

19th ANNUAL REPORT 2018-19



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 Syama Charan Padhy (Independent Director), Shri Santosh Kumar Bishwal (Independent Director), Shri Prasanna Kumar Parida (Independent Director), Shri Bisweswar Mishra, OFS (SAG)(Director), Shri Saroj Kumar Sethi, OAS(SAG) (Managing Director), Shri Sushil Kuamr Lohani, IAS (Chairman) Shri Anjan Kumar Manik, IAS, (Director), Shri Rupa Narayan Das, OFS(SAG) (Director), Shri Akshaya Kumar Sethi, OAS (SAG) (Director)



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BOARD OF DIRECTORS AS ON 31.03.2019

1. Shri Nikunja Bihari Dhal, IAS	Chairman
2. Shri Bisweswar Mishra, OFS(SAG)	Director
3. Shri Akshaya Kumar Sethi, OAS (SAG)	Director
4. Shri Prasanna Kumar Parida	Independent Director
5. Shri Santosh Kumar Bishwal	Independent Director
6. Shri Syama Charan Padhy	Independent Director
7. Shri Saroj Kumar Sethi, OAS(SAG)	Managing Director

BOARD OF DIRECTORS AS ON 27.11.2019

1. Shri Sushil Kuamr Lohani, IAS	Chairman
2. Shri Anjan Kumar Manik, IAS	Director
3. Shri Akshaya Kumar Sethi, OAS (SAG)	Director
4. Shri Bisweswar Mishra, OFS (SAG)	Director
5. Shri Rupa Narayan Das, 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:

JBMT & Associates
Chartered Accountants,
Flat No. 203, 2nd Floor
Ratna Tower-II, Cuttack Road
Bhubaneswar-751006

BANKERS:

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

REGISTERED OFFICE:

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



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting before you the 19th Annual Report of Odisha State Beverages Corporation Limited and the audited financial statements for the year ended 31st March, 2019 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	2018-19	2017-18
Total Revenue	479,490.41	377,459.33
Total Expenses	474,838.83	375,028.23
Profit Before tax	4,651.58	2,431.10
Tax Expenses		
Current Tax	1,656.81	889.91
Deferred Tax	(4.32)	(1.01)
Profit after Tax	2,999.09	1,542.20

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.

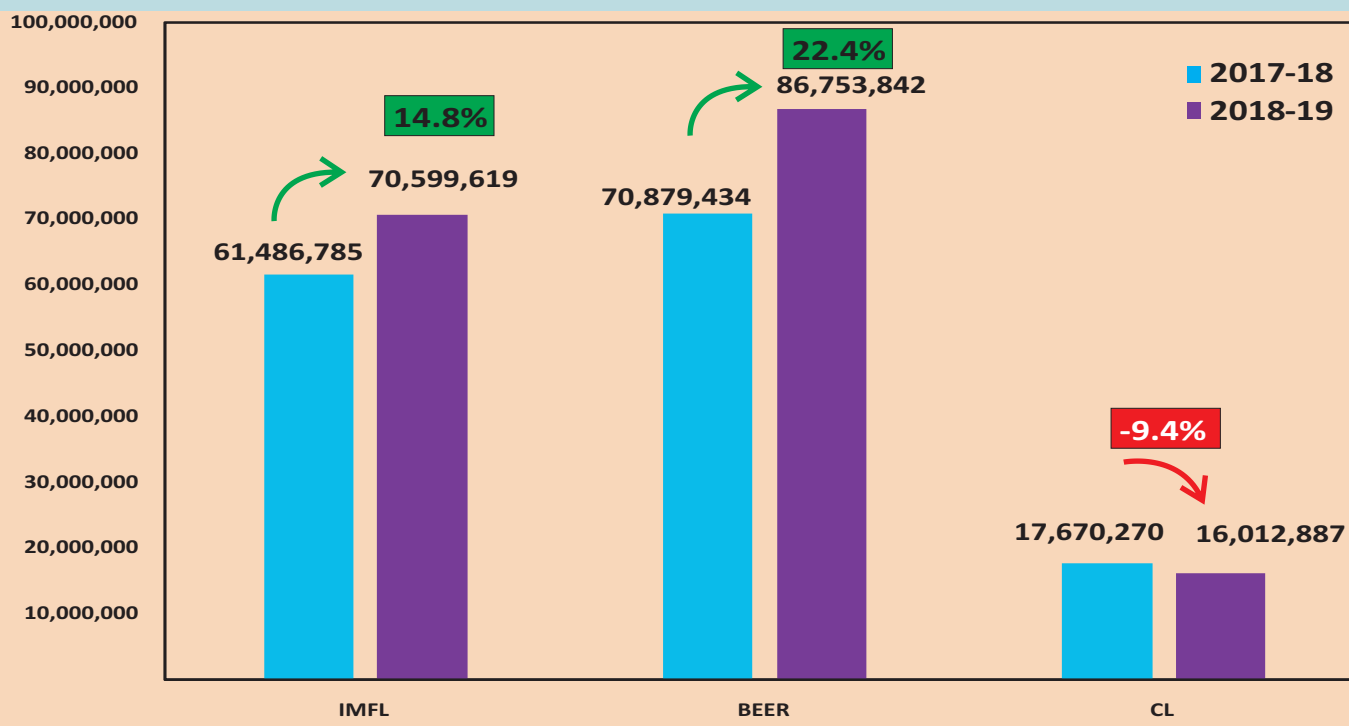
Your Corporation has been vested with the exclusive right and privilege of importing, exporting and carrying on the wholesale trade and distribution of foreign liquors, Indian made foreign liquors, Beers and Country liquors etc. and beverages of different brands in the State on behalf of the State Government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

During the year of operation, the Audited Financial results reveals that the total revenue was Rs. 479,490.41Lakh and the total expenditure was Rs.474,838.83 Lakh with the net profit after tax for the financial year at Rs. 2,999.09 Lakh.

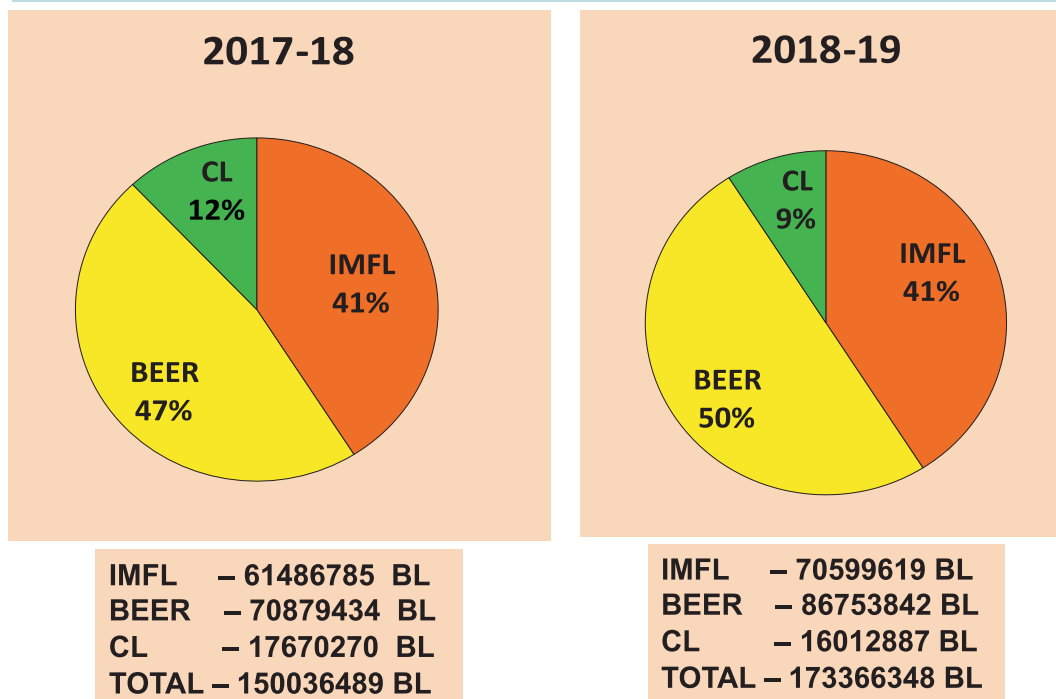
The Corporation has altogether 9 (nine) depots which are located at Angul, Balasore, Berhampur, Bolangir, Chandikhol, Khurda, Nirgundi (Cuttack), Rayagada and Sambalpur for storage and sale of IMFL/FMFL/Beer/Country liquor etc. purchased from its registered suppliers.



SALES VOLUME OF IMFL/BEER/CL (QTY. IN LPL/BL)



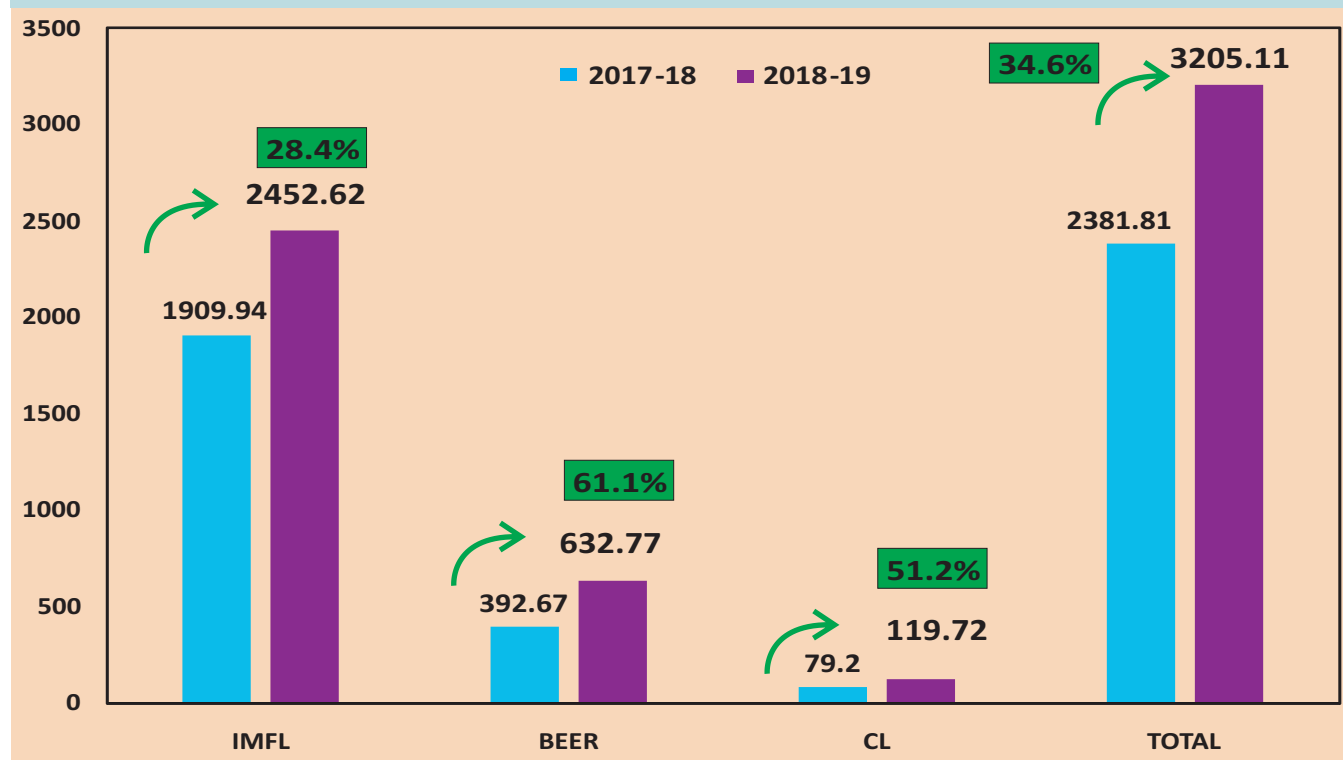
CATEGORY WISE SALES CONTRIBUTION (%)



SALES VOLUME OF FOREIGN MADE FOREIGN LIQUOR (FMFL)

Category	FMFL (Qty. in Cases)			FMFL (Qty. in LPL/BL)		
	2017-18	2018-19	Growth (%)	2017-18	2018-19	Growth (%)
FMFL	5721	8232	43.89	36768	52557	42.94
FMFW	1120	1527	36.34	2608	3717	42.52
FMFB	9344	42480	354.62	77785	393578	405.98
TOTAL	6841	9759	42.65	39376	56274	42.91

