be kept in hard copies previously, are now captured in the system and tracked as and when required.
- iv. Permits at the Depot gate need not be manually verified in order to know its validity. Expired Permits are automatically filtered by the system for revalidation. Revalidation process, which usually takes 5-10 days, is now a matter of couple of days.

Implementation of Outbound Process (Phase 2):-

- a. Automation of the out-bound process, i.e. sale of goods to retailers at the depot is being run on a test basis along with the offline system at all the depots since August, 2017-18. The process includes selling of stocks to the licensed retailers at the depot by providing them system generated Sales Order, Invoice and Gate Pass.
- b. Automation of the outbound process also has come up with getting the real time stock position of the depot.
- c. The system generates reports (both real time data and historical data) on day to day transaction at the depot.
- d. The system also generates reports on various taxes, duties etc. arising from the transactions.

Payment integration & management reporting (Phase 3):-

- i. The online application has been integrated with e-Payment system of the payment gateways provided by State Bank of India and Allahabad Bank till the financial year 2017-18. The application has been integrated with one more payment gateway i.e. with Axis Bank for the end users to transfer money to OSBC using Net Banking.
- ii. The e-Payment system facilitates the licensed retailers to transfer money to OSBC through payment gateway using the Net Banking facility from their respective bank accounts. Upon successful transaction, the retailer's wallet maintained in the OSBC online application is automatically refilled.
- iii. The MIS reports from the OSBC online application provides some important real time information regarding the stock position at the depot, sales data from the depot, wallet balance in OSBC, wallet with Excise, Supplier wise Wallet balance, Retailer wise wallet balance, Retailer's purchase history and lifting details in LPL and BL, Supplier payment report etc. among other essential reports.

Implementation of Online module for generation of Online Purchase Order by the Retailers:

Introduction of IT enabled system has substantially changed the growth of business in terms of volume and value of OSBCL. Technology enabled business transaction has not only brought transparency or transforming changes in business operations but also it has saved time and reduced the manual work load of traditional method. In order to make the business operation more online friendly, OSBCL has developed and introduced some applications and Online Retailer module is one of those.

To regulate the crowd at the Depot and to adhere to the norms and guidelines of the Covid-19 pandemic, the online Retailer module has been developed and modified to facilitate the Retailers to generate the Online Tokens and Purchase Orders at their end. After generating the online Purchase Order, the Retailers or their representatives will come to the depot only for loading and generating the invoice. Accordingly, OSBCL in association with NIC, BBSR has imparted an orientation training to the BMs, AMs and DEOs on the usage of the said module.

Implementation of Process related to the Issue of online NOC for export of IMFL/Beer:

In order to automate the process of issue of NOC to the Suppliers for Export of IMFL/Beer to other States, a new module has been developed and implemented in the OSBCL application which facilitates the online processing of applications and approval of the application. The online process has reduced the processing time of issue of NOC to the Suppliers for Export of IMFL/Beer to other States.

Online Module for Home Delivery of Liquor:

As per the decision taken by the Govt., during the outbreak of the Corona Virus in the State and subsequent closure of all the FL Off/On shops, it was decided to develop and implement an online platform in the OSBCL portal which will facilitate the home delivery



of IMFL (including FMFL and Wine) / Beer (including RTD) from the licensed FL Off/On Shops of the State to the consumers.

So, an online module was developed and implemented in the OSBCL application which helped in receiving online applications from the consumers, processing of the same for home delivery of IMFL (including FMFL and Wine) / Beer (including RTD) and generating online invoices related to the home delivery of IMFL (including FMFL and Wine) / Beer (including RTD).

8. EXTERNAL RISK FACTORS TO THE CORPORATION:

Liquor industry is a high risk industry, primarily on account of high taxes and innumerable regulations governing it. Taxation of alcoholic beverages should be viewed in the context of establishing a balance between economic, ethical, political and social considerations. Consumption of alcoholic beverages has considerable adverse effects on health, affecting the long term productivity of the consuming individuals as well as the society. Complete prohibition can be seen as a step to curb these evil effects of liquor. But “complete prohibition” would also mean the purpose for which OSBC was created, would no longer exist.

If the enforcement related activities of State Excise is not up to the mark, there are high chances of non-duty paid items making their way into the market. This would heavily impact the volume of sales through OSBC and the Excise revenue.

OSBC is committed to work along with the State Excise to create a win-win business environment for all stakeholders in an effort to minimize the above risks.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND CORPORATION'S OPERATIONS IN FUTURE:

No significant and material orders have been passed during the year under review by the regulators or courts or tribunals impacting the going concern status and Corporation's operation in future.

10. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Corporation has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditor reports all time place before the Audit Committee. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control system in the Corporation, its compliance with operating systems, accounting procedures and policies of the Corporation. Based on the report of internal audit, corrective actions are undertaken in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**11. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis comprising an overview of the financial results, operations/performance and the future prospects of the Corporation form part of this Annual Report.

12. INDUSTRIES SCENARIO:

The Odisha State Beverages Corporation Ltd. was incorporated under the Companies Act 1956 on 6th November 2000, with the Registrar of Companies, Odisha, Cuttack, after the abolition of under-bond system of distribution and sale of IMFL and Beer throughout the State of Odisha. This system was introduced by legislation Under Section 20.A of Bihar and Orissa Excise Act giving exclusive right and privilege of Importing/Exporting and carrying out the wholesale trade and distribution of Foreign Liquor and Country Liquor in the State on behalf of State Government for the whole of the State of Odisha. Accordingly, no other person shall be entitled to any privilege or license for this in the whole or any part of the State. So, the business operation of the Corporation will depend upon the Excise Policy of Government of Odisha.

13. BUSINESS OUTLOOK:

In IMFL, FMFL and BEER, the demand in India is on a rising trend due to rising urbanization, favorable demographics of the Country and change in social outlook and lingering demand towards consumption of liquor.

OSBCL's efforts are driven by calculated business expansion programme, with specific weightage on the demographic profile of public in large. This, coupled with past business experiences and analytical approaches which has till now enabled your Corporation in achieving positive results in the past and now expect to have a continuity of the same in future, with strong belief to be in an iconic and lucrative presence in this historic State of Odisha.

Corporation has signed MoU with followings Government agencies for construction of OSBCL own depot and ancillary buildings which will be completed during the year 2020-21 & 2021-2022.

| Sl No. | Name of the Depot | Construction Agency |
|--------|-------------------|---|
| 1 | Angul | National Projects Construction Corporation (NPCC) |
| 2 | Khurda | Bridge & Roof Co(India) Ltd. |
| 3 | Sonepur | National Buildings Constructions Corporation Ltd. |
| 4 | Rayagada | Chief Engineer (Buildings), Bhubaneswar |
| 5 | Berhampur | IDCO |
| 6 | Jajpur | Police Housing & Welfare Corporation Ltd. |



14. STATUTORY AUDITORS:

M/s.Nag & Associates, Chartered Accountants, Bhubaneswar has been appointed as Statutory Auditors of the Corporation for the Financial Year 2019-20 by Comptroller and Auditor General of India vide C&AG Letter No.CA. V/COY/ODISHA,ORBEVR(1)/894 dated 14.08.2019.

15. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION MADE BY THE AUDITORS:

The comments of Management on the observations of Statutory Auditor and C&AG of India, on financial statements of OSBCL for the FY 2019-20 as per the provisions of section 134(3) of the Companies Act, 2013 are enclosed at **Annexure 1 & 2** respectively.

16. DEPOSITS:

Your Corporation has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

17. SHARE CAPITAL

During the year, no allotment of shares has been made by the Corporation.

As on 31st March, 2019 the Authorized Share Capital of your Corporation remains at Rs. 5,00,00,000/- (Rupees Five Crore Only) comprising 50,00,000 (Fifty Lacs) Equity Share of Rs. 10/- each and the issued, subscribed and paid up capital of your Corporation stood at Rs. 1,00,00,000/- (Rupees One Crore Only) comprising 10,00,000 (Ten Lacs) Equity Share of Rs. 10/- each. Government of Odisha and its nominees hold the entire equity share capital of the Corporation.

18. EXTRACT OF THE ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure- 3** to this Report.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Corporation has been taking initiatives under Corporate Social Responsibility (CSR) for society as prescribed under the Companies Act and has a well defined Policy on CSR as per the requirement of Section 135 of the Companies Act, 2013 which cover the activities as prescribed under Schedule VII of the Companies Act, 2013. The Corporation has in-house department which is exclusively working towards that objective.

During the year under review, your Corporation has carried out activities primarily related to Creating awareness regarding de-addiction, Health Care, Social Development & Skill Building, Protection of National Heritage, Art and Culture & Promotion of Education etc.

The Corporation has spent a sum of Rs. 32.00 lakh for CSR activity during the year 2019-20 against the CSR obligation of Rs. 73.43 lakh. CSR report, pursuant to clause (O) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules 2014 forms part of the Boards Report as **Annexure-4**.

20. MEASURES TAKEN FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

In terms of the requirement of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the particulars with respect to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" are given as under:

Conservation of Energy:-

- a) Corporation ensures that the operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction of energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Corporation does not fall under the list of industries, which should furnish this information in prescribed form, the question of furnishing the same does not arise.

Technology Absorption:-

Keeping the tremendous growth and enormous work load in day to day business, operational, administrative and promotional activities in view, your corporation has judiciously adopted, with the unanimous approval of the Board of Directors, a software to streamline the work system developed by NIC for its exclusive right to use including its investment in close circuit cameras that are installed and utilized in all the Depots of the corporation for day to day video footage.

Foreign Exchange Earnings & Outgo:-

During the period under review there was no foreign exchange earnings or out flow.

21. BOARD'S COMPOSITION, CATEGORY OF DIRECTORS AND THEIR MEETINGS:

The Board is collectively responsible for the sustainable success of the Corporation under the leadership of Chairman. The Corporation's Board has a proper combination of Executive, Non-Executive and Independent Directors and reflects diversity in terms of disciplines, professions, social groups and stakeholder interest.



The strength of the Board as on March 31, 2020 is eight (8) directors. They are as follows:

- | | | |
|----|--|----------------------|
| 1. | Shri Sushil Kumar Lohani, IAS, Principal Secretary to Govt. of Odisha, Excise Department. | Chairman |
| 2. | Shri Anjan Kumar Manik, IAS, Excise Commissioner, Odisha. | Director |
| 3. | Shri Parthasarathi Mishra, IAS, Additional Secretary to Govt., P. E. Department. | Director |
| 4. | Shri Rupa Narayan Das, OFS (SAG), Additional Secretary to Govt. of Odisha, Finance Department. | Director |
| 5. | Shri Prasanna Kumar Parida | Independent Director |
| 6. | Shri Santosh Kumar Bishwal | Independent Director |
| 7. | Shri Syama Charan Padhy | Independent Director |
| 8. | Shri Saroj Kumar Sethi, OAS (SAG) | Managing Director |

Changes in the Board during the period April 01, 2019 to March 31, 2020:-

During the year under review, following changes took place in the composition of Board of Directors of the Corporation:

| Sl. No. | Name of Director | Designation | Appointment | Cessation |
|---------|--------------------------------------|------------------|-------------|------------|
| 1 | Shri Bisweswar Mishra, OFS (SAG) | Nominee Director | - | 31.01.2020 |
| 2 | Shri Akshaya Kumar Sethi, (OAS), SAG | Nominee Director | - | 07.01.2020 |
| 3 | Shri Parthasarathi Mishra, IAS | Nominee Director | 07.01.2020 | |
| 4 | Shri Rupa Narayan Das, OFS (SAG) | Nominee Director | 26.09.2019 | - |
| 5 | Shri Anjan Kumar Manik, IAS | Nominee Director | 26.09.2019 | - |

**Number of meetings of the Board of Directors:-**

During the Financial Year 2019-20, four (4) number of Board meetings were held, details of which are given below

| Date of meetings | Serial No. of Meeting | Attendance of Directors | |
|----------------------------------|-----------------------|-------------------------|--------|
| | | Present | Absent |
| 12 th June, 2019 | 80 th | 5 | 2 |
| 27 th September, 2019 | 81 st | 9 | 0 |
| 27 th November, 2019 | 82 nd | 9 | 0 |
| 20 th March, 2020 | 83 rd | 8 | 0 |

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

Details of attendance of each Director during the period April 01, 2019 to March 31, 2020:-

| Name of Directors | Meetings Attended | Meetings Remained Absent |
|-------------------------------------|-------------------|--------------------------|
| Shri Sushil Kumar Lohani, IAS | 4 | 0 |
| Shri Bisweswar Miahra, OFS (SAG) | 2 | 1 |
| Shri Akshaya Kumar Sethi, OAS (SAG) | 3 | 0 |
| Shri Prasanna Kumar Parida | 4 | 0 |
| Shri Santosh Kumar Bishwal | 4 | 0 |
| Shri Syama Charan Padhy | 4 | 0 |
| Shri Anjan Kumar Manik, IAS | 3 | 0 |
| Shri Rupanarayan Das, OFS (SAG) | 3 | 0 |
| Shri Parthasarathi Mishra, IAS | 1 | 0 |
| Shri Saroj Kumar Sethi, OAS(SAG) | 4 | 0 |

22. COMMITTEES OF THE BOARD:

The details of composition of the Committees of the Board of Directors are as under:-

Audit Committee:-

The Corporation has constituted an Audit Committee in compliance with the provisions of Corporate Governance Manual of P.E. Department, Government of Odisha and also follows the provisions of the Companies Act, 2013. The composition of Audit Committee as on 31.03.2020 was as follows:

1. Shri Rupanarayan Das, OFS(SAG), Additional Secretary to Government, Finance Department and Director OSBC Ltd, Chairman of the Committee.
2. Shri Anjan Kumar Manik, IAS, Excise Commissioner, Odisha and Director OSBC Ltd.
3. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.
4. Shri Santosh Kumar Bishwal, Independent Director, OSBC Ltd.
5. Shri Bisweswar Mishra, OFS(SAG), Additional Commissioner, Commercial Taxes & GST, Bhubaneswar and Director, OSBC Ltd.



| Date of meetings | Serial No. of Meeting | Attendance of Members | |
|---------------------------------|-----------------------|-----------------------|--------|
| | | Present | Absent |
| 1 st June, 2019 | 37 th | 3 | 0 |
| 31 st August, 2019 | 38 th | 2 | 1 |
| 21 st October, 2019 | 39 th | 3 | 0 |
| 18 th November, 2019 | 40 th | 3 | 0 |
| 9 th January, 2020 | 41 st | 3 | 2 |
| 6 th March, 2020 | 42 nd | 2 | 2 |

CSR Committee:-

The Corporation has constituted a CSR Committee under section 135(1) of the Companies Act, 2013. The composition of CSR Committee as on 31.03.2020 was as follows:

1. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd, Chairman of the Committee.
2. Shri Syama Charan Padhy, Independent Director, OSBC Ltd.
3. Shri Saroj Kumar Sethi, OAS(SAG), Managing Director, OSBC Ltd.

| Date of meetings | Serial No. of Meeting | Attendance of Members | |
|----------------------------------|-----------------------|-----------------------|--------|
| | | Present | Absent |
| 16 th September, 2019 | 20 th | 3 | 0 |
| 12 th March, 2020 | 21 st | 3 | 0 |

HR Committee:-

The Corporation has constituted H R Committee in compliance to the provisions of Corporate Governance Manual of P.E. Department, Government of Odisha. The composition of HR Committee as on 31.03.2020 was as follows:

1. Shri Syama Charan Padhy, Independent Director, OSBC Ltd., Chairman of the Committee.
2. *Shri Parthasarathi Mishra, IAS, Additional Secretary to Govt., P.E. Department and Director, OSBC Ltd.
3. *Shri Akshaya Kumar Sethi, OAS (SAG), Additional Secretary to Govt., P.E. Department and Director, OSBC Ltd.
4. Shri Saroj Kumar Sethi, OAS(SAG), Managing Director, OSBC Ltd.
5. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.

*Shri Parthasarathi Mishra, IAS nominated as member of this Committee in place of Shri Akshaya Kumar Sethi, OAS(SAG) w.e.f. 20th March, 2020.



| Date of meetings | Serial No. of Meeting | Attendance of Members | |
|----------------------------------|-----------------------|-----------------------|--------|
| | | Present | Absent |
| 20 th September, 2019 | 17 th | 3 | 1 |
| 18 th November, 2019 | 18 th | 3 | 1 |
| 12 th March, 2020 | 19 th | 4 | 0 |
| 18 th March, 2020 | 20 th | 3 | 1 |

Operation Committee:-

The Corporation has constituted Operation Committee to study the operation related issues of the Corporation. The composition of Operation Committee as on 31.03.2020 was as follows:

1. Shri Santosh Kumar Bishwal, Independent Director, OSBC Ltd. - Chairman
2. * Shri Anjan Kumar Manik, IAS, Excise Commissioner, Odisha and Director, OSBC Ltd.
3. * Shri Bisweswar Mishra, OFS (SAG), Addl. Commissioner, Commercial Taxes & GST and Director, OSBC Ltd.
4. Shri Saroj Kumar Sethi, OAS(SAG) Managing Director, OSBC Ltd.

* Shri Anjan Kumar Manik, IAS nominated as member of this Committee w.e.f. 27th November, 2019.

