

# 23<sup>rd</sup> Annual Report 2022-23



**ODISHA STATE BEVERAGES CORPORATION LIMITED**  
(A GOVERNMENT OF ODISHA UNDERTAKING)



# 23<sup>rd</sup> ANNUAL REPORT 2022-23



## **ODISHA STATE BEVERAGES CORPORATION LIMITED**

(A GOVERNMENT OF ODISHA UNDERTAKING)

2<sup>nd</sup> FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR,

BHUBANESWAR-751023 (ODISHA), [www.osbc.gov.in](http://www.osbc.gov.in)

CIN: U51228OR2000SGC006372





### *Vision*

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



### *Mission*

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



## BOARD OF DIRECTOR



Sushil Kumar Lohani, IAS  
(Chairman)



Shri Narasingha Bhol, IPS  
(Director)



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



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



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



Shri Prasanna Kumar Parida  
(Independent Director)



Shri Santosh Kumar Biswal  
(Independent Director)



Shri Syama Charan Padhy  
(Independent Director)



Shri Ambar Kumar Kar, OAS (SAG), MD  
(Managing Director)



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### BOARD OF DIRECTORS AS ON 31.03.2023

1. Shri Sushil Kumar Lohani, IAS,	Chairman
2. Shri Ashish Kumar Singh, IPS	Director
3. Shri Rupa Narayan Das, OFS(SS)	Director
4. Shri Sailendra Kumar Dwivedi, OAS (SS)	Director
5. Shri Pradyumna Kumar Tripathy, OFS (SS)	Director
6. Shri Prasanna Kumar Parida	Independent Director
7. Shri Santosh Kumar Bishwal	Independent Director
8. Shri Syama Charan Padhy	Independent Director
9. Shri Prasanna Kumar Sarangi, OAS (SS)	Managing Director

### BOARD OF DIRECTORS AS ON 30.12.2023

1. Shri Sushil Kumar Lohani, IAS	Chairman
2. Shri Narasingha Bhol, IPS	Director
3. Shri Rupa Narayan Das, OFS(SS)	Director
4. Shri Sailendra Kumar Dwivedi, OAS (SS)	Director
5. Shri Pradyumna Kumar Tripathy, OFS (SS)	Director
6. Shri Prasanna Kumar Parida	Independent Director
7. Shri Santosh Kumar Bishwal	Independent Director
8. Shri Syama Charan Padhy	Independent Director
9. Shri Ambar Kumar Kar, OAS(SAG)	Managing Director

#### **STATUTORY AUDITORS:**

M/s. O M Kejriwal,  
Chartered Accountants,  
A 17/10, Nilagiri Niwas,  
Near SP Vigilance Office,  
Surya Nagar, Bhubaneswar,  
Odisha – 751003.

#### **INTERNAL-CUM-CONCURRENT AUDITOR:**

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

#### **BANKERS:**

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

#### **COMPANY SECRETARY**

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

#### **REGISTERED OFFICE:**

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



## DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting before you the 23<sup>rd</sup> Annual Report of Odisha State Beverages Corporation Limited and the audited financial statements for the year ended 31<sup>st</sup> March, 2023 together with the reports of the Statutory Auditors and the Comptroller & Auditor General of India thereon.

### 1. FINANCIAL PERFORMANCE:

The details of financial performance are given below:

(Amount in Lakh)

PARTICULARS	2022-23	2021-22
Total Revenue	7,52,417.93	6,06,168.19
Total Expenses	7,47,248.39	6,02,969.54
Profit Before tax	5,169.54	3,198.65
Tax Expenses		
Current Tax	2,061.21	1341.57
Deferred Tax	-30.73	-6.85
Profit after Tax	3,139.06	1,863.93
Other Comprehensive income	-1.94	-0.12
Total Comprehensive income (PAT)	3,137.12	1863.81
Earning per Share	313.71	186.38

### 2. SUMMARY OF OPERATIONS:

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

Your Corporation has been vested with the exclusive right and privilege of importing, exporting and carrying on the wholesale trade and distribution of Foreign Made Foreign Liquors (FMFL), Indian Made Foreign Liquors (IMFL), Beer, Wine, RTD and Country Liquor beverages of different brands in the State on behalf of the State Government for the whole of the State of Odisha.

During the year of operation, the Audited Financial results reveals that the total revenue was Rs. 7,52,417.93 Lakh and the total expenditure was Rs. 7,47,248.39 Lakh with the net profit after tax for the financial year at Rs. 3,139.06 Lakh.

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

## SALES PERFORMANCE OF DEPOT

SL. NO	DEPOT	2022-23 (Qty. in lakh Cases)				Sales Contribution (%)	2021-22 (Qty. in lakh Cases)				Sales Contribution (%)
		IMFL	BEER	CL	TOTAL		IMFL	BEER	CL	TOTAL	
1	Khurda	18.16	25.55	9.98	53.69	20.78	15.24	15.04	8.67	38.95	20.24
2	Cuttack	15.14	19.75	11.95	46.84	18.13	14.25	11.86	10.11	36.22	18.82
3	Balasore	14.11	18.64	3.16	35.90	13.89	13.30	10.73	2.64	26.67	13.86
4	Rayagada	8.14	20.34	0.00	28.49	11.02	7.18	13.54	0.00	20.72	10.77
5	Sambalpur	11.09	20.05	0.00	31.14	12.05	9.78	12.74	0.00	22.52	11.70
6	Angul	6.82	10.68	0.00	17.50	6.77	6.51	7.39	0.00	13.90	7.22
7	Berhampur	8.43	12.87	0.00	21.31	8.25	7.63	9.07	0.00	16.70	8.68
8	Jajpur	5.53	7.66	2.56	15.75	6.09	4.91	4.27	2.15	11.33	5.89
9	Sonepur	2.00	5.80	0.00	7.80	3.02	1.68	3.76	0.00	5.44	2.83
TOTAL		89.43	141.34	27.65	258.42	100.00	80.47	88.40	23.57	192.45	100.00

## FMFL SALES VOLUME

Category	FMFL (Qty. in Cases)			FMFL (Qty. in BL)		
	2022-23	2021-22	Growth (%)	2022-23	2021-22	Growth (%)
FMFL	162044	23708	583.50	1402469	202229	593.51
FMFW	3875	2915	32.93	32817	25437	29.01
FMFB	30544	1442	2017.50	241990	15618	1449.41
TOTAL	196463	28065	600.02	1677276	243284	589.43

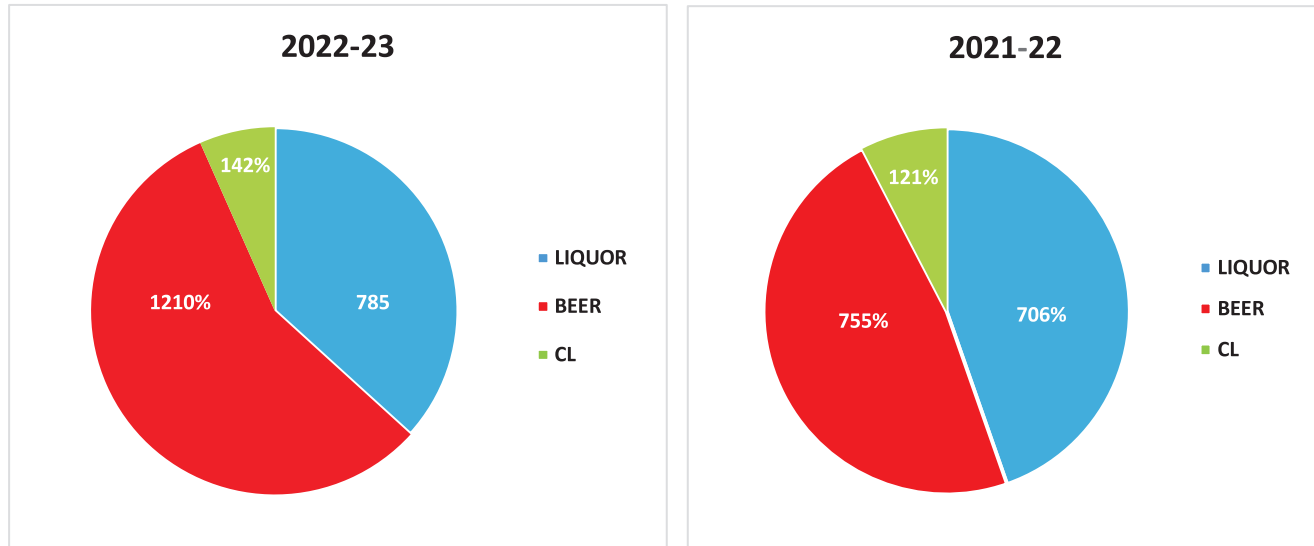
**EXPORT OF IMFL TO OUTSIDE THE STATE OF ODISHA**

Sl. No.	Supplier Name	IMFL (Qty. in Cases)			IMFL (Qty. in LPL)			Processing Fee Received by OSBC (in Lacs)		
		2022-23	2021-22	Growth (%)	2022-23	2021-22	Growth (%)	2022-23	2021-22	Growth (%)
1	M/s Bacardi India Pvt. Ltd.	91100	158376	-42.48	605048	1056356	-42.72	16.92	24.32	-30.43
2	M/s Craftsmith Pvt. Ltd.	2054	0		13694	0.00		0.33	0.00	
3	M/s Kishore Prasad Bijay Prasad Pvt. Ltd.	902	0		5994	0.00		0.22	0.00	
<b>TOTAL</b>		<b>94056</b>	<b>158376</b>	<b>-40.61</b>	<b>624736</b>	<b>1056356</b>	<b>-40.86</b>	<b>17.47</b>	<b>24.32</b>	<b>-28.17</b>

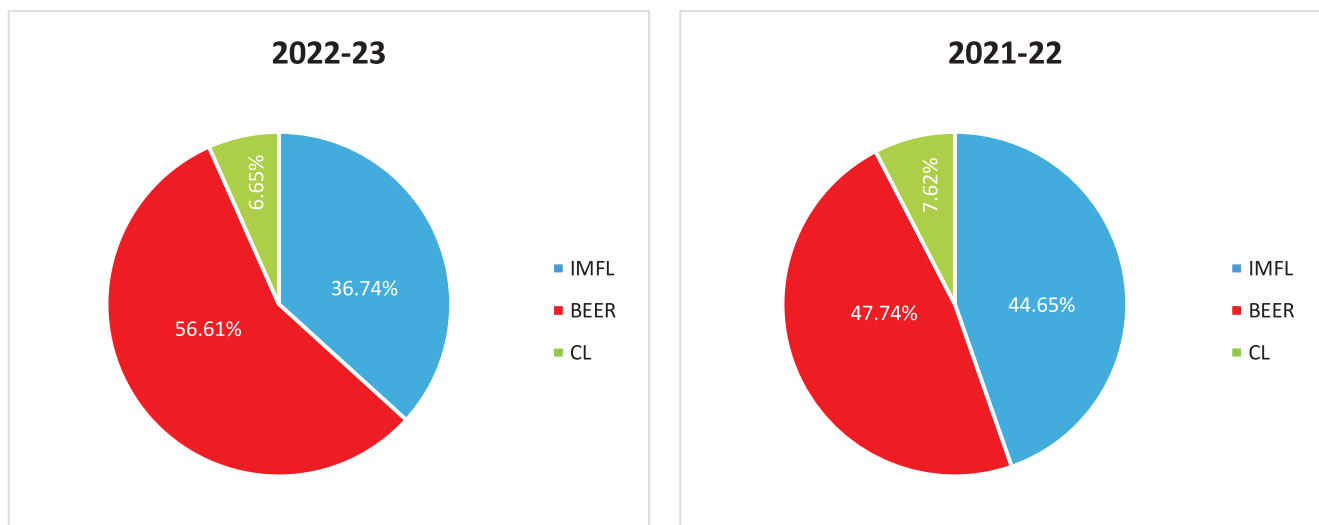
**EXPORT OF BEER TO OUTSIDE THE STATE OF ODISHA**

Sl. No.	Supplier Name	BEER (Qty. in Cases)			BEER (Qty. in BL)			Processing Fee Received by OSBC (in Lacs)		
		2022-23	2021-22	Growth (%)	2022-23	2021-22	Growth (%)	2022-23	2021-22	Growth (%)
1	M/s United Breweries Ltd.	0	212375		0	2267730		0.00	10.55	
2	M/s Denzong Breweries Pvt. Ltd.	25300	20250	24.94	197340	157950	24.94	0.83	0.47	76.60
3	M/s Som Distilleries & Breweries Ltd.	0	42000		0	336420		0.00	1.98	
4	M/s Som Distilleries & Breweries Odisha Pvt. Ltd.	0	56350		0	543480		0.00	3.10	
5	M/s Bacardi India Pvt. Ltd.	316408	266497	18.73	2088293	1758880	18.73	21.40	19.61	9.13
<b>TOTAL</b>		<b>341708</b>	<b>597472</b>	<b>-42.81</b>	<b>2285633</b>	<b>5064460</b>	<b>-54.87</b>	<b>22.23</b>	<b>35.71</b>	<b>-37.75</b>

## Sales Volume - Category wise (Quantity in lakh litre)

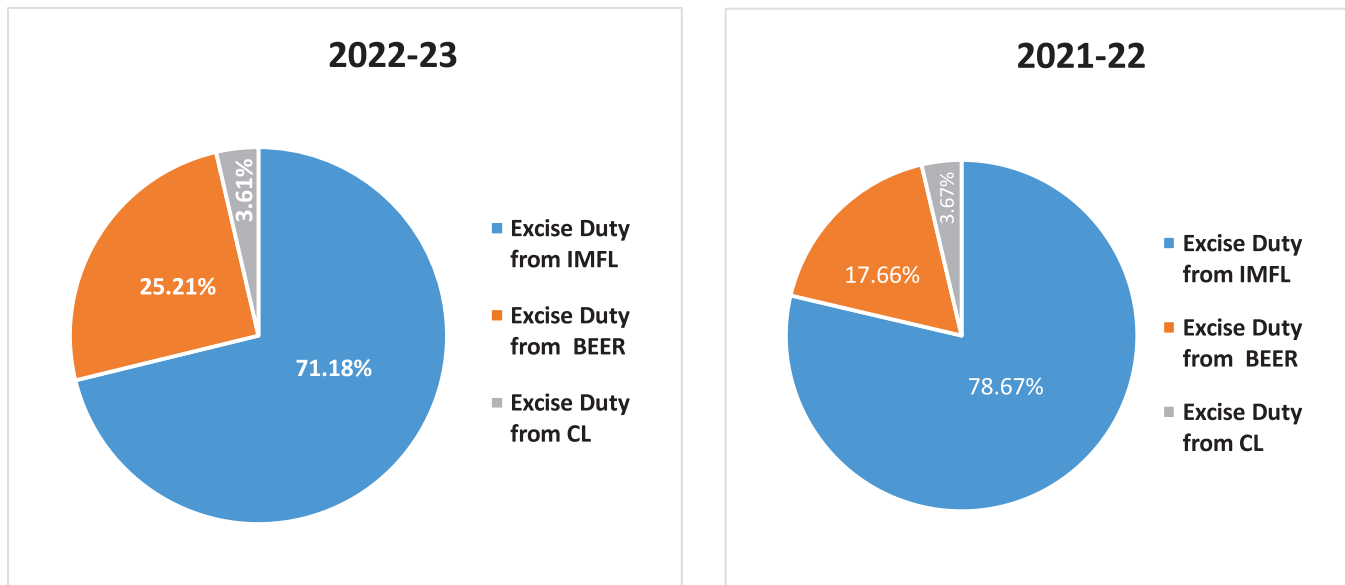


## Market Share – Category wise (%)

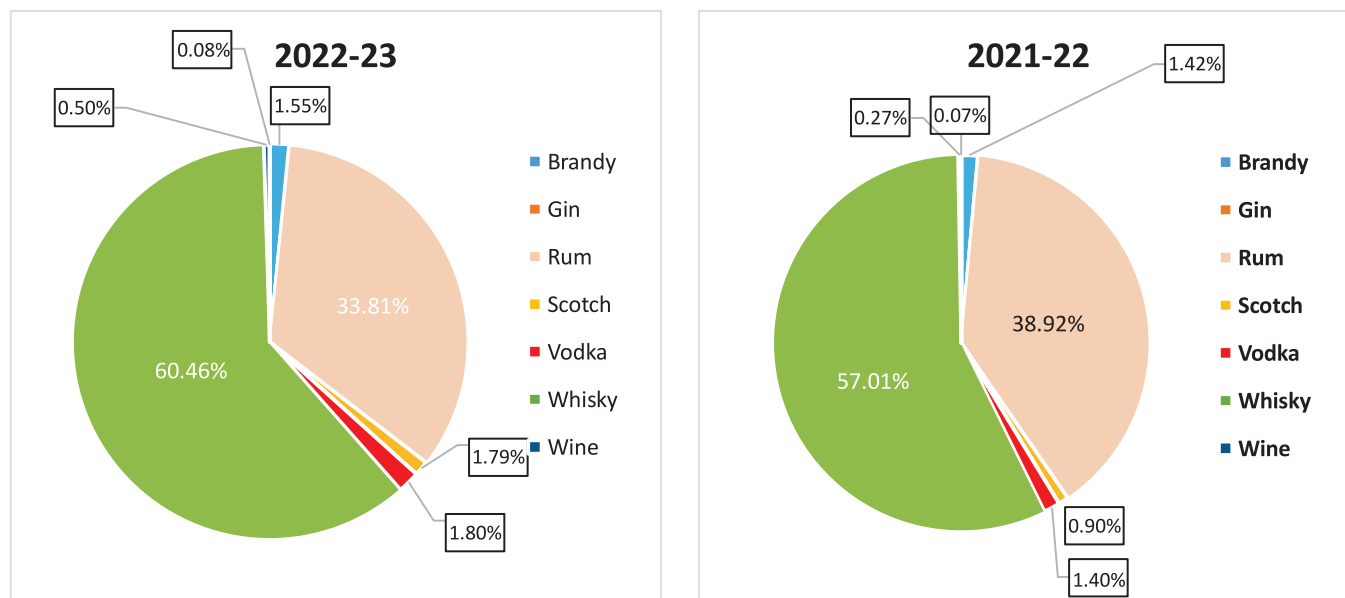




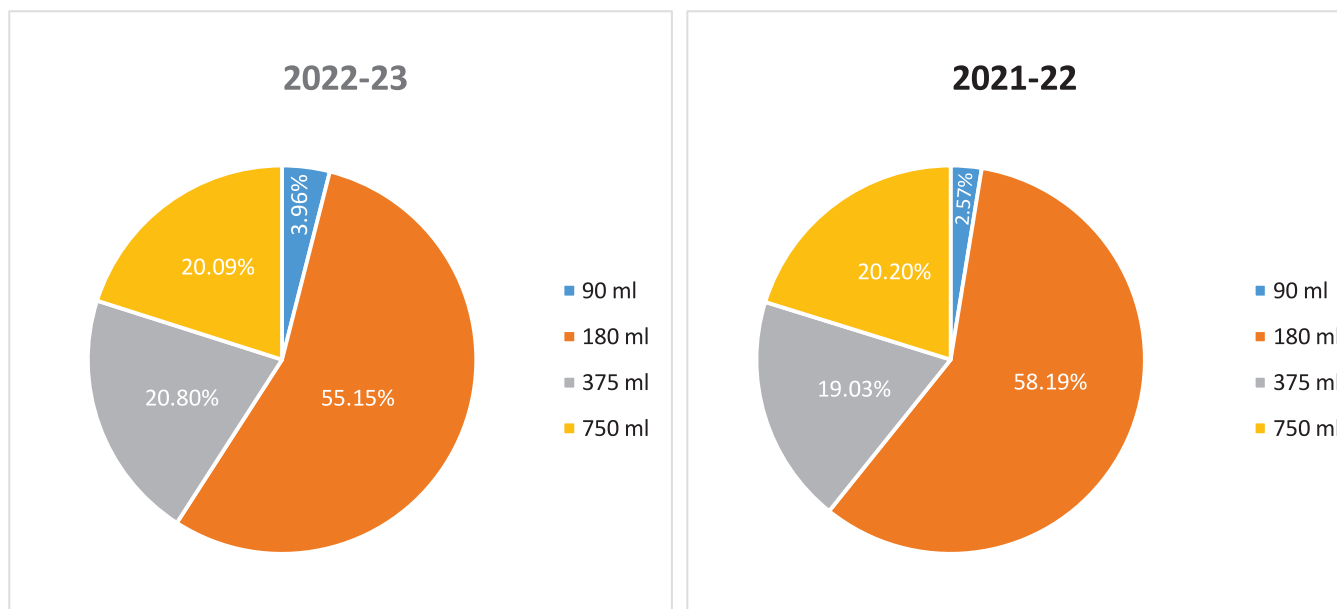
## Excise Duty Contribution - Category wise (%)