EXCISE DUTY COLLECTED AGAINST IMFL/BEER/CL

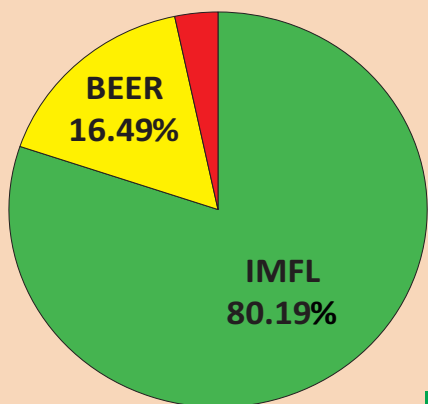




CATEGORY WISE CONTRIBUTION OF EXCISE DUTY (%)

2017-18

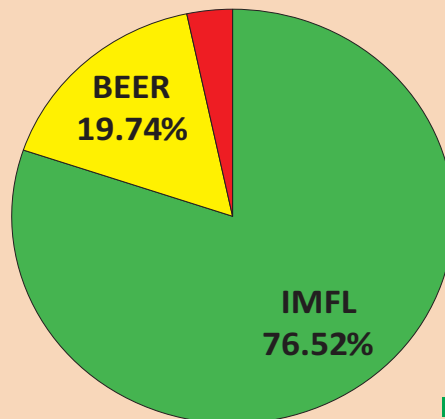
CL
3.33%



■ IMFL
■ BEER
■ CL

2018-19

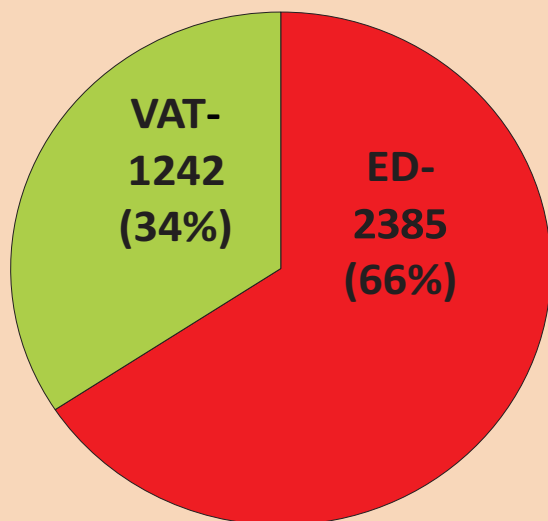
CL
3.74%



■ IMFL
■ BEER
■ CL

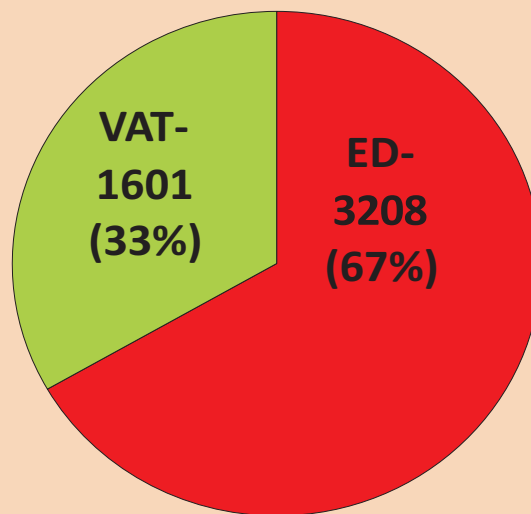
REVENUE DEPOSITED WITH GOVT. (In Cr.)

2017-18



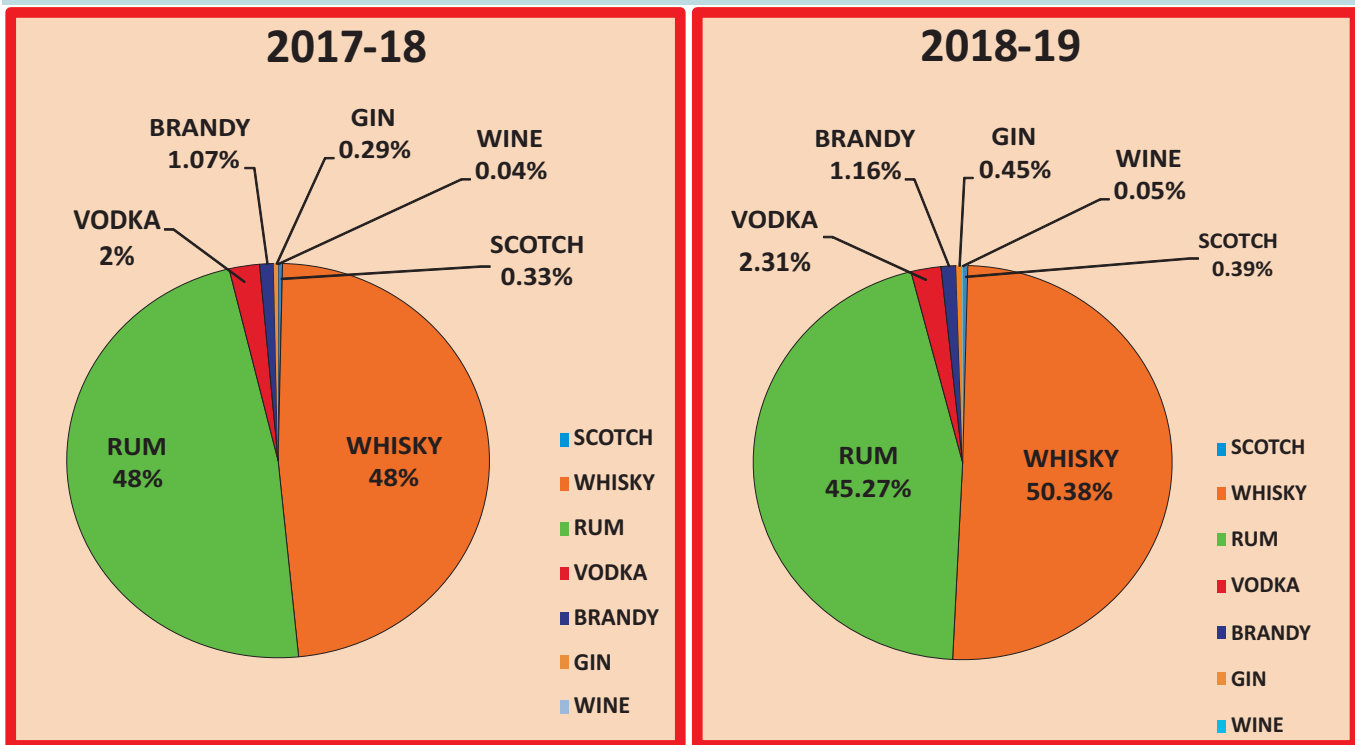
TOTAL REVENUE = 3627 Cr.

2018-19

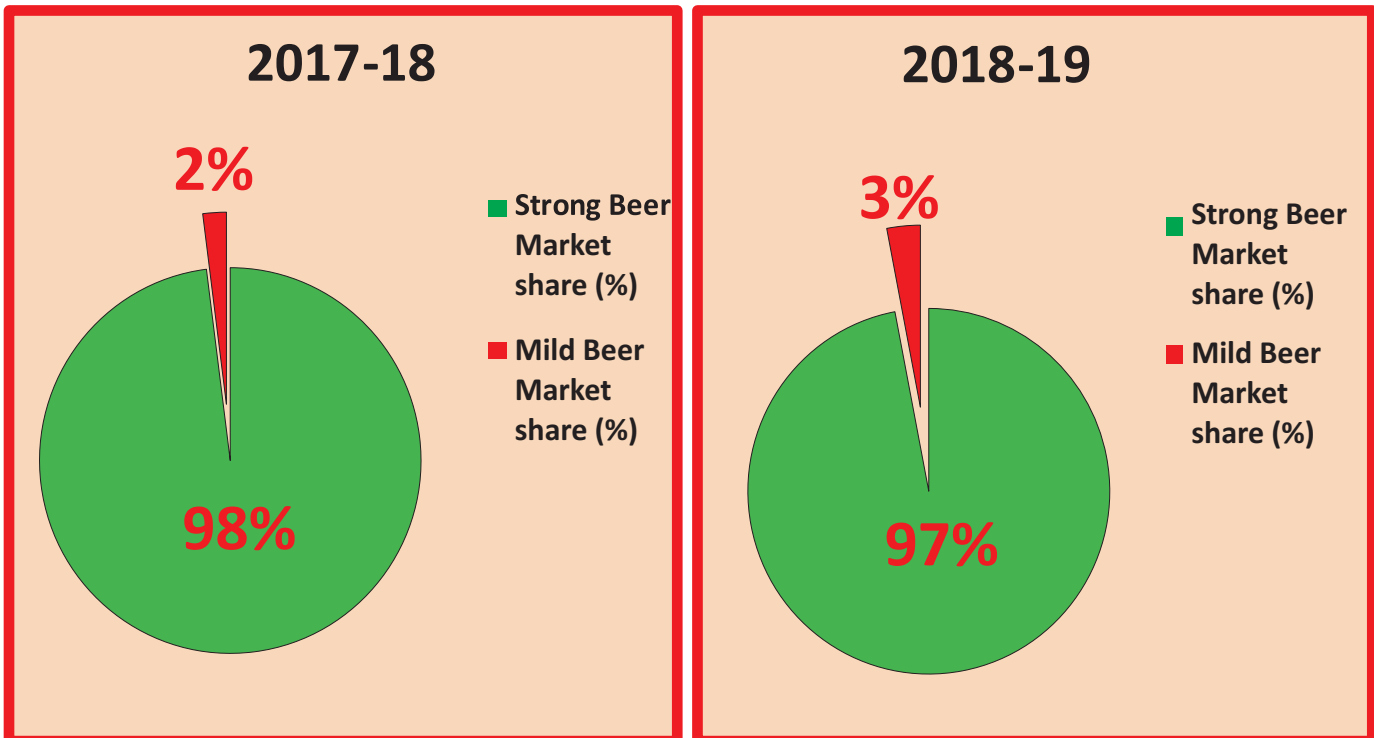


TOTAL REVENUE = 4809 Cr.

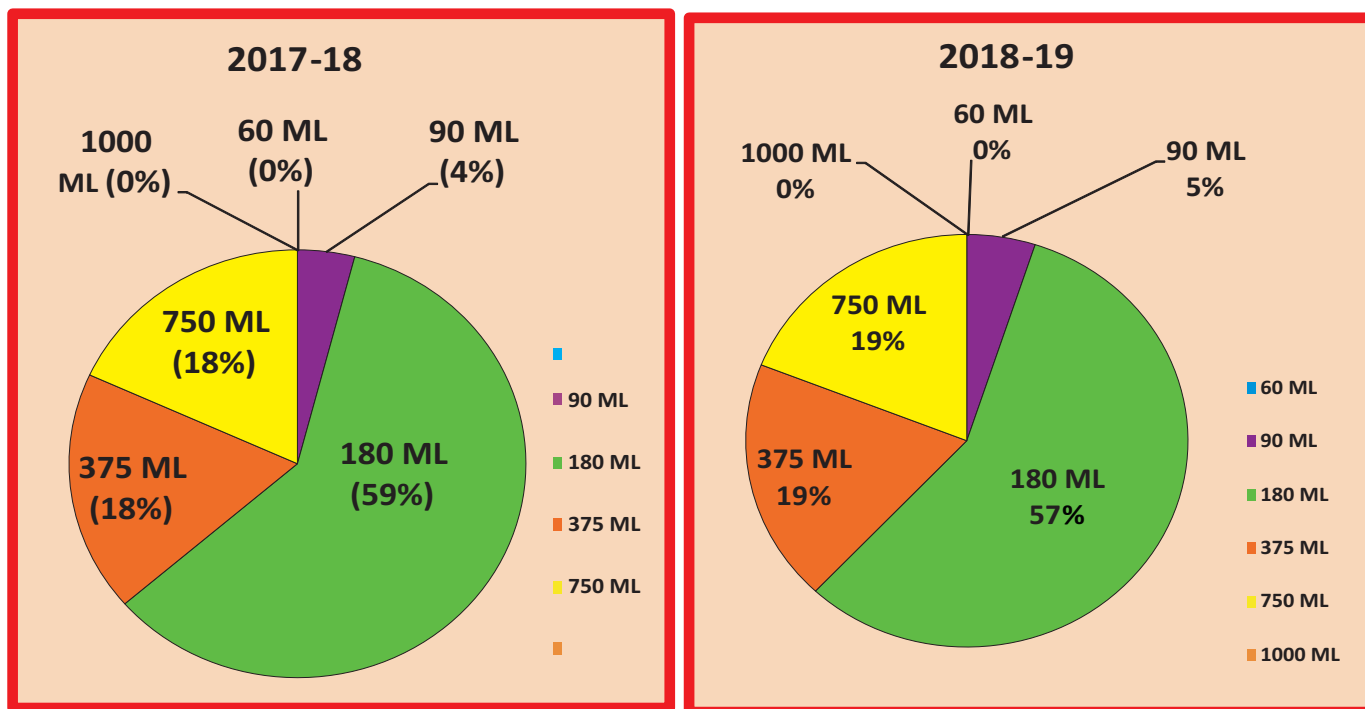
SEGMENT WISE MARKET SHARE OF IMFL CATEGORY (%)