* Shri Bisweswar Mishra, OFS(SAG) ceased to be a member of this Committee on 31st January, 2020 on his attaining the age of superannuation.

| Date of meetings | Sl No. of Meeting | Attendance of Members | |
|----------------------------------|-------------------|-----------------------|--------|
| | | Present | Absent |
| 9 th May, 2019 | 8 th | 3 | 0 |
| 1 st June, 2019 | 9 th | 3 | 0 |
| 23 rd September, 2019 | 10 th | 3 | 1 |
| 28 th October, 2019 | 11 th | 3 | 1 |
| 18 th January, 2020 | 12 th | 2 | 2 |
| 3 rd February, 2020 | 13 th | 2 | 1 |

23. DECLARATION BY AN INDEPENDENT DIRECTOR:

In terms with section 149(7) of the Companies Act, 2013, the Independent Directors of the Corporation have submitted a declaration that they meet the criteria of Independence as provided in section 149(6).

24. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

As per provisions of Section 177(9) of the Companies Act, 2013 and rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, establishment of vigil mechanism for directors and employees is not compulsory for OSBC Ltd.



25. PARTICULARS OF EMPLOYEES:

Furnishing of particulars of employees as required in terms of the provisions of Section 197 of the Companies Act, 2013, read with the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was not applicable to OSBC Ltd.

26. CORPORATE GOVERNANCE:

The Corporation will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. It lays emphasis on transparency, accountability, ethical operating practices and professional management.

27. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Corporation does not have any subsidiary. Neither any Company has become subsidiary, Joint Venture or associate Company nor has any Company ceased to be subsidiary, Joint Venture or associate Company during the period under report.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, your Corporation has not given any loan or guarantee which is covered under the provisions of section 186 of the Companies Act, 2013.

29. NOMINATION, REMUNERATION & STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Corporation was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Further, during the year under review the Corporation was not required to constitute Stakeholders Relationship Committee under section 178(5) of the Companies Act, 2013.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors' pursuant to the provisions of Section 134(3)(c) and 134 (5) of the Companies Act, 2013, hereby confirm that:

- (a) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- (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 Corporation at the end of the financial year and of the profit and loss of the Corporation for that period;
- (c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities.



- (d) the directors had prepared the annual accounts 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.

31. COST AUDIT:

As per the provision of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rule, 2014, Cost Audit was not applicable to the Corporation during the F.Y. 2019-20.

32. SECRETARIAL AUDIT REPORT:

The Corporation was not required to obtain Secretarial Audit Report under Section 204(3) of the Companies Act, 2013.

33. PARTICULARS OR CONTRACTS WITH RELATED PARTY TRANSACTIONS:

During the year there was no Contracts or Arrangements with Related parties referred to in Section 188(1) of the Companies Act, 2013.

34. SIGNING OF MOU WITH ADMINISTRATIVE DEPARTMENT:

OSBC Ltd. had signed the Memorandum of Understanding with Government in Excise Department for the FY 2019-20 on 3rd June, 2020 as per Corporate Governance Manual of P.E Department, Government of Odisha.

35. ACKNOWLEDGEMENTS

The Board of Directors place on record their appreciation of full co-operation and continuing support received by the Corporation from various departments of the State Government, Accountant General, Odisha and various nationalized banks. The Board expresses its sincere appreciation of the services rendered by the officers, staff and consultants of the Corporation during the year. The Board expresses its sincere thanks to all the suppliers, who have rendered all possible co-operation for growth of turnover and profitability of the Corporation.

For and on behalf of the Board of Directors

Place: Bhubaneswar
Date: 29.01.2021

Sd/-
Shri Sushil Kumar Lohani, IAS
CHAIRMAN
DIN: 06912948



Annexure - 1

Replies of the Management on the Observations of the Statutory Auditor on the Financial Statements of Odisha State Beverages Corporation Limited for the financial year 2019-20.

| Sl. No. | AUDIT OBSERVATIONS | MANAGEMENT REPLY |
|---------|---|---|
| 1. | Profit for the year and Loading & Unloading Charges receivable are overstated by an amount of Rs 407.45 lakh each due to non-provision of doubtful debt on account of under loading charges for the period from 2011-12 to 2015-16 against Khorda, Nirgundi and Balasore Depots and for the period from 2009-10 to 2015-16 against Sambalpur Dept since the chances of the recovery of the same is remote. | The matter is under sub-judice and Arbitration proceeding is going on as per the clause of the agreement. The Arbitration proceeding is at the final stage of hearing and the Arbitration award in this regard is expected shortly. Based on the arbitration award necessary accounting effect shall be given in the Books of Account. |
| 2. | Profit for the year is overstated by Rs 106.11 lakh and provision for Income Tax is understated by the same amount on account of short provision of Income Tax liability computed without considering the provisions of section 40(a)(iib) of the Income Tax Act,1961(Amended by Finance Act,2013) on account of licence fees of Rs 300.00 Lakh paid to the Government of Odisha for the year | The disallowance under section 40(a)(iib) of the Income Tax Act,1961 for past years is under dispute and the matters are pending before the Honorable Odisha High Court and ITAT, Cuttack Bench for disposal. Since the matter is still under dispute and we are agitating the applicability of the provision of section 40(a)(iib) in our case, the tax liability has not been provided for in the annual accounts . |
| 3. | Current assets are overstated by Rs 144.19 lakhs on account of long outstanding, unreconciled and balances not confirmed. Current liabilities to the extent of Rs 40.10 lakhs have been overstated being unreconciled, not confirmed and long outstanding. | It is noted that current assets and current liabilities mentioned are quite old and the reconciliation will be taken up while finalizing the accounts of next financial year i.e FY 2020-21 |
| 4. | Attention is drawn to point no.13 of Note-3 “ Additional Notes to the Financial Statements ” Short Term Provision is under stated and Accumulated Profit is overstated to the extent of non-provisioning of liabilities on account of retirement benefits (figures not ascertained by the management) relating to deputed employees from ORITCO,OIL ORISSA, OSFC, OBCC and OFDC which is not in compliance to Ind AS 19 “ Employee Benefits”. The impact on Financial Statements is not quantified as the same have not been ascertained by the management. | The leave salary & pension contribution has been reimbursed to the parent department of the respective deputed employees on the basis of claim made by the respective parent departments. However no provision for the deputed employees has been made due to non availability of the data/figures in respect of Leave Salary & gratuity, pension. The same shall be booked in the accounts of the company as and when it shall be claimed by their parent departments. |



Emphasis of Matter

| Sl. No. | Statutory Audit Para | Management Reply |
|---------|---|---|
| 1. | Referring to the Significant Policy for recognition of purchase, as per Note No.2 Significant Accounting Policies para No.8 the Company's accounting policy is not in conformity to the Ind AS 115 "Revenue from contract with customers". The invoices raised by the suppliers are not accounted as purchase by the company at the time of issuing Goods Receipt Notes (GRN) though the stocks are under the custody and control of the Company. Moreover, the company recognises purchases at the time of sale of products | Regarding accounting of the beverages stock it was explained to the audit that it is a standard practice followed by the entity for years. The management reply as given for this audit observation for the last financial year shall be repeated in the current year also |
| 2. | Confirmation of balances as on 31.03.2020 from Sundry creditors, Sundry debtors and other parties have not been obtained by the company in many cases. The balances shown are subject to adjustments, if any arising out of the balance confirmation. | There are about 2000 retailers who have access to the wallets at any point of time. The amount available in the wallet has never been disputed by any of the retailers in the past, hence the wallet balance of the retailers are auto reconciled with the Corporation balance .So far as the suppliers of liquor are concerned the accounts are reconciled periodically. |
| 3. | Other Equity (Note 21) includes debits amounting to Rs 2.38 lakh towards "Provision for IT-FY-2017-18 ", Rs 0.03 lakh towards " Provision for IT-FY-2016-17", Rs 2.58 lakh towards "Provision for IT-FY-2013-14", Rs 624.53 lakh towards Advance IT (2000-01 to 09-10) and credit of Rs 235.83 lakh towards " Income Tax Refund-FY-2014-15" details for which are incomplete/unreconciled. Such treatment is not in compliance with Ind AS Schedule III to the Companies Act 2013, Ind AS 1 " Presentation of Financial Statements" and Ind AS 8 " Accounting Policies, Accounting Estimates and Errors" | The debits and credits in the other equity are the accounting effects of adjustment of rolling over Advance Taxes, TDS Receivable, Refund, Provision for Income Taxes, Income Tax Demands of earlier years after thorough reconciliation along with the Joint reconciliation Report signed with the Income Tax Department. The said reconciliation along with the Joint reconciliation Report with the Income Tax department have been provided during the Audit. The accounting entries have been passed as per the Generally Accepted Accounting Practices. |
| 4. | We draw attention to the Note 1(ii)(h) which describe the assessment of the impact of Covid-19 pandemic by the management on the business and its associated financial risks. | No comment |

**Annexure - 2**
Replies of the Management on Comments of the Comptroller and Auditor General of India on the Financial Statements of Odisha State Beverages Corporation Limited for the Financial Year 2019-20

| Sl. No. | Final Comments of the C&AG of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013 | Replies of the Management |
|---------|--|--|
| I. | Comments on Profitability Statement of Profit and Loss Other Expenses (Note No-35) Godown Rent and Insurance-Rs. 1.86 crore The above is understated by Rs. 2.18 crore due to non-accounting of provision for payment of interest on unpaid rent payable to Oil Odisha in respect of Khurda Godown. This has also resulted in understatement of Other Current Liability and overstatement of profit to the same extent. | With reference to the lease agreement between the Corporation and OIL Odisha, no provision regarding payment of interest @ 1% per day of the delayed payment of lease rent is made as the corporation is not a defaulter of lease rent. Rather the lease rent has been held up by the Corporation to meet the statutory liability of PF dues that may arise on account of deputed employees from OIL Odisha. |
| II. | Comment on Financial position. Assets Capital work in progress-Tangible (Note-5)-Rs.2.64 crore Intangible assets under development (Note-8)-Rs.0.57 crore The above is overstated by Rs. 2.90 crore due to wrong accounting of advance given to Bridge & Roof Co. (India) Ltd., NBCC and OCAC for construction of godown at Khurda and Sonapur respectively. This has also resulted in understatement of advance to contractors to the same extent | This does not have any impact on the profit and loss account for the year 2019-20. The corporation will comply with the advice of audit in transferring the excess amount booked to CWIP to Advance to contractors. |
| III. | (I) Comment on Disclosure The Company was disclosing the quantum of excise duty in Sale of Products and purchase of stock-in-trade under Revenue from operation and expenses head up-to 2017-18 respectively. The same was discontinued from 2018-19 onwards. Since excise duty is a significant amount against the sale/purchase of stocks and is paid to Government the same should have been disclosed separately in the financial statements. Similarly, the quantum of Import | The Corporation will comply with the advice of the Audit and necessary disclosure as regards Excise duty and import fees shall be made in the accounts of for 2020-21. |



| Sl. No. | Final Comments of the C&AG of India under section 143(6)(b) read with section 129(4) of the Companies Act,2013 | Replies of the Management |
|---------|---|--|
| | <p>Fee included in the purchase of stock-in trade and sale of products has not been disclosed. The disclosure should have been "Purchase of stock and sale of products includes Excise duty of Rs. 3437.66 crore for 2019-20 and Rs. 3113.92 crore for 2018-19 respectively and includes Import fee of Rs. 15.41 crore during 2019-20 and Rs. 13.90 crore during 2018-19 respectively". Hence, the disclosure is deficient to that extent.</p> | <p>The Corporation will comply with the advice of the Audit and necessary disclosure as regards Excise duty and import fees shall be made in the accounts of for 2020-21.</p> |
| | <p>(ii) Independent Auditors' Report Annexure 2 to the Independent Auditors' Report.</p> <p>As per Rule 158 of the Odisha Excise Rule 2017, the accounting of issuance and end utilization of EALs on Liquor products-from manufacturing to retail point is required to be maintained.</p> <p>The Corporation is responsible for maintain the data base for supply chain management of all liquor products sold to retailers in the State, and the Excise Department does not maintain any separate database of its own, for this purpose.</p> <p>Under Rule 158, the Corporation has also been assigned the responsibility of requisition the number of EAL s required to be issued to suppliers from outside the State.</p> <p>In response to the queries of the Independent AUDITOR IN PURSUANCE OF SUB-Directions issued under Section 143(5) of the Companies Act 2013, the Corporation has stated that it has not been assigned any responsibility for monitoring the issuance and end utilization of Excise Adhesive Labels (EALs) and hence, has not adopted any internal controls for such monitoring.</p> <p>In absence of internal controls for monitoring the utilization of EALs affixed on the liquor products received in the depots of the</p> | <p>The Independent Auditor in his Report for the year 2019-20, has explained that the Excise Adhesive Labels are not being dealt with the Corporation. The suppliers deposit the requisite fee for procurement of EAL directly with Appropriate Government Authority (Superintendent of Excise, Khurda).</p> <p>As per Rule 158 (C) of the Odisha Excise Rules, 2017, the printed and procured EALs will be delivered to an Excise Officer appointed by the State Government and the said Officer, shall keep the same in his safe custody for distribution to the Distillery Officers or Officers in charge of Distilleries, Bottling Plants or Breweries operating inside the State of Odisha.</p> <p>As per Rule 158 (D), the Excise Commissioner, Odisha will post an Officer of the rank of Inspector of Excise for receipt and distribution of EALs in case of IMFL, Foreign Liquor and Beer imported from outside the State, who shall have his Store or Office in the Registered Office of the Corporation.</p> <p>Further, as per Rule 158 (K) of the Odisha Excises Rules, 2017, the Corporation in each case of Import, Permit for procurement of stock from outside the State, shall present the pass to the Inspector of excise appointed under clause (d) with a requisition as to the number of EAL required to be issued to ensure that no bottle / can received from outside the State without affixture of EAL and taken in to godown of the</p> |



| Sl. No. | Final Comments of the C&AG of India under section 143(6)(b) read with section 129(4) of the Companies Act,2013 | Replies of the Management |
|---------|--|--|
| | <p>Corporation ,there are material revenue risks to the Corporation (profit Margin) and to the State Government (Value Added Tax) due to Direct sale at retail point by liquor suppliers, by affixing unutilization EALs on liquor products, without routing them through the supply chain involving the Corporation.</p> <p>Diversion of Excise Duty-paid liquor products from the depots of the Corporation, in view of the deficient storage and documentation controls reported by the Independent Auditors.</p> | <p>Corporation and the Inspector shall maintain detailed accounts of the EALs received, issued and damaged and he shall report the requirement of EALs in case to the Commissioner of Excise one month ahead.</p> <p>But as per Rule 158 (D) of the Odisha Excise Rule, 2017, as no Inspector of Excise has been posted by Government at OSBC registered Office, with respect to Notification No. 865 dt. 01.02.2020 of Board of Revenue, Odisha, Cuttack, the Superintendent of Excise, Khurda is the custodian of EAL and has been procuring, storing and distributing the EALs both for Inside manufacturers / suppliers and outside Suppliers. As per the Purchase Order issues by OSBC, the Superintendent of Excise, Khurda issues Import / Transport Passes to procure the stocks from Inside the State and Outside the State.</p> <p>Further, Superintendent of Excise, Khurda also issues EALs to the Suppliers from outside the State directly at his Office. As no Excise Officer is posted at OSBC Registered Office, EAL is dealt with Superintendent of Excise, Khurda. OSBC is not maintaining the database of EAL as it is not assigned to OSBC. But the data regarding issue of Import Passes and procurement of stock from outside the State is available with OSBC.</p> |



महालेखाकार (लेखापरीक्षा - I) का कार्यालय
ओड़िशा, भुवनेश्वर- 751001
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)
ODISHA, BHUBANESWAR - 751 001

संख्या/No. AG(AU-I)/AMG-IV(C)/Annual Accounts of OSBCL/2020-21/543 दिनांक/Date: 11.01.2021

To

The Managing Director,
Odisha State Beverage Corporation Limited
Bhubaneswar - 751023

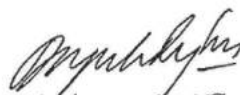
Sub: Comments of the Comptroller & Auditor General of India Under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Odisha State Beverage Corporation Limited for the year 2019-20.

Sir,

I enclose Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha State Beverage Corporation Limited for the year 2019-20.

Three copies of the Annual Reports placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours faithfully,


Sr. Deputy Accountant General

Sachivalaya Marg, Bhubaneswar - 751 001, Tel. : 0674-2390122 Fax: 0674-2396576, 2394428
Email : agaurissa1@cag.gov.in, website: www.agorissa.nic.in



Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of The Companies Act, 2013 on the Financial Statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2020.

The preparation of financial statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2020 in accordance with financial reporting framework prescribed under the Companies Act, 2013 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) of the Act, are 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 Audit Report dated: 10.11.2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2020 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit. In addition, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

I. Comment on Profitability

Statement of Profit and Loss

Other Expenses (Note No-35)

Go down Rent and Insurance-₹1.86 crore

The above is understated by ₹2.18 crore due to non-accounting of provision for payment of interest on unpaid rent payable to OIL Odisha in respect of Khurda Go down. This has also resulted in understatement of Other Current Liability and overstatement of profit to the same extent.

II. Comment on Financial Position

Assets

Capital work in progress-Tangible (Note-5)-₹2.64 crore

Intangible assets under development (Note-8)-₹0.57 crore

The above is overstated by ₹2.90 crore due to wrong accounting of advance given to Bridge & Roof Co (India) Ltd., NBCC and OCAC for construction of go downs at Khurda and Sonepur respectively. This has also resulted in understatement of advance to contractors to the same extent.