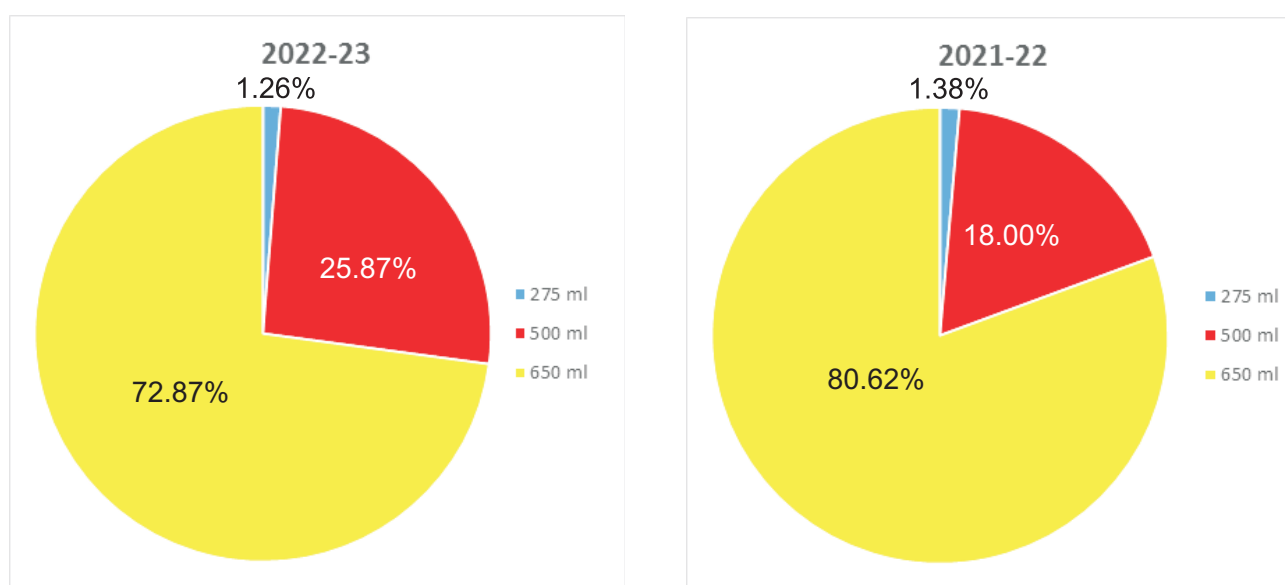
## Liquor Sales - Segment wise market share (%)



## SKU Wise Market Share-Liquor (%)

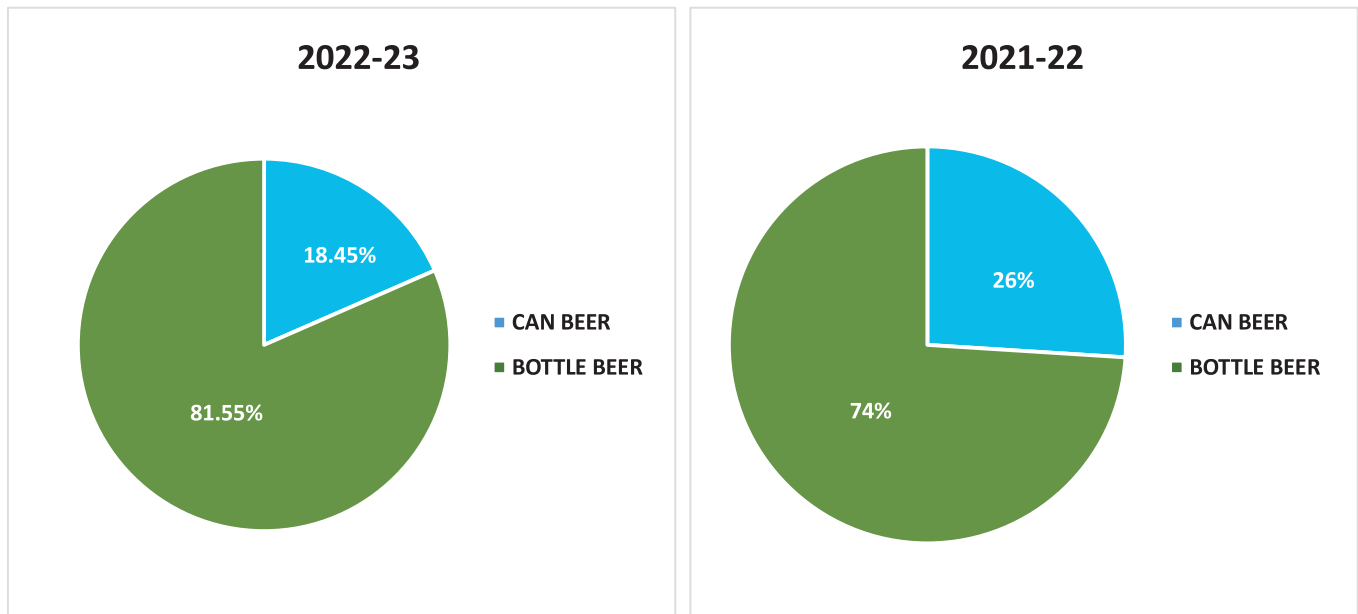


## SKU Wise Market Share-Beer (%)

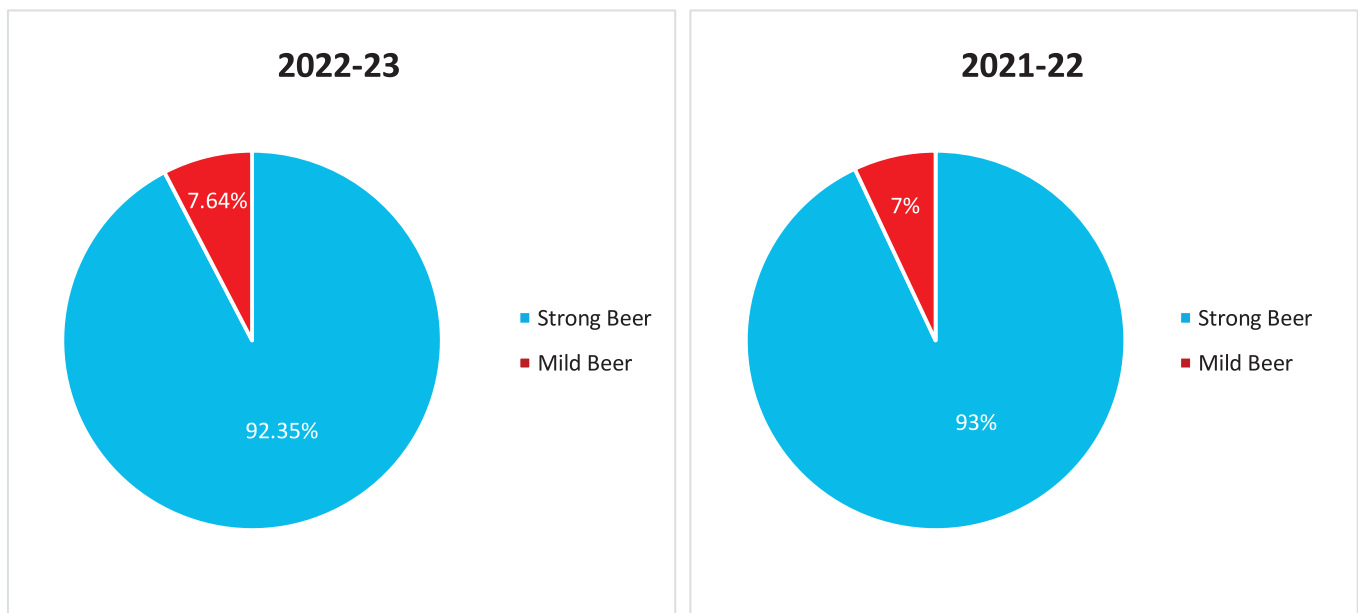




## Market Share of Can & Bottle Beer (%)



## Market Share of Strong & Mild Beer (%)





### 3. DIVIDEND AND APPROPRIATIONS:

Annual Dividend of 30.0423% of the profit after tax amounting to Rs. 560.00 Lakh has been paid to Govt. of Odisha.

### 4. OTHER EQUITY:

Profit After Tax of Rs. 3137.12 Lakh for the Financial Year 2022-23 has been transferred to other equity.

### 5. AWARDS AND RECOGNITION:

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

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

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

#### i. Changes in the nature of the Business:

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

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

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

### 7. COMPUTERISATION INITIATIVE OF OSBC:

OSBC computerization project was started in early 2014 in order to automate the work flow related to goods procurement and distribution at the depot level.

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

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

#### Payment integration & management Information System: -

- xi.i The online application has been integrated with e-Payment system of the payment gateways provided by State Bank of India, Indian Bank, Axis Bank, ICICI Bank & HDFC Bank till the financial year 2023-24.
- ii. The e-Challan system facilitates for the Defence licensed retailers to transfer money to OSBC through challan due to non-availability of Internet Banking of the Defence Shops.
- iii. The e-Payment system facilitates the licensed retailers to transfer money to OSBC through payment gateway using the Net Banking facility from their respective bank accounts. Upon



successful transaction, the retailer's wallet maintained in the OSBC online application is automatically refilled.

- iv. The MIS reports from the OSBC online portal provides real time information regarding the stock position at depot, sales volume of each depot (item wise), wallet balance of OSBC lying with Excise, Supplier wise Wallet balance maintained at OSBC, Retailer wise wallet balance, Retailer's purchase history and retailers lifting details against their MGQ (in LPL and BL), Supplier payment report, Different Tax Reports, Stock Holding Reports (Supplier Wise-Depot Wise), Para 14.1 Violation report generation etc.

#### **Implementation of online service for approval & issue of Transport Import Permit:**

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

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

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

#### **Implementation of online service for approval of NOC& issue of Export Pass:**

1. The OSBCL has been issuing Online NOC to the Superintendent of Excise of the concerned district where the manufacturing unit is located.
2. After getting the NOC from OSBCL, the concerned Superintendent of Excise authorize the OIC of the Concerned Export unit for issue of Online Export pass generated from the OSBC Online Application for export of the consignment.
3. OIC of the Concerned Export unit has generate the Online Export Pass from OSBC Online Application and Issued the same to the concern supplier.

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

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

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

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

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

Human Capital Management (HCM) Module in Implementation of SAP/ERP application has been go-lived on 12.07.2023 by MD, OSBC.

Three phase of parallel test run has been conducted with the OSBCL Online Application developed & maintained by NIC which was end on December, 2023 and many issues has been traced out & same has been resolved through SAP/ERP test server.

Financial Accounting (FICO), Materials Management (MM), and Sales and Distribution (SD) modules has under advance stage of User Acceptance Testing (UAT) by the concern department of the OSBCL and the above 3 modules will be Go-Live in OSBCL HO & its 9 Depot soon.

## **8. EXTERNAL RISK FACTORS TO THE CORPORATION:**

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

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

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

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

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



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

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

## **11. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

## **12. INDUSTRIES SCENARIO:**

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

## **13. BUSINESS OUTLOOK:**

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

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

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



The Construction status of own Depots of OSBCL are given below:

Construction of Own Depot at	Executing Agency	Status of the Construction
1) Khurda	M/s. Bridge & Roof Co. (India) Ltd.	Operating
2) Angul	M/s. National Project Construction Corporation Ltd.	Operating
3) Sonapur	M/s. National Buildings Construction Corporation Ltd.	Operating
4) Chhatrapur	IDCO	To be completed by end of January, 2024
5) Junagarh	M/s Odisha State Police Hosing & Welfare Corporation	Under Construction
6) Balasore	M/s Odisha State Police Hosing & Welfare Corporation	Awaiting for administrative approval
7) Rourkela (Lathikata)	Not Finalized	-
8) Jajpur (Baroda)	-	Land has been identified.
9) Cuttack	-	Ac.4.00 Land has been identified at Manguli by the side of NH 16.
10) Jasipur	-	Land to be finalized.
11) Jeypore	-	Land yet to be identified

#### 14. STATUTORY AUDITORS:

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

#### 15. INTERNAL AUDITORS:

M/s. SRB & Associates, Chartered Accountants, Bhubaneswar has been re-appointed as Internal Auditor of the Corporation for the Financial Year 2022-23.

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

The comments of Management on the observations of Statutory Auditor and C&AG of India, on financial statements of OSBCL for the FY 2022-23 as per the provisions of section 134(3) of the Companies Act, 2013 are enclosed at **Annexure 1 & 2 respectively**.

#### 17. DEPOSITS:

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

#### 18. SHARE CAPITAL

As on 31<sup>st</sup> March, 2023 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/- (Rupees Ten only) 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/- (Rupees Ten Only) each. Government of Odisha and its nominees hold the entire equity share capital of the Corporation.

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





## 19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

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

The CSR Obligation for the Financial Year 2022-23 was Rs. 69.29 Lakh. The Corporation has spent CSR amount of Rs. 86.24 Lakh against other than ongoing projects during the financial year and Rs.61.29 Lakh against ongoing projects which is related to the FY 2021-22.

CSR report, pursuant to clause (O) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules 2014 forms part of the Boards Report as **Annexure-3**.

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

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

### **Conservation of Energy:-**

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

### **Technology Absorption:-**

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

### **Foreign Exchange Earnings & Outgo:-**

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

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

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

The strength of the Board as on March 31, 2023 is nine (9) directors. They are as follows:

- |    |   |                      |
|----|---|----------------------|
| 1. | Shri Sushil Kumar Lohani, IAS,<br>Principal Secretary to Govt. of Odisha,<br>Excise Department.               | Chairman             |
| 2. | Shri Ashish Kumar Singh, IPS,<br>Excise Commissioner, Odisha.   | Director             |
| 3. | Shri Rupa Narayan Das, OFS (SS),<br>Special Secretary to Govt. of Odisha,<br>Finance Department.              | Director             |
| 4. | Shri Sailendra Kumar Dwivedi, OAS (SS),<br>Special Secretary to Govt.,<br>P. E. Department.                   | Director             |
| 5. | Shri Pradyumna Kumar Tripathy, OFS (SS)<br>Additional Commissioner of Commercial Taxes<br>& GST, Bhubaneswar. | Director             |
| 6. | Shri Prasanna Kumar Parida  | Independent Director |
| 7. | Shri Santosh Kumar Bishwal  | Independent Director |
| 8. | Shri Syama Charan Padhy   | Independent Director |
| 9. | Shri Prasanna Kumar Sarangi, OAS (SS)   | Managing Director    |

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

### (I) Following Changes occurred during the Financial year 2022-23:

Sl. No.	Name of Director	Designation	Appointment	Cessation
1.	Shri Pramod Kumar Mishra, OAS (SAG)	Managing Director	-	07/06/2022
2.	Shri S.B.K Pradhan, OAS (SS)	Managing Director	07/06/2022	21/06/2022
2.	Shri Prasanna Kumar Sarangi, OAS (SS)	Managing Director	21/06/2022	-
3.	Shri Sailendra Kumar Dwivedi, OAS (SS)	Director	06/08/2022	-
4.	Shri Parthasarathi Mishra, IAS,	Director	-	06/08/2022
5.	Shri Nikunja Bihari Dhal, IAS	Chairman	02/09/2022	31/03/2023
6.	Shri Sushil Kumar Lohani, IAS	Chairman	-	02/09/2022
7.	Shri Pradyumna Kumar Tripathy, OFS (SS)	Director	04/03/2023	-
8.	Shri Akshya Kumar Patjoshi, OFS (SS)	Director	-	04/03/2023
9.	Shri Sushil Kumar Lohani, IAS	Chairman	31/03/2023	-

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

During the Financial Year 2022-23, four (4) number of Board meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Directors	
		Present	Absent
4 <sup>th</sup> June, 2022	92 <sup>nd</sup>	8	1
29 <sup>th</sup> August, 2022	93 <sup>rd</sup>	8	1
21 <sup>st</sup> December, 2022	94 <sup>th</sup>	7	2
31 <sup>st</sup> March, 2023	95 <sup>th</sup>	8	1

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

**Details of attendance of each Director during the period April 01, 2022 to March 31, 2023:-**

Name of Directors	Meetings Attended	Meetings Remained Absent
Shri Sushil Kumar Lohani, IAS	3	0
Shri Ashish Kumar Singh, IPS	3	1
Shri Rupanarayan Das, OFS(SS)	3	0
Shri Sailendra Kumar Dwivedi, OAS (SS)	2	2
Shri Pradyumna Kumar Tripathy, OFS(SS)	1	0
Shri Prasanna Kumar Parida, Independent Director	4	0
Shri Santosh Kumar Bishwal, Independent Director	3	1
Shri Syama Charan Padhy, Independent Director	3	1
Shri Prasanna Kumar Sarangi, OAS(SS) Managing Director	3	0

**22. COMMITTEES OF THE BOARD:**

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

**Audit Committee:-**

The Corporation has constituted an Audit Committee in compliance with the provisions of Corporate Governance Manual of P.E. Department, Government of Odisha and also follows the provisions of the Companies Act, 2013. The composition of Audit Committee as on 31.03.2023 was as follows:

1. Shri Rupa Narayan Das, OFS (SS), Special Secretary to Government, Finance Department and Director OSBC Ltd, Chairman of the Committee.
2. Shri Ashish Kumar Singh, IPS, Excise Commissioner, Odisha and Director OSBC Ltd.
3. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.
4. Shri Santosh Kumar Bishwal, Independent Director, OSBC Ltd.
5. \*Shri Pradyumna Kumar Tripathy, OFS (SS), Additional Commissioner, Commercial Taxes & GST, Bhubaneswar and Director, OSBC Ltd.

