

# 22<sup>nd</sup> Annual Report 2021-22

**ODISHA STATE BEVERAGES CORPORATION LIMITED**

(A GOVERNMENT OF ODISHA UNDERTAKING)

2<sup>nd</sup> FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR,  
BHUBANESWAR-751023 (ODISHA), [www.osbc.co.in](http://www.osbc.co.in)

CIN: U51228OR2000SGC006372



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(A GOVERNMENT OF ODISHA UNDERTAKING)

# 22<sup>nd</sup> ANNUAL REPORT 2021-22



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## *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 DIRECTOR



Shri Nikunja B. Dhal, IAS  
(Chairman)



Shri Ashish Kumar Singh, IPS  
(Director)



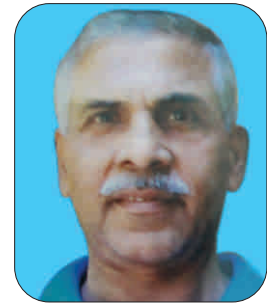
Shri Rupa Narayan Das, OFS (SSG)  
(Director)



Shri Sailendra Kumar Dwibedi, OAS (SAG)  
(Director)



Shri Pradyumna Kumar Tripathy, OFS (SAG)  
(Director)



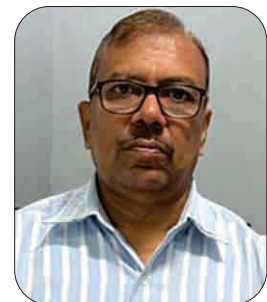
Shri Prasanna Kumar Parida  
(Independent Director)



Shri Santosh Kumar Biswal  
(Independent Director)



Shri Syama Charan Padhy  
(Independent Director)



Shri Prasanna Kumar Sarangi, OAS (SAG)  
(Managing Director)



# Content

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Board of Directors	01
Directors' Report	02-20
Replies of the Management on the comments of the Statutory Auditors	21-25
Replies of the Management on the comments of the Comptroller and Auditor General of India.	26-31
CSR Report	32-36
Independent Auditors' Report	37-55
Balance Sheet	56
Statement of Profit & Loss	57
Cash Flow Statement	58
Statement of Changes in Equity	59-60
Notes to the Financial Statements	61-78
Significant Accounting Policies	79-86
Additional Notes to the Financial Statements	87-102

**BOARD OF DIRECTORS AS ON 31.03.2022**

1. Shri Sushil Kumar Lohani, IAS,	Chairman
2. Shri Ashish Kumar Singh, IPS	Director
3. Shri Parthasarathi Mishra, IAS	Director
4. Shri Rupa Narayan Das, OFS (SSG)	Director
5. Shri Akshya Kumar Patjoshi, OFS (SSG)	Director
6. Shri Prasanna Kumar Parida	Independent Director
7. Shri Santosh Kumar Bishwal	Independent Director
8. Shri Syama Charan Padhy	Independent Director
9. Shri Pramod Kumar Mishra, OAS (SAG)	Managing Director

**BOARD OF DIRECTORS AS ON 21.12.2022**

1. Shri Nikunja Bihari Dhal, IAS	Chairman
2. Shri Ashish Kumar Singh, IPS	Director
3. Shri Rupa Narayan Das, OFS (SSG)	Director
4. Shri Sailendra Kumar Dwivedi, OAS (SAG)	Director
5. Shri Pradyumna Kumar Tripathy, 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 Prasanna Kumar Sarangi, OAS (SAG)	Managing Director

**STATUTORY AUDITORS:**

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

**INTERNAL-CUM-CONCURRENT AUDITOR:**

M/s SRB & Associates  
Chartered Accountants,  
5<sup>th</sup> Floor, IDCO Tower,  
Bhubaneswar-751022

**BANKERS:**

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

**COMPANY SECRETARY**

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

**REGISTERED OFFICE:**

2<sup>nd</sup> Floor, Fortune Towers,  
Chandrasekharapur, Bhubaneswar, Odisha – 751023.  
CIN: U51228OR2000SGC006372



## DIRECTORS' REPORT

### Dear Members,

Your Directors have great pleasure in presenting before you the 22<sup>nd</sup> Annual Report of Odisha State Beverages Corporation Limited and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022 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:

PARTICULARS	2021-22	2020-21
Total Revenue	6,06,168.19	3,96,839.72
Total Expenses	6,02,969.54	393,537.28
Profit Before tax	3,198.65	3,302.44
Tax Expenses		
Current Tax	1341.57	1,212.13
Deferred Tax	-6.85	2.52
Profit after Tax	1,863.93	2,087.79
Other Comprehensive income	-0.12	-0.64
Total Comprehensive income (PAT)	1863.81	2087.15
Earning per Share	186.38	208.72

### 2. SUMMARY OF OPERATIONS:

The Odisha State Beverages Corporation Limited was incorporated and got its legal status under the Companies Act, 1956 on 6<sup>th</sup> 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 Made Foreign Liquors (FMFL), Indian Made Foreign Liquors (IMFL), Beer, Wine, RTD and Country Liquor beverages of different brands in the State on behalf of the State Government for the whole of the State of Odisha.

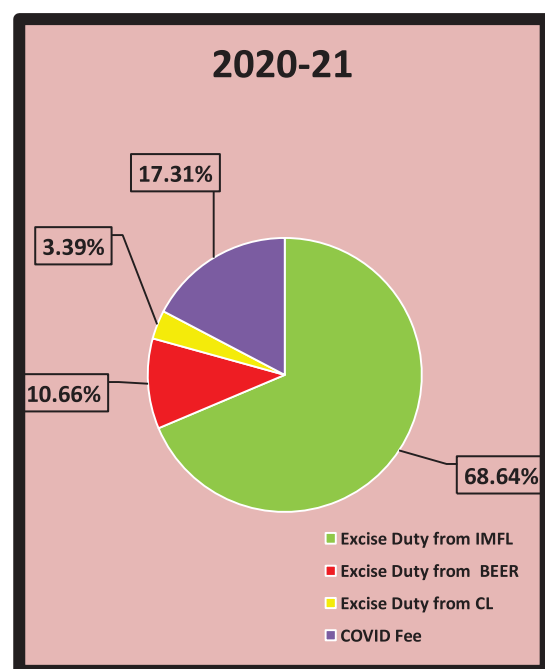
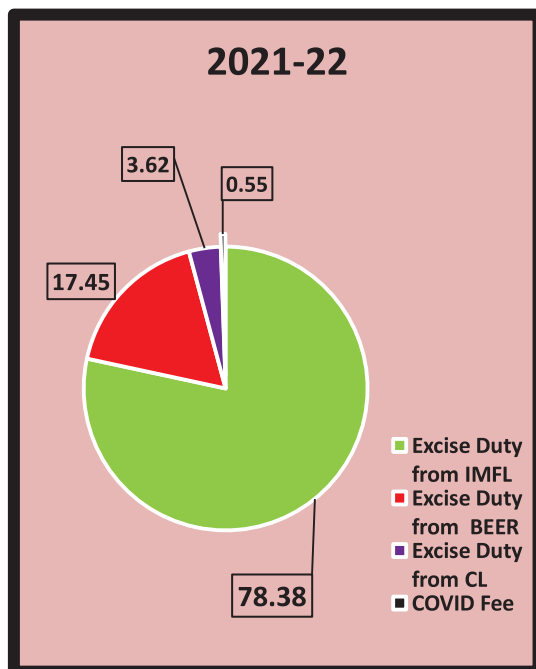
During the year of operation, the Audited Financial results reveals that the total revenue was Rs. **6,06,168.19** Lakh and the total expenditure was Rs. **6,02,969.54** Lakh with the net profit after tax for the financial year at Rs. **1863.81** Lakh.

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

## COMPARATIVE SALES VOLUME OF DEPOTS (Volume in Lakh Cases)

Sl. No.	DEPOT	2021-22				Sales Contribution (%)	2020-21				Sales Contribution (%)
		IMFL	BEER	CL	TOTAL		IMFL	BEER	CL	TOTAL	
1	Khurda	15.24	15.04	8.67	38.95	20.24	12.07	9.52	6.01	27.6	20.82
2	Cuttack	14.25	11.86	10.11	36.22	18.82	11.32	7.32	6.54	25.18	18.99
3	Balasore	13.30	10.73	2.64	26.67	13.86	10.43	6.77	1.7	18.9	14.26
4	Rayagada	7.18	13.54		20.72	10.77	5.32	8.62		13.94	10.52
5	Sambalpur	9.78	12.74		22.52	11.70	7.15	7.98		15.13	11.41
6	Angul	6.51	7.39		13.90	7.22	5	3.88		8.88	6.7
7	Berhampur	7.63	9.07		16.70	8.68	5.75	5.62		11.37	8.58
8	Jajpur	4.91	4.27	2.15	11.33	5.89	3.59	2.32	1.69	7.6	5.73
9	Bolangir	1.68	3.76		5.44	2.83	1.32	2.65		3.97	2.99
<b>TOTAL</b>		<b>80.48</b>	<b>88.40</b>	<b>23.57</b>	<b>192.45</b>	<b>100.00</b>	<b>61.95</b>	<b>54.68</b>	<b>15.94</b>	<b>132.6</b>	<b>100</b>

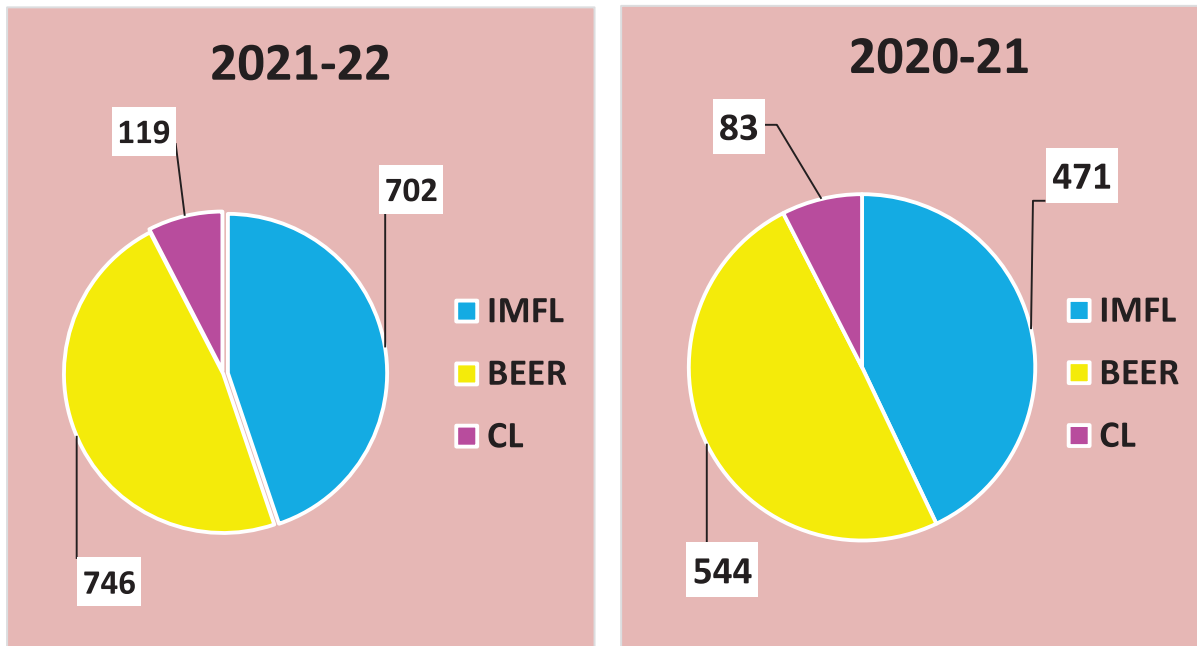
## EXCISE DUTY – Category wise Contribution (in %)



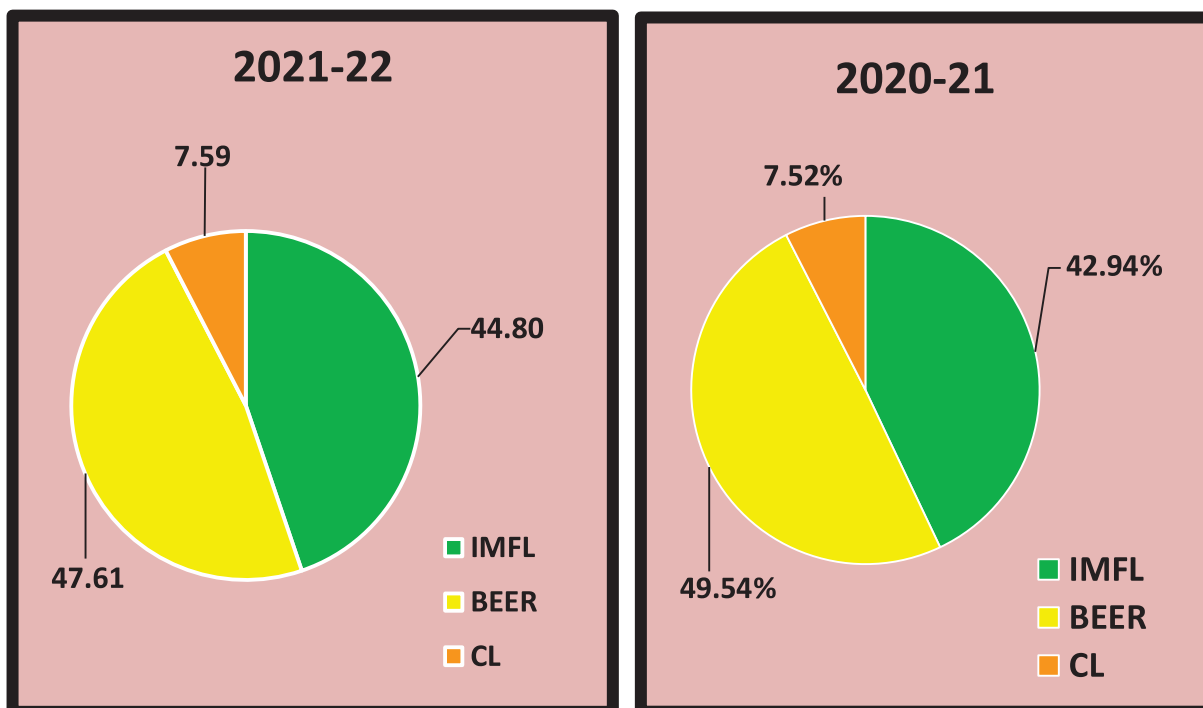




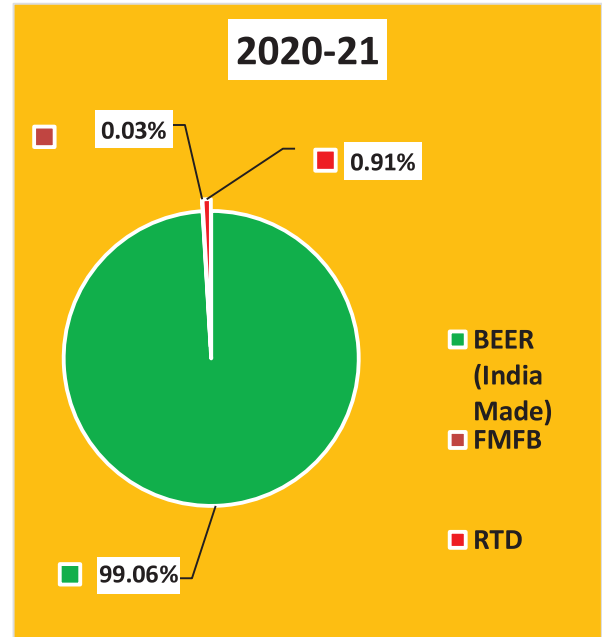
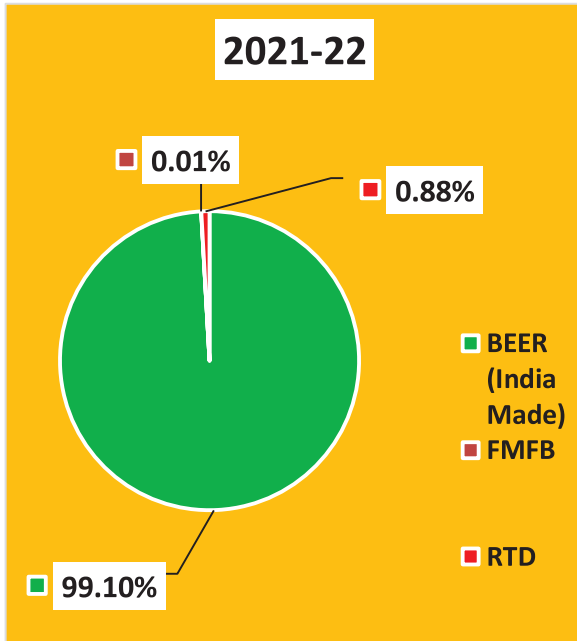
### SALES VOLUME OF IMFL/BEER/CL (in lakh litre)



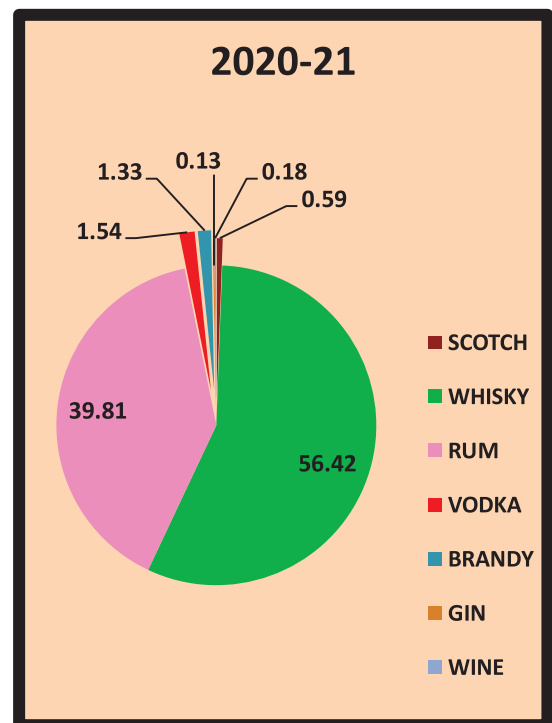
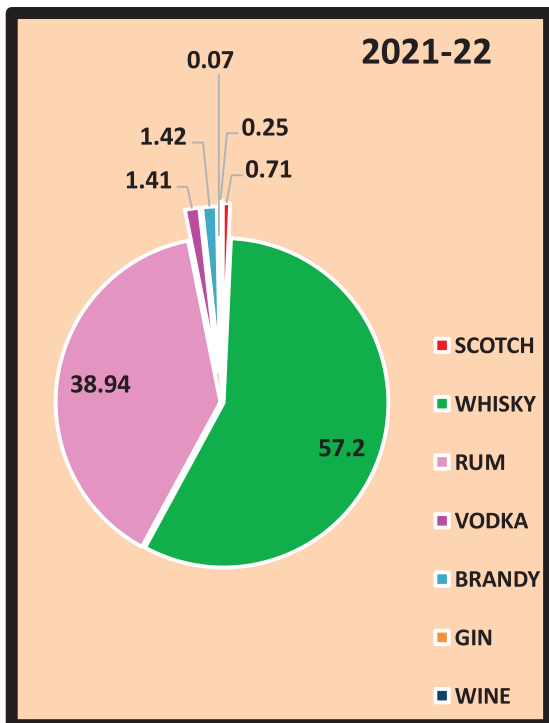
### MARKET SHARE OF IMFL/BEER/CL (in %)