III. Comments on Disclosure

- i. The Company was disclosing the quantum of excise duty in Sale of Products and purchase of stock-in-trade under Revenue from operation and expenses head up to 2017-2018 respectively. The same was discontinued from 2018-19 onwards. Since excise duty is a significant amount against the sale/purchase of stocks and is paid to Government the same should have been disclosed separately in the financial statement. Similarly, the quantum of Import Fee included in the purchase of stock-in-trade and sale of products has not been

disclosed. The disclosure should have been, "Purchase of stock and sale of products includes Excise duty of ₹3437.66 crore for 2019-20 and ₹3113.92 crore for 2018-19 respectively and includes Import fee of ₹15.41 crore during 2019-20 and ₹13.90 crore during 2018-19 respectively".

Hence, the disclosure is deficient to that extent.

ii. Independent Auditors' Report

Annexure 2 to the Independent Auditors' Report

As per Rule 158 of the Odisha Excise Rules 2017, the accounting of issuance and end utilization of EALs on liquor products- from manufacturing to retail point- is required to be maintained.

The Corporation is responsible for maintaining the data base for supply chain management of all liquor products sold to retailers in the State, and the Excise Department does not maintain any separate database of its own, for this purpose. Under Rule 158, the Corporation has also been assigned the responsibility of requisitioning the number of EALs required to be issued to suppliers from outside the State.

In response to the queries of the Independent Auditor in pursuance of the Sub-Directions issued under Section 143 (5) of the Companies Act 2013, the Corporation has stated that it has not been assigned any responsibility for monitoring the issuance and end utilization of Excise Adhesive Labels (EALs), and hence, has not adopted any internal controls for such monitoring.

In the absence of internal controls for monitoring the utilization of EALs affixed on the liquor products received in the depots of the Corporation, there are material revenue risks to the Corporation (Profit Margin) and to the State Government (Value Added Tax) due to

- Direct sale at retail point by liquor suppliers, by affixing unutilized EALs on liquor products, without routing them through the supply chain involving the Corporation.
- Diversion of Excise Duty-paid liquor products from the depots of the Corporation, in view of the deficient storage and documentation controls reported by the Independent Auditor.

For and on behalf of
Comptroller and Auditor General of India



Accountant General (Audit I), Odisha

Place: Bhubaneswar

Date: 11.01.2021

**ANNEXURE- 3****Form No. MGT-9****EXTRACTS OF ANNUAL RETURN****As on the financial year ended on 31/03/2020****OF****ODISHA STATE BEVERAGES CORPORATION LIMITED***[Pursuant to Section 92(1) of the Companies Act, 2013**And**Rule 11(1) of the Companies (Management and Administration) Rules, 2014]***I REGISTRATION AND OTHER DETAILS:**

| | |
|---|---|
| CIN | U51228OR2000SGC006372 |
| Registration Date & Year | 6 TH NOVEMBER, 2000 |
| Name of the Corporation | Odisha State Beverages Corporation Limited |
| Category / Sub -Category of the Corporation | Commercial & Industrial (C&I) |
| Address of the Registered office | 2 nd Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha -751023 |
| Contact details | Tel No. 0674 -2542972, Fax -0674-2542963 Email Id - osbcltd@gmail.com Website - www.osbc.gov.in Police Station: Chandrasekharpur |
| Whether listed Corporation | NO |
| Name, Address and Contact details of Registrar & Share Transfer Agent | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE CORPORATION (All the business activities contributing 10 % or more of the total turnover of the Corporation shall be stated)

| SN | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the Corporation |
|----|--|---------------------------------|--|
| 1 | Beverages | 46308 | 100 |



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]:- NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2019] | | | | No. of Shares held at the end of the year[As on 31-March-2020] | | | | % Change during the year |
|---|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 999,993 | 999,993 | 100 | 0 | 999,993 | 999,993 | 100 | 0 |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) | 0 | 999,993 | 999,993 | 100 | 0 | 999,993 | 999,993 | 100 | 0 |
| B. Public Shareholding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
| 2. Non-Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 999,993 | 999,993 | 100 | 0 | 999,993 | 999,993 | 100 | 0 |



ii) Shareholding of Promoters-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|----|--------------------|---|--------------------------------------|--|--------------------------------------|--------------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Corporation | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Corporation | % of Shares Pledged / encumbered to total shares | |
| 1 | State Govt(s) | 999,993 | 100 | 0 | 999,993 | 100 | 0 | 0 |

iii) Change in Promoters' Shareholding (please specify, if there is no change): NIL

iv) Shareholding Pattern of top ten Shareholders: NIL

v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|--------------------------------------|---|--------------------------------------|
| | | No. of shares | % of total shares of the Corporation | No. of shares | % of total shares of the Corporation |
| | At the beginning of the year | 7 | 0 | 0 | 0 |
| | Changes during the Year | Nil | Nil | Nil | Nil |
| | At the end of the year | 7 | 0 | 0 | 0 |

V) INDEBTEDNESS- Indebtedness of the Corporation including interest outstanding/ accrued but not due for payment:-NIL

VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

| SN. | Particulars of Remuneration | Name of Managing Director | Total Amount |
|-----|---|-------------------------------------|--------------|
| | | Sri Saroj Kumar Sethi, OAS (SAG) | |
| 1 | Gross salary | 18,10,209/- | 18,10,209/- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | |



| | | | |
|---|--|--------------------|--------------------|
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission - as % of profit - others, specify... | | |
| 5 | Others, please specify | | |
| | Total (A) | 18,10,209/- | 18,10,209/- |
| | Ceiling as per the Act | | |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|---------------------------|---------------------------|------------------------|-------------------|
| | | | | | |
| 1 | Independent Directors | Sri Prasanna Kumar Parida | Sri Santosh Kumar Bishwal | Sri Syama Charan Padhy | |
| | Fee for attending board and committee meetings | 1,68,000/- | 1,20,000/- | 72,000/- | 3,60,000/- |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | | | | |
| 2 | Other Non-Executive Directors | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | | | | |
| | Total Managerial Remuneration | 1,68,000/- | 1,20,000/- | 72,000/- | 3,60,000/- |
| | Overall Ceiling as per the Act | | | | |

C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD: N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A



Annexure-4

“Corporate Social Responsibility (CSR) Report. [Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]”

1. *A brief outline of the Corporation's CSR policy including overview of projects or programs undertaken is given below:-*

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation, OSBCL got incorporated in November, 2000 under the Companies Act, 1956 with the Registrar of Companies, Odisha, Cuttack as a 100% State Government undertaking in the State of Odisha and simultaneously got authorization for wholesale trade of liquor of different brands of IMFL, FMFL, Beer and Country Spirit in the State Odisha. It acts as a socially responsible corporate by adopting the CSR Policy w.e.f. 7th February, 2015 which is available on the Corporation's website. It recognises that Corporate Social Responsibility (CSR) is not just a legal requirement but a social necessity to cater to the well being of the public at large. Conducting business in a way that provides social, environmental and economic benefits to the communities, in which we operate, has been a part of our policy from the date of incorporation. OSBCL conducts its business ethically and in a responsible manner with inclusive focus on the preservation and development of the social, cultural and economic fabric of the society as well as protection of the environment. Conducting business ethically brings a competitive advantage for us as the suppliers, retailers and consumers are willing to trust the ethical behaviour of the Corporation that has enhanced supply chain relationship over the years.

Your Corporation is not only committed towards profitable growth, but also towards social initiatives, protection of environment and renewal of resources wherever possible.

Social Initiative and CSR

For its Corporate Social Responsibility your Corporation has developed social initiatives in areas such as **Creating awareness regarding de-addiction, Health Care, Social Development & Skill Building, Protection of National Heritage, Art and Culture & Promotion of Education etc.** Our CSR policy lays down clear guidelines for undertaking comprehensive social development programmes under these identified categories. Our existing activities will be further extended and aligned suitably to cover areas as recommended by the Companies Act, 2013 and amendment thereof.

2. **The Composition of the CSR Committee is as follows:**
 1. Shri Prasanna Kumar Parida - Chairman
Independent Director
 2. Shri Syama Charan Padhy - Member
Independent Director
 3. Shri Saroj Kumar Sethi, OAS(SAG), - Member
Managing Director



3. **Average net profit of the Corporation for last three financial years:**
Rs. 3671.73 Lakh
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**
Rs. 73.43 Lakh
5. **Details of CSR expenditure during the financial year.**
 - (a) Total amount to be spent during the financial year: **Rs. 73.43 lakh.**
 - (b) Total amount spent during the financial year: **Rs. 32.00 lakh**
 - (c) Amount unspent, if any: **41.43**
 - (d) Manner in which the amount spent during the financial year 2019-20: Enclosed as **Annexure – A**
6. **The reasons for not spending the part of two percent of the average net Profit of the last three financial years:**

As per the CSR policy of OSBC Ltd., no suitable proposal/project was available with the Corporation during the financial year 2019-20. However, as on the date of this report, the Corporation has spent more than 2% of the average net profit of the last three financial years towards Health Care.
7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Corporation.

Sd/-
General Manager (Admn.)

Sd/-
Managing Director

Sd/-
Chairman
(CSR Committee)



Annexure - A

| PARTICULARS | | | AMOUNT IN LACS | | | | |
|-------------|--|--|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| SL NO | CSR Project or Activity Identified | Sector in which the Project is covered | Projects or programs (1) local area or other (2) specify the State & District where Projects or programs was undertaken | Amount outlay (Budgeted) project or program wise | Amount spent on the projects or programs Subhead : (1) Direct expenditure on projects or programs (2) Overheads | Cumulative Expenditure upto the reporting per iod | Amount spent: direct or through implementing agency |
| 1 | Contribution towards 26 th Observance of June, 2019 as International Day against Drug Abuse and Illicit Trafficking | Point (i) of Schedule VII. Promoting preventive health care | All District of Odisha | 32.00 | 32.00 | 72.00 | Through all District Collectors & Commissioner, BMC |
| | | Total | | 32.00 | 32.00 | 72.00 | |



INDEPENDENT AUDITOR'S REPORT

To the Members of Odisha State Beverages Corporation Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Odisha State Beverages Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, except for the effects of the matters described in the basis for qualified opinion paragraphs, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2020, and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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

1. Profit for the year and Loading & Unloading Charges receivable are overstated by an amount of Rs.407.45 lakhs each due to non-provision of doubtful debt on account of under loading charges for the period from 2011-12 to 2015-16 against Khorda, Nirgundi and Balasore Depots and for the period from 2009-10 to 2015-16 against Sambalpur Depot since the chances of the recovery of the same is remote.
2. Profit for the year is overstated by Rs.106.11lakhs and Provision for Income Tax is understated by the same amount on account of short provision of Income Tax liability computed without considering the provisions of section 40(a)(iib) of the Income Tax Act, 1961 (Amended by Finance Act, 2013) on account of license fees of Rs.300 lakhs paid to the Government of Odisha for the year.



3. Current assets are overstated by Rs.144.19 lakhs on account of long outstanding, unreconciled and balances not confirmed. Current liabilities to the extent of Rs.40.40 lakhs have been overstated being unreconciled, not confirmed and long outstanding.
4. Attention is drawn to point No.13 of Note-3 "Additional Notes to the Financial Statements" Short Term Provision is under stated and Accumulated Profit is overstated to the extent of non-provisioning of liabilities on account of Retirement Benefits (figures not ascertained by the management) relating to deputed employees from ORITCO, OIL ORISSA, OSFC, OBCC and OFDC which is not in compliance to the Ind AS 19 "Employee Benefits". The impact on Financial Statements is not quantified as the same have not been ascertained by the management.

Emphasis of Matter

We draw attention to:

1. Referring to the Significant Accounting Policy for recognition of purchases, as per Note No.2 Significant Accounting Policies para No. 8 the Company's accounting policy is not in conformity to the Ind AS 115 "Revenue from contract with customers". The invoices raised by the suppliers are not accounted as purchase by the Company at the time of issuing Goods Receipt Notes (GRN) though the stocks are under the custody and control of the Company. Moreover, the Company recognises purchases at the time of sale of products.
2. Confirmation of balances as on 31.03.2020 from Sundry creditors, Sundry debtors and other parties have not been obtained by the company in many cases. The balances shown are subject to adjustments, if any arising out of the balance confirmation.
3. Other Equity (Note 21) include debits amounting to Rs.2.38 lakhs towards "Provision for IT-FY -2017-18", Rs.0.03 lakhs towards "Provision for IT-FY-2016-17", Rs.2.58 lakhs towards "Provision for IT-FY -2013-14", Rs.624.52 lakhs towards Advance IT (2000-01 to 09-10) and credit of Rs.235.83 lakhs towards "Income Tax Refund-FY-2014-15" details for which are incomplete/unreconciled. Such treatment is not in compliance with Ind AS Schedule III to the Companies Act 2013, Ind AS1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Accounting Estimates and Errors"
4. We draw attention to the Note No. 1 (ii) (h) which describe the assessment of the impact of Covid-19 pandemic by the management on the business and its associated financial risks.

Our opinion is not modified in respect of these matters.

Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters is not applicable to the Company as it is an unlisted company.

Information other than the Ind AS Financial Statements and Auditor's Report thereon

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 of financial performance highlights; Board's report including Annexure to Board's Report, Business Responsibility Report, Report on Corporate Governance, Shareholder's information and other information in Integrated Annual Report but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 Ind AS 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.

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

The Company's Board of Directors is responsible for the matters stated in Sec 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The responsibility also includes to make a detailed assessment of the impact of COVID-19 on the financial statements including disclosures in the financial statements (e.g. appropriateness of carrying values of intangible assets, future operating results, cash flows and financial position of



the entity. Other disclosures may include business risk factors and management's discussion and analysis of results, liquidity and capital resources)

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

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Ind AS 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 Ind 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.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with the governance regarding, among other matters, the planned scope and timing of 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 relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's report) order, 2016("the order") issued by the Central Government in terms of sub- section (11) of section 143 of the Act, we give in the "**Annexure 1**" to this report, a statement on the matters specified in the paragraphs 3 and 4 of the said order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 2" on the directions issued by the Comptroller and Auditor General of India.
3. As required by the Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanation 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), Statement of changes in Equity and Statement of Cash Flows 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 Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended;
 - e) We have been informed that the provisions of section 164(2) of the Act in respect of disqualification of director are not applicable to the Company, being a Government Company in terms of notification no. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure 3**";
 - g) With respect to the other matters to be included in the auditor's report in accordance with the requirement of section 197(16) of the Act, as amended:

We are informed that the provisions of section 197 read with schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463 (E) dated 5th June, 2015.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company's (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 Company has disclosed the impact of pending litigation cases on its Ind AS Financial Statements. Refer Note 3 Para 10 of Additional Notes to the Financial Statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Nag & Associates

Chartered Accountants

FRN: 312063E

Sd/-

(S.P. Padhi)

Partner

M.No.053292

UDIN:20053292AAAAAW4652

Place: Bhubaneswar

Date: 10.11.2020



Annexure 1 to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha State Beverages Corporation Limited on the financial statements for the year ended 31st March 2020:

- I. a. The Company has not maintained proper records to show full particulars including quantitative details and situation of its property, plant and equipments at Head Office.
- b. As per the information and explanations given to us, the property, plant and equipments of the Company have been physically verified by the management during the year, except in case of Head Office. The physically verified property, plant and equipments have not been reconciled by the management with the book balances and accordingly discrepancies, have not been identified and or ascertained and accordingly financial impact, if any, is not taken into consideration in the financial statements.
- c. As per the information and explanations given to us, lease deeds of immovable properties are held in the name of the Company in respect of Leasehold Land.
- ii. As per the information and according to the explanations given to us, the Company has no inventories in its books of account.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, during the year, to any companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of the Act. In view of the above, reporting under clause 3 (iii) (a), 3 (iii) (b) and 3(iii) (c) of the order is not applicable.
- iv. Section 185 of the Act regarding loans to Directors is not applicable to the company by virtue of notification no. G.S.R 463(E) dated 05.06.2015 issued by the Ministry of Corporate affairs, Government of India. According to the information and explanation given to us, the Company has not carried out transactions in respect of loans, investments, guarantees, and security according to the provisions of section 185 and Section 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public. However, the advances amounting to Rs.96.68 lakhs are pending for more than 365 days and are to be considered as deemed deposits under the Companies Act 2013.
- vi. The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, duty of excise, cess, GST and other material statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as on 31st March 2020 outstanding for a period of more than six months from the date they became payable.