\*Shri Pradyumna Kumar Tripathy, OFS (SS) was nominated as a member of the Audit Committee on 04.03.2023 in place of Shri Akshya Kumar Patjoshi, OFS (SS).

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

During the Financial Year 2022-23, four (4) number of Audit Committee meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
19 <sup>th</sup> May, 2022	51 <sup>st</sup>	5	0
17 <sup>th</sup> August, 2022	52 <sup>nd</sup>	5	0
12 <sup>th</sup> December, 2022	53 <sup>rd</sup>	5	0
14 <sup>th</sup> March, 2023	54 <sup>th</sup>	5	0

**CSR Committee:-**

The Corporation has constituted a CSR Committee under section 135(1) of the Companies Act, 2013. The composition of CSR Committee as on 31.03.2023 was as follows:

1. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd, Chairman of the Committee.
2. Shri Syama Charan Padhy, Independent Director, OSBC Ltd.
3. \*Shri Prasanna Kumar Sarangi, OAS (SS), Managing Director, OSBC Ltd.

\*Shri Prasanna Kumar Sarangi, OAS (SS) was nominated as a member of CSR Committee on 21/06/2022 in place of Shri S.B.K Pradhan, OAS (SS)

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

During the Financial Year 2022-23, three (3) number of CSR Committee meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
25 <sup>th</sup> April, 2022	28 <sup>th</sup>	3	0
20 <sup>th</sup> August, 2022	29 <sup>th</sup>	3	0
13 <sup>th</sup> December, 2022	30 <sup>th</sup>	3	0

### **H R Committee:-**

The Corporation has constituted H R Committee in compliance to the provisions of Corporate Governance Manual of P.E. Department, Government of Odisha. The composition of HR Committee as on 31.03.2023 was as follows:

1. Shri Syama Charan Padhy, Independent Director, OSBC Ltd., Chairman of the Committee.
  2. \*Shri Sailendra Kumar Dwivedi, OAS (SS), Special Secretary to Govt., P.E. Department and Director, OSBC Ltd.
  3. Shri Prasanna Kumar Parida, Independent Director, OSBC Ltd.
  4. \*\*Shri Prasanna Kumar Sarangi, OAS (SSG), Managing Director, OSBC Ltd.
- \* Shri Sailendra Kumar Dwivedi, OAS (SS) was nominated as a member of HR Committee on 06/08/2022 in place of Shri Pathasarathi Mishra, IAS
- \*\*Shri Prasanna Kumar Sarangi, OAS (SS) was nominated as a member of HR Committee on 21/06/2022 in place of Shri S.B.K Pradhan, OAS (SAG).

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

During the Financial Year 2022-23, four (4) number of HR Committee meetings were held, details of which are given below:

Date of meetings	Serial No. of Meeting	Attendance of Members	
		Present	Absent
20 <sup>th</sup> August, 2022	27 <sup>th</sup>	4	0
28 <sup>th</sup> September, 2022	28 <sup>th</sup>	4	0
13 <sup>th</sup> December, 2022	29 <sup>th</sup>	4	0
16 <sup>th</sup> March, 2023	30 <sup>th</sup>	3	1

### **Operation Committee:-**

The Corporation has constituted Operation Committee to study the operation related issues of the Corporation. The composition of Operation Committee as on 31.03.2023 was as follows:

1. Shri Santosh Kumar Bishwal, Independent Director, OSBC Ltd. & Chairman of the committee
  2. Shri Ashish Kumar Singh, IPS, Excise Commissioner, Odisha and Director, OSBC Ltd.
  3. \* Shri Pradyumna Kumar Tripathy, OFS (SS), Addl. Commissioner, Commercial Taxes & GST and Director, OSBC Ltd.
  4. \*\*Shri Prasanna Kumar Sarangi, OAS (SS), Managing Director, OSBC Ltd.
- \* Shri Pradyumna Kumar Tripathy, OFS (SS) was nominated as a member of Operation Committee on 04/03/2023 in place of Shri Akshya Kumar Patjoshi, OFS (SSG).
- \*\* Shri Prasanna Kumar Sarangi, OAS (SS) was nominated as a member of Operation Committee on 21/06/2022 in place of Shri S.B.K Pradhan, OAS (SS).

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

During the Financial Year 2022-23, four (4) number of Operation Committee meetings were held, details of which are given below:

Date of meetings	Sl No. of Meeting	Attendance of Members	
		Present	Absent
19 <sup>th</sup> May, 2022	20 <sup>th</sup>	4	0
17 <sup>th</sup> August, 2022	21 <sup>st</sup>	4	0
16 <sup>th</sup> December, 2022	22 <sup>nd</sup>	3	1
16 <sup>th</sup> March, 2023	23 <sup>rd</sup>	3	1

### 23. DECLARATION BY AN INDEPENDENT DIRECTOR:

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

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

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

### 25. PARTICULARS OF EMPLOYEES:

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

### 26. CORPORATE GOVERNANCE:

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

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

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

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

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

### 29. SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

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



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

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

**31. NOMINATION, REMUNERATION & STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

**32. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

**33. COST AUDIT:**

As per the provision of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rule, 2014, Cost Audit was not applicable to the Corporation during the F.Y. 2022-23.

**34. SECRETARIAL AUDIT REPORT:**

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

**35. PARTICULARS OR CONTRACTS WITH RELATED PARTY TRANSACTIONS:**

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

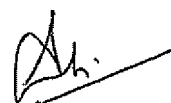
**36. SIGNING OF MOU WITH ADMINISTRATIVE DEPARTMENT:**

OSBC Ltd. had signed the Memorandum of Understanding with Government in Excise Department for the FY 2022-23 on 07/06/2022 as per Corporate Governance Manual of P.E Department, Government of Odisha.

**37. ACKNOWLEDGEMENTS**

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

For and on behalf of the  
Board of Directors



Shri Sushil Kumar Lohani, IAS  
Chairman  
DIN: 06912948

Place: New Delhi  
Date: 30/12/2023





## Annexure-1

**Replies of the Management on the Observations of the Statutory Auditor on the Financial Statements of Odisha State Beverages Corporation Limited for the financial year 2022-23**

Sl No	Audit Observations	Management Reply
1	Referring to the Significant Accounting Policy for recognition of purchases, as per Note No.2 Significant Accounting Policies/Para No. 8 the Company's accounting policy is not in conformity to Ind AS 115 "Revenue from contract with customers". The invoices raised by the suppliers are not recognized as purchase by the Company at the time of issuing Goods Receipt Notes (GRN) though the stocks are under the control of the Company as defined under Paragraph 33 of Ind AS 115,"Contract with customers" and Para 4.20 and 4.21 of the "Conceptual Framework for Financial Reporting under Indian Accounting Standards (Ind AS)"(applicable for Standard-setting activity w.e.f. April 1, 2020). The Company recognizes purchases in its go-downs under its control only at the time of sale of products, which in our opinion do not represent a true and fair view of the financial statements.	Regarding accounting of the beverages stock it was explained to the audit that it is a standard practice followed by the entity for years and the other State PSUs entrusted with wholesaling of beverages.
2	Other Equity and Loading & Unloading Charges receivable as at 31.03.2023 are overstated by an amount of Rs.407.45 lakhs each due to non-provision of doubtful debt on account of under loading charges for the period from 2011-12 to 2015-16 of Khorda, Nirgundi and Balasore Depots and for the period from 2009-10 to 2015-16 for Sambalpur Depot since no steps have been taken by the Company during the year for recovery and the likelihood of recovering the amount from the parties is minimal.	The matter is under sub-judice and Arbitration proceeding is going on as per the clause of the agreement. The Arbitration proceeding is at the final stage of hearing and the Arbitration award in this regard is expected shortly. Based on the arbitration award necessary accounting effect shall be given in the Books of Account.
3	Current assets are overstated by Rs. 2.92 lakhs on account of long outstanding, unreconciled balances not confirmed by the parties as at 31.03.2023. Current liabilities to the extent of Rs. 69.92 lakhs have also been overstated being unreconciled, not confirmed and long outstanding. The company has not initiated any actions during the year for the recovery or reconciliation of the	The outstanding un-reconciled current assets and current liabilities will be taken up while finalizing the accounts of next financial year i.e. FY 2023-24.



SI No	Audit Observations	Management Reply
	outstanding amounts that have remained unsettled for an extended duration. This could potentially lead to inaccurate financial reporting, misleading ratios and a misrepresentation of the company's financial health.	
4	As per documents and information furnished to us, though the liquor stocks are under the control of the Company, the Company does not account for the liquor stocks stored in its depots under its control as inventory. The Company however has paid Rs.96.03 lakhs towards insurance premium during the year but failed to recover the premium paid from its suppliers. In our opinion, failure to recover the premium resulted in an understatement of profit for the year by Rs.96.03 lakhs.	As per Supply Chain Management Policy, 2020, vide clause no-21, All the beverages stocks of FMFL / IMFL / Wine / Beer / RTD / CL lying in the depots of the OSBCL are to be covered under insurance on yearly basis by the Corporation and the cost of insurance premium will be borne by the Corporation. Since the Corporation is only the custodian of such beverages stock and the risk and rewards is lying with the Corporation, recovery of Insurance Premium from the supplier is not called for and there is no under statemnt of profit.
5	Attention is drawn to point No.10 of Note-3 "Additional Notes to the Financial Statements" Short Term Provision is understated and Accumulated Profit is overstated to the extent of non-provisioning of liabilities on account of Retirement Benefits (figures not ascertained by the management) relating to deputed employees from ORITCO, OIL ORISSA, OSFC, OBCC and OFDC and measurement and disclosure are not in compliance to the requirements of Ind AS 19"Employee Benefits". The impact on Financial Statements could not be quantified as the same has not been ascertained by the management.	The leave salary & pension contribution has been reimbursed to the parent department of the respective deputed employees on the basis of claim made by the respective parent departments. However no provision for the deputed employees has been made due to non availability of the data/figures in respect of Leave Salary & gratuity, pension. The same shall be booked in the accounts of the company as and when it shall be claimed by their parent departments.
6	The requirements laid down as per the provisions of Rule 158 of the Odisha Excise Rule, 2017, have not been adhered to by the Company and the entity has not kept any records nor adopted any	The Corporation does not deal with Excise Adhesives Label (EAL). The distribution and accounting of EAL is exclusively controlled by the



SI No	Audit Observations	Management Reply
	appropriate internal control measures in respect of monitoring the issue, utilization and balances of Excise Adhesive Labels (EALs) issued to the suppliers within the state and the suppliers located outside the state. The impact on the Financial Statements could not be quantified as no records have been kept by the management for such Excise Adhesive Labels (EALs).	Department of Excise. Further the Superintendent of Excise, Khurda is only the custodian of EAL for distribution to Distillery Officer / Excise OIC of Distilleries / Bottling Plants / Breweries operating in / out side State of Odisha. Hence, no role of the Corporation is required.
7	As per section 29 of the Odisha Excise Act, 2008 "where there is a difference of duty as between two licence periods, such difference may be collected in respect of all stocks of liquor held by licensee at the close of the former period". It is observed that the Company has not complied with provisions of section 29 of the Odisha Excise Act, 2008, and failed to collect the differential excise duty on liquor stocks lying in the depots of the Company. As per the information furnished to us, the Company collects the differential excise duty only at the time of sale of the liquor products by following the Supply Chain Management policy framed by the Company. As per the practice followed by the Company, the Government of Odisha is losing revenue on the stocks lying in the depots at the time of change in rates of duty and eventually not sold due to sedimentation and for other reasons Since the inventories are not recognized in the books of account, due to the wrong accounting policy followed by the Company as mentioned under para 01 of our report, the amount of differential duty if any, could not be audited by us as the same have not been ascertained and furnished by the management to audit.	As per the prevailing practice, after revision (upward) of Excise duty by Govt., the new duty is paid by the supplier before dispatch of stock from his manufacturing unit to OSBC. But in case of stock which is already received by OSBC prior to revision of duty, OSBC collects the revised duty in respect of liquor stocks sold to retailers and deposited the same with the Government. The Board of Directors in their 84th meeting held on 26.06.2020 also decided that the prevailing practice of collection of differential excise duty on sales to retailers will continue.



## Emphasis of Matter

SI No	Audit Observations	Management Reply
1	The company has not obtained balance confirmations as of March 31, 2023, from a substantial number of its sundry creditors, sundry debtors, and other parties. Consequently, the balances reported in the financial statements are subject to potential adjustments based on the outcomes of balance confirmation and subsequent reconciliation processes.	There are about 2000 retailers. Either they place their advance in the Corporation wallet or deposit DD for lifting liquor stock; Most of these retailers who deposit into the wallet have access to the wallets at any point of time. The amount available in the wallet has never been disputed by any of the retailers in the past, hence the wallet balance of the retailers are auto reconciled with the Corporation balance. Whether the deposit is into the wallet or through DDs, no liquor stock is supplied unless they have credit balance with the Corporation. So far as other creditors are concerned, they are suppliers of liquor for whom the accounts are reconciled periodically. Beyond retailers and suppliers of liquor, there is hardly any sundry debtors and sundry creditors.
2	The Company has not disclosed the "Relationship with Struck off Companies" under section 248 of Companies Act-2013 in the Financial Statements for the Fy-2021-22. As per the records of the Company, the Company has entered into the following transactions with the struck off companies during this year. (Annexure-1)	The Corporation has not entered into any transactions with either Foster India Private Limited or with India Glycols Limited (Struck off Companies) during the FY 2022-23 as pointed out by Audit. The balances outstanding as on 31.03.2022 are carried over balances from previous years before they were struck off.
3	The company has not disclosed contingent liability in respect of the Statement of Demand for Rs.456.50lakhs issued by the Commissioner, GST & Central Excise, Bhubaneswar for the years 2016-17 and 2017-18 (upto June 2017).	The demand for Rs. 456.50 Lakhs issued by the Commissioner, GST & Central Excise, Bhubaneswar for the year 2016-17 and 2017-18 is through a show cause notice against which compliances have been made and no demand has been raised subsequent to Corporation's compliance. The Corporation does not take cognizance of show cause notices for the purpose of contingent liability.



SI No	Audit Observations	Management Reply
4	As per the supply chain management policy (point no. 13.9), the Corporation is obligated to impose stock holding charges at the rate of Rs. 1 per case per day on stocks retained within Corporation depots for more than 120 days from their receipt from suppliers. This charge is applicable from the day following the completion of 120 days until the stock's sale. It is further specified that no stock holding charges should be collected once the stock has expired. However, our observation during the Depot visit reveals that inadequate storage controls, documentation practices, and non-adherence to the First in First Out (FIFO) method for stock issuance at depots have led to discrepancies between physically held stock at depots and online stock holding statements. Consequently, there is a substantial risk of incorrect levying of stock holding charges and potential revenue understatement.	As per clause 13.9 of the Supply Chain Management Policy, the Corporation collects Stock holding charges @ Rs1/- per case per day for those stocks which remain in the Corporation godown for more than 120 days from the date of receipt from the supplier. As a matter of principle stock holding charges are being determined adopting FIFO and being recovered from the suppliers regularly except where huge old stock is lying and it is difficult to adopt FIFO. However, Corporation is going to establish track and trace system shortly when this problem will be overcome. Further, with the addition of 4 new depots, the load on the existing depots will reduce considerably and tracking and tracing will be easier.

## Annexure-1

(Rupees in Lakh)

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



## Annexure-2

**Replies of the Management on Final Comments of the Comptroller and Auditor General of India on the Financial Statements of Odisha State Beverages Corporation Limited for the Financial Year 2022-23**

SI No	Final Comments of the Comptroller & Auditor General of India	Compliance to Para
	<b>A. Comments on Financial Position</b> <b>Assets</b> <b>Capital work in Progress (Note 5)</b> <b>Capital Work in Progress tangible - Rs.28.19 crore</b>	
1.	Above is understated by Rs. 0.58 crore due to non-accounting of full value of the invoice submitted by M/s National Projects Construction Corporation Limited (I.IPCC). OSBCL has taken up construction of a Godown at Angul through M/s NPCC at an approved estimated cost of Rs. 16.65 crore and released an amount of Rs. 15.28 crore as advance. M/s NPCC has submitted (July 2023) total bill of Rs. 15.86 crore up to March 2023. Though OSBCL has booked the advance of Rs 15.28 crore as Capital work in Progress, no entry was passed for the balance amount of Rs. 0.58 crore. Non-accounting of balance amount of invoice has also resulted in understatement of Current Liability (Sundry Creditors) by Rs. 0.58 crore.	As per audit observation, necessary accounting entries shall be passed in the books of accounts of the FY-2023-24
	<b>B. Comments on Disclosure</b> <b>Notes to Accounts and Significant Accounting Policies</b>	
2	M/s Bridge & Roof has demanded (December 2022) an amount of Rs. 2.94 crore towards deviation statement pertaining to construction of godown at Khorda (handed over in 11 April 2022). The amount was under approval by the Board of Directors. The amount being significant; same should have been disclosed in the notes to accounts.	Noted, the same shall be disclosed in the next financial year
3	OSBCL has constructed / taken up construction of its own Godowns at 5 places viz; Khorda, Sonapur, Ganjam, Angul and Bhawanipatna and spent a significant amount towards construction of these godowns. Land at Sonapur and Ganjam was acquired through lease. In other three places the land is in the name of excise department and OSBCL has acquired only permissive possession and surface right. This fact should have been disclosed.	Noted, the Permissive possession and surface right shall be disclosed in the next financial year



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

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I)  
ODISHA, BHUBANESWAR-751001

To.

