

17th ANNUAL REPORT 2016-2017



ODISHA STATE BEVERAGES CORPORATION LIMITED

(A GOVERNMENT OF ODISHA UNDERTAKING)

2ND FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR,

BHUBANESWAR-751023 (ODISHA), www.osbc.gov.in

CIN: U51228OR2000SGC006372

CONTENTS

	Pages
Board of Directors	1
Directors' Report	2-15
Replies of the Management on the comments of the Statutory Auditors	16-20
Replies of the Management on the comments of the Comptroller and Auditor General of India	21-24
Extract of Annual Return	25-28
CSR Report	29-34
Independent Auditors' Report	35-50
Balance Sheet	51
Statement of Profit & Loss	52
Cash Flow Statement	53-54
Notes to Balance Sheet	55-57
Notes to Profit and Loss Account	58-59
Significant Accounting Policies	60-63
Notes to Financial Statements	64-73

**BOARD OF DIRECTORS AS ON 31.03.2017**

- | | | |
|----|-----------------------------------|----------------------|
| 1. | Shri Bishnupada Sethi, IAS | Chairman |
| 2. | Shri Saswat Mishra, IAS | Director |
| 3. | Shri Prasanta Kumar Senapati, IAS | Director |
| 4. | Shri Aswini Kumar Mishra, IA & AS | Director |
| 5. | Shri Madhu Sudan Mishra | Director |
| 6. | CA. Arun Kumar Sabat, FCA. | Independent Director |
| 7. | Shri Prasanna Kumar Parida | Independent Director |
| 8. | Shri Dwijaraj Kar, IAS | Managing Director |

BOARD OF DIRECTORS AS ON 08.09.2017

- | | | |
|----|-----------------------------------|----------------------|
| 1. | Shri Vir Vikram Yadav, IAS | Chairman |
| 2. | Shri Saswat Mishra, IAS | Director |
| 3. | Shri Prasanta Kumar Senapati, IAS | Director |
| 4. | Shri Madhu Sudan Mishra | Director |
| 5. | Shri Prasanna Kumar Parida | Independent Director |
| 6. | Shri Dwijaraj Kar, IAS | Managing Director |

STATUTORY AUDITORS:

M/s. GRC & Associates.
Chartered Accountants
N-6/432, 1st Floor, IRC Village, Nayapalli,
Bhubaneswar, Odisha-751015.

BANKERS:

Union Bank of India
State Bank of India.
IDBI Bank Limited

REGISTERED OFFICE:

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



DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, I convey my immense pleasure in presenting the 17th Annual Report of Odisha State Beverages Corporation Limited and the Audited Accounts for the year ended 31st March, 2017 together with the reports of the Statutory Auditors and the Comptroller & Auditor General of India thereon.

1. FINANCIAL HIGHLIGHTS:

The financial results of the Corporation for the year ended 31st March 2017 vis-a-vis 31st March 2016 are

PARTICULARS	For the Financial Year ended on 31.03.2017 (Rupees in lakhs)	For the Financial Year ended on 31.03.2016 (Rupees in lakhs)
Total Revenue	329,218.24	319,356.97
Total Expenses	325,285.74	314,342.45
Profit Before tax	3,932.50	5,014.52
Tax Expenses		
Current Tax	1,385.48	1,382.97
Deferred Tax Liability/ (Assets)	(1.98)	2.23
Profit after Tax	2,549.00	3,629.32
Appropriation :		
General Reserve	254.90	362.93
Dividend	764.70	1,088.78
Dividend Tax	132.29	221.65

2. SUMMARY OF OPERATIONS:

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

Your Corporation, from the date of its legal reorganization, has been vested with the exclusive right and privilege of importing, exporting and carrying on the wholesale trade and distribution of foreign liquors, beverages of different kind and 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. 329,218.24 lakh and the total expenditure was Rs. 325,285.74 lakh with the net profit after tax for the financial year at Rs. 2,549.00 lakh.

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

3. DIVIDEND AND APPROPRIATIONS:

During the year the Board of Directors have recommended Dividend of 30% of the profit after tax amounting to Rs. 764.70 lakh, subject to the approval of the shareholders of the Corporation at the ensuing Annual General Meeting which will result an outflow of Rs. 764.70 lakh in addition to the dividend distribution tax amounting to Rs. 132.29 lakh as per Income Tax Act.

4. RESERVES:

Like previous year, the Board of Directors of your Corporation proposes to transfer Rs. 254.90 lakh to reserve.

5. AWARDS AND RECOGNITION:

During the Financial Year your Corporation has received Skoch-Order-Of-Merit award for computerization of OSBC Ltd. online process in the 45th Skoch summit on 8th – 9th September, 2016 at HICC Complex, Hitec City, Hyderabad.

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

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

i. Changes in the nature of the Business:

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

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

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



7. COMPUTERISATION INITIATIVE OF OSBC:

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

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

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

Phase 3: Payment integration & management reporting

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

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

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

1. Movement of Indents is done manually from Supplier -> OSBC -> Excise Spdt. The process usually takes 2-3 days. With the current system developed, it is just a matter of 2-3 hours till Indent approval process is completed. Moreover, it includes Godown Manager's point of view. The Permit Process as a whole which used to take about 4-5 days is now a one day affair.
2. Introduction of e-wallet system has minimized movement of multiple demand drafts across the stakeholders (Supplier, OSBC & Excise). Generally the realisation of amount for each DD used to take 4-5 working days. Now, with the e-wallet system in place, the process time of payments (towards excise duty) is reduced from 4-5 days to few hours.
3. Calculation of Excise Duty, Taxes, Other fee etc. is taken care by the system. Moreover, the majority fields in the Permit Pass are populated by system, thereby minimising human effort and error.



4. The dispatch records (filled by supplier at the time of dispatch of consignment from source), which used to be kept in hard copies previously, are now captured in the system and tracked as and when required.
5. Permits at the Depot gate need not be manually verified in order to know its validity. Expired Permits are automatically filtered by the system for revalidation. Revalidation process, which usually takes 5-10 days, is now a matter of couple of days.

Implementation of Outbound Process:

1. Automation of the out-bound process, i.e. sale of goods to retailers at the depot is being run on a test basis at Chandikhol, Angul and Balangir depots during the year under this report. The process includes selling of stocks to the licensed retailers at the depot by providing them system generated Sales Order, Invoice and Gate Pass.
2. Automation of the outbound process also has come up with getting the real time stock position of the depot.
3. The system generates reports (both real time data and historical data) on day to day transaction at the depot.
4. The system also generates reports on various taxes, duties etc. arising from the transactions.

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.

The decision of exclusion of Liquor from GST regime is going to hit the industry in a big way. Inputs for the alcohol and beverages industry will be subject to GST. The output will be subject to state excise duty and sales tax. As a result, the manufacturers would be bound to quote a higher price for their products. This would further increase the MRP of liquor products.

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



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. However at the time of assessment, the Income Tax Department has disallowed the Whole sale license fees paid for the FY 2013-14 and 2014-15 amounting to Rs. 151.90 Crore and Rs. 61.97 Crore and raised demand of Rs. 100.80 Crore and Rs. 38.07 Crore respectively. The corporation has appealed before the higher forum, the above demanded amount will impact the reserves of the company.

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 to the Chairman of the Audit Committee of the Board. 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 function, process corrective action 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 from part of this Annual Report.

12. INDUSTRIES SCENARIO:

The Odisha State Beverages Corporation Ltd. was incorporated under the Companies Act 1956 on 6th November 2000, with the Register of Companies, Odisha Cuttack, after the changeover of under bond system of distribution and sale of IMFL and Beer throughout the state of Odisha. This system was introduced by legislation Under Section 20.A of Bihar and Orissa Excise Act giving exclusive right and privilege of importing/Exporting and carrying out the wholesale trade and distribution of Foreign Liquor and Country Liquor in the State on behalf



of State Government for the whole State of Odisha. Accordingly no other person shall be entitled to any privilege or License for this in the whole or any part of the State. So, the business operation of the Corporation will depend upon the Excise Policy of Government of Odisha.

13. BUSINESS OUTLOOK:

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

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

14. STATUTORY AUDITORS:

M/s.GRC & Associates, Chartered Accountants, Bhubaneswar has been appointed as Statutory Auditors of the Corporation for the Financial Year 2016-17 by Comptroller and Auditor General of India vide C&AG Letter No.1022 dated 17th August, 2016.

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

The comments of Management on the observations of Statutory Auditor and C&AG of India, on annual accounts of OSBCL for the FY 2016-17 as per the provisions of section 134(3) of the companies Act, 2013 are enclosed at Annexure 1 & 2 respectively.

16. DEPOSITS:

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

17. SHARE CAPITAL

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

As on 31st March, 2017 the Authorized Share Capital of your Corporation remains at Rs. 5,00,00,000/- (Rupees Five Crore Only) comprising 50,00,000 (Fifty Lakh) 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 Lakh) Equity Share of Rs. 10/- each. Government of Odisha and its nominees hold the entire equity share capital of the Corporation.

**18. EXTRACT OF THE ANNUAL RETURN:**

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

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Corporation has been taking initiatives under Corporate Social Responsibility (CSR) for society at large, well before it has been prescribed through the Companies Act, 2013. The Corporation 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 Swach Bharat Kosh, Social Development & Skill Building, Protection of National Heritage, Art and Culture, Creating awareness regarding de-addiction & Promotion of Education.

The Corporation has spent a sum of Rs. 42.47 lakh as CSR expenditure during the year 2016-17 against the total CSR obligation of Rs. 121.52 lakh. CSR report, pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules 2014 forms part of the Boards Report as Annexure-4.

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

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

Conservation of Energy:-

- a) Corporation ensures that the operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in 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 in view of the tremendous growth and enormous work load in day to day business, operational, administrative and promotional activities, 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, 2017 is eight (8) directors. They are as follows:

- | | | |
|----|---|----------------------|
| 1. | Shri Biahnupada Sethi, IAS
Commissioner-cum-Secretary to Govt,
Excise Department. | Chairman |
| 2. | Shri Saswat Mishra, IAS
Commissioner of Commercial Taxes,
Odisha, Cuttack. | Director |
| 3. | Shri Prasanta Kumar.Senapati, IAS
Excise Commissioner,
Odisha, Cuttack. | Director |
| 4. | Shri Aswini Kumar Mishra, IA&AS
Special Secretary to
Govt. in Finance Department. | Director |
| 5. | Shri Madhusudan Mishra
Deputy Director,
P.E. Department,
Govt. of Odisha. | Director |
| 6. | CA Arun Kumar Sabat, FCA | Independent Director |
| 7. | Shri Prasanna Kumar Parida | Independent Director |
| 8. | Shri Dwijaraj Kar, IAS | Managing Director |



Changes in the Board during the period April 01, 2016 to March 31, 2017:-

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

Sl. No.	Name of Director	Designation	Appointment	Cessation
1	Shri S.P.Thakur, IAS	Chairman	-	27/09/2016
2	*Shri Bishnupada Sethi, IAS	Chairman	27/09/2016	-
3	Shri A.K.Parida, OAS (SAG)	Director	-	14/07/2016
4	Shri Madhusudan Mishra	Director	14/07/2016	-
5	Shri Prasanna Kumar Parida	Independent Director	11/01/2017	-

*Shri Bishnupada Sethi, IAS, has ceased to be a director of OSBC Ltd. on 03.05.2017.