- b. According to the records of the Company, following are the dues outstanding in respect of income tax, service tax, sales tax and entry tax on account of disputes.

| Name of the statute | Nature of dues | Assessed Demand Amount (Rs. in Lakhs) | Amount Paid/adjusted Against demand (Rs. in Lakhs) | Period Which the Amount Relates (FY) | Forum where dispute is pending |
|---------------------|-----------------|---------------------------------------|--|--------------------------------------|---|
| Income tax | Assessed demand | 108.34 | 0 | 2011-12 | CIT (A), BBSR |
| | Assessed demand | 3807.17 | 3807.17 | 2013-14 | High Court, Odisha |
| | Assessed demand | 6197.36 | 5456.74 | 2014-15 | ITAT Cuttack |
| | Assessed demand | 95.17 | 50.00 | 2016-17 | CIT (A), BBSR |
| | TDS | 23.88 | 0 | Upto 2019-20 | Revised Return filed |
| Service tax | Assessed demand | 348.77 | 174.36 | 2011-12 | 2 nd Appeal before CESTAT/GSTAT Kolkata Bench |
| | Assessed demand | 2059.63 | 77.23 | 2012-13 to 2014-15 | 2 nd Appeal before CESTAT/GSTAT Kolkata Bench |
| | Assessed demand | 1478.97 | 0 | 2015-16 | Commissioner CGST, Bhubaneswar |
| | Assessed demand | 10776.21 | 404.10 | 2012-13 to 2016-17 | 2 nd Appeal before CESTAT/GSTAT Kolkata Bench |
| Sales Tax | Assessed demand | 250.33 | 250.33 | 2001-02 | High Court, Odisha |
| | Assessed demand | 322.04 | 322.04 | 2002-03 | High Court, Odisha |
| Entry tax | Assessed demand | 0.80 | 0 | 2007-08 to 2008-09 | Demand of additional interest intimated to the Additional Secretary to Gov. of Odisha |
| | Assessed demand | 676.15 | 0 | 2009-10 to 2013-14 | Demand of additional interest intimated to the Additional Secretary to Gov. of Odisha |



- viii. According to the information and explanation given to us, the Company has not taken any loans or borrowings from Financial Institutions, Banks and Government or has not issued any Debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanation given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no material case of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The provision of section 197 read with schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no G.S.R. 463 (E) dated 5th June, 2015.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and therefore, the reporting under Clause 3 (xii) of the order is not applicable.
- xiii. According to the information and explanations given by the management, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian Accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

For Nag & Associates

Chartered Accountants

FRN: 312063E

Sd/-

(S.P. Padhi)

Partner

M.No.053292

UDIN:20053292AAAAAW4652

Place: Bhubaneswar

Date: 10.11.2020



ANNEXURE 2 TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 under “Other legal and regulatory requirements” of our report of even date)

Report on the directions under section 143(5) of the Companies Act 2013 by C&AG

| Sl. No. | Directions | Our observations |
|---------|---|---|
| 1 | Whether the Company has clear title /lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available? | As per the information and explanations given to us, the Company has clear title for leaseholds land. |
| 2 | Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved. | As per the information and explanations given to us, the Company has no case of waiver/write off of debts/loans/interest etc.during the year. |
| 3 | Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from the Government or other authorities. | As per the information and explanations given to us, the Company has no inventories with third parties and also not received as gift/grants from the Government or other Authorities. |

Report on sector specific additional disclosures as per direction under Section 143(5) of the Companies Act, 2013, by C&AG:

| Sl.No. | Directions | Our observations |
|--------|---|--|
| 1 | 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? | As explained to us,the Company follows the policy to sell its products to the customers only after receiving payment from them in advance and the Company has effective system for recovery of dues in respect of sales activities and recording of these |
| 2 | Whether the Company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification. | As explained to us, the company has a system of conducting physical verification of stocks at godowns at the year end, and several discrepancies have been found during physical verification. However, the stocks are not accounted for in the Books of account |
| 3 | The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported. | As mentioned above at Point No. 1, the Company sells the products only after receiving full consideration and the Company follows an effective system of recovery of the dues in respect of sales activities. |



Report on the sub-direction under section 143(5) of the Companies Act 2013 by C&AG

| | | |
|---|--|---|
| 1 | Comment on the adequacy and effectiveness of internal controls for storage and physical verification of stock, as determined through examination of three depots of the Odisha State Beverage Corporation Limited. | As explained in Point No.2 above the company has a system of conducting physical verification of stocks at godowns at the yearend but the stocks are not accounted for in the book of accounts of the Company. It is observed that the internal control system with regard to storage and documentation at Khurda and Jajpur Depots of the Company are deficient. |
| 2 | Comment on the adequacy and effectiveness of internal controls for storage, issue and monitoring of utilization of Excise Adhesive Labels in case of both internal (within Odisha) and external (outside Odisha) liquor suppliers. | As explained to us, the Excise Adhesive Labels are not being dealt with by the Company during the year and the suppliers deposit the requisite fee amount directly with the appropriate Government authorities. |

For Nag & Associates

Chartered Accountants

FRN: 312063E

Sd/-

(S.P. Padhi)

Partner

M.No.053292

UDIN:20053292AAAAAW4652

Place: Bhubaneswar

Date: 10.11.2020



Annexure 3 to the Independent Auditor's Report

Annexure referred to in independent Auditor's Report of even date to the members of Odisha State Beverages Corporation Limited on the financial statements for the year ended 31st March 2020.

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited Internal Financial Controls over financial reporting of Odisha State Beverages Corporation Limited ("the Company") as of March 31st, 2020 in conjunction with our audit of the Ind AS 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 with reference to Ind AS financial statements based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of 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 Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



Meaning of Internal Financial controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because in the Inherent Limitation 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 and procedures may deteriorate.

Qualified Opinion

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

As regards Entry Level Controls, the Company is having the following deficiency:

Operating Manuals for functions like Accounts, Internal Audit, Compliance and Comprehensive Risk Management Policy needs to be implemented.

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting in place and such internal financial controls over financial reporting in 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(ICAI).

For Nag & Associates

Chartered Accountants

FRN: 312063E

Sd/-

(S.P. Padhi)

Partner

M.No.053292

UDIN:20053292AAAAAW4652

Place: Bhubaneswar

Date: 10.11.2020



ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR
BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in ₹ lakh)

| SL No. | Particulars | Note No. | Figures as at the end of the Current reporting period 31st March, 2020 | Figures as at the end of the Current reporting period 31st March, 2019 |
|------------|--|-----------|--|--|
| I. | ASSETS | | | |
| (1) | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 4 | 254.49 | 184.06 |
| | (b) Capital work in progress - Tangible | 5 | 264.49 | 100.00 |
| | (c) Right-of-use assets | 6 | 535.61 | 341.27 |
| | (d) Intangible assets | 7 | 65.91 | 87.88 |
| | (e) Intangible assets under development | 8 | 57.28 | - |
| | (f) Financial assets | | | |
| | (i) Trade receivables | 9 | - | 7.67 |
| | (ii) Loans Receivables | 10 | - | - |
| | (iii) Other financial assets | 11 | 471.38 | 444.18 |
| | (g) Deferred tax assets (Net) | 12 | 18.43 | 7.63 |
| | (h) Other non-current assets | 13 | 10,509.78 | 852.16 |
| | Total Non-Current Assets | | 12,177.37 | 2,024.85 |
| (2) | Current assets | | | |
| | (a) Financial assets | | | |
| | (i) Trade receivables | 14 | - | - |
| | (ii) Cash and cash equivalents | 15 | 11,518.80 | 27,201.31 |
| | (iii) Bank Balances other than (ii) above | 15 | 21,302.13 | 19,656.57 |
| | (iv) Loans Receivables | 16 | 1.10 | 0.98 |
| | (v) Other financial assets | 17 | 39.51 | 111.99 |
| | (b) Current tax assets (Net) | 18 | 876.93 | 9,172.00 |
| | (c) Other current assets | 19 | 756.57 | 1,356.31 |
| | Total Current Assets | | 34,495.04 | 57,499.16 |
| | TOTAL ASSETS | | 46,672.41 | 59,524.01 |
| II. | EQUITY & LIABILITIES | | | |
| (1) | Equity | | | |
| | (a) Equity share capital | 20 | 100.00 | 100.00 |
| | (b) Other equity | 21 | 32,961.92 | 31,914.10 |
| | Total Equity | | 33,061.92 | 32,014.10 |
| (2) | Liabilities | | | |
| | Non-current liabilities | | | |
| | (a) Lease liabilities | 22 | 525.35 | 335.78 |
| | (b) Provisions | 23 | 21.84 | 7.02 |
| | (c) Other non-current liabilities | 24 | 690.17 | 623.74 |
| | Total Non-Current Liabilities | | 1,237.36 | 966.54 |
| | Current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Lease liabilities | 25 | - | - |
| | (ii) Trade payables | 26 | - | - |
| | (a) Total Outstanding dues of Micro Enterprises & Small Enterprises | | - | - |
| | (b) Total Outstanding dues of Creditors other than Micro & Small Enterprises | | 3,117.56 | 19,173.81 |
| | (iii) Other financial liabilities | 27 | 369.12 | 166.25 |
| | (b) Other current liabilities | 28 | 8,886.27 | 7,203.26 |
| | (c) Provisions | 29 | 0.18 | 0.05 |
| | Total Current Liabilities | | 12,373.13 | 26,543.37 |
| | TOTAL EQUITY & LIABILITIES | | 46,672.41 | 59,524.01 |
| | Notes forming part of the financial statements | (1 to 36) | | |

In terms of our report of even date attached.

For Nag & Associates
Chartered Accountants
FRN:312063E

Sd/-
(S. P. Padhi)
Partner
M. No.-053292
UDIN:20053292AAAAAW4652
Place: Bhubaneswar
Date: 10.11.2020

For and On behalf of the Board of Directors

Sd/-
General Manager (A & A)

Sd/-
Director
DIN: 06729202

Sd/-
Managing Director
DIN: 08403701



ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020 (Amount in ₹ lakh)

| Sl. No. | Particulars | Note No. | Figures for the year ended March 31, 2020 | Figures for the year ended March 31, 2019 |
|--------------|--|-----------|---|---|
| I | Income | | | |
| | Revenue from operations | 30 | 515,289.00 | 473,836.18 |
| II | Other income | 31 | 5,921.77 | 5,654.23 |
| III | Total Income (I+II) | | 521,210.77 | 479,490.41 |
| IV | Expenses | | | |
| | Purchase of Stock in Trade | 32 | 507,860.09 | 462,537.61 |
| | Employee benefits expenses | 33 | 395.69 | 358.01 |
| | Depreciation and amortisation expenses | 34 | 405.36 | 254.34 |
| | Other expenses | 35 | 8,618.00 | 11,660.50 |
| | Finance Costs | 36 | 38.64 | 24.25 |
| | Total Expenses (IV) | | 517,317.78 | 474,834.71 |
| V | Profit/(Loss) before exceptional items and Taxes (III-IV) | | 3,892.99 | 4,655.70 |
| VI | Exceptional Items | | - | - |
| VII | Profit/(Loss) before Tax (V-VI) | | 3,892.99 | 4,655.70 |
| VIII | Tax expense | | | |
| | Current tax | | 1,376.87 | 1,656.81 |
| | Current tax for earlier years | | - | - |
| | Deferred tax | | -10.55 | -4.32 |
| | Total tax expenses | | 1,366.32 | 1,652.49 |
| IX | Profit/(Loss) for the period from continuing operations (VII-VIII) | | 2,526.67 | 3,003.21 |
| X | Profit/(Loss) for the period from discontinued operations | | - | - |
| XI | Tax expense of discontinued operations | | - | - |
| XII | Profit/(Loss) from discontinued operations (after tax) (X-XI) | | - | - |
| XIII | Profit/(Loss) for the period (IX+XII) | | 2,526.67 | 3,003.21 |
| XIV | Other Comprehensive Income | | -0.49 | -1.72 |
| | A (i) Items that will not be reclassified to profit and loss | | | |
| | (a) Remeasurements of defined benefit plans | | -0.75 | -2.65 |
| | ii) Income tax relating to items that will not be reclassified to profit or loss | | 0.26 | 0.93 |
| | B (i) Items that will be reclassified to profit and loss | | - | - |
| | ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XV | Total Comprehensive Income for the period (XIII+XIV) (comprising profit/(Loss) and Other comprehensive income for the period) | | 2,526.18 | 3,001.49 |
| XVI | Earnings per equity share ((for continuing operation) | | | |
| | (1) Basic [Rs.] | | 252.62 | 300.15 |
| | (2) Diluted [Rs.] | | 252.62 | 300.15 |
| XVII | Earnings per equity share ((for discontinued operation) | | | |
| | (1) Basic [Rs.] | | - | - |
| | (2) Diluted [Rs.] | | - | - |
| XVIII | Earnings per equity share ((for continuing and discontinued operations) | | | |
| | (1) Basic [Rs.] | | 252.62 | 300.15 |
| | (2) Diluted [Rs.] | | 252.62 | 300.15 |
| | <i>Notes forming part of the financial statements</i> | (1 to 36) | | |

In terms of our report of even date attached.

For Nag & Associates

Chartered Accountants

FRN:312063E

Sd/-

(S. P. Padhi)

Partner

M. No.-053292

UDIN:20053292AAAAAW4652

Place: Bhubaneswar

Date: 10.11.2020

For and On behalf of the Board of Directors

Sd/-

Director

DIN: 06729202

Sd/-

Managing Director

DIN: 08403701

Sd/-
General Manager (A & A)



ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|--|--|--|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) before extraordinary items and tax | 3,892.99 | 4,651.58 |
| Adjustments for: | | |
| Current year depreciation | 405.36 | 46.93 |
| Interest income from deposits | -2,995.32 | -2,688.11 |
| Finance cost | 38.64 | - |
| Interest on IT refund | -34.84 | - |
| Total of adjustments | -2,586.16 | -2,641.18 |
| Operating profit / (loss) before working capital changes | 1,306.83 | 2,010.40 |
| Movements in working capital | | |
| Increase (Decrease) Trade receivable | 7.67 | 33.30 |
| Increase (Decrease) Other financial assets and other assets | -717.65 | 1,428.74 |
| (Decrease)Increase Trade payable | -16,056.31 | -637.87 |
| (Decrease)Increase Other financial liabilities, other liabilities and provisions | 1,966.79 | -198.08 |
| Cash generated from operations | -13,492.67 | 2,636.49 |
| Income tax paid | -1,366.31 | -1,906.98 |
| Current tax Earlier year | -393.67 | - |
| Net cashflow from/(used in) operating activities (A) | -15,252.66 | 729.51 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure on fixed assets, including capital advances | | |
| Purchase of fixed assets | -93.75 | -10.25 |
| Capital expenditure on fixed assets | -221.77 | - |
| Payment for acquiring right-of-use assets | -554.40 | - |
| Sale of fixed assets (Adjustment of depreciation) | - | 0.08 |
| Movement in fixed deposits | -1,645.55 | -1,845.02 |
| Movement in deferred tax assets | -10.81 | -5.24 |
| Interest on IT refund | 34.84 | - |
| Interest received | 2,995.32 | 2,688.11 |
| Net cash flow from/(used in) investing activities (B) | 503.88 | 827.68 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of lease liabilities | 189.59 | - |
| Finance cost | -38.64 | - |
| Dividend paid | -899.74 | -462.66 |
| DDT Paid | -184.94 | -95.10 |
| Net cash flow from/(used in) financing activities (C) | -933.73 | -557.76 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | -15,682.51 | 999.43 |
| Cash and cash equivalents at the beginning of the year | 27,201.31 | 26,201.88 |
| Cash and cash equivalents at the end of the year | 11,518.80 | 27,201.31 |
| <i>Notes forming part of the financial statements (Note-1 to 36)</i> | | |

In terms of our report of even date attached.

For Nag & Associates
Chartered Accountants

FRN:312063E

Sd/-

(S. P. Padhi)

Partner

M. No.-053292

UDIN:20053292AAAAAW4652

Place: Bhubaneswar

Date: 10.11.2020

For and On behalf of the Board of Directors

Sd/-

Director

DIN: 06729202

Sd/-

Managing Director

DIN: 08403701

Sd/-
General Manager (A & A)



ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWER, BHUBANESWAR

A. Equity Share Capital: STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020 (Amount in ₹ lakh)

| Particulars | Balance as at 1st April, 2019 | Changes in equity share capital | Balance as at 31st March, 2020 |
|---|----------------------------------|---------------------------------------|--------------------------------------|
| Equity shares of Rs. 10/- each (With equal voting rights) | 100.00 | - | 100.00 |
| | 100.00 | - | 100.00 |

B. Other Equity

| Particulars | Surplus | | OCI | Total |
|--|-----------------|-------------------|---|-----------|
| | General reserve | Retained earnings | Remeasurements of defined benefit plans | |
| Balance at April 1, 2018 | 3,310.86 | 26,412.60 | 0.03 | 29,723.49 |
| Transition impact of Ind AS 116 | - | 1.37 | - | 1.37 |
| Restated Balance at April 1, 2018 | 3,310.86 | 26,413.97 | 0.03 | 29,724.86 |
| Transfer to Reserves | - | - | - | - |
| Profit for the year | - | 3,003.21 | - | 3,003.21 |
| Other comprehensive income for the year, net of income tax | - | - | -1.72 | -1.72 |
| Total comprehensive income for the year | - | 3,003.21 | -1.72 | 3,001.49 |
| Transaction with owners in their capacity as owners: | | | | |
| Dividends (Including Dividend distribution tax) | - | -462.66 | - | -462.66 |
| Tax on dividends | - | -95.10 | - | -95.10 |
| Debit Under recincilation | - | -1,588.96 | - | -1,588.96 |
| Credit Under reconciliation | - | 1,484.28 | - | 1,484.28 |
| Provision for IT(2013-14) | - | -2,826.11 | - | -2,826.11 |
| Income Tax refund (2013-14) | - | -521.26 | - | -521.26 |
| TDS receivable(2013-14) | - | 286.95 | - | 286.95 |
| Advance IT(2013-14) | - | 3,063.00 | - | 3,063.00 |
| Income tax demand(TCS) | - | -152.39 | - | -152.39 |
| (-) Provision for IT-FY-2017-18 | - | -2.38 | - | -2.38 |
| (-) Provision for IT-FY-2016-17 | - | -0.03 | - | -0.03 |
| (-) Provision for IT-FY-2015-16 | - | - | - | - |
| (-) Provision for IT-FY-2013-14 | - | -2.58 | - | -2.58 |
| (+) Income Tax Refund-FY-2014-15 | - | 235.83 | - | 235.83 |
| (-) Advance IT (2000-01 to 09-10) | - | -624.52 | - | -624.52 |
| Balance at March 31, 2019 | 3,310.86 | 28,211.25 | -1.69 | 31,520.42 |
| Transfer to Reserves | - | - | - | - |
| Profit for the year | - | 2,526.67 | - | 2,526.67 |
| Other comprehensive income for the year, net of income tax | - | - | -0.49 | -0.49 |
| Total comprehensive income for the year | - | 2,526.67 | -0.49 | 2,526.18 |
| Transaction with owners in their capacity as owners: | | | | |
| Dividends (Including Dividend distribution tax) | - | -899.74 | - | -899.74 |
| Tax on dividends | - | -184.94 | - | -184.94 |
| Balance at March 31, 2020 | 3,310.86 | 29,653.24 | -2.18 | 32,961.92 |

Notes forming part of the financial statements (Note-1 to 36)

In terms of our report of even date attached.