### SEGMENT WISE MARKET SHARE - BEER (in %)



### SEGMENT WISE MARKET SHARE - IMFL (in %)

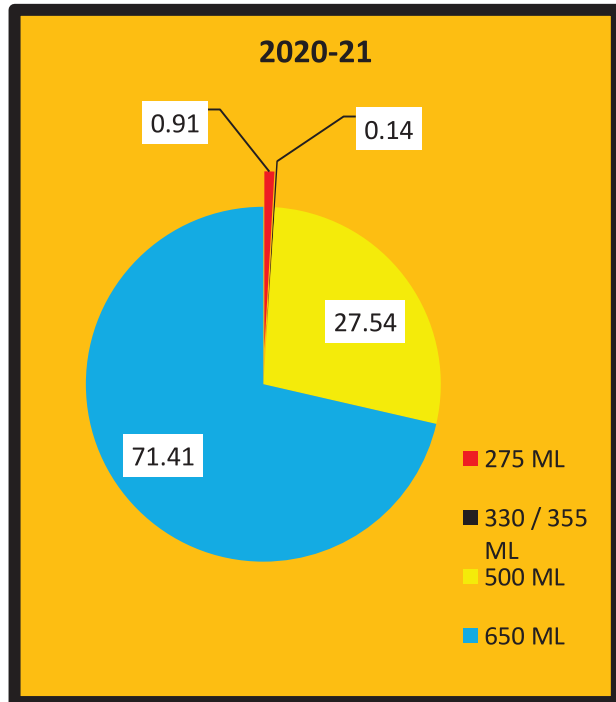
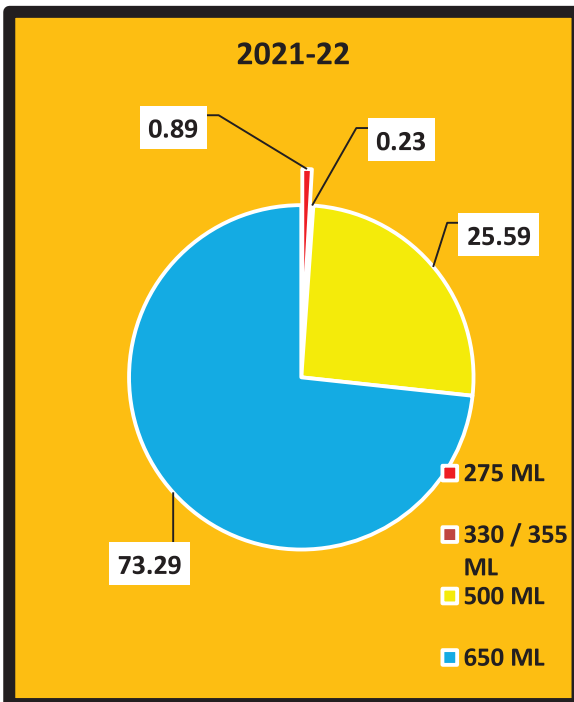




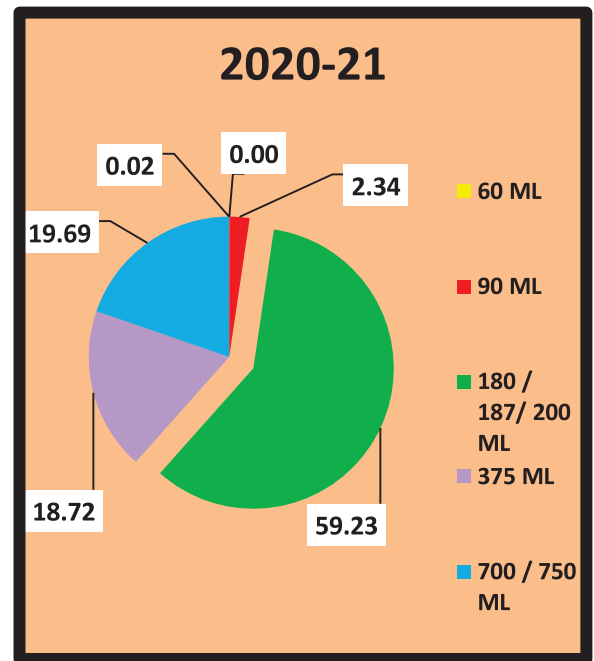
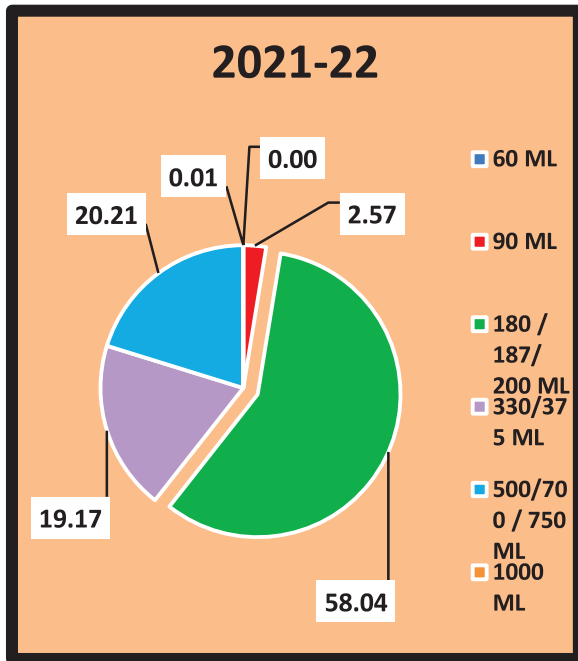
## COMPARATIVE SALES VOLUME - FMFL BRANDS

Category	FMFL (Volume in Cases)			FMFL (Volume in BL)		
	2021-22	2020-21	Growth (%) over 20-21	2021-22	2020-21	Growth (%) over 20-21
FMFL	24106	12688	89.99	207409	109168	89.99
FMFW	2687	1618	66.07	23198	13969	66.07
FMFB	1442	1505	-4.19	14386	15015	-4.19
<b>TOTAL</b>	<b>28235</b>	<b>15811</b>	<b>78.58</b>	<b>244994</b>	<b>138152</b>	<b>77.34</b>

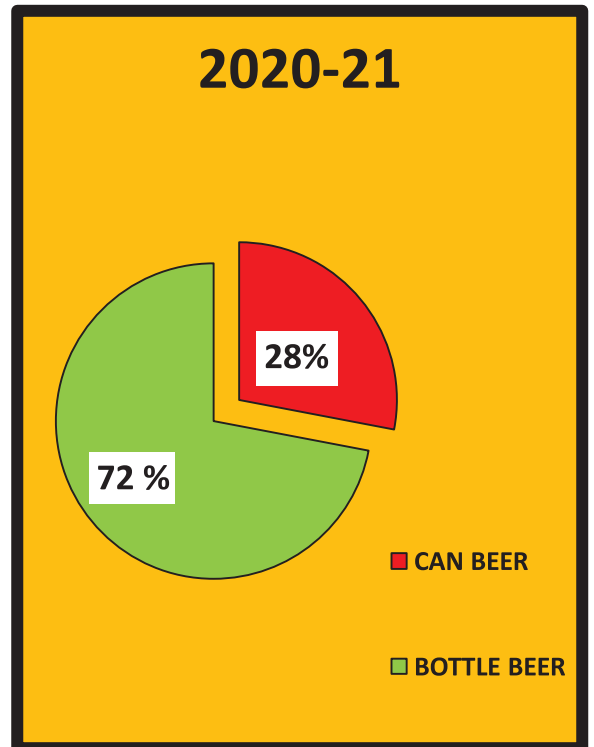
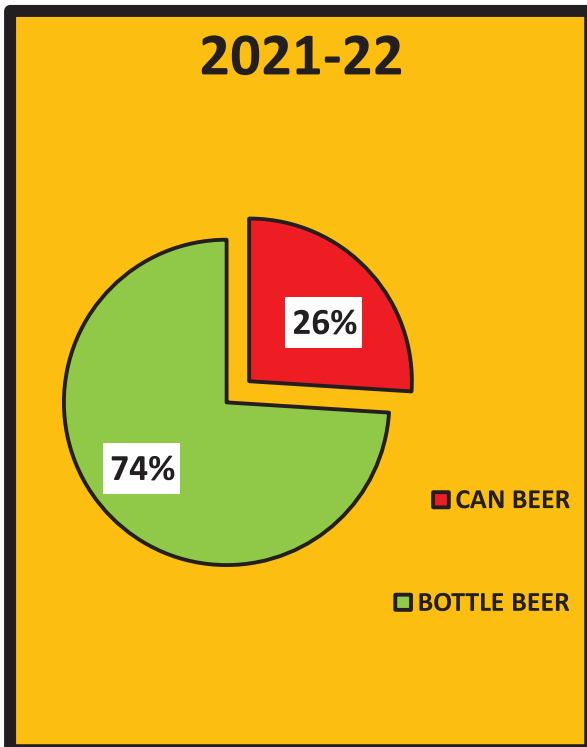
## SKU WISE MARKET SHARE - BEER (in %)



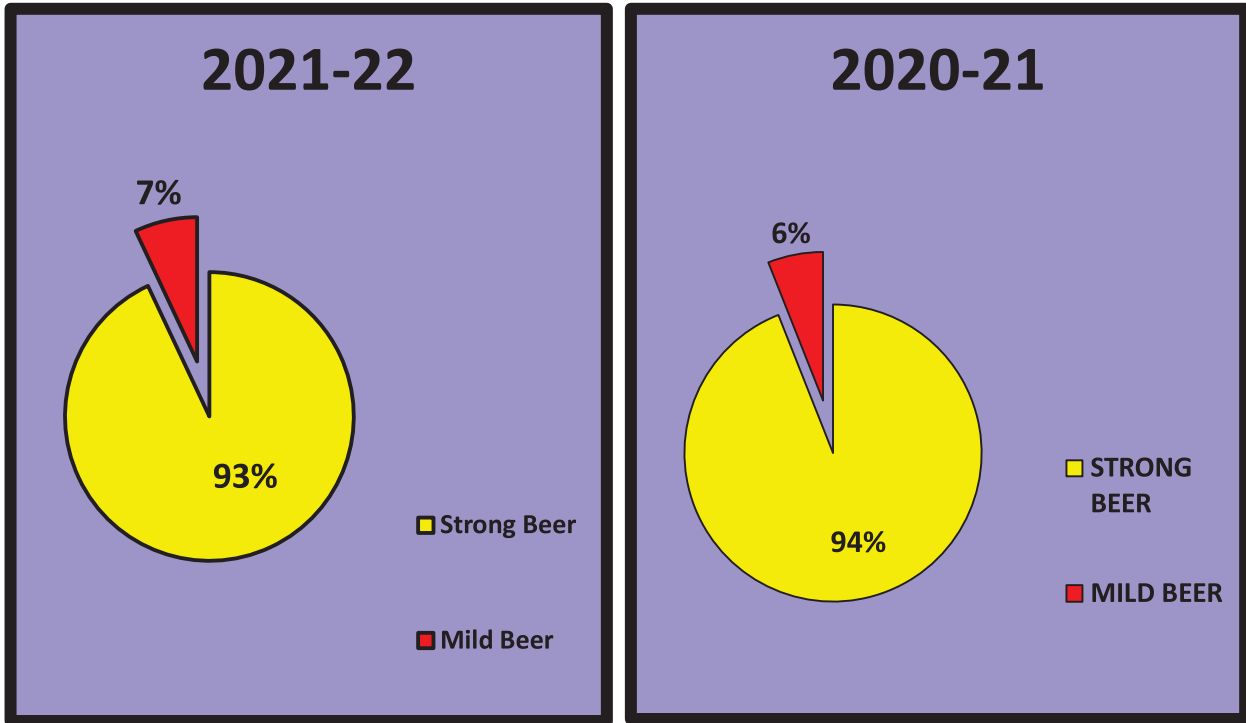
### SKU WISE MARKET SHARE - IMFL



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



## MARKET SHARE OF STRONG & MILD BEER (in %)



## CONTRIBUTION OF EXCISE DUTY OF TOP 20 SUPPLIERS

Sl.No.	Supplier Name	2021-22	2020-21	2021-22	2020-21
		Contribution of Excise Duty (in Crores)	Contribution of Excise Duty (in Crores)	Contribution (%)	Contribution (%)
	United Spirits Limited	1311.93	829.74	29.67	31.80
	Pernod Ricard India Pvt. Ltd.	838.25	451.59	18.96	17.31
	ABD Pvt. Ltd	286.26	196.29	6.47	7.52
	Bacardi India (P) Ltd.	470.32	193.98	10.64	7.44
	United Breweries Ltd.	493.53	182.16	11.16	6.98
	Aska Co-operative Sugar Industries Ltd.	154.96	87.69	3.50	3.36
	Mohan Meakin Limited	106.3	57.15	2.40	2.19
	Boutique Spirit Brands	51.65	43.78	1.17	1.68
	Som Distilleries & Breweries Odisha Pvt.Ltd.	84.23	38.59	1.90	1.48
	ADS Spirits Pvt. Ltd.	76	35.10	1.72	1.35
	Modi Distillery	108.7	33.41	2.46	1.28
	Radico Khaitan Limited	46.89	31.13	1.06	1.19
	Tilaknagar Industries Ltd.	47.86	30.26	1.08	1.16
	AB Inbev India Ltd.	5.02	25.93	0.11	0.99
	Golden Prince Wines India Pvt. Ltd.	32.76	24.56	0.74	0.94
	Crown Beers India Pvt. Ltd.	85.28	16.39	1.93	0.63
	Carlsberg India Pvt. Ltd.	64.17	15.51	1.45	0.59
	KPBP Beverages Pvt. Ltd.	27.76	14.26	0.63	0.55
	Alcobrew Distilleries India Pvt. Ltd.	8.88	8.33	0.20	0.32
	MP Beer Products	22.74	8.03	0.51	0.31
	<b>TOTAL</b>	<b>4422.28</b>	<b>2608.88</b>	<b>97.77</b>	<b>89.08</b>

**3. DIVIDEND AND APPROPRIATIONS:**

Annual Dividend of 30% of the Profit After Tax amounting to Rs. 6,26,32,088/- has been paid to Govt. of Odisha.

**4. OTHER EQUITY:**

Profit After Tax of Rs. 1863.81 Lakh for the Financial Year 2021-22 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.

**Successful Implementation of OSBC Online Application in OSBC Ltd:-**

As per decision of the Board of Directors in the 88<sup>th</sup> meeting, the OSBC Online Application developed by NIC has been successfully running with all its modules with effect from 01/10/2021 in OSBC Head Office & in all Depots by completely discontinuing the offline transaction/operation for sale of stocks to the licensed retailers.

**Payment Integration & Management Information System:-**

- i. The online application has been integrated with e-Payment system of the payment gateways provided by State Bank of India, Indian Bank, Axis Bank & ICICI Bank till the financial year 2022-23.
- ii. The e-Challan system facilitates for the Defence licensed retailers to transfer money to OSBC through challan due to non-availability of Internet Banking of the Defence Shops.
- iii. 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.



- iv. The MIS reports from the OSBC online portal provides real time information regarding the stock position at depot, sales volume of each depot (item wise), wallet balance of OSBC lying with Excise, Supplier wise wallet balance maintained at OSBC, Retailer wise wallet balance, Retailer's purchase history and Retailers lifting details against their MGQ (in LPL and BL), Supplier payment report, Different Tax Reports, Stock Holding Reports (Supplier Wise-Depot Wise) etc.

#### **Implementation of Online Service for Approval & Issue of Transport Import Permit:**

As per the Excise Department Notification No.4158/Ex, dt.26.08.2022, Deputy Commissioner of Excise, Excise Directorate is authorized by Excise Commissioner, Odisha to grant the pass(es) in favour of OSBCL through OSBC Online Application.

So, Transport / Import Permits are granted & issued in the following way.

1. The Deputy Commissioner of Excise grants and issues the ink signed passes to suppliers having manufacturing units/ Bottling units existing outside the State.
2. The Deputy Commissioner of Excise only grant the passes to suppliers having Manufacturing units/ Bottling units/Breweries/Distilleries present inside the State and the concerned pass(es) are issued by the Officer-In-Charge, Excise of the concerned Manufacturing Units from his login in OSBC Online Application.
3. All other activities like Revalidation, Extension and Cancellation of pass (es) are being done in online by Deputy Commissioner of Excise (Retail & Grievance).

#### **Implementation of Online Application for auto generation of Excise Verification Certificate (EVC) against the consignment received by the OSBCL:**

1. The Excise Verification Certificate (EVC) is an acknowledgement receipt regarding actual quantity of stock received by destination depot against the consignment supplied by the supplier and it is auto generated at the supplier (source) point after approval of the same by Officer-in-Charge (OIC), Excise of the concerned depot soon after preparation of Goods Receipt Note (GRN) by the depot.
2. So, the Officer-in-Charge (Excise) of depot is assigned to approve the EVC within 3 depot working days from the date of GRN for generation of EVC at source point in OSBCL Online Portal as per the ORTPS Act.

#### **Implementation of SAP/Portal Project in OSBCL:**

The Board of Directors in the 88<sup>th</sup> meeting has given in Principle approval for implementation of 4 SAP modules like Financial Accounting Controlling (FICO), Material Management (MM), Sales & Distribution (SD) & Human Capital Management (HCM) along with Portal.

OSBC Limited has issued a Letter of Intent (LoI) on **21/09/2021** to National Small Industries Corporation (NSIC), Bhubaneswar as decided by Board of Directors in their meeting held on **18/08/2021** for taking up the SAP S/4 HANA implementation at OSBC Limited covering Beverages Inventory Management, Sales & Distribution thereof, Finance & Human Resource Management and Corporate Portals (Suppliers, Bottling Plants and Retailers) of the Client. The contract value is of **Rs.5,26,72,560/-** excluding taxes.



NSIC has submitted the DD of Rs.15, 80,177/- (Rupees Fifteen Lakhs Eighty Thousands One Hundred Seventy Only) towards the performance security for the implementation of SAP/Portal project of OSBCL.

The Service Level Agreement (SLA) has been executed & signed between OSBCL & NSIC on 24.11.2022 for the implementation of SAP/Portal project of OSBCL.

#### **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 OSBCL 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 are placed 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 6<sup>th</sup> 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/procuring 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:

The demand of FMFL, IMFL, Wine, RTD 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, taste flavor 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.

At present, OSBC Limited has been functioning with 9 (Nine) depots across the State. As per approval of Board of Directors, it was decided to establish 4 (Four) new depots in Bhawanipatna (Kalahandi), Lathikata (Sundargarh) Jasipur (Mayurbhanj) and Bhubaneswar. It was also decided to identify Government land for the above four depots for construction of OSBCL godowns and ancillary building.

OSBC Ltd. has been constructing its own depot at the following places.

Construction of Own Depot at	Executing Agency	Status of the Construction
1) Khurda	M/s. Bridge & Roof Co. (India) Ltd.	Interim possession has been handed over to the OSBCL
2) Angul	M/s. National Project Construction Corporation Ltd.	In final Stage
3) Sonapur	M/s. National Buildings Construction Corporation Ltd.	In final Stage
4) Chhatrapur	IDCO	In final Stage

### 14. STATUTORY AUDITORS:

M/s. Nag & Associates, Chartered Accountants, Bhubaneswar has been appointed as Statutory Auditors of the Corporation for the Financial Year 2021-22 by Comptroller and Auditor General of India vide Letter No.800 dated 24.08.2021.

M/s O M Kejriwal & Co, Chartered Accountant, Bhubaneswar has been appointed as Statutory Auditors of the Corporation for the Financial Year 2022-23 by Comptroller and Auditor General of India vide Letter No.38 dated 26/08/2022.

**15. INTERNAL AUDITORS:**

M/s. SRB & Associates, Chartered Accountants, Bhubaneswar has been continuing as Internal Auditor of the Corporation for the Financial Year 2021-22 and same Firm has also re-appointed for the FY 2022-23.

**16. 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 2021-22 as per the provisions of section 134(3) of the Companies Act, 2013 are enclosed at **Annexure 1 & 2** respectively.

**17. 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.

**18. SHARE CAPITAL :**

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

As on 31<sup>st</sup> March, 2022 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.