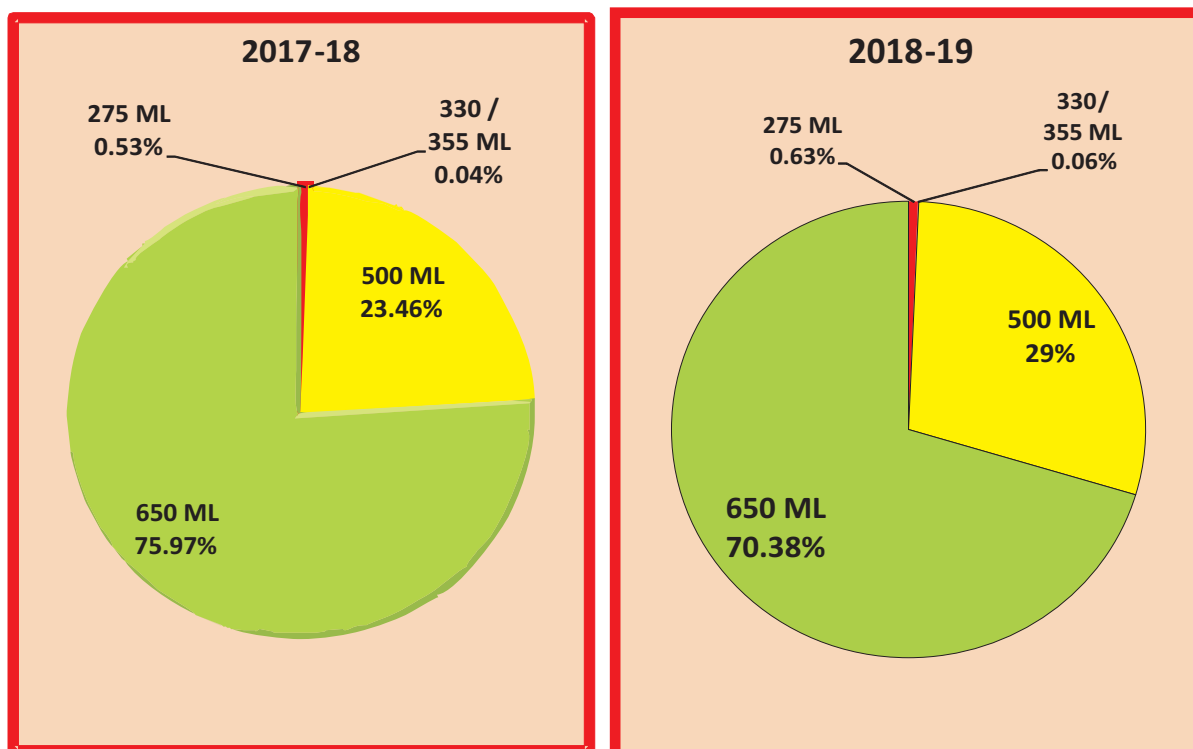
SALES VOLUME WISE MARKET SHARE OF STRONG & MILD BEER



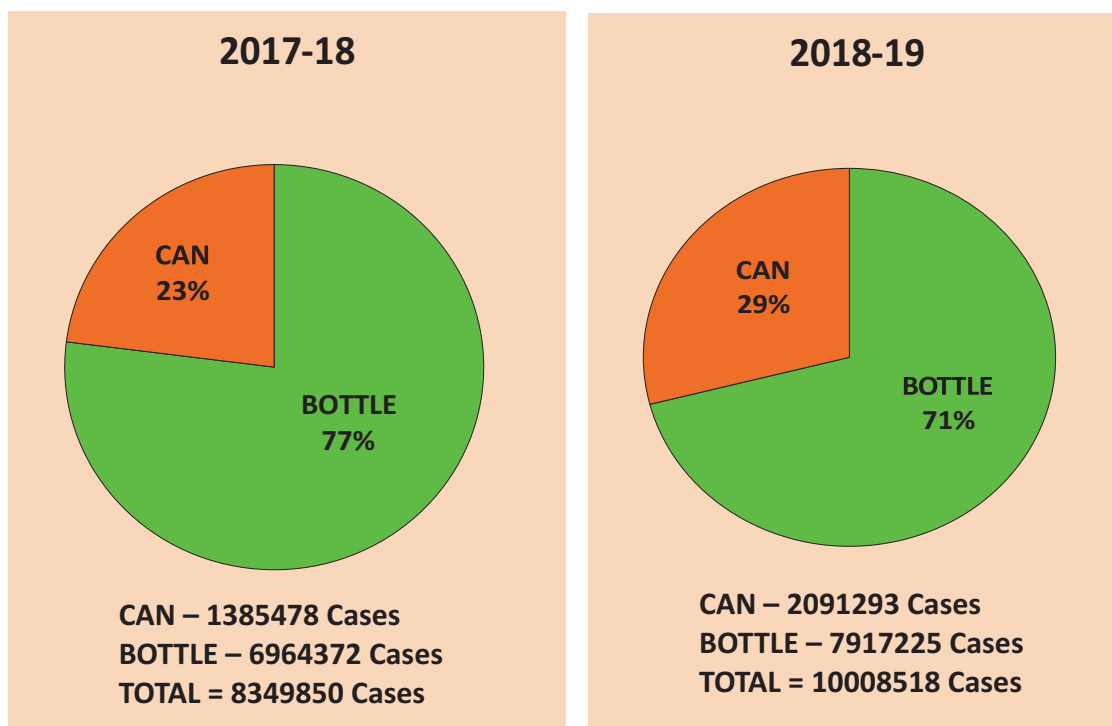
SKU WISE MARKET SHARE OF IMFL CATEGORY



SKU WISE MARKET SHARE OF BEER CATEGORY



PACKAGING WISE MARKET SHARE OF BEER (%)



SALES PERFORMANCE OF DEPOT

DEPOT	2017-18 (Qty. in Cases)				SALES CONTRI BUTION (%)	2018-19 (Qty. in Cases)				SALES CONTRI BUTION (%)
	IMFL	BEER	CL	TOTAL		IMFL	BEER	CL	TOTAL	
Khurda	1400800	1716098	1394095	4510993	23.90	1527111	2017505	1184603	4729219	22.30
Cuttack	1183440	1323457	1254807	3761704	19.93	1372051	1568579	1226478	4167108	19.64
Balasore	1209380	1093680	467318	2770378	14.68	1385469	1319273	425991	3130733	14.76
Rayagada	520683	996727	5952	1523362	8.07	674415	1243316		1917731	9.04
Sambalpur	893303	1094292	6034	1993629	10.56	739399	1116994		1856393	8.75
Angul	633952	700949	444	1335345	7.08	916123	895345		1811468	8.54
Berhampur	675134	762820	2597	1440551	7.63	785565	969806		1755371	8.28
Jajpur	374792	436650	376062	1187504	6.29	419069	466277	319655	1205001	5.68
Bolangir	120902	225177	4374	350453	1.86	227503	411423		638926	3.01
TOTAL	7012386	8349850	3511683	18873919	100.00	8046705	10008518	3156727	21211950	100.00



EXPORT OF BEER & IMFL TO OUTSIDE THE STATE OF ODISHA

EXPORT OF BEER

Supplier Name	BEER (Qty. in Cases)			BEER (Qty. in BL)			Processing Fee Received (in Lacs)	
	2017-18	2018-19	Growth (%)	2017-18	2018-19	Growth (%)	2017-18	2018-19
M/s United Breweries Ltd.	906800	507148	-44.07	9661185	6085776	-37.01	92.05	61.88
M/s Denzong Breweries Pvt. Ltd.	100800	56400	-44.05	786240	439920	-44.05	5.15	3.16
M/s Kanoe Impex India Pvt. Ltd.	0	4000	-	0	31220	-	0.00	0.28
TOTAL	1007600	567548	-43.67	10447425	6556916	-37.24	97.20	65.32

EXPORT OF IMFL

Supplier Name	IMFL (Qty. in Cases)			IMFL (Qty. in LPL)			Processing Fee Received (in Lacs)	
	2017-18	2018-19	Growth (%)	2017-18	2018-19	Growth (%)	2017-18	2018-19
M/s Bacardi India Pvt. Ltd.	0	54750	-	0	364410	-	0.00	14.92
M/s Kaya Blenders & Distillers Ltd.	0	2044	-	0	13741	-	0.00	0.66
TOTAL	0	56794	-	0	378150	-	0.00	15.58

3. DIVIDEND AND APPROPRIATIONS:

During the year the Board of Directors have recommended dividend of 30% of the profit after tax amounting to Rs. 899.73 Lakh subject to the approval of the shareholders of the Corporation at the ensuing Annual General Meeting which will result an outflow of Rs. 899.73 Lakh in addition to the dividend distribution tax amounting to Rs. 184.94 Lakh as per Income Tax Act.

4. OTHER EQUITY:

Profit After Tax of Rs. 2,999.09 Lakh for the Financial Year 2018-19 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 is 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 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 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.

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 Bridge & Roof Co.(India) Limited for construction of godowns and ancillary buildings at Khurda. Simultaneously MoUs are also signed with National Project Construction Corporation Limited and National Building Construction Corporation Limited for construction of godowns and ancillary buildings for OSBC Limited at Angul and Sonapur respectively.

14. STATUTORY AUDITORS:

M/s.Nag & Associates, Chartered Accountants, Bhubaneswar has been appointed as Statutory Auditors of the Corporation for the Financial Year 2018-19 by Comptroller and Auditor General of India vide C&AG Letter No.CA. V/COY/ODISHA,ORBEVR(1)/910 dated 30.08.2018.

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 2018-19 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 Social Development & Skill Building, Protection of National Heritage, Art and Culture, Creating awareness regarding de-addiction & Promotion of Education.



The Corporation has spent a sum of Rs. 81.38 lakh for CSR activity during the year 2018-19 against the CSR obligation of Rs. 75.85 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, 2019 is seven (7) directors. They are as follows:

1. Shri Nikunja Bihari Dhal, IAS, Chairman
Principal Secretary to Govt. of Odisha,
Excise Department.
2. Shri Bisweswar Mishra, OFS (SAG), Director
Additional Commissioner, Commercial Taxes &
GST Territorial Range, Bhubaneswar.