For and On behalf of the Board of Directors

For Nag & Associates
Chartered Accountants
FRN:312063E

Sd/-
(S. P. Padhi)
Partner
M. No.-053292
UDIN:20053292AAAAAW4652
Place: Bhubaneswar
Date: 10.11.2020

Sd/-
General Manager (A & A)

Sd/-
Director
DIN: 06729202

Sd/-
Managing Director
DIN: 08403701



ODISHA STATE BEVERAGES CORPORATION LTD.

2ND FLOOR, FORTUNE TOWER, BHUBANESWAR

Notes to the Financial Statements for the year ended 31st March, 2020

4 Property, Plant and Equipment

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|------------------------|------------------------|
| Carrying Cost | | |
| Land (Finance lease) | 138.09 | 140.02 |
| Electrical Fittings | 4.80 | 6.25 |
| Furniture and fixtures | 6.60 | 7.59 |
| Vehicles | 11.33 | 15.96 |
| Computers | 13.26 | 5.65 |
| Office equipments | 9.80 | 8.59 |
| Building | 70.61 | - |
| TOTAL | 254.49 | 184.06 |

- (i) Construction of Boundry wall under CWIP as on 31.03.2019 has been capitalised under the head "Building" during the year 2019-20 and depreciated accordingly.
- (ii) Depreciation is provided in the accounts on written down value method & based on useful life basis & the manner provided in schedule-II of the Companies Act 2013.
- (iii) The Corporation hold a land on leased basis for a period generally ranging from 25-99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non-cancellable. These leasehold land situated at Sonapur depot are amortised over a period of lease term with considering significant of accounting policy.

5 Capital work-in-progress-Tangible

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------|------------------------|------------------------|
| Construction of Boundry Wall (PWD) | - | 100.00 |
| Construction of Godown | | |
| At Khurda (Bridge & Roof Co.) | 156.17 | - |
| At Sonapur (NBCC) | 108.32 | - |
| TOTAL | 264.49 | 100.00 |

- (i) Out of balance of Rs. 10000000/- , the Corporation has intimated vide letter No.-837 dated 07.12.2019 upon which the agreement was executed with the contractor for Rs.7427773/- for the said construction work and intimated vide letter no.-312, dated-22.01.2020 that the expenditure was made of Rs.7280777/- (expenditure for the FY-2018-19 amounts to Rs.6140491/- and FY-2019-2020 amounts to Rs.1140286/-) and completion certificate has been received 07.12.2019. However the carrying amount of Boundry wall is being capitalised during the year and depreciation charged accordingly.
- (ii) Two lands situated at Khurda and Sonapur having estimated contract value of Rs.156172000/- & Rs. 108319870.76, Out of these , 10% of such estimated contract value has been given for advance towards Bridge & Roof Co. (India) Ltd. and NBCC for construction of godown.
- (iii) The construction works includes civil works, infrastructure development, allied work and any other additional works.



- (iv) In case of requirement of any alteration, additional work, deviation in quantity or additional items, Contractor will prepare a revised estimate as per the provision of OPWD/CPWD code incorporating the additional cost which will be borne by the Corporation.

6 Right of Use of Assets

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Office Building & Depot godown | 341.27 | 329.49 |
| (+) Addition to Office Building & Depot Godown | 554.40 | 219.18 |
| (-) Amortisation | -360.06 | -207.40 |
| TOTAL | 535.61 | 341.27 |

7 Intangible assets

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------|---------------------------|---------------------------|
| Software Development | 65.91 | 87.88 |
| | - | - |
| TOTAL | 65.91 | 87.88 |

8 Intangible assets under development

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------|---------------------------|---------------------------|
| Software Development(CWIP) | 57.28 | - |
| TOTAL | 57.28 | - |

#. The Corporation has paid separately as an advance to OCAC for procurement of MS-SQL Server license which is being treated under capital work in progress until the degree of certainty attached to the flow of future economic benefits that are attributable to use of asset on the basis of the evidence available at the time initial recognition.

9 Non current-Trade receivables

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Trade receivables considered good-Secured | - | - |
| Trade receivables considered good-Unsecured | - | 7.67 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables-credit impaired | - | - |
| TOTAL | - | 7.67 |

Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

10 Non current-Loans receivables

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Loan receivables considered good-Secured | - | - |
| Loan receivables considered good-Unsecured | - | - |
| Loan receivables which have significant increase in credit risk | - | - |
| Loan receivables-credit impaired | - | - |
| TOTAL | - | - |



There are no loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or no amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

11 Other financial assets

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Security Deposit #-1 | 36.47 | 36.46 |
| Receivable from Govt. & Others | 0.26 | 0.26 |
| Recoverable from Govt. & Others (Boundry Wall) | 27.19 | - |
| CST /VAT Deposit | 0.01 | 0.01 |
| Loading & Unloading Charges Receivable | 407.45 | 407.45 |
| Receivable from Suppliers | 150.55 | 243.57 |
| | 621.93 | 687.75 |
| Less : Provision for doubtful assets | -150.55 | -243.57 |
| TOTAL | 471.38 | 444.18 |

#-1- The Corporation has given security deposits with respective head as SD with Sales tax Deptt., SD with Office rent (IDCO fortune Tower), SD with Jio Infocomm Ltd, SD with WESCO, SD with Oil Odisha(Godown rent), SD with Trupti Service Station(POL), SD with Telephone(HO and Depot) which is renewed and refunded as per the contract / agreement.

12 Deferred tax assets (Net)

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------|------------------------|------------------------|
| Deferred Tax Liabilities | -183.57 | - |
| Less : Deferred tax Assets | 202.00 | 7.63 |
| TOTAL | 18.43 | 7.63 |

The carrying amount of deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. However, deferred tax asset is determined based on balancesheet approach.

13 Other non-current assets

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Unsecured, Considered Good | | |
| PF Paid under Protest | - | 26.76 |
| Income Tax Demand / Deposit made under protest | 9,313.91 | |
| Receivable from EPFO | 7.61 | - |
| Sales Tax Demand/Deposits # | 572.38 | 572.38 |
| Service Tax Deposits # | 615.88 | 253.02 |
| Unsecured, Considered Doubtful | | |
| Advance Excise duty | 29.30 | 29.30 |
| | 10,539.08 | 881.46 |
| Less : Provision for doubtful other assets | -29.30 | -29.30 |
| TOTAL | 10,509.78 | 852.16 |

In view of various court cases, litigations and claims disputed by the Corporation, the outflow of resources is not ascertainable at this stage.

It is not practicable for the Corporation to estimate the timing of actual cash outflows and the details are shown in Additional notes to accounts in point no-10- as contingent liability. However, the chances are remote and contingent.



14 Current-Trade receivables

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Trade receivables considered good-Secured | - | - |
| Trade receivables considered good-Unsecured | - | - |
| Trade receivables which have significant increase in credit risk and | - | - |
| Trade receivables-credit impaired | - | - |
| TOTAL | - | - |

15 Cash & Cash Equivalents

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Balances with Banks | | |
| (a) (i) Current Account (including flexi balance and interest accrued thereon) | 1,402.58 | 17,735.85 |
| (b) Deposits with original maturity of less than three months | 10,100.00 | 9,300.00 |
| (c) DD/Cheques on Hand | 15.84 | 165.13 |
| (d) Cash in Hand | 0.38 | 0.33 |
| (e) Others (Specify nature) | | |
| Indian Postal Order | - | - |
| Cash and cash equivalents as per Balance sheet | 11,518.80 | 27,201.31 |
| Balances with Banks more than three months | 21,302.13 | 19,656.57 |
| TOTAL CASH AND BANK BALANCES | 32,820.93 | 46,857.88 |

16 Current-Loans receivables

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------|------------------------|------------------------|
| Considered good | | |
| Loans & advances to employees | 1.10 | 0.98 |
| TOTAL | 1.10 | 0.98 |

* Receivables due by directors and its officers of the Company is nil (Previous year: nil)

17 Other financial assets-Current

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------------|------------------------|------------------------|
| Stock Holding Charges Receivable | 39.51 | 111.99 |
| TOTAL | 39.51 | 111.99 |

18 Current tax assets and liabilities

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------|------------------------|------------------------|
| Current tax assets | | |
| Advance Tax & TDS | 3,368.02 | 23,270.38 |
| Refund receivable | 542.59 | 969.24 |
| Less: Provision for Income tax | -3,033.68 | -15,067.62 |
| TOTAL | 876.93 | 9,172.00 |

19 Other current assets

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Receivable from Suppliers | 3.90 | 3.89 |
| Advance to excise Department | 50.52 | 50.31 |
| Advance to Suppliers (Aska Co-operative) | - | 900.00 |
| Prepaid License fee #-1 | 600.00 | 300.00 |
| Prepaid Insurance of Stock | 89.07 | 90.42 |
| Prepaid Municipal Tax | 9.67 | 9.67 |
| Depot advance-Internet Charges | 2.52 | 1.05 |
| Others Advances | 0.89 | 0.97 |
| TOTAL | 756.57 | 1,356.31 |



#-1- As per the excise policy for the period 2020-21 vide office order no-2003/dated-28-03-2020, The Department of Excise, Govt. of Odisha has increased non refundable licencese fee by ₹ 3 crores towards wholesale license fee and wholesale depots with foreign liquour (including IMFL), Wine & Beer storage facility with Country liquour.

20 Equity Share Capital

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| Authorised Capital | | |
| 50,00,000 Equity Shares of Rs.10/ each (with equal voting rights fully paid) | 500.00 | 500.00 |
| Issued and subscribed & fully paid-up capital | | |
| 10,00,000 Equity Shares @ Rs.10/ each | 100.00 | 100.00 |
| TOTAL | 100.00 | 100.00 |

The movement in subscribed and paid up share capital is set out below.

| | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---------------------------------|------------------------|---------------|------------------------|---------------|
| | No. Of Shares | Rs. Lakhs | No. Of Shares | Rs. Lakhs |
| Ordinary shares of Rs. 10 each | | | | |
| At the beginning of the year | 10,00,000 | 100.00 | 10,00,000 | 100.00 |
| Shares allotted during the year | 0 | 0.00 | 0 | 0.00 |
| | 10,00,000 | 100.00 | 10,00,000 | 100.00 |

Shares in the company held by each

(Amount in ₹ lakh)

| shareholder holding more than 5% shares | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|-------------------|---|-------------------|
| Name of the Shareholder | No of Shares Held (Face value of Rs. 10 each) | % of Total Shares | No of Shares Held (Face value of Rs. 10 each) | % of Total Shares |
| Hon'ble Governor of Odisha | 9,99,993 | 99.9993 | 9,99,993 | 99.9993 |

The Company has only one class of share referred to as equity shares having a par value of Rs. 10. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Corporation, the holders of equity shares will be entitled to receive any of the remaining assets of the Corporation after distribution of all preferential amounts. However no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

21 Other Equity

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------|------------------------|------------------------|
| General reserve | | |
| Opening balance | 3,310.86 | 3,310.86 |
| (+) Current year transfer | - | - |
| Closing balance (a) | 3,310.86 | 3,310.86 |
| Retained earnings | | |
| Opening balance | 28,604.93 | 26,412.60 |
| Transition impact of IND AS-116 | - | 1.37 |
| Restated Opening Balance | 28,604.93 | 26,413.97 |



(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------|------------------------|------------------------|
| (+) Net Profit for the current year | 2,526.67 | 3,003.21 |
| (-) Transfer to reserves | - | - |
| (-) Dividend paid | -899.74 | -462.66 |
| (-) Dividend distribution tax | -184.94 | -95.10 |
| (-) Debit Under reconciliation | - | -1,588.96 |
| (+) Credit Under reconciliation | - | 1,484.28 |
| (-) Provision for IT(2013-14) | - | -2,826.11 |
| (-)Income Tax refund (2013-14) | - | -521.26 |
| (+) TDS receivable(2013-14) | - | 286.95 |
| (+) Advance IT(2013-14) | - | 3,063.00 |
| (-) Income tax demand(TCS) | - | -152.39 |
| (-) Provision for IT-FY-2017-18 | -2.38 | - |
| (-) Provision for IT-FY-2016-17 | -0.03 | - |
| (-) Provision for IT-FY-2015-16 | - | - |
| (-) Provision for IT-FY-2013-14 | -2.58 | - |
| (+) Income Tax Refund-FY-2014-15 | 235.83 | - |
| (-) Advance IT (2000-01 to 09-10) | -624.52 | - |
| Closing balance (b) | 29,653.24 | 28,604.93 |
| Other Comprehensive Income | | |
| Opening balance | -1.69 | 0.03 |
| Changes during the year | -0.75 | -2.65 |
| Deferred tax | 0.26 | 0.93 |
| Total other comprehensive income (c) | -2.18 | -1.69 |
| Total other equity (a+b+c) | 32,961.92 | 31,914.10 |

22. Non current liabilities-Leases

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------------|------------------------|------------------------|
| Opening Lease obligation | 335.77 | 328.12 |
| (+) Addition to Lease obligation | 554.40 | 219.18 |
| (+) Interest on Lease obligation | 38.64 | 24.25 |
| (-) Repayment of Lease | -403.46 | -235.77 |
| TOTAL | 525.35 | 335.78 |

23. Non current liabilities-Provisions

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|------------------------|------------------------|
| Provision for leave encashment | 14.50 | 2.28 |
| Provision for gratuity | 7.34 | 4.74 |
| TOTAL | 21.84 | 7.02 |

24. Other non-current liabilities

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Entry tax withheld subject to reconciliation | 150.52 | 150.52 |
| Recovery from Retailers | 10.39 | 10.39 |
| Withheld (Retailer) account | 0.03 | 0.03 |
| Supplier Withheld A/c | 0.38 | 0.38 |
| Security deposits | 528.85 | 462.42 |
| TOTAL | 690.17 | 623.74 |



25 Current liabilities-Lease liabilities

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------|------------------------|------------------------|
| Lease obligation | - | - |
| TOTAL | - | - |

26 Trade Payables

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| Outstanding dues of Micro Enterprises & Small Enterprises | - | - |
| Outstanding dues other than Micro Enterprises & Small Enterprises -Creditors for supplies and services | 3,117.56 | 19,173.81 |
| TOTAL | 3,117.56 | 19,173.81 |

The amount due to Micro and Small Enterprises as defined in 'The Micro, Small and Medium Enterprises Development Act, 2006', has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as follows.

| Description | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| (i) The principal amount remaining unpaid to supplier as at the end of the year. | - | - |
| (ii) The interest due thereon remaining unpaid to supplier as at the end of the year. | - | - |
| (iii) The amount of interest due thereon and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act. | - | - |
| (iv) The amount of interest accrued during the year and remaining unpaid at the end of the year. | - | - |
| (v) The amount of further interest remaining due and payable even if in the succeeding year until such date the interest due above are actually paid. | - | - |

27 Other Financial Liabilities

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| Financial liabilities carried at amortized cost | | |
| Employee benefits payable | 122.57 | 42.64 |
| Godown rent payable | 180.83 | 81.37 |
| Security services charges payable | 65.72 | 42.24 |
| TOTAL | 369.12 | 166.25 |

28 Other current liabilities

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| Statutory dues | 7,289.25 | 6,532.48 |
| Advance from customers | 1,559.37 | 631.67 |
| Registration fee (Supplier) received in advance | 1.00 | - |
| Other liabilities | 36.65 | 39.11 |
| TOTAL | 8,886.27 | 7,203.26 |

29 Current liabilities-Provisions

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|------------------------|------------------------|
| Provision for leave encashment | 0.12 | 0.02 |
| Provision for gratuity | 0.06 | 0.03 |
| TOTAL | 0.18 | 0.05 |

**30 Revenue from Operations:**

(Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|---|--|--|
| Sale of Products (including excise duty) | | |
| Sales (Beer) | 118,512.08 | 105,273.97 |
| Sales (CL) | 26,280.83 | 26,279.96 |
| Sales (IMFL) | 370,496.09 | 342,282.25 |
| TOTAL | 515,289.00 | 473,836.18 |

Sales includes Additional and Differential excise duty of Rs. 5780.77 Lakhs for the FY-2019-20 & Rs. 9775.46 lakhs for the FY-2018-19

31 Other income:

(Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|-------------------------------|--|--|
| Interest on Bank Deposits #-1 | 2,995.32 | 2,688.11 |
| Interest on IT Refund | 34.84 | - |
| Cash discounts | 2,472.24 | 2,284.70 |
| Non-operating incomes #-2 | 419.37 | 681.42 |
| TOTAL | 5,921.77 | 5,654.23 |

#-1. In view of the above deposit, Interest on bank deposit includes interest on Flexi account, interest on SB-Depot and interest on fixed deposits.

#-2. In view of the Non-operating income, it includes fine recovered from supplier, permit cancellation fee, processing fee, registration fee, revalidation fee, RTI collection, service tax refund, suppliers (NOP-cr), tender paper sale and vehicle user fee. Further, the debit/credit closing balance of seventeen non-operating suppliers are written off due to remission/cession of trading liability and the stock holding charge receivable against such seventeen suppliers are being reversed.

