

Annual Report

**SOM
DISTILLERIES & BREWERIES
ODISHA PRIVATE LIMITED**

*Standalone Accounts
for the year ended March-2019*

R.N. Gupta & Associates
Chartered Accountants
Bhopal

R.N. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
66, NEW MARKET, (1st FLOOR), T.T. NAGAR, BHOPAL-462003
Tel. 0755-2559350
E-mail: rn_gupta_ca@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED** (the Company), which comprise the standalone balance sheet as at 31st March 2019, standalone statement of profit and loss (including Other Comprehensive Income), standalone statement of changes in equity, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

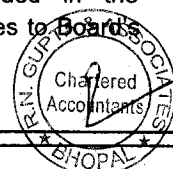
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We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

Key Audit Matters

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

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's



Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

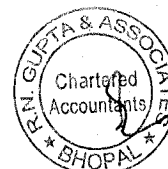
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

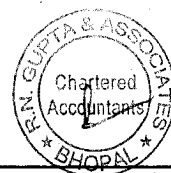
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Government of India in terms of subsection 11 of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by subsection 3 of Section 143 of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2019 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As per the information given to us, the Company does not have any pending litigations;
 - ii. As per the information given to us, the Company does not foresee any losses on any long-term contracts and has therefore not made any provision. We have been informed that the Company has not entered into any derivative contracts;
 - iii. As at 31.03.2019 as per its record, there were no amounts required to be transferred by the company to the Investor Education and Protection Fund.
4. With respect to the matter to be included in the Auditor's Report under section 197(16):



In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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



A handwritten signature in black ink, appearing to read "R.N. Gupta".

R.N. Gupta
Proprietor

Membership No. 070590

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

Bhopal- 462 003
Dated: 30.06.2019

Annexure A

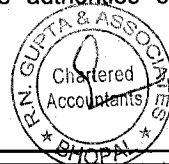
to the Independent Auditors' Report on the standalone financial statements of SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED for the year ended 31st March, 2019

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

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

According to the information given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Sales Tax, State Excise duty, Value Added Tax, cess and other statutory dues were in arrear as at 31st March, 2019 for a period of more than six months from the date they became payable.

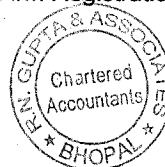
According to the information given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs & excise which have not been deposited with the appropriate authorities on account of any dispute.



- viii. As per the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of loans or borrowings to any financial institutions or bank or Government or dues to debenture holders, as applicable, as at balance sheet date.
- ix. According to the information and explanations given to us the moneys raised by way of term loans have been applied, on an overall basis, for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has not paid any managerial remuneration during the year.
- xii. As it is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act where applicable. The details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. The Company has made preferential allotment or private placement of shares during the year under review. On the basis of our examination of its books and records, the company has complied with the requirement of Sec42 of the Companies Act,2013 and the amount raised have been used in the purposes for which they were raised.
- xv. According to the information and explanations given to us by the Management, the Company has not entered into any non cash transactions with its Directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 30.06.2019




R.N. Gupta
Proprietor
Membership No. 070590

Annexure B

To the Independent Auditors' Report on the standalone financial statements of SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED for the year ended 31st March, 2019

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

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

Opinion

We have audited the internal financial controls over financial reporting of **SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED** ("the Company"), as of 31st March, 2019, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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.

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

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

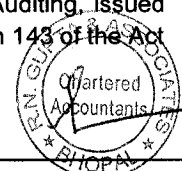
We have considered the matters identified and reported above and they do not affect our opinion on the financial statements of the Company.

Management Responsibility for Internal Financial Controls

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

Auditors' Responsibility

1. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under subsection 10 of section 143 of the Act



to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

2. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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


For R. N. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No. 001419C



6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 30.06.2019


R.N. Gupta
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
BALANCE SHEET AS AT 31.03.2019

PARTICULARS	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment		2,49,55,065	-
(b) Capital Work-in-progress		49,10,13,171	-
(c) Financial Assets			
(i) Other Financial Assets	3	34,88,536	-
(d) Other non current assets	4	2,40,60,166	1,91,550
(2) Current Assets			
(a) Inventories	5	4,44,20,212	-
(b) Financial Assets			
(i) Trade Receivables	6	2,24,81,565	-
(ii) Cash and cash equivalents	7	1,23,59,225	86,000
(iii) Loans	8	24,55,000	-
(c) Other Current Assets	9	10,52,80,691	-
TOTAL ASSETS		73,05,13,631	2,77,550
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	25,01,00,000	1,00,000
(b) Other Equity	11	(10,20,486)	-
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	7,42,47,330	-
(ii) Other	13	3,00,000	-
(2) Current Liabilities			
(a) Financial Liabilities			
(ii) Trade Payables		3,01,36,887	-
(iii) Other Financial Liabilities	14	37,54,33,161	1,77,550
(b) Other Current Liabilities	15	13,16,740	-
TOTAL EQUITY AND LIABILITIES		73,05,13,631	2,77,550