- | | | |
|----|--|----------------------|
| 3. | Shri Akshaya Kumar Sethi, OAS (SAG),
Additional Secretary to Govt. of Odisha,
Public Enterprises Department. | Director |
| 4. | Shri Prasanna Kumar Parida | Independent Director |
| 5. | Shri Santosh Kumar Bishwal | Independent Director |
| 6. | Shri Syama Charan Padhy | Independent Director |
| 7. | Shri Saroj Kumar Sethi, OAS (SAG) | Managing Director |

Changes in the Board during the period April 01, 2018 to March 31, 2019:-

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 Arun Kumar Biswal, OFS	Director	-	08.01.2019
2	Shri Bisweswar Mishra, OFS (SAG)	Nominee Director	08.01.2019	-
3	Shri Dwijaraj Kar, IAS	Managing Director	-	28.02.2019
4	Shri Saroj Kumar Sethi, OAS (SAG)	Managing Director	13.03.2019	-
5	Shri Santosh Kumar Bishwal	Independent Director	31.05.2018	-
6	Shri Syama Charan Padhy	Independent Director	31.05.2018	-
7	Shri Purna Chandra Majhi, IA & AS	Director	-	31.03.2019
8	Shri Debendra Mahapatra, IAS	Director	-	31.03.2019

Number of meetings of the Board of Directors:-

During the Financial Year 2018-19, 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
23 rd May, 2018	76 th	6	1
31 st July, 2018	77 th	8	1
27 th November, 2018	78 th	6	3
22 nd February, 2019	79 th	8	1

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, 2018 to March 31, 2019:-

Name of Directors	Meetings Attended	Meetings Remained Absent
Shri Nikunja Bihari Dhal, IAS	76 th , 77 th , 78 th & 79 th	NIL
Shri Purna Chandra Majhi, IA & AS	76 th , 77 th , 78 th & 79 th	NIL
Shri Debendra Mahapatra, IAS	76 th , 77 th & 79 th	78 th
Shri Arun Kumar Biswal, OFS	76 th	77 th & 78 th
Shri Bisweswar Miahra, OFS (SAG)	79 th	NIL
Shri Akshaya Kumar Sethi, OAS (SAG)	77 th & 79 th	76 th & 78 th
Shri Prasanna Kumar Parida	76 th , 77 th , 78 th & 79 th	NIL
Shri Santosh Kumar Bishwal	77 th & 78 th	79 th
Shri Syama Charan Padhy	77 th , 78 th & 79 th	NIL
Shri Dwijaraj Kar, IAS	76 th , 77 th , 78 th & 79 th	NIL

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 31.03.2019 was as follows:

1. *Shri Purna Chandra Majhi, IA& AS, Special Secretary to Government, Finance Department and Director OSBC Ltd, Chairman of the Committee.
2. *Shri Debendra Mahapatra, 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 and Director, OSBC Ltd.

*Shri Purna Chandra Majhi, IA&AS and Shri Debendra Mahapatra, IAS ceased to be Director and member of the Committee on 31.03.2019.



Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
18 th April, 2018	26 th	3	1
2 nd May, 2018	27 th	3	1
7 th July, 2018	28 th	4	Nil
1 st September, 2018	29 th	5	Nil
9 th October, 2018	30 th	3	2
16 th November, 2018	31 st	3	2
14 th December, 2018	32 nd	4	1
24 th January, 2019	33 rd	4	1
13 th February, 2019	34 th	4	1
19 th February, 2019	35 th	4	1
29 th March, 2019	36 th	5	Nil

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 31.03.2019 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 Dwijaraj Kar, IAS, Managing Director, OSBC Ltd.

*Shri Dwijaraj Kar, IAS ceased to be Managing Director and member of the Committee on 28.02.2019 on attending the age of superannuation

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
14 th May, 2018	16 th	3	Nil
24 th July, 2018	17 th	2	1
29 th October, 2018	18 th	3	Nil
15 th January, 2019	19 th	3	Nil

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 31.03.2019 was as follows:

1. Shri Syama Charan Padhy, Independent Director, OSBC Ltd., Chairman of the Committee.
2. *Shri Dwijaraj Kar, IAS, Managing Director, OSBC Ltd.
3. Shri Akshaya Kumar Sethi, OAS (SAG), Additional Secretary to Govt., P.E. Department and Director, OSBC Ltd.



4. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.

* Shri Dwijaraj Kar, IAS ceased to be Managing Director and member of the Committee on 28.02.2019 on attending the age of superannuation.

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
18 th April, 2018	9 th	3	1
24 th July, 2018	10 th	2	2
20 th August, 2018	11 th	3	1
6 th September, 2018	12 th	3	1
29 th October, 2018	13 th	3	1
29 th January, 2019	14 th	3	1
11 th February, 2019	15 th	3	1
19 th February, 2019	16 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 31.03.2019 was as follows:

1. Shri Santosh Kumar Bishwal, Independent Director, OSBC Ltd. - Chairman
2. *Shri Debendra Mahapatra, 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 Dwijaraj Kar, IAS, Managing Director, OSBC Ltd.

*Shri Debendra Mahapatra, IAS & Shri Dwijaraj Kar, IAS ceased to be a Director and member of the Committee on 31.03.2019 & 28.02.2019 respectively.

Date of meetings	Sl No. of Meeting	Attendance of Members	
		Present	Absent
21 st April, 2018	2 nd	3	Nil
19 th May, 2018	3 rd	2	1
6 th October, 2018	4 th	2	2
12 th November, 2018	5 th	2	2
16 th November, 2018	6 th	2	2
29 th March, 2019	7 th	4	Nil



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. 2018-19.

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 2018-19 on 6th April, 2018 as per Corporate Governance Manual of P.E Department, Government of Odisha.

35. ACKNOWLEDGMENTS:

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

Sd/-

Shri Sushil Kumar Lohani, IAS

CHAIRMAN

DIN: 06912948

Place: Bhubaneswar
Date: 27.11.2019



Annexure-1

Replies of the Management on the Observation of Statutory Auditors on the Financial Statements of Odisha State Beverages Corporation Limited for the financial year 2018-19.

SL No.	Audit Observations	Management Reply
1	Profit for the year and advance to Excise Department are overstated by Rs 35.31 Lakhs each due to non-provision of doubtful advances pending since long and chances of recovery of which is uncertain.	Correspondence with the Excise Department shall be made to obtain the utilisation certificates for adjustment in the books of account.
2	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 Khurda, Nigundi 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. The matter has also been qualified in the report by the predecessor auditor.	The Arbitration proceeding is going on as per the clause of the agreement. The proceeding is at the last stage of hearing and the Judgement in this regard is expected shortly. Necessary accounting effect shall be given in the Books of Account as soon as the arbitration award received.
3	Profit for the year is overstated by Rs 104.83 Lakhs and Provision for Income Tax is understated by the same amount 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 Lakhs paid to the Government of Odisha for the year. The matter pertaining to the understatement of Provision for income tax of Rs 8477.34 Lakhs for the years 2013-14 to 2017-18 has been qualified in the report by the predecessor auditor.	The disallowance under section 40(a)(iib) of the Income Tax Act, 1961 for past years is under dispute and the matter is pending before the 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.
4	Profit for the year is overstated by Rs 122.53 Lakhs due to non-provision of GST liability on stock holding charges, Fine recovered from suppliers, Permit cancellation fee, Processing fee, Registration fee, Rename fee, Revalidation fee, Tender paper sale and other fees billed to suppliers. Further, no provision is made for the erstwhile Service Tax liability related to period prior to 01.07.2017. The cumulative effect of non-provisioning of erstwhile Service Tax and GST liabilities has not been ascertained by the management.	CESTAT, Kolkata Bench based on the judgement of Rajasthan High Court which has been upheld by the Apex court, has dismissed all the orders in original of the Commissioner, Central excise, Customs and service Tax, Bhubaneswar on OSBC for the period from 2001-02 to 2010-11. The confirmed order of the Commissioner was made on the gross value of taxable service inclusive of all the other



SL No.	Audit Observations	Management Reply
		<p>incomes besides the margin of the OSBC. Since, there has been no change in practice of OSBC for the subsequent period till June 2007(i.e introduction of GST) no provisioning was required for the service tax on these incomes.</p> <p>Subsequently, service tax got subsumed with GST w.e.f. 01.07.2017. On the same parlance, no provision was required to be made by OSBC for the period after 1.07.2017 till date.</p>
5	Profit for the year and current assets are over stated by Rs 105.25 Lakhs each towards non provision of receivables amounts (Sundry creditors-non operating) remaining outstanding for several years without any efforts for recovery.	Necessary steps are being taken to request Excise Commissioner to accord his early permission for destruction of old stocks of Non-operating suppliers. After that the names of the Non-operating suppliers will be delisted and necessary entries will be passed to adjust the outstanding balance during the financial year 2019-20.
6	Current assets are overstated by Rs 127.49 Lakhs on account of long outstanding, un-reconciled and balances not confirmed. Current liabilities to the extent of Rs 445.95 Lakhs have been overstated being un-reconciled, not confirmed and long outstanding.	As per the Audit observations, necessary steps shall be taken to strike off the long outstanding balances significantly in the financial year 2019-20 after through reconciliation.
7	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 leave salary & pension contribution has been reimbursed to the parent department of the respective deputed employees on the basis of claim made by the parent department. 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 which shall be claimed by their parent departments



Emphasis of Matter

SL No.	Emphasis of Matter	Management Reply
1	Referring to the Significant Accounting Policy for recognition of purchases, as per note No.2(viii), 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 purchases by the company at the time of issuing Goods Receipt Notes (GRN) through the stocks are under the custody and control of the Company. Moreover, the Company recognises purchases at the time of sale of products.	Since OSBC does not have any closing stock at the year end the Provision of Ind AS 115 is not applicable to the stock of goods which are sensitive in nature and are traded on approval basis. Although OSBC Limited holds the stocks belonging to the suppliers in its Godown, it can't be sold to retailers unless an physical inspection is conducted regarding the intactness of adhesive label, expiry date and its fitness for human consumptions. Once this test is completed the stock becomes the stock of OSBC Limited only and according to this principle the accounting of sales and purchases are being made by the Corporation complying to the accounting standards. GRN is not the only basis on which the purchase accounting can be made.
2	Confirmation of balances as on 31.03.2019 from sundry creditors, sundry debtors and other parties has not been obtained by the company. The balances shown are subject to adjustments, if any arising out of the balance confirmation. We are unable to obtain sufficient and appropriate audit evidences about the carrying amount of sundry creditors, sundry debtors and other parties as at 31.03.2019.	Sundry creditors are reconciled quarterly and the quarterly reconciliation statements are furnished herewith till the 3rd quarter end and the Reconciliation for the fourth quarter is going on. The reconciliation for some of the suppliers till the 4th quarter end has also been completed as on date. Full reconciliation with all the retailers are not yet completed due to large numbers of retailers and their balances are very negligible. The high value balance retailers reconciliation is already over.
3	Other Equity (Note 20) includes debits amounting to Rs 1588.96 Lakhs towards "Debit under reconciliation", Rs 2826.11 Lakhs towards " Provision for Income Tax (2013-14)", Rs 521.26 Lakhs towards "Income Tax refund (2013-14)", Rs 152.39 Lakhs towards "Income Tax Demand (TCS)" and credits amounting to Rs 1484.28 Lakhs towards "Credit under reconciliation", Rs 286.95 Lakhs towards "TDS receivables (2013-14)", and Rs 3063.00 Lakhs towards "Advance	The debits and credits in the other equity are the accounting effects in compliance to the C&AG audit observations and suggestions. The details of the accounting entries have been provided during the Audit. The accounting entries have been passed as per the generally accepted accounting practices.



SL No.	Emphasis of Matter	Management Reply
	Income Tax (2013-14)", the details for which are incomplete/ not ascertained by the management. 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".	
4	CSR expenditure made by the company in several cases does not comply with provision of section 135 of the Companies Act, 2013, Schedule VII and Companies (CSR) Rules 2014. Expenditure in one off events and are not in project/ programme mode have been charges to CSR expenditure by the company in violation of aforesaid provisions.	None of the CSR expenditures are coming under one off events as per the "General Circular No. 21/2014 dated 18th June, 2014 of MCA prohibits one off events such as marathons / awards / charitable contribution /advertisement /sponsorship of TV programmes. All the CSR activities carried out under OSBC CSR policy are as per the provisions of Schedule VII of the Companies act, 2013."



ANNEXURE-2

Replies of the Management on Comments of the Controller and Auditor General of India on the Financial Statements of Odisha State Beverages Corporation Limited for the financial year 2018-19.

SL No.	Observations	Management Reply
1	<p>A. Comments on Profitability</p> <p>Statement of Profit and Loss Expenses Other Expenses(Note No-32) Godown Rent and Insurance-₹ 4.04 Crore</p> <p>(1)The above is understated by ₹ 2.78 crore due to non-accounting of Godown rent (₹0.60) and interest on unpaid rent (₹2.18 crore) 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.</p>	<p>In absence of Contract agreement in force from OIL Odisha no provision is made in the Accounts.</p>
	<p>B. Comments on Disclosure</p> <p>Contingent Liabilities(Note-1) Liabilities towards Secure Tax for the year 2011-12 vide item 9 (iii) : ₹ 20.60 crore</p> <p>(2) The above is understated by ₹4.38 crore due to non-accounting of interest payable on the aforesaid amount for the period November 2017 to March 2019.</p>	<p>Disclosure made in accounts is in order. Since the principal amount has not been admitted as a claim, interest thereon cannot be shown as Contingent Liability.</p>
	<p>C. Significant Accounting Policies(Note-2)</p> <p>(3) As per Significant Accounting Policies 2(iv) of the Company, inventory is measured at lower of cost or net realizable value. This is contrary to the fact that the company does not make accounting for stores held.</p>	<p>The significant Accounting Policy holds good for inventory in general.</p>



प्रधन महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखा परीक्षा) कार्यालय
ओडिशा, भुवनेश्वर - 751001
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)
ODISHA, BHUBANESWAR

№ES-L(T)/Accts/OSBC/18-19/19-20/377

दिनांक/Date : 04 November 2019

To

**The Managing Director,
Odisha State Beverage Corporation Limited
Bhubaneswar**

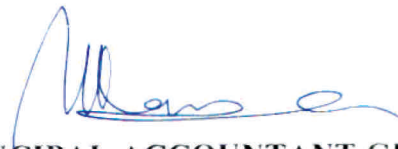
*Sub: Comments of the Comptroller & Auditor General of India Under
Section 143(6)(b) of the Companies Act, 2013 on the accounts of Odisha State
Beverage Corporation Limited for the year 2018-19.*

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 2018-19.