32 Purchase of stock-in-trade:

(Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|--|--|--|
| Purchase of Stock (including excise duty) | | |
| Purchases (Beer) | 116,147.28 | 101,859.76 |
| Purchases (CL) | 25,978.03 | 24,104.27 |
| Purchases (IMFL) | 365,734.78 | 336,573.58 |
| TOTAL | 507,860.09 | 462,537.61 |

33 Employee benefit expense:

(Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|---|--|--|
| Salaries, incentive & allowances | 375.40 | 334.17 |
| Contributions to provident and other funds #1 | 16.26 | 20.24 |
| Staff welfare expenses | 4.03 | 3.60 |
| TOTAL | 395.69 | 358.01 |

#-1. It includes employer contribution towards EPF, ESI & PPF and also EPF administration charges.


34 Depreciation & Amortization expense: (Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|---|--|--|
| On Property, Plant & Equipment-owned assets-note-4.1 | 23.33 | 24.96 |
| On Property, Plant & Equipment-leased assets-note-6.1 | 360.06 | 207.41 |
| On Intangible Assets-note-7.1 | 21.97 | 21.97 |
| TOTAL | 405.36 | 254.34 |

35 Other expense: (Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|---|--|--|
| License Fee | 300.00 | 300.00 |
| Additional Excise duty | 5,583.25 | 8,253.56 |
| Donation to CMRF | 1,500.00 | 500.00 |
| Differential Excise duty | 197.52 | 1,521.90 |
| Godown Rent & Insurance | 185.85 | 201.66 |
| CSR Expenses | 30.00 | 81.38 |
| Security Service Charges | 553.64 | 447.46 |
| Professional & Legal Charges #1 | 136.73 | 138.43 |
| Director's sitting Fees | 4.84 | 4.25 |
| Office Rent & maintenance charges | 22.94 | 63.90 |
| Electricity Charges | 15.66 | 13.95 |
| Repair & Maintenance #2 | 8.44 | 9.66 |
| Audit Fees | 3.54 | 2.95 |
| Provision for Non-operating Creditors | 5.71 | 62.67 |
| Other Administrative & Sundry Expenses #3 | 69.88 | 58.73 |
| TOTAL | 8,618.00 | 11,660.50 |

#-1. It includes legal fee, professional charges, appeal fee and consultancy fee.

#-2. It includes computer repair & maintenance including depot, repair & maintenance of depot, vehicle repair & maintenance, Xerox repair & maintenance etc.

#-3. It includes expenses on advertisement, bank charges, BOD meeting, book and journals, business meeting and promotion, DLO registration, electrical equipment & fittings, electricity charges, entertainment, genset-depot, hire charges of vehicle, honorarium, internet, labour, municipal holding tax, news paper and periodicals, NIC online related, POL, postage and telegram, printing and stationery, telephone, training, transportation, travelling and conveyance, vehicle insurance etc.

36 Finance costs: (Amount in ₹ lakh)

| Particulars | For the period ended March 31, 2020 | For the period ended March 31, 2019 |
|------------------------------|--|--|
| Interest on lease obligation | 38.64 | 24.25 |
| TOTAL | 38.64 | 24.25 |



ODISHA STATE BEVERAGES CORPORATION LTD. 2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR

| Note No. - 4.1 : Property, plant and equipment | | FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST MARCH, 2020 | | | | | | (Amount in ₹ lakh) | |
|---|---------------------|--|----------|-------------------------|------------------------|----------------------|----------|--------------------|--|
| PARTICULARS | LAND (Leasehold) | BUILDING | COMPUTER | FURNITURE & FIXTURES | ELECTRICAL FITTINGS | OFFICE EQUIPMENTS | VEHICLES | TOTAL | |
| (A) GROSS BLOCK: | | | | | | | | | |
| Balance as on 01.04.2019 | 146.53 | - | 131.86 | 52.40 | 18.37 | 69.76 | 56.49 | 475.41 | |
| Balance as on 01.04.2018 | 146.53 | - | 131.76 | 51.31 | 15.42 | 64.28 | 56.49 | 465.79 | |
| Addition during the year (Previous Year:2018-19) | - | 72.81 | 16.40 | 0.50 | 0.07 | 3.98 | - | 93.76 | |
| Deletion during the year (Previous Year:2018-19) | - | - | 0.47 | 1.09 | 3.01 | 5.48 | - | 10.05 | |
| | - | - | - | - | - | - | - | - | |
| | - | - | 0.37 | - | 0.06 | - | - | 0.43 | |
| Balance as on 31.03.2020 | 146.53 | 72.81 | 148.26 | 52.90 | 18.44 | 73.74 | 56.49 | 569.17 | |
| Balance as on 31.03.2019 | 146.53 | - | 131.86 | 52.40 | 18.37 | 69.76 | 56.49 | 475.41 | |
| (B) DEPRECIATION/AMORTISATION: | | | | | | | | | |
| Balance as on 01.04.2019 | 6.51 | - | 126.21 | 44.81 | 12.12 | 61.17 | 40.53 | 291.35 | |
| Balance as on 01.04.2018 | 4.58 | - | 120.13 | 42.83 | 10.40 | 56.78 | 32.02 | 266.74 | |
| Depreciation/Amortisation for the Year (Previous Year:2018-19) | 1.93 | 2.20 | 8.79 | 1.49 | 1.52 | 2.77 | 4.63 | 23.33 | |
| | 1.93 | - | 4.47 | 1.89 | 1.27 | 3.65 | 7.03 | 20.24 | |
| (-) Accumulated Dep. On disposal assets | - | - | 0.35 | - | - | - | - | 0.35 | |
| (+) Adjustments to Dep. On prior year | - | - | 1.96 | 0.09 | 0.45 | 0.74 | 1.48 | 4.72 | |
| (Previous Year:2018-19) | - | - | - | - | - | - | - | - | |
| Balance as on 31.03.2020 | 8.44 | 2.20 | 135.00 | 46.30 | 13.64 | 63.94 | 45.16 | 314.68 | |
| Balance as on 31.03.2019 | 6.51 | - | 126.21 | 44.81 | 12.12 | 61.17 | 40.53 | 291.35 | |
| (C) NET BLOCK | | | | | | | | | |
| Balance as on 31.03.2020 | 138.09 | 70.61 | 13.26 | 6.60 | 4.80 | 9.80 | 11.33 | 254.49 | |
| Balance as on 31.03.2019 | 140.02 | - | 5.65 | 7.59 | 6.25 | 8.59 | 15.96 | 184.06 | |

Note:- Depreciation is provided in the accounts on written down value method & based on useful life basis & the manner provided in schedule-II of the Companies Act 2013

ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR

20th Annual Report 2019-20



| Note No. - 6.1 : Property, plant and equipment | | | | BUILDING | | | | (Amount in ₹ lakh) | |
|--|--------|----------|-----------|----------|----------|-----------|-------------|--------------------|-------|
| PARTICULARS | GODOWN | | | | | | OFFICE | | TOTAL |
| | ANGUL | BALASORE | BERHAMPUR | JAJPUR | NIRGUNDI | SAMBALPUR | BHUBANESWAR | | |
| (A) GROSS BLOCK: | | | | | | | | | |
| Balance as on 01.04.2019 | 116.21 | 33.27 | 54.21 | 60.34 | - | 173.67 | 219.17 | 656.87 | |
| Balance as on 01.04.2018 | 116.21 | 33.27 | 54.21 | 60.34 | - | 173.67 | - | 437.70 | |
| Addition (Previous Year:2018-19) | - | - | - | - | 314.23 | 240.17 | - | 554.40 | |
| Deletion (Previous Year:2018-19) | - | - | - | - | - | - | 219.17 | 219.17 | |
| Balance as on 31.03.2020 | 116.21 | 33.27 | 54.21 | 60.34 | 314.23 | 413.84 | 219.17 | 1,211.27 | |
| Balance as on 31.03.2019 | 116.21 | 33.27 | 54.21 | 60.34 | - | 173.67 | 219.17 | 656.87 | |
| (B) AMORTIZATION: | | | | | | | | | |
| Balance as on 01.04.2019 | 77.47 | 15.36 | 23.23 | 30.17 | - | 138.93 | 30.44 | 315.60 | |
| Balance as on 01.04.2018 | 38.74 | - | - | - | - | 69.47 | - | 108.21 | |
| Depreciation / Amortisation for the Year | 38.74 | 15.36 | 23.23 | 30.17 | 104.74 | 74.76 | 73.06 | 360.06 | |
| (Previous Year:2018-19) | 38.74 | 15.36 | 23.23 | 30.17 | - | 69.47 | 30.44 | 207.41 | |
| Balance as on 31.03.2020 | 116.21 | 30.71 | 46.47 | 60.34 | 104.74 | 213.69 | 103.50 | 675.66 | |
| Balance as on 31.03.2019 | 77.47 | 15.36 | 23.23 | 30.17 | - | 138.93 | 30.44 | 315.60 | |
| (C) NET BLOCK | | | | | | | | | |
| Balance as on 31.03.2020 | 0.00 | 2.56 | 7.74 | - | 209.49 | 200.15 | 115.67 | 535.61 | |
| Balance as on 31.03.2019 | 38.74 | 17.92 | 30.98 | 30.17 | - | 34.73 | 188.73 | 341.27 | |



ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR

(Amount in ₹ lakh)

FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST MARCH, 2020

| Note No. - 7.1 : Intangible assets | PARTICULARS | SOFTWARE |
|--|-------------|----------|
| (A) GROSS BLOCK: | | |
| Balance as on 01.04.2019 | | 109.85 |
| Balance as on 01.04.2018 | | 109.65 |
| Addition during the year (Previous Year:2018-19) | | - |
| Deletion during the year (Previous Year:2018-19) | | 0.20 |
| Balance as on 31.03.2020 | | - |
| Balance as on 31.03.2019 | | 109.85 |
| (B) AMORTISATION: | | |
| Balance as on 01.04.2019 | | 21.97 |
| Balance as on 01.04.2018 | | - |
| Amortisation for the year (Previous Year:2018-19) | | 21.97 |
| Adjustments to Dep. (Previous Year:2018-19) | | - |
| Balance as on 31.03.2020 | | 43.94 |
| Balance as on 31.03.2019 | | 21.97 |
| (C) NET BLOCK | | |
| Balance as on 31.03.2020 | | 65.91 |
| Balance as on 31.03.2019 | | 87.88 |

Note:- Depreciation is provided in the accounts on written down value method & based on useful life basis & the manner provided in schedule-II of the Companies Act 2013



12.1 Deferred Tax

(Amount in ₹ lakh)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Tax effect of items constituting deferred tax liabilities | | |
| Difference between book and tax on lease liability | 183.57 | - |
| Adjustments through OCI | - | - |
| | 183.57 | - |
| Tax effect of items constituting deferred tax assets | | |
| Difference between book and tax on Right of Use of assets | 187.16 | - |
| Difference between book and tax depreciation | 7.15 | 5.15 |
| Due to leave encashment & Gratuity | 7.69 | 2.48 |
| Other disallowances | - | - |
| Adjustments through OCI | - | - |
| | 202.00 | 7.63 |
| Deferred tax (assets)/ liabilities (net) | -18.43 | -7.63 |
| Tax Credit (Minimum alternative tax) | - | - |

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st march 2020 are summarized as follows:

| Deferred tax (assets)/ liabilities (net) | As at 1st April 2019 | Recognized in profit or loss | Recognized in other comprehensive income | As at 31st March, 2020 |
|--|-------------------------|---------------------------------|--|---------------------------|
| Tax effect of items constituting deferred tax liabilities | | | | |
| Difference between book and tax on lease liability | - | 183.57 | - | 183.57 |
| Adjustments through OCI | - | - | - | - |
| | - | 183.57 | - | 183.57 |
| Tax effect of items constituting deferred tax assets | | | | |
| Difference between book and tax on Right of Use of assets | | 187.16 | | 187.16 |
| Difference between book and tax depreciation | 5.15 | 2.00 | - | 7.15 |
| Due to leave encashment | 0.80 | 4.30 | - | 5.10 |
| Due to gratuity | 1.68 | 0.65 | 0.26 | 2.59 |
| | 7.63 | 194.11 | 0.26 | 202.00 |
| Deferred tax (assets)/ liabilities (net) | -7.63 | -10.54 | -0.26 | -18.43 |

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st march 2019 are summarized as follows:

| Deferred tax (assets)/ liabilities (net) | As at 1st April 2018 | Recognized in profit or loss | Recognized in other comprehensive income | As at 31st March, 2019 |
|--|-------------------------|---------------------------------|--|---------------------------|
| Tax effect of items constituting deferred tax liabilities | | | | |
| Difference between book and tax depreciation | - | - | - | - |
| Adjustments through OCI | - | - | - | - |
| | - | - | - | - |
| Tax effect of items constituting deferred tax assets | | | | |
| Difference between book and tax depreciation | 1.98 | 3.17 | - | 5.15 |
| Due to leave encashment | 0.14 | 0.66 | - | 0.80 |
| Due to gratuity | 0.26 | 0.49 | 0.93 | 1.68 |
| | 2.38 | 4.32 | 0.93 | 7.63 |
| Deferred tax (assets)/ liabilities (net) | -2.38 | -4.32 | -0.93 | -7.63 |



Note-1

Odisha State Beverages Corporation Limited

Notes to Accounts and Significant Accounting Policies

GENERAL INFORMATION

I. Reporting Entity

Odisha State Beverages Corporation Limited (hereinafter referred to as “the Corporation”) is a Government Company incorporated under the Companies Act, 1956. The Government of Odisha by Act No.9 of 2000 published in the Orissa Gazette on 04.10.2000, and notification No.-514 dated 30.01.2001 published in the Orissa Gazette on 31.01.2001, conferred exclusive privilege on the Company to carry on wholesale trade in beverages throughout Odisha. The registered office of the Company is situated at Bhubaneswar.

The financial statements for the year ended on 31st March, 2020 have been approved and authenticated by the Board of Directors on its 85th meeting held on 22.10.2020.

ii. Basis of Preparation & Presentation

(a) Statement of Compliance

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act 2013 (The Act), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The Company has uniformly applied the accounting policies during the period.

Operating Cycle: The Company has a normal operating cycle of 12 months considering its operations.

(b) Adoption of New and Revised Standards

The Ministry of Corporate Affairs has notified The Companies (Indian Accounting Standard) Amendment Rules, 2019 dated 30th March, 2019 which inter-alia includes the new standard on leases IndAS 116 replacing the existing standard IndAS 17, effective from 01.04.2019. The Company adopted the new IndAS 116 accordingly.

(c) Current & Non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle or
- ii) It is held primarily for the purpose of trading or
- iii) It is expected to realise the asset within twelve months after the reporting period or



- iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i) It is expected to be settled in the normal operating cycle or
- ii) It is held primarily for the purpose of trading or
- iii) It is due to be settled within twelve months after the reporting period or
- iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(d) Basis of Measurement

The Financial Statements are prepared under the historical cost except for the defined benefit plans and plan assets which have been measured at fair value.

(e) Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

(f) Restatement of material/omissions

The value of errors and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented, if the sums total effect of earlier period income/expenses exceeds 0.25% of average turnover of previous three financial years.

(g) Use of Estimates and Management Judgments

In preparing the Financial Statements in conformity with IndAS requires the Management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual and the estimates are recognised in the periods in which the results are known/materialised.

(h) Estimation of uncertainties relating to the global health pandemic from COVID-19:

The outbreak of Coronavirus (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

sale of liquors have triggered significant disruptions to businesses. COVID19 is significantly impacting business operation of the Corporation, by way of supply chain disruption, unavailability of personnel, closure/lockdown of production facilities of the suppliers etc. In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Trade receivable etc. the Company has considered internal and external information. The Company expects to recover the carrying amount of the assets.

Note-2

SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

1. Property, Plant and Equipment

1.1 Recognition and Measurement

Property, Plant and Equipment, other than leasehold land, are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Leasehold Land: Two lands have been taken on lease from Govt. of Odisha for lease period of 99 years and 60 years respectively and the company shall at the expiration of the term hereby granted, quietly yield up the demised land on to the State Government in the same conditions as it is now. Since the land has restricted economic life because of the planned alternative use, the lease of land has been classified under Finance Lease and shown under the head Property, Plant & Equipment.

1.2 Subsequent Cost

Subsequent expenditure relating to property, plant & equipment is capitalized only if such expenditure results in increase in the future economic benefits from such asset beyond its previously assessed standard of performance.

Major repair of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits of the costs incurred will flow to the Company. The carrying amount of the replaced item(s) is derecognised.

1.3 De-recognition

The Carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Further the gain or losses arising from de-recognition of an item of property plant & equipment is included in the profit or loss.



1.4 Depreciation

Depreciation on Property, Plant and Equipment is provided using Written Down Value Method on depreciable amount. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end.

Land (Finance Lease): With respect to land under Finance lease, the company is amortising the value of land over the lease period of the land.

1.5 Capital Work-In-Progress

Assets in the course of construction for production and/or supply of goods or services or administrative purposes, or for purposes not yet determined, are included under capital work-in-progress and are carried at cost, less any recognised impairment loss. Such capital work-in-progress is transferred to the appropriate category of property, plant and equipment when completed or starts operating as per management intended use whichever is earlier.

Expenses for assessment of new potential projects incurred till and for the purpose of making investment decisions are charged to revenue. Expenditure incurred for projects after investment decisions are accounted for under capital work in progress and capitalized subsequently.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation of contracts are accounted for on estimated basis as per the terms of agreement.

1.6 Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant & equipment recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2. Intangible assets and intangible assets under development

2.1 Initial recognition and measurement

Intangible Assets like Software is stated at cost of acquisition net of recoverable taxes, trade discounts & rebates less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, and any cost directly attributable to bringing the asset to its working condition for its intended use. Intangible assets are amortized over a period of 5 years or their estimated useful life, whichever is less.