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

**Sub: Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act. 2013 on the accounts of Odisha State Beverages Corporation Ltd. for the year 2022-23.**

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 Beverages Corporation Ltd. for the year 2022-23.

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

Encl: As above

Yours faithfully,

*Taanya Ambastha*  
28.12.23  
(Taanya Ambastha)

Deputy Accountant General(AGM-IV)

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Sachivalya Marg, Bhubaneswar-751001, Tel: 0674-2390122, Fax: 0674-2396576, 2394428  
E-mail: agaurissa@cag.gov.in

## **Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of Odisha State Beverages Corporation Limited (OSBCL) for the year ended 31 March 2023.**

The preparation of financial statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2023 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 3 October 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Odisha State Beverage Corporation Limited for the year ended 31 March 2023 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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**

#### **Assets**

#### **Capital work in Progress (Note 5)**

#### **Capital Work in Progress tangible - Rs.28.19 crore.**

1. Above is understated by Rs. 0.58 crore due to non-accounting of full value of the invoice submitted by M/s National Projects Construction Corporation Limited (NPCC). OSBCL has taken up construction of a Godown at Angul through M/s NPCC at an approved estimated cost of Rs. 16.65 crore and released an amount of Rs. 15.28 crore as advance. M/s NPCC has submitted (July 2023) total bill of Rs. 15.86 crore up to March 2023. Though OSBCL has booked the advance of Rs 15.28 crore as Capital work in Progress, no entry was passed for the balance amount of Rs. 0.58 crore. Non-accounting of balance amount of invoice has also resulted in understatement of Current Liability (Sundry Creditors) by Rs. 0.58 crore.

### **B. Comments on Disclosures**

#### **Notes to Accounts and Significant Accounting Policies**

2. M/s Bridge & Roof has demanded ( December 2022) an amount of Rs. 2.94 crore towards deviation statement pertaining construction of godown at Khorda (handed over in 11 April 2022). The amount was under approval by the Board of Directors. The amount being significant; same should have been disclosed in the notes to accounts.





3. OSBCL has constructed /taken up construction of its own Godowns at 5 places viz; Khorda, Sonepur, Ganjam, Angul and Bhawanipatna and spent a significant amount towards construction of these godowns. Land at Sonepur and Ganjam was acquired through lease. In other three places the land is in the name of excise department and OSBCL has acquired only permissive possession and surface right. This fact should have been disclosed.

For and on behalf of  
Comptroller and Auditor General of India

Place: Bhubaneswar  
Date: 28/12/2023

PRINCIPAL ACCOUNTANT GENERAL



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

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I)  
ODISHA, BHUBANESWAR-751001

To,

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

**Sub: Audit of the Annual Accounts of Odisha State Beverages Corporation Limited for the Financial Year 2022-23.**

Sir,

I am to draw your kind attention that during the Supplementary Audit on the Accounts of the Company for the year 2022-23. The following lapses were noticed:

- I. As per Schedule VII the activities eligible for CSR Expenditure includes Training to Promote Rural Sports, Nationally recognised Sports, Paralympic sports and Olympic sports. Hence, reply of management justifying the expenses for conducting SARAS Mela and City Fest 2023 as well as Publicity of FIH Men's Hockey world cup 2023 at Rourkela is not in accordance with Schedule VII of Companies Act 2013.

However. there is no impact on profitability. This is a classification error and necessary rectification may be made in the next year's account.

Yours faithfully,

*Taanya Ambastha*  
28.12.23

(Taanya Ambastha)

Deputy Accountant General(AGM-IV)

## Annual Report on CSR Activities

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

### 1. A brief outline of the company's CSR policy:

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

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

### Social Initiative and CSR

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

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of CSR meetings held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Prasanna Kumar Parida	Chairman – Independent Director	Three meetings were held during the year on 25 <sup>th</sup> April, 2022, 20 <sup>th</sup> August, 2022, 13 <sup>th</sup> December, 2023	3
2.	Shri Syama Charan Padhy	Member-Independent Director		3
3.	Prasanna Kumar Sarangi, OAS(SS)	Member – Managing Director		2

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

**Website : [osbc.co.in](http://osbc.co.in)**

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

5. (a) Average net profit of the company as per Section 135 (5): **Rs. 3464.69 Lakh**  
 (b) Two percent of average net profit of the company as per section 135(5): **- Rs.69.29 Lakh.**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **- Nil**  
 (d) Amount required to be set off for the financial year: **- Nil**  
 (e) Total CSR obligation for the financial year (5b+5c-5d): **- Rs. 69.29 Lakh.**

6. (a) Amount spent on CSR Projects:

- (i) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local are a (Yes /No)	(5) Location of the project		(6) Project Duration	(7) Amount allocated for the project (in lakhs)	(8) Amount spent in the current financial Year (in lakhs)	(9) Amount transferr ed to Unspent CSR Account for the project as per Section 135(6) (in lakhs)	(10) Mode of Imple mentat ion - Direct (Yes/No)	(11) Mode of Implementa tion - Through Implementi ng Agency	
				State	District						Name	CSR Regi strat ion Num ber
1.	Promotion of Rural Sports, nationally recognised sports at State level in collaboration with Department of Sports and Youth Affairs, Government of Odisha	promote rural sports, nationally recognised sports	Yes	Odisha	Sundargarh	3 Years	61.19	61.29	-	Yes	-	-



(ii) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount Spent for the project (In lakhs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Providing water purifier-cum-cooler to Child Friendly police Station	Making available safe drinking water	Yes	Odisha	Khordha	0.90	Yes	-	-
2.	Providing water purifier-cum-cooler to 3 Primary Govt. School in Cuttack in collaboration with Rotary Club, Mahanadi Vihar	Making available safe drinking water	Yes	Odisha	Cuttack	2.09	Yes	-	-
3.	Sponsoring a batch of 15 students drawn from weaker section of society for skill building training	Promoting education, including special education and employment enhancing vocation skills	Yes	Odisha	Khordha	15.65	No	CIPET, Bhubaneswar	CSR00008481
4.	Financial Assistance to Kalinga Institute of Social Sciences for helping 100 nos. of tribal students studying at kiss	Promoting education, including special education and employment enhancing vocation skills	Yes	Odisha	Khordha	30.00	No	Kalinga Institute of Social Science (KISS), Bhubaneswar	CSR00000319
5.	IEC & De-addiction awareness in collaboration with Excise Commissioner, Odisha, Cuttack and Superintendent of all Excise Districts of Odisha	promoting health care including preventive health care	Yes	Odisha	All District of Odisha	30.00	Yes	-	-
6.	Observance of 26th June, 2022 as International Day against drug abuse and illicit trafficking.	promoting health care including preventive health care	Yes	Odisha	All District of Odisha	7.60	Yes	-	-
Total						86.24			

(b) Amount spent in Administrative Overheads- **Nil**

(c) Amount spent on Impact Assessment, if applicable- **Not Applicable**

(d) Total amount spent for the Financial Year (6a+6b+6c)- **Rs. 147.53 Lakhs**

(e) CSR amount spent or unspent for the Financial Year:

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

(f) Excess amount for Set off, if any - **13.84 Lakhs**

Sl. No	Particulars	Amount (in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	69.29
(ii)	Total amount spent for the Financial Year	147.53 ongoing-61.29 other than ongoing-83.13 Refund-3.11
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13.84
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13.84

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

Sl. No	Preceding Financial Years	Amount transferred to Unspent CSR Account under section 135 (6) (in lakh)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in lakh)	Deficiency, if any
					Amount (in `)	Date of transfer		
1.	2021-22	61.19	Nil	33.29	NA	NA	Nil	Nil
1.	2020-21	Nil	Nil	184.01	NA	NA	Nil	Nil
2.	2019-20	Nil	Nil	32.00	NA	NA	Nil	Nil

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

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



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

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

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

Sd/-  
General Manager (Admin.), I/C

Sd/-  
Managing Director

Sd/-  
Chairman  
CSR Committee



## INDEPENDENT AUDITOR'S REPORT

**To the Members Odisha  
State Beverages Corporation Limited  
Report on the Audit of the Ind AS Financial Statements**

### Qualified Opinion

We have audited the accompanying Ind AS financial statements of Odisha State Beverages Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraphs of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, and its profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

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

1. Referring to the Significant Accounting Policy for recognition of purchases, as per Note No.2 Significant Accounting Policies Para No. 8 the Company's accounting policy is not in conformity to Ind AS 115 "Revenue from contract with customers". The invoices raised by the suppliers are not recognised as purchase by the Company at the time of issuing Goods Receipt Notes (GRN) though the stocks are under the control of the Company as defined under Paragraph 33 of Ind AS 115, "Contract with customers" and Para 4.20 and 4.21 of the "Conceptual Framework for Financial Reporting under Indian Accounting Standards (Ind AS)" (applicable for Standard-setting activity w.e.f. April 1, 2020). The Company recognises purchases in its godowns under its control only at the time of sale of products, which in our opinion do not represent a true and fair view of the financial statements.



2. Other Equity and Loading & Unloading Charges receivable as at 31.03.2023 are overstated by an amount of Rs.407.45 lakhs each due to non-provision of doubtful debt on account of under loading charges for the period from 2011-12 to 2015-16 of Khorda, Nirgundi and Balasore Depots and for the period from 2009-10 to 2015-16 for Sambalpur Depot since no steps have been taken by the Company during the year for recovery and the likelihood of recovering the amount from the parties is minimal.
3. Current assets are overstated by Rs. 2.92 lakhs on account of long outstanding, unreconciled balances not confirmed by the parties as at 31.03.2023. Current liabilities to the extent of Rs. 69.92 lakhs have also been overstated being unreconciled, not confirmed and long outstanding. The company has not initiated any actions during the year for the recovery or reconciliation of the outstanding amounts that have remained unsettled for an extended duration. This could potentially lead to inaccurate financial reporting, misleading ratios and a misrepresentation of the company's financial health.
4. As per documents and information furnished to us, though the liquor stocks are under the control of the Company, the Company does not account for the liquor stocks stored in its depots under its control as inventory. The Company however has paid Rs.96.03 lakhs towards insurance premium during the year but failed to recover the premium paid from its suppliers. In our opinion, failure to recover the premium resulted in an understatement of profit for the year by Rs.96.03 lakhs.
5. Attention is drawn to point No.10 of Note-3 "Additional Notes to the Financial Statements" Short Term Provision is understated and Accumulated Profit is overstated to the extent of non-provisioning of liabilities on account of Retirement Benefits (figures not ascertained by the management) relating to deputed employees from ORITCO, OIL ORISSA, OSFC, OBCC and OFDC and measurement and disclosure are not in compliance to the requirements of Ind AS 19 "Employee Benefits". The impact on Financial Statements could not be quantified as the same has not been ascertained by the management.
6. The requirements laid down as per the provisions of Rule 158 of the Odisha Excise Rule, 2017, have not been adhered to by the Company and the entity has not kept any records nor adopted any appropriate internal control measures in respect of monitoring the issue, utilization and balances of Excise Adhesive Labels (EALs) issued to the suppliers within the state and the suppliers located outside the state. The impact on the Financial Statements could not be quantified as no records have been kept by the management for such Excise Adhesive Labels (EALs).
7. As per section 29 of the Odisha Excise Act, 2008 "where there is a difference of duty as between two licence periods, such difference may be collected in respect of all stocks of liquor held by licensee at the close of the former period". It is observed that the Company has not complied with provisions of section 29 of the Odisha Excise Act, 2008, and failed to collect the differential excise duty on liquor stocks lying in the depots of the Company. As per the information furnished to us, the Company collects the differential excise duty only at the time of sale of the liquor products by following the Supply Chain Management policy framed by the Company. As per the practice followed by the Company, the Government of Odisha is losing revenue on the stocks lying in the depots at the time of change in rates of

duty and eventually not sold due to sedimentation and for other reasons Since the inventories are not recognized in the books of account, due to the wrong accounting policy followed by the Company as mentioned under para 01 of our report, the amount of differential duty if any, could not be audited by us as the same have not been ascertained and furnished by the management to audit.

### Emphasis of Matter

#### We draw attention to:

1. The company has not obtained balance confirmations as of March 31, 2023, from a substantial number of its sundry creditors, sundry debtors, and other parties. Consequently, the balances reported in the financial statements are subject to potential adjustments based on the outcomes of balance confirmation and subsequent reconciliation processes..
2. The Company has not disclosed the “Relationship with Struck off Companies” under section 248 of Companies Act, 2013 in the Financial Statements for the FY 2022-23.

(₹ in Lakh)

Sl. No.	Name of the struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 01.04.2022	Balance outstanding as on 31.03.2023	Relationship with the struck off Company.
1	Foster India Private Limited	Payables	14.48(Cr)	14.48(Cr)	Nil
2	India Glycols Limited	Payables (debit Balances)	0.98 (Dr)	1.93 (Dr)	Nil

3. The company has not disclosed contingent liability his respect of the Statement of Demand for Rs.456.50 lakhs issued by the Commissioner, GST & Central Excise, Bhubaneswar for the years 2016-17 and 2017-18 (upto June 2017)
4. As per the supply chain management policy (point no. 13.9), the Corporation is obligated to impose stock holding charges at the rate of Rs. 1 per case per day on stocks retained within Corporation depots for more than 120 days from their receipt from suppliers. This charge is applicable from the day following the completion of 120 days until the stock's sale. It is further specified that no stock holding charges should be collected once the stock has expired. However, our observation during the Depot visit reveals that inadequate storage controls, documentation practices, and non-adherence to the First in First Out (FIFO) method for stock issuance at depots have led to discrepancies between physically held stock at depots and online stock holding statements. Consequently, there is a substantial risk of incorrect levying of stock holding charges and potential revenue understatement.

Our opinion is not modified in respect of these matters.

### Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and



in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

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

In preparing the Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,



matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternate but to do so.

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

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

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

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

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



the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's report) order, 2020("the order") issued by the Central Government in terms of sub-section(11) of section 143 of the Act, we give in the "**Annexure 1**" to this report, a statement on the matters specified in the paragraphs 3 and 4 of the said order, to the extent applicable.
2. In compliance with directions of the Comptroller and Auditor General of India in terms of section 143 (5) of the Act, we give in the "**Annexure 2**"to this report a statement on the matters specified therein.
3. As required by the Section 143(3) of the Act, we report that:
  - a) We have sought and except for the matter described in the Basis for Qualified opinion paragraph obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law except for the inventories held under the control of the Company and related to other matters described in the Basis for Qualified opinion paragraph, have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements except for the matter described in the Basis for Qualified opinion paragraph comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended;
  - e) We have been informed that the provisions of section 164(2) of the Act in respect of disqualification of director are not applicable to the Company, being a Government Company in terms of notification no. G.S.R. 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government of India;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure 3**";

- g) With respect to the other matters to be included in the auditor's report in accordance with the requirement of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company's (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. Subject to our observations in Para 5 of 'Emphasis of Matter' of our Report the Company has disclosed the impact of pending litigation cases on its Ind AS Financial Statements. Refer Note 3 Para 8 of Additional Notes to the Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bhubaneswar  
Date: 03.10.2023

**For M/s O.M. Kejriwal & Co**  
Chartered Accountants



(CA Swati Kejriwal, FCA)  
Partner  
Membership No: 067891  
Firm's Regd No: 314144E  
UDIN : 23067891BGYBYZ1960





### Annexure 1 to the Independent Auditors' Report

**Referred to in paragraph 1 under the heading of "Report on 'Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha State Beverages Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2023:**

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

- I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment.
  - (2) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company conducts an annual physical verification program for its Property, Plant, and Equipment, as well as right-of-use assets considering size and nature of its assets. This approach is deemed reasonable and ensures that all assets are covered for verification at least once every year. Pursuant to the program, the Property, Plant, and Equipment of the Company have been physically verified by the Management during the year. Based on the information and explanations provided to us, no significant discrepancies were identified during this verification process.
  - (c) Based on our examination and explanations given to us, the company is having title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements and are held in the name of the company except the following:

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of Company
Land	Nil	Excise Department, Government of Odisha	Yes, Government of Odisha is the Promoter of the Company	About 5 years	"Permissive possession" and "surface right" has been granted by Excise Department, Government of Odisha vide letter no OSBC-02/2018/4366/Ex. Dated 29.08.2018.
Land	Nil	Excise Department, Government of Odisha	Yes, Government of Odisha is the Promoter of the Company	About 4 years 4 months	"Permissive possession" and "surface right" has been granted by Excise Department, Government of Odisha vide letter no OSBC-02/2018/2189/Ex. Dated 02.05.2019.



- (d) The Company has not revalued any of its Property, Plant, and Equipment (including right-of-use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii) (a) Though the stocks are under the control of the Company as defined under para 33 of Ind AS 115, the company recognises purchases only at the time of sale of products and inventory under control of the company is not recognised in the books of account. As mentioned in paragraph 01 of the Independent Auditors' Report, the accounting policy applied by the company for the recognition of purchases and inventory does not align with the stipulations outlined in Ind AS 115 "Revenue from Contracts with Customers." Despite the Company conducting a physical inventory verification during the year through its Internal Auditors, our ability to provide an opinion on this verification is impeded due to the absence of corresponding recognition of the inventory in the company's accounting records.  
 (b) The Company has not been sanctioned any working capital limits during the year from any banks and financial institutions on the basis of security of current assets. Hence filing of the quarterly returns or statements by the company with such banks or financial institutions is not required.
- (iii) The Company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties during the year.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted any deposits from the public. Nevertheless, it's noteworthy that advances from customers totaling Rs. 208.89 lakhs have remained outstanding for a period exceeding 365 days. As per the Companies Act 2013, these outstanding advances are subject to being categorized as deemed deposits. It is observed that the prescribed guidelines issued by the Reserve Bank of India and the stipulations outlined in sections 73 to 76, or any pertinent provisions, as well as the accompanying regulations of the Companies Act, have not been adhered to in this context.
- (vi) The Company is not required to maintain cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii) In respect of statutory dues:
  - a) According to the information and explanations given to us and the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) According to the records of the Company, the following are the dues outstanding in respect of income tax, service tax, sales tax, and entry tax on account of disputes.