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,



PRINCIPAL ACCOUNTANT GENERAL

Sachivalaya Marg, Bhubaneswar - 751001, Tel. : 0674-2396587, Fax : 0674-2396587
Email : agaurissa2@cag.gov.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 2019.

The preparation of financial statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2019 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 Revised Audit Report dated 06 September 2019 which supersedes their earlier Audit Report dated: 20.08.2019.

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 2019 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.

A. Comments on Profitability

Statement of Profit and Loss

Expenses

Other Expenses (Note No- 32)

Godown Rent and Insurance-₹ 4.04 crore

(1) The above is understated by ₹ 2.78 crore due to non-accounting of Godown rent (₹ 0.60) and interest on unpaid rent (₹ 2.18 crore) 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.

B. Comments on Disclosure
Contingent Liabilities (Note-1)
Liabilities towards Secure Tax for the year
2011-12 vide item 9 (iii): ₹ 20.60 crore

(2) The above is understated by ₹ 4.38 crore due to non-accounting of interest payable on the aforesaid amount for the period from November 2017 to March 2019.

C. Significant Accounting Policies (Note-2)

(3) As per Significant Accounting Policies 2(iv) of the company, inventory is measured at lower of cost or net realizable value. This is contrary to the fact that the company does not make accounting for stores held.

For and on behalf of
Comptroller and Auditor General of India



PRINCIPAL ACCOUNTANT GENERAL

Place: Bhubaneswar
Date: 04.11.2019



ANNEXURE- 3

Form No. MGT-9

EXTRACTS OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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 Dwijaraj Kar	Sri Saroj Kumar Sethi	
1	Gross salary	24,11,114/-	91,511/-	25,02,625/-
	(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)	24,11,114/-	91,511/-	25,02,625/-
	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	2,00,000/-	90,000/-	75,000/-	3,65,000/-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	2,00,000/-	90,000/-	75,000/-	3,65,000/-
2	Other Non -Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	2,00,000/-	90,000/-	75,000/-	3,65,000/-
	Total Managerial Remuneration	2,00,000/-	90,000/-	75,000/-	3,65,000/-
	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, Social Development & Skill Building, Protection of National Heritage, Art and Culture & Promotion of Education**. 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
Independent Director | - Chairman |
| 2. *Shri Syama Charan Padhy
Independent Director | - Member |
| 3. *Shri Debendra Mahapatra, IAS,
Director | - Member |
| 4. *Shri Dwijaraj Kar, IAS,
Managing Director | - Member |



*Shri Syama Charan Padhy, Independent Director was inducted as member of the CSR Committee in place of Shri Debendra Mahapatra, IAS w.e.f. 31.07.2018 and Shri Dwijaraj Kar, IAS ceased to be a Director and member of the Committee w.e.f. 28.02.2019 on attaining the age of superannuation.

3. Average net profit of the Corporation for last three financial years:

Rs. 3792.70 Lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

Rs. 75.85 Lakh

5. Details of CSR expenditure during the financial year.

(a) Total amount to be spent during the financial year: Rs. 75.85 lakh.

(b) Total amount spent during the financial year: Rs. 81.38 lakh

(c) Amount unspent, if any: Nil

(d) Manner in which the amount spent during the financial year 2018-19: 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:

During the Financial Year the Company has spent more than two percent of the average net profit of the last three financial years.

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 period	Amount spent: direct or through implementing agency
1	Contribution towards Observance of 26 th June as International Day against Drug Abuse and Illicit Trafficking	Point (i) of Schedule VII. Promoting preventive health care	All District of Odisha	41.00	40.13	40.13	Through all District Collectors & Commissioner, BMC
2	Contribution for Promoting education, including special education and employment enhancing vocational skills for socio-economically poor candidates of Odisha in reputed Institutes	Point (ii) of Schedule VII. Promoting education including special education	Khurdha, Puri & Balasore (Odisha)	18.50	18.50	37.00	Implementing agencies
3	Contribution towards protection of national heritage,	Point (v) of Schedule	Khurdha, Puri & Kharagpur (Odisha & Kolkata)	22.75	22.75	40.25	Implementing agencies
		Total		82.25	81.38	117.38	



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 2019, 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 of the Company as at 31st March, 2019, and its profit, total 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 statement 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 advance to Excise Department are overstated by Rs.35.31lakhs each due to non-provision of doubtful advance pending since long and chances of recovery of which is uncertain.
2. 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. The matter has also been qualified in the report by the predecessor auditor

3. Profit for the year is overstated by Rs.104.83 lakhs 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. The matter pertaining to the understatement of Provision for income tax of Rs.8477.34 lakhs for the years 2013-14 to 2017-18 has been qualified in the report by the predecessor auditor.
4. Profit for the year is overstated by Rs.122.53 lakhs due to non-provision of GST liability on stock holding charges, Fines recovered from suppliers, Permit cancellation fee, Processing Fee, Registration Fee, Rename Fee, Revalidation Fee, Tender Paper sale and other fees billed to suppliers. Further, no provision is made for the erstwhile Service tax liability related to period prior to 01.07.2017. The cumulative effect of non-provisioning of erstwhile Service tax and GST liabilities has not been ascertained by the management.
5. Profit for the year and Current assets are overstated by Rs.105.25 lakhs each towards non provisioning of receivable amounts (Sundry Creditors- non operating) remaining outstanding for several years without any efforts for recovery.
6. Current assets are overstated by Rs.127.49 lakhs on account of long outstanding, unreconciled and balances not confirmed. Current liabilities to the extent of Rs.445.98 lakhs have been overstated being unreconciled, not confirmed and long outstanding.
7. 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 total impact of above Para (1) to (6) has resulted in overstatement of profit before tax for the year by Rs.775.37 lakhs, overstatement of Reserve & Surplus by Rs.499.18 lakhs (after tax), over statement of Current Liabilities by Rs.218.62 lakhs, and overstatement of Current Assets by Rs.675.50 lakhs.

Moreover, the impact of Para (7) on the Ind AS 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 (viii), 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 31.03.2019 from Sundry creditors, Sundry debtors and other parties have not been obtained by the company. The balances shown are subject to adjustments, if any arising out of the balance confirmation. We are unable to obtain sufficient and appropriate audit evidence about the carrying amount of Sundry creditors, Sundry debtors and other parties as at 31.03.2019.
3. Other Equity (Note 20) include debits amounting to Rs.1588.96 lakhs towards "Debit under reconciliation", Rs.2826.11 lakhs towards "Provision for Income tax (2013-14)", Rs.521.26 lakhs towards "Income tax refund (2013-14)", Rs.152.39 lakhs towards "Income tax Demand (TCS)" and credits amounting to Rs.1484.28 lakhs towards "Credit under reconciliation", Rs.286.95 lakhs towards "TDS receivable (2013-14)" and Rs.3063.00 lakhs towards "Advance Income tax (2013-14)", details for which are incomplete/ not ascertained by the management. 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".
4. CSR expenditure made by the company in several cases does not comply with provisions of Section 135 of the Companies Act 2013, Schedule VII and Companies (CSR) Rules 2014. Expenditure in One off events and are not in project/programme mode have been charged to CSR expenditure by the company in violation of the aforesaid provisions.

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.

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 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, Share holder'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 matter 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 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 provision 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 implementation and maintenance of 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternate but to do so.

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 the 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 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.

Other Matter

Our report on Ind AS financial statements dated 20.08.2019 as approved by the Board of Directors of the Company revised to incorporate observations of the Comptroller and Auditor General of India and amendments are made in Para (j) of Annexure 1 "Report on other Legal and Regulatory Requirements", to replace the words "Amount paid against demand" in place of "Demand paid under protest"; under the head "Service tax" for the financial year 2012-13 to 2016-17 to replace amount paid with "Rs.404.10 lakhs" in place of "0"; for the financial year 2015-16 under the column "Forum where dispute is pending" to replace "Commissioner CGST, Bhubaneswar" in place of "2nd Appeal before



CESTAT/GSTAT, Kolkata Bench” and in Annexure 2 “Sector specific additional disclosures” under Section 143(5) of the Companies Act 2013, under Sl.No. 2 to replace “The company has a system of conducting physical verification of stocks at the year end, and no discrepancy is found. However the stocks are not reflected in the Books of account” in place of “the company accounts for purchases at the time of sale of goods and holds no stock of its own in its books of account. Hence the question of shortage/ excess of stock on physical verification does not arise”. This revised Audit Report has no impact on the reported figures in the financial statements of the Company. This audit report supersedes original audit report dated 20.08.2019.

Our audit procedure on events subsequent to the date of original report is restricted solely to the amendment to Para (j) of Annexure 1 “Report on other Legal and Regulatory Requirements” and Annexure 2 “Sector specific additional disclosures” under Section 143(5) of the Companies Act 2013, under Sl.No. 2 to the Independent Auditor's Report.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Company's (Auditor's report) order, 2016 (“the order”) issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, we give in the “**Annexure 1**” a statement on the matters specified in the paragraphs 3 and 4 of the said order, to the extent applicable.
2. In compliance to the directions of the Comptroller and Auditor General of India u/s 143 (5), we are enclosing our report 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**”
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 Rule 7 of the Companies (Indian Accounting Standards) Rules 2014 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 legal/arbitration cases on its Ind AS Financial Statements. Refer Note 3 Para 9(viii) 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
Place: Bhubaneswar
Date: 06.09.2019



Annexure 1 to the Independent Auditors' Report

The Annexure referred to paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our Independent Auditors' Report of even date to the members of Odisha State Beverages Corporation Limited on the financial statements for the year ended 31st March 2019, we report that:

- a) The Company has not maintained proper records to show full particulars including quantitative details and situation of its property, plant and equipments.
- 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. In absence of proper property, plant and equipments register, the physically verified property, plant and equipments have not been reconciled by the management with the book balances and accordingly discrepancies, if any, 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.
- d) As per the information and according to the explanations given to us, the Company has no inventories in its books of account.
- e) According to the information and explanation given to us, the Company has not granted any loans, secured and 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 the view of the above, reporting under clause 3 (iii) (a), 3 (iii) (b) and 3(iii) (c) of the order is not applicable.
- f) 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
- g) The Company has not accepted any deposits from the public. However the advances amounting to Rs.42.65 lakhs are pending for more than 365 days and are to be considered as deemed deposits under the Companies Act 2013.
- h) 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.
- i) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sale tax, value added tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2019 for a period of more than six months from the date they became payable.
- j) According to the records of the Company, following are the dues outstanding in respect of income tax, VAT, custom duty, wealth tax, service tax, excise duty, cess etc., on account of disputes.



Name of the statute	Nature of dues	Assessed Demand Amount(Rs. in Lakhs)	Amount Paid 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	2906.23	2013-14	ITAT Cuttack
	Assessed	6197.36	5456.74	2014-15	ITAT Cuttack
	TDS	156.35	0	Up to 2018-19	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



- k) 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 Oder is not applicable to the Company.
- l) 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.
- m) 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, no material case of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- n) The provision of section 197 read with schedule V of the Act, relating to management 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.
- o) 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.
- p) 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.
- q) 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 and therefore provisions of section 42 of the Act are not applicable to the Company during the year.
- r) According to the information and explanation given to us, the Company has not entered into any non-cash transaction specified under section 192 of the Act with Directors or persons connected with him.
- s) 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
Place: Bhubaneswar
Date: 06.09.2019



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. However, as reported under “Emphasis of matter” section of our report Para (3), Other Equity (Note 20 to the Financial statements) include debit amounting to Rs.1588.96 lakhs towards “Debit under reconciliation, deducted from “Retained Earnings” details for which are incomplete/ not ascertained by the management.
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 except in case of interstate sale of beer. Moreover, the Company has effective system for recovery of dues in respect of sales activities and recording of these transactions in the books of accounts.
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 the year end, and no discrepancy is found. However the stocks are not reflected 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 in advance except in case of interstate sale of beer. However, the Company follows an effective system of recovery of the dues in respect of sales activities in case of interstate sale of beer.