Intangible assets that are acquired by the Corporation which have finite useful lives are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make ready for its intended use.

Expenditure on development activities is capitalised only if the expenditure can be measured reliably and are eligible for capitalisations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

2.2 Subsequent cost

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3. Impairment of Non-Financial Assets

The Company reviews the carrying amount of its Property, Plant & Equipment & Intangible Assets and these are tested for impairment on each Balance Sheet date, whenever there is an indication that such asset may be impaired.

If any such indication exists, the assets' recoverable amount is estimated, as higher of the Net Selling Price and the Value in Use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

4. Dividend and Dividend distribution tax

Dividends and interim dividends payable to the Shareholder are recognised as changes in equity in the period in which they are approved by the shareholders and the Board of directors respectively; simultaneously Dividend distribution tax is recognised in the statement of changes in equity.

5. Government Grants

Government grants are only recognized if it is sufficiently certain that the assistance will be granted and the conditions attached to the assistance are satisfied. Where the Grant relates to an asset value, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grants are recognized in the Statement of Comprehensive Income concurrent to the expenses to which such grants relate/ are intended to cover.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at fair amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset.



6. Employee Benefits

6.1 Defined Contribution Plan

A Defined Contribution Plan is a plan under which the Company pays fixed contributions. Contributions towards Provident Funds are charged to the Statement of Profit or Loss of the period when the contributions to the Funds are due.

6.2 Defined Benefit Plan

The Company's gratuity scheme is a defined benefit plan. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment of an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of Five years of service. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows using projected unit credit method. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields of Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss or Other Comprehensive Income of the year.

Re-measurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

6.3 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

6.4 Long Term Employee Benefits

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. In case of own employees of the company, the expected cost of accumulating compensated absences 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. For deputed employees, the retirement benefits are remitted as and when claimed by their respective department/organisation.

7. Revenue

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Revenue includes only gross inflows of economic benefits, including excise duty received and receivable by the Company, on its own account. Amounts collected on behalf of third party such as value added tax & TCS collected are excluded from revenue.

7.1 Sale of goods

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, recovery of consideration is probable and retains neither continuing managerial involvement nor effective control over the products sold.

7.2 Cash Discount

The Company has recognised cash discount earned for making early payment to suppliers as per the Company's Supply Chain Management Policy treated as "Other Income"

7.3 Interest

Interest income is reported on an accrual basis using the effective interest method.

8. Recognition of purchase

Purchase has been accounted for based on the approved pricing policy of the Company, on transfer of significant risks and rewards from the suppliers after the final inspection of goods takes place.

9. Adjustment pertaining to Earlier Years

Income/Expenditure relating to prior period, which do not exceed 0.25% of Average Turnover of previous three financial years, are treated as income/expenditure of current year.

10. Leases

Company as a Lessee before 01.04.2019

10.1 Finance leases

Finance lease, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the leased liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.



If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

10.2 Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

Company as a Lessee after 01.04.2019

10.3 The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments. The lease liability is measured at amortised cost using the effective interest method. The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. The Company's leases mainly comprise office building and buildings for warehouse facilities

11. Provisions, Contingent Liabilities and Contingent Assets

11.1 Provisions and Contingent Liabilities

A Provision is recognized when the Company has present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material.

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

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made.

In cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no Provision is recognized or disclosure is made.

11.2 Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

12. Income Taxes

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognized outside Statement of Profit and Loss is recognized either in OCI or in equity.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realised 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 relating to items recognized outside Statement of Profit and Loss is recognized either in OCI or in equity.

13. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into cash and subject to an insignificant risk of changes in value.

14. Equity and Reserves

Share Capital represents the nominal value of shares that have been issued, subscribed & paid up. Other components of equity include the following:



- Re-measurement of defined benefit liability comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets
- Other transactions recorded directly in Other Comprehensive Income.
- Retained earnings include all current and prior period retained profits

15. Financial Instruments

15.1 Initial recognition & measurement

Financial assets and financial liabilities are recognized and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

15.2 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss, or recognized in Other Comprehensive Income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

15.2 Amortised cost

A financial asset is measured at amortised cost using effective interest rates if both of the following conditions are met:

- 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 on the principal amount outstanding.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

15.4 Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

15.5 Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are designated to this category.

FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in Statement of Profit and Loss.

15.6 Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

15.7 Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

15.8 Trade Receivables

The Company applies approach permitted by Indian Accounting Standards (Ind AS) 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables.

15.9 Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

15.10 De-recognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

16. Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. The numbers of equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

**Note-3****ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS**

- Balances of Advance from Customers shown under "Other Current Liabilities" & "Trade Payables" include balances subject to confirmation/reconciliation and consequential adjustment if any. Reconciliations in respect of the above are in progress. Provisions wherever considered necessary have been made.
- The debit balances under Sundry creditors operating & defunct amounting to ₹ 3.90 Lakhs as on 31.03.2020 & ₹ 3.89 Lakhs as on 31.03.2019 have been shown under the head "Receivable from Suppliers" in Other Current Assets (Note-19)" and the credit balance under Sundry debtors amounting to ₹ 1559.37 Lakhs as on 31.03.2020 & ₹ 631.67 Lakhs as on 31.03.2019 have been shown under the head "Advance from Customers" in Other Current liabilities (Note-28)".
- Disclosures as per IND AS-24 on "Related Party Disclosures":**
As per Indian Accounting Standard – 24 (Ind-AS 24) 'Related Party Disclosures' prescribed under Companies Act 2013 the details of names of the related parties and transactions with them excluding Government controlled enterprises are given below:

| Sl. No. | Name of the Person | Designation | Relation |
|---------|------------------------|-------------------|--------------------------|
| 1. | Sri. Saroj Kumar Sethi | Managing Director | Key Management Personnel |
| | | | |

Amount ₹ in Lakh

| Transactions with Key Management Personnel | Current Year | Previous Year |
|--|--------------|---------------|
| Short Term Employee Benefit | | |
| Sri. Saroj Kumar Sethi | 18.05/- | 0.91/- |
| Sri Dwijaraj Kar | NIL | 22.22/- |
| Post Employment Benefit | NIL | NIL |
| Other Long Term Benefit | NIL | NIL |
| Termination Benefit | NIL | NIL |
| Share Based Payments | NIL | NIL |

4. Audit Fee (including GST):

Amount ₹ in Lakh

| Particulars | Current Year | Previous Year |
|----------------------|--------------|---------------|
| As Statutory Auditor | 3.54 | 2.95 |
| Total | 3.54 | 2.95 |

5. Disclosure as per IND AS-16 on “Property Plant and Equipment”:

Fixed assets include 5 vehicles purchased by the Company and handed over to Excise Department for smooth collection of Excise Duty payable to the Government.

6. Disclosure as per IND AS-33 on “Earnings per Share (EPS)”:

Computation Details

| Particulars | Current Year | | Previous Year | |
|--|--------------|-------------|---------------|-------------|
| | Basic EPS | Diluted EPS | Basic EPS | Diluted EPS |
| A. Earnings attributable to Equity Share holder (Amount ₹ in Lakh) | 2526.18 | 2526.18 | 3001.49 | 3001.49 |
| B. Weighted avg. of outstanding Equity share During the Year (Number in Lakhs) | 10.00 | 10.00 | 10.00 | 10.00 |
| C. EPS (A/B) (in ₹) | 252.62 | 252.62 | 300.15 | 300.15 |
| D. Face Value of Share (₹) | 10.00 | 10.00 | 10.00 | 10.00 |

7. Disclosure as per IND AS-19 on “Employee benefits”:

The Corporation has taken service of employees from Government of Odisha and other organization on deputation basis. They are guided by the terms of deputation as fixed/ to be fixed by the State Government/ other organization. Their retirement benefits including Gratuity & Leave Salary etc. are accounted for as per the terms of deputation and treated as defined contribution plan. In respect of own employees of the Company there is an obligation towards gratuity & leave salary which are defined benefit retirement plans. The Company accounted for the liability for gratuity & leave encashment payable in future based on year end actuarial valuation under projected unit credit method. Disclosures as required by IND-AS 19 are given below;

A. Leave Encashment

| Changes in Present Value of Obligation | | | Amount (In ₹) |
|--|--------------|---------------|----------------|
| Particulars | Current Year | Previous Year | |
| Present value of obligation as on last valuation | 230255.00 | 40565.00 | |
| Current Service Cost | 405057.00 | 115128.00 | |
| Interest Cost | 15381.00 | 3128.00 | |
| Participant Contribution | 0.00 | 0.00 | |
| Plan Amendments: Vested portion at end of period(Past Service) | 0.00 | 0.00 | |
| Plan Amendments: Non-Vested portion at end of period(Past Service) | 0.00 | 0.00 | |



| | | |
|--|------------|-----------|
| Actuarial gain/loss on obligations due to Change in Financial Assumption | 238853.00 | (411.00) |
| Actuarial gain/loss on obligations due to Change in Demographic assumption | 0.00 | 0.00 |
| Actuarial gain/loss on obligations due to Unexpected Experience | 571845.00 | 71845.00 |
| Actuarial gain/loss on obligations due to Other reason | 0.00 | 0.00 |
| The effect of change in Foreign exchange rates | 0.00 | 0.00 |
| Benefits Paid | 0.00 | 0.00 |
| Acquisition Adjustment | 0.00 | 0.00 |
| Disposal/Transfer of Obligation | 0.00 | 0.00 |
| Curtailment cost | 0.00 | 0.00 |
| Settlement Cost | 0.00 | 0.00 |
| Other(Unsettled Liability at the end of the valuation date) | 0.00 | 0.00 |
| Present value of obligation as on valuation date | 1461391.00 | 230255.00 |
| Accrued leave Encashment | 1668917.00 | 318700.00 |

| Changes in Fair Value of Plan Assets | | | Amount (In ₹) |
|--------------------------------------|--|--------------|-------------------|
| | Particulars | Current Year | Previous Year |
| | Fair value of Plan Assets at Beginning of period | - | - |
| | Interest Income | - | - |
| | Employer Contributions | - | - |
| | Participant Contributions | - | - |
| | Acquisition/Business Combination | - | - |
| | Settlement Cost | - | - |
| | Benefits Paid | - | - |
| | The effect of asset ceiling | - | - |
| | The effect of change in Foreign Exchange Rates | - | - |
| | Administrative Expenses and Insurance Premium | - | - |
| | Return on Plan Assets excluding Interest Income | - | - |
| | Fair value of Plan Assets at End of measurement | - | - |

| Reconciliation to Balance Sheet | | | Amount (In ₹) |
|---------------------------------|---|--------------|-------------------|
| | Particulars | Current Year | Previous Year |
| | Funded Status | N/A | N/A |
| | Unrecognized Past Service Cost | - | - |
| | Unrecognized Actuarial gain/loss at end of the period | - | - |
| | Post Measurement Date Employer | - | - |
| | Unfunded Accrued/Prepaid Pension cost | - | - |
| | Fund Asset | - | - |
| | Fund Liability | 1461391.00 | 230255.00 |



| Plan Assumptions | | | Amount (In ₹) |
|------------------|--|-----------------------|-----------------------|
| | Particulars | Current Year | Previous Year |
| | Discount Rate | 6.68% | 7.71% |
| | Expected Return on Plan Asset | NA | NA |
| | Rate of Compensation Increase(Salary Inflation) | 6.00% | 6.00% |
| | Pension Increase Rate | N/A | N/A |
| | Average expected future service (Remaining working | 22 | 22 |
| | Mortality Table | IALM 2006-08 Ultimate | IALM 2006-08 Ultimate |
| | Superannuation at age-Male | 60 | 60 |
| | Superannuation at age-Female | 60 | 60 |
| | Early Retirement & Disablement (All Causes | 1 % p.a. | 1 % p.a. |
| | Voluntary Retirement | Ignored | Ignored |

| Expense Recognized in statement of Profit/Loss | | | Amount (In ₹) |
|--|--|--------------|--------------------|
| | Particulars | Current Year | Previous Year |
| | Current Service Cost | 405057.00 | 115128.00 |
| | Past Service Cost(vested) | 0.00 | 0.00 |
| | Past Service Cost(Non-Vested) | 0.00 | 0.00 |
| | Net Interest Cost | 15381.00 | 3128.00 |
| | Cost(Loss/(Gain) on settlement | 0.00 | 0.00 |
| | Cost(Loss/(Gain) on curtailment | 0.00 | 0.00 |
| | Actuarial Gain/loss | 810698.00 | 71434.00 |
| | Employee Expected Contribution | 0.00 | 0.00 |
| | Net Effect of changes in Foreign Exchange Rates | 0.00 | 0.00 |
| | Benefit Cost(Expense Recognized in Statement of Profit/loss) | 1231136.00 | 189690.00 |

| Other Comprehensive Income | | | Amount (In ₹) |
|----------------------------|--|--------------|-------------------|
| | Particulars | Current Year | Previous Year |
| | Actuarial gain/loss on obligations due to Change in Financial Assumption | 0.00 | 0.00 |
| | Actuarial gain/loss on obligations due to Change in Demographic assumption | 0.00 | 0.00 |
| | Actuarial gain/loss on obligations due to Unexpected Experience | 0.00 | 0.00 |



| | | |
|--|-------------|-------------|
| Actuarial gain/loss on obligations due to Other reason | 0.00 | 0.00 |
| Total Actuarial (gain)/losses | 0.00 | 0.00 |
| Return on Plan Asset Excluding Interest Income | - | - |
| The effect of asset ceiling | - | - |
| Balance at the end of the Period | 0.00 | 0.00 |
| Net(Income)/Expense for the Period Recognized in OCI | 0.00 | 0.00 |

| Mortality Table | |
|-----------------|-----------------------|
| Age | Mortality (Per Annum) |
| 25 | 0.000984 |
| 30 | 0.001056 |
| 35 | 0.001282 |
| 40 | 0.001803 |
| 45 | 0.002874 |
| 50 | 0.004946 |
| 55 | 0.007888 |
| 60 | 0.011534 |
| 65 | 0.0170085 |
| 70 | 0.0258545 |

| Sensitivity Analysis | | | | |
|----------------------|-----------|---|--------------|-------------|
| Previous Year | | Particulars | Current Year | |
| Increase | Decrease | Sensitivity Analysis | Increase | Decrease |
| 210734.00 | 251894.00 | Discount Rate (-/+ 0.5%) | 2112700 .00 | 251554 .00 |
| 8.478% | 9.398% | %Change Compared to base due to sensitivity | 8.356% | 9.249% |
| - | | | - | |
| 252037.00 | 210451.00 | Salary Growth (-/+ 0.5%) | 2517886 .00 | 2111594 .00 |
| 9.460% | -8.601% | %Change Compared to base due to sensitivity | 9.220% | -8.404% |
| 230400.00 | 230110.00 | Attrition Rate (-/+ 0.5%) | 2305749 .00 | 2304919 .00 |
| 0.063% | -0.063% | %Change Compared to | 0.018% | -0.018% |
| 230467.00 | 230043.00 | Mortality Rate (-/+ 10%) | 2305772 .00 | 2304896 .00 |
| 0.092% | -0.092% | %Change Compared to base due to sensitivity | 0.019% | -0.019% |



| Benefit Information and Estimated Future payments | |
|---|-------------------|
| Year | Indian Rupees(₹) |
| 1 | 12107.00 |
| 2 | 13016.00 |
| 3 | 14515.00 |
| 4 | 16081.00 |
| 5 | 17458.00 |
| 6 to 10 | 110318.00 |
| More than 10 years | 5084596.00 |
| Total Undiscounted Payments Past and Future Service | 0.00 |
| Total Undiscounted Payments related to Past Service | 5268091.00 |
| Less-Discout For Interest | 3806700.00 |
| Projected Benefit Obligation | 1461391.00 |

| Expected return on Plan Asset | | | Amount (In ₹) |
|-------------------------------|-----------------------|--------------|------------------|
| | Particulars | Current Year | Previous Year |
| | Current liability | 11722.00 | 2188.00 |
| | Non-Current Liability | 1449669.00 | 228067.00 |
| | Net Liability | 1461391.00 | 230255.00 |