Number of meetings of the Board of Directors:-

During the year, Five (5) number of Board meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	No. of Directors attended the meeting
23 rd April, 2016	67 th	4
23 rd July, 2016	68 th	5
30 th September, 2016	69 th	5
30 th November, 2016	70 th	6
23 rd February, 2017	71 st	7

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



Details of attendance of each Director during the period April 01, 2016 to March 31, 2017:-

Name of Director	Meetings Attended Absent	Meetings Remained
Shri S.P.Thakur, IAS	67 th	NIL
Shri Bishnupada Sethi	68 th , 69 th , 70 th & 71 st	NIL
Shri P.K.Senapati, IAS	70 th & 71 st	67 th , 68 th & 69 th
Sri Saswat Mishra	NIL	68 th , 69 th , 70 th & 71 st
Shri Aswini Kumr Mishra, IA&AS	67 th , 68 th , 69 th , 70 th & 71 st	NIL
Shri A.K.Parida, OAS (SAG)	NIL	67 th
Shri Madhusudan Mishra	68 th , 69 th , 70 th & 71 st	NILL
CA A.K.Sabat, FCA	67 th , 68 th , 69 th , 70 th & 71 st	NILL
Shri Prasanna Kumar Parida	71 st	NILL
Shri Dwijarj Kar, IAS	67 th , 68 th , 69 th , 70 th & 71 st	NILL

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, following Directors are members of the Audit Committee:

1. Shri Aswini Kumar Mishra, IA&AS, Special Secretary to Government, Finance Department and Director OSBC Ltd, Chairman of the Committee.
2. Shri Prasanta Kumar Senapati, IAS, Excise Commissioner, Odisha and Director OSBC Ltd.
3. CA Arun Kumar Sabat, FCA, Independent Director, OSBC Ltd.
4. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.
5. Shri Dwijaraj Kar, IAS, Managing Director, OSBC Ltd.



Date of meetings	SI No. of Meeting meeting	No. of Members attended the
30 th June, 2016	17 th	4
23 rd July, 2016	18 th	3
9 th September, 2016	19 th	4
22 nd November, 2016	20 th	4
14 th February, 2017	21 st	3

CSR Committee:-

The Corporation has constituted a CSR Committee under section 135(1) of the Companies Act, 2013, consisting of the following Directors as member of the Committee.

1. CA Arun Kumar Sabat, FCA, Independent Director, OSBC Ltd, Chairman of the Committee.
2. Shri Prasanta Kumar Senapati, IAS, Excise Commissioner, Odisha and Director OSBC Ltd.
3. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.
4. Shri Dwijaraj Kar, IAS, Managing Director, OSBC Ltd.

Date of meetings	SI No. of Meeting	No. of Members attended the meeting
9 th May, 2016	8 th	2
30 th August, 2016	9 th	2
11 th November, 2016	10 th	3
16 th January, 2017	11 th	2

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 and following Directors are member of the Committee:

1. Shri Dwijaraj Kar, IAS, Managing Director, OSBC Ltd, Chairman of the Committee.
2. Shri Prasanta Kumar Senapati, IAS, Excise Commissioner, Odisha and Director OSBC Ltd.
3. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.

Date of meetings	SI No. of Meeting meeting	No. of Members attended the
5 th November, 2016	7 th	2

**23. DECLARATION BY AN INDEPENDENT DIRECTOR:**

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

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

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

25. PARTICULARS OF EMPLOYEES:

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

26. CORPORATE GOVERNANCE:

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

27. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

During the year under review, there was no Corporation which had become/ ceased to become a Subsidiary/ Joint Venture/ Associate Corporation of OSBC Ltd.

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

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

29. NOMINATION, REMUNERATION & STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

**30. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and of the profit and loss of the Corporation for that period;
- (c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. COST AUDIT:

As per the provision of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rule, 2014, Cost Audit was not applicable to the Corporation during the F.Y. 2016-17.

32. SECRETARIAL AUDIT REPORT:

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

33. PARTICULARS OR CONTRACTS WITH RELATED PARTY TRANSACTIONS:

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

**34. SIGNING OF MOU WITH ADMINISTRATIVE DEPARTMENT:**

OSBC Ltd had signed the Memorandum of Understanding with Government in Excise Department for the FY 2016-17 on 19th April, 2016 as per Corporate Governance Manual of P.E Department, Government of Odisha.

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 Vir Vikram Yadav, IAS

CHAIRMAN

Place: Bhubaneswar

Date: 08.09.2017

**ANNEXURE - 1**

Replies of the Management on Observation of the Statutory Auditor on the Annual Accounts of Odisha State Beverages Corporation Limited for the financial year 2016-17.

SI.No.	Observations of Statutory Auditors	Replies of Management
1.	Profit & Loss Account is overstated to the tune of Rs.697.70 lakhs & Current liability is understated to the tune of Rs.697.70 lakhs on non- provision of interest of Rs.697.70 lakhs on entry tax as assessed by the assessing authority for the year from 2009 -10 to 2013-14 even if the assessed entry tax has been accepted & paid by the company.	The Interest component of Rs 697.70 Lakhs has been duly disclosed in the Contingent liabilities. The matter is pending before the Dispute Resolution Committee and a favourable decision for waiver of interest and penalty is awaited.
2.	Profit & Loss Account is overstated & Sundry Debtors is overstated to the tune of Rs.51.18 lakhs on account non-provision of doubtful debt as the same is pending since long as receivable from United Trading Kolkata without confirmation & collection.	As per the export policy of the OSBC, the Supplier has to arrange the buyer and collect the sale proceeds on behalf of OSBC and the same is being paid to the concerned Suppliers. United Trading, Kolkata is the buyer arranged by the United Breweries Ltd. The outstanding receivable of Rs 51.18 Lakhs from United Trading pertains to the amount payable to United Breweries Ltd. As the debit balance has corresponding credit balance, the sundry debtor has not been overstated.
3.	Profit & Loss account is overstated & advance to Excise Department is overstated to the tune of Rs.35.31 lakhs due to non-provision of doubtful advance as the same pending since long & chances of the recovery of the same is remote.	Correspondence with the Excise Department shall be made to obtain the utilisation certificates for adjustment in the books of account.
4.	Profit & Loss Account is overstated & Loading & unloading charges receivable is overstated to the tune of Rs.407.45 lakhs due to non-provision of doubtful debt on account of under loading charges for the period from 2011-12 to 2015-16 against Khordha, Nirgundi & Balasore depot & for the period from 2009-10 to 2015-16 against Sambalpur Depot & the chances of the recovery of the same is remote.	As the matter is sub-judice and not finalized yet, the receivable amount of Rs 407.45 is being shown as receivable. When the matter shall be finalized, necessary accounting effect shall be given in the Books of Account.



SI.No.	Observations of Statutory Auditors	Replies of Management
5.	<p>Provision for income tax is understated & the reserve & surpluses is overstated to the tune of Rs.8386.59 lakhs on account of short provision of income tax liabilities computed without considering the provisions of section 40(a)(iib) of the Income Tax Act 1961 (Amended by Finance Act 2013) on account of license fees paid to the Govt. of Odisha for the year 2013-14, 2014-15, 2015-16 & 2016-17 amounting to Rs.10080.00 lakhs, Rs.15190.00 lakhs, Rs.275.00lakhs & Rs.275.00 lakhs respectively .</p>	<p>The Income Tax demand for the assessment year 2014-15 and 2015-16 has been duly disclosed under the contingent liabilities.</p>
6.	<p>The Profit of the year is overstated to the tune of Rs 57.10 Lakhs due to non provision of Service tax Liabilities on Stock handling Charges billed to the Suppliers. The cumulative effect of non-provision of service tax liability upto the end of the financial year has not been ascertained by the management.</p>	<p>The judgment of the CESTAT Bangalore in the case of Karnataka State Beverages Corporation Ltd has already been furnished to the audit where in it has been categorically held that the stock holding charges collected by KBSC for the period more than 90days (similar as that of the OSBC where the period is more than 120 days) is not against any service rendered by the Corporation. Hence no service tax can be levied on the said amount. The said judgment squarely applies to the practices followed by OSBC. OSBC's case is under sub-judice before CESTAT, Kolkata wherein this matter is also refereed to and under dispute by the OSBC against the orders of the Revenue.Hence there is no necessity to make a provision for the same and same has been duly disclosed as Contingent Liabilities in the notes to the Financial Statement.</p>



SI.No.	Observations of Statutory Auditors	Replies of Management
7.	Short Term Provision is understated & Accumulated Profit is overstated to the extent of non provision of liabilities on account of pension fund & leave encashment fund (figures not ascertained) relating to deputed employees from ORITCO and OIL ORISSA , which is not in compliance to the Accounting Standard 15 issued ICAI relating to accounting of Retirement Benefit to the Employees.	Some employees of ORITCO and Oil Orissa which are state PSUs are working in OSBC on deputation. They are not OSBC employees. ORITCO and OIL Orissa are supposed to claim on OSBC its contribution towards pension/ Gratuity/ Leave Salary, upon receipt of which OSBC is supposed to remit the amount to these state PSUs. Since the day of their deputation these two state PSUs are not claiming any payment from OSBC towards Pension/Leave Salary / Gratuity contribution of their respective employees working in OSBC on deputation. Therefore there is no question of making any provisioning in the Books of account.
EMPHASIS OF MATTER		
a.	Other non-current liabilities includes of Rs 1484.28 Lakhs(P.Y Rs 1484.28 Lakhs) on account of credit under reconciliation (collection) is unmoved since long & also subject to reconciliations & confirmations and the impact of which arising out of such reconciliation has not been ascertained.	The un-reconciled balance of Rs 1484.28 Lakh under advance received from Retailers has been transferred to the head "Credit Under Reconciliation Account" to Correlate with the balance under "Debit Under Reconciliation Account". Necessary steps are being taken to reconcile the same.
b.	Other non-current assets includes of Rs 1588.96 Lakhs (P.Y Rs 1588.96 Lakhs on account of debit under reconciliation (collection) is unmoved since long & also subject to reconciliation & confirmations and the impact of which arising out of such reconciliation has not been ascertained.	The un-reconciled balance of Rs 1588.95 Lakh has been transferred to the head "Debit Under Reconciliation Account" to Correlate with the balance under "Credit Under Reconciliation Account". Necessary steps are being taken to reconcile the same.