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(S.P. Padhi)
Partner
M.No.053292
Place: Bhubaneswar
Date: 06.09.2019



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 2019.

Report on the Internal Financial Control 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, 2019 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 Control 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 control 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 control 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 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 control over financial reporting were established and maintained and if such controls operated effectively in all materials 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 expenditure of the Company are being made only in accordance with authorizations of managements and directors of the Company; and (3) provide reasonable assurance regarding prevention and 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 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
Place: Bhubaneswar
Date: 06.09.2019



ODISHA STATE BEVERAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR
BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in ₹ lakhs)

SL No.	Particulars	Note No.	Figures as at the end of the Current reporting period 31st March, 2019	Figures as at the end of the Previous reporting period 31st March, 2018
I.	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	4	184.06	199.05
	(b) Capital work in progress - Tangible	5	100.00	100.00
	(c) Intangible assets	6	87.88	109.65
	(d) Intangible assets under development	7	-	-
	(e) Financial assets			
	(i) Trade receivables	8	25.36	58.67
	(ii) Loans Receivables	9	-	-
	(iii) Other financial assets	10	444.18	439.67
	(f) Deferred tax assets (Net)	11	7.63	2.38
	(g) Other non-current assets	12	852.16	2,297.53
	Total Non-Current Assets		1,701.27	3,206.95
2	Current assets			
	(a) Financial assets			
	(i) Trade receivables	13	-	-
	(ii) Cash and cash equivalents	14	27,201.31	26,201.88
	(iii) Bank Balances other than (ii) above	14	19,656.57	17,811.55
	(iv) Loans Receivables	15	0.98	1.14
	(v) Other financial assets	16	111.99	86.33
	(b) Current tax assets (Net)	17	9,172.00	9,488.53
	(c) Other current assets	18	1,356.31	1,053.15
	Total Current Assets		57,499.16	54,642.58
	TOTAL ASSETS		59,200.43	57,849.53
II.	EQUITY & LIABILITIES			
1	Equity			
	(a) Equity share capital	19	100.00	100.00
	(b) Other equity	20	31,908.61	29,723.48
	Total Equity		32,008.61	29,823.48
2	Liabilities			
	Non-current liabilities			
	(a) Provisions	21	7.02	1.18
	(b) Other non-current liabilities	22	-	1,484.28
	Total Non-Current Liabilities		7.02	1,485.46
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	23	-	-
	(a) Total Outstanding dues of Micro Enterprises & Small Enterprises	-	-	-
	(b) Total Outstanding dues of Creditors other than Micro & Small Enterprises		19,173.81	19,811.69
	(ii) Other financial liabilities	24	628.67	581.21
	(b) Other current liabilities	25	7,382.27	6,147.68
	(c) Provisions	26	0.05	0.01
	Total Current Liabilities		27,184.80	26,540.59
	TOTAL EQUITY & LIABILITIES		59,200.43	57,849.53

Notes forming part of the financial statements

(1 to 32)

In terms of our report of even date attached.

For Nag & Associates
Chartered Accountants

FRN:312063E

Sd/-
(S. P. Padhi)
Partner

M. No.-053292
Place: Bhubaneswar
Date: 20.08.2019

Sd/-
General Manager
(A & A)

For and On behalf of the Board of Directors

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, 2019
(Amount ₹ in Lakh)

Sl. No.	Particulars	Note No.	Figures for the year ended March-31,2019	Figures for the year ended March-31,2018
I	Income			
II	Revenue from operations	27	473,836.18	372,669.57
III	Other income	28	5,654.23	4,789.76
IV	Total Income (I+II)		479,490.41	377,459.33
V	Expenses			
VI	Purchase of Stock in Trade	29	462,537.61	364,084.69
VII	Employee benefits expenses	30	358.01	263.73
VIII	Depreciation and amortisation expenses	31	46.93	27.57
IX	Other expenses	32	11,896.28	10,652.24
X	Total Expenses (IV)		474,838.83	375,028.23
XI	Profit/(Loss) before exceptional items and Taxes (III-IV)		4,651.58	2,431.10
XII	Exceptional Items		-	-
XIII	Profit/(Loss) before Tax (V-VI)		4,651.58	2,431.10
XIV	Tax expense			
XV	Current tax		1,656.81	889.91
XVI	Current tax for earlier years		-	-
XVII	Deferred tax		-4.32	-1.01
XVIII	Total tax expenses		1,652.49	888.90
XIX	Profit/(Loss) for the period from continuing operations (VII-VIII)		2,999.09	1,542.20
XX	Profit/(Loss) for the period from discontinued operations		-	-
XXI	Tax expense of discontinued operations		-	-
XXII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XXIII	Profit/(Loss) for the period (IX+XII)		2,999.09	1,542.20
XXIV	Other Comprehensive Income		-1.72	0.03
XXV	A (i) Items that will not be reclassified to profit and loss			
XXVI	(a) Remeasurements of defined benefit plans		-2.65	0.04
XXVII	ii) Income tax relating to items that will not be reclassified to profit or loss		0.93	-0.01
XXVIII	B (i) Items that will be reclassified to profit and loss		-	-
XXIX	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XXX	Total Comprehensive Income for the period (XIII+XIV)		2,997.37	1,542.23
XXXI	(comprising profit/(Loss) and Other comprehensive income for the period)			
XXXII	Earnings per equity share ((for continuing operation)			
XXXIII	(1) Basic [Rs.]		299.74	154.22
XXXIV	(2) Diluted [Rs.]		299.74	154.22
XXXV	Earnings per equity share ((for discontinued operation)			
XXXVI	(1) Basic [Rs.]		-	-
XXXVII	(2) Diluted [Rs.]		-	-
XXXVIII	Earnings per equity share ((for continuing and discontinued operations)			
XXXIX	(1) Basic [Rs.]		299.74	154.22
XXXX	(2) Diluted [Rs.]		299.74	154.22
XXXXI	Notes forming part of the financial statements	(1 to 32)		

In terms of our report of even date attached.

For Nag & Associates
Chartered Accountants
FRN:312063E

Sd/-
(S. P. Padhi)
Partner
M. No.-053292
Place: Bhubaneswar
Date: 20.08.2019

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
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount ₹ in Lakh)

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before extraordinary items and tax	4,651.58	2,431.10
Adjustments for:		
Current year depreciation	46.93	27.57
Interest income from deposits	-2,688.11	-2,058.00
Interest on IT Refund	-	-
Amortisation of deferred income on Grant Vehicle	-	-
Total of adjustments	-2,641.18	-2,030.43
Operating profit / (loss) before working capital changes	2,010.40	400.68
Movements in working capital		
Increase (Decrease) Trade receivable	33.30	746.22
Increase (Decrease) Other financial assets and other assets	1,428.74	-6,614.45
(Decrease) Increase Trade payable	-637.87	6,802.46
(Decrease) Increase Other financial liabilities, other liabilities and provisions	-198.08	1,639.86
Cash generated from operations	2,636.49	2,974.77
Income tax paid	-1,906.98	-888.90
Net cashflow from/(used in) operating activities (A)	729.51	2,085.87
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances		
Purchase of fixed assets	-10.25	-17.41
Capital expenditure on fixed assets		317.40
Sale of fixed assets (Adjustment of depreciation)	0.08	2.49
Movement in fixed deposits	-1,845.02	2,057.89
Movement in deferred tax assets	-5.24	-1.00
Interest received	2,688.11	2,058.00
Net cash flow from/(used in) investing activities (B)	827.68	4,417.37
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-462.66	-764.70
DDT Paid	-95.10	-132.29
Net cash flow from/(used in) financing activities (C)	-557.76	-896.99
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	999.43	5,606.24
Cash and cash equivalents at the beginning of the year	26,201.88	20,595.64
Cash and cash equivalents at the end of the year	27,201.31	26,201.88

Notes forming part of the financial statements (Note-1 to 32)

In terms of our report of even date attached.

For Nag & Associates
Chartered Accountants
FRN:312063E

Sd/-
(S. P. Padhi)
Partner

M. No.-053292
Place: Bhubaneswar
Date: 20.08.2019

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 TOWER, BHUBANESWAR
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital:

(Amount in ₹lakh)

Particulars		Balance at 1st April, 2018	Changes in equity share capital	Balance as at 31st March, 2019	
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, 2017		3,310.86	25,767.39	-	29,078.25
Transfer to Reserves		-	-	-	-
Profit for the year		-	1,542.20	-	1,542.20
Other comprehensive income for the year, net of income tax		-	-	0.03	0.03
Total comprehensive income for the year		-	1,542.20	0.03	1,542.23
Transaction with owners in their capacity as owners:					
Dividends (Including Dividend distribution tax)		-	-764.70	-	-764.70
Tax on dividends		-	-132.29	-	-132.29
Balance at March 31, 2018		3,310.86	26,412.60	0.03	29,723.49
Transfer to Reserves		-	-	-	-
Profit for the year		-	2,999.09	-	2,999.09
Other comprehensive income for the year, net of income tax		-	-	-1.72	-1.72
Total comprehensive income for the year		-	2,999.09	-1.72	2,997.37
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
Balance at March 31, 2019		3,310.86	28,599.44	-1.69	31,908.61

Notes forming part of the financial statements (Note-1 to 32)

In terms of our report of even date attached.

For Nag & Associates
Chartered Accountants
FRN:312063E

Sd/-
(S. P. Padhi)
Partner
M. No.-053292
Place: Bhubaneswar
Date: 20.08.2019

Sd/-
General Manager
(A & A)

For and On behalf of the Board of Directors

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, 2019

4 Property, Plant and Equipment		(Amount in ₹ lakh)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Carrying Cost		
	Land (Finance lease)	140.02	141.95
	Electrical Fittings	6.25	5.02
	Furniture and fixtures	7.59	8.48
	Vehicles	15.96	24.47
	Computers	5.65	11.63
	Office equipments	8.59	7.50
	TOTAL	184.06	199.05
5	Capital work-in-progress-Tangible		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Boundry Wall	100.00	100.00
	TOTAL	100.00	100.00
6	Intangible assets		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Software Development	87.88	-
	Software Development(CWIP)	-	109.65
	TOTAL	87.88	109.65
7	Intangible assets under development		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Software Development(CWIP)	-	-
	TOTAL	-	-
8	Non current-Trade receivables		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Trade receivables considered good-Secured	-	-
	Trade receivables considered good-Unsecured	25.36	58.67
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables-credit impaired	-	-
	TOTAL	25.36	58.67
	Trade receivables are dues in respect of goods sold or services rendered in the normal course of business		
9	Non current-Loans receivables		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	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.