Name of the statute	Nature of dues	Assessed Demand Amount(Rs. in Lakhs)	Amount Paid Against demand (Rs. in Lakhs)	Period Which the Amount Relates (FY)	Forum where dispute is pending
Service tax	Assessed demand	350.20	175.79	2011-12	2nd Appeal before CESTAT/GSTAT Kolkata Bench
	Assessed demand	2497.29	77.23	2012-13 2013-14 2014-15	2nd Appeal before CESTAT/GSTAT Kolkata Bench
	Assessed demand	1478.97	0.00	2015-16	Commissioner CGST, Bhubaneswar
	Assessed demand	10776.21	404.10	2012-13 to 2016-17	2nd Appeal before CESTAT/GSTAT Kolkata Bench
	Statement of Demand	456.50	0.00	2016-17 to 2017-18 (up to June 2017)	Commissioner, GST & Central Excise, Bhubaneswar
Sales Tax	Assessed demand	250.33	250.33	2001-02	High Court, Odisha
	Assessed demand	322.04	322.04	2002-03	High Court, Odisha
Entry tax	Assessed demand	0.80	0.00	2007-08 to 2008-09	Demand of additional interest intimated to the Additional Secretary to Gov. of Odisha, Finance Department
	Assessed demand	676.15	0.00	2009-10 to 2013-14	Demand of additional interest intimated to the Additional Secretary to Gov. of Odisha, Finance Department

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

(ix) In respect of Loans and Borrowing dues:

- The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- The company is not declared wilful defaulter by any bank or financial institution or other lender;
- The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.



- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle-blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing, and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (3)(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (xvii) The company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.



- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (3)(xx)(a) of the Order is not applicable for the year.
- (b) There is no ongoing project of the Company which needs to be transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Hence, reporting under clause(3)(xx)(b) of the Order is not applicable.

Place: Bhubaneswar  
Date: 03.10.2023

**For M/s O.M. Kejriwal & Co**  
Chartered Accountants

(CA Swati Kejriwal, FCA)  
Partner  
Membership No: 067891  
Firm's Regd No: 314144E  
UDIN : 23067891BGYBYZ1960



## ANNEXURE 2 TO THE AUDITOR'S REPORT

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

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

Sl. No.	Directions	Our Observations
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, The company has established a system to manage all accounting transactions through its IT infrastructure. However, our assessment suggests that the accounting software in use may not be appropriately aligned with the considerable volume of transactions managed by the company. Furthermore, it has come to our attention that the company lacks comprehensive data security protocols to ensure the integrity, confidentiality and accessibility of digital information throughout its life cycle. These measures are essential to safeguard against potential risks such as data corruption, unauthorized access and theft.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. Made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is applicable for statutory auditor of Lender Company).	No. The Company doesn't have any such debt/loan/interest etc.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	No such funds are received/ receivable by the company (grants/subsidy etc.) during the year.

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

Sl. No	Directions	Our Observations
1	Comment on the adequacy and effectiveness of internal controls to monitor the Excise Adhesive Labels accounts of liquor suppliers located outside Odisha State, with reference to the number of EALs issued to such external suppliers from the date of commencement of each registration period with OSBCL, number of EALs affixed on liquor products received in OSBCL Depots from such external suppliers and the number of EALs available with external suppliers at the end of each registration period for the supplier.	In our opinion, the internal controls of the company exhibit deficiencies to monitor the Excise Adhesive Labels accounts of liquor suppliers located outside Odisha State, with reference to the number of EALs issued to such external suppliers from the date of commencement of each registration period with OSBCL, number of EALs affixed on liquor products received in OSBCL Depots from such external suppliers and the number of EALs available with external suppliers at the end of each registration period for the supplier. Based on the records provided and explanations given by the Company, it has come to our attention that there has been a lack of maintenance of essential records pertaining to Excise Adhesive Labels (EAL) throughout the year. Additionally, there has been insufficient documentation and accounting practices regarding the distribution and management of EAL. As per clause no 158(d) of Odisha Excise Rule, 2017 <i>“the Commissioner shall post an officer of the rank of Inspector of Excise for receipt and distribution of EALs in case of IMFL, Foreign Liquor and Beer imported from outside the State, who shall have his Store or Office in the Registered Office of the Corporation,”</i> and as per Rule no 158(k) of Odisha Excise Rule, 2017 <i>“the Corporation, in each case of import, permit for procurement of stock from outside the State, shall present the pass to the Inspector appointed under clause (d) with a requisition as to the number of EALs required to be issued to ensure that no bottle or no other container is received from outside the State without affixture of EAL and taken to godown of the Corporation and the Inspector shall maintain detailed accounts of the EALs</i>





Sl. No	Directions	Our Observations
		<p><i>received, issued, used and damaged and he shall report the requirement of EALs in each case to the Commissioner one month ahead;". The aforementioned stipulations have not been adhered to by the Company. It has come to our attention that there is currently no Inspector of Excise assigned to the Company.</i></p> <p>During our recent depot verification visits to Nirgundi, Anugul and Berhampur, we conducted random checks on the stored liquor product bottles. It has come to our attention that although the bottles are affixed with Excise Adhesive Labels (EALs), the company does not maintain corresponding records for the EALs associated with purchases made both within and outside the state.</p>
2	Comment on the adequacy and effectiveness of internal controls for storage of liquor products in OSBCL Depots, with reference to norms adopted by the Company for breakage, sedimentation and pilferage of stock.	During our site visits to three depots, namely Nirgundi, Anugul, and Berhampur, it has come to our attention that there are notable deficiencies and unreliability in the internal controls governing the storage of liquor products. It has been observed that the company does not adhere to any established percentage norms to address issues such as breakage, sedimentation, and pilferage of stocks at these mentioned depots.
3	Comment on the adequacy and effectiveness of physical verification of stock stored at OSBCL Depots, by comparing on suitable sampling basis, the Excise Adhesive Label numbers which are available in stock as per the software application and the Excise Adhesive Label numbers actually affixed on the stock stored in the Depots.	In our assessment, the adequacy and efficiency of the physical verification of stock stored at OSBCL Depots, along with the correlation between the Excise Adhesive Label numbers recorded in the software application and those physically affixed to the stored stock, appear to be insufficient and inadequate.



Sl. No	Directions	Our Observations
		While the Company carried out a physical inventory verification during the year, undertaken by its Internal Auditors, we find ourselves unable to provide an opinion on this verification. This is due to the absence of inventory recognition in the company's books, as highlighted in Paragraph 01 of our report. Notably, based on the information, software particulars, and digital reports provided to us it's observed that the Company has not incorporated Excise Adhesive Label (EAL) numbers into the software-based inventory application.
4	Comment on the adequacy and effectiveness of internal controls to monitor the movement of liquor stock from one OSBCL Depot to another, with reference to Excise Verification Certificates received at the source Depot from the destination Depot.	Our random verification of records concerning the movement of liquor stock across OSBCL Depots did not reveal any discrepancies in relation to Excise Verification Certificates, with the exception of the following observation: The company lacks adherence to established norms for handling incidents of stock breakage and pilferage during inter-depot transfers.
5	Comment on the completeness of accounting for income as Export Processing Fees, with reference to the underlying total number of Exports permitted from Odisha State during 2022-23 and comment on the adequacy and effectiveness of internal controls adopted by OSBCL to verify- at the time of processing documents for a fresh Export sale- whether liquor products pertaining to previous Export sales were actually received (details of receipt of liquor stock) at the destination State and whether payment of Excise Duty pertaining to previous Export sales was actually made (details of challan/proof of payment) to that State Government.	The company has recognized income as Export Permit Fees based on NOCs issued for the export of liquor products. It has been observed that during the processing of documents for new export sales, the company verifies Excise Verification Certificates issued by the OIC of the respective State Governments. These certificates are endorsed by the OIC at the supplier's manufacturing unit in the State of Odisha. Additionally, for payment of Excise Duty on exported liquor products, the company relies on email confirmations from the relevant offices to issue Import Permits. It's important to note that this procedure was introduced by the company starting from 01.10.2021.



Sl. No	Directions	Our Observations
		<p>However, in our evaluation, we find that the internal controls governing the accurate accounting of income as Export Processing Fees, especially concerning the total number of exports permitted from Odisha State, need enhancement.</p> <p>Furthermore, the internal controls implemented by OSBCL to verify the actual receipt of liquor products related to previous export sales in the destination State, as well as the payment of Excise Duty for such sales, appear to be deficient. The company relies on Email Confirmations from the destination States instead of maintaining copies of Challans or proofs of payment. This approach raises concerns regarding the completeness and accuracy of the verification process.</p> <p>In light of these observations, we recommend that the company strengthen its internal controls to ensure the proper accounting of income derived from Export Processing Fees. Additionally, we suggest implementing robust procedures to verify the actual receipt of exported liquor products and the associated payment of Excise Duty through verifiable documentation such as Challan copies, rather than relying solely on email confirmations.</p>

Place: Bhubaneswar  
Date: 03.10.2023

**For M/s O.M. Kejriwal & Co**  
Chartered Accountants

(CA Swati Kejriwal, FCA)  
Partner  
Membership No: 067891  
Firm's Regd No: 314144E  
UDIN : 23067891BGYBYZ1960



### **Annexure 3 to the Independent Auditor's Report**

**Annexure referred to in independent Auditor's Report of even date to the members of Odisha State Beverages Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2023.**

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

We have audited Internal Financial Controls over financial reporting of Odisha State Beverages Corporation Limited("the Company") as of March 31<sup>st</sup>, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial controls over Financial Reporting

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

## Inherent Limitation of Internal Financial Controls over Financial Reporting

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

## Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2023:

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

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

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting in place and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI).

**For M/s O.M. Kejriwal & Co**  
Chartered Accountants



(CA Swati Kejriwal, FCA)  
Partner  
Membership No: 067891  
Firm's Regd No: 314144E  
UDIN : 23067891BGYBYZ1960

Place: Bhubaneswar  
Date: 03.10.2023





**ODISHA STATE BEVERAGES CORPORATION LTD.  
2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR  
BALANCE SHEET AS AT 31ST MARCH, 2023**

(Amount in ₹ lakh)

SL No.	Particulars	Note No.	Figures as at the end of the Current reporting period 31st March, 2023	Figures as at the end of the Current reporting period 31st March, 2022
<b>I.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	4	2,455.37	239.58
	(b) Capital work in progress - Tangible	5	2,819.28	3,875.89
	(c) Right-of-use assets	6	634.41	388.43
	(d) Intangible assets	7	26.01	59.44
	(e) Intangible assets under development	8	-	-
	(f) Financial assets			
	(i) Trade receivables	9	-	-
	(ii) Loans Receivables	10	-	-
	(iii) Other financial assets	11	456.85	451.65
	(g) Deferred tax assets (Net)	12	54.93	23.17
	(h) Other non-current assets	13	1,884.94	1,335.33
	<b>Total Non-Current Assets</b>		<b>8,331.79</b>	<b>6,373.49</b>
<b>(2)</b>	<b>Current assets</b>			
	(a) Financial assets			
	(i) Trade receivables	14	-	-
	(ii) Cash and cash equivalents	15	45,625.74	39,386.06
	(iii) Bank Balances other than (ii) above	15	18,961.03	17,543.29
	(iv) Loans Receivables	16	0.64	0.83
	(v) Other financial assets	17	-	-
	(b) Current tax assets (Net)	18	-	266.12
	(c) Other current assets	19	768.69	776.12
	<b>Total Current Assets</b>		<b>65,356.10</b>	<b>57,972.42</b>
	<b>TOTAL ASSETS</b>		<b>73,687.89</b>	<b>64,345.91</b>
<b>II.</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>(1)</b>	<b>Equity</b>			
	(a) Equity share capital	20	100.00	100.00
	(b) Other equity	21	26,721.44	24,528.37
	<b>Total Equity</b>		<b>26,821.44</b>	<b>24,628.37</b>
<b>(2)</b>	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings			
	(ia) Lease liabilities	22	616.46	382.38
	(b) Provisions	23	68.16	48.24
	(c) Other non-current liabilities	24	966.67	895.19
	<b>Total Non-Current Liabilities</b>		<b>1,651.29</b>	<b>1,325.81</b>
	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings			
	(ia) Lease liabilities	25	-	-
	(ii) Trade payables	26	-	-
	(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		-	-
	(b) Total Outstanding dues of Creditors other than Micro & Small Enterprises		35,191.61	29,864.23
	(iii) Other financial liabilities	27	222.06	305.83
	(b) Other current liabilities	28	9,733.51	8,221.26
	(c) Provisions	29	3.94	0.41
	(d) Current Tax Liabilities (Net)	30	64.04	-
	<b>Total Current Liabilities</b>		<b>45,215.16</b>	<b>38,391.73</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>73,687.89</b>	<b>64,345.91</b>
	<b>Notes forming part of the financial statements(1 to 37)</b>			

In terms of our report of even date attached.

For O M Kejriwal &amp; Co.

Chartered Accountants

FRN:314144E

Sd/

(Swati Kejriwal, FCA) Partner

M. No.-067891

Place: Bhubaneswar

Date: 03.10.2023

For and On behalf of the Board of Directors

Sd/-  
General Manager (A & A)Sd/-  
Director  
DIN:06729202Sd/-  
Managing Director  
DIN:10290015



<b>ODISHA STATE BEVERAGES CORPORATION LTD.</b> <b>2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR</b> <b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023</b> <i>(Amount in ₹ lakh)</i>				
Sl. No.	Particulars	Note No.	Figures for the year ended March 31, 2023	Figures for the year ended March 31, 2022
	<b>Income</b>			
I	Revenue from operations	31	7,45,664.26	6,01,139.35
II	Other income	32	6,753.67	5,028.84
III	<b>Total Income (I+II)</b>		<b>7,52,417.93</b>	<b>6,06,168.19</b>
	<b>Expenses</b>			
IV	Purchase of Stock in Trade	33	7,43,279.61	5,96,129.83
	Employee benefits expenses	34	463.15	495.30
	Depreciation and amortisation expenses	35	588.18	394.86
	Other expenses	36	2,883.50	5,908.69
	Finance Costs	37	33.95	40.86
	<b>Total Expenses (IV)</b>		<b>7,47,248.39</b>	<b>6,02,969.54</b>
V	<b>Profit/(Loss) before exceptional items and Taxes (III-IV)</b>		<b>5,169.54</b>	<b>3,198.65</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>		<b>5,169.54</b>	<b>3,198.65</b>
VIII	Tax expense			
	Current tax		2,061.21	1,341.57
	Current tax for earlier years		-	-
	Deferred tax		-30.73	-6.85
	Total tax expenses		2,030.48	1,334.72
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>3,139.06</b>	<b>1,863.93</b>
X	Profit/(Loss) for the period from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	<b>Profit/(Loss) for the period (IX+XII)</b>		<b>3,139.06</b>	<b>1,863.93</b>
XIV	<b>Other Comprehensive Income</b>		<b>-1.94</b>	<b>-0.12</b>
	A (i) Items that will not be reclassified to profit and loss			
	(a) Remeasurements of defined benefit plans		-2.98	-0.18
	ii) Income tax relating to items that will not be reclassified to profit or loss		1.04	0.06
	B (i) Items that will be reclassified to profit and loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV) (comprising profit/(Loss) and Other comprehensive income for the period)</b>		<b>3,137.12</b>	<b>1,863.81</b>
XVI	<b>Earnings per equity share ((for continuing operation)</b>			
	(1) Basic [Rs.]		313.71	186.38
	(2) Diluted [Rs.]		313.71	186.38
XVII	<b>Earnings per equity share ((for discontinued operation)</b>			
	(1) Basic [Rs.]		-	-
	(2) Diluted [Rs.]		-	-
XVIII	<b>Earnings per equity share ((for continuing and discontinued operations)</b>			
	(1) Basic [Rs.]		313.71	186.38
	(2) Diluted [Rs.]		313.71	186.38
	<b>Notes forming part of the financial statements</b>	(1 to 37)		

In terms of our report of even date attached.

For O M Kejriwal & Co.

Chartered Accountants

FRN:314144E

Sd/  
(Swati Kejriwal, FCA) Partner

M. No.-067891  
Place: Bhubaneswar  
Date: 03.10.2023

For and On behalf of the Board of Directors

Sd/-  
General Manager (A & A)

Sd/-  
Director  
DIN:06729202

Sd/-  
Managing Director  
DIN:10290015





**ODISHA STATE BEVERAGES CORPORATION LTD.**  
**2ND FLOOR, FORTUNE TOWERS, BHUBANESWAR**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in ₹ lakh)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before extraordinary items and tax	5,169.54	3,198.65
Adjustments for:		
Current year depreciation	586.68	394.85
Interest income from deposits	-2,586.63	-1,873.72
Finance cost	33.95	40.86
Interest on IT refund	-	-17.31
<b>Total of adjustments</b>	-1,966.00	-1,455.32
<b>Operating profit / (loss) before working capital changes</b>	<b>3,203.54</b>	<b>1,743.33</b>
<b>Movements in working capital</b>		
Increase (Decrease) Trade receivable	-	-
Increase (Decrease) Other financial assets and other assets	-281.11	11,160.66
(Decrease)Increase Trade payable	5,327.37	10,990.24
(Decrease)Increase Other financial liabilities, other liabilities and provisions	1,587.08	-38,705.09
<b>Cash generated from operations</b>	<b>9,836.87</b>	<b>-14,810.86</b>
Income tax paid	-2,030.49	-1,334.72
Current tax Earlier year	-384.04	-11,000.18
<b>Net cashflow from/(used in) operating activities (A)</b>	<b>7,422.34</b>	<b>-27,145.76</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances		
Purchase of fixed assets	-2,400.09	-23.47
Capital expenditure on fixed assets	1,056.60	-2,520.98
Payment for acquiring right-of-use assets	-616.42	-410.94
Sale of fixed assets	-	-
Movement in fixed deposits	-1,417.74	-394.21
Movement in deferred tax assets	-31.77	-6.91
Interest on IT refund	-	17.31
Interest received	2,586.63	1,873.72
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>-822.80</b>	<b>-1,465.47</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	234.09	74.76
Finance cost	-33.95	-40.86
Dividend paid	-560.00	-626.32
DDT Paid	-	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>-359.86</b>	<b>-592.42</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>6,239.68</b>	<b>-29,203.66</b>
Cash and cash equivalents at the beginning of the year	39,386.06	68,589.72
<b>Cash and cash equivalents at the end of the year</b>	<b>45,625.74</b>	<b>39,386.06</b>
<b>Notes forming part of the financial statements</b> (Note-1 to 37)		

In terms of our report of even date attached.

For O M Kejriwal & Co.