Sl.No.	Observations of Statutory Auditors	Replies of Management																		
c	Ref- point no -9 of note-17, the Company has not followed Prudent accounting policy in conformity to the generally accepted in India applicable to the organization engaged in Trading activity for accounting of Purchase/Stock. The sales invoices raised by the suppliers are not accounted as purchase by the Company at the raising of Goods Receipt Note. Moreover, the Company recognizes purchase at the time of sale of products as per approved pricing policy without supporting sale bills of the suppliers. The Company has not reconciled the purchases accounted for vis-à-vis sales invoice raised by the suppliers.	Purchase has been accounted for based on the approved pricing policy of the Corporation, on transfer of significant risks and reward from the suppliers after the final inspection of goods takes place. This practice is being followed by the corporation since its inception and is being duly disclosed in its accounting policy.																		
d	<p>Un reconciled balances detailed as below are subject to reconciliation and the impact of which arising out of such reconciliation has not been ascertained.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs in Lakhs)</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>Un-reconciled Sundry Creditor (Export)</td> <td>745.74</td> <td>Interstate MR Pending Account pending since long</td> </tr> <tr> <td>Go down Rent Payable, Keonjhar</td> <td>1.61</td> <td>Pending liabilities & the Keonjhar depot has been closed since long</td> </tr> <tr> <td>Security Service Charges Payable</td> <td>13.74</td> <td>Pending liabilities needs to be reconciled.</td> </tr> <tr> <td>Sundry Debtors (Inter State)</td> <td>746.21</td> <td>Pending Receivables are subject to reconciliation & confirmation.</td> </tr> <tr> <td>General Advance</td> <td>1.43</td> <td>Pending advance are subject to reconciliation & confirmation.</td> </tr> </tbody> </table>	Particulars	Amount (Rs in Lakhs)	Remark	Un-reconciled Sundry Creditor (Export)	745.74	Interstate MR Pending Account pending since long	Go down Rent Payable, Keonjhar	1.61	Pending liabilities & the Keonjhar depot has been closed since long	Security Service Charges Payable	13.74	Pending liabilities needs to be reconciled.	Sundry Debtors (Inter State)	746.21	Pending Receivables are subject to reconciliation & confirmation.	General Advance	1.43	Pending advance are subject to reconciliation & confirmation.	<p>1. Reconciliation of Sundry Creditor under Inter State MR Pending Account is under process</p> <p>2. Regarding Godown Rent Payable , Keonjhar, necessary step shall be taken</p> <p>3. The liabilities has been reconciled.</p> <p>4. Reconciliation of Sundry Creditor under Inter State MR Pending Account is under process</p> <p>5. The Balance under General Advance is under reconciliation.</p>
Particulars	Amount (Rs in Lakhs)	Remark																		
Un-reconciled Sundry Creditor (Export)	745.74	Interstate MR Pending Account pending since long																		
Go down Rent Payable, Keonjhar	1.61	Pending liabilities & the Keonjhar depot has been closed since long																		
Security Service Charges Payable	13.74	Pending liabilities needs to be reconciled.																		
Sundry Debtors (Inter State)	746.21	Pending Receivables are subject to reconciliation & confirmation.																		
General Advance	1.43	Pending advance are subject to reconciliation & confirmation.																		



Particulars	Amount (Rs in Lakhs)	Remark
Income Tax refundable excluding of Rs 1027.31 Lakhs towards deposit against demand for the FY2013-14	2866.08	The same has not been reconciled based on year wise assessment order
6. The refund of Rs 2866.08 has been identified assessment year wise.		

**ANNEXURE-2**

Replies of the Management on Comments of the Comptroller and Auditor General of India on the Financial Statement of Odisha State Beverages Corporation Limited for the financial year 2016-17.

Sl.No.	Observations	Replies of Management
<p>A.</p> <p>Balance Sheet</p> <p>Equity & Liabilities</p> <p>Current Liabilities</p> <p>Short term provisions (Note No-6)</p> <p>Provision for Income Tax: Rs. 13.85 crore</p> <p>1.</p>	<p>The above is understated by Rs. 28.26 crore due to wrong adjustment entry made during the year for receipt of assessment order of income tax for the financial year 2013-14 against which he company has appealed before CIT (A). As per Assessment order, total tax liability for the year 2013-14 was assessed as Rs. 71.57 crore as against self-assessed tax of Rs. 33.50 crore shown in the Income tax return for that year. The company showed the excess amount of Rs. 38.07 crore claimed as contingent liabilities in place of Rs. 71.57 crore and made reverse entry in current year for the balance amount. As assessment order was under dispute, adjustment entry made for a part amount is in contravention of generally accepted accounting principles. This wrong accounting has also resulted in overstatement of Income Tax refundable by Rs. 5.21 crore and understatement of advance income tax by Rs. 30.63 crore. TDS receivable by Rs. 2.87 crore and reserve and surplus by Rs. 0.03 crore.</p>	<p>Assessment proceedings for the financial year 2013-14 (Assessment year 2014-15) has been completed and received the assessment Order u/s 143(3) of the Income Tax Act, 1961 on date 11.11.2016. As per the general and prudent accounting practices, whenever the assessment proceedings are completed, the advance taxes and the provisions for Income Tax are being netted off, to depict the true positions of the Assets and Liabilities otherwise the Current Assets are being overstated to the extent of the Advance Taxes and Current Liabilities are being overstated to the extent of the Provisions for Income Tax.</p> <p>To depict the true assets and liabilities, the Provisions for Income Tax of Rs. 28,26,10,910 and the Income Tax refund of Rs 5,21,26,230 as per the Income Tax return has been netted off against the Advance Tax of Rs 30,63,00,000 /- and the TDS Receivable of Rs 2,86,95,448 /- for the relevant financial year 2013-14 (Assessment year 2014-15). The Disputed Demand of Rs 38,07,17,060,/- has been duly disclosed under the Contingent Liabilities.</p> <p>In view of the above, there is no understate of Provision for Income Tax of Rs. 28,26,10,910 /and Advance tax of Rs. 30,63,00,000 /- and TDS receivable of Rs 2,86,95,448 /-.</p>



प्रधान महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखा परीक्षा) कार्यालय

ओडिशा, भुवनेश्वर - 751001

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)

ODISHA, BHUBANESWAR

ES-I (T)/Accts/OSBC/ 16-17/11/17-18/ 192

No

16 August 2017

दिनांक / Date

To

The Managing Director,
Odisha State Beverage Corporation Limited.
Bhubaneswar

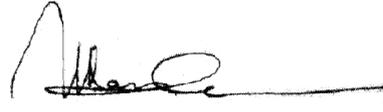
Sub : Comments of the Comptroller & Auditor General of India Under Section 143 (6) (b) of the Companies Act, 2013 on the accounts of Odisha State Beverage Corporation Limited for the year 2016-17.

Sir,

I enclose Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies, Act, 2013 on the accounts of Odisha State Beverage Corporation Limited for the year 2016-17.

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

Yours faithfully,

 16.8.17.
PRINCIPAL ACCOUNTANT GENERAL



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF ORISSA STATE BEVERAGES CORPORATION LIMITED FOR THE YEAR ENDED ON 31st MARCH 2017.

The preparation of financial statements of the Orissa State Beverages Corporation Limited for the year ended 31st March 2017 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 Companies Act, is responsible for expressing opinion on these 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 28 June, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act, of the financial statements of Odisha State Beverages Corporation Limited for the year ended 31st March 2017. 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report :

A. COMMENTS ON FINANCIAL POSITION

Balance Sheet

Equity & Liabilities

Current Liabilities

Short term Provisions (Note No.6)

Provision for Income Tax : ₹ 13.85 Crore

- 1) The above is understated by ₹ 28.26 crore due to wrong adjustment entry made during the year for receipt of assessment order of income tax for the financial year 2013-14 against which the company has appealed before CIT (A). As per Assessment order, total tax liability for the year 2013-2014 was assessed as ₹ 71.57 crore as against self - assessed tax of ₹ 33.50 crore shown in the Income Tax return for that year. The company showed the excess amount of ₹ 38.07 crore claimed as contingent liabilities in place of ₹ 71.57 crore and



made reverse entry in current year for the balance amount. As assessment order was under dispute, adjustment entry made for a part amount is in contravention of generally accepted accounting principle. This wrong accounting has also resulted in overstatement of Income Tax refundable by ₹ 5.21 crore and understatement of advance income tax by ₹ 30.63 crore. TDS receivables by ₹ 2.87 crore and reserved and surplus by ₹ 0.03 crore.

**For and on behalf of
the Comptroller and Auditor General of India**

Place : Bhubaneswar
Date : 16.08.2017



16.8.17.

**(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL**

**ANNEXURE - 3**

Form No. MGT-9

EXTRACTS OF ANNUAL RETURN

As on the financial year ended on 31/03/2017

OF

ODISHA STATE BEVERAGES CORPORATION LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013

And

Rule 11(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- i) CIN: U51228OR2000SGC006372
- ii) Registration Date & Year: 6TH NOVEMBER, 2000
- iii) Name of the Corporation: ODISHA STATE BEVERAGES CORPORATION LIMITED
- iv) Category / Sub-Category of the Corporation: COMMERCIAL & INDUSTRIAL (C&I)
- v) Address of the Registered office: 2ND FLOOR, FORTUNE TOWERS,
CHANDRASEKHARPUR, BHUBANESWAR,
ODISHA-751023
- vi) Contact details: Tel No. 0674-2542972, Fax-0674-2542963,
Email Id- osbc ltd@gmail.com,
Website- www.osbc.gov.in
Police Station: Chandrasekharpur
- vi) Whether listed Corporation: NO
- vii) Name, Address and Contact details of Registrar & Share Transfer Agent: NA

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

SN	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the
1	Beverages	15	100

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



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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	999,993	999,993	100	0	999,993	999,993	100	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	999,993	999,993	100	0	999,993	999,993	100	0
B. Public Shareholding	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	999,993	999,993	100	0	999,993	999,993	100	0



ii) Shareholding of Promoters-

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

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

iv) Shareholding Pattern of top ten Shareholders: NIL

v) Shareholding of Directors and Key Managerial Personnel:

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

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

VI). **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sri Dwijaraj Kar	----	----	---
1	Gross salary	15.45 Lakhs			15.45 Lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				



	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)	15.45 Lakhs				15.45 Lakhs
	Ceiling as per the Act					

B. Remuneration to other directors

SN	Particulars of	Name of Directors				Total Amount
1	Independent Directors	CA A.K.Sabat	Sri Prasanna Kumar Parida	-	-	
	Fee for attending board and committee meetings	Rs.70,000/-	Rs. 10,000/-	-	-	Rs.80,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	Rs.70,000/-	Rs. 10,000/-	-	-	Rs.80,000/-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	Rs.70,000/-	Rs. 10,000/-	-	-	Rs.80,000/-
	Total Managerial Remuneration	Rs.70,000/-	Rs. 10,000/-	-	-	Rs.80,000/-
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD: N.A.

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

**ANNEXURE- 4*****“Corporate Social Responsibility (CSR) Report. [Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]”***

1. *A brief outline of the Corporation’s CSR policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs are given below:-*

CORPORATE SOCIAL RESPONSIBILITY

Your Corporation, OSBCL got incorporated in November, 2000 under the Companies Act, 1956 with the Registrar of Companies, Odisha, Cuttack as a 100% State Government undertaking in the State of Odisha and simultaneously got authorization for wholesale trade of liquor of different brands of IMFL, FMFL, Beer and Country Spirit in the State Odisha. Though it got authorization for wholesale trade of liquor, still it acts as a socially responsible corporate by adopting the CSR Policy w.e.f 7th February, 2015 which is available on the Corporation’s website. I recognize that Corporate Social Responsibility (CSR) is not just a legal requirement but a social necessity to cater to 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 development of surrounding communities. Conducting business ethically brings a competitive advantage for us as the consumers are willing to trust the ethical behaviour of the Corporation that has enhanced customer loyalty over the years.