10	Other financial assets		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Security Deposit	36.46	31.95
	Receivable from Govt. & Others	0.26	0.26
	CST /VAT Deposit	0.01	0.01
	Loading & Unloading Charges Receivable	407.45	407.45
	Receivable from Suppliers	243.57	180.90
		687.75	620.57
	Less : Provision for doubtful assets	-243.57	-180.90
	TOTAL	444.18	439.67
11	Deferred tax assets (Net)		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Deferred Tax Liabilities	-	-
	Less : Deferred tax Assets	7.63	2.38
	TOTAL	7.63	2.38
12	Other non-current assets		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Unsecured, Considered Good		
	PF Paid under Protest	26.76	43.80
	Sales Tax Demand/Deposits	572.38	143.09
	Service Tax Deposits	253.02	521.68
	Service Tax-PWD		-
	Debit under Reconciliation (Collection)	-	1,588.96
	Unsecured, Considered Doubtful		
	Advance Excise duty	29.30	29.30
		881.46	2,326.83
	Less : Provision for doubtful other assets	-29.30	-29.30
	TOTAL	852.16	2,297.53
13	Current-Trade receivables		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	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	-	-



14 Cash & Cash Equivalents

(Amount in ₹ lakh)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Balances with Banks		
	(a) (i) Current Account (including flexi balance and interest accrued thereon)	17,735.85	16,732.05
		-	-
	(b) Deposits with original maturity of less than three months	9,300.00	8,670.00
	(c) DD/Cheques on Hand	165.13	799.64
	(d) Cash in Hand	0.33	0.19
	Cash and cash equivalents as per Balance sheet	27,201.31	26,201.88
	Balances with Banks more than three months	19,656.57	17,811.55
	TOTAL CASH AND BANK BALANCES	46,857.88	44,013.43
15	Current-Loans receivables		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Considered good		
	Loans & advances to employees	0.98	1.14
	TOTAL	0.98	1.14
	* Receivables due by directors and its officers of the Company is nil (Previous year: nil)		
16	Other financial assets-Current		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Stock Holding Charges Receivable	111.99	86.33
	TOTAL	111.99	86.33
17	Current tax assets and liabilities		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Current tax assets		
	Advance Tax &TDS	23,270.38	18,582.73
	Refund receivable	969.24	1,490.50
	Less: Provision for Income tax	-15,067.62	-10,584.70
	TOTAL	9,172.00	9,488.53
18	Other current assets		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Receivable from Suppliers	3.89	39.44
	Advance to excise Department	50.31	35.31
	Advance to Suppliers (Aska Co-operative)	900.00	600.00
	Prepaid License fee	300.00	300.00
	Prepaid Insurance of Stock	90.42	67.55
	Prepaid Municipal Tax	9.67	8.41
	Depot advance-Internet Charges	1.05	-
	Others Advances	0.97	2.44
	TOTAL	1,356.31	1,053.15



19	Equity Share Capital	Amount in ₹ Lakh			
	Particulars	As at 31st March, 2019		As at 31st March, 2018	
	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, 2019		As at 31st March, 2018	
		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 shareholder holding more than 5% shares				
	Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
		No of Share	% of	No of Shares	% of
		Held (Face value	Total	Held (Face value	Total
		of Rs. 10 each)	Shares	of Rs. 10 each)	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.

20	Other Equity	(Amount in ₹ lakh)			
	Particulars	As at 31st March, 2019		As at 31st March, 2018	
	General reserve				
	Opening balance	3,310.86		3,310.86	
	(+) Current year transfer	-		-	
	Closing balance	3,310.86		3,310.86	
	Retained earnings				
	Opening balance	26,412.60		25,767.39	
	(+) Net Profit for the current year	2,999.09		1,542.20	
	(-) Transfer to reserves	-		-	
	(-) Dividend paid	-462.66		-764.70	
	(-) Dividend distribution tax	-95.10		-132.29	
	(-) Debit Under recincilation	-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		-	



			(Amount in ₹ lakh)
	(-) Income tax demand (TCS)	-152.39	
	Closing balance (b)	28,599.44	26,412.60
	Other Comprehensive Income		
	Opening balance	0.03	-
	Changes during the year	-2.65	0.04
	Deferred tax	0.93	-0.01
	(c)	-1.69	0.03
	TOTAL (a+b+c)	31,908.61	29,723.48
21	Non current liabilities-Provisions		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Provision for leave encashment	2.28	0.40
	Provision for gratuity	4.74	0.78
	TOTAL	7.02	1.18
22	Other non-current liabilities		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Deferred income		
	Grant for Vehicle (car)	-	7.17
	Less : Amortisation of deferred income on Grant vehicle	-	-4.87
	Less : Reversal of Grant vehicle	-	-2.30
	Credit under Reconciliation	-	1,484.28
	TOTAL	-	1,484.28
23	Trade Payables		(Amount in ₹ lakh)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Creditors for supplies and services	19,173.81	19,811.69
	TOTAL	19,173.81	19,811.69

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, 2019	As at 31st March, 2018
(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.	-	-



24	Other Financial Liabilities	(Amount in ₹ lakh)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Financial liabilities carried at amortized cost		
	Employee benefits payable	42.64	29.82
	Security deposits	462.42	403.99
	Godown rent payable	81.37	73.47
	Security services charges payable	42.24	73.93
	TOTAL	628.67	581.21
25	Other current liabilities	(Amount in ₹ lakh)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Statutory dues	6,532.48	5,429.00
	Advance from customers	649.36	511.34
	Entry tax withheld subject to reconciliation	150.52	150.52
	Other liabilities	49.91	56.82
	TOTAL	7,382.27	6,147.68
26	Current liabilities-Provisions	(Amount in ₹ lakh)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Provision for leave encashment	0.02	-
	Provision for gratuity	0.03	0.01
	TOTAL	0.05	0.01



ODISHA STATE BEVARAGES CORPORATION LTD.
2ND FLOOR, FORTUNE TOWER, BHUBANESWAR
Notes to the Financial Statements for the year ended 31st March 2019

(Amount in ₹ lakh)

Sl. No.	Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
27	Revenue from Operations		
	Sale of Products (including excise duty)		
	Sales (Beer)	105,161.44	80,129.23
	Sales (CL)	26,279.96	20,227.56
	Sales-Defence (IMFL & Beer)	4,766.80	4,063.77
	Sales (IMFL)	337,627.98	268,249.01
	(Sales includes Additional and Differential excise duty of Rs. 9775.46 Lakhs for FY-2018-19 & Rs. 7101.12 lakhs for FY-2017-18)		
	TOTAL	473,836.18	372,669.57
28	Other income		
	Interest on Bank Deposits	2,688.11	2,058.00
	Cash discounts	2,284.70	2,109.34
	Non-operating incomes	681.42	622.42
	TOTAL	5,654.23	4,789.76
29.	Purchase of stock-in-trade		
	Purchase of Stock		
	IMFL	336,573.58	267,132.07
	Beer	101,859.76	77,408.51
	Country Liquour	24,104.27	19,544.11
	TOTAL	462,537.61	364,084.69
30	Employee benefit expenses		
	Salaries, incentive & allowances	334.17	245.42
	Contributions to provident and other funds	20.24	16.03
	Staff welfare expenses	3.60	2.28
	TOTAL	358.01	263.73
31	Depreciation & Amortization expenses		
	On Property, Plant & Equipment-note-4.1	24.96	27.57
	On Intangible Assets-note-6.1	21.97	-
	TOTAL	46.93	27.57
32	Other expenses		
	License Fee	300.00	275.00
	Additional Excise duty	8,253.56	5,355.67
	Donation to CMRF	500.00	1,200.00
	Differential Excise duty	1,521.90	1,745.45
	Godown Rent & Insurance	403.80	428.38
	CSR Expenses	81.38	130.20
	Entry Tax	-	53.81
	Interest on Entry Tax	-	697.70
	Security Service Charges	447.46	361.05
	Professional & Legal Charges	98.82	65.42
	Director's sitting Fees	4.25	0.99
	Office Rent	97.54	92.37
	Electricity Charges	13.95	13.00
	Repair & Maintenance	9.66	7.05
	Audit Fees	2.95	2.07
	GST on License Fee	-	54.00
	Provision for Non-operating Creditors	62.67	15.35
	Service Tax on License Fee	-	41.25
	Other Administrative & Sundry Expenses	98.34	89.85
	Service tax	-	23.63
	TOTAL	11,896.28	10,652.24

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, 2019

(Amount in ₹ lakh)

PARTICULARS	LAND (Leasehold)	COMPUTER	FURNITURE & FIXTURES	ELECTRICAL FITTINGS	OFFICE EQUIPMENTS	VEHICLES	TOTAL
(A) GROSS BLOCK:							
Balance as on 01.04.2018	146.53	131.76	51.31	15.42	64.28	56.49	465.79
Balance as on 01.04.2017	146.53	129.59	49.74	14.27	61.00	58.71	459.84
Addition during the year (Previous Year:2017-18)		0.47	1.09	3.01	5.48	9.24	10.05
Deletion during the year (Previous Year:2017-18)	-	0.37	-	0.06	-	-	0.43
	-	-	-	-	-	11.46	11.46
Balance as on 31.03.2019	146.53	131.86	52.40	18.37	69.76	56.49	475.41
Balance as on 31.03.2018	146.53	131.76	51.31	15.42	64.28	56.49	465.79
(B) DEPRECIATION/AMORTISATION:							
Balance as on 01.04.2018	4.58	120.13	42.83	10.40	56.78	32.02	266.74
Balance as on 01.04.2017	2.65	105.79	41.02	9.12	55.43	34.13	248.14
Depreciation/Amortisation for the Year	1.93	4.47	1.89	1.27	3.65	7.03	20.24
(Previous Year:2017-18)	1.93	14.34	1.81	1.28	1.35	6.86	27.57
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:2017-18)		-	-	-	-	8.97	8.97
Balance as on 31.03.2019	6.51	126.21	44.81	12.12	61.17	40.53	291.35
Balance as on 31.03.2018	4.58	120.13	42.83	10.4	56.78	32.02	266.74
(C) NET BLOCK							
Balance as on 31.03.2019	140.02	5.65	7.59	6.25	8.59	15.96	184.06
Balance as on 31.03.2018	141.95	11.63	8.48	5.02	7.50	24.47	199.05

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

FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST March, 2019

Note No. - 6.1 : Intangible assets	
PARTICULARS	(Amount in ₹ lakh)
(A) GROSS BLOCK:	
Balance as on 01.04.2018	109.65
Balance as on 01.04.2017	109.65
Addition during the year (Previous Year:2017-18)	0.20 -
Deletion during the year (Previous Year:2017-18)	- -
Balance as on 31.03.2019	109.85
Balance as on 31.03.2018	109.65
(B) AMORTISATION:	
Balance as on 01.04.2018	-
Balance as on 01.04.2017	-
Amortisation for the year (Previous Year:2017-18)	21.97 -
Adjustments to Dep. (Previous Year:2017-18)	- -
Balance as on 31.03.2019	21.97
Balance as on 31.03.2018	-
(C) NET BLOCK	
Balance as on 31.03.2019	87.88
Balance as on 31.03.2018	109.65

Note:-1. Software under CWIP as on 31.03.2018 has been capitalised during the year 2018-19 and amortised accordingly.

2. 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 TOWER, BHUBANESWAR

11.1 Deferred Tax	(Amount in ₹ lakh)	
Particulars	As at 31st March, 2019	As at 31st March, 2018
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	5.15	1.98
Due to leave encashment & Gratuity	2.48	0.40
Other disallowances	-	-
Adjustments through OCI	-	-
	7.63	2.38
Deferred tax (assets)/ liabilities (net)	-7.63	-2.38
Tax Credit (Minimum alternative tax)	-	-

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, 2019 have been approved and authenticated by the Board of Directors on its 80th meeting held on 12 June, 2019.

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 30.03.2019 which inter-alia includes the new standard on leases IndAS 116 replacing the existing standard IndAS 17, to be effective from 01.04.2019. The impact of same is yet to be assessed.

(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



- i) It is held primarily for the purpose of trading; or
- ii) It is due to be settled within twelve months after the reporting period; or
- iii) 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.

Note-2**Odisha State Beverages Corporation Limited****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.

(i) Property, Plant and Equipment**Recognition and Measurement****(a) Tangible Assets**

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.

(b) 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.

(c) 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 loss arising from de-recognition of an item of property plant & equipment is included in the profit or loss.

(d) 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.



(e) 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.

(f) 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.

(ii) Intangible assets

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.

(iii) 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

(iv) Inventories

Inventory is measured at lower of cost or net realizable value.

The title of the inventory is transferred from the supplier to the Company upon final inspection, before the sales transaction takes place.

(v) 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.

(vi) Employee Benefits

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.

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.

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.

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.

(vii) 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.

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

Sale of goods

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

Interest

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

(viii) 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.

(ix) 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.

(x) Leased assets

Company as a Lessee

(a) Finance leases

Finance leases, 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 term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease 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.

(b) 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 rentals 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.

(xi) Provisions, Contingent Liabilities and Contingent Assets

(a) 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.

(b) 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.

(xii) 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.

(xiii) 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.