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

R.N. Gupta
R.N. Gupta
(Proprietor)
Membership No. 070590



For and on Behalf of the Board

S. Lal
S. Lal
(Director)

Alok Arora
Alok Arora
(Director)

Bhopal
Dated: 30.06.2019

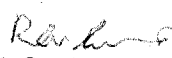
SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2019

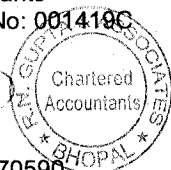
STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME

Particulars	Note	Amount (Rs.)
Revenue from operations		2,37,93,840
Other Income	16	1,969
Total Revenue		2,37,95,809
Expenses:		
Cost of Materials Consumed	17	2,50,44,120
Changes in Inventories of Finished Goods and Work in Progress		(2,05,49,295)
Excise Duties		1,45,20,240
Employees Remuneration & Benefits	18	10,21,138
Finance Costs	19	66,701
Other Expenses	20	47,13,392
Total Expenses		2,48,16,295
Profit Before Tax		(10,20,486)
Tax Expenses		-
Profit/(Loss) for the year		(10,20,486)
Other Comprehensive Income (OCI)		-
Total Comprehensive Income for the year		(10,20,486)
Earning Per Equity Share:		
(1) Basic		(0.49)
(2) Diluted		(0.49)
Significant Accounting Policies	[2]	

As per our Report of even date

For R. N. Gupta & Associates
Chartered Accountants
Firm Registration No: 0014100


R.N. Gupta
(Proprietor)
Membership No. 070590



For and on Behalf of the Board


S. Lal
(Director)


Alok Arora
(Director)

Bhopal
Dated: 30.06.2019

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2019
Cash Flow Statement

Particulars	Year ended 31 March, 2018
Cash flow from operating activities	
Profit before Tax	-
Non-cash adjustment to reconcile profit before tax to net cash flows	
Interest Expense	-
Operating profit before working capital changes	-
Movements in working capital:	
Decrease/(increase) in other non current financial assets	-
Decrease/(increase) in other non current assets	(2,500)
Decrease/(increase) in inventories	-
Decrease/(increase) in trade receivables	-
Decrease/(increase) in short term loans	-
Decrease/(increase) in other current assets	-
Increase/(decrease) in other long term liabilities	-
Increase/(decrease) in trade payables	-
Increase/(decrease) in other financial liabilities	12,500
Increase/(decrease) in other current liabilities	(10,000)
Cash generated from/(used in) operations	-
Direct Taxes Paid (net of refunds)	-
Net Cash flow from/ (used in) operating activities (A)	-
Cash flow from investing activities	
Purchase of fixed assets, CWIP and capital advances	-
Proceeds from sale of fixed assets	-
Net Cash flow from/ (used in) Investing activities (B)	-
Cash flow from financing activities	
Borrowings	-
Interest paid	-
Proceeds from issue of equity shares	-
Net Cash flow from/ (used in) Financing activities (C)	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-
Cash and cash equivalents at the beginning of the year	86,000
Cash and cash equivalents at the end of the year	86,000
Cash on hand	86,000
With Banks - on current account	-
With Banks - on deposit account	-
Total Cash and cash equivalents	86,000

As per our Report of even date

For and on Behalf of the Board

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

R.N. Gupta
R.N. Gupta
(Proprietor)

Membership No. 070590



S. Lal
S. Lal
(Director)

Alok Arora
Alok Arora
(Director)

Bhopal

Dated: 30.06.2019

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
Year ended 31.03.2019

Statement of Changes in Equity


A. Equity Share Capital

Balance as at 01.04.2018	1,00,000
Changes in Equity Share Capital during the year	25,00,00,000
Balance as at 31.03.2019	25,01,00,000

B. Other Equity

	Retained Earnings	Total
Balance as at April 01, 2018	-	-
Total Comprehensive Income for the year	(10,20,486)	(10,20,486)
Balance as at March 31, 2019	(10,20,486)	(10,20,486)

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


R.N. Gupta
(Proprietor)
Membership No. 070590



Bhopal
Dated: 30.06.2019

For and on Behalf of the Board


S. Lal
(Director)


Alok Arora
(Director)

SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2019

NOTES TO THE FINANCIAL STATEMENTS

1. **COMPANY INFORMATION**

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

2. **SIGNIFICANT ACCOUNTING POLICIES**

2.1 **Basis for preparation**

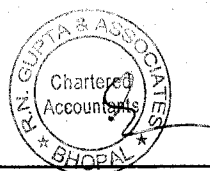
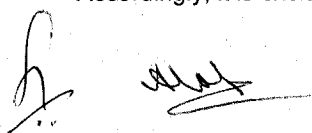
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, and the provisions of the Companies Act, 2013 ('Act') to the extent notified. The Ind AS are prescribed under section 133 of the Act read with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

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

2.2 **Revenue recognition**

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

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



2.3 Expenditure

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

2.4 Property, plant and equipment

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

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

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

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

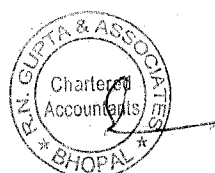
2.5 Impairment

Non financial assets

Tangible and Intangible assets

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

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



2.6 Inventories

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

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

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

2.7 Foreign Currency Transactions

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

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

2.8 Retirement and other employee benefits

Short Term Employee Benefits

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

2.9 Taxes on Income

Current income tax

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

2.10 Provisions

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



2.11 Contingent liabilities

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

2.12 Borrowing costs

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

2.13 Earnings per equity share ('EPS')

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

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

2.14 Cash and cash equivalents

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

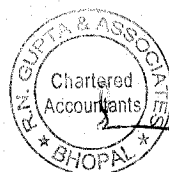


SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2019

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	<u>As At</u> <u>31.03.2019</u>	<u>As At</u> <u>31.03.2018</u>
[3] <u>Other Financial Assets</u>		
<u>Security Deposits</u>		
Security Deposit	34,88,536	-
Total	<u>34,88,536</u>	<u>-</u>
 Note: All the above amounts are unsecured and considered good.		
<hr/>		
[4] <u>Other Non Current Assets Assets</u>		
Preliminary Exp.	16,500	16,500
Preoperative Expenses	2,40,43,666	1,75,050
Total	<u>2,40,60,166</u>	<u>1,91,550</u>
<hr/>		
[5] <u>Inventories</u>		
(as taken, valued and certified by the Management)		
Raw Materials	1,36,52,565	-
Stores, Consumables & Packing Materials	1,02,18,352	-
Stock In Process	1,23,82,381	-
Finished Goods	81,66,914	-
Total	<u>4,44,20,212</u>	<u>-</u>
<hr/>		
[6] <u>Trade Receivables</u>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	-	-
Other Debts	2,24,81,565	-
Total	<u>2,24,81,565</u>	<u>-</u>
<hr/>		
[7] <u>Cash and Cash Equivalent</u>		
Cash in hand	1,03,10,176	86,000
<u>Balance With Scheduled Banks</u>		
Current Accounts	18,98,160	-
Deposit Accounts	1,50,889	-
Total	<u>1,23,59,225</u>	<u>86,000</u>
<hr/>		
[8] <u>Current Loans</u>		
Advances to Others	24,55,000	-
Total	<u>24,55,000</u>	<u>-</u>
<hr/>		
[9] <u>Other Current Assets</u>		
Capital Advances	8,60,01,966	-
Prepaid Expenses	85,18,260	-
Advances to suppliers	1,07,60,465	-
Total	<u>10,52,80,691</u>	<u>-</u>





SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2019

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	<u>As At</u> <u>31.03.2019</u>	<u>As At</u> <u>31.03.2018</u>
[10] <u>Equity Share Capital</u>		
Authorized		
3,50,00,000 Equity Shares of Rs. 10 each	<u>35,00,00,000</u>	<u>1,00,000</u>
Issued, Subscribed and Fully Paid		
2,50,10,000 Equity Shares of Rs. 10 each	<u>25,01,00,000</u>	<u>1,00,000</u>

Terms/Rights attached to the shares

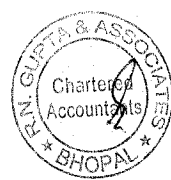
(a) The Company has only one class of Equity Shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential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

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

NAME OF SHARE HOLDERS	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	%	No. of	%
Som Distilleries & Breweries Limited	25010000	100.00%	-	-
S.C. Chaturvedi	-	-	5000	50.00%
S. Lal	-	-	5000	50.00%

	<u>As At</u> <u>31.03.2019</u>	<u>As At</u> <u>31.03.2018</u>
[11] <u>Other Equity</u>		
Surplus - In Statement of Profit & Loss		
Balance as per last Financial Statement	-	-
Add: Comprehensive Income/(Loss) during the year	<u>(10,20,486)</u>	-
Balance at the end of the year	<u>(10,20,486)</u>	-
Total Reserves & Surplus	<u>(10,20,486)</u>	-

[Handwritten signatures]



SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED
YEAR ENDED 31.03.2019

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As At 31.03.2019	As At 31.03.2018
[12] Long Term Borrowings		
PNB Term Loan (Secured by way of corporate guarantee of the Holding company and personal guarantee of directors and a promoter of Holding company. Collateral Security - Company's additional land at Orrissa)	7,42,47,330	-
Grand Total	7,42,47,330	-

	As At 31.03.2019	As At 31.03.2018
[13] Other Long Term Financial Liabilities		
Security Deposits (Unsecured)	3,00,000	-
Total	3,00,000	-

[14] Other Financial Liabilities		
Bank Overdrafts (Book)	1,46,777	-
Expenses Payable	9,60,316	12,500
Other Payables (Including related parties Rs.36,86,86,355)	37,43,26,069	1,65,050
Total	37,54,33,161	1,77,550

[15] Other Current Liabilities		
Statutory Dues Payable	13,16,740	-
Total	13,16,740	-

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SOM DISTILLERIES & BREWERIES ODISHA PVT LTD
YEAR ENDED 31.03.2019

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Year Ended 31.03.2019
[16] <u>Other Income</u>	
Interest	1,969
Total	1,969
<hr/>	
[17] <u>Cost of Materials consumed</u>	
Opening Stocks	-
Add: Purchases	4,89,15,037
Less: Closing Stocks	2,38,70,917
Total	2,50,44,120
<hr/>	
[18] <u>Employee Remuneration & Benefits</u>	
Salaries, allowances & bonus	9,67,353
Staff welfare expenses	53,785
Total	10,21,138
<hr/>	
[19] <u>Financial Costs</u>	
Interest to Banks	66,701
Total	66,701
<hr/>	
[20] <u>Other Expenses</u>	
Power and fuel	25,02,921
Labour	6,85,486
Rent	41,866
Repair to Machinery	3,58,420
Rates and taxes (Other than on income)	92,000
Miscellaneous expenses	4,60,668
Audit fees	2,500
Travelling & Conveyance	49,683
Advertisement & Publicity	25,480
Freight outward	4,12,839
General expenses	31,529
Total	47,13,392





Other Notes

21. The Company had sought but has not received information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on 31st March, 2019 are not ascertainable.
22. During the company acquired the assets of a brewery at Mouza Barpada, Post Garudagaon, Cuttack, Odisha through a public auction by a public sector bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002. On obtaining possession the Management focussed to start production to be able to enter the market which peaks in summer. The plant was accordingly readied to commence production.

Substantial expenditure has been incurred after 31.03.2019 to bring the property, plant and equipments to be fully operational since upto 31.03.2019 the costs to be increased for making the said assets fully operational including for site restoration, installation, assembly, replacement, overhauling etc. could not be reasonably and wholly estimated/ascertained. They have not been capitalised and they have been retained as Capital work in progress in accordance with IND AS 16 – Property, Plant and Equipments.

23. Imports

Value of Imports Calculated on CIF Basis (As certified by the Management)	
i) Raw & Packing Materials	13,84,527
iii) Capital Goods	25,21,067
Expenditure in Foreign Currency	
Bank Charges	27,729

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

Raw Materials & Packing Materials	Amount
Imported	
Percentage	5%
Value (Rs)	11,53,814
Indigenous	
Percentage	95%
Value (Rs)	2,38,90,304
Total	100%
Total	2,50,44,118

25. Contingent Liabilities

	Amount
Guarantees given by Bankers on behalf of the company not provided for	1,11,690



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

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

a) **Related Party**

Group Companies	Key Managerial Persons
- Som Distilleries & Breweries Limited - Woodpecker Distilleries and Breweries Private Limited	Deepak Arora Alok Arora Rajat Batra

b) **Transactions with Related Parties**

(In Rupees)

Nature of Transactions	Som Distilleries & Breweries Limited
Purchase of Assets	37,55,792
Purchase of Goods	37,55,792
Other transactions	Cr 24,37,49,483
Closing Balance	Cr 26,34,57,250
Maximum amount outstanding at any time during the year	Cr 31,25,62,525

28. Earnings per share in accordance with Ind AS33 on "Earnings per Share" are given below:

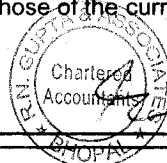
S. No.	Particulars	31.03.2019
a)	Numerator Profit/(Loss) after tax Rs.	(10,20,486)
b)	Weighted average number of equity shares Nos.	20,92,500
c)	Basic & Diluted earnings per shares (Rs.)	(0.49)
d)	Nominal value of shares (Rs.)	10/-

29. The company's pending litigations pertain to claims and cases occurring in the normal course of business. The company has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial position.

30. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.


31. Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.

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32. All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.


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


R.N. Gupta
(Proprietor)
Membership No. 070590
Bhopal
Dated: 30.06.2019



For and on Behalf of the Board


S. Lal
(Director)


Alok Arora
(Director)