Chartered Accountants

FRN:314144E

Sd/  
(Swati Kejriwal, FCA) Partner

M. No.-067891

Place: Bhubaneswar

Date: 03.10.2023

For and On behalf of the Board of Directors

Sd/-  
General Manager (A & A)

Sd/-  
Director  
DIN:06729202

Sd/-  
Managing Director  
DIN:10290015



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

**A. Equity Share Capital:**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in ₹ lakh)

Particulars	Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2023
Equity shares of Rs. 10/- each (With equal voting rights)	100.00	-	-	-	100.00
	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**

Particulars	Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31st March, 2022
Equity shares of Rs. 10/- each (With equal voting rights)	100.00	-	-	-	100.00
	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>



ODISHA STATE BEVERAGES CORPORATION LTD. 2ND FLOOR, FORTUNE TOWER, BHUBANESWAR															
(Amount in ₹ lakh)															
B. Other Equity	Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Exchange difference on translating the financial statements of a foreign operation	OCI	Money received against share warrants	Total	
				Capital Reserve	Securities Premium	General reserve	Retained earnings								
	Balance at April 1, 2021	-	-	-	-	3,310.86	30,983.02	-	-	-	-	-2.82	-	34,291.06	
	Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Profit for the year	-	-	-	-	-	1,863.93	-	-	-	-	-	-	1,863.93	
	Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	-0.12	-	-0.12	
	Total comprehensive income for the year	-	-	-	-	-	1,863.93	-	-	-	-	-0.12	-	1,863.81	
	Transaction with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Dividends	-	-	-	-	-	-	-626.32	-	-	-	-	-	-	-626.32
	(-) Income Tax Refund 2013-14	-	-	-	-	-	-	-3,949.08	-	-	-	-	-	-	-3,949.08
	(-) Income Tax Demand Under Protest 2014-15 FY	-	-	-	-	-	-	-6,593.94	-	-	-	-	-	-	-6,593.94
	(-) Income Tax Demand Under Protest 2016-17 FY	-	-	-	-	-	-	-95.17	-	-	-	-	-	-	-95.17
	(-) Income Tax Refund 2016-17 FY	-	-	-	-	-	-	-0.37	-	-	-	-	-	-	-0.37
	(-) Income Tax Demand A Y 2018-19	-	-	-	-	-	-	-123.44	-	-	-	-	-	-	-123.44
	(-) Provision for Income Tax 2020-21 F.Y.	-	-	-	-	-	-	-8.34	-	-	-	-	-	-	-8.34
	(-) Self Assessment Tax -A Y 2021-22	-	-	-	-	-	-	-24.79	-	-	-	-	-	-	-24.79
	(-) Income Tax Demand Payable F Y 2020-21	-	-	-	-	-	-	-205.05	-	-	-	-	-	-	-205.05
	Balance at March 31, 2022	-	-	-	-	-	3,310.86	21,220.45	-	-	-	-	-2.94	-	24,528.37
	Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Profit for the year	-	-	-	-	-	-	3,139.06	-	-	-	-	-	-	3,139.06
	Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-1.94	-	-1.94
	Total comprehensive income for the year	-	-	-	-	-	-	3,139.06	-	-	-	-	-1.94	-	3,137.12
Transaction with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(-)Dividends	-	-	-	-	-	-	-560.00	-	-	-	-	-	-	-560.00	
(+) TDS receivable	-	-	-	-	-	-	289.16	-	-	-	-	-	-	289.16	
(-)Income Tax Demand A.Y. 2015-16	-	-	-	-	-	-	-10.72	-	-	-	-	-	-	-10.72	
(-)Income Tax Demand A.Y. 2017-18	-	-	-	-	-	-	-13.55	-	-	-	-	-	-	-13.55	
(-)Income Tax Demand A.Y. 2018-19	-	-	-	-	-	-	-11.41	-	-	-	-	-	-	-11.41	
(-)Provision for Income Tax 2018-19 FY	-	-	-	-	-	-	-33.06	-	-	-	-	-	-	-33.06	
(-)Provision for Income Tax 2019-20 FY	-	-	-	-	-	-	-104.27	-	-	-	-	-	-	-104.27	
(-)Income Tax Refund F Y 2019-20	-	-	-	-	-	-	-389.08	-	-	-	-	-	-	-389.08	
(-)Income Tax Demand A Y 2020-21	-	-	-	-	-	-	-111.12	-	-	-	-	-	-	-111.12	
Balance at March 31, 2023	-	-	-	-	-	3,310.86	23,126.30	-	-	-	-	-4.88	-	26,721.44	
Notes forming part of the financial statements															
(Note:1 to 37)															

In terms of our report of even date attached.

For O M Kejriwal & Co.  
Chartered Accountants

FRN:314144E

Sd/  
(Swati Kejriwal, FCA) Partner  
M. No.-067891  
Place: Bhubaneswar  
Date: 03.10.2023

For and On behalf of the Board of Directors

Sd/-  
General Manager (A & A)Sd/-  
Director  
DIN:06729202Sd/-  
Managing Director  
DIN:10290015

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

**Notes to the Financial Statements for the year ended 31st March, 2023**

**4 Property, Plant and Equipment**

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Carrying Cost</b>		
Land (Finance lease)	132.30	134.23
Electrical Fittings	2.66	2.96
Furniture and fixtures	8.15	6.62
Vehicles	4.22	5.65
Computers	13.63	22.03
Office equipments	11.09	10.27
Building	2,283.32	57.82
<b>TOTAL</b>	<b>2,455.37</b>	<b>239.58</b>

- (i) Depreciation is provided in the accounts on written down value method & based on useful life basis & the manner provided in schedule-II of the Companies Act 2013.
- (ii) The Corporation hold a land on leased basis for a period generally ranging from 25-99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non-cancellable. These leasehold land situated at Sonepur depot are amortised over a period of lease term with considering significant of accounting policy.
- (iii) The reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) and other adjustments and the related depreciation and impairment losses or reversals has been disclosed separately in note-4.1 .
- (iv) The Corporation does not have any immovable property (other than properties where the Corporation is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Corporation and where such immovable property is jointly held with others.

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

**5 Capital work-in-progress-Tangible**

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Construction of Godown		
At Khurda (Bridge & Roof Co.)	-	1,453.47
At Sonepur (NBCC)	-	826.86
At Ganjam (IDCO)	1,290.61	661.13
At Angul (NPCC)	1,528.67	934.43
<b>TOTAL</b>	<b>2,819.28</b>	<b>3,875.89</b>

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

(Amount in ₹ lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
At Khurda (Bridge & Roof Co.)	-	-		-	-
At Sonapur (NBCC)	-	-		-	-
At Ganjam (IDCO)	-	-	1,290.61	-	1,290.61
At Angul (NPCC)	-	-	1,528.67	-	1,528.67
Projects temporarily suspended	-	-		-	-

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

(Amount in ₹ lakh)

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

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

#### 6 Right of Use of Assets

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Office Building & Depot godown	388.43	315.11
(+) Addition to Office Building & Depot Godown	616.43	410.94
(-) Amortisation	-370.45	-337.62
<b>TOTAL</b>	<b>634.41</b>	<b>388.43</b>

#### 7 Intangible assets

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Software Development	26.01	59.44
<b>TOTAL</b>	<b>26.01</b>	<b>59.44</b>

#### 8 Intangible assets under development

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Software Development(CWIP)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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

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

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

#### 9 Non current-Trade receivables

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables-credit impaired	-	-
<b>TOTAL</b>	-	-

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

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

(Amount in ₹ lakh)

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

#### 10 Non current-Loans receivables

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loan receivables considered good-Secured	-	-
Loan receivables considered good-Unsecured	-	-
Loan receivables which have significant increase in credit risk	-	-
Loan receivables-credit impaired	-	-
<b>TOTAL</b>	-	-

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

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

(Amount in ₹ lakh)

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

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

**11 Other financial assets***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposit		
Sales Tax Security Deposit	0.11	0.11
Security Deposit (IDCO Fortune Towers)	39.34	39.34
Security Deposit-Jio Infocomm Ltd.	0.05	0.05
Security Deposit-TPWODL	5.20	-
Security Deposit(WESCO)	0.30	0.30
Security Deposit with Oil Orissa	1.66	1.66
Security Deposit with Trupti Service Station	0.05	0.05
Telephone(Security)	0.01	0.01
Telephone Security- Depot	0.08	0.08
Recoverable from Govt. & Others (Boundry Wall)	2.60	2.60
Loading & Unloading Charges Receivable	407.45	407.45
Receivable from Suppliers	36.76	36.76
	493.61	488.41
Less : Provision for doubtful assets	-36.76	-36.76
<b>TOTAL</b>	<b>456.85</b>	<b>451.65</b>

**12 Deferred tax assets (Net)***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities	-215.42	-133.61
Less : Deferred tax Assets	270.35	156.78
<b>TOTAL</b>	<b>54.93</b>	<b>23.17</b>

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

**13 Other non-current assets***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured, Considered Good</b>		
<u><b>Capital Advance towards construction of godown</b></u>		
At Khurda (Bridge & Co.)	70.00	-
At Kalahandi (OSPHWC)	490.93	-
At Ganjam (IDCO)	-	11.32
Income Tax Demand on TCS/TDS	125.27	125.27
Sales Tax Demand/Deposits	572.38	572.38
Service Tax Deposits	615.88	615.88
Payik Sentinels (Pvt.) Ltd.(Recovery against stock)	10.48	10.48
<b>Unsecured, Considered Doubtful</b>		
Advance Excise duty	29.30	29.30
	1,914.24	1,364.63
Less : Provision for doubtful other assets	-29.30	-29.30
<b>TOTAL</b>	<b>1,884.94</b>	<b>1,335.33</b>

**14 Current-Trade receivables***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	-	-
Trade receivables which have significant increase in credit risk and	-	-
Trade receivables-credit impaired	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>



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

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

#### 15 Cash & Cash Equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks		
(a) (i) Current Account (including flexi balance and interest accrued thereon)	35,121.59	29,629.88
(ii) Current account with ICICI Bank (Appliation fee to Govt. & Applicant)	34.95	-
(b) Deposits with original maturity of less than three months	10,468.53	9,726.96
(c) DD/Cheques on Hand	-	29.00
(d) Cash in Hand	0.67	0.22
(e) Others (Specify nature)		
Indian Postal Order	-	-
<b>Cash and cash equivalents as per Balance sheet</b>	<b>45,625.74</b>	<b>39,386.06</b>
Balances with Banks more than three months	18,961.03	17,543.29
<b>TOTAL CASH AND BANK BALANCES</b>	<b>64,586.77</b>	<b>56,929.35</b>

#### 16 Current-Loans receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Considered good</b>		
Loans & advances to employees	0.64	0.83
<b>TOTAL</b>	<b>0.64</b>	<b>0.83</b>

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

#### 17 Other financial assets-Current

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stock Holding Charges Receivable	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### 18 Current tax assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Tax & TDS	-	4,779.54
Refund receivable	-	385.04
<b>Less: Provision for Income tax</b>	<b>-</b>	<b>-4,898.46</b>
<b>TOTAL</b>	<b>-</b>	<b>266.12</b>

**19 Other current assets**

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Receivable from Suppliers	23.24	13.04
Advance to excise Department	58.27	57.14
Advance to NIC	8.35	-
Prepaid License fee	600.00	600.00
Prepaid Insurance of Stock	67.91	96.03
Depot advance-Internet Charges	5.19	2.59
Others Advances	5.73	7.32
<b>TOTAL</b>	<b>768.69</b>	<b>776.12</b>

**20 Equity Share Capital**

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	As at 31st March, 2022
<b>Authorised Capital</b>				
50,00,000 Equity Shares of Rs.10/ each (with equal voting rights fully paid)	500.00	-	-	500.00
<b>Issued and subscribed &amp; fully paid-up capital</b>				
10,00,000 Equity Shares @ Rs.10/ each	100.00	-	-	100.00
<b>TOTAL</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>
The movement in subscribed and paid up share capital is set out below.				
Ordinary shares of Rs. 10 each At the beginning of the year Shares allotted during the year	<b>As at 31st March, 2023</b>		<b>As at 31st March, 2022</b>	
	<b>No. Of Shares Rs. Lakhs</b>		<b>No. Of Shares Rs. Lakhs</b>	
	10,00,000	100.00	10,00,000	100.00
	0	0.00	0	0.00
	<b>10,00,000</b>	<b>100.00</b>	<b>10,00,000</b>	<b>100.00</b>
<b>Shares in the company held by each shareholder holding more than 5% shares</b>				
<b>Name of the Shareholder</b>	<b>As at 31st March, 2023</b>		<b>As at 31st March, 2022</b>	
	<b>No of Shares Held (Face value of Rs. 10 each)</b>	<b>% of Total Shares</b>	<b>No of Shares Held (Face value of Rs. 10 each)</b>	<b>% of Total Shares</b>
Hon'ble Governor of Odisha	9,99,993	99.9993	9,99,993	99.9993

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

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

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

## 21 Other Equity

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Share application money pending allotment	-	-
Equity component of compound financial instruments	-	-
Reserves and Surplus	-	-
Capital Reserve	-	-
Securities Premium	-	-
General reserve	-	-
Opening balance	3,310.86	3,310.86
(+) Current year transfer	-	-
Closing balance	<b>3,310.86</b>	<b>3,310.86</b>
Retained earnings		
Opening balance	21,220.45	30,983.02
Ind. AS Impact	-	-
Restated Opening Balance	<b>21,220.45</b>	<b>30,983.02</b>
Changes due to prior period errors	-	-
(+) Net Profit for the current year	3,139.06	1,863.93
(-) Transfer to reserves	-	-
(-) Dividend paid	-560.00	-626.32
(-) Income Tax Refund 2013-14	-	-3,949.08
(+) TDS receivable	289.16	-
(-)Income Tax Demand A.Y. 2015-16	-10.72	-
(-)Income Tax Demand A.Y. 2017-18	-13.55	-
(-)Income Tax Demand A Y 2018-19	-11.41	-
(-)Provision for Income Tax 2018-19 F Y	-33.06	-
(-)Provision for Income Tax 2019-20 F Y	-104.27	-
(-)Income Tax Refund F Y 2019-20	-389.08	-
(-)Income Tax Demand A Y 2020-21	-111.12	-
(-) Income Tax Demand Under Protest 2014-15 F Y	-	-6,593.94
(-) Income Tax Demand Under Protest 2016-17 F Y	-	-95.17
(-) Income Tax Refund 2016-17 F Y	-	-0.37
(-) Income Tax Demand A Y 2018-19	-	-123.44
(-) Provision for Income Tax 2020-21 F.Y.	-	-8.34
(-) Self Assessment Tax -A Y 2021-22	-	-24.79
(-) Income Tax Demand Payable F Y 2020-21	-	-205.05
Closing balance	<b>23,415.46</b>	<b>21,220.45</b>
Debt instruments through Other Comprehensive Income	-	-
Equity Instruments through Other Comprehensive Income	-	-
Effective portion of Cash Flow Hedges	-	-
Exchange differences on translating the financial statements of a foreign operation	-	-
Other Comprehensive Income	-	-
Remeasurements of defined benefit plans (OCI)	-	-
Opening balance	-2.94	-2.82
Changes during the year	-2.98	-0.18
Deferred tax	1.04	0.06
Total other comprehensive income	<b>-4.88</b>	<b>-2.94</b>
Total other equity	<b>26,721.44</b>	<b>24,528.37</b>

**22 Non current liabilities-Leases***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Lease obligation	382.38	307.62
(+) Addition to Lease obligation	616.43	410.94
(+) Interest on Lease obligation	33.95	40.86
(-) Repayment of Lease	-416.30	-377.04
<b>TOTAL</b>	<b>616.46</b>	<b>382.38</b>

**23 Non current liabilities-Provisions***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for leave encashment	43.24	29.94
Provision for gratuity	24.92	18.30
<b>TOTAL</b>	<b>68.16</b>	<b>48.24</b>

**24 Other non-current liabilities***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Recovery from Retailers	10.39	10.39
Withheld (Retailer) account	0.03	0.03
Withheld Innovision	14.21	14.21
Withheld Payik Sentinels	25.00	25.00
Security deposits		
Security Deposit- Depot	0.06	0.06
Performance Security-NSIC	15.80	-
Security Deposit Service Provider	-	5.00
Security Deposit Supplier	901.18	840.50
<b>TOTAL</b>	<b>966.67</b>	<b>895.19</b>

**25 Current liabilities-Lease liabilities***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease obligation	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**26 Trade Payables***(Amount in ₹ lakh)*

Particulars	As at 31st March, 2023	As at 31st March, 2022
Outstanding dues of Micro Enterprises & Small Enterprises	-	-
Outstanding dues other than Micro Enterprises & Small Enterprises		
-Creditors for supplies and services	35,191.61	29,864.23
<b>TOTAL</b>	<b>35,191.61</b>	<b>29,864.23</b>

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

The disclosures relating to Micro and Small Enterprises are as follows.

