

40th

Annual Report

2019-20



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR -12.

40th Annual Report 2019-20



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR -12.

CIN - U51211OR1980SGC000894

TEL : 0674-2395391, 2394956, FAX : 0674-2395291

Website : www.oscsc.in

STATUTORY AUDITORS

M/s. SDR & Associates

Chartered Accountants

Plot No.- 150, Saheed Nagar

(Near Bishnu Mandir)

Bhubaneswar-751007

Phone No.: 06743572773, 9437004858

E-Mail : sahoo.sunilkumar@yahoo.co.in

casdr1111@gmail.com

OUR BANKERS

State Bank of India

Bank of India

Union Bank of India

UCO Bank

Central Bank of India

Corporation Bank

Indian Overseas Bank

Odisha Gramya Bank

Utkal Gramya Bank

NABARD

OSCB

Axis Bank

Punjab National Bank



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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

(A Govt. of Odisha Undertaking)

Regd. Office : C/2, NAYAPALLI, BHUBANESWAR -12.

CIN No. : U51211OR1980SGC000894

Tel No.-0674-2395391, Fax No.-0674-2395291, Website : www.oscsc.in

File No. Secy - 07/2020

No.1162

Dt. 21.01.2023

NOTICE

To

All Share Holders
Odisha State Civil Supplies Corporation Ltd.

Notice is hereby given that the Adjourned 40th Annual General Meeting of Odisha State Civil Suppliers Corporation Ltd. will be held at the Registered Office of the Company at C/2, Nayapalli, Bhubaneswar - 751012 on Wednesday, 15th February, 2023 at 11 A.M. to transact the following business.

ORDINARY BUSINESS

To receive, consider and adopt the Financial Statements of the Corporation comprising Balance Sheet as on 31st March, 2020 and Profit and Loss Account for the year ended 31st March, 2020 along with all its annexure and schedules forming an integral part of accounts and the Reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General on the said Financial Statements and replies of the Management thereon.

By order the Board of Directors

Sd/-

(R.K. Kar)

Company Secretary

Memo No.1163 Dt.21.01.2023

Copy forwarded to

- i. All Directors of OSCSC Ltd.
- ii. M/s SDR & Associates, Statutory Auditor, 150, Saheed Nagar,
Near Bishnu Mandir, Bhubaneswar-751007

By order of the Board of Directors

Sd/-

(R. K. Kar)

Company Secretary

Note:

A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.

**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.****(A Govt. of Odisha Undertaking)**

Regd. Office : C/2, NAYAPALLI, BHUBANESWAR -12.

CIN No. : U51211OR1980SGC000894

Tel No.-0674-2395391, Fax No.-0674-2395291, Website : www.oscsc.in

Secy-07/2020

No.57/MD

Date:23.02.2023

To

All Share Holders,
Odisha State Civil Supplies Corporation Ltd.

Sub:- Forwarding minutes of Adjourned 40th Annual General Meeting.

Ref: This office letter No.1162 dt.21.01.2023

Madam/Sir,

I am directed to send herewith the minutes of Adjourned 40th Annual General Meeting of the Shareholders of Odisha State Civil Supplies Corporation Ltd. held on 15.02.2023 at 11 A.M. in the registered office of the Corporation at C/2, Nayapalli, Bhubaneswar, duly approved by the Chairman of the meeting for your kind perusal.

Yours faithfully,

Sd/-

(R. K. Kar)

Company Secretary

Enclosed - Minutes of Adjourned 40th Annual General Meeting.

Memo No.58/MD Dt.23.02.2023

Copy forwarded to

- i. All Directors of OSCSC Ltd.
- ii. M/s SDR & Associates, Statutory Auditor, 150, Saheed Nagar,
Near Bishnu Mandir, Bhubaneswar-751007

Sd/-

(R. K. Kar)

Company Secretary



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR -12.

List of the Share Holders:

1.	Secretary F.S. & C.W. Department, Govt. of Odisha, Bhubaneswar.
2.	Secretary to Govt., Finance Department, Govt. of Odisha, Bhubaneswar.
3.	Additional Secretary to Govt., P & C Department Govt. of Odisha, Bhubaneswar.
4.	Additional Secretary to Govt., FS & CW Department Govt. of Odisha, Bhubaneswar.
5.	Managing Director, OSCSC Ltd. Govt. of Odisha, Bhubaneswar.
6.	Deputy Secretary to Govt., Finance Department Govt. of Odisha, Bhubaneswar.
7.	Deputy Secretary to Govt., P & C Department Govt. of Odisha, Bhubaneswar.
8.	FA to Govt., FS & CW Department Govt. of Odisha, Bhubaneswar.
9.	FA to Govt., P & C Department Govt. of Odisha, Bhubaneswar.
10.	Addl. Secretary to Govt., Finance Department Govt. of Odisha, Bhubaneswar.



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR -12.

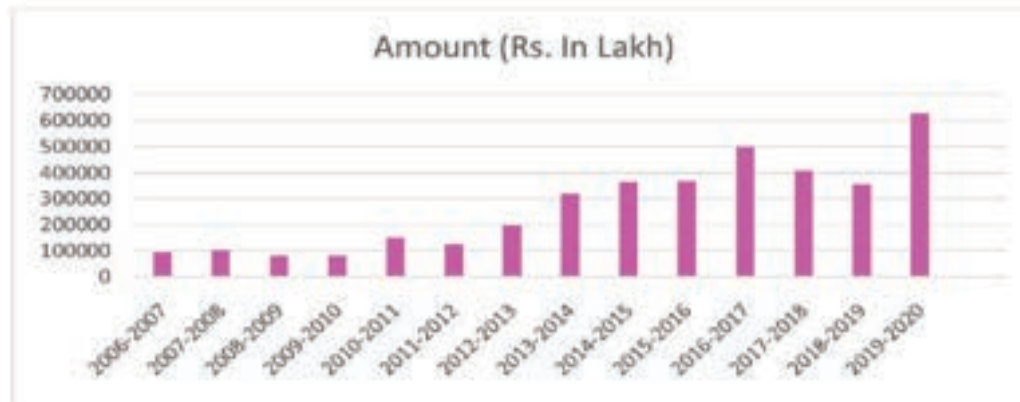
List of Directors in the Board of O.S.C.S.C LTD.

[As on 31-03-2023]

1.	Sri Vir Vikram Yadav, IAS Chairman/Principal Secretary to Govt. FS & CW Deptt., Odisha, Bhubaneswar	Chairman
2.	Sri Shubham Saxena, IAS Managing Director Odisha State Civil Supplies Corporation Ltd. Odisha, Bhubaneswar	Managing Director
3.	Sri Bijaya Kumar Jena, OFS (SSG) FA-Cum-Addl. Secy to Govt. FS & CW Deptt., Odisha, Bhubaneswar	Director
4.	Sri Janmejy Jena, OFS (SSG) FA & CAO, OSCSC Ltd.	Director
5.	Sri Rajib Sekhar Sahoo Chartered Accountant SRB & Associates, IDCO Tower, Janapath, Bhubaneswar	Independent Director
6.	Sri Samson