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



Social Initiative and CSR

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

For reference to the web-link of the CSR policy and projects or programs of the Corporation kindly visit www.osbc.gov.in

2. The Composition of the CSR Committee is as follows:

1. *CA A.K. Sabat, FCA, Independent Director (Chairman) up to 05.06.2017
2. Shri Prasanna Kumar Parida Independent Director (Chairman) since 06.06.2017
3. Shri Prasanta Kumar Senapati, IAS Director (Member)
4. Shri Dwijaraj Kar, IAS Managing Director (Member)

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

Financial year	Net Profit (before Tax) (Rs. in Lakh)
2013-14	8257.22
2014-15	4956.03
2015-16	5014.51
Total	18227.76
Average Net Profit	6075.92

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

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year; Rs. 121.52 lakh.
- (b) Total amount spent during the financial year; Rs. 42.47 lakh
- (c) Amount unspent, if any; Rs. 79.05 lakh.



Manner in which the amount spent during the financial year is detailed below on Projects or activities Undertaken for the financial year 2016-17.

<p>CSR project or activity identified</p>	<ol style="list-style-type: none"> 1) “Sangeet Sudhakar Balakrushna Das Foundation for organizing Odissi Sangeet Mahotsav 2016” under clause (v) of Schedule VII of the Act under Protection of National Heritage, Art and Culture. 2) “Purvasha” for smooth running of de-addiction centre “Samarpan” at Bhubaneswar and Sambalpur under clause (i) of Schedule VII of the Act under Health Care. 3) “SWABHIMAN” for conducting renewal programme of YLTEP (Youth Leadership Training and Empowerment Programme) under clause (ii) of the Schedule VII of the Act under Social Development & Skill Building. 4) “Kalashrama” for organizing Guru Dakshina Utsav, 2016 (a programme of music, dance & drama dedicated to the physically challenged) under clause (v) of Schedule VII of the Act under Protection of National Heritage, Art and culture. 5) DAV Public School for its academic project Super-40 for IIT and Prime-40 for Medical for the session 2016-17 and 2017-18 under clause (ii) of Schedule VII of the Act. 6) Orissa Dance Academy for organizing 13th Dhauli-Kalinga Mahotsav under clause (v) of Schedule VII of the Act. 7) Toilet facilities at Government aided Girls High School Lanjipalli of Ganjam District, where OSBCL Depot is located Under “Swach Bharat”.
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	<p>8) Guru Gopal Panda Odishi Academy for promotion of Odishi Music under clause (v) of Schedule VII of the Act under Protection of National Heritage, Art and Culture.</p> <p>9) Bhubaneswar Development Authority (BDA) for organizing Indian Classical Music Concert in Indira Gandhi Park, Bhubaneswar under clause (v) of Schedule VII of the Act under Protection of National Heritage, Art and Culture.</p>				
Sectors in which the Projects are covered	<p>1) Social development & Skill Building</p> <p>2) Protection of National heritage, art and culture</p> <p>3) Creation of awareness regarding de-addiction</p> <p>4) Swach Bharat Kosh</p> <p>5) Promotion of Education</p>				
<p>Projects or programs</p> <p>(1) Local area or other</p> <p>(2) Specify the State and district where projects or programs were undertaken</p>	<p>Youth Leadership Training and Empowerment Programme (YLTEP) cover entire state of Odisha and other activities are in the State of Odisha covering following districts:</p> <p>1. Sambalpur</p> <p>2. Khurda</p> <p>3. Ganjam</p>				
Amount outlay (budget) project or programs wise	<p>Amount spent on different projects:</p> <p>A) "Sangeet Sudhakar Balakrushna Das Foundation</p> <table border="1"> <tr> <td>For organizing "Odissi Sangeet Mahotsav, 2016"</td> <td>Rs. 50,000/-</td> </tr> </table> <p>B) "Purvasha"</p> <table border="1"> <tr> <td>For smooth running of de-addiction centre "Samarpan" at Bhubaneswar and Sambalpur</td> <td>Rs. 10,00,000/-</td> </tr> </table>	For organizing "Odissi Sangeet Mahotsav, 2016"	Rs. 50,000/-	For smooth running of de-addiction centre "Samarpan" at Bhubaneswar and Sambalpur	Rs. 10,00,000/-
For organizing "Odissi Sangeet Mahotsav, 2016"	Rs. 50,000/-				
For smooth running of de-addiction centre "Samarpan" at Bhubaneswar and Sambalpur	Rs. 10,00,000/-				



	C) "SWABHIMAN"	For conducting renewal programme of YLTEP (Youth Leadership Training and Empowerment Programme)	Rs. 17,07,500/-	
	D) "Kalashrama"	For organizing Guru Dakshina Utsav, 2016 (a programme of music, dance & drama dedicated to the physically challenged)	Rs. 1,73,913/-	
	E) DAV Public School, Chandrasekharpur, Bhubaneswar	For its academic project Super-40 for IIT and Prime-40 for Medical for the session 2016-17 and 2017-18	Rs. 4,40,300/-	
	F) Guru Gopal Panda Odishi Academy	For promotion of Odishi Music	Rs. 25,000/-	
	G) Bhubaneswar Development Authority (BDA)	For organizing Indian Classical Music Concert in Indira Gandhi Park, Bhubaneswar	Rs. 5,20,000/-	
	H) Orissa Dance Academy	For organizing 13 th Dhauli-Kalinga Mahotsav	Rs. 3,00,000/-	
	I) Fund allocation towards Government Aided Girls' High School, Lanjipalli of Ganjam District	For toilet facilities at Government aided Girls High School.	Rs. 30,000	
	Total (A+B+C+D+E+F+G+H+I): Rs. 42,46,713/-			
	Amount spent : Direct or through implementing agency*	The entire amount was spent by the respective agencies as mentioned above who have submitted their utilization certificates.		



Cumulative expenditure up to the reporting period (from F.Y. 2006-07 to 2016-17)	Rs. 611.46 Lakhs
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6. **The reasons for not spending the part of two percent of the average net Profit of the last three financial years:** As per the CSR policy of OSBC Ltd., no suitable proposal/ project was available with the Corporation during the financial year 2016-17. So, the unspent amount of Rs. 79.05 lakh continues in the designated Bank Account maintained for CSR activities and shall be consumed in suitable projects in 2017-18 and later.
7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Corporation:

*Sd/-***General Manager (Admn.)***Sd/-***Managing Director***Sd/-***Chairman, CSR Committee**



INDEPENDENT AUDITORS' REPORT

To

**The Members,
Odisha State Beverages Corporation Limited,
Bhubaneswar.**

Report on the Financial Statements

We have audited the accompanying financial statements of Odisha State Beverages Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, The Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

1. Profit & Loss Account is overstated to the tune of Rs.697.70 lakhs & Current liability is understated to the tune of Rs.697.70 lakhs due to non-provision of interest of Rs.697.70 lakhs on entry tax as assessed by the assessing authority for the year from 2009 -10 to 2013-14 even if the assessed entry tax has been accepted & paid by the company.
2. Profit & Loss Account is overstated & Sundry Debtors is overstated to the tune of Rs.51.18 lakhs on account non-provision of doubtful debt as the same is pending since long as receivable from Untied Trading Kolkata without confirmation & collection.
3. Profit & Loss account is overstated & advance to Excise Department is overstated to the tune of Rs.35.31 lakhs due to non-provision of doubtful advance as the same pending since long & chances of the recovery of the same is remote.
4. Profit & Loss Account is overstated & Loading & unloading charges receivable is overstated to the tune of Rs.407.45 lakhs due to non-provision of doubtful debt on account of under loading charges for the period from 2011-12 to 2015-16 against Khordha, Nirgundi & Balasore depot & for the period from 2009-10 to 2015-16 against Sambalpur Depot since the chances of the recovery of the same is remote .
5. Provision for income tax is understated & the reserve & surpluses is overstated to the tune of Rs.8386.59 lakhs on account of short provision of income tax liabilities computed without considering the provisions of section 40(a)(iib) of the Income Tax Act 1961 (Amended by Finance Act 2013) on account of license fees paid to the Govt. of Odisha for the year 2013-14, 2014-15, 2015-16 & 2016-17 amounting to Rs.10080.00 lakhs, Rs.15190.00 lakhs, Rs.275.00 lakhs & Rs.275.00 lakhs respectively.
6. The Profit of the year is overstated to the tune of Rs 57.10 lakhs due to non provision of service tax liabilities on stock handling charges billed to suppliers. The cumulative effect



of non provision of service tax liability up to end of financial year has not been ascertained by the management.

7. Short Term Provision is understated & Accumulated Profit is overstated to the extent of non provision of liabilities on account Retirement benefits (figures not ascertained) relating to deputed employees from ORITCO and OIL ORISSA , which is not in compliance to the Accounting Standard 15 issued ICAI relating to accounting of Retirement Benefit to the Employees.

The total impact of above para(1) to (6) has resulted in overstatement of profit before tax for the year by Rs.1248.74 lakhs, overstatement of Reserve & Surplus by Rs.9635.33 lakhs, understatement of Current Liabilities by Rs.9141.39 lakhs , overstatement of Non Current Assets by Rs.442.77 lakhs, Current Assets by Rs.51.18lakhs. Moreover, the impact of para no 7 on financial statement has not been quantified as the same has not been ascertained by the management.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to:

- a) Other non-current liabilities includes of Rs1484.28 Lakhs (P.Y. Rs1484.28 Lakhs) on account of credit under reconciliation (collection) is unmoved since long & also subject to reconciliations & confirmations and the impact of which arising out of such reconciliation has not been ascertained.
- b) Other non-current assets includes of Rs. 1588.96 Lakhs (P.Y. Rs. 1588.96 Lakhs) on account of debit under reconciliation (collection) is unmoved since long & also subject to reconciliations & confirmations and the impact of which arising out of such reconciliation has not been ascertained.
- c) Ref- point no -9 of note-18, the Company has not followed Prudent accounting policy in conformity to the generally accepted in India applicable to the organization engaged in Trading activity for accounting of Purchase/Stock. The sales invoices raised by the suppliers are not accounted as purchase by the Company at the raising of Goods Receipt Note. Moreover, the Company recognizes purchase at the time of sale of



products as per approved pricing policy without supporting sale bills of the suppliers. The Company has not reconciled the purchases accounted for vis-à-vis sales invoice raised by the suppliers.

- d) Un reconciled balances detailed as below are subject to reconciliation and the impact of which arising out of such reconciliation has not been ascertained.

Particulars	Amount (Rs in Lakhs)	Remarks
Current Liabilities		
Unreconciled Sundry Creditor (Export)	745.74	Interstate MR Pending Account pending since long
Godown Rent Payble, Konjhar	1.61	Pending liabilities & the keonjhardepot has been closed since long.
Security Service Charges Payble	13.74	Pending liabilities needs to be reconciled.
Current Assets		
Sundry Debtors (Inter State)	746.21	Pending Receivables are subject to reconciliation & confirmation.
General Advance	1.43	Pending advance are subject to reconciliation & confirmation.
Income Tax Refundable excluding of Rs.1027.31 lakhs towards deposit against demand for the FY -2013-14	2866.08	The same has not been reconciled based on year wise assessment order



Our opinion is not qualified / modified in respect of these matters above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 except our basis for qualified opinion in point no -7.
- e. The Company has accounted for Purchases on the basis of pricing policy fixed by the Price Fixation Committee Constituted by Government of Odisha. The sales invoices raised by the suppliers are not accounted as purchase by the Company at the raising Goods Receipt Note. Moreover, the Company recognizes purchase at the time of sale of products as per approved pricing policy without supporting sale bills of the suppliers. The Company has not reconciled the purchases accounted for vis-à-vis sales invoice raised by the suppliers.
- f. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in 'Annexure B'. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal controls over financial reporting.