Description	As at 31st March, 2023	As at 31st March, 2022
(i) The principal amount remaining unpaid to supplier as at the end of the year.	-	-
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year.	-	-
(iii) The amount of interest due thereon and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year.	-	-
(v) The amount of further interest remaining due and payable even if in the succeeding year until such date the interest due above are actually paid.	-	-

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

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

\*No Unbilled dues is pending as reported above

## 27 Other Financial Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Financial liabilities carried at amortized cost</b>		
Employee benefits payable	20.35	75.29
Godown rent payable	124.17	134.58
Security services charges payable	77.54	95.96
<b>TOTAL</b>	<b>222.06</b>	<b>305.83</b>

## 28 Other current liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues	8,290.98	6,708.31
Advance from customers (Retailers)	1,217.49	1,438.41
Application Fee & EMD (Payable to Govt. & applicant)	34.95	-
Advance Processing fee on Inter State Sale	19.51	12.28
Registration fee (Supplier) received in advance	70.00	10.50
Other liabilities	100.58	51.76
<b>TOTAL</b>	<b>9,733.51</b>	<b>8,221.26</b>

## 29 Current liabilities-Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for leave encashment	0.39	0.26
Provision for gratuity	3.55	0.15
<b>TOTAL</b>	<b>3.94</b>	<b>0.41</b>

## 30 Current tax liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Income tax	3,799.35	-
(-) Advance Tax & TDS	-3,350.27	-
(-) Refund receivable	-385.04	-
<b>TOTAL</b>	<b>64.04</b>	<b>-</b>

**31 Revenue from Operations:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>Sale of Products (including excise duty)</b>		
Sales (Beer)	1,90,318.16	1,15,058.35
Sales (CL)	32,065.59	27,236.74
Sales (IMFL)	5,23,280.51	4,58,844.26
<b>TOTAL</b>	<b>7,45,664.26</b>	<b>6,01,139.35</b>

(Sales includes Excise duty, Additional excise duty & Differential excise duty of Rs. 515475.31 lakhs and Import Fee of Rs. 3159.69 lakhs for the FY-2022-23 and Rs.428440.49 lakhs and Rs.1995.07 lakhs for the FY-2021-22 respectively)

**32 Other income:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest on Bank Deposits	2,586.64	1,873.72
Interest on IT refund	-	17.31
Cash discounts	3,418.65	2,564.83
Non-operating incomes	748.38	572.98
<b>TOTAL</b>	<b>6,753.67</b>	<b>5,028.84</b>

**33 Purchase of stock-in-trade:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>Purchase of Stock (including excise duty)</b>		
Purchases (Beer)	1,89,634.32	1,14,036.07
Purchases (CL)	31,935.67	27,633.53
Purchases (IMFL)	5,21,709.62	4,54,460.23
<b>TOTAL</b>	<b>7,43,279.61</b>	<b>5,96,129.83</b>

(Purchase includes excise duty and import fee of Rs.515369.76 lakhs & Rs. 3159.69 lakhs for the FY-2022-23 and Rs.425140.86 lakhs & Rs.1995.07 lakhs for the FY-2021-22 respectively)

**34 Employee benefit expense:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Salaries, incentive & allowances	428.42	463.83
Contributions to provident and other funds	27.50	25.08
Staff welfare expenses	7.23	6.39
<b>TOTAL</b>	<b>463.15</b>	<b>495.30</b>

**35 Depreciation & Amortization expense:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
On Property, Plant & Equipment-owned assets-note-4.1	184.30	23.81
On Property, Plant & Equipment-leased assets-note-6.1	370.45	337.62
On Intangible Assets-note-7.1	33.43	33.43
<b>TOTAL</b>	<b>588.18</b>	<b>394.86</b>



**36 Other expense:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
License Fee	600.00	600.00
Additional Excise duty	-	13.37
Differential Excise duty	105.55	3,286.26
Donation to CMRF	1,000.00	1,000.00
Godown Rent & Insurance	159.92	199.80
CSR Expenses	147.20	17.79
Security Service Charges	628.13	567.68
Professional & Legal Charges	92.83	116.42
Director's sitting Fees	4.06	3.82
Office Rent & maintenance charges	12.64	22.95
Electricity Charges	21.72	12.63
Repair & Maintenance	13.23	4.76
Audit Fees	4.13	4.13
Other Administrative & Sundry Expenses	94.09	59.08
<b>TOTAL</b>	<b>2,883.50</b>	<b>5,908.69</b>

**37 Finance costs:***(Amount in ₹ lakh)*

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest on lease obligation	33.95	40.86
<b>TOTAL</b>	<b>33.95</b>	<b>40.86</b>

Note No. - 4.1 : Property, plant and equipment									
FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST MARCH, 2023									
PARTICULARS	LAND (Leasehold)	BUILDING	COMPUTER	FURNITURE & FIXTURES	ELECTRICAL FITTINGS	OFFICE EQUIPMENTS	VEHICLES	(Amount in ₹ lakh)	
(A) GROSS BLOCK:									
Balance as on 01.04.2022	146.53	72.81	174.35	55.90	18.65	78.48	56.49	603.21	
Balance as on 01.04.2021	146.53	72.81	156.03	54.88	18.65	74.36	56.49	579.75	
Addition during the year (Previous Year:2021-22)	-	2,388.65	5.14	3.03	0.49	2.78	-	2,400.09	
Deletion during the year (Previous Year:2021-22)	-	-	18.32	1.02	-	4.12	-	23.46	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Balance as on 31.03.2023	146.53	2,461.46	179.49	58.93	19.14	81.26	56.49	3,003.30	
Balance as on 31.03.2022	146.53	72.81	174.35	55.90	18.65	78.48	56.49	603.21	
(B) DEPRECIATION/AMORTISATION:									
Balance as on 01.04.2022	12.30	14.99	152.32	49.28	15.69	68.21	50.84	363.63	
Balance as on 01.04.2021	10.37	8.91	142.88	47.90	14.79	66.41	48.56	339.82	
Depreciation/Amortisation for the Year (Previous Year:2021-22)	1.93	163.15	13.54	1.50	0.79	1.96	1.43	184.30	
	1.93	6.08	9.44	1.38	0.90	1.80	2.28	23.81	
(-) Accumulated Dep. On disposal assets	-	-	-	-	-	-	-	-	
(+) Adjustments to Dep. On prior year	-	-	-	-	-	-	-	-	
(Previous Year:2021-22)	-	-	-	-	-	-	-	-	
Balance as on 31.03.2023	14.23	178.14	165.86	50.78	16.48	70.17	52.27	547.93	
Balance as on 31.03.2022	12.30	14.99	152.32	49.28	15.69	68.21	50.84	363.63	
(C) NET BLOCK									
Balance as on 31.03.2023	132.30	2,283.32	13.63	8.15	2.66	11.09	4.22	2,455.37	
Balance as on 31.03.2022	134.23	57.82	22.03	6.62	2.96	10.27	5.65	239.58	
(%) of change in value	-1.44	3,849.01	-38.13	23.11	-10.14	7.98	-25.31		

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

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

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

Note No. - 6.1 : Property, plant and equipment				BUILDING				(Amount in ₹ lakh)	
PARTICULARS	GODOWN					SAMBALPUR	OFFICE		TOTAL
	ANGUL	BALASORE	BERHAMPUR	JAJPUR	NIRGUNDI		BHUBANESWAR		
(A) GROSS BLOCK:									
Balance as on 01.04.2022	116.21	99.26	116.21	158.44	314.23	413.84	470.01		1,688.20
Balance as on 01.04.2021	116.21	99.26	54.21	60.34	314.23	413.84	219.17		1,277.26
Addition	-	-	-	-	350.22	266.21	-		616.43
(Previous Year:2021-22)	-	-	62.00	98.10	-	-	250.84		410.94
Deletion	-	-	-	-	-	-	-		-
(Previous Year:2021-22)	-	-	-	-	-	-	-		-
Balance as on 31.03.2023	116.21	99.26	116.21	158.44	664.45	680.05	470.01		2,304.63
Balance as on 31.03.2022	116.21	99.26	116.21	158.44	314.23	413.84	470.01		1,688.20
(B) AMORTIZATION:									
Balance as on 01.04.2022	116.21	73.58	74.89	93.04	314.22	373.81	254.02		1,299.77
Balance as on 01.04.2021	116.21	51.59	54.22	60.34	209.48	293.75	176.56		962.15
Depreciation / Amortisation for the Year	-	22.00	31.00	32.70	116.74	84.40	83.61		370.45
(Previous Year:2021-22)	-	22.00	20.66	32.70	104.74	80.06	77.46		337.62
Balance as on 31.03.2023	116.21	95.58	105.89	125.74	430.96	458.21	337.63		1,670.22
Balance as on 31.03.2022	116.21	73.58	74.89	93.04	314.22	373.81	254.02		1,299.77
(C) NET BLOCK									
Balance as on 31.03.2023	-	3.68	10.32	32.70	233.49	221.84	132.38		634.41
Balance as on 31.03.2022	-	25.68	41.32	65.40	0.01	40.03	215.99		388.43



Note No. - 7.1 : Intangible assets <span style="float: right;">(Amount in ₹ lakh)</span>	
FIXED ASSETS AS PER COMPANIES ACT, 2013 AS AT 31ST MARCH, 2023	
PARTICULARS	SOFTWARE
<b>(A) GROSS BLOCK:</b>	
Balance as on 01.04.2022	167.13
Balance as on 01.04.2021	167.13
Addition during the year (Previous Year:2021-22)	-
Deletion during the year (Previous Year:2021-22)	-
Balance as on 31.03.2023	167.13
Balance as on 31.03.2022	167.13
<b>(B) AMORTISATION:</b>	
Balance as on 01.04.2022	107.69
Balance as on 01.04.2021	74.26
Amortisation for the year (Previous Year:2021-22)	33.43
Adjustments to Dep. (Previous Year:2021-22)	-
Balance as on 31.03.2023	141.12
Balance as on 31.03.2022	107.69
<b>(C) NET BLOCK</b>	
Balance as on 31.03.2023	26.01
Balance as on 31.03.2022	59.44
(%) of change in value	-56.24

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

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

## 12.1 Deferred Tax

(Amount in ₹ lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book and tax on lease liability	215.41	133.61
	215.41	133.61
<b>Tax effect of items constituting deferred tax assets</b>		
Difference between closing book and tax on Right of Use of assets	221.69	135.73
Difference between closing WDV of book and tax on depreciation of PPE & Intangible Assets	23.46	4.05
Due to leave encashment & Gratuity	25.19	17.00
	270.34	156.78
Deferred tax (assets)/ liabilities (net)	-54.93	-23.17
Tax Credit (Minimum alternative tax)	-	-

Deferred taxes arising from temporary differences and unused tax losses for year ended 31st march 2023 are summarized as follows:

Deferred tax (assets)/ liabilities (net)	As at 1st April 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at 31st March, 2023
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between closing book and tax on lease liability	133.61	81.80	-	215.41
Adjustments through OCI	-	-	-	-
	133.61	81.80	-	215.41
<b>Tax effect of items constituting deferred tax assets</b>				
Difference between closing book and tax on Right of Use of assets	135.73	85.96	-	221.69
Difference between closing WDV of book and tax on depreciation of PPE & Intangible Assets	4.05	19.41	-	23.46
Due to leave encashment	10.55	4.69	-	15.24
Due to gratuity	6.45	2.46	1.04	9.95
	156.78	112.52	1.04	270.34
Deferred tax (assets)/ liabilities (net)	-23.17	-30.72	-1.04	-54.93

## 12.1 Deferred Tax

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

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

Note No. - 22.1 : Lease liability

BUILDING										(Amount in ₹ lakh)
PARTICULARS	GODOWN						OFFICE		TOTAL	
	ANGUL	BALASORE	BERHAMPUR	JAJPUR	NIRGUNDI	SAMBALPUR	BHUBANESWAR			
LEASE OBLIGATION :										
Balance as on 01.04.2022	0.00	25.60	40.60	63.58	-	39.56	213.03		382.38	
Balance as on 01.04.2021	0.00	47.54	-	-	100.86	118.99	40.22		307.62	
Addition	-	-	-	-	350.22	266.21	-		616.43	
(Previous Year:2021-22)	-	-	62.00	98.10	-	-	250.84		410.94	
INTEREST ON LEASE OBLIGATION										
Addition	-	3.24	2.57	3.81	8.94	8.41	6.98		33.95	
(Previous Year:2021-22)	-	2.05	0.70	1.96	17.24	11.16	7.75		40.86	
REPAYMENT OF LEASE OBLIGATION										
Addition	-	25.18	33.15	36.48	133.84	94.80	92.85		416.30	
(Previous Year:2021-22)	-	24.00	22.10	36.48	118.10	90.59	85.79		377.06	
Balance as on 31.03.2023	0.00	3.66	10.02	30.91	225.32	219.38	127.16		616.46	
Balance as on 31.03.2022	0.00	25.60	40.60	63.58	-	39.56	213.03		382.38	



**Note-1**

**Odisha State Beverages Corporation Limited**  
**Notes to Accounts and Significant Accounting Policies**

**GENERAL INFORMATION****i. Reporting Entity**

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

The financial statements for the year ended on 31<sup>st</sup> March, 2023 have been approved and authenticated by the Board of Directors on its 97<sup>th</sup> meeting held on 27<sup>th</sup> September, 2023

**ii. Basis of Preparation & Presentation****(a) Statement of Compliance**

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

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

**(b) Current & Non-current classification**

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

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

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

Similarly, a liability is classified as current if:



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

All other liabilities are classified as non-current.

**(c) Basis of Measurement**

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

**(d) Functional and Presentation Currency**

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

**(e) Restatement of material/omissions**

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

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

The Ministry of Corporate Affairs notifies the amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. Further the MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) amendment rules, 2023 which is to be effective from 01.04.2023. The impact of same is yet to be assessed. However, no new standard has been adopted during the current year.

**(g) Use of Estimates and Management Judgments**

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

**Note-2****Odisha State Beverages Corporation Limited****SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**1.2 Subsequent Cost**

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

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

**1.3 De-recognition**

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

**1.4 Depreciation**

Depreciation on Property, Plant and Equipment is provided using Written Down Value Method on depreciable amount. Depreciation is provided based on useful life of the assets



as prescribed in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **2.2 Subsequent cost**

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

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

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

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

## **4. Dividend**

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

## **5. Government Grants**

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

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

## **6. Employee Benefits**

### **6.1 Defined Contribution Plan**

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





## 6.2 Defined Benefit Plan

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

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

## 6.3 Short Term Employee Benefits

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

## 6.4 Long Term Employee Benefits

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

## 7. Revenue

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



allowed by the Company.

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

### **7.1 Sale of goods**

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

### **7.2 Cash Discount**

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

### **7.3 Interest**

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

## **8. Recognition of purchase**

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

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

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

## **10. Leases**

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments. The lease liability is measured at amortised cost using the effective interest method. The Company has opted not to recognise right-of-

use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. The Company's leases mainly comprise office building and buildings for warehouse facilities

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

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

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

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

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

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

### **11.2 Contingent Assets**

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

## **12. Income Taxes**

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

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

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits

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

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

### 13. Cash and Cash Equivalents

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

### 14. Equity and Reserves

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

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

### 15. Financial Instruments

#### 15.1 Initial recognition & measurement

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

#### 15.2 Classification and subsequent measurement of financial assets

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

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

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

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

### 15.3 Amortised cost

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

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

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

### 15.4 Financial assets at FVTPL

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

### 15.5 Financial assets at FVOCI

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

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

### 15.6 Classification and subsequent measurement of financial liabilities

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

### 15.7 Impairment of Financial Assets

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

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

### 15.8 Trade Receivables

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

### 15.9 Other Financial Assets

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

### 15.10 De-recognition

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

## 16. Earnings per Share

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

### Note-3

#### ADDITIONAL NOTES TO THE FINANCIAL STATEMENT

- Balances of Advance from Customers shown under “Other Current Liabilities” & “Trade Payables” include balances subject to confirmation/reconciliation and consequential adjustment if any. Reconciliations in respect of the above are in progress. Provisions wherever considered necessary have been made.
- The debit balances under Sundry creditors operating & defunct amounting to ₹ 23.24 Lakhs as on 31.03.2023 & ₹13.04 Lakhs as on 31.03.2022 have been shown under the head “Receivable from Suppliers” in Other Current Assets (**Note-19**) and the credit balance under Sundry debtors amounting to ₹ 1217.49 Lakhs as on 31.03.2023 & ₹ 1438.41 Lakhs as on 31.03.2022 have been shown under the head “Advance from Customers” in Other Current liabilities (**Note-28**).

#### 3. Disclosures as per IND AS-24 on “Related Party Disclosures”:

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

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

Transactions with Key Management Personnel	Amount (₹ In Lakh) Current Year	Amount (₹ In Lakh) Previous Year
Short Term Employee Benefit		
Sri. Prasanna Kumar Sarangi	16.16	0.00
Sri. Saroj Kumar Sethi	0.00	7.42
Post Employment Benefit	NIL	NIL
Other Long Term Benefit	NIL	NIL
Termination Benefit	NIL	NIL
Share Based Payments	NIL	NIL

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

Particulars	Amount (₹ In Lakh) Current Year	Amount (₹ In Lakh) Previous Year
As Statutory Auditor	4.13	4.13
<b>Total</b>	<b>4.13</b>	<b>4.13</b>



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

### Computation Details

Particulars	Current Year		Previous Year	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
A. Earnings attributable to Equity Share holder ( Amount ₹ in Lakh)	3137.12	3137.12	1863.81	1863.81
B. Weighted avg. of outstanding Equity share During the Year ( Number in Lakhs )	10.00	10.00	10.00	10.00
C. EPS (A/B) (in ₹)	313.71	313.71	186.38	186.38
D. Face Value of Share (₹)	10.00	10.00	10.00	10.00

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

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

### A. Leave Encashment

Changes in Present Value of Obligation			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Present value of obligation as on last valuation	3020019.00	2043907.00
	Current Service Cost	996036.00	791083.00
	Interest Cost	219555.00	149614.00
	Participant Contribution	0.00	0.00
	Plan Amendments: Vested portion at end of period(Past Service)	0.00	0.00
	Plan Amendments: Non-Vested portion at end of period(Past Service)	0.00	0.00
	Actuarial gain/loss on obligations due to Change in Financial Assumption	36620.00	-231898.00
	Actuarial gain/loss on obligations due to Change in Demographic assumption	0.00	-589814.00
	Actuarial gain/loss on obligations due to Unexpected Experience	91288.00	857127.00
	Actuarial gain/loss on obligations due to Other reason	0.00	0.00
	The effect of change in Foreign exchange rates	0.00	0.00
	Benefits Paid	0.00	0.00
	Acquisition Adjustment	0.00	0.00
	Disposal/Transfer of Obligation	0.00	0.00
	Curtailment cost	0.00	0.00
	Settlement Cost	0.00	0.00
	Other(Unsettled Liability at the end of the valuation date)	0.00	0.00
	Present value of obligation as on valuation date	4363518.00	3020019.00
	Accrued leave Encashment	5495036.00	3870389.00



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

Reconciliation to Balance Sheet			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Funded Status	N/A	N/A
	Unrecognized Past Service Cost	-	-
	Unrecognized Actuarial gain/loss at end of the period	-	-
	Post Measurement Date Employer Contribution(Expected)	-	-
	Unfunded Accrued/Prepaid Pension cost	-	-
	Fund Asset	-	-
	Fund Liability	4363518.00	3020019.00

Plan Assumptions			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Discount Rate	7.27%	7.32%
	Expected Return on Plan Asset	NA	NA
	Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
	Pension Increase Rate	N/A	N/A
	Average expected future service (Remaining working Life)	24	25
	Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
	Superannuation at age-Male	60	60
	Superannuation at age-Female	60	60
	Early Retirement & Disablement (All Causes Combined)	1 % p.a.	1 % p.a.
	Voluntary Retirement	Ignored	Ignored

Expense Recognized in statement of Profit/Loss			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Current Service Cost	996036.00	791083.00
	Past Service Cost(vested)	0.00	0.00
	Past Service Cost(Non-Vested)	0.00	0.00
	Net Interest Cost	219555.00	149614.00
	Cost(Loss)/(Gain) on settlement	0.00	0.00
	Cost(Loss)/(Gain) on curtailment	0.00	0.00
	Actuarial Gain/loss	127908.00	35415.00
	Employee Expected Contribution	0.00	0.00
	Net Effect of changes in Foreign Exchange Rates	0.00	0.00
	Benefit Cost(Expense Recognized in Statement of Profit/loss)	1343499.00	976112.00