**19. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

During the year under review, your Corporation has carried out activities primarily related to creating awareness regarding De-addiction, Health Care, Social Development & Skill Building, Protection of Education, Promotion of Sports etc.

The CSR Obligation for the Financial Year 2021-22 was Rs. 78.98 Lakhs. The Corporation has spent CSR amount of Rs. 33.29 Lakhs against other than ongoing projects during the financial year and Rs.61.19 Lakhs (including accumulated interest and refunded CSR amount) allocated against ongoing projects which shall be spent on or before Financial Year 2024-25.

During the year under review following projects/activities was identified as ongoing projects:

- (I) Promotion of Rural Sports, nationally recognised sports at State level in collaboration with Department of Sports and Youth Affairs, Government of Odisha.
- (ii) Direct financial assistance to poor boys and girls undergoing Medical and Engineering courses in Government Colleges and not availing any other financial benefits.
- (iii) Promotion of Health Care including de-addiction measures directly or in collaboration with Department of Health and Family Welfare, Government of Odisha.



Further, the Corporation has transferred the unutilised CSR amount Rs.61.19 Lakhs relating to ongoing projects to "Unspent Corporate Social Responsibility Account, 2021-22" in compliance to the provisions of the Section 135 (6) of the Companies Act, 2013.

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-3**.

## 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, 2022 is nine (9) directors. They are as follows:

- |    |   |          |
|----|---|----------|
| 1. | Shri Sushil Kumar Lohani, IAS,<br>Principal Secretary to Govt. of Odisha,<br>Excise Department. | Chairman |
| 2. | Shri Ashish Kumar Singh, IPS,<br>Excise Commissioner, Odisha.                                   | Director |



- |    |   |                      |
|----|---|----------------------|
| 3. | Shri Parthasarathi Mishra, IAS,<br>Additional Secretary to Govt.,<br>P. E. Department.                      | Director             |
| 4. | Shri Rupa Narayan Das, OFS (SSG),<br>Special Secretary to Govt. of Odisha,<br>Finance Department.           | Director             |
| 5. | Shri Akshya Kumar Patjoshi, OFS (SSG)<br>Additional Commissioner of Commercial Taxes<br>& GST, Bhubaneswar. | Director             |
| 6. | Shri Prasanna Kumar Parida  | Independent Director |
| 7. | Shri Santosh Kumar Bishwal  | Independent Director |
| 8. | Shri Syama Charan Padhy   | Independent Director |
| 9. | Shri Pramod Kumar Mishra, OAS (SAG)   | Managing Director    |

During the financial year under report and till the date of this Report, the following changes occurred in the constitution of the Board of Directors of the Corporation:

**(i) Following Changes occurred during the Financial year 2021-22:**

Sl. No.	Name of Director	Designation	Appointment	Cessation
1.	Shri Saroj Kumar Sethi, OAS(SAG)	Managing Director	-	13/08/2021
2.	Shri Pramod Kumar Mishra, OAS(SAG)	Managing Director	13/08/2021	
3.	Shri Pramod Kumar Mohanty, OFS (SSG)	Director	-	20/11/2021
4.	Shri Akshya Kumar Patjoshi, OFS (SSG)	Director	20/11/2021	-

**(ii) Following Changes occurred after the financial year 2021-22 till the date of this Report:**

Sl. No.	Name of Director	Designation	Appointment	Cessation
1	Shri Nikunja Bihari Dhal, IAS	Chairman	28/09/2022	-
2	Shri Deoranjana Kumar Singh, IAS	Chairman	02/09/2022	28/09/2022
3	Shri Sushil Kumar Lohani, IAS	Chairman	-	02/09/2022
4	Shri Partha Sarathi Mishra, IAS	Director	-	06/08/2022
5	Shri Pramod Kumar Mishra, OAS(SAG)	Managing Director	-	07/06/2022
6	Shri Prasanna Kumar Sarangi, OAS(SAG)	Managing Director	21/06/2022	-
7	Shri Sailendra Kumar Dwivedi, OAS (SAG)	Director	06/08/2022	-



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

During the Financial Year 2021-22, 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
18 <sup>th</sup> August, 2021	88 <sup>th</sup>	9	0
26 <sup>th</sup> November, 2021	89 <sup>th</sup>	8	1
4 <sup>th</sup> February, 2022	90 <sup>th</sup>	8	1
25 <sup>th</sup> March, 2022	91 <sup>st</sup>	9	0

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the relaxation provided by Ministry of Corporate Affairs.

Details of attendance of each Director during the period April 01, 2021 to March 31, 2022:-

Name of Directors	Meetings Attended	Meetings Remained Absent
Shri Sushil Kumar Lohani, IAS	4	0
Shri Ashish Kumar Singh, IPS	4	0
Shri Parthasarathi Mishra, IAS	2	2
Shri Rupanarayan Das, OFS(SSG)	4	0
Shri Akshya Kumar Patjoshi, OFS(SSG)	3	0
Shri Pramod Kumar Mohanty, OFS(SSG)	1	0
Shri Prasanna Kumar Parida, Independent Director	4	0
Shri Santosh Kumar Bishwal, Independent Director	4	0
Shri Syama Charan Padhy, Independent Director	4	0
Shri Pramod Kumar Mishra OAS(SAG)	4	0

## **22. COMMITTEES OF THE BOARD:**

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

### **Audit Committee:-**

The Corporation has constituted an Audit Committee in compliance with the provisions of Corporate Governance Manual of P.E. Department, Government of Odisha and also follows the provisions of the Companies Act, 2013. The composition of Audit Committee as on 31.03.2022 was as follows:

1. Shri Rupa Narayan Das, OFS (SSG), special Secretary to Government, Finance Department on Director, OSBC Ltd & Chairman of the Committee.
2. Shri Ashish Kumar Singh, IPS, Excise Commissioner, Odisha and Director OSBCL
3. Shri Prasanna Kumar Parida, Independent Director, OSBCL

4. Shri Santosh Kumar Bishwal, Independent Director, OSBCL
5. \*Shri Akshya Kumar Patjoshi, OFS (SSG), Additional Commissioner, Commercial Taxes & GST, Bhubaneswar and Director, OSBCL

\*Shri Akshya Kumar Patjoshi, OFS (SSG) was nominated as a member of the Audit Committee on 20/11/2021 in place of Shri Pramod Kumar Mohanty, OFS (SSG).

**Number of meetings of the Audit Committee:-**

During the Financial Year 2021-22, four (4) number of Audit Committee meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
25 <sup>th</sup> June, 2021	47 <sup>th</sup>	5	0
16 <sup>th</sup> August, 2021	48 <sup>th</sup>	5	0
8 <sup>th</sup> November, 2021	49 <sup>th</sup>	3	1
10 <sup>th</sup> February, 2022	50 <sup>th</sup>	4	1

**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 31.03.2022 was as follows:

1. Shri Prasanna Kumar Parida, Independent Director, OSBCL and Chairman of the Committee.
2. Shri Syama Charan Padhy, Independent Director, OSBCL
3. \*Shri Pramod Kumar Mishra, OAS (SAG), Managing Director, OSBCL

\*Shri Pramod Kumar Mishra, OAS (SAG) was nominated as a member of CSR Committee on 13/08/2021 in place of Shri Saroj Kumar Sethi, OAS (SAG)

**Number of meetings of the CSR Committee:-**

During the Financial Year 2021-22, three (3) number of CSR Committee meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
4 <sup>th</sup> August, 2021	25 <sup>th</sup>	3	0
8 <sup>th</sup> November, 2021	26 <sup>th</sup>	3	0
17 <sup>th</sup> March, 2022	27 <sup>th</sup>	3	0

**H R 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 31.03.2022 was as follows:



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

\*Shri Pramod Kumar Mishra, OAS (SAG) was nominated as a member of H R Committee on 13/08/2021 in place of Saroj Kumar Sethi, OAS (SAG).

#### **Number of meetings of the HR Committee:-**

During the Financial Year 2021-22, two (2) number of HR Committee meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
06 <sup>th</sup> May, 2021	25 <sup>th</sup>	3	1
04 <sup>th</sup> August, 2021	26 <sup>th</sup>	4	0

#### **Operation Committee:-**

The Corporation has constituted Operation Committee to study the operation related issues of the Corporation. The composition of Operation Committee as on 31.03.2022 was as follows:

1. Shri Santosh Kumar Bishwal, Independent Director, OSBCL - Chairman
2. Shri Ashish Kumar Singh, IPS, Excise Commissioner, Odisha and Director, OSBCL
3. \*Shri Akshya Kumar Patjoshi, OFS (SSG), Addl. Commissioner, Commercial Taxes & GST and Director, OSBCL
4. \*\*Shri Pramod Kumar Mishra, OAS(SAG), Managing Director, OSBCL

\*Shri Akshya Kumar Patjoshi, OFS (SSG) was nominated as a member of Operation Committee on 20/11/2021 in place of Pramod Kumar Mohanty, OFS(SSG).

\*\* Shri Pramod Kumar Mishra, OAS (SAG) was nominated as a member of Operation Committee on 13/08/2021 in place of Saroj Kumar Sethi, OAS (SAG).

#### **Number of meetings of the Operation Committee:-**

During the Financial Year 2021-22, two (2) number of Operation Committee meetings were held, details of which are given below:

Date of meetings	SI No. of Meeting	Attendance of Members	
		Present	Absent
4 <sup>th</sup> August, 2021	18 <sup>th</sup>	4	0
17 <sup>th</sup> March, 2022	19 <sup>th</sup>	4	0

**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 OSBCL

**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 OSBCL

**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. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under report.

**28. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

The Company has not made any such one time settlement with any Bank or Financial Institution during the year under report.

**29. 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.

**30. 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.

**31. 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.





### 32. 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.

### 33. 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 Financial Year 2021-22.

### 34. SECRETARIAL AUDIT REPORT:

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

### 35. 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.

### 36. SIGNING OF MOU WITH ADMINISTRATIVE DEPARTMENT:

OSBCL had signed the Memorandum of Understanding with Government in Excise Department for the Financial Year 2021-22 on 07/08/2021 as per Corporate Governance Manual of P.E Department, Government of Odisha.

### 37. ACKNOWLEDGEMENTS

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

**For and on behalf of the Board of Directors**  
Sd/-

**Shri Nikunja Bihari Dhal, IAS**  
**CHAIRMAN**  
**DIN: 01710101**

Place: Bhubaneswar  
Date: 21/12/2022

**Annexure-1**
**Replies of the Management on the Final comments of the Statutory Auditor on the Financial Statements of Odisha State Beverages Corporation Limited for the financial year 2021-22**

SI No	Audit Observations	Management Reply
1	Referring to the Significant Accounting Policy for recognition of purchases, as per Note No.2 Significant Accounting Policies/Para No. 8 the Company's accounting policy is not in conformity to Ind AS 115 "Revenue from contract with customers". The invoices raised by the suppliers are not recognized as purchase by the Company at the time of issuing Goods Receipt Notes (GRN) though the stocks are under the control of the Company as defined under Paragraph 33 of Ind AS 115,"Contract with customers" and Para 4.20 and 4.21 of the "Conceptual Framework for Financial Reporting under Indian Accounting Standards (Ind AS)"(applicable for Standard-setting activity w.e.f. April 1, 2020). The Company recognizes purchases in its go-downs under its control only at the time of sale of products, which in our opinion do not represent a true and fair view of the financial statements.	Regarding accounting of the beverages stock it was explained to the audit that it is a standard practice followed by the entity for years and the other State PSUs entrusted with wholesaling of beverages.
2	Other Equity and Loading & Unloading Charges receivable as at 31.03.2022 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 of Khorda, Nirgundi, and Balasore Depots and for the period from 2009-10 to 2015-16 for Sambalpur Depot since no steps have been taken by the Company during the year for recovery and the chances of the recovery of the same from the parties are remote.	The matter is under sub-judice and Arbitration proceeding is going on as per the clause of the agreement. The Arbitration proceeding is at the final stage of hearing and the Arbitration award in this regard is expected shortly. Based on the arbitration award necessary accounting effect shall be given in the Books of Account.
3	Profit for the year and receivables from the suppliers are overstated by an amount Rs.1.91 lakh each due to non-provision of doubtful debt on account of debit balances of sundry creditors non-operating since the chances of the recovery of the same are remote.	The Corporation has already noticed/intimated to the concerned supplier vide letter no.2786/OSBC/3514, dated-27.10.2022 through registered post with AD for delisting of non-operating suppliers. After de-listing necessary provisions shall be made in the books.
4	Current assets are overstated by Rs.144.84 lakhs on account of long outstanding un-reconciled balances not confirmed by the parties as at 31.03.2022. Current liabilities to the extent of Rs.115.75 lakhs have also	The outstanding un-reconciled current assets and current liabilities will be taken up while finalizing the accounts of next financial year i.e FY 2022-23.



SI No	Audit Observations	Management Reply
	been overstated being un-reconciled, not confirmed and long outstanding. No steps have been taken by the Company for recovery or reconciliation of the long-unsettled amounts during the year	
5	As per documents and information furnished to us, though the liquor stocks are under the control of the Company, the Company does not account for the liquor stocks stored in its depots under its control as inventory. The Company however has paid Rs.74.08 lakhs towards insurance premium during the year but failed to recover the premium paid from its suppliers. In our opinion, failure to recover the premium resulted in an understatement of profit for the year by Rs.74.08 lakhs.	As per Supply Chain Management Policy, 2020, vide clause no-21, All the beverages stocks of FMFL / IMFL / Wine / Beer / RTD / CL lying in the depots of the OSBCL are to be covered under insurance on yearly basis by the Corporation and the cost of insurance premium will be borne by the Corporation. Since the Corporation is only the custodian of such beverages stock and the risk and rewards is lying with the Corporation.
6	Attention is drawn to point No.10 of Note-3 "Additional Notes to the Financial Statements" Short Term Provision is understated 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, and measurement and disclosure are not in compliance to the requirements of End AS 19 "Employee Benefits". The impact on Financial Statements could not be quantified as the same has not been ascertained by the management.	The leave salary & pension contribution has been reimbursed to the parent department of the respective deputed employees on the basis of claim made by the respective parent departments. However no provision for the deputed employees has been made due to non availability of the data/figures in respect of Leave Salary & gratuity, pension. The same shall be booked in the accounts of the company as and when it shall be claimed by their parent departments.
7	The requirements laid down as per the provisions of Rule 158 of the Odisha Excise Rule, 2017, have not been adhered to by the Company and the entity has not kept any records nor adopted any appropriate internal control measures in respect of monitoring the issue, utilization and balances of Excise Adhesive Labels (EALs) issued to the suppliers within the state and the suppliers located outside the state. The impact on the Financial Statements could not be quantified as no records have been kept by the management for such Excise Adhesive Labels (EALs).	The Corporation does not deal with Excise Adhesives Label (EAL). The distribution and accounting of EAL is exclusively controlled by the Department of Excise. Further the Superintendent of Excise, Khurda is only the custodian of EAL for distribution to Distillery Officer / Excise OIC of Distilleries / Bottling Plants / Breweries operating in / out side State of Odisha. Hence, no role of the Corporation is required.
8	As per section 29 of the Odisha Excise Act, 2008 "where there is a difference of duty as between two	As per the prevailing practice, after revision (upward) of Excise duty by Govt., the new



SI No	Audit Observations	Management Reply
	<p>licence periods, such difference may be collected in respect of all stocks of liquor held by licensee at the close of the former period". It is observed that the Company has not complied with provisions of section 29 of the Odisha Excise Act, 2008, and failed to collect the differential excise duty on liquor stocks lying in the depots of the Company. As per the information furnished to us, the Company collects the differential excise duty only at the time of sale of the liquor products by following the Supply Chain Management policy framed by the Company. As per the practice followed by the Company, the Government of Odisha is losing revenue on the stocks lying in the depots at the time of change in rates of duty and eventually not sold due to sedimentation and for other reasons Since the inventories are not recognized in the books of account, due to the wrong accounting policy followed by the Company as mentioned under para 01 of our report, the amount of differential duty if any, could not be audited by us as the same have not been ascertained and furnished by the management to audit.</p>	<p>duty is paid by the supplier before dispatch of stock from his manufacturing unit to OSBC. But in case of stock which is already received by OSBC prior to revision of duty, OSBC collects the revised duty in respect of liquor stocks sold to retailers and deposited the same with the Government. The Board of Directors in their 84th meeting held on 26.06.2020 also decided that the prevailing practice of collection of differential excise duty on sales to retailers will continue.</p>
9	<p>Profit for the year is understated by Rs.16.69 lakhs and Advance to/ Receivable from the Excise Department is understated by the same amount on account of debit to Professional charges instead of advance to/recoverable from the Excise department. The payment of Rs.16.69 lakhs, in our opinion, does not arise in the course of the ordinary activities of the entity as defined in Ind AS Framework for the Preparation and Presentation of Financial Statements (Para 78) since neither the engagement is made by the Company, nor the Report Contents are capable of being put to use by the Company.</p>	<p>The amount has been paid to M/s E &amp; Y LLP for preparation of draft excise policy for the FY-2020-21 and developing guideline for Price Fixation Committee of OSBCL as per the direction of Excise department, Govt. of Odisha vide memo no.-411/ Ex. Dated-24.01.2020.</p>



## Emphasis of Matter

SI No	Audit Observations	Management Reply
1	Confirmation of balances as on 31.03.2022 from Sundry creditors, Sundry debtors and other parties have not been obtained by the Company in a large number of cases. The balances shown are subject to adjustments if any arising out of the balance confirmation and reconciliation.	There are about 2000 retailers. Either they place their advance in the Corporation wallet or deposit DD for lifting liquor stock; Most of these retailers who deposit into the wallet have access to the wallets at any point of time. The amount available in the wallet has never been disputed by any of the retailers in the past, hence the wallet balance of the retailers are auto reconciled with the Corporation balance. Whether the deposit is into the wallet or through DDs, no liquor stock is supplied unless they have credit balance with the Corporation. So far as other creditors are concerned, they are suppliers of liquor for whom the accounts are reconciled periodically. Beyond retailers and suppliers of liquor, there is hardly any sundry debtors and sundry creditors.
2	The Company has not disclosed the "Relationship with Struck off Companies" under section 248 of Companies Act-2013 in the Financial Statements for the FY-2021-22. As per the records of the Company, the Company has entered into the following transactions with the struck off companies during this year. (Annexure-1)	Noted
3	Other current assets for the year are understated by Rs.4.62 lakhs and trade payables are understated by the same amount on account of the treatment of netting off of the debit balances of sundry creditors under the head trade payables.	Noted
4	The Company has lodged erroneous and excess/short insurance claims compared to theft reported as per FIR filed during the year. (Annexure-2)	Noted
5	The company has not disclosed contingent liability his respect of the Statement of Demand for Rs.456.50 lakhs issued by the Commissioner, GST & Central Excise, Bhubaneswar for the years 2016-17 and 2017-18 (upto June 2017).	Noted



## Annexure-1

(Rupees in Lakh)

Sl. No.	Name of the Struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 01.04.2021	Balance outstanding as on 31.03.2022	Relationship with the struck off Company
1	Foster India Private Ltd	Payables	14.48 (Cr)	14.48 (Cr)	Nil
2	India Glycols Limited	Payables (debit Balances)	0.98 (Dr.)	1.93 (Dr.)	Nil

## Annexure-2

(Rupees in Lakh)

Sl. No.	Description of liquor product	As per FIR Copy		As per Insurance claim		
		Quantity (in C/S)	Value ( In lakhs)	Quantity (in C/S)	Value ( In lakhs)	Excess / (Short claimed for Insurance (Qty in C/S)
1	IMFL	1906.02	Not available in FIR	1972.81	108.70	66.79
2	BEER	338.67	Not available in FIR	338.58	5.69	(0.09)
3	IMFL (Defence)	11.19	Not available in FIR	11.00	0.52	(0.19)