- h. With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
- a) The company has disclosed the impact of pending litigation on its financial position in its financial statement as referred to in point no 17 of note no 19 to the financial statements.
 - b) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - c) The company has no amount required to be transferred to the Investor Education and Protection Fund as on 31.03.2017.
 - d) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 as referred to point 19 of note no 19 to the financial statements.

3. As per the direction under Section 143(5), we report that:

- (i) As per the information & explanation given to us, the company has not been selected for disinvestment.
- (ii) As per the information & explanation given to us, the company has clear title for leasehold land.
- (iii) As per the information & explanation given to us, the company has no case of waiver/write off of debits/loans/interest during the financial year 2016-17.
- (iv) As per the information & explanation given to us, the company has no inventories with parties and also not received as gift from Government or other Authorities.
- (v) As reported to us, the report on age wise analysis of pending legal/arbitration cases is annexed herewith as per annexure- C.

As per information & explained to us, the reasons of pendency of the legal cases are concerned, in most of the cases, the SLPs/ writ/ counter & plaint/ written statement have been filed before the Hon'ble Supreme Court of India / High Court of Orissa and different lower Courts respectively. The said matter being listed / will be listed in due course of time fixed / to be fixed by the Hon'ble Supreme Court of India / High Court of Orissa/ Different Lower Courts in which OSBC has no control.

As per information & explained to us, the existence / effectiveness of monitoring mechanism for expenditure in all legal cases are concerned, the company used to



assign the Court cases to its empanelled Advocate(s) / Sr.Advocate(s) for which the Advocates / Sr.Advocates are being paid by company as per duly approved fee structure.

4. As per the sector specific direction under Section 143(5) of the Companies Act 2013, we report that :

Trading Sector

Sl No	Particulars	Our Comments
1	Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	As explained to us the company follows the policy to sale its products to the customers only after receiving payment from them in advance except in case of interstate sale of beer. More over the company has effective system for recovery of dues in respect of sales activities and recording of these transactions in the books of accounts.
2	Whether the company has effective system for physical verification, Valuation of stock, Treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.	As explained to us the company accounts for purchase at the time of Sale of goods and holds no stock of its own. The question of shortage/excess stock on physical verification does not arise.
3	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	As mentioned above at point no.1, the company sales the products only after receiving full consideration in advance except in case of interstate sale of beer. However, the company follows an effective system of recovery of the dues in respect of sales activities in case of interstate sale of beer.

For G R C & Associates.
Chartered Accountants
FRN: 002437S

Sd/-

[CA P. M. Dash]

Partner

Membership number: 069682

Bhubaneswar

The 28th day of June 2017



Annexure-A to the Independent Auditors' Report

The Annexure referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i)
 - a) The Company has not maintained proper records to show full particulars including quantitative details and situations of fixed assets.
 - b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year except in case of Head Office. However, no major differences have been noticed on physical verification of Fixed Assets.
 - c) As per the information and explanations given to us, the lease deeds of immovable properties are held in the name of the company in respect of leasehold land.
- (ii) As per the information and explanations given to us, the Company has no inventories and hence the question of physical verification does not arise.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a), iii(b) & iii(c) of the order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanation given to us, the company has not carried out transactions in respect of loans, investments, guarantees, and security according to the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion, and according to the information and explanation given to us, the company has not accepted any deposits; hence, clause (v) is not applicable to the company. Accordingly, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.



(b) According to the records of the Company, these are the dues outstanding in respect of income tax, VAT, customs duty, wealth-tax, service tax, excise-duty, cess, etc, on account of dispute.

Name of the statute	Nature of dues	Assessed Demand Amount (Rs in Lakhs)	Demand Paid Under Protest Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Assessed Demand	858.81		2010-11	ITAT, Cuttack
	Assessed Demand	10112.87	1027.31	2011-12, 2013-14 & 2014-15	CIT(A), Bhubaneswar
	TDS/TCS	263.36	163.81	2009-10, 2010-11 & 2012-13	CIT(A), Bhubaneswar
Service Tax	Assessed Demand	8720.56	1634.50	2002-03 to 2010-11	CESTAT, Kolkata
	Assessed Demand	1204.15		2011-12 to 2014-15	Commissioner, CBEC&S, Bhubaneswar
Sales Tax	Assessed Demand	572.37	50.00	2001-02, 2002-03	Odisha Sales Tax Tribunal, Cuttack
Entry Tax	Assessed Demand	214.12	71.38	2007-2008	Dispute Resolution Committee
	Assessed Demand	3426.39	909.56	2009-2014	Dispute Redressal Mechanism for Amicable Settlement.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans.



- (x) In our opinion and according to the information and explanations given to us, fraud by the company or fraud on the Company by its officers or employees has not been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company, Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him .
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G R C & Associates.
Chartered Accountants
FRN: 002437S

Sd/-
[CA P. M. Dash]
Partner
Membership number: 069682

Bhubaneswar

The 28th day of June 2017



Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls over financial reporting of under clause (i) of Sub – section 3 of the section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Odisha State Beverages Corporation Limited ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended and as on date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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 the Companies Act, 2013, 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 auditor's judgment, including the assessment of the risks 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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations 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 Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For G R C & Associates.
Chartered Accountants
FRN: 002437S

Sd/-
[CA P. M. Dash]
Partner
Membership number: 069682

Bhubaneswar
The 28th day of June 2017



ANNEXURE-C

STATEMENT OF AGE WISE ANALYSIS OF PENDING LEGAL/ARBITRATION CASES AS ON 31.03.2017

Age	Nos. of Cases
01 to 5 years	346
06 to 10 years	16
11 to 15 years	0
More than 16 years	0
Total	362

Sl. No.	Case No.	Age of the case as on 31.03.2017	Type of Case	Parties to the Case	Subject/Brief History	Court	Present Status
1	C. S. No-220/2008	9	Civil Suit	Manoj kumar Routray Vs OSBC	Loading and Unloading	Civil Judge (Jr.) Division, BBSR, 2008	Hearing in Progress
2	C. S. No-268/2008	9	Civil Suit	Manoj kumar Routray Vs OSBC	Loading and Unloading	Civil Judge (Jr.) Division, BBSR, 2008	Hearing in Progress
3	C. S. No.-784/2011	6	Civil Suit	Manoj kumar Routray Vs OSBC	Loading and Unloading	Civil Judge (Sr.) Division, BBSR, 2011	Hearing in Progress
4	C. C. No.-62/2010	7	Consumer Case	OSBC Vs. Cholmandalam Insurance	Godown Insurance	State Consumer Forum	Case filed by OSBC and matter is pending for hearing.
5	C. C. No.-36/2008	9	Consumer Case	Raghunath Dalai Vs. United Beverages, Sahil Beg Vs. United Beverages (OSBC is one of the party)	Excise Matter	Dist. Consumer Redressal Forum Dhenkanal	The case is pending for hearing.
6	Sales Tax Tribunal, Cuttack	9	Sales Tax	OSBC Vs. Commercial Tax Dept, Odisha	Sales Tax Matter	Sales Tax Tribunal, Cuttack	Hearing in Progress
7	SLP (Civil) No.-724/2010	7	SLP	Sushila Devi Vs. State Govt. of India (OSBC is the party)	Excise Matter	Supreme Court of India	The case has been referred to Excise dept. for filing of counter by Govt. Advocate.



8	O.P. No.- 646/2009	8	Civil Case	Khoday India Vs Baga Melenium (Osb is a party)	Excise Matter	City Civil Court, Hyderabad	Matter is pending
9	WP@ No.- 27448/2013	4	Civil Case	Kalyan Nayak Vs OSBC	Godown Rent	High Court of Odisha	Matter is pending for hearing.
10	Deputy Commissioner of Sales tax, Circle- II, Bhubaneswar.	5	Entry Tax Appeal	OSBC	Entry Tax	Deputy Commissioner of Sales tax, Circle-II, BBSR	Matter awaiting for Disposal
11	Deputy Commissioner of Sales Tax, Circle- II, Bhubaneswar.	5	Entry Tax Appeal	OSBC	Entry Tax	Deputy Commissioner of Sales tax, Circle-II, BBSR	Matter awaiting for Disposal
12	Odisha Sales Tax Tribunal, Cuttack	9	Sales Tax Appeal	OSBC	Sales Tax matter	Odisha Sales Tax Tribunal, Cuttack	The Demand by STO as per report of AG Audit has been confirmed in 1st Appeal; Second appeal has been filed before the Tribunal and matter is pending
13	Odisha Sales Tax Tribunal, Cuttack	9	Sales Tax Appeal	OSBC	Sales Tax matter	Odisha Sales Tax Tribunal, Cuttack	The Demand by STO as per report of AG Audit has been confirmed in 1st Appeal; Second appeal has been filed before the Tribunal and matter is pending
14	Odisha Sales Tax Tribunal, Cuttack	6	Sales Tax Appeal	OSBC	Sales Tax matter	Odisha Sales Tax Tribunal, Cuttack	Matter is awaiting for Disposal.
15	CESTAT, Kolkata	8	Service Tax Appeal	OSBC	Service matter	CESTAT, Kolkata	OSBC has preferred an Appeal and filed stay petition for the period up to 2006-07 before the CESTAT, Kolkata against the order of Commissioner of Central Excise, Customs and Service Tax, BBSR and stay has been granted by CESTAT. Appeal is pending.



16	CESTAT, Kolkata	6	Service Tax Appeal	OSBC	OSBC	Service matter	CESTAT, Kolkata	Stay has been granted and Appeal is pending
17	CESTAT, Kolkata	6	Service Tax Appeal	OSBC	OSBC	Service matter	CESTAT, Kolkata	Appeal is pending
18	CESTAT, Kolkata	6	Service Tax Appeal	OSBC	OSBC	Service matter	CESTAT, Kolkata	Stay has been granted and Appeal is pending
19	CIT (Appeal), BBSR	5	Appeal Case	OSBC	Income Tax Matter	Income Tax Matter	CIT (Appeal), BBSR	Appeal is pending
20	CIT (Appeal), BBSR	6	Appeal Case	OSBC	Income Tax Matter	Income Tax Matter	CIT (Appeal), BBSR	Appeal is pending before the CIT(A), BBSR against the order of ICIT (TDS) and awaiting disposal.
21	C. S. No-309/2013	4	Civil Case	Kalyan Nayak Vs OSBC	Godown Rent	Godown Rent	Civil Judge Division, Sambalpur	Pending for hearing
22	ARBP No-44/2016	1	Civil Case	OSBC Vs. Manoj kumar Routray.	Loading and Unloading	Loading and Unloading	District Judge (Khurda), BBSR	Hearing in Progress
23	CMP No-616/2017	1	Civil Case	OSBC Vs. Manoj kumar Routray.	Loading and Unloading	Loading and Unloading	High Court of Odisha	Hearing in Progress
24	CMP No-618/2017	1	Civil Case	OSBC Vs. Manoj kumar Routray.	Loading and Unloading	Loading and Unloading	High Court of Odisha	Hearing in Progress
25	CMP No-617/2017	1	Civil Case	OSBC Vs. Manoj kumar Routray.	Loading and Unloading	Loading and Unloading	High Court of Odisha	Hearing in Progress
26	295 cases filed by the retailers	2	Civil Case	Retailers Vs. OSBC & Others.	TCS related cases in IMFL/BEER/CS	TCS related cases in IMFL/BEER/CS	High Court of Odisha	Counter affidavit filed in the court.
27	5 cases filed by the suppliers	2	Civil Case	Supplier Vs. OSBC & Others.	Challenging the LSP (2015-16) on reduction of their offer price.	Challenging the LSP (2015-16) on reduction of their offer price.	High Court of Odisha	Counter affidavit filed in the court.
28	37 cases filed by CS retailers	1	Civil Case	CS Retailer Vs. State govt. & Others (OSBC is O.P. No.-4)	Cases related with MGQ of CS retailers.	Cases related with MGQ of CS retailers.	High Court of Odisha	PWC sent to Advocate for filling of counter.