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

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



Sensitivity Analysis				
Previous Year		Particulars	Current Year	
Increase	Decrease	Sensitivity Analysis	Increase	Decrease
3542905.00	4220181.00	Discount Rate (-/+ 0.5%)	4789718.00	5669884.00
-8.309%	9.219%	%Change Compared to base due to sensitivity	-8.022%	8.880%
4221340.00	3539235.00	Salary Growth (-/+ 0.5%)	5671133.00	4785136.00
9.249%	-8.404%	%Change Compared to base due to sensitivity	8.904%	-8.110%
3865624.00	3862300.00	Attrition Rate (-/+ 0.5%)	5209440.00	5205482.00
0.043%	-0.043%	%Change Compared to base due to sensitivity	0.038%	-0.038%
2888832.00	2886868.00	Mortality Rate (-/+ 10%)	5210065.00	5204857.00
0.056%	-0.056%	% Change Compared to base due to sensitivity	0.050%	-0.050%

Benefit Information and Estimated Future payments	
Year	Indian Rupees(₹)
1	40649.00
2	44125.00
3	47686.00
4	51581.00
5	56064.00
6 to 10	321393.00
More than 10 years	16945743.00
Total Undiscounted Payments Past and Future Service	0.00
Total Undiscounted Payments related to Past Service	17507241.00
Less Discount For Interest	13143723.00
Projected Benefit Obligation	4363518.00

Expected return on Plan Asset			Amount (In ₹ )
	Particulars	Current Year	Previous Year
	Current liability	39247.00	26340.00
	Non-Current Liability	4324271.00	2993679.00
	Net Liability	4363518.00	3020019.00

**B. Gratuity**

Changes in Present Value of Obligation			Amount (In ₹ )
	Particulars	Current Year	Previous Year
	Present value of obligation as on last valuation	1845007.00	1237925.00
	Current Service Cost	570612.00	498436.00
	Interest Cost	134132.00	90616.00
	Participant Contribution	0.00	0.00
	Plan Amendments: Vested portion at end of period(Past Service)	0.00	0.00
	Plan Amendments: Non-Vested portion at end of period(Past Service)	0.00	0.00
	Actuarial gain/loss on obligations due to Change in Financial Assumption	21247.00	144817.00
	Actuarial gain/loss on obligations due to Change in Demographic assumption	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	276318.00	162847.00
	Actuarial gain/loss on obligations due to Other reason	0.00	0.00
	The effect of change in Foreign exchange rates	0.00	0.00
	Benefits Paid	0.00	0.00
	Acquisition Adjustment	0.00	0.00
	Disposal/Transfer of Obligation	0.00	0.00
	Curtailment cost	0.00	0.00
	Settlement Cost	0.00	0.00
	Other(Unsettled Liability at the end of the valuation date)	0.00	0.00
	Present value of obligation as on valuation date	2847316.00	1845007.00

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



Reconciliation to Balance Sheet			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Funded Status	N/A	N/A
	Unrecognized Past Service Cost	0.00	0.00
	Unrecognized Actuarial gain/loss at end of the period	0.00	0.00
	Post Measurement Date Employer Contribution(Expected)	0.00	0.00
	Unfunded Accrued/Prepaid Pension cost	N/A	N/A
	Fund Asset	0.00	0.00
	Fund Liability	2847316.00	1854238.00

Plan Assumptions			Amount (In ₹ )
	Particulars	Current Year	Previous Year
	Discount Rate	7.27%	7.32%
	Expected Return on Plan Asset	N/A	N/A
	Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
	Pension Increase Rate	N/A	N/A
	Average expected future service (Remaining working Life)	24	25
	Mortality Table	IALM 2012-2014 Ultimate	IALM 2012-2014 Ultimate
	Superannuation at age-Male	60	60
	Superannuation at age-Female	60	60
	Attrition Rate	1%	1%
	Voluntary Retirement	Ignored	Ignored

Expense Recognized in statement of Profit/Loss			Amount (In ₹ )
	Particulars	Current Year	Previous Year
	Current Service Cost	570612.00	498436.00
	Past Service Cost(vested)	0.00	0.00
	Past Service Cost(Non-Vested)	0.00	0.00
	Net Interest Cost	134132.00	90616.00
	Cost(Loss)/(Gain) on settlement	0.00	0.00
	Cost(Loss)/(Gain) on curtailment	0.00	0.00
	Net Actuarial Gain loss	0.00	0.00
	Employee Expected Contribution	0.00	0.00
	Net Effect of changes in Foreign Exchange Rates	0.00	0.00
	Benefit Cost(Expense Recognized in Statement of Profit/loss)	704744.00	589052.00





Other Comprehensive Income			Amount (In ₹)
	Particulars	Current Year	Previous Year
	Actuarial gain/loss on obligations due to Change in Financial	21247.00	-144817.00
	Actuarial gain/loss on obligations due to Change in Demographic	0.00	0.00
	Actuarial gain/loss on obligations due to Unexpected Experience	276318.00	162847.00
	Actuarial gain/loss on obligations due to Other reason	0.00	0.00
	<b>Total Actuarial (gain)/losses</b>	<b>297565.00</b>	<b>18030.00</b>
	Return on Plan Asset Excluding Interest Income	0.00	0.00
	The effect of asset ceiling	0.00	0.00
	Balance at the end of the Period	297565.00	18030.00
	Net(Income)/Expense for the Period Recognized in OCI	297565.00	18030.00

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

Sensitivity Analysis				
Previous Year		Particulars	Current Year	
Increase	Decrease		Increase	Decrease
1688532.000	2018899.00	Discount Rate (-/+ 0.5%)	2616171.00	3103404.00
-8.481%	9.425%	%Change Compared to base due to sensitivity	-8.118%	8.994%
2019508.00	1686705.00	Salary Growth (-/+ 0.5%)	3104172.00	2613523.00
9.458%	-8.580%	%Change Compared to base due to sensitivity	9.021%	-8.211%
1843568.00	1846465.00	Attrition Rate (-/+ 0.5%)	2843700.00	2850932.000
-0.078%	0.079%	%Change Compared to base due to sensitivity	-0.127%	0.127%
1846114.00	1843882.00	Mortality Rate (-/+ 10%)	2848882.00	2845750.00
0.060%	-0.060%	%Change Compared to base due to sensitivity	0.055%	-0.055%



Cash Flow Information	
Particulars	Indian Rupees(₹)
Next Year Total (Expected)	3294333.00
Minimum Funding Requirements	0.00

Benefit Information Estimated Future payments( Past and Future Service)	
Year	Indian Rupees(₹)
1	21495.00
2	23284.00
3	25210.00
4	27335.00
5	29741.00
6 to 10	168092.00
More than 10 years	9885038.00
Total Undiscounted Payments Past and Future Service	0.00
Total Undiscounted Payments related to Past Service	10180196.00
Less-Discout For Interest	7332880.00
Projected Benefit Obligation	2847316.00

Outlook Next Year Components of Net Periodic benefit Cost Next Year	
Particulars	Indian Rupees(₹)
Current service Cost(Employer portion Only) Next period	612208.00
Interest Cost next period	206219.00
Expected Return on Plan Asset	0.00
Unrecognized past service Cost	0.00
Unrecognized actuarial/gain loss at the end of the period	0.00
Settlement Cost	0.00
Curtailment Cost	0.00
other( Actuarial Gain/loss)	0.00
Benefit Cost	818427.00

Expected return on Plan Asset			Amount (In ₹ )
	Particulars	Current Year	Previous Year
	Current liability	355150.00	15055.00
	Non-Current Liability	2492166.00	1829952.00
	Net Liability	2847316.00	1845007.00

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

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

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

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

#### i. TDS

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

Sl. No.	Financial Year	Amount of Contingent Liability (₹) (Lakhs)	Amount Paid (₹) (Lakhs)	Status
1	Prior Years	8.83	0.00	Revised return filed
2	2021-22	0.10	0.00	Revised return filed
3	2022-23	0.01	0.00	Revised return filed
	<b>Total</b>	<b>8.94</b>	<b>0.00</b>	

#### ii. Service Tax:

Sl. No.	Financial Year	Forum in which pending	Amount of Contingent Liability (₹ in Lakh )	Amount Paid (₹ in Lakh )	Amount not Paid (₹ in Lakh )	Status
1	2011-12	CESTAT/GSTAT Kolkata Bench	Tax 174.36 Interest 1.43 Penalty 174.36 Cost 0.05 <b>Total 350.20</b>	175.79	174.41	The 2 <sup>nd</sup> Appeal before CESTAT/GSTAT Kolkata Bench is pending for hearing & disposal.
2	2012-13 2013-14 2014-15	CESTAT/GSTAT Kolkata Bench	Tax 1029.79 Interest 437.66 Penalty 1029.79 Cost 0.05 <b>Total 2497.29</b>	77.23	2420.06	The 2 <sup>nd</sup> Appeal before CESTAT/GSTAT Kolkata Bench is pending for disposal.
3	2015-16	CESTAT/GSTAT Kolkata Bench	Tax 739.46 Penalty 739.46 Cost 0.05 <b>Total 1478.97</b>	0.00	1478.97	Commissioner CGST Bhubaneswar.
4	2012-13 to 2016-17	CESTAT/GSTAT Kolkata Bench	Tax 5388.08 Penalty 5388.08 Cost 0.05 <b>Total 10776.21</b>	404.10	10372.11	The 2 <sup>nd</sup> Appeal before CESTAT/GSTAT Kolkata Bench is pending for disposal.
	<b>Total</b>		<b>15102.67</b>	<b>657.12</b>	<b>14445.55</b>	

**iii. Sales Tax:**

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

**iv. Entry Tax:**

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

**B. Commitments***(Amount in ₹ lakh)*

Sl. No.	Particulars	Current Year	Previous Year
(i)	Estimated amount of contracts net of advances remaining to be executed for Capital expenditure and not provided for		
	Bridge & Roof Co. at Khurda Depot.	12.62	38.25
	NBCC at Sonapur Depot	147.95	247.95
	NPCC at Angul Depot	136.17	263.56
	Chief Engineer (Building), BBSR at Rayagada depot	1103.10	1103.10
	IDCO at Berhampur Depot.	181.46	564.24
	OSPHWC at Kalahandi Depot	1065.02	0.00
(ii)	Other Commitments (If specify nature)	0.00	0.00

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

v. The Corporation has withheld an amount of Rs. 60, 55,709/- for releasing the bills of M/s Payik Sentinels Pvt. Ltd. towards recovery of theft of beverages stocks at Berhampur Depot. However, the matter is pending under adjudication at Honourable High court, Odisha.

**vi. Godown Rent:**

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

**vii. Receivable of Loading & Unloading Charges:**

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

**viii. Others:**

Sl. No.	Forum in which pending	Matter of Cases	Nos. of Cases
01	Civil Judge (Jr.) Division BBSR	Claim for enhancement of Loading & Unloading.	2 No. of Cases
02	District Judge (Khurda) BBSR	Loading & Unloading	6 No. of Cases
03	Arbitrator	Loading & Unloading relating to realization of bidding amount.	4 No. of Cases
04	State Consumer Dispute Redresal Commission, Odisha (Cuttack)	Godown Insurance	1 No. of Case
05	Hon.ble High court of Odisha	Cases related with Minimum Guaranteed Quota (MGQ) of CS retailers.	8 No of Cases
06	Hon.ble High court of Odisha	E-payment by retailers	15 No. of Cases
07	Hon.ble High court of Odisha	Excise Adhesive level	1 No. of cases
08	Hon.ble High court of Odisha	Service related	14 No. of Cases
09	Hon.ble High court of Odisha	Sales Tax related	4 No. of Cases
10	Hon.ble High court of Odisha	Tender notice challenged	4 No. of Cases
11	Civil Judge (Sr.) Division BBSR	Insurance Related	4 No. of Cases
12	State Human Right Commission	Payment of wages for loading & unloading	1 No. of Cases
13	Industrial tribunal, BBSR	Formation of union Challenged	1 No. of Cases
14	District Labour Commissioner	Conciliation proceeding, DLC, Khurda & Balasore	3 No. of Cases
15	Civil Judge (Sr. Divin.) Berhampur	Compensation towards illegal seizure	1 No. of Cases
16	Supreme Court of India	Matter relating to refund of TCS as per the direction of the Hon'ble High Court which is challenged before the Hon'ble Supreme Court.	1 No. of Cases
17	CESTAT, Kolkata and CIT(A) Bhubaneswar and Cuttack	Imposition of Service Tax and Income Tax.	3 No. of Cases



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

## 9. Corporate Social Responsibility

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

Particulars	Current Year	Previous Year
Amount required to be spent during the year (Obligation)	69.29	78.98
Amount spent during the year	147.20*	33.29

\*During the Financial Year 2022-23, the CSR unspent amount of earlier year has been returned back and same has been netted off with the total CSR expenditure and as a result the net CSR spent amount during the FY-2022-23 has been reduced to that extent. Further, the unutilized CSR refunded and interest credited on the CSR fund account has also been spent during the year.

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Mode of Implementation through implementing agency	Current Year (In Lakhs )	Previous Year ( In Lakhs )
1	Supply of Water purifier-cum-cooler	Making available safe drinking water (Clause-i of SCH-VII)	Direct	0.90	0.00
2	Setting up Sanitary Napkin Unit	Health care including preventive health care (Caluse-i of SCH-VII)	KISS	0.00	9.53
3	Cutting of illegal hemp cultivation	Health care including preventive health care (Caluse-i of SCH-VII)	Sun Solutions	0.00	0.72
4	Observance of 26 <sup>th</sup> June, 2022 as international against Drug Abuse and Illicit Trafficking	Promoting health care including preventive health care (Clause-i of SCH-VII)	Directly in collaboration with 30 Excise District Collectors and one Excise Commissioner	7.60	0.00
5	Installation of Water Purifier-cum Cooler at Shelter Primary School, Police Primary School & Utkal Balashram, Cuttack	Making available safe drinking water (Clause-i of SCH-VII)	Directly in collaboration with Rotary Club, Mahanadi Vihar	2.09	0.00



6	Skill Development Training Programme for a batch of students of 15 to be drawn from weaker section of society	Promoting education, including special education and employment enhancing vocation skills (Clause-ii of SCH-VII)	CIPET, Bhubaneswar	15.65	0.00
7	Sponsoring 15 students for skill development training	Skill development (Caluse-ii of SCH-VII)	CIPET, Bhubaneswar	0.00	6.78
8	Sponsoring 10 students for skill development training	Skill development (Caluse-ii of SCH-VII)	CIPET, Balasore	0.00	9.26
9	Helping 100 nos. of tribal students studying at KISS, Bhubaneswar	Promoting education, including special education and employment enhancing vocation skills (Clause-ii of SCH-VII)	Kalinga Institute of Social Sciences (KISS), Bhubaneswar	30.00	0.00
10	IEC and de-addiction awareness programme	Promoting health care including preventive health care (Clause-i of SCH-VII)	Directly in collaboration with	30.00	0.00
11	Old age home for blind persons	Setting up Old age home (Caluse-iii of SCH-VII)	The Orissa Association For The Blind", Bhubaneswar	0.00	7.00
12	Men's FIH Hockey World Cup (held at Bhubaneswar, Rourkela)	Promoting rural sports, nationally recognised sports (Clause-vii of SCH-VII)	Directly in collaboration with Collector, Sundaragrh	61.29	0.00
13	Supply of Water Purifier-Cum-Cooler to Govt Schools	Making available safe drinking water (Clause-i of SCH-VII)	Direct	2.77	0.00
		<b>Total</b>		<b>150.30</b>	<b>33.29</b>



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

#### 11. Disclosure towards Key Financial Ratios

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

Sl. No.	Particulars		Unit of Measurement	Current Year (In Lakhs)		Previous Year (In Lakhs)		(%) of Change	Reasons if percentage is more than 25%.
1	Current Ratio	Current Assets /Current Liabilities	In (%)	65,356.10	1.4500	57,972.00	1.5100	-3.97 (%)	
				45,215.16		38,391.31			
2	Net Profit Ratio	Net Profit /Net Revenue	In (%)	3137.12	0.0042	1,863.81	0.0031	35.70 (%)	Due to growth in sales and Income from interest
				745,664.26		601,139.35			
3	Trade Receivables Turnover Ratio (Average Receivables days)	365 (Net Revenue / Average Trade receivables)	In Days	NA	-	NA	-		
4	Trade Payables Turnover Ratio ((Average Payable days)	365 (Net Revenue / Average Trade payables)	In Days	NA	-	NA	-		
5	Inventory Turnover ratio ((Average Inventory days)	365 (Net Revenue / Average Inventories)	In Days	NA	-	NA	-		
6	Return on Capital Employed	Total Comprehensive Income + Interest [Average of (Equity + Total Debt)]	In (%)	3,136.75	0.1182	1,863.81	0.0757	56.21 (%)	Due to adjustment of pending earlier income tax matter.
				26,531.91		24,628.37			
7	Debt to Equity Ratio	Total Debts Total Equity	In (%)	NA	-	NA	-		
8	Retrun on Equity	Total Comprehensive Income Average Total Equity	In (%)	3,136.75	0.1182	1,863.81	0.0757	56.21 (%)	Due to adjustment of pending earlier income tax matter.
				26,531.91		24,628.37			
9	Debt Service Coverage Ratio	(EBITDA - Current Tax)	In (%)	NA	-	NA	NA	-	

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

The Corporation has paid / has payable an amount of Rs.252751.58 lakhs (Previous year- Rs. 203893.66 lakhs) and Rs.9886.42 lakhs (Previous Year- Rs. 7981.21 lakhs) to Government of Odisha towards VAT (Value Added tax) and TCS (Tax Collected at Source) respectively on sale of Liquor during the year 2022-23.

**13. Previous year Figure**

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

**14. Rounding off**

Figures are rounded off to nearest Rupees in Lakhs

In terms of our report of even date attached.

**For O M Kejriwal & Co.**

**Chartered Accountants**

FRN:314144E

**Sd/  
(Swati Kejriwal, FCA) Partner**

M. No.-067891  
Place: Bhubaneswar  
Date: 03.10.2023

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

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

**Sd/-  
Director  
DIN:06729202**

**Sd/-  
Managing Director  
DIN:10290015**



**ODISHA STATE BEVERAGES CORPORATION LIMITED**

(A GOVERNMENT OF ODISHA UNDERTAKING)

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

CIN: U51228OR2000SGC006372