## Annexure-2

## Replies of the Management on Final comments of the C&AG of India on the Financial Statements of Odisha State Beverages Corporation Limited for the financial year 2021-22

Sl No	Final Comment on C&AG of India under section 143(6)(b) read with section 129(4) of the Companies Act,2013	Replies of the Management
1	<p>As per supply chain management policy point no. 13.9, the Corporation shall collect stock holding charges @ Rs.1 per case per day for those stocks which remain in the Corporation Depots for more than 120 days from the date of receipt from the supplier. The charge is leviable from the day following the day on which the stock completes 120 days from the date of receipt from the supplier till it is sold. Also the policy stipulated that the Corporation should not collect any stock holding charge from the day following expiration of stock.</p> <p>The Corporation accounted for its income from holding in respect of stocks hold at its different Depots, considering the batch wise receipt at the Depot. The absence of adequate storage and documentation controls and adherence to First in First Out (FIFO) method for issue of stock at the Depots resulted in mismatch between the stock actually held physically at the Depots and the online stock holding statement. Therefore, there was no assurance that stock holding charges had been correctly levied and there was material risk of under-statement of revenue of due to this reason.</p>	<p>As per clause 13.9 of the Supply Chain Management Policy, the Corporation collects Stock holding charges @ Rs1/- per case per day for those stocks which remain in the Corporation godown for more than 120 days from the date of receipt from the supplier. The Stock Holding Charges are being determined by the computer system adopting FIFO and being recovered from the suppliers regularly.</p> <p>FIFO system is being strictly followed by the Corporation. However, Steps are being taken to implement track and trace system early to have better control mechanisms in place.</p>
2	<p>As per Rule 158 of the Odisha Excise Rules 2017, the accounting of issuance and end utilization of EALs on liquor products-from manufacturing to retail point- is required to be maintained. The Corporation is responsible for maintain the data base for supply chain management of all liquor products sold to retailers in the State, and the Excise Department does not maintain any separate data base of its own, for this purpose. Under Rule 158, the Corporation</p>	<p>As per Rule 158 (C) of the Odisha Excise Rules, 2017, the printed and procured EALs will be delivered to an Excise Officer appointed by the State Government and the said Officer, shall keep the same in his safe custody for distribution to the Distillery Officers or Officers in charge of Distilleries, Bottling Plants or Breweries operating inside the State of Odisha.</p> <p>As per Rule 158 (D), the Excise Commissioner, Odisha will post an Officer of the rank of Inspector of Excise for receipt and distribution of EALs in case</p>



SI No	Final Comment on C&AG of India under section 143(6)(b) read with section 129(4) of the Companies Act,2013	Replies of the Management
	<p>has also been assigned the responsibility of requisitioning the number of EALs required to be issued to suppliers from outside the State.</p> <p>The Corporation has not taken any responsibility for monitoring the issuance and end utilization of Excise Adhesive Labels (EALs) till date and hence, has not adopted any internal controls for such monitoring.</p> <p>In the absence of internal controls for monitoring the utilization of EALs affixed on the liquor products received in the depots of the Corporation, there are material revenue risks to the Corporation (Profit Margin) and to the State Government (Value Added TAX) due to</p> <ul style="list-style-type: none"> <li>• Direct sale at retail point by liquor suppliers, by affixing unutilized EALs on liquor products, without routing them through the supply chain involving the Corporation.</li> <li>• Diversion of Excise Duty-paid liquor products from the depots of the Corporation, in view of the deficient storage and documentation controls reported by the Independent Auditor.</li> </ul>	<p>of IMFL, Foreign Liquor and Beer imported from outside the State, who shall have his Store or Office in the Registered Office of the Corporation.</p> <p>Further, as per Rule 158 (K) of the Odisha Excises Rules, 2017, the Corporation in each case of Import, Permit for procurement of stock from outside the State, shall present the pass to the Inspector of excise appointed under clause (d) with a requisition as to the number of EAL required to be issued to ensure that no bottle / can received from outside the State without affixture of EAL and taken in to godown of the Corporation and the Inspector shall maintain detailed accounts of the EALs received, issued and damaged and he shall report the requirement of EALs in case to the Commissioner of Excise one month ahead.</p> <p>But as per Rule 158 (D) of the Odisha Excise Rule, 2017, no Inspector of Excise has been posted by the Commissioner at OSBC registered Office presently, Superintendent of Excise, Khurda is the custodian of EAL and has been procuring, storing and distributing the EALs both for Inside manufacturers / suppliers and outside Suppliers. As per the Purchase Order issues by OSBC online with supply chain management policy of the Corporation, the Superintendent of Excise, Khurda issues Import / Transport Passes to procure the stocks from Inside the State and Outside the State.</p> <p>In the mean time two posts in the Rank of Superintendent and Deputy Superintendent of Excise have been created and Government will be moved for early posting of officials against these posts in OSBC Limited.</p> <p>Further Audit Committee of the Board shall conduct detailed periodical reviews regarding the steps taken by the management regarding theft and diversion of the stocks, to have better control on storage and documentation.</p>





प्रधान महालेखाकार (लेखापरीक्षा-1) का कार्यालय  
ओडिशा, भुवनेश्वर-751001

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I)  
ODISHA, BHUBANESWAR**

AMG-IV(C)/Annual Accounts of OSBCL/2022-23/434

दिनांक / Date: 16.12.2022

To

The Managing Director,  
Odisha State Beverages Corporation Ltd.,  
2nd Floor, Fortune Towers, Chandrasekharapur  
Bhubaneswar-751023.

**Sub: Comments of the Comptroller & Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha State Beverage Corporation Ltd. for the year 2021-22.**

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 Ltd. for the year 2021-22.

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 meeting.

Yours faithfully.

Encl: as above.



(Deepak Raghu)

Sr. Deputy Accountant General (AMG-IV)



**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 2022.**

The preparation of financial statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2022 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.09.2022.

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 2022 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

For and on behalf of  
Comptroller and Auditor General of India

PRINCIPAL ACCOUNTANT GENERAL



प्रधान महालेखाकार (लेखापरीक्षा-1) का कार्यालय  
ओडिशा, भुवनेश्वर-751001

AMG-IV(C)/ Annual Accounts of OSBCL 2022-23/435

Date 16.12.2022

To,

The Managing Director,  
Odisha State Beverages Corporation Ltd..  
Bhubaneswar.

Sub: Audit of the Annual Accounts of Odisha State Beverages Corporation Limited for the Financial Year 2021-22.

Sir,

I am to draw your kind attention that during the Supplementary Audit on the Accounts of the Company for the year 2021-22, the following lapses were noticed:

- I. As per supply chain management policy point no. 13.9, the Corporation shall collect stock holding charges @ Rs. 1 per case per day for those stocks which remain in the Corporation Depots for more than 120 days from the date of receipt from the supplier. The charge is leviable from the day following the day on which the stock completes 120 days from the date of receipt from the supplier till it is sold. Also the policy stipulated that the Corporation should not collect any stock holding charge from the day following expiration of stock. The Corporation accounted for its income from holding in respect of stocks hold at its different Depots considering the batch wise receipt at the Depot. The absence of adequate storage and documentation controls and adherence to First in First Out (FIFO) method for issue of stock at the Depots resulted in mismatch between the stock actually held physically at the Depots and the online stock holding statement. Therefore, there was no assurance that stock holding charges had been correctly levied and there was material risk of under-statement of revenue of due to this reason.
- II. As per Rule 158 of the Odisha Excise Rules 2017, the accounting of issuance and end utilization of EALS on liquor products-from manufacturing to retail point- is required to be maintained. The Corporation is responsible for maintain the data base for supply chain management of all liquor products sold to retailers in the State, and the Excise Department



does not maintain any separate data base of its own, for this purpose. Under Rule 158 the Corporation has also been assigned the responsibility of requisitioning the number of EALs required to be issued to suppliers from outside the State.

The Corporation has not taken any responsibility for monitoring the issuance and end utilization of Excise Adhesive Labels (EALs) till date and hence, has not adopted any internal controls for such monitoring.

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

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

Yours faithfully,

(Deepak Raghu)

Sr. Deputy Accountant General (AMG-IV)

## ANNEXURE - 3

## Annual Report on CSR Activities

[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 company's CSR policy:

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. 7<sup>th</sup> February, 2015 which is available on the Corporation's website. It recognizes 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.

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

#### Social Initiative and CSR

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

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of CSR meetings held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Prasanna Kumar Parida	Chairman– Independent Director	Three meetings were held during the year on 4 <sup>th</sup> August, 2021 , 8 <sup>th</sup> November, 2021 & 17 <sup>th</sup> March, 2022.	3
2.	Shri Syama Charan Padhy	Member-Independent Director		3
3.	Shri Pramod Kumar Mishra, OAS(SAG)	Member – Managing Director		2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the corporation

**Website : osbc.co.in**

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable- **Not Applicable**

5. (a) Average net profit of the corporation as per Section 135 (5): **Rs. 3949.00 Lakh**

(b) Two percent of average net profit of the corporation as per Section 135(5): - **Rs.78.98 lakh.**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: - **Nil**

(d) Amount required to be set off for the Financial Year:- **Nil**

(e) Total CSR obligation for the Financial Year (5b+5c-5d):- **Rs. 78.98 lakh.**

6. (a) Amount spent on CSR Projects:

(i) Details of CSR amount spent against **ongoing projects** for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project Duration	Amount allocated for the project (in lakhs)	Amount spent in the current financial Year (in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	(i)Promotion of Rural Sports, Nationally Recognised Sports at State level in collaboration with Department of Sports and Youth Affairs, Government of Odisha  (ii) Direct financial assistance to poor boys and girls undergoing medical and engineering courses in Government Colleges and not availing any other financial benefits.	Promoting education promoting health care and promote sports	Yes	Odisha		3 Years	61.19	Nil	61.19			



(iii) Promotion of Health Care including de-addiction measures directly or in collaboration with Department of Health and Family Welfare, Government of Odisha.												
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(ii) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount Spent for the project (In lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Sponsoring 10 students for the purpose of skill building training	Promoting Education	Yes	Odisha	Khurdha	6.78	No	CIPET, Bhubaneswar	CSR00008481
2.	Destruction of hemp cultivation	Preventive health care	Yes	Odisha	Koraput	0.72	Yes	-	-
3.	Sponsoring 10 students for the purpose of skill building training	Promoting Education	Yes	Odisha	Balasore	9.26	No	CIPET, Balasore	CSR00008481
4.	Setting up a sanitary Napkin unit at KISS for hygienic factor	Preventive health care	Yes	Odisha	Khurdha	9.53	No	Kalinga Institute of Social Science (KISS), Bhubaneswar	CSR00000319
5.	Care home for 25 elderly visually impaired person	Setting up old age homes, day care centres	Yes	Odisha	Khurdha	7.00	No	The Orissa Association for Blind	CSR00016991



- (b) Amount spent in Administrative Overheads- **Nil**
- (c) Amount spent on Impact Assessment, if applicable- **Not Applicable**
- (d) Total amount spent for the Financial Year (6a+6b+6c)- **Rs. 33.29 Lakhs**
- (e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year (in lakh)	Amount Unspent (in lakh)				
	Total Amount transferred to Unspent CSR Account as per Sec 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in lakh)	Date of Transfer	Name of fund	Amount	Date of Transfer
33.29	61.19	29/04/2022	NA		

- (f) Excess amount for Set off, if any - **NIL**

SI. No	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the corporation as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(I)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii) -(iv)]	

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

SI. No	Preceding Financial Years	Amount transferred to Unspent CSR Account under section 135(6) (in lakh)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Lakh)	Amount spent in the reporting Financial Year (in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in lakh)	Deficiency, if any
					Amount (in Lakh)	Date of transfer		
1.	2020-21	Nil	Nil	184.01	NA	NA	Nil	Nil
1.	2019-20	Nil	Nil	32.00	NA	NA	Nil	Nil
2.	2018-19	Nil	Nil	81.38	NA	NA	Nil	Nil





8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/No): **No**

If yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including Complete address and location of the property]	Pin code of The property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **-Not Applicable**

**N:B The accumulated interest amount of Rs. 14.32 Lakhs lying in CSR account as on 31.03.2022 shall be utilised in the due course under CSR head of the Corporation.**

Sd/-  
General Manager (Admin.)

Sd/-  
Managing Director

Sd/-  
Chairman  
CSR Committee



**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 31<sup>st</sup> March 2022, 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 the 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 of our report, 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 31<sup>st</sup> March, 2022, and its profit, 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 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 (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 the Rules 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 for the matters stated below, to provide a basis for our qualified audit opinion.

1. Referring to the Significant Accounting Policy for recognition of purchases, as per Note No.2 Significant Accounting Policies Para No. 8 the Company's accounting policy is not in conformity to Ind AS 115 "Revenue from contract with customers". The invoices raised by the suppliers are not recognised as purchase by the Company at the time of issuing Goods Receipt Notes (GRN) though the stocks are under the control of the Company as defined under Paragraph 33 of Ind AS 115, "Contract with customers" and Para 4.20 and 4.21 of the "Conceptual Framework for Financial Reporting under Indian Accounting Standards (Ind AS)" (applicable for Standard-setting activity w.e.f. April 1, 2020). The Company recognises purchases in its godowns under its control only at the time of sale of products, which in our opinion do not represent a true and fair view of the financial statements.
2. Other Equity and Loading & Unloading Charges receivable as at 31.03.2022 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 of Khorda, Nirgundi and Balasore Depots and for the period from 2009-10 to 2015-16 for Sambalpur Depot since no steps have been taken by the Company during the year for recovery and the chances of the recovery of the same from the parties are remote.



3. Profit for the year and receivables from the suppliers are overstated by an amount Rs.1.91 lakh each due to non-provision of doubtful debt on account of debit balances of sundry creditors non-operating since the chances of the recovery of the same are remote.
4. Current assets are overstated by Rs.144.84 lakhs on account of long outstanding, unreconciled balances not confirmed by the parties as at 31.03.2022. Current liabilities to the extent of Rs.115.75 lakhs have also been overstated being unreconciled, not confirmed and long outstanding No steps have been taken by the Company for recovery or reconciliation of the long-unsettled amounts during the year.
5. As per documents and information furnished to us, though the liquor stocks are under the control of the Company, the Company does not account for the liquor stocks stored in its depots under its control as inventory. The Company however has paid Rs.74.08lakhs towards insurance premium during the year but failed to recover the premium paid from its suppliers. In our opinion, failure to recover the premium resulted in an understatement of profit for the year by Rs.74.08 lakhs.
6. Attention is drawn to point No.10 of Note-3 "Additional Notes to the Financial Statements" Short Term Provision is understated 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 and measurement and disclosure are not in compliance to the requirements of Ind AS 19"Employee Benefits". The impact on Financial Statements could not be quantified as the same has not been ascertained by the management.
7. The requirements laid down as per the provisions of Rule 158 of the Odisha Excise Rule, 2017, have not been adhered to by the Company and the entity has not kept any records nor adopted any appropriate internal control measures in respect of monitoring the issue, utilization and balances of Excise Adhesive Labels (EALs) issued to the suppliers within the state and the suppliers located outside the state. The impact on the Financial Statements could not be quantified as no records have been kept by the management for such Excise Adhesive Labels (EALs).
8. As per section 29 of the Odisha Excise Act, 2008 "where there is a difference of duty as between two licence periods, such difference may be collected in respect of all stocks of liquor held by licensee at the close of the former period". It is observed that the Company has not complied with provisions of section 29 of the Odisha Excise Act, 2008, and failed to collect the differential excise duty on liquor stocks lying in the depots of the Company. As per the information furnished to us, the Company collects the differential excise duty only at the time of sale of the liquor products by following the Supply Chain Management policy framed by the Company. As per the practice followed by the Company, the Government of Odisha is losing revenue on the stocks lying in the depots at the time of change in rates of duty and eventually not sold due to sedimentation and for other reasons Since the inventories are not recognized in the books of account, due to the wrong accounting policy followed by the Company as mentioned under para 01 of our report, the amount of differential duty if any, could not be audited by us as the same have not been ascertained and furnished by the management to audit
9. Profit for the year is understated by Rs.16.69 lakhs and Advance to/ Receivable from the Excise Department is understated by the same amount on account of debit to Professional charges instead of advance to/recoverable from the Excise department. The payment of Rs.16.69 lakhs, in our opinion,

does not arise in the course of the ordinary activities of the entity as defined in Ind AS Framework for the Preparation and Presentation of Financial Statements (Para 78) since neither the engagement is made by the Company, nor the Report Contents are capable of being put to use by the Company.

### Emphasis of Matter

#### We draw attention to:

- Confirmation of balances as on 31.03.2022 from Sundry creditors, Sundry debtors and other parties have not been obtained by the Company in a large number of cases. The balances shown are subject to adjustments if any arising out of the balance confirmation and reconciliation.
- The Company has not disclosed the "Relationship with Struck off Companies" under section 248 of Companies Act, 2013 in the Financial Statements for the FY 2021-22. As per the records of the Company, the Company has entered into the following transactions with the struck-off companies during this year.

Sl.No.	Name of the struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 01.04.2021	Balance outstanding as on 31.03.2022	Relationship with the struck off Company.
1	Foster India Private Limited	Payables	14.48(Cr)	14.48(Cr)	Nil
2	India Glycols Limited	Payables (debit Balances)	0.98 (Dr)	1.93 (Dr)	Nil

- Other current assets for the year are understated by Rs.4.62 lakhs and trade payables are understated by the same amount on account of the treatment of netting off of the debit balances of sundry creditors under the head trade payables.
- The Company has lodged erroneous and excess/short insurance claims compared to theft reported as per FIR filed during the year. The details are given below:

Sl.	As per FIR Copy			As per Insurance Claim		
	Description of liquor product	Quantity (in C/S)	Value (In lakhs)	Quantity (in C/S)	Value (In lakhs)	Excess/(Short) claimed for Insurance(Qty in C/s)
2	IMFL	1906.02	Not available in FIR	1972.81	108.70	66.79
3	BEER	338.67	Not available in FIR	338.58	5.69	(0.09)
4	IMFL (Defence)	11.19	Not available in FIR	11.00	0.52	(0.19)
<b>Total</b>		<b>2255.88</b>		<b>2322.39</b>	<b>114.91</b>	<b>66.51</b>

- The company has not disclosed contingent liability his respect of the Statement of Demand for Rs.456.50 lakhs issued by the Commissioner, GST & Central Excise, Bhubaneswar for the years 2016-17 and 2017-18 (upto June 2017)

Our opinion is not modified in respect of these matters.

**Key Audit Matters:**

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

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis of financial performance highlights; Board's report including Annexure to Board's Report, Business Responsibility Report, Report on Corporate Governance, Shareholder's information and other information in Integrated Annual Report but does not include the Ind AS financial statements and our auditor's report thereon, which are expected to be made available to us after the date of the auditor's report.

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 identified above when it becomes available 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.