ODISHA STATE BEVERAGES CORPORATION LTD.

(2ND FLOOR, FORTUNE TOWER, BHUBANESWAR)

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Lakhs)

Particulars	Note No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
I. EQUITY & LIABILITIES :			
(1) Shareholder's Funds			
(a) Share Capital	1	100.00	100.00
(b) Reserves and Surpluses	2	28,154.41	26,082.07
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)		28.68	30.66
(b) Other Non- Current Liabilities	3	1,484.28	1,484.28
(3) Current Liabilities			
(a) Trade payables	4	13,009.23	21,288.25
(b) Other current liabilities	5	5,087.04	5,201.44
(c) Short-term provisions	6	2,282.47	2,693.40
TOTAL :		50,146.11	56,880.10
II. ASSETS :			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	211.72	189.38
(ii) Intangible Assets under development		53.60	53.60
(b) Other Non-Current Assets	8	2,843.53	2,457.22
(2) Current Assets			
(a) Trade Receivable	9	746.22	1,579.55
(b) Cash and cash equivalents	10	40,465.08	43,225.25
(c) Short-Term Loans and Advances	11	1,649.85	4,770.78
(d) Other Current Assets	12	4,176.11	4,604.32
TOTAL :		50,146.11	56,880.10

Significant of Accounting Policies and Notes forming part of these Financial Statements.

18 & 19

As per our report of even date attached.

For GRC & Associates
Chartered Accountants
ERN : 0024375

For and on behalf of the Board of Directors

Sd/-
(CA. P.M. DASH)
Partner
M. No. - 069682

Sd/-
General Manager (A & A)

Sd/-
(Director)

Sd/-
(Managing Director)

Place: Bhubaneswar
Date: 28.06.2017



ODISHA STATE BEVERAGES CORPORATION LTD.

(2ND FLOOR, FORTUNE TOWER, BHUBANESWAR)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2017

(Rs. in Lakhs)

Particulars		Note No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
(I)	Revenue from operations	13	3,24,141.57	3,11,535.72
(II)	Other Income	14	5,076.67	7,821.25
(III)	Total Revenue (I + II)		3,29,218.24	3,19,356.97
(IV)	Expenses :			
	(a) Purchase of Stock-in-Trade	15	3,17,365.80	3,01,750.81
	(b) Employee benefits expense	16	248.20	233.82
	(c) Depreciation and Amortization Expenses	7	18.18	30.36
	(d) Other expenses	17	7,653.56	12,327.46
	Total Expenses		3,25,285.74	3,14,342.45
(V)	Profit Before Exceptional & Extraordinary Items & Tax (III-IV)		3,932.50	5,014.52
(VI)	Exceptional Items		-	-
(VII)	Profit before Extraordinary Items & Tax (V - VI)		3,932.50	5,014.52
(VIII)	Extra-ordinary Items		-	-
(IX)	Profit Before Tax (VII-VIII)		3,932.50	5,014.52
(X)	Tax expenses :			
	(1) Current tax		1,385.48	1,382.97
	(2) Deferred tax		(1.98)	2.23
(XI)	Profit/(Loss) for the period (after tax) (IX-X)		2,549.00	3,629.32
(XII)	Earnings per equity share:			
	Average Number of equity shares (Face value Rupees 10/- each)		[Rupees]	[Rupees]
	(1) Basic Earning per Share		10,00,000	10,00,000
	(2) Diluted Earning per Share		254.90	362.93
			-	-

Significant of Accounting Policies and Notes forming part of these Financial Statements.

18 & 19

As per our report of even date attached.

For GRC & Associates
Chartered Accountants
FRN : 0024375

For and on behalf of the Board of Directors

Sd/-
(CA. P.M. DASH)
Partner
M. No. - 069682

Sd/-
General Manager (A & A)

Sd/-
(Director)

Sd/-
(Managing Director)

Place: Bhubaneswar

Date: 28.06.2017



ODISHA STATE BEVERAGES CORPORATION LTD.				
Cash Flow Statement for the year ended March 31, 2017				
<i>(Rs. in Lakhs)</i>				
Particulars	For the year 2016-17		For the year 2015-16	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		3,932.50		5,014.48
Adjustments for:				
Current year depreciation and amortisation	18.18		30.36	
Interest income from deposits	(2,409.46)		(2,558.29)	
Interest on IT Refund	(114.59)			
Amortisation of deferred income on Grant Vehicle	(1.05)		(1.52)	
Total of adjustments		(2,506.92)		(2,529.45)
Operating profit / (loss) before working capital changes		1,425.58		2,485.03
Changes in working capital:				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade Receivables	833.33		81.86	
Short-term loans and advances	2,780.93		11,555.10	
Other current assets	20.82		(406.79)	
Other non-current assets	(386.30)		244.87	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(8,279.02)		(5,318.75)	
Other current liabilities	(114.39)		314.85	
Total of working capital changes		(5,144.63)		6,471.14
Operating profit / (loss) after working capital changes		(3,719.05)		8,956.17
Cash flow from extraordinary items				
Cash generated from operations		(3,719.05)		8,956.17
Net income tax (paid) / refunds		(99.64)		(1,475.46)
Net cash flow from / (used in) operating activities (A)		(3,818.69)		7,480.71
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(40.52)		(105.84)
Bank balances not considered as Cash and cash equivalents i.e. term deposits with maturity of more than 3 months				
- Placed	(29,791.70)		(27,874.48)	
- Matured during the year	23,678.56		22,712.21	
Net inflow from term deposits		(6,113.14)		(5,162.26)
Interest income from deposits		2,409.46		2,171.09
Cash generated from investing activities		(3,744.20)		(3,097.01)
Deduction of TDS from income				
Net cash flow from / (used in) investing activities (B)		(3,744.20)		(3,097.01)



Particulars	For the year 2016-17		For the year 2015-16	
	Rs.	Rs.	Rs.	Rs.
(Rs. in Lakhs)				
C. Cash flow from financing activities				
Dividend paid		(1,088.78)		(1,688.37)
DDT Paid		(221.65)		(337.57)
Net cash flow from / (used in) financing activities (C)		(1,310.44)		(2,025.94)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(8,873.33)		2,357.76
Cash and cash equivalents at the beginning of the year (The Opening Balance Cash & Cash Equivalent has been		18,177.47		15,819.70
Cash and cash equivalents at the end of the year *		9,304.14		18,177.46
* Comprises:				
(a) Cash on hand	0.14		0.07	
(b) Cheques, drafts on hand	3,700.53		3,692.78	
(c) Balances with banks				
(i) In current accounts (including flexi balance)	5,603.47		14,484.61	
(ii) In deposit accounts with original maturity of 3 months or less	-		-	
(The Closing Balance Cash & Cash Equivalent has been regrouped for the Previous Year to Rs 18177.46 for the reporting period)		9,304.14		18,177.46
Notes:				
Accompanying notes forming part of the financial statements.				
As per our report of even date attached.				
For GRC & Associates		For and on behalf of the Board of Directors		
Chartered Accountants				
FRN : 0024375				
Sd/-	Sd/-	Sd/-	Sd/-	
(CA. P.M. DASH)	General Manager (A & A)	(Director)	(Managing Director)	
Partner				
M. No. - 069682				
Place: Bhubaneswar				
Date: 28.06.2017				



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

NOTES TO BALANCE SHEET*(Rs. in Lakhs)*

PARTICULARS	Figures as at the end of Current reporting period	Figures as at the end of previous reporting period			
NOTE - 1 SHARE CAPITAL					
AUTHORISED CAPITAL					
50,00,000 Equity Shares of Rs.10/ each with equal voting rights other than cash	500.00	500.00			
ISSUED, SUBSCRIBED AND PAID UP CAPITAL					
10,00,000 Equity Shares @ Rs.10/ each with equal voting rights fully paid other th	100.00	100.00			
TOTAL :	100.00	100.00			
RECONCILIATION OF NO. OF SHARES OUTSTANDING					
Equity Shares outstanding at the beginning of the year	10,00,000	10,00,000			
Add: Shares Issued during the year	-	-			
Less: Shares bought back during the year	-	-			
Equity Shares outstanding at the end of the year	10,00,000	10,00,000			
<i>(The company has neither issued bonus share nor has bought back</i>					
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES					
NAME OF SHAREHOLDER	NOS.	NOS.	%	NOS.	%
1) Governor of Odisha	1000000	1000000	100	1000000	100
	1000000	1000000	100	1000000	100
NOTE - 2 RESERVES & SURPLUS					
(a) GENERAL RESERVES					
Opening balance		3,055.97		2,693.04	
(+) Current Year Transfer		254.90		362.93	
Closing Balance(a)		3,310.87		3,055.97	
(b) SURPLUS					
Opening balance		23,022.77		21,066.85	
(+) Net Profit/(Net Loss) For the current year		2,549.00		3,629.28	
(+) Provision for IT of earlier years		423.94		-	
(-) Advance IT for earlier years		(2.58)		-	
(-) Proposed Dividends		(764.70)		(1,088.78)	
(-) Dividend Distribution Tax		(132.29)		(221.65)	
(-) Transfer to Reserves		(254.90)		(362.93)	
Closing Balance(b)		24,841.24		23,022.77	



NOTES TO BALANCE SHEET		(Rs. in Lakhs)	
PARTICULARS	Figures as at the end of Current reporting period	Figures as at the end of previous reporting period	
(c) Deferred Govt. Grant & Subsidy			
Grant for Vehicle (c)	7.17	7.17	
Less : Amortisation of defered income on Grant vehicle	(4.87)	(3.82)	
TOTAL (a+b+c) :	28,154.41	26,082.07	
NOTE - 3 OTHER NON CURRENT LIABILITIES			
Credit Under reconciliation(Collection)	1,484.28	1,484.28	
	1,484.28	1,484.28	
NOTE - 4 TRADE PAYABLES			
Sundry Creditors	13,009.23	21,288.25	
TOTAL :	13,009.23	21,288.25	
NOTE - 5 OTHER CURRENT LIABILITIES			
Employee benefits payable	26.21	34.08	
Statutory dues	4,037.45	4,269.48	
Advance from Customers	457.98	356.49	
Security Deposits	381.02	352.56	
Godown Rent payable	67.76	45.10	
Security services charges payable	56.88	73.71	
Other Liabilities	59.74	70.02	
TOTAL :	5,087.04	5,201.44	
NOTE - 6 SHORT-TERM PROVISIONS			
Proposed Dividend	764.70	1,088.78	
Provision for Dividend Tax	132.29	221.65	
Provision for Income Tax	1,385.48	1,382.97	
TOTAL :	2,282.47	2,693.40	
NOTE - 8 OTHER NON-CURRENT ASSETS			
(a) Unsecured, Considered Good			
PF Paid under Protest	43.80	43.80	
Sales Tax Demand/Deposits	50.00	50.00	
Service Tax deposit	268.66	270.13	
Security Deposit	31.95	32.27	
Loading & Unloading Charges Receivables	407.45	407.45	
Advance to excise Department	35.31	35.31	
Advance to PWD (Capital advance)	417.40	-	
(b) Unsecured, Considered Doubtful			
(i) Receivable from Suppliers	165.56	134.05	
Less : Provision	(165.56)	(134.05)	
(ii) Advance Excise duty	29.30	29.30	
Less : Provision for Supdt. Of Excise-UR	(29.30)	-	
(c) Debit under Reconciliation (Collection)	1,588.96	1,588.96	
TOTAL :	2,843.53	2,457.22	