B. Gratuity

| Changes in Present Value of Obligation | | | Amount (In ₹) |
|--|--|--------------|------------------|
| | Particulars | Current Year | Previous Year |
| | Present value of obligation as on last valuation | 477304.00 | 78129.00 |
| | Current Service Cost | 156496.00 | 128089.00 |
| | Interest Cost | 31884.00 | 6024.00 |
| | Participant Contribution | 0.00 | 0.00 |
| | Plan Amendments: Vested portion at end of | 0.00 | 0.00 |
| | Plan Amendments: Non-Vested portion at end of | 0.00 | 0.00 |
| | Actuarial gain/loss on obligations due to Change | 120348.00 | -878.00 |
| | Actuarial gain/loss on obligations due to Change | 0.00 | 0.00 |
| | Actuarial gain/loss on obligations due to | -45334.00 | 265940.00 |
| | Actuarial gain/loss on obligations due to Other | 0.00 | 0.00 |
| | The effect of change in Foreign exchange rates | 0.00 | 0.00 |
| | Benefits Paid | 0.00 | 0.00 |
| | Acquisition Adjustment | 0.00 | 0.00 |
| | Disposal/Transfer of Obligation | 0.00 | 0.00 |
| | Curtailment cost | 0.00 | 0.00 |
| | Settlement Cost | 0.00 | 0.00 |
| | Other(Unsettled Liability at the end of the | 0.00 | 0.00 |
| | Present value of obligation as on valuation date | 740698.00 | 477304.00 |



| Changes in Fair Value of Plan Assets | | | Amount (In ₹) |
|--------------------------------------|--|--------------|-------------------|
| | Particulars | Current Year | Previous Year |
| | Fair value of Plan Assets at Beginning of period | - | - |
| | Interest Income | - | - |
| | Employer Contributions | - | - |
| | Participant Contributions | - | - |
| | Acquisition/Business Combination | - | - |
| | Settlement Cost | - | - |
| | Benefits Paid | - | - |
| | The effect of asset ceiling | - | - |
| | The effect of change in Foreign Exchange Rates | - | - |
| | Administrative Expenses and Insurance Premium | - | - |
| | Return on Plan Assets excluding Interest Income | - | - |
| | Fair value of Plan Assets at End of measurement | - | - |

| Reconciliation to Balance Sheet | | | Amount (In ₹) |
|---------------------------------|---|-------------------------|-------------------------|
| | Particulars | Current Year | Previous Year |
| | Funded Status | N/A | N/A |
| | Unrecognized Past Service Cost | 0.00 | 0.00 |
| | Unrecognized Actuarial gain/loss at end of the | 0.00 | 0.00 |
| | Post Measurement Date Employer | 0.00 | 0.00 |
| | Unfunded Accrued/Prepaid Pension cost | N/A | N/A |
| | Fund Asset | 0.00 | 0.00 |
| | Fund Liability | 740698.00 | 477304.00 |
| Plan Assumptions | | | Amount (In ₹) |
| | Particulars | Current Year | Previous Year |
| | Discount Rate | 6.68% | 7.71% |
| | Expected Return on Plan Asset | N/A | N/A |
| | Rate of Compensation Increase(Salary Inflation) | 6.00% | 6.00% |
| | Pension Increase Rate | N/A | N/A |
| | Average expected future service (Remaining | 22 | 22 |
| | Mortality Table | IALM 2006-2008 Ultimate | IALM 2006-2008 Ultimate |
| | Superannuation at age-Male | 60 | 60 |
| | Superannuation at age-Female | 60 | 60 |
| | Attrition Rate | 1.00% | 1.00% |
| | Voluntary Retirement | Ignored | Ignored |



| Expense Recognized in statement of Profit/Loss | | | Amount (In ₹) |
|--|---|--------------|-------------------|
| | Particulars | Current Year | Previous Year |
| | Current Service Cost | 156496.00 | 128089.00 |
| | Past Service Cost(vested) | 0.00 | 0.00 |
| | Past Service Cost(Non-Vested) | 0.00 | 0.00 |
| | Net Interest Cost | 31884.00 | 6024.00 |
| | Cost(Loss)/(Gain) on settlement | 0.00 | 0.00 |
| | Cost(Loss)/(Gain) on curtailment | 0.00 | 0.00 |
| | Net Actuarial Gain loss | 0.00 | 0.00 |
| | Employee Expected Contribution | 0.00 | 0.00 |
| | Net Effect of changes in Foreign Exchange Rates | 0.00 | 0.00 |
| | Benefit Cost(Expense Recognized in Statement of | 188380.00 | 134113.00 |

| Other Comprehensive Income | | | Amount (In ₹) |
|----------------------------|---|--------------|-------------------|
| | Particulars | Current Year | Previous Year |
| | Actuarial gain/loss on obligations due to Change in Financial | 120348.00 | -878.00 |
| | Actuarial gain/loss on obligations due to Change in Demographic | 0.00 | 0.00 |
| | Actuarial gain/loss on obligations due to Unexpected Experience | -45334.00 | 265940.00 |
| | Actuarial gain/loss on obligations due to Other reason | 0.00 | 0.00 |
| | Total Actuarial (gain)/losses | 75014.00 | 265062.00 |
| | Return on Plan Asset Excluding Interest Income | 0.00 | 0.00 |
| | The effect of asset ceiling | 0.00 | - |
| | Balance at the end of the Period | 75014.00 | 265062.00 |
| | Net(Income)/Expense for the Period Recognized in OCI | 75014.00 | 265062.00 |

| Mortality Table | |
|-----------------|-----------------------|
| Age | Mortality (Per Annum) |
| 25 | 0.000984 |
| 30 | 0.001056 |
| 35 | 0.001282 |
| 40 | 0.001803 |
| 45 | 0.002874 |
| 50 | 0.004946 |
| 55 | 0.007888 |
| 60 | 0.011534 |
| 65 | 0.0170085 |
| 70 | 0.0258545 |



| Sensitivity Analysis | | | | |
|----------------------|-----------|---|--------------|-----------|
| Previous Year | | Particulars | Current Year | |
| Increase | Decrease | | Increase | Decrease |
| 435640.00 | 523560.00 | Discount Rate (-/+ 0.5%) | 679190.00 | 808709.00 |
| -8.729% | 9.691% | %Change Compared to base due to sensitivity | -8.304% | 9.182% |
| 523903.00 | 435001.00 | Salary Growth (-/+ 0.5%) | 808487.00 | 678850.00 |
| 9.763% | -8.863% | %Change Compared to base due to sensitivity | 9.152% | -8.350% |
| 475858.00 | 478755.00 | Attrition Rate (-/+ 0.5%) | 742698.00 | 738698.00 |
| -0.303% | 0.304% | %Change Compared to base due to sensitivity | 0.270% | -0.270% |
| 477796.00 | 476808.00 | Mortality Rate (-/+ 10%) | 748112.00 | 733284.00 |
| 0.103% | -0.104% | %Change Compared to base due to sensitivity | 1.001% | -1.001% |

| Cash Flow Information | |
|------------------------------|-------------------|
| Particulars | Indian Rupees(₹) |
| Next Year Total (Expected) | 1048832.00 |
| Minimum Funding Requirements | 0.00 |

| Benefit Information Estimated Future payments(Past and Future Service) | |
|---|-------------------|
| Year | Indian Rupees(₹) |
| 1 | 6709.00 |
| 2 | 7145.00 |
| 3 | 7903.00 |
| 4 | 8675.00 |
| 5 | 9291.00 |
| 6 to 10 | 58754.00 |
| More than 10 years | 2535135.00 |
| Total Undiscounted Payments Past and Future Service | 0.00 |
| Total Undiscounted Payments related to Past Service | 2633613.00 |
| Less-Discout For Interest | 1892915.00 |
| Projected Benefit Obligation | 740698.00 |

| Outlook Next Year Components of Net Periodic benefit Cost Next Year | |
|---|-------------------|
| Particulars | Indian Rupees(₹) |
| Current service Cost(Employer portion Only) Next period | 246262.00 |
| Interest Cost next period | 49255.00 |
| Expected Return on Plan Asset | 0.00 |
| Unrecognized past service Cost | 0.00 |
| Unrecognized actuarial/gain loss at the end of the period | 0.00 |
| Settlement Cost | 0.00 |
| Curtailment Cost | 0.00 |
| other(Actuarial Gain/loss) | 0.00 |
| Benefit Cost | 295517.00 |



| Expected return on Plan Asset | | | Amount (In ₹) |
|-------------------------------|-----------------------|--------------|----------------|
| | Particulars | Current Year | Previous Year |
| | Current liability | 6496.00 | 3282.00 |
| | Non-Current Liability | 734202.00 | 474022.00 |
| | Net Liability | 740698.00 | 477304.00 |

8. Disclosures as per IND AS 108 on “Operating Segment”:

The Corporation being engaged only in trading of beverages does not have more than one business segment. Further the Company is carrying its business in one geographical segment i.e. Odisha.

9. Disclosures as per IND AS 116 on “Leases”:

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach and the cumulative impact of amounts to Rs. 137548.11/- has been shown comparatively under other equity.

| Particulars | 31.03.2016 | 31.03.2017 | 31.03.2018 |
|--------------------------------|--------------|----------------|-----------------------|
| Opening Right of use of assets | - | 63,98,605.46 | 2,22,29,468.92 |
| (+) Addition | 76,78,326.56 | 2,08,39,834.52 | 2,76,41,257.62 |
| (-) Amortize | 12,79,721.09 | 50,08,971.07 | 1,69,21,581.43 |
| Closing Right of use of assets | 63,98,605.46 | 2,22,29,468.92 | 3,29,49,145.11 |
| Opening Lease liability | - | 69,78,539.45 | 2,26,48,816.97 |
| (+)Addition | 76,78,326.56 | 2,08,39,834.52 | 2,76,41,257.62 |
| (+)Interest | 33,085.39 | 2,71,231.80 | 13,06,161.05 |
| (-)Repayment | 7,32,872.50 | 54,40,788.81 | 1,87,84,638.64 |
| Closing Lease liability | 69,78,539.45 | 2,26,48,816.97 | 3,28,11,597.00 |
| Transition to IND AS - 116 | | | 1,37,548.11 |

10. Disclosures as per IND AS-37 on “Provisions Contingent Liabilities and Contingent Assets”:

i A. Claims against the company not acknowledged as debt

| Sl. No. | Financial Year | Forum in which Pending | Amount of Contingent Liability (₹ In Lakh) | Amount Paid (₹ In Lakh) | Status |
|---------|----------------|--|--|--------------------------|---|
| 1 | 2011-12 | CIT(A), Bhubaneswar | 108.34 | 0.00 | Appeal before CIT (A) is pending. |
| 2 | 2013-14 | Honorable High Court of Odisha Cuttack | 3807.17 | 3807.17 | Appeal is pending before the High Court of Odisha against order passed by ITAT Cuttack Bench for hearing. |
| 3 | 2014-15 | ITAT Cuttack Bench | 6197.36 | 5456.74 | Appeal is pending before ITAT Cuttack Bench against the order of CIT (A) for disposal. |
| | 2016-17 | CIT(A) Bhubaneswar | 95.17 | 50.00 | Appeal is pending before CIT (A) against order passed by AO for disposal. |
| | | Total | 10208.04 | 9313.91 | |



ii. TDS

Apart from the above the Income Tax Department (TDS) has made various demands for wrong PAN quoted in the return short deductions made interest on short payments made and for late filing of the returns. The year wise demand amount as on date as per the information available at Income Tax website is outlined as below:

| SI. No. | Financial Year | Amount of Contingent Liability (₹) | Amount Paid (₹) | Status |
|----------------|----------------|-------------------------------------|------------------|----------------------|
| 1 | Prior Years | 2223448.42 | 0.00 | Revised return filed |
| 2 | 2016-17 | 89958.45 | 0.00 | Revised return filed |
| 3 | 2017-18 | 4406.66 | 0.00 | Revised return filed |
| 4 | 2018-19 | 68846.60 | 0.00 | Revised return filed |
| 5 | 2019-20 | 1320.00 | 0.00 | Revised return filed |
| Total : | | 2387980.13 | 0.00 | |

iii. Service Tax:

| Sl. No | Financial Year | Forum in which pending | Amount of Contingent Liability (₹ in Lakh) | Amount Paid (₹ in Lakh) | Amount not Paid (₹ in Lakh) | Status |
|--------|-------------------------------|----------------------------|---|--------------------------|------------------------------|---|
| 1 | 2011-12 | CESTAT/GSTAT Kolkata Bench | Tax 174.36 Penalty 174.36 Cost 0.05 Total 348.77 | 174.36 | 174.41 | The 2 nd Appeal before CESTAT/GSTAT Kolkata Bench is pending for hearing & disposal. |
| 2 | 2012-13 2013-14 2014-15 | CESTAT/GSTAT Kolkata Bench | Tax 1029.79 Penalty 1029.79 Cost 0.05 Total 2059.63 Interest 437.66 | 77.23 | 2420.06 | The 2 nd Appeal before CESTAT/GSTAT Kolkata Bench is pending for disposal. |
| 3 | 2015-16 | CESTAT/GSTAT Kolkata Bench | Tax 739.46 Penalty 739.46 Cost 0.05 Total 1478.97 | 0.00 | 1478.97 | Commissioner CGST Bhubaneswar. |
| 4 | 2012-13 to 2016-17 | CESTAT/GSTAT Kolkata Bench | Tax 5388.08 Penalty 5388.08 Cost 0.05 Total 10776.21 | 404.10 | 10372.11 | The 2 nd Appeal before CESTAT/GSTAT Kolkata Bench is pending for disposal. |
| | | Total | 15101.24 | 655.69 | 14445.55 | |



iv. Sales Tax:

| Sl. No | Year | Forum in which Pending | Amount of Contingent Liability (₹ in Lakh) | Amount Paid (₹ in Lakh.) | Status |
|--------|---------|----------------------------------|--|--------------------------|---|
| 1 | 2001-02 | The High Court of Odisha Cuttack | 250.33 | 250.33 | The matter is pending before the High Court of Odisha for disposal against the order of the Sales Tax Tribunal Cuttack |
| 2 | 2002-03 | The High Court of Odisha Cuttack | 322.04 | 322.04 | The matter is pending before the High Court of Odisha for disposal. against the order of the Sales Tax Tribunal Cuttack |
| | | Total | 572.37 | 572.37 | |

v. Entry Tax:

| Sl. No | Year | Forum in which Pending | Amount of Contingent Liability (₹ in Lakh) | Amount Paid (₹ in Lakh.) | Status |
|--------|---------|--|--|--------------------------|--|
| 1 | 2007-09 | Deputy Commissioner of Sales Tax Circle –II BBSR | 0.80 | 0.00 | The Demand of additional interest has been i ntimated to the Additional Secretary to Government Finance Department Govt. of Odisha for settlement of the matter. |
| 2 | 2009-14 | Deputy Commissioner of Sales Tax Circle –II BBSR | 676.15 | 0.00 | The Demand of additional interest has been intimated to the Additional Secretary to Government Finance Department Govt. of Odisha for settlement of the matter. |
| | | Total | 676.95 | 0.00 | |

B. Commitments

Amount in ₹ Lakh

| Sl. No. | Particulars | Current Year | Previous Year |
|---------|--|--------------|---------------|
| (i) | Estimated amount of contracts net of advances remaining to be executed for Capital expenditure and not provided for. | | |
| | Bridge & Roof Co. at Khurda Depot. | 1405.55 | 0.00 |
| | NBCC at Sonapur Depot | 974.88 | 0.00 |
| (ii) | Other Commitments (If specify nature) | 0.00 | 0.00 |

In view of the nature of business being long term construction contracts there may be other commitments related to construction of godown which has been considered as normal business process.

vi. Godown Rent:

Godown rent of ₹ 39 90527/- of Sambalpur depot (IMFL) Kalyani Naik for the period from Feb.-2011 to Sept.-2014 @ ₹ 5.97 per sqft. for 15915 sqft. per month not provided in accounts due to dispute and the matter pending before the High Court of Odisha.



vii. Receivable of Loading & Unloading Charges:

Loading and Unloading Charges along with penalty receivable from Sri M K Routray Labour Contractor for the period 16.08.2007 (date of engagement) to 09.03.2018 (date of disengagement) of Rs 4,41,48,946 /- has not been recognized in the Financial Statements since this may not be realized as the matter is under dispute & sub-judice. However the issue is assessed continually and if it becomes virtually certain of realizability the related income will be recognized.

viii. Others:

| Sl. No. | Forum in which pending | Matter of Cases | Nos. of Cases |
|---------|------------------------------------|---|--------------------|
| 01 | Civil Judge (Jr.) Division BBSR | Loading & Unloading | 3 No. of Cases |
| 02 | District Judge (Khurda) BBSR | Loading & Unloading | 8 No. of Cases |
| 03 | Arbitrator | Loading & Unloading | 4 No. of Cases |
| 04 | District Consumer Forum Cuttack | Godown Insurance | 1No. of Case |
| 05 | Civil Judge Division Sambalpur | Godown Rent | 1No of Case |
| 06 | Hon.ble High court of Odisha | Challenging the Liquor Sourcing Policy (LSP) for the FY-2015-16 on reduction of offer price. | 5 No of Cases |
| 07 | Hon.ble High court of Odisha | Cases related with Minimum Guaranteed Quota (MGQ) of CS retailers. | 13 No of Cases |
| 08 | Hon.ble High court of Odisha | E-payment by retailers | 15 No. of Cases |
| 09 | Hon.ble High court of Odisha | Excise Adhesive level | 1 No. of cases |
| 10 | Hon.ble High court of Odisha | Service related | 11 No. of Cases |
| 11 | Hon.ble High court of Odisha | Sales Tax related | 4 No. of Cases |
| 12 | Hon.ble High court of Odisha | Excise related (Chemical analysis Report) | 1 No. of Cases |
| 13 | Civil Judge (Sr.) Division BBSR | Insurance Related | 4 No. of Cases |



Note: The financial implications of the above disputes are not quantifiable.

11. Corporate Social Responsibility

As per section 135 of the Companies Act 2013 Schedule – VII and read with Companies (Corporate Social Responsibility Policy) Rules 2014 the Company is required to spend in every financial year at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expense for the year are as under:

(Amount in ₹ lakh)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Amount required to be spent during the year (Obligation) | 73.43/ - | 75.85/ - |
| Amount spent during the year | 32.00/ - | 81.38 /- |

12. The leave salary, gratuity & pension contribution are reimbursed to the parent departments/organizations of the respective deputed employees on the basis of claim made by their parent departments/organizations and hence no provision is made in the books.

13. Previous year Figure

Figures for the previous year have been re-grouped/re-arranged wherever considered necessary.

14. Rounding off

Figures are rounded off to nearest Rupees in Lakhs

For Nag & Associates
Chartered Accountants

FRN : 312063E

Sd/-

(S.P. Padhi)

Partner

M.No.053292

UDIN:20053292AAAAAW4652

For and On behalf of the Board of Directors

Sd/-

General Manager (A & A)

Sd/-

Director

DIN: 06729202

Sd/-

Managing Director

DIN: 08403701

Place: Bhubaneswar

Date: 10/11/2020