When we read the reports stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

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

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

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

The 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 judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with the governance regarding, among other matters, the planned scope and timing of 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's report) order, 2020("the order") issued by the Central Government in terms of sub-section(11) of section 143 of the Act, we give in the "**Annexure 1**" to this report, a statement on the matters specified in the paragraphs 3 and 4 of the said order, to the extent applicable.
2. In compliance with directions of the Comptroller and Auditor General of India in terms of section 143 (5) of the Act, we give in the "**Annexure 2**"to this report a statement on the matters specified therein.
3. As required by the Section 143(3) of the Act, we report that:
  - a) We have sought and except for the matter described in the Basis for Qualified opinion paragraph 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 except for the inventories held under the control of the Company and related to other matters described in the Basis for Qualified opinion paragraph, 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 except for the matter described in the Basis for Qualified opinion paragraph comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended;
  - e) We have been informed that the provisions of section 164(2) of the Act in respect of disqualification of director are not applicable to the Company, being a Government Company in terms of notification no. G.S.R. 463(E) dated 5<sup>th</sup> 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 5<sup>th</sup> 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. Subject to our observations in Para 5 of 'Emphasis of Matter' of our Report the Company has disclosed the impact of pending litigation cases on its Ind AS Financial Statements. Refer Note 3 Para 8 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: 29.09.2022

UDIN: 22053292AWOLEI7251





## Annexure 1 to the Independent Auditors' Report

**Referred to in paragraph 1 under the heading of "Report on 'Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha State Beverages Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2022.**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of the audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant, and Equipment, and right-of-use assets so as to cover all the assets once in every year. Which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Property, Plant, and Equipment of the Company have been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination and explanations given to us, the company is having title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements and are held in the name of the company except the following:

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of Company
Land	Nil	Excise Department, Government of Odisha	Yes, Government of Odisha is the Promoter of the Company	About 3 years	"Permissive possession" and "surface right" has been granted by Excise Department, Government of Odisha vide letter no OSBC-02/2018/4366/Ex. Dated 29.08.2018.
Land	Nil	Excise Department, Government of Odisha	Yes, Government of Odisha is the Promoter of the Company	About 2 years 6 months	"Permissive possession" and "surface right" has been granted by Excise Department, Government of Odisha vide letter no OSBC-02/2018/2189/Ex. Dated 02.05.2019.



- d) The Company has not revalued any of its Property, Plant, and Equipment (including right-of-use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii) (a) Though the stocks are under the control of the Company as defined under para 33 of Ind AS 115, the company recognises purchases only at the time of sale of products and inventory under control of the company is not recognised in the books of account. As reported under para 01 of the Independent Auditors' Report of even date the accounting policy followed by the company for recognising purchases and inventory is not conforming to the requirements of Ind AS 115 "Revenue from contract with customers" Though the Company has conducted physical verification of inventory during the year by Internal Auditors of the Company, we are unable to express any opinion on such verification in absence of recognition of the inventory in books of account of the company,
- (b) The Company has not been sanctioned any working capital limits during the year from any banks and financial institutions on the basis of security of current assets. Hence filing of the quarterly returns or statements by the company with such banks or financial institutions is not required.
- (iii) The Company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties during the year.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted any deposits from the public. However, the advances from customers amounting to Rs.179.02 lakhs are pending for more than 365 days and are to be considered as deemed deposits under the Companies Act 2013. The directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have not been complied with.
- (vi) The Company is not required to maintain cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) According to the records of the Company, the following are the dues outstanding in respect of income tax, service tax, sales tax, and entry tax on account of disputes.



Name of the statute	Nature of dues	Assessed Demand Amount(Rs. in Lakhs)	Amount Paid Against demand (Rs. in Lakhs)	Period Which the Amount Relates (FY)	Forum where dispute is pending
Income Tax	TDS	20.81	0.00	Up to 2021-22	Revised Return filed with income tax Department
Service tax	Assessed demand	350.20	175.79	2011-12	2nd Appeal before CESTAT/GSTAT Kolkata Bench
	Assessed demand	2497.29	77.23	2012-13 to 2014-15	2nd Appeal before CESTAT/GSTAT Kolkata Bench
	Assessed demand	1478.97	0.00	2015-16	Commissioner CGST, Bhubaneswar
	Assessed demand	10776.21	404.10	2012-13 to 2016-17	2nd Appeal before CESTAT/GSTAT Kolkata Bench
	Statement of Demand	456.50	0.00	2016-17 to 2017-18 (up to June 2017)	Commissioner, GST & Central Excise, Bhubaneswar
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	0.00	2007-08 to 2008-09	Demand of additional interest intimated to the Additional Secretary to Gov. of Odisha, Finance Department
	Assessed demand	676.15	0.00	2009-10 to 2013-14	Demand of additional interest intimated to the Additional Secretary to Gov. of Odisha, Finance Department

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)



(ix) In respect of Loans and Borrowing dues:

- (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) The company is not declared wilful defaulter by any bank or financial institution or other lender;
  - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x)
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) We have taken into consideration the whistle-blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing, and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (3)(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (xvii) The company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (3)(xx)(a) of the Order is not applicable for the year.
- (b) There is no ongoing project of the Company which needs to be transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Hence, reporting under clause(3)(xx)(b) of the Order is not applicable.

Place :Bhubaneswar  
Date : 29.09.2022

**For Nag & Associates  
Chartered Accountants  
FRN: 312063E**

**Sd/-  
(S. P. Padhi)  
Partner  
M.NO. 053292  
UDIN -22053292AWOLEI7251**

**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**

SI No	Directions	Our Observations
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The Company has a system in place to process all the accounting transactions through the IT system. However, in our opinion, the accounting software used is not in commensurate with the volume of transactions dealt with by the company. Further, no data security measures for safeguarding digital information throughout its life cycle to protect it from corruption, theft, or unauthorized access are being followed by the company.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. Made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for ? (In case, lender is a Government Company, then this direction is applicable for statutory auditor of Lender Company).	No. The Company doesn't have any such debt/loan/interest etc.
3.	Whether funds received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No such funds are received/ receivable by the company (grants/subsidy etc.) during the year.



## Report on additional Sub directions under section 143(5) of the Companies Act, 2013

Sl No	Directions	Our Observations
1.	<p>Comment on the adequacy and effectiveness of internal controls to monitor the Excise Adhesive Labels accounts of liquor suppliers located outside Odisha State, with reference to the number of EALs issued to such external suppliers from the date of commencement of each registration period with OSBCL, number of EALs affixed on liquor products received in OSBCL Depots from such external suppliers and the number of EALs available with external suppliers at the end of each registration period for the supplier.</p>	<p>In our opinion, the Internal controls of the company are deficient to monitor the Excise Adhesive Labels accounts of liquor suppliers located outside Odisha State, with reference to the number of EALs issued to such external suppliers from the date of commencement of each registration period with OSBCL, number of EALs affixed on liquor products received in OSBCL Depots from such external suppliers and the number of EALs available with external suppliers at the end of each registration period for the supplier. As per the records furnished and explanations provided to us by the Company, the Company has not been maintaining the necessary records for the Excise Adhesive labels during the year and the distribution &amp; accounting of EAL. As per clause no 158(d) of Odisha Excise Rule, 2017 "the Commissioner shall post an officer of the rank of Inspector of Excise for receipt and distribution of EALs in case of IMFL, Foreign Liquor and Beer imported from outside the State, who shall have his Store or Office in the Registered Office of the Corporation;" and as per Rule no 158(k) of Odisha Excise Rule, 2017 "the Corporation, in each case of import, permit for procurement of stock from outside the State, shall present the pass to the Inspector appointed under clause (d) with a requisition as to the number of EALs required to be issued to ensure that no bottle or no other container is received from outside the State without affixture of EAL and taken to godown of the Corporation and the Inspector shall maintain detailed accounts of the EALs received, issued, used and damaged and he shall report the requirement of EALs in each case to the Commissioner one month ahead;". The above requirements are not complied with by the Company. It is observed that there is no Inspector of Excise is posted at the Company.</p> <p>During the course of our depot. Verification visits to Khurda, Jajpur, and Balasore, it is found on a</p>

SI No	Directions	Our Observations
		<p>random basis that the liquor product bottles stored in the depots are affixed with EALs but no accounts are being maintained by the Company for the EALs on purchases made within the state and outside the state. As per records furnished to us, the total receipts of stock (as per GRN) during the year from outside the State suppliers are 24,20,455 cases.</p>
2.	<p>Comment on the adequacy and effectiveness of internal controls for storage of liquor products in OSBCL Depots, with reference to norms adopted by the Company for breakage, sedimentation and pilferage of stock.</p>	<p>We have visited 03 nos of depots i.e. Khordha, Jajpur (Chandikhole) &amp; Balasore. It is observed that internal controls for storage of liquor products at Jajpur &amp; Balasore depots of the company are deficient and unreliable. The Company does not follow any percentage norms for breakage, sedimentation, and pilferages of stocks. The Company has lodged excess insurance claim of 66.99 cases in the FIR No. 0096 dated 06.04.2021 due to absence of adequate of internal control measures.</p>
3.	<p>Comment on the adequacy and effectiveness of physical verification of stock stored at OSBCL Depots, by comparing on suitable sampling basis, the Excise Adhesive Label numbers which are available in stock as per the software application and the Excise Adhesive Label numbers actually affixed on the stock stored in the Depots.</p>	<p>In our opinion, the effectiveness of physical verification of stock stored at OSBCL Depots and Excise Adhesive Label numbers which are available in stock as per the software application and the Excise Adhesive Label numbers actually affixed on the stock stored in the Depots are deficient and inadequate.</p> <p>Though the Company has conducted physical verification of inventory during the year by Internal Auditors of the Company, we are unable to express any opinion on such verification in absence of recognition of the inventory in books of account of the company as reported in Para. 01 of our report. As per the information, software details, and soft copies of the reports furnished to us, EAL numbers are not recorded in the software stock application by the Company, though the EAL were available on the bottles in stock, randomly verified by us.</p>





Sl No	Directions	Our Observations
4.	<p>Comment on the adequacy and effectiveness of internal controls to monitor the movement of liquor stock from one OSBCL Depot to another, with reference to Excise Verification Certificates received at the source Depot from the destination Depot.</p>	<p>We have verified the records for the movement of liquor stock from one OSBCL Depot to another on random basis and the following discrepancies have been noticed.</p> <ol style="list-style-type: none"> <li>a) There is no Officer-in-Charge, Excise posted at Khordha depot.</li> <li>b) No Excise Verification Certificates were being issued by OIC of destination depot after receipt of liquor stocks from the source depot. As per clause no 17 of Supply Chain Management Policy followed by the Company, OIC (Excise) of the destination depot shall acknowledge the receipt of stock and issue the Excise Verification Certificate (EVC) to the OIC (Excise) of the source depot. The Company is not following the policy laid down for such transfers and the effectiveness of internal controls to monitor the movement of liquor stock from one OSBCL Depot to another, with reference to Excise Verification Certificates received at the source Depot from the destination Depot in our opinion are deficient</li> <li>c) It is observed during our verification on random basis that in some instances, signatures of the authorized representative of the Company and supplier's representative were not present in the unloading report and goods Receipt Note. The Company does not adopt any norms for breakage and pilferage of stocks during Inter depot transfers. It is observed that against Permit no. OSBC/11440/2021-22 dated 06.11.2021, total 54.00 cases were dispatched from Khordha Depot and a total 44.4375 cases were only received at Nirgundi Depot &amp; 9.5625 cases were transit breakage/shortage. The % of transit breakage/shortage is 17.71% and Against Permit no. OSBC/13077/2021-22 dated 06.12.2021, total 375.00 cases were dispatched from Khordha Depot and total 365.4584 cases were received at Nirgundi Depot and 9.5416 cases were transit breakage/shortage. The % of transit breakage/shortage is 2.54%.</li> </ol>



Sl No	Directions	Our Observations
5.	<p>Comment on the completeness of accounting for income as Export Processing Fees, with reference to the underlying total number of Exports permitted from Odisha State during 2021-22, and comment on the adequacy and effectiveness of internal controls adopted by OSBCL to verify- at the time of processing documents for a fresh Export sale- whether liquor products pertaining to previous Export sales were actually received (details of receipt of liquor stock) at the destination State and whether payment of Excise Duty pertaining to previous Export sales was actually made (details of challan/proof of payment) to that State Government.</p>	<p>The Company has accounted for income as Export Permit Fees on the basis of NOC issued for the export of liquor products. It is observed that at the time of processing documents for a fresh export sale, the Company verifies the Excise Verification Certificates issued by the OIC of the concerned State Governments as attested by the OIC posted at the supplier's manufacturing unit located in the State of Odisha. In respect of payment of Excise Duty of the exported liquor products of the concerned State Governments the Company has adopted the confirmation through email form the concerned offices for issuing Import Permits.</p> <p>However, the above procedure by the Company introduced with effect from 01.10.2021</p> <p>In our opinion the internal controls for proper accounting of income as Export Processing Fees, with reference to the underlying total number of Exports permitted from Odisha State needs to be strengthened by the Company.</p> <p>Internal controls adopted by OSBCL to verify- at the time of processing documents for a fresh Export sale- whether liquor products pertaining to previous Export sales were actually received (details of receipt of liquor stock) at the destination State and whether payment of Excise Duty pertaining to previous Export sales was actually made (details of challan/proof of payment) to that State Government are deficient and inadequate since the Company is relying on Email Confirmations received from the receiving destination States instead of Challan copies.</p>

Place :Bhubaneswar  
Date : 29.09.2022

**For Nag & Associates  
Chartered Accountants  
FRN: 312063E**

**Sd/-  
(S. P. Padhi)  
Partner  
M.NO. 053292  
UDIN -22053292AWOLEI7251**



## **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 31<sup>st</sup> March 2022.**

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

We have audited Internal Financial Controls over financial reporting of Odisha State Beverages Corporation Limited("the Company") as of March 31<sup>st</sup>, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, 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 procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of 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 or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2022:

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

1. Operating Manuals for functions like Accounts, Internal Audit, Compliance, and Comprehensive Risk Management Policy need to be implemented.
2. In our opinion the accounting software used is not commensurate with the volume of transactions dealt with by the company

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting in place and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

**For Nag & Associates  
Chartered Accountants  
FRN: 312063E**

**Sd/-  
(S. P. Padhi)  
Partner**

**M.NO. 053292**

**UDIN -22053292AWOLEI7251**

**Place :Bhubaneswar  
Date : 29.09.2022**



ODISHA STATE BEVERAGES CORPORATION LTD. 2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR BALANCE SHEET AS AT 31ST MARCH, 2022				
(Amount in Rs. Lakh)				
SL No.	Particulars	Note No.	Figures as at the end of the Current reporting period 31st March, 2022	Figures as at the end of the Current reporting period 31st March, 2021
<b>I.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	4	239.58	239.93
	(b) Capital work in progress - Tangible	5	3,875.89	1,354.90
	(c) Right-of-use assets	6	388.43	315.11
	(d) Intangible assets	7	59.44	92.87
	(e) Intangible assets under development	8	-	-
	(f) Financial assets			
	(i) Trade receivables	9	-	-
	(ii) Loans Receivables	10	-	-
	(iii) Other financial assets	11	451.65	446.52
	(g) Deferred tax assets (Net)	12	23.17	16.26
	(h) Other non-current assets	13	1,199.58	11,317.22
	<b>Total Non-Current Assets</b>		<b>6,237.74</b>	<b>13,782.81</b>
(2)	<b>Current assets</b>			
	(a) Financial assets			
	(i) Trade receivables	14	-	-
	(ii) Cash and cash equivalents	15	39,386.06	68,589.72
	(iii) Bank Balances other than (ii) above	15	17,543.29	17,149.08
	(iv) Loans Receivables	16	0.83	0.80
	(v) Other financial assets	17	-	361.36
	(b) Current tax assets (Net)	18	391.39	1,122.00
	(c) Other current assets	19	784.48	740.59
	<b>Total Current Assets</b>		<b>58,106.05</b>	<b>87,963.55</b>
	<b>TOTAL ASSETS</b>		<b>64,343.79</b>	<b>101,746.36</b>
<b>II.</b>	<b>EQUITY &amp; LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity share capital	20	100.00	100.00
	(b) Other equity	21	24,528.37	34,291.06
	<b>Total Equity</b>		<b>24,628.37</b>	<b>34,391.06</b>
(2)	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings			
	(ia) Lease liabilities	22	382.38	307.62
	(b) Provisions	23	48.24	32.55
	(c) Other non-current liabilities	24	895.19	650.19
	<b>Total Non-Current Liabilities</b>		<b>1,325.81</b>	<b>990.36</b>
	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings			
	(ia) Lease liabilities	25	-	-
	(ii) Trade payables	26		
	(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		-	-
	(b) Total Outstanding dues of Creditors other than Micro & Small Enterprises		29,872.59	18,882.26
	(iii) Other financial liabilities	27	295.35	236.08
	(b) Other current liabilities	28	8,221.26	47,246.33
	(c) Provisions	29	0.41	0.27
	<b>Total Current Liabilities</b>		<b>38,389.61</b>	<b>66,364.94</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>64,343.79</b>	<b>101,746.36</b>
	<b>Notes forming part of the financial statements</b>	(1 to 36)		

In terms of our report of even date attached.

**For Nag & Associates**  
Chartered Accountants  
FRN:312063E

Sd/-  
**(S. P. Padhi)**  
Partner  
M. No.-053292  
Place: Bhubaneswar  
Date: 29.29.2022

Sd/-  
General Manager (A & A)

For and On behalf of the Board of Directors

Sd/-  
Director  
DIN:06729202

Sd/-  
Managing Director  
DIN:09649278



**ODISHA STATE BEVERAGES CORPORATION LTD.**  
**2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022** (Amount in Rs. lakh)

Sl. No.	Particulars	Note No.	Figures for the year ended March 31, 2022	Figures for the year ended March 31, 2021
	<b>Income</b>			
I	Revenue from operations	30	601,139.35	392,232.51
II	Other income	31	5,028.84	4,607.21
III	<b>Total Income (I+II)</b>		<b>606,168.19</b>	<b>396,839.72</b>
	<b>Expenses</b>			
	Purchase of Stock in Trade	32	596,129.83	387,765.17
	Employee benefits expenses	33	495.30	336.97
	Depreciation and amortisation expenses	34	394.86	341.95
	Other expenses	35	5,908.69	5,062.67
	Finance Costs	36	40.86	30.52
	<b>Total Expenses (IV)</b>		<b>602,969.54</b>	<b>393,537.28</b>
V	<b>Profit/(Loss) before exceptional items and Taxes (III-IV)</b>		<b>3,198.65</b>	<b>3,302.44</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>		<b>3,198.65</b>	<b>3,302.44</b>
VIII	Tax expense			
	Current tax		1,341.57	1,212.13
	Current tax for earlier years		-	-
	Deferred tax		-6.85	2.52
	Total tax expenses		1,334.72	1,214.65
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,863.93</b>	<b>2,087.79</b>
X	Profit/(Loss) for the period from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	<b>Profit/(Loss) for the period (IX+XII)</b>		<b>1,863.93</b>	<b>2,087.79</b>
XIV	<b>Other Comprehensive Income</b>		<b>-0.12</b>	<b>-0.64</b>
	A (i) Items that will not be reclassified to profit and loss			
	(a) Remeasurements of defined benefit plans		-0.18	-0.99
	ii) Income tax relating to items that will not be reclassified to profit or loss		0.06	0.35
	B (i) Items that will be reclassified to profit and loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV) (comprising profit/(Loss) and Other comprehensive income for the period)</b>		<b>1,863.81</b>	<b>2,087.15</b>
XVI	<b>Earnings per equity share ((for continuing operation)</b>			
	(1) Basic [Rs.]		<b>186.38</b>	<b>208.72</b>
	(2) Diluted [Rs.]		<b>186.38</b>	<b>208.72</b>
XVII	<b>Earnings per equity share ((for discontinued operation)</b>			
	(1) Basic [Rs.]		-	-
	(2) Diluted [Rs.]		-	-
XVIII	<b>Earnings per equity share ((for continuing and discontinued operations)</b>			
	(1) Basic [Rs.]		<b>186.38</b>	<b>208.72</b>
	(2) Diluted [Rs.]		<b>186.38</b>	<b>208.72</b>
	<b>Notes forming part of the financial statements</b>	<b>(1 to 36)</b>		
	In terms of our report of even date attached.			
	<b>For Nag &amp; Associates</b>		<b>For and On behalf of the Board of Directors</b>	
	<b>Chartered Accountants</b>			
	FRN:312063E		<b>Sd/-</b>	<b>Sd/-</b>
	<b>Sd/-</b>	<b>Sd/-</b>	<b>Director</b>	<b>Managing Director</b>
	<b>(S. P. Padhi)</b>	<b>General Manager (A &amp; A)</b>	<b>DIN:06729202</b>	<b>DIN:09649278</b>
	<b>Partner</b>			
	M. No.-053292			
	Place: Bhubaneswar			
	Date: 29.09.2022			