NOTES TO BALANCE SHEET

(Rs. in Lakhs)

PARTICULARS	Figures as at the end of Current reporting period	Figures as at the end of previous reporting period
NOTE - 9 TRADE RECEIVABLES		
<i>Unsecured considered good</i>		
(a) Receivable exceeding six months	52.23	443.34
(b) Others	693.99	1,136.21
TOTAL :	746.22	1,579.55
NOTE - 10 CASH & CASH EQUIVALENTS		
(a) Balance with Banks		
Current Account (including flexi balance and	5,603.47	14,484.61
(b) DD/Cheque on Hand	3,700.53	3,692.78
(c) Cash on Hand	0.14	0.07
(d) Term Deposit with maturity more than 12 months	31,160.94	25,047.79
TOTAL :	40,465.08	43,225.25
NOTE - 11 SHORT-TERM LOAN & ADVANCES (Unsecured, Considered Good)		
Advance to Suppliers(Aska co-operative)	-	300.00
Advance to excise Department	-	2,500.00
Prepaid License fee	316.25	316.25
Prepaid Insurance of Stock	65.81	52.43
Receivable from Suppliers	18.80	20.80
Others Advances	68.99	61.30
Advance Income Tax	1,180.00	1,520.00
TOTAL :	1,649.85	4,770.78
NOTE - 12 OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Receivable from Govt. & Others	0.26	0.26
Loading & Unloading Charges Receivables	3.35	3.18
Stock Holding Receipt Receivable	40.86	52.73
CST /VAT Deposit	0.01	9.14
TDS Receivable	238.24	249.98
Income Tax Refund Receivable	3,893.39	4,289.03
TOTAL :	4,176.11	4,604.32



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

NOTES TO PROFIT AND LOSS ACCOUNT*(Amount in Rupees)**(Rs. in Lakhs)*

PARTICULARS	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
NOTE - 13 REVENUE FROM OPERATIONS		
Sales of Products		
IMFL	2,45,582.98	2,34,091.88
Beer	60,079.60	61,745.36
Country Sprit	18,478.99	15,698.48
(Sales includes Excise Duty of Rs 183361.30 lakhs for 2015-16 & Rs.193900.98 lakhs for 2016-17)		
TOTAL:	3,24,141.57	3,11,535.72
NOTE - 14 OTHER INCOME		
Interest on Deposits	2,409.46	2,558.29
Cash discount	1,873.54	4,406.62
Non-operating incomes	793.67	519.95
Prior Period Income	-	336.39
TOTAL:	5,076.67	7,821.25
NOTE - 15 PURCHASE OF STOCK IN TRADE		
Purchase of Stock		
IMFL	2,41,587.00	2,27,880.73
Beer	58,370.45	59,515.41
Country Sprit	17,408.35	14,354.67
(Purchases includes Excise Duty of Rs178119.32 lakhs for 2015-16 & Rs.188695.29 lakhs for 2016-17)		
TOTAL:	3,17,365.80	3,01,750.81
NOTE - 16 EMPLOYEE BENEFITS EXP.		
Salary & Wages	248.20	233.82
TOTAL:	248.20	233.82
NOTE - 17 OTHER EXPENSES		
License Fee	275.00	275.00
Additional Excise duty	4,419.31	6,170.87
Donation to CMRF	300.00	1,000.00
Donation to Odisha writer's co-operative society	0.20	-
Differential Excise duty	786.38	2,620.99
Godown Rent & Insurance	395.38	392.10
CSR Expenses	42.47	228.89
Entry Tax	332.09	465.54
Prior Period Expenses (Entry Tax)	348.24	632.70
Security Service Charges	294.04	241.61
Professional & Legal Charges	46.67	55.78
Office Rent	88.50	61.60
Electricity Charges	12.82	12.47
Repair & Maintenance	4.82	5.46
Audit Fees	2.02	1.72
Provision for Supdt.of Excise -UR-Exp.	29.30	-
Other Administrative & Sundry Expenses	203.57	87.30
Provision for Non-operating Creditors	31.50	75.34
Service Tax on License Fee	41.25	0.09
TOTAL:	7,653.56	12,327.46



ODISHA STATE BEVERAGES CORPORATION LTD.											
(2ND FLOOR, FORTUNE TOWER, BHUBANESWAR)											
NOTE-7 : FIXED ASSETS											
AS PER WDV METHOD											
(Rs. in Lakhs)											
FIXED ASSETS AS PER COMPANIES ACT-2013 FOR THE FINANCIAL YEAR 2016-17											
PARTICULARS	LAND (Leasehold)	AIR CONDITIONER	COMPUTER	FURNITURE & FIXTURES	ELECTRICAL FITTINGS	OFFICE EQUIPMENTS	VEHICLES	AQUA WATER PURIFIER	AUDIO VISUAL	TOTAL	
(A) GROSS BLOCK:											
Opening Balance	146.53	10.72	114.15	46.15	10.93	41.02	40.59	0.48	8.79	419.36	
(Previous Year)	61.10	10.27	111.13	46.15	10.37	40.57	40.59	0.32	7.93	328.43	
Addition	-	-	15.69	3.59	3.34	-	18.12	-	-	40.74	
(Previous Year)	85.44	0.45	3.01	-	0.56	0.43	-	0.17	0.86	90.92	
Deletion	-	-	0.22	-	-	-	-	-	-	0.22	
(Previous Year)	-	-	-	-	-	-	-	-	-	-	
Closing Balance	146.53	10.72	129.62	49.74	14.27	41.02	58.71	0.48	8.79	459.87	
(Previous Year)	146.54	10.72	114.15	46.14	10.93	41.00	40.59	0.49	8.79	419.35	
(B) DEPRECIATION:											
Opening Balance	0.72	9.43	96.21	39.82	8.61	35.69	31.46	0.30	7.72	229.98	
(Previous Year)	-	8.85	75.80	38.18	8.05	33.39	27.57	0.22	7.53	199.61	
Dep. for the Year	1.93	0.38	9.68	1.20	0.51	1.54	2.67	0.05	0.31	18.28	
(Previous Year)	0.72	0.58	20.41	1.63	0.56	2.30	3.89	0.08	0.19	30.36	
Adjustments to Dep.	-	-	0.10	-	-	-	-	-	-	0.10	
(Previous Year)	-	-	-	-	-	-	-	-	-	-	
Depreciation (CB)	2.65	9.82	105.79	41.02	9.12	37.23	34.13	0.35	8.03	248.15	
(Previous Year)	0.72	9.43	96.21	39.81	8.61	35.69	31.46	0.30	7.72	229.97	
C) NET BLOCK											
(Previous Year)	143.88	0.90	23.83	8.72	5.15	3.79	24.58	0.13	0.76	211.72	
	145.82	1.29	17.94	6.33	2.32	5.31	9.13	0.19	1.07	189.38	

**Note – 18****SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles in India, relevant provisions of the Companies Act, 2013 and Accounting Standards notified there under.

2. USE OF ESTIMATES

In The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. FIXED ASSETS**(a) Tangible**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(b) Intangible

Software, Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/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 the intended use.



4. DEPRECIATION AND AMORTIZATION

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013 with a residual value up to 5%. Intangible assets are amortized over a period of 5 years or their estimated useful life, whichever is less.

5. IMPAIRMENT

An asset (CGU) is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss statement in the year in which an asset is classified as impaired. The impairment loss recognised in the prior accounting period is reversed if there has been change in the estimate of recoverable amount.

6. INVESTMENTS

Non Current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

7. INVENTORIES

Inventories are measured at lower of cost and net realizable value. The title of the goods is transferred to the Corporation from the suppliers on final inspection, before the sales transaction takes place.

8. REVENUE RECOGNITION

Sale of Products:

Sale of Products is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership of the goods to the buyer. Sales include differential excise duty but exclude sales tax/ value added tax.

Cash Discount: Cash discounts received/ receivables are recognized basing on the actual payment made to supplier.



Registration fees: Registration fees collected from supplier is taken into account on yearly basis subject to certainty of realization.

Interest Income: Interest income is accounted on accrual basis.

9. RECOGNITION OF PURCHASE

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

10. TAXES ON INCOME

Tax expenses comprises of current tax and deferred tax.

(a) Current Tax:

Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.

(b) Deferred Tax:

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are being capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized.

11. PRIOR PERIOD ITEMS:

Income /expenditure relating to prior period not exceeding Rs.5 lakhs in each case is treated as income /expenditure of the current year.

12. PROVISIONS AND CONTINGENCIES

Provision is recognized when the Corporation has a present obligation as a result of past events 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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed.

Provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted (if required) to reflect the current best estimates.

Cash Flow Notes:

13. Cash and cash equivalents:

Cash and cash equivalents comprise cash/DD on hand, balance of current accounts and deposits of three months or less from the date of acquisition.

14. Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Corporation are segregated based on the available information.

**Note-19****NOTES TO THE FINANCIAL STATEMENTS****1. CORPORATION INFORMATION:**

Odisha State Beverages Corporation Limited (hereinafter referred as “the Corporation”) is a Government Corporation 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 dt.30.01.2001 published in the Odisha Gazette on 31.01.2001, conferred exclusive privilege on the Corporation to carry on wholesale trade in beverages throughout Odisha.

2. The amount due to Micro and Small Enterprises as defined in the ‘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 Corporation. The outstanding amount payable to Micro and Small Enterprises as at 31st March 2017 is Nil.
3. 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.
4. The debit balances under Sundry creditors operating & defunct amounting to ₹ 18.80 lakhs have been shown under the head “Receivable from Suppliers” in Short Term Loan & Advances (Note-11)” and the credit balance under Sundry debtors amounting to ₹ 457.98 lakhs have been shown under the head “Advance from Customers” in Other Current liabilities (Note-5)”.
5. “Godown Rent & Insurance Expenses (Note-17)” of ₹ 395.38 lakhs includes Godown Insurance for the year amounting to ₹ 52.43 lakhs. (Previous year ₹ 55.22 lakhs).
6. As per Accounting Standard - 18 – ‘**Related Party Disclosures**’ issued by the ICAI, 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	Nature of Transaction	Amount (₹ In Lakhs)	Period
1.	Sri Dwijaraj Kar	Managing Director	Remuneration	15.45	April 2016 to March 2017
2.	Smt. S.S. Kanungo	Chief Manager (Finance)	Remuneration	7.39	April 2016 to March 2017

7. Audit Fees & Expenses for the F.Y.2016-17 includes as follows:

Payment to Auditor	Purpose of audit	Amount (₹ In Lakhs) Current Year	Amount (₹ In Lakhs) Previous Year
Statutory Auditor	For Statutory Audit	2.02	1.73
	TOTAL	2.02	1.73

8. The un-reconciled bank balance of ₹ 1588.96 lakhs, debited in the bank book (SBI, IDCO Tower, Bhubaneswar) of OSBC has been transferred and disclosed under the head “Debit under Reconciliation(Collection) A/c”. Similarly the un-reconciled balance amounting to ₹ 1484.28 lakhs under Advance from Retailers has been transferred and disclosed under the head “Credit under Reconciliation (Collection) A/c”.
9. Fixed assets include 5 vehicles purchased by the Corporation and handed over to Excise Department for smooth collection of Excise Duty payable to the Government.
10. The Regional Provident Fund Commissioner, BBSR recovered (28th Sept., 2011) ₹ 43.80 Lakhs from the company by way of attachment of its bank a/c maintained with SBI, IDCO Tower branch towards arrear PF dues for the period January’2007 to December’2010 against the employees employed by the company through M/s Panther Security Services. The Company disputed the amount and filed (February’2012) a writ petition (No-3164/2012) before Orissa High Court which was disposed of by HC on



dated 15th February 2016 directing the competent authority of EPF dept. to accept the review application of OSBC file under 7B of the Act 1952. Accordingly, the review application has been filed by OSBC on dated 21st April, 2016 and the matter is still pending at RPF Commissioner-II (C&R), Bhubaneswar for hearing.