(xiv) 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:



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

(xv) Financial Instruments

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(xvi) 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 Rs 3.89 Lakhs as on 31.03.2019 & Rs 39.44 Lakhs as on 31.03.2018 have been shown under the head “Receivable from Suppliers” in Other Current Assets (Note-18)” and the credit balance under Sundry debtors amounting to Rs 649.36 Lakhs as on 31.03.2019 & Rs 511.34 Lakhs as on 31.03.2018 have been shown under the head “Advance from Customers” in Other Current liabilities (Note-25)”.
- 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 Dwijaraj Kar	Managing Director	Key Management Personnel
2.	Sri. Saroj Kumar Sethi	Managing Director	Key Management Personnel

Transactions with Key Management Personnel	Current Year	Previous Year
Short Term Employee Benefit		
Sri Dwijaraj Kar	Rs. 22.22 Lakh	Rs.16.26 Lakh
Sri Saroj Kumar Sethi	Rs. 0.91 Lakh	NIL
Post Employment Benefit	NIL	NIL
Other Long Term Benefit	NIL	NIL
Termination Benefit	NIL	NIL
Share Based Payments	NIL	NIL

4. Audit Fees & Expenses are follows (including GST):

Particulars	Amount (₹ In Lakh) Current Year	Amount (₹ In Lakh) Previous Year
As Statutory Auditor	2.95	2.07
Total	2.95	2.07

- 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. Earnings Per Share (EPS) Details

Computation Details

Particulars	Current Year		Previous Year	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
A. Earnings attributable to Equity Share holder (Amount Rs in Lakh)	2997.37	2997.37	1542.23	1542.23
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 Rs`)	299.74	299.74	154.22	154.22
D. Face Value of Share (Rs)	10.00	10.00	10.00	10.00



7. Employee benefits:

The Company 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 organisation. 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	40,565.00	40,514.00
	Current Service Cost	1,15,128.00	25,790.00
	Interest Cost	3,128.00	3,120.00
	Participant Contribution	-	-
	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)	-	-
	Actuarial gain/loss on obligations due to Change in Financial Assumption	(411.00)	(2,216.00)
	Actuarial gain/loss on obligations due to Change in Demographic assumption	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	71,845.00	26,643.00
	Actuarial gain/loss on obligations due to Other reason	-	-
	The effect of change in Foreign exchange rates	-	-
	Benefits Paid	0.00	0.00
	Acquisition Adjustment	-	-
	Disposal/Transfer of Obligation	-	-
	Curtailment cost	0.00	0.00
	Settlement Cost	-	-
	Other(Unsettled Liability at the end of the valuation date)	0.00	0.00
	Present value of obligation as on valuation date	2,30,255.00	40,565.00
	Accrued leave Encashment	3,18,700.00	55,820.00



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 Contribution(Expected)	-	-
	Unfunded Accrued/Prepaid Pension cost	-	-
	Fund Asset	-	-
	Fund Liability	2,30,255.00	40,565.00

Plan Assumptions			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Discount Rate	7.71%	7.70%
	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 Life)	22	23
	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 Combined)	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	1,15,128.00	25,790.00
	Past Service Cost(vested)	0.00	0.00
	Past Service Cost(Non-Vested)	-	-
	Net Interest Cost	3,128.00	3,120.00
	Cost(Loss/(Gain) on settlement	-	-
	Cost(Loss/(Gain) on curtailment	0.00	0.00
	Actuarial Gain/loss	71,434.00	-28,859.00
	Employee Expected Contribution	-	-
	Net Effect of changes in Foreign Exchange Rates	-	-
	Benefit Cost(Expense Recognized in Statement of Profit/loss)	1,89,690.00	51.00



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
37,156.00	44,335.00	Discount Rate (-/+ 0.5%)	2,10,734.00	2,51,894.00
-8.404%	9.293%	%Change Compared to base due to sensitivity	-8.478%	9.398%
44,359.00	37,107.00	Salary Growth (-/+ 0.5%)	2,52,037.00	2,10,451.00
9.353%	-8.525%	%Change Compared to base due to sensitivity	9.460%	-8.601%
40,589.00	40,540.00	Attrition Rate (-/+ 0.5%)	2,30,400.00	2,30,110.00
0.060%	-0.061%	%Change Compared to base due to sensitivity	0.063%	-0.063%
40,602.00	40,528.00	Mortality Rate (-/+ 10%)	2,30,467.00	2,30,043.00
0.090%	-0.091%	%Change Compared to base due to sensitivity	0.092%	-0.092%

Benefit Information and Estimated Future payments	
Year	Indian Rupees(INR)
1	2,271.00
2	2,435.00
3	2,617.00
4	2,909.00
5	3,214.00
6 to 10	20,948.00
More than 10 years	10,16,689.00
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	10,51,082.00
Less-Discount For Interest	8,20,827.00
Projected Benefit Obligation	2,30,255.00

Expected return on Plan Asset			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Current liability	2,188.00	391.00
	Non-Current Liability	2,28,067.00	40,174.00
	Net Liability	2,30,255.00	40,565.00



B. Gratuity

Changes in Present Value of Obligation			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Present value of obligation as on last valuation	78,129.00	49,712.00
	Current Service Cost	1,28,089.00	28,592.00
	Interest Cost	6,024.00	3,828.00
	Participant Contribution	-	-
	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)	-	-
	Actuarial gain/loss on obligations due to Change in Financial Assumption	(878.00)	(4,752.00)
	Actuarial gain/loss on obligations due to Change in Demographic assumption	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	2,65,940.00	749.00
	Actuarial gain/loss on obligations due to Other reason	-	-
	The effect of change in Foreign exchange rates	-	-
	Benefits Paid	0.00	0.00
	Acquisition Adjustment	-	-
	Disposal/Transfer of Obligation	-	-
	Curtailment cost	-	-
	Settlement Cost	-	-
	Other(Unsettled Liability at the end of the valuation date)	0.00	0.00
	Present value of obligation as on valuation date	4,77,304.00	78,129.00
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 period	-	-



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 period	0.00	0.00
	Post Measurement Date Employer Contribution(Expected)	0.00	0.00
	Unfunded Accrued/Prepaid Pension cost	N/A	N/A
	Fund Asset	0.00	0.00
	Fund Liability	4,77,304.00	78,129.00
Plan Assumptions			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Discount Rate	7.71%	7.70%
	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 working Life)	22	23
	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	1,28,089.00	28,592.00
	Past Service Cost(vested)	0.00	0.00
	Past Service Cost(Non-Vested)		-
	Net Interest Cost	6,024.00	3,828.00
	Cost(Loss)/(Gain) on settlement	-	-
	Cost(Loss)/(Gain) on curtailment	-	-
	Net Actuarial Gain loss	-	-
	Employee Expected Contribution	-	-
	Net Effect of changes in Foreign Exchange Rates	-	-
	Benefit Cost(Expense Recognized in Statement of Profit/loss)	1,34,113.00	32,420.00



Other Comprehensive Income			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Actuarial gain/loss on obligations due to Change in Financial	-878.00	-4,752.00
	Actuarial gain/loss on obligations due to Change in Demographic	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	2,65,940.00	749.00
	Actuarial gain/loss on obligations due to Other reason		-
	Total Actuarial (gain)/losses	2,65,062.00	-4,003.00
	Return on Plan Asset, Excluding Interest Income	0.00	0.00
	The effect of asset ceiling	-	-
	Balance at the end of the Period	2,65,062.00	-4,003.00
	Net(Income)/Expense for the Period Recognized in OCI	2,65,062.00	-4,003.00

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
70,880.00	86,230.00	Discount Rate (-/+ 0.5%)	4,35,640.00	5,23,560.00
-9.278%	10.369%	%Change Compared to base due to sensitivity	-8.729%	9.691%
86,291.00	70,769.00	Salary Growth (-/+ 0.5%)	5,23,903.00	4,35,001.00
10.447%	-9.420%	%Change Compared to base due to sensitivity	9.763%	-8.863%
77,870.00	78,388.00	Attrition Rate (-/+ 0.5%)	4,75,858.00	4,78,755.00
-0.331%	0.332%	%Change Compared to base due to sensitivity	-0.303%	0.304%
78,216.00	78,042.00	Mortality Rate (-/+ 10%)	4,77,796.00	4,76,808.00
0.111%	-0.111%	%Change Compared to base due to sensitivity	0.103%	-0.104%



Cash Flow Information	
Particulars	Indian Rupees(INR)
Next Year Total (Expected)	6,70,978.00
Minimum Funding Requirements	0.00

Benefit Information Estimated Future payments(Past and Future Service)	
Year	Indian Rupees(INR)
1	3,406.00
2	3,681.00
3	3,991.00
4	4,466.00
5	4,974.00
6 to 10	35,190.00
More than 10 years	21,99,507.00
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	22,55,214.00
Less-Discout For Interest	17,77,910.00
Projected Benefit Obligation	4,77,304.00

Outlook Next Year Components of Net Periodic benefit Cost Next Year	
Particulars	Indian Rupees(INR)
Current service Cost(Employer portion Only) Next period	1,41,755.00
Interest Cost next period	36,669.00
Expected Return on Plan Asset	0.00
Unrecognized past service Cost	
Unrecognized actuarial/gain loss at the end of the period	
Settlement Cost	
Curtailment Cost	
other(Actuarial Gain/loss)	
Benefit Cost	1,78,424.00

Expected return on Plan Asset			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Current liability	3,282.00	526.00
	Non-Current Liability	4,74,022.00	77,603.00
	Net Liability	4,77,304.00	78,129.00

8. Segment reporting:

The Company 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. Contingent Liabilities and Assets with status:

(i) Income Tax:

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 for disposal.
2	2013-14	ITAT, Cuttack bench	3,807.17	2,906.23	Appeal before ITAT, Cuttack Bench against the order of CIT (A) is pending for disposal.
3	2014-15	ITAT, Cuttack bench	6,197.36	5,456.74	Appeal before ITAT, Cuttack Bench against the order of CIT (A) is pending for disposal.
		Total	10,112.87	8,362.97	

(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 (₹ In Lakh)	Status
1	Prior Years	1,54,64,025.00	0.00	Revised return filed
2	2015-16	7,489.53	0.00	Revised return filed
3	2016-17	89,958.45	0.00	Revised return filed
4	2017-18	4,280.66	0.00	Revised return filed
5	2018-19	68,846.60	0.00	Revised return filed
Total :		1,56,34,600.24	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 disposal.
2	2012-13 2013-14 2014-15	CESTAT /GSTAT, Kolkata Bench	Tax 1,029.79 Penalty 1,029.79 Cost 0.05 Total = 2,059.63	77.23	1,982.40	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 = 1,478.97	0.00	1,478.97	The 2 nd Appeal before CESTAT /GSTAT, Kolkata Bench, is pending for disposal.
4	2012-13 to 2016-17	CESTAT /GSTAT, Kolkata Bench	Tax 5,388.08 Penalty 5,388.08 Cost 0.05 Total=10,776.21	0.00	10,776.21	The 2 nd Appeal before CESTAT /GSTAT, Kolkata Bench, is pending for disposal.
		Total	14,663.58	251.59	14,411.99	

(iv) Sales Tax:

Sl. No	Year	Forum in which Pending	Amount Involved (₹ 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 Involved (₹ 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 intimated 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	

(vi) Godown Rent:

Godown rent of ₹ 39, 90,527/- 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	Civil Judge (Sr.) Division, BBSR	Loading & Unloading	4 No. of Cases
03	District Judge (Khurda), BBSR	Loading & Unloading	4 No. of Cases
04	Arbitrator	Loading & Unloading	4 No. of Cases
05	District Consumer Forum Cuttack	Godown Insurance	1 No. of Case
06	Civil Judge Division, Sambalpur	Godown Rent	1 No of Case
07	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
08	Hon.ble High court of Odisha	Cases related with Minimum Guaranteed Quota (MGQ) of CS retailers.	20 No of Cases
09	Hon.ble High court of Odisha	E-payment by retailers	8 No. of Cases
10	Hon.ble High court of Odisha	Excise Adhesive level	13 No. of cases
11	Hon.ble High court of Odisha	Service related	16 No. of Cases
12	Hon.ble High court of Odisha	Sales Tax related	4 No. of Cases
13	Hon.ble High court of Odisha	Excise related (Chemical analysis Report)	1 No. of Cases



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

10. CSR Expenses

As per the provision of Section 135 of the Companies Act 2013, Schedule – VII and Rule made there under, the CSR obligation of Company during the F.Y 2018-19 was ₹ 75.85 Lakh (Previous year ₹ 92.69 Lakh). The Company has spent ₹ 81.38 Lakh (Previous year ₹ 130.20 Lakh) towards the CSR obligation.

11. Previous year Figure

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

12. 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

Place: Bhubaneswar

Date: 20.08.2019

Sd/-
General Manager
(A & A)

For and On behalf of the Board of Directors

Sd/-
Director
DIN: 06729202

Sd/-
Managing Director
DIN: 08403701