**ODISHA STATE BEVERAGES CORPORATION LTD.**  
**2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022** (Amount in Rs. Lakh)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) before extraordinary items and tax</b>	<b>3,198.65</b>	<b>3,302.44</b>
<b>Adjustments for:</b>		
Current year depreciation	394.85	341.95
Interest income from deposits	-1,873.72	-1,819.60
Finance cost	40.86	30.52
Interest on IT refund	-17.31	-
<b>Total of adjustments</b>	<b>-1,455.32</b>	<b>-1,447.13</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>1,743.33</b>	<b>1,855.31</b>
<b>Movements in working capital</b>		
Increase (Decrease) Trade receivable	-	-
Increase (Decrease) Other financial assets and other assets	11,160.66	-1,068.72
(Decrease)Increase Trade payable	10,990.24	15,764.78
(Decrease)Increase Other financial liabilities, other liabilities and provisions	-38,705.09	38,197.13
<b>Cash generated from operations</b>	<b>-14,810.86</b>	<b>54,748.50</b>
Income tax paid	-1,334.72	-1,214.65
Current tax Earlier year	-11,000.18	-
<b>Net cashflow from/(used in) operating activities (A)</b>	<b>-27,145.76</b>	<b>53,533.85</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances		
Purchase of fixed assets	-23.47	-67.87
Capital expenditure on fixed assets	-2,520.98	-1,297.62
Payment for acquiring right-of-use assets	-410.94	-65.99
Sale of fixed assets (Adjustment of depreciation)	-	-
Movement in fixed deposits	-394.21	4,153.04
Movement in deferred tax assets	-6.91	2.18
Interest on IT refund	17.31	-
Interest received	1,873.72	1,819.60
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>-1,465.47</b>	<b>4,543.34</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	74.76	-217.74
Finance cost	-40.86	-30.52
Dividend paid	-626.32	-758.01
DDT Paid	-	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>-592.42</b>	<b>-1,006.27</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>-29,203.66</b>	<b>57,070.92</b>
Cash and cash equivalents at the beginning of the year	68,589.72	11,518.80
<b>Cash and cash equivalents at the end of the year</b>	<b>39,386.06</b>	<b>68,589.72</b>
<b>Notes forming part of the financial statements</b> <span style="float: right;">(Note-1 to 36)</span>		

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: 29.09.2022

**Sd/-**  
**General Manager (A & A)**

**Sd/-**  
**Director**  
DIN:06729202

**Sd/-**  
**Managing Director**  
DIN:09649278

For and On behalf of the Board of Directors



(Amount in Rs. Lakh)

ODISHA STATE BEVERAGES CORPORATION LTD. 2ND FLOOR, FORTUNE TOWER, BHUBANESWAR						
A. Equity Share Capital:						
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022						
Particulars	Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2022	
Equity shares of Rs. 10/- each (With equal voting rights)	100.00	-	-	-	100.00	
	<b>100.00</b>	-	-	-	<b>100.00</b>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021						
Particulars	Balance as at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2021	
Equity shares of Rs. 10/- each (With equal voting rights)	100.00	-	-	-	100.00	
	<b>100.00</b>	-	-	-	<b>100.00</b>	





ODISHA STATE BEVERAGES CORPORATION LTD. 2ND FLOOR, FORTUNE TOWER, BHUBANESWAR												
Particulars	Share application in money pending allotment	Equity component of compound financial instruments	Reserve and Surplus			OCI			Total			
			Capital Reserve	Securities Premium	General reserve	Retained earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income		Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Revaluation Surplus
<b>Balance at April 1, 2020</b>	-	-	-	3,310.86	29,653.24	-	-	-2.18	-	-	-	32,961.92
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	2,087.79	-	-	-	-	-	-	2,087.79
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-0.64	-	-	-	-0.64
<b>Total comprehensive income for the year</b>	-	-	-	-	2,087.79	-	-	-0.64	-	-	-	2,087.15
<b>Transaction with owners in their capacity as owners:</b>	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-758.01	-	-	-	-	-	-	-758.01
Tax on dividends	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	-	-	-	3,310.86	30,983.02	-	-	-2.82	-	-	-	34,291.06
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,863.93	-	-	-	-	-	-	1,863.93
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-0.12	-	-	-	-0.12
<b>Total comprehensive income for the year</b>	-	-	-	-	1,863.93	-	-	-0.12	-	-	-	1,863.81
<b>Transaction with owners in their capacity as owners:</b>	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-626.32	-	-	-	-	-	-	-626.32
(-) Income Tax Refund 2013-14	-	-	-	-	-3,949.08	-	-	-	-	-	-	-3,949.08
(-) Income Tax Demand Under Protest 2014-15 F Y	-	-	-	-	-6,593.94	-	-	-	-	-	-	-6,593.94
(-) Income Tax Demand Under Protest 2016-17 F Y	-	-	-	-	-95.17	-	-	-	-	-	-	-95.17
(-) Income Tax Refund 2016-17 F Y	-	-	-	-	-0.37	-	-	-	-	-	-	-0.37
(-) Income Tax Demand A Y 2018-19	-	-	-	-	-123.44	-	-	-	-	-	-	-123.44
(-) Provision for Income Tax 2020-21 F.Y.	-	-	-	-	-8.34	-	-	-	-	-	-	-8.34
(-) Self Assessment Tax -A Y 2021-22	-	-	-	-	-24.79	-	-	-	-	-	-	-24.79
(-) Income Tax Demand Payable F Y 2020-21	-	-	-	-	-205.05	-	-	-	-	-	-	-205.05
<b>Balance at March 31, 2022</b>	-	-	-	3,310.86	21,220.45	-	-	-2.94	-	-	-	24,528.37
<b>Notes forming part of the financial statements</b>	(Note-1 to 36)											

In terms of our report of even date attached.

For Nag &amp; Associates

Chartered Accountants

FRN:312063E

(S. P. Padhi)

Partner

M. No.-053292

Place: Bhubaneswar

Date: 29.09.2022

For and on behalf of the Board of Directors

Sd/-  
General Manager (A & A)Sd/-  
Director  
DIN:06729202Sd/-  
Managing Director  
DIN:09649278

**ODISHA STATE BEVERAGES CORPORATION LTD.**

2ND FLOOR, FORTUNE TOWER, BHUBANESWAR

Notes to the Financial Statements for the year ended 31st March, 2022

**4 Property, Plant and Equipment***(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Carrying Cost</b>		
Land (Finance lease)	134.23	136.16
Electrical Fittings	2.96	3.86
Furniture and fixtures	6.62	6.98
Vehicles	5.65	7.93
Computers	22.03	13.16
Office equipments	10.27	7.95
Building	57.82	63.89
<b>TOTAL</b>	<b>239.58</b>	<b>239.93</b>

(i) 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.

(ii) The Corporation hold a land on leased basis for a period generally ranging from 25-99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non-cancellable. These leasehold land situated at Sonepur depot are amortised over a period of lease term with considering significant of accounting policy.

(iii) The reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) and other adjustments and the related depreciation and impairment losses or reversals has been disclosed separately in note-4.1.

(iv) The Corporation does not have any immovable property (other than properties where the Corporation is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Corporation and where such immovable property is jointly held with others.

*(Amount in Rs. Lakh)*

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director, employee or relative of promoter / director	Property held since which date	Reason for not being held in the name of the company.
PPE	Land	-	-	-	-	-
PPE	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
PPE retired from active use and held for disposal	Land	-	-	-	-	-
PPE retired from active use and held for disposal	Building	-	-	-	-	-
Others	-	-	-	-	-	-



## 5 Capital work-in-progress-Tangible

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Construction of Godown		
At Khurda (Bridge & Roof Co.)	1,453.47	566.77
At Sonapur (NBCC)	826.86	519.05
At Ganjam (IDCO)	661.13	141.28
At Angul (NPCC)	934.43	127.80
		-
<b>TOTAL</b>	<b>3,875.89</b>	<b>1,354.90</b>

a) For Capital-work-in progress, following ageing schedule has been given: CWIP aging schedule: (Amount in Rs. Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
At Khurda (Bridge & Roof Co.)	-	-	1,453.47	-	1,453.47
At Sonapur (NBCC)	-	-	826.86	-	826.86
At Ganjam (IDCO)	-	-	661.13	-	661.13
At Angul (NPCC)	-	-	934.43	-	934.43
Projects temporarily suspended	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3,875.89</b>	<b>-</b>	<b>3,875.89</b>

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, The following CWIP completion schedule has been given:

(Amount in Rs. Lakh)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
At Khurda (Bridge & Roof Co.)	-	-	-	-	-
At Sonapur (NBCC)	-	-	-	-	-
At Ganjam (IDCO)	-	-	-	-	-
At Angul (NPCC)	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Corporation does not have any project which is overdue or has exceeded its cost compared to its original plan as reported above.

## 6. Right of Use of Assets

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Office Building & Depot godown	315.11	535.61
(+) Addition to Office Building & Depot Godown	410.94	65.99
(-) Amortisation	-337.62	-286.49
<b>TOTAL</b>	<b>388.43</b>	<b>315.11</b>

## 7. Intangible assets

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Software Development	59.44	92.87
<b>TOTAL</b>	<b>59.44</b>	<b>92.87</b>

**8. Intangible assets under development**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
Software Development(CWIP)	-	-
<b>TOTAL</b>	-	-

a) For Capital-work-in progress, following ageing schedule has been given:

*(Amount in Rs. Lakh)*

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

(b) The Corporation does not have any project which is overdue or has exceeded its cost compared to its original plan as reported above.

**9. Non current-Trade receivables**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables-credit impaired	-	-
<b>TOTAL</b>	-	-

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

 (ii) In respect of trade receivable due for receive, the following ageing schedule has been given: *(Amount in Rs. Lakh)*

Particulars	Outstanding for following periods from due date of payment*					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	-	-	-	-	-	-
Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
Disputed Trade Receivables — considered good	-	-	-	-	-	-
Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

**10. Non current-Loans receivables**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loan receivables considered good-Secured	-	-
Loan receivables considered good-Unsecured	-	-
Loan receivables which have significant increase in credit risk	-	-
Loan receivables-credit impaired	-	-
<b>TOTAL</b>	-	-



(i) 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.

(ii) Details of loans or advances to Specified persons\*

(Amount in Rs. Lakh)

Name of the Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

\*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 as reported above.

#### 11. Other financial assets

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposit		
Sales Tax Security Deposit	0.11	0.11
Security Deposit (IDCO Fortune Towers)	39.34	34.21
Security Deposit-Jio Infocomm Ltd.	0.05	0.05
Security Deposit(WESCO)	0.30	0.30
Security Deposit with Oil Orissa	1.66	1.66
Security Deposit with Trupti Service Station	0.05	0.05
Telephone(Security)	0.01	0.01
Telephone Security- Depot	0.08	0.08
Bank deposits with more than 12 months maturity	-	-
Recoverable from Govt. & Others (Boundry Wall)	2.60	2.60
Loading & Unloading Charges Receivable	407.45	407.45
Receivable from Suppliers	36.76	36.76
	488.41	483.28
Less : Provision for doubtful assets	-36.76	-36.76
<b>TOTAL</b>	<b>451.65</b>	<b>446.52</b>

#### 12. Deferred tax assets (Net)

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities	-133.61	-107.49
Less : Deferred tax Assets	156.78	123.75
<b>TOTAL</b>	<b>23.17</b>	<b>16.26</b>

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

**13. Other non-current assets**

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured, Considered Good</b>		
<b><u>Capital Advance towards construction of godown</u></b>		
At Angul (NPCC)	-	21.95
At Khurda (Bridge & Roof Co.)	-	39.18
At Ganjam (IDCO)	11.32	13.30
Income Tax Demand / Deposit made under protest	-	10,054.53
Sales Tax Demand/Deposits	572.38	572.38
Service Tax Deposits	615.88	615.88
<b>Unsecured, Considered Doubtful</b>		
Advance Excise duty	29.30	29.30
	1,228.88	11,346.52
Less : Provision for doubtful other assets	-29.30	-29.30
<b>TOTAL</b>	<b>1,199.58</b>	<b>11,317.22</b>

**14. Current-Trade receivables**

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	-	-
Trade receivables which have significant increase in credit risk and	-	-
Trade receivables-credit impaired	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

In respect of trade receivable due for receive, the following ageing schedule has been given:

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	-	-	-	-	-	-
Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
Disputed Trade Receivables — considered good	-	-	-	-	-	-
Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables — credit impaired	-	-	-	-	-	-



## 15. Cash &amp; Cash Equivalents

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
(a) (i) Current Account (including flexi balance and interest accrued thereon)	29,629.88	21,781.57
(ii) Current account with ICICI Bank (Application fee to Govt. & Applicant)	-	37,900.47
(b) Deposits with original maturity of less than three months	9,726.96	8,744.23
(c) DD/Cheques on Hand	29.00	163.28
(d) Cash in Hand	0.22	0.17
(e) Others (Specify nature)		
Indian Postal Order	-	-
<b>Cash and cash equivalents as per Balance sheet</b>	<b>39,386.06</b>	<b>68,589.72</b>
Balances with Banks more than three months	17,543.29	17,149.08
<b>TOTAL CASH AND BANK BALANCES</b>	<b>56,929.35</b>	<b>85,738.80</b>

## 16 Current-Loans receivables

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Considered good</b>		
Loans & advances to employees	0.83	0.80
<b>TOTAL</b>	<b>0.83</b>	<b>0.80</b>

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

## 17 Other financial assets-Current

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Stock Holding Charges Receivable	-	361.36
<b>TOTAL</b>	<b>-</b>	<b>361.36</b>

## 18 Current tax assets and liabilities

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current tax assets</b>		
Advance Tax & TDS	4,904.81	4,825.22
Refund receivable	385.04	542.59
<b>Less: Provision for Income tax</b>	<b>-4,898.46</b>	<b>-4,245.81</b>
<b>TOTAL</b>	<b>391.39</b>	<b>1,122.00</b>

## 19 Other current assets

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Receivable from Suppliers	21.40	5.87
Advance to excise Department	57.14	57.14
Prepaid License fee	600.00	600.00
Prepaid Insurance of Stock	96.03	74.08
Depot advance-Internet Charges	2.59	2.59
Others Advances	7.32	0.91
<b>TOTAL</b>	<b>784.48</b>	<b>740.59</b>



20 Equity Share Capital

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	As at 31st March, 2021
<b>Authorised Capital</b> 50,00,000 Equity Shares of Rs.10/ each (with equal voting rights fully paid)	500.00	-	-	500.00
<b>Issued and subscribed &amp; fully paid-up capital</b> 10,00,000 Equity Shares @ Rs.10/ each	100.00	-	-	100.00
<b>TOTAL</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>
The movement in subscribed and paid up share capital is set out below.				
Ordinary shares of Rs. 10 each At the beginning of the year Shares allotted during the year	<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>	
	No. Of Shares	Rs. Lakhs	No. Of Shares	Rs. Lakhs
	10,00,000	100.00	10,00,000	100.00
	0	0.00	0	0.00
	<b>10,00,000</b>	<b>100.00</b>	<b>10,00,000</b>	<b>100.00</b>
<b>Shares in the company held by each shareholder holding more than 5% shares</b>				
<b>Name of the Shareholder</b>	<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>	
	No of Shares Held (Face value of Rs. 10 each)	% of Total Shares	No of Shares Held (Face value of Rs. 10 each)	% of Total Shares
Hon'ble Governor of Odisha	9,99,993	99.9993	9,99,993	99.9993

- (i) 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.
- (ii) Only the Governor of Odisha is holding more than 5% of total shares as at March 31, 2022. The details of Shareholders are given below.

Shares held by Promoter at the end of the year			(% ) Change during the year
Name of the Promoter	No. of Shares	% of total shares	
Hon'ble Governor of Odisha	999993.00	100.00	0.00
<b>TOTAL</b>	<b>999993.00</b>	<b>100.00</b>	





## 21 Other Equity

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Share application money pending allotment	-	-
Equity component of compound financial instruments	-	-
Reserves and Surplus	-	-
Capital Reserve	-	-
Securities Premium	-	-
General reserve	-	-
Opening balance	3,310.86	3,310.86
(+) Current year transfer	-	-
Closing balance (a)	3,310.86	3,310.86
Retained earnings	-	-
Opening balance	30,983.02	29,653.24
Ind. AS Impact	-	-
Restated Opening Balance	30,983.02	29,653.24
Changes due to prior period errors	-	-
(+) Net Profit for the current year	1,863.93	2,087.79
(-) Transfer to reserves	-	-
(-) Dividend paid	-626.32	-758.01
(-) Income Tax Refund 2013-14	-3,949.08	-
(-) Income Tax Demand Under Protest 2014-15 F Y	-6,593.94	-
(-) Income Tax Demand Under Protest 2016-17 F Y	-95.17	-
(-) Income Tax Refund 2016-17 F Y	-0.37	-
(-) Income Tax Demand A Y 2018-19	-123.44	-
(-) Provision for Income Tax 2020-21 F.Y.	-8.34	-
(-) Self Assessment Tax -A Y 2021-22	-24.79	-
(-) Income Tax Demand Payable F Y 2020-21	-205.05	-
Closing balance (b)	21,220.45	30,983.02
Debt instruments through Other Comprehensive Income	-	-
Equity Instruments through Other Comprehensive Income	-	-
Effective portion of Cash Flow Hedges	-	-
Exchange differences on translating the financial statements of a foreign operation	-	-
Other Comprehensive Income	-	-
Remeasurements of defined benefit plans (OCI)	-	-
Opening balance	-2.82	-2.18
Changes during the year	-0.18	-0.99
Deferred tax	0.06	0.35
Total other comprehensive income (c)	-2.94	-2.82
Total other equity (a+b+c)	24,528.37	34,291.06

## 22 Non current liabilities-Leases

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Lease obligation	307.62	525.35
(+) Addition to Lease obligation	410.94	65.99
(+) Interest on Lease obligation	40.86	30.52
(-) Repayment of Lease	-377.04	-314.24
TOTAL	382.38	307.62

## 23 Non current liabilities-Provisions

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for leave encashment	29.94	20.27
Provision for gratuity	18.30	12.28
TOTAL	48.24	32.55

**24 Other non-current liabilities**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
Recovery from Retailers	10.39	10.39
Withheld (Retailer) account	0.03	0.03
Withheld Innovision	14.21	14.21
Withheld Payik Sentinels	25.00	-
Security deposits		
Security Deposit- Depot	0.06	0.06
Security Deposit Service Provider	5.00	5.00
Security Deposit Supplier	840.50	620.50
<b>TOTAL</b>	<b>895.19</b>	<b>650.19</b>

**25 Current liabilities-Lease liabilities**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease obligation	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**26 Trade Payables**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding dues of Micro Enterprises & Small Enterprises	-	-
Outstanding dues other than Micro Enterprises & Small Enterprises -Creditors for supplies and services	29,872.59	18,882.26
<b>TOTAL</b>	<b>29,872.59</b>	<b>18,882.26</b>

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, 2022	As at 31st March, 2021
(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.	-	-

In respect of trade payables due for payment, the following ageing schedule has given:

*(Amount in Rs. Lakh)*

Particulars	Outstanding for following periods from due date of payment*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	29,858.02	-	-	14.48	29,872.50
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

\*No Unbilled dues is pending as reported above

**27 Other Financial Liabilities**
*(Amount in Rs. Lakh)*

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Financial liabilities carried at amortized cost</b>		
Employee benefits payable	75.29	49.29
Godown rent payable	134.58	138.02
Security services charges payable	85.48	48.77
<b>TOTAL</b>	<b>295.35</b>	<b>236.08</b>


**28 Other current liabilities** (Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory dues	6,708.31	8,381.17
Advance from customers	1,438.41	919.74
Application Fee & EMD (Payable to Govt. & applicant)	-	37,900.47
Advance Processing fee on Inter State Sale	12.28	
Registration fee (Supplier) received in advance	10.50	13.00
Other liabilities	51.76	31.95
<b>TOTAL</b>	<b>8,221.26</b>	<b>47,246.33</b>

**29 Current liabilities-Provisions** (Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for leave encashment	0.26	0.17
Provision for gratuity	0.15	0.10
<b>TOTAL</b>	<b>0.41</b>	<b>0.27</b>

**30 Revenue from Operations:** (Amount in Rs. Lakh)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>Sale of Products (including excise duty)</b>		
Sales (Beer)	115,058.35	65,873.62
Sales (CL)	27,236.74	18,452.52
Sales (IMFL)	458,844.26	307,906.37
<b>TOTAL</b>	<b>601,139.35</b>	<b>392,232.51</b>

(Sales includes Excise duty, Additional excise duty & Differential excise duty of Rs.428440.49 Lakhs for the FY-2021-22 & Rs. 272163.23 lakhs for the FY-2020-21)

**31 Other income:** (Amount in Rs. Lakh)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Interest on Bank Deposits #-1	1,873.72	1,819.60
Interest on IT refund	17.31	-
Cash discounts	2,564.83	1,783.32
Non-operating incomes #-2	572.98	1,004.29
<b>TOTAL</b>	<b>5,028.84</b>	<b>4,607.21</b>

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

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

**32 Purchase of stock-in-trade:** (Amount in Rs. Lakh)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>Purchase of Stock (including excise duty)</b>		
Purchases (Beer)	114,036.07	63,551.80
Purchases (CL)	27,633.53	18,330.90
Purchases (IMFL)	454,460.23	305,882.47
<b>TOTAL</b>	<b>596,129.83</b>	<b>387,765.17</b>

(Purchase includes only excise duty of Rs.425140.86 lakhs for the FY-2021-22 & Rs.268836.37 Lakhs for the FY-2020-21.)

**33 Employee benefit expense:**
*(Amount in Rs. Lakh)*

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Salaries, incentive & allowances	463.83	314.71
Contributions to provident and other funds #1	25.08	18.12
Staff welfare expenses	6.39	4.14
<b>TOTAL</b>	<b>495.30</b>	<b>336.97</b>

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

**34 Depreciation & Amortization expense:**
*(Amount in Rs. Lakh)*

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
On Property, Plant & Equipment-owned assets-note-4.1	23.81	25.14
On Property, Plant & Equipment-leased assets-note-6.1	337.62	286.49
On Intangible Assets-note-7.1	33.43	30.32
<b>TOTAL</b>	<b>394.86</b>	<b>341.95</b>

**35 Other expense:**
*(Amount in Rs. Lakh)*

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
License Fee	600.00	600.00
Additional Excise duty	13.37	874.12
Differential Excise duty	3,286.26	2,404.35
Donation to CMRF	1,000.00	-
Godown Rent & Insurance	199.80	259.05
CSR Expenses#1	17.79	168.08
Security Service Charges	567.68	558.03
Professional & Legal Charges #2	116.42	94.51
Director's sitting Fees	3.82	4.11
Office Rent & maintenance charges	22.95	22.94
Electricity Charges	12.63	11.98
Repair & Maintenance #3	4.76	9.09
Audit Fees	4.13	3.54
Other Administrative & Sundry Expenses #4	59.08	52.87
<b>TOTAL</b>	<b>5,908.69</b>	<b>5,062.67</b>

#-1. The details of category/nature of activities towards CSR expenses have separately disclosed in the additional notes to accounts.

#-2. It includes legal fee, professional charges, appeal fee and consultancy fee.

#-3. It includes computer repair & maintenance including depot, repair & maintenance of depot, vehicle repair & maintenance, Xerox repair & maintenance etc.

#-4. It includes expenses on advertisement, bank charges, BOD meeting, book and journals, business meeting and promotion, DLO registration, electrical equipment & fittings, electricity charges, entertainment, genset-depot, hire charges of vehicle, honorarium, internet, labour, municipal holding tax, news paper and periodicals, NIC online related, POL, postage and telegram, printing and stationery, telephone, training, transportation, travelling and conveyance, vehicle insurance etc.

**36 Finance costs:**

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Interest on lease obligation	40.86	30.52
<b>TOTAL</b>	<b>40.86</b>	<b>30.52</b>

**Note No. - 4.1 : Property, plant and equipment** FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST MARCH, 2022 *(Amount in Rs. Lakh)*

PARTICULARS	LAND (Leasehold)	BUILDING	COMPUTER	FURNITURE & FIXTURES	ELECTRICAL FITTINGS	OFFICE EQUIPMENTS	VEHICLES	TOTAL
<b>(A) GROSS BLOCK:</b>								
Balance as on 01.04.2021	146.53	72.81	156.03	54.88	18.65	74.36	56.49	579.75
Balance as on 01.04.2020	146.53	72.81	148.26	52.90	18.44	73.74	56.49	569.17
Addition during the year (Previous Year:2020-21)	-	-	18.32	1.02	-	4.12	-	23.46
Deletion during the year (Previous Year:2020-21)	-	-	7.77	1.98	0.21	0.62	-	10.58
Balance as on 31.03.2022	146.53	72.81	174.35	55.90	18.65	78.48	56.49	603.21
Balance as on 31.03.2021	146.53	72.81	156.03	54.88	18.65	74.36	56.49	579.75
<b>(B) DEPRECIATION/AMORTISATION:</b>								
Balance as on 01.04.2021	10.37	8.91	142.88	47.90	14.79	66.41	48.56	339.82
Balance as on 01.04.2020	8.44	2.20	135.00	46.30	13.64	63.94	45.16	314.68
Depreciation/Amortisation for the Year (Previous Year:2020-21)	1.93	6.08	9.44	1.38	0.90	1.80	2.28	23.81
(-) Accumulated Dep. On disposal assets	-	-	7.88	1.60	1.15	2.47	3.40	25.14
(+) Adjustments to Dep. On prior year (Previous Year:2020-21)	-	-	-	-	-	-	-	-
Balance as on 31.03.2022	12.30	14.99	152.32	49.28	15.69	68.21	50.84	363.63
Balance as on 31.03.2021	10.37	8.91	142.88	47.90	14.79	66.41	48.56	339.82
<b>(C) NET BLOCK</b>								
Balance as on 31.03.2022	134.23	57.82	22.03	6.62	2.96	10.27	5.65	239.58
Balance as on 31.03.2021	136.16	63.90	13.15	6.98	3.86	7.95	7.93	239.93
(%) of change in value	-1.42	-9.51	67.53	-5.16	-23.32	29.18	-28.75	

Note:- (i) 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

(ii) The title deed of building is held in the name of the Corporation as reported above.

(iii) There is no revaluation and retirement/disposal carried out by the Corporation during the years as reported above

Note No. - 6.1 : Property, plant and equipment										BUILDING				(Amount in Rs. Lakh)	
PARTICULARS	GODOWN					NIRGUNDI					SAMBALPUR		OFFICE		TOTAL
	ANGUL	BALASORE	BERHAMPUR	JAJPUR								BHUBANESWAR			
<b>(A) GROSS BLOCK:</b>															
Balance as on 01.04.2021	116.21	99.26	54.21	60.34		314.23	413.84			219.17				1,277.26	
Balance as on 01.04.2020	116.21	33.27	54.21	60.34		314.23	413.84			219.17				1,211.27	
Addition (Previous Year:2020-21)	-	-	62.00	98.10		-	-			250.84				410.94	
Deletion (Previous Year:2020-21)	-	-	-	-		-	-			-				65.99	
Balance as on 31.03.2022	116.21	99.26	116.21	158.44		314.23	413.84			470.01				1,688.20	
Balance as on 31.03.2021	116.21	99.26	54.21	60.34		314.23	413.84			219.17				1,277.26	
<b>(B) AMORTIZATION:</b>															
Balance as on 01.04.2021	116.21	51.59	54.22	60.34		209.48	293.75			176.56				962.15	
Balance as on 01.04.2020	116.21	30.71	46.47	60.34		104.74	213.69			103.50				675.66	
Depreciation / Amortisation for the Year (Previous Year:2020-21)	-	22.00	20.66	32.70		104.74	80.06			77.46				337.62	
Balance as on 31.03.2022	116.21	73.59	74.88	93.04		314.22	373.81			254.02				1,299.77	
Balance as on 31.03.2021	116.21	51.59	54.22	60.34		209.48	293.75			176.56				962.15	
<b>(C) NET BLOCK</b>															
Balance as on 31.03.2022	-	25.67	41.33	65.40		0.01	40.03			215.99				388.43	
Balance as on 31.03.2021	-	47.67	-0.01	-		104.75	120.09			42.61				315.11	



(Amount in Rs. Lakh)

<b>Note No. - 7.1 : Intangible assets</b>	
<b>FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST MARCH, 2022</b>	
<b>PARTICULARS</b>	<b>SOFTWARE</b>
<b>(A) GROSS BLOCK:</b>	
Balance as on 01.04.2021	167.13
Balance as on 01.04.2020	109.85
Addition during the year (Previous Year:2020-21)	- 57.28
Deletion during the year (Previous Year:2020-21)	- -
Balance as on 31.03.2022	167.13
Balance as on 31.03.2021	167.13
<b>(B) AMORTISATION:</b>	
Balance as on 01.04.2021	74.26
Balance as on 01.04.2020	43.94
Amortisation for the year (Previous Year:2020-21)	33.43 30.32
Adjustments to Dep. (Previous Year:2020-21)	- -
Balance as on 31.03.2022	107.69
Balance as on 31.03.2021	74.26
<b>(C) NET BLOCK</b>	
Balance as on 31.03.2022	59.44
Balance as on 31.03.2021	92.87
(%) of change in value	-36.00

Note:- (i) 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

(ii) There is no revaluation and retirement/disposal carried out by the Corporation during the years as reported above

**12. Deferred Tax**

(Amount in Rs. Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book and tax on lease liability	133.61	107.49
	133.61	107.49
<b>Tax effect of items constituting deferred tax assets</b>		
Difference between closing book and tax on Right of Use of assets	135.73	110.11
Difference between closing WDV of book and tax on depreciation of PPE & Intangible Assets	4.05	2.17
Due to leave encashment & Gratuity	17.00	11.47
	156.78	123.75
Deferred tax (assets)/ liabilities (net)	<b>-23.17</b>	<b>-16.26</b>
Tax Credit (Minimum alternative tax)	-	-

(Amount in Rs. Lakh)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st march 2022 are summarized as follows:

Deferred tax (assets)/ liabilities (net)	As at 1st April 2021	Recognized in profit or loss	Recognized in other comprehensive income	As at 31st March, 2022
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between closing book and tax on lease liability	107.49	26.12	-	133.61
Adjustments through OCI	-	-	-	-
	107.49	26.12	-	133.61
<b>Tax effect of items constituting deferred tax assets</b>				
Difference between closing book and tax on Right of Use of assets	110.11	25.62	-	135.73
Difference between closing WDV of book and tax on depreciation of PPE & Intangible Assets	2.17	1.88	-	4.05
Due to leave encashment	7.14	3.41	-	10.55
Due to gratuity	4.33	2.06	0.06	6.45
	123.75	32.97	0.06	156.78
Deferred tax (assets)/ liabilities (net)	<b>-16.26</b>	<b>-6.85</b>	<b>-0.06</b>	<b>-23.17</b>

**12.1 Deferred Tax**

(Amount in Rs. Lakh)

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st march 2021 are summarized as follows:

Deferred tax (assets)/ liabilities (net)	As at 1st April 2020	Recognized in profit or loss	Recognized in other comprehensive income	As at 31st March, 2021
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between closing book and tax on lease liability	183.57	-76.08	-	107.49
Difference between closing WDV of book and tax on depreciation of PPE & Intangible Assets	-	-	-	-
Adjustments through OCI	-	-	-	-
	183.57	-76.08	-	107.49
<b>Tax effect of items constituting deferred tax assets</b>				
Difference between book and tax on Right of Use of assets	187.16	-77.05	-	110.11
Difference between closing WDV of book and tax on depreciation of PPE & Intangible Assets	7.15	-4.98	-	2.17
Due to leave encashment	5.10	2.04	-	7.14
Due to gratuity	2.59	1.39	0.35	4.33
	202.00	-78.60	0.35	123.75
Deferred tax (assets)/ liabilities (net)	<b>-18.43</b>	<b>2.52</b>	<b>-0.35</b>	<b>-16.26</b>



**Note No. - 22.1 : Lease liability**

PARTICULARS	BUILDING										TOTAL	
	GODOWN					OFFICE						
	ANGUL	BALASORE	BERHAMPUR	JAIPUR	NIRGUNDI	SAMBALPUR	BHUBANESWAR					
<b>LEASE OBLIGATION:</b>												
Balance as on 01.04.2021	0.00	47.54	-	-	100.86	118.99	-	-	40.22	307.62		
Balance as on 01.04.2020	0.00	2.77	5.12	-	207.16	198.97	-	-	111.32	525.35		
Addition (Previous Year:2020-21)	-	-	62.00	98.10	-	-	-	-	250.84	410.94		
	-	65.99	-	-	-	-	-	-	-	65.99		
<b>INTEREST ON LEASE OBLIGATION</b>												
Addition (Previous Year:2020-21)	-	2.05	0.70	1.96	17.24	11.16	-	-	7.75	40.86		
	-	1.65	0.87	-	11.80	6.57	-	-	9.64	30.53		
<b>REPAYMENT OF LEASE OBLIGATION</b>												
Addition (Previous Year:2020-21)	-	24.00	22.10	36.48	118.10	90.59	-	-	85.79	377.06		
	-	22.87	5.99	-	118.10	86.55	-	-	80.74	314.25		
Balance as on 31.03.2022	0.00	25.59	40.60	63.58	-	39.56	-	-	213.02	382.36		
Balance as on 31.03.2021	0.00	47.54	-	-	100.86	118.99	-	-	40.22	307.62		

**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 31<sup>st</sup> March, 2022 have been approved and authenticated by the Board of Directors on its 93<sup>rd</sup> meeting held on 29<sup>th</sup> August, 2022.

**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) Current & Non-current classification**

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

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

- i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle or
- ii) It is held primarily for the purpose of trading or
- iii) It is expected to realise the asset within twelve months after the reporting period or
- iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i) It is expected to be settled in the normal operating cycle or
- ii) It is held primarily for the purpose of trading or
- iii) It is due to be settled within twelve months after the reporting period or



- 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.

**(c) 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.

**(d) 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.

**(e) 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.

**(f) Adoption of New and Revised Standards :**

No New standard has been adopted during the current financial year.

**(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.

**1. Property, Plant and Equipment****1.1 Recognition and Measurement**

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

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

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

**1.2 Subsequent Cost**

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

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

**1.3 De-recognition**

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

**1.4 Depreciation**

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



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

### **1.5 Capital Work-In-Progress**

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

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

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

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

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

### **1.6 Deemed cost on transition to Ind AS**

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

## **2. Intangible assets and intangible assets under development**

### **2.1 Initial recognition and measurement**

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

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

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

### **2.2 Subsequent cost**

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is

probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

### **3. Impairment of Non-Financial Assets**

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

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

### **4. Dividend**

Dividends and interim dividends payable to the Shareholder are recognised as changes in equity in the period in which they are approved by the shareholders and the Board of directors respectively.

### **5. Government Grants**

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

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

### **6. Employee Benefits**

#### **6.1 Defined Contribution Plan**

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

#### **6.2 Defined Benefit Plan**

The Company's gratuity scheme is a defined benefit plan. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment of an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of Five years of service. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognizes each



period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows using projected unit credit method. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields of Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss or Other Comprehensive Income of the year.

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

### **6.3 Short Term Employee Benefits**

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

### **6.4 Long Term Employee Benefits**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. In case of own employees of the company, the expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. For deputed employees, the retirement benefits are remitted as and when claimed by their respective department/organisation.

## **7. Revenue**

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

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

### **7.1 Sale of goods**

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

### **7.2 Cash Discount**

The Company has recognised cash discount earned for making early payment to suppliers as per the

Company's Supply Chain Management Policy treated as "Other Income"

### **7.3 Interest**

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

### **8. Recognition of purchase**

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

### **9. Adjustment pertaining to Earlier Years**

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

### **10. Leases**

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

### **11. Provisions, Contingent Liabilities and Contingent Assets**

#### **11.1 Provisions and Contingent Liabilities**

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

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





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

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

### **11.2 Contingent Assets**

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

## **12. Income Taxes**

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized either in OCI or in equity.

## **13. Cash and Cash Equivalents**

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

## **14. Equity and Reserves**

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



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

## 15. Financial Instruments

### 15.1 Initial recognition & measurement

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

### 15.2 Classification and subsequent measurement of financial assets

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

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

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

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

### 15.3 Amortised cost

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

### 15.4 Financial assets at FVTPL

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



### **15.5 Financial assets at FVOCI**

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

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

### **15.6 Classification and subsequent measurement of financial liabilities**

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

### **15.7 Impairment of Financial Assets**

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

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

### **15.8 Trade Receivables**

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

### **15.9 Other Financial Assets**

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

### **15.10 De-recognition**

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

## **16. Earnings per Share**

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

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

1. 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.
2. The debit balances under Sundry creditors operating & defunct amounting to ₹21.40 Lakhs as on 31.03.2022 & ₹5.87 Lakhs as on 31.03.2021 have been shown under the head "Receivable from Suppliers" in Other Current Assets (**Note-19**) and the credit balance under Sundry debtors amounting to ₹1438.41 Lakhs as on 31.03.2022 & ₹919.74 Lakhs as on 31.03.2021 have been shown under the head "Advance from Customers" in Other Current liabilities (**Note-28**).
3. **Disclosures as per IND AS-24 on "Related Party Disclosures":**

As per Indian Accounting Standard – 24 (Ind-AS 24) 'Related Party Disclosures' prescribed under Companies Act 2013 the details of names of the related parties and transactions with them excluding Government controlled enterprises are given below:

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

*(Amount in Rs. Lakh)*

Transactions with Key Management Personnel	Current Year	Previous Year
Short Term Employee Benefit		
Sri. Saroj Kumar Sethi	7.42	19.34
Post Employment Benefit	NIL	NIL
Other Long Term Benefit	NIL	NIL
Termination Benefit	NIL	NIL
Share Based Payments	NIL	NIL

**4. Audit Fee (including GST):**

Particulars	(Amount in Rs. Lakh) Current Year	(Amount in Rs. Lakh) Previous Year
As Statutory Auditor	4.13	3.54
<b>Total</b>	<b>4.13</b>	<b>3.54</b>

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

### Computation Details

Particulars	Current Year		Previous Year	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
<b>A.</b> Earnings attributable to Equity Share holder ( Amount ₹ in Lakh)	1863.81	1863.81	2087.15	2087.15
<b>B.</b> Weighted avg. of outstanding Equity share During the Year ( Number in Lakhs )	10.00	10.00	10.00	10.00
<b>C.</b> EPS (A/B) (in ₹)	186.38	186.38	208.72	208.72
<b>D.</b> Face Value of Share (₹)	10.00	10.00	10.00	10.00

## 6 Disclosure as per IND AS-19 on “Employee benefits”:

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

### A. Leave Encashment

Changes in Present Value of Obligation			Amount (Rs. Lakh)
Particulars	Current Year	Previous Year	
Present value of obligation as on last valuation	2043907.00	1461391.00	
Current Service Cost	791083.00	563276.00	
Interest Cost	149614.00	100836.00	
Participant Contribution	0.00	0.00	
Plan Amendments: Vested portion at end of period(Past Service)	0.00	0.00	
Plan Amendments: Non-Vested portion at end of period(Past Service)	0.00	0.00	
Actuarial gain/loss on obligations due to Change in Financial Assumption	-231898.00	-80888.00	
Actuarial gain/loss on obligations due to Change in Demographic assumption	-589814.00	0.00	
Actuarial gain/loss on obligations due to Unexpected Experience	857127.00	-708.00	
Actuarial gain/loss on obligations due to Other reason	0.00	0.00	
The effect of change in Foreign exchange rates	0.00	0.00	
Benefits Paid	0.00	0.00	
Acquisition Adjustment	0.00	0.00	
Disposal/Transfer of Obligation	0.00	0.00	
Curtailment cost	0.00	0.00	
Settlement Cost	0.00	0.00	
Other(Unsettled Liability at the end of the valuation date)	0.00	0.00	
Present value of obligation as on valuation date	3020019.00	2043907.00	
Accrued leave Encashment	3870389.00	2429113.00	



Changes in Fair Value of Plan Assets			Amount ( in Rs.)
	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 Rs.)
	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	3020019.00	2043907.00

Plan Assumptions			Amount ( in Rs.)
	Particulars	Current Year	Previous Year
	Discount Rate	7.32%	6.90%
	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)	25	25
	Mortality Table	IALM 2012-14 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 Rs.)
	Particulars	Current Year	Previous Year
	Current Service Cost	791083.00	563276.00
	Past Service Cost(vested)	0.00	0.00
	Past Service Cost(Non-Vested)	0.00	0.00
	Net Interest Cost	149614.00	100836.00
	Cost(Loss/(Gain) on settlement		0.00
	Cost(Loss/(Gain) on curtailment	0.00	0.00
	Actuarial Gain/loss	35415.00	81596
	Employee Expected Contribution	0.00	0.00
	Net Effect of changes in Foreign Exchange Rates	0.00	0.00
	Benefit Cost(Expense Recognized in Statement of Profit/loss)	976112.00	582516.00

Other Comprehensive Income			Amount ( in Rs.)
	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
	<b>Total Actuarial (gain)/losses</b>	<b>0.00</b>	<b>0.00</b>
	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	0.000931
30	0.000977
35	0.001202
40	0.001680
45	0.002579
50	0.004436
55	0.007513
60	0.011534
65	0.015932
70	0.024058



Sensitivity Analysis				
Previous Year		Particulars	Current Year	
Increase	Decrease		Increase	Decrease
2646599.00	3155352.00	Discount Rate (-/+ 0.5%)	3542905.00	4220181.00
-8.354%	9.263%	%Change Compared to base due to sensitivity	-8.309%	9.219%
3155092.00	2644751.00	Salary Growth (-/+ 0.5%)	4221340.00	3539235.00
9.254%	-8.418%	%Change Compared to base due to sensitivity	9.249%	-8.404%
2888601.00	2887099.00	Attrition Rate (-/+ 0.5%)	3865624.00	3862300.00
0.026%	-0.026%	%Change Compared to base due to sensitivity	0.043%	-0.043%
2888832.00	2886868.00	Mortality Rate (-/+ 10%)	3866126.00	3861798.00
0.034%	-0.034%	%Change Compared to base due to sensitivity	0.056%	-0.056%

Benefit Information and Estimated Future payments	
Year	Indian Rupees(₹)
1	27287.00
2	30188.00
3	32746.00
4	35354.00
5	38239.00
6 to 10	228107.00
More than 10 years	12371241.00
Total Undiscounted Payments Past and Future Service	0.00
Total Undiscounted Payments related to Past Service	12763163.00
Less-Discount For Interest	9743144.00
Projected Benefit Obligation	3020019.00

Expected return on Plan Asset			Amount ( in Rs.)
	Particulars	Current Year	Previous Year
	Current liability	26340.00	16800.00
	Non-Current Liability	2993679.00	2027107.00
	Net Liability	3020019.00	2043907.00





## B. Gratuity

Changes in Present Value of Obligation			Amount ( in Rs.)
	Particulars	Current Year	Previous Year
	Present value of obligation as on last valuation	1237925.00	740698.00
	Current Service Cost	498436.00	347066.00
	Interest Cost	90616.00	51108.00
	Participant Contribution	0.00	0.00
	Plan Amendments: Vested portion at end of period(Past Service)	0.00	0.00
	Plan Amendments: Non-Vested portion at end of period(Past Service)	0.00	0.00
	Actuarial gain/loss on obligations due to Change in Financial Assumption	-144817.00	-49692.00
	Actuarial gain/loss on obligations due to Change in Demographic assumption	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	162847.00	148745.00
	Actuarial gain/loss on obligations due to Other reason	0.00	0.00
	The effect of change in Foreign exchange rates	0.00	0.00
	Benefits Paid	0.00	0.00
	Acquisition Adjustment	0.00	0.00
	Disposal/Transfer of Obligation	0.00	0.00
	Curtailment cost	0.00	0.00
	Settlement Cost	0.00	0.00
	Other(Unsettled Liability at the end of the valuation date)	0.00	0.00
	Present value of obligation as on valuation date	1845007.00	1237925.00

Changes in Fair Value of Plan Assets			Amount ( in Rs.)
	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 Rs.)
	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	1854238.00	1237925.00
Plan Assumptions			Amount ( in Rs.)
	Particulars	Current Year	Previous Year
	Discount Rate	7.32%	6.90%
	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)	25	25
	Mortality Table	IALM 2012- 2014	IALM 2006- 2008 Ultimate
	Superannuation at age-Male	60	60
	Superannuation at age-Female	60	60
	Attrition Rate	1%	1.00%
	Voluntary Retirement	Ignored	Ignored

Expense Recognized in statement of Profit/Loss			Amount ( in Rs.)
	Particulars	Current Year	Previous Year
	Current Service Cost	498436.00	347066.00
	Past Service Cost(vested)	0.00	0.00
	Past Service Cost(Non-Vested)	0.00	0.00
	Net Interest Cost	90616.00	51108.00
	Cost(Loss/(Gain) on settlement	0.00	0.00
	Cost(Loss/(Gain) on curtailment	0.00	0.00
	Net Actuarial Gain loss	0.00	0.00
	Employee Expected Contribution	0.00	0.00
	Net Effect of changes in Foreign Exchange Rates	0.00	0.00
	Benefit Cost(Expense Recognized in Statement of Profit/loss)	589052.00	398174.00



Other Comprehensive Income			Amount ( in Rs.)
	Particulars	Current Year	Previous Year
	Actuarial gain/loss on obligations due to Change in Financial	-144817.00	-49692.00
	Actuarial gain/loss on obligations due to Change in Demographic	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	162847.00	148745.00
	Actuarial gain/loss on obligations due to Other reason	0.00	0.00
	<b>Total Actuarial (gain)/losses</b>	18030.00	99053.00
	Return on Plan Asset Excluding Interest Income	0.00	0.00
	The effect of asset ceiling	0.00	0.00
	Balance at the end of the Period	18030.00	99053.00
	Net(Income)/Expense for the Period Recognized in OCI	18030.00	99053.00

Mortality Table	
Age	Mortality (Per Annum)
25	0.000931
30	0.000977
35	0.001202
40	0.001680
45	0.002579
50	0.004436
55	0.007513
60	0.011534
65	0.015932
70	0.024058

Sensitivity Analysis				
Previous Year		Particulars	Current Year	
Increase	Decrease		Increase	Decrease
1133098.0	1354265.00	Discount Rate (-/+ 0.5%)	1688532.00	2018899.00
-8.468%	9.398%	%Change Compared to base due to sensitivity	-8.481%	9.425%
1354166.0	1132280.00	Salary Growth (-/+ 0.5%)	2019508.00	1686705.00
9.390%	-8.534%	%Change Compared to base due to sensitivity	9.458%	-8.580%
1237479.0	1238371.00	Attrition Rate (-/+ 0.5%)	1843568.00	1846465.00
-0.036%	0.036%	%Change Compared to base due to sensitivity	-0.078%	0.079%
1238371.0	1237479.00	Mortality Rate (-/+ 10%)	1846114.00	1843882.00
0.036%	-0.036%	%Change Compared to base due to sensitivity	0.060%	-0.061%



<b>Cash Flow Information</b>	
<b>Particulars</b>	<b>Indian Rupees(₹)</b>
Next Year Total (Expected)	2513760.00
Minimum Funding Requirements	0.00

<b>Benefit Information Estimated Future payments( Past and Future Service)</b>	
<b>Year</b>	<b>Indian Rupees(₹)</b>
1	15596.00
2	17249.00
3	18645.00
4	20153.00
5	21823.00
6 to 10	131406.00
More than 10 years	7780422.00
Total Undiscounted Payments Past and Future Service	0.00
Total Undiscounted Payments related to Past Service	8005294.00
Less-Discount For Interest	6160287.00
Projected Benefit Obligation	1845007.00

<b>Outlook Next Year Components of Net Periodic benefit Cost Next Year</b>	
<b>Particulars</b>	<b>Indian Rupees(₹)</b>
Current service Cost(Employer portion Only) Next period	534880.00
Interest Cost next period	134484.00
Expected Return on Plan Asset	0.00
Unrecognized past service Cost	0.00
Unrecognized actuarial/gain loss at the end of the period	0.00
Settlement Cost	0.00
Curtailement Cost	0.00
other( Actuarial Gain/loss)	0.00
Benefit Cost	669364.00

<b>Expected return on Plan Asset</b>			<b>Amount ( in Rs.)</b>
	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
	Current liability	15055.00	9815.00
	Non-Current Liability	1829952.00	1228110.00
	Net Liability	1845007.00	1237925.00



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

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

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

### A. Claims against the company not acknowledged as debt

#### i. 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 (₹) (Lakhs)	Amount Paid (₹) (Lakhs)	Status
1	Prior Years	18.16	0.00	Revised return filed
2	2018-19	0.69	0.00	Revised return filed
3	2019-20	0.00	0.00	Revised return filed
4	2021-22	1.96	0.00	Revised return filed
	<b>Total</b>	<b>20.81</b>	<b>0.00</b>	

#### ii Service Tax

SI. 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 Interest 1.43 Penalty 174.36 Cost 0.05 <b>Total 350.20</b>	175.79	174.41	The 2 <sup>nd</sup> Appeal before CESTAT/GSTAT Kolkata Bench is pending for hearing & disposal.
2	2012-13 2013-14 2014-15	CESTAT/GSTAT Kolkata Bench	Tax 1029.79 Interest 437.66 Penalty 1029.79 Cost 0.05 <b>Total 2497.29</b>	77.23	2420.06	The 2 <sup>nd</sup> 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 <b>Total 1478.97</b>	0.00	1478.97	Commissioner CGST Bhubaneswar.
4	2012-13 to 2016 - 17	CESTAT/GSTAT Kolkata Bench	Tax 5388.08 Penalty 5388.08 Cost 0.05 <b>Total 10776.21</b>	404.10	10372.11	The 2 <sup>nd</sup> Appeal before CESTAT/GSTAT Kolkata Bench is pending for disposal.
		<b>Total</b>	<b>15102.67</b>	<b>657.12</b>	<b>14445.55</b>	

**iii. Sales Tax:**

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

**iv. Entry Tax:**

Sl. No	Year	Forum in which Pending	Amount of Contingent Liability (₹ in Lakh )	Amount Paid (₹ in Lakh.)	Status
1	2007-09	Deputy Commissioner of Sales Tax Circle –II BBSR	0.80	0.00	The Demand of additional interest has been 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.
		<b>Total</b>	<b>676.95</b>	<b>0.00</b>	

**B. Commitments:**

Amount ₹ in Lakh

Sl. No.	Particulars	Current Year	Previous Year
(i)	Estimated amount of contracts net of advances remaining to be executed for Capital expenditure and not provided for.		
	Bridge & Roof Co. at Khurda Depot.	38.25	611.69
	NBCC at Sonapur Depot	247.95	451.25
	NPCC at Angul Depot	263.56	1078.19
	Chief Engineer (Building), BBSR at Rayagada depot	1103.10	1103.10
	IDCO at Berhampur Depot.	564.24	1391.27
(ii)	Other Commitments (If specify nature)	0.00	0.00



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

#### **V. Godown Rent:**

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

#### **Vi. 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.

#### **Vii. Others:**

<b>Sl. No.</b>	<b>Forum in which pending</b>	<b>Matter of Cases</b>	<b>Nos. of Cases</b>
01	Civil Judge (Jr.) Division BBSR	Claim for enhancement of Loading & Unloading.	2 No. of Cases
02	District Judge (Khurda) BBSR	Loading & Unloading	4 No. of Cases
03	Arbitrator	Loading & Unloading relating to realization of bidding amount.	4 No. of Cases
04	State Consumer Dispute Redresal Commission, Odisha (Cuttack)	Godown Insurance	1No. of Case
05	Civil Judge Division Sambalpur	Godown Rent	1No of Case
06	Hon.ble High court of Odisha	Challenging the Liquor Sourcing Policy (LSP) for the FY-2015-16 on reduction of offer price.	5 No of Cases
07	Hon.ble High court of Odisha	Cases related with Minimum Guaranteed Quota (MGQ) of CS retailers.	13 No of Cases
08	Hon.ble High court of Odisha	E-payment by retailers	15 No. of Cases
09	Hon.ble High court of Odisha	Excise Adhesive level	1 No. of case
10	Hon.ble High court of Odisha	Service related	24 No. of Cases
11	Hon.ble High court of Odisha	Sales Tax related	4 No. of Cases
12	Hon.ble High court of Odisha	Tender notice challenged	2 No. of Cases
13	Civil Judge (Sr.) Division BBSR	Insurance Related	4 No. of Cases
14	State Human Right Commission	Payment of wages for loading & unloading	1 No. of Case
15	Hon.ble High court of Odisha	Formation of Union Challenged	1 No. of Case
16	Labour Court, bhubaneswar	Implementation Award	1 No. of Case
17	District Labour Commissioner	Conciliation proceeding, DLC, Khurda	1 No. of Case

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

## 9. Corporate Social Responsibility

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

Particulars	Amount ₹ in Lakh	
	Current Year	Previous Year
Amount required to be spent during the year (Obligation)	78.98	73.17
Amount spent during the year	33.29	168.08*

\*During the Financial Year 2020-21, the CSR unspent amount of earlier year has been returned back and same has been netted off with the total CSR expenditure and as a result the net CSR spent amount during the FY-2020-21 has been reduced to that extent.

### **Unutilised/Short fall of CSR expenses:**

Due to pandemic of COVID-19 and suitable proposal towards other than ongoing project, the Corporation has transferred the unutilized amount to its newly opened Unspent CSR bank account. Further, in its 28<sup>th</sup> meeting of the CSR Committee decided to utilize unspent amount towards identified ongoing project and the same approved by its 92<sup>th</sup> BOD meeting.

**The details of nature & activity towards CSR expenses are given below**

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Mode of Implementation through implementing agency	Current Year	Previous Year
1	Observation 26 <sup>th</sup> June, 2020 as International against Drug Abuse & illicit Trafficking	Health care including preventive health care (Caluse-i of SCH-VII)	Through all District Collectors & Commissioner, BMC	-	8.25
2	Setting up Sanitary Napkin Unit	Health care including preventive health care (Caluse-i of SCH-VII)	KISS	9.53	-
3	Cutting of illegal hemp cultivation	Health care including preventive health care (Caluse-i of SCH-VII)	Sun Solutions	0.72	-





4	Promotion of education for the differently abled students	Promoting Education (Caluse-ii of SCH-VII)	The Orissa Association For The Blind", Bhubaneswar	-	3.97
5	E-learning facilities in Govt. Aided School	Promoting Education (Caluse-ii of SCH-VII)	Rotary Club, Mahanadi Vihar, Cuttack	-	1.64
6	Procurement of 3 nos of ALS Ambulance by DMET, Odisha	Health care (Caluse-i of SCH-VII)	D.M.E.T., Odisha	-	143.38
7	Sponsoring 15 students for skill development training	Skill development (Caluse-ii of SCH-VII)	CIPET, Bhubaneswar	6.78	6.78
8	Sponsoring 10 students for skill development training	Skill development (Caluse-ii of SCH-VII)	CIPET, Balasore	9.26	-
9	Development of Science Laboratory & Drinking Water facility	Promoting Education (Caluse-ii of SCH-VII)	Brajasundar Govt. High School, Jajpur	-	10.00
10	Development of Science Laboratory & Drinking Water facility	Promoting Education (Caluse-ii of SCH-VII)	Kanigadia Sarbeswar High School, Tentulia, Balasore	-	5.00
11	Old age home for blind persons	Setting up Old age home (Caluse-iii of SCH-VII)	The Orissa Association For The Blind", Bhubaneswar	7.00	-
12	Establishment of Library & Science Laboratory	Promoting Education (Caluse-ii of SCH-VII)	Govt. Nodal High School, Agalpur Block, Bolangir		5.00
		<b>Total</b>		<b>33.30</b>	<b>184.02</b>

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

#### 11. Disclosure towards Key Financial Ratios

The Corporation has disclosed each key financial ratios having more than 25% variation as compared to preceding year. The details of ratios are given below.



Sl. No.	Particulars		Current Year	In terms of ratio	Previous Year	In terms of ratio	(%) of Change in ratio	Reasons
1	Current Ratio	Current Assets/Current Liabilities	58,106.05	1.5100	87,963.55	1.3300	13.53	
			38,389.61		66,364.94			
2	Net Profit Ratio	Net Profit /Net Revenue	1,863.81	0.0031	2,087.15	0.0053	(41.45)	Due to Donation to CMRF as compared to previous year
					601,139.35			
3	Trade Receivables Turnover Ratio (Average Receivables days)	365	NA	-	NA	-		
		(Net Revenue / Average Trade receivables)						
4	Trade Payables Turnover Ratio ((Average Payable days)	365	NA	-	NA	-		
		(Net Revenue / Average Trade payables)						
5	Inventory Turnover ratio ((Average Inventory days)	365	NA	-	NA	-		
		(Net Revenue / Average Inventories)						
6	Return on Capital Employed	Total Comprehensive (Income + Interest)/ Average of (Equity + Total Debt)	1,863.81	0.0757	2,087.15	0.0607	24.98	Due to adjustment of pending earlier income tax matter
			24,628.37		34,391.06			
7	Debt to Equity Ratio	Total Debts	NA	-	NA	-		
		Total Equity						
8	Retrun on Equity	Total Comprehensive Income / Average Total Equity	1,863.81	0.0757	2,087.15	0.0607	24.98	Due to adjustment of pending earlier income tax matter
			24,628.37		34,391.06			
9	Debt Service Coverage Ratio	(EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans))	NA	-	NA	NA	-	



## 12. Disclosure of Statutory dues towards VAT and TCS

The Corporation has paid / has payable an amount of Rs.203893.66 lakhs (Previous year- Rs. 132936.61 lakhs) and Rs 7981.21 lakhs (Previous Year- Rs. 5772.34 lakhs) to Government of Odisha towards VAT (Value Added tax) and TCS (Tax Collected at Source) respectively on sale of Liquor during the year 2021-22.

## 13. Disclosure of Special COVID fee.

The Corporation has paid / payable an amount of Rs. 0.00 (Previous Year- Rs 57077.53 lakhs) towards special covid fee levied by Government of Odisha on sale of IMFL and Beer during the year 2021-22.

## 14. Previous year Figure

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

## 15. Rounding off

Figures are rounded off to nearest Rupees in Lakhs

**For Nag & Associates**  
**Chartered Accountants**  
 FRN : 312063E

**For and On behalf of the Board of Directors**

**Sd/-**  
**( S. P. Padhi )**  
**Partner**  
 M. No. - 053292  
 Place: Bhubaneswar  
 Date: 29.09.2022

**Sd/-**  
**General Manager (A & A)**

**Sd/-**  
**Director**  
**DIN:06729202**

**Sd/-**  
**Managing Director**  
**DIN:09649278**