11. Income under the head "Cash Discount" for the current year is lowered as compared to the previous year due to Cash discount being computed on the offer price of the suppliers excluding the excise duty component as per the decision of the Board of Directors.
12. The additional excise duty has lowered as compared to the previous year due to the reduction of rounding off differential price as per the liquor sourcing policy.

13. Earnings Per Share (EPS) Details

a. Basis of Computation

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.

b. Computation Details

(Amount ₹ in Lakhs)

Particulars	Current Year		Previous Year	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
A. Earnings attributable to Equity Share holder	2549.00	2549.00	3629.31	3629.31
B. Weighted avg. of outstanding Equity share During the Year	10.00	10.00	10.00	10.00
C. EPS (A/B) (in Rs.)	254.90	254.90	362.93	362.93



14. **Employee benefits:**

The Corporation has taken employees from government and other organization on deputation basis. They are guided by the terms of deputation as fixed/ to be fixed by the State Government/ other Public Sector Undertakings. Their retirement benefits including Gratuity & Leave Salary etc. are accounted for on cash basis as per the terms of deputation.

15. **Deferred Tax Computation Table.**

(Amount ₹ in Lakhs)

<u>Particulars</u>	Current Year	Previous Year
<i>Timing Differences Resulting Deferred Tax Assets:</i>		
Disallowance for the Year having future Tax Benefits(Net)	-	-
Difference of Depreciation and Amortization	5.73	-
Deferred Tax Asset/(Liabilities)(A) for 2016-17	1.98	-
<i>Timing Differences Resulting Deferred Tax Liability:</i>		
Difference of Depreciation and Amortization	-	(6.44)
Deferred Tax Asset/(Liability)(B)	-	(2.23)
Deferred Tax Liability in respect of earlier years (C)	(30.66)	(28.43)
Deferred Tax Asset/(Liability) (Appearing in Balance Sheet) (Net) (A-B-C)	(28.68)	(30.66)
± OB of Deferred Tax Asset /(Liability) (As per BS-2015-16)	(30.66)	(28.43)
Deferred Tax Asset/(Liability) for 2015-16 (SPL)		(2.23)



16. Segment reporting:

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

17. CONTINGENT LIABILITIES AND ASSETS WITH STATUS:

(i) Income Tax:

Sl. No.	Financial Year	Forum Pending	Amount of Contingent Liability (₹ In Lakhs)	Status
1	2010-11	ITAT, Cuttack bench	858.81	First Appeal has been disposed off in favour of the Corporation and Department has moved before ITAT, Cuttack Bench against the order of the CIT(Appeal)
2	2011-12	CIT(A), Bhubaneswar	108.34	Appeal before CIT (A) is pending for disposal. Rectification order u/s 154 is awaited from DCIT.
3	2013-14	CIT(A), Bhubaneswar	3807.17	Appeal before CIT (A) is pending for disposal.
4	2014-15	CIT(A), Bhubaneswar	6197.36	Appeal before CIT (A) is pending for disposal.

(ii) TDS & TCS Return filling:

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 demand and as on date status of the various cases is outlined as below:



Sl. No.	Financial Year	Amount of Demand (₹)
1	Prior Years	2,21,08,071.00
2	2012-13	23,17,670.00
3	2013-14	12,72,290.00
4	2014-15	6,30,770.00
5	2015-16	7,080.00
Total :		2,63,35,881.00

(iii) Service Tax

Period	Demand Amount (₹ In Lakhs)	Amount Paid (₹ In Lakhs)	Amount Due (₹ In Lakhs)	Forum Pending With Status
2002-03 to 2006-07	1191.74 1191.74 <u>0.01</u> TOTAL = 2383.49	930.16	1453.33	OSBC preferred appeal & filed stay petition for the period up to 2006-07 before CESTAT, Kolkata against the order of Commissioner of Central Excise, Customs & Service Tax BBSR, and stay has been granted by CESTAT. Appeal is still pending.
2007-08	481.89 481.89 <u>0.01</u> TOTAL=963.80	435.68	528.12	Stay has been granted and the appeal is pending.
2008-09 & 2009-10	1580.98 1580.98 <u>0.05</u> TOTAL=3162.01	158.10	1422.88 1580.98 <u>0.05</u> 3003.91	Against the demand of Commissioner of Service Tax appeal & stay has been filed in CESTAT, Kolkata. Stay has been granted and the appeal is pending.
2010-11	1105.61 1105.61 <u>0.05</u> TOTAL=2211.26	110.56	995.04 1105.61 <u>0.05</u> 2100.70	Against the demand order of the Commissioner Central Excise, Customs & Service Tax, appeal & stay petition have been filed before CESTAT. Stay has been granted and the appeal is pending.
2011-12	<u>174.36</u> TOTAL=174.36	0.00	<u>174.36</u> TOTAL=174.36	Demand raised by Commissioner CBEC&S. No Hearing has been taken place till date



2012-13 &2013-14 &2014-15	<u>1029.79</u> TOTAL=1029.79	0.00	<u>1029.79</u> TOTAL=1029.79	Since the Show Cause Notice has not been adjudicated , no Demand has been confirmed yet
GRAND TOTAL	9924.71	1634.50	8290.21	

(iv) Sales Tax:

Year	Forum Pending	Amount Involved (₹ in Lakhs.)	Status
2001-02	Odisha Sales Tax Tribunal, Cuttack	250.33	The demand by STO as per report of AG(O) Audit, has been confirmed in 1 st appeal , Second appeal has been filed before Tribunal.
2002-03	Odisha Sales Tax Tribunal, Cuttack	322.04	The demand by STO as per report of AG(O) Audit, has been confirmed in 1 st appeal , Second appeal has been filed before the Tribunal.
	TOTAL	572.37	

(v) Entry Tax:

Year	Forum Pending	Amount Involved (₹ in Lakhs.)	Amount Paid (₹ in Lakhs.)	Status
2007-09	Deputy Commissioner of Sales Tax Circle – II BBSR	214.12	71.38	1 st Appeal confirmed by the Additional Commissioner of Sales tax. Petition filed before Dispute Resolution Committee on 11/01/2016 for settlement of Disputed Demand
2009-14	Deputy Commissioner of Sales Tax Circle – II BBSR	3426.39	909.56	1 st Appeal confirmed by the Additional Commissioner of Sales tax (Appeal). The matter is pending before dispute redressal Mechanism for amicable settlement
	TOTAL	3640.51	980.94	



vi) Godown Rent:

Godown rent of ₹ 39, 90,527/- of Sambalpur depot (IMFL), Kalyani Naik for the period from Feb.-2011 to Sept.-2014 @ ₹ 5.97 per sqft. for 15915 sqft. per month not provided in accounts due to contingent in nature.

vii) Receivable on Loading & Unloading Charges:

Receivable Penalty amounting ₹ 2,03,72,380/- on Loading & Unloading Charges for the financial year 2009-10,2010-11,2011-12,2012-13,2013-14,2014-15 & 2015-16 has not been recognized in the Financial Statements since this may not be realized as the matter is under dispute & sub-judice. However, the matter is assessed continually and if it has become virtually certain that the penalty will be realizable, the related income will be recognized in the financial statement for the period in which it realized. Further, the receivable of ₹ 81, 67,020/- on account of Loading and unloading charges has not recognized for the financial year 2016-17 due to the above reason.

viii) Others:

Sl. No.	Matter Pending	Matter of Cases	Nos. of Cases
01	Civil Judge (Jr.) Division, BBSR	Loading & Unloading	2 No. of Cases
02	Civil Judge (Sr.) Division, BBSR	Loading & Unloading	1 No. of Case
03	District Judge (Khurda), BBSR	Loading & Unloading	1 No. of Case
04	Hon.ble High court of Odisha	Loading & Unloading	3 No. of Cases
05	State Consumer Forum	Godown Insurance	1 No. of Cases
06	Dist. Consumer Redressal Forum, Dhenkanal	Excise Matter	1 No. of Case
07	Sales Tax Tribunal, CTC	Sales Tax Matter	4 Nos. of Cases



08	Supreme Court of India	Excise Matter	1 No. of Cases
09	City Civil Court, Hyderabad	Excise Matter	1 No. of Cases
10	CESTAT, Kolkata	Service Tax Matter	4 Nos. of Cases
11	Hon.ble High court of Odisha	Godown Rent	1 No of Case
12	Deputy Commissioner of Sales tax, Circle-II, BBSR	Entry Tax	2 No of Cases
13	CIT (Appeal), BBSR	Income Tax Matter	2 No of Cases
14	Civil Judge Division, Sambalpur	Godown Rent	1 No of Case
15	Hon.ble High court of Odisha	TCS related cases in IMFL/BEER/CS	295 No of Cases
16	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
17	Hon.ble High court of Odisha	Cases related with Minimum Guaranteed Quota (MGQ) of CS retailers.	37 No of cases

Note: Since the demand is not quantifiable the quantification has not been done by the Corporation.

18. CSR Expenses:

As per the provision of Section 135 of the Companies Act 2013, schedule – VII and rule made there under, the CSR obligation of OSBC Ltd during the F.Y 2016-17 was ₹ 121.52 Lakhs. However the company has spent ₹ 42.47 lakhs towards the CSR obligation of F.Y. 2016-17.



19. Disclosure of Specified Bank Notes along with other Denominations'

Notes:

As per Notification No-GSR-308(E) [F.NO.17/62/2015-CL-V(VOL.I)] DATED-30-03-2017, The Corporation has disclosed the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. However, the details are provided below.

Amounts in Rupee's

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08-11-2016.	Nil	₹ 2418/-	₹ 2418/-
(+) Permitted Receipts(i.e. withdrawal from bank)	Nil	₹ 5000/-	₹ 5000/-
(-) Permitted Payments	Nil	₹ 2560/-	₹ 2560/-
(-) Amount Deposited in Banks	Nil	Nil	Nil
Closing Cash in Hand as on 30.12.2016	Nil	₹ 4858/-	₹ 4858/-

20. Previous year Figure:

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

21. Rounding Off:

Figures are rounded off to nearest Rupees in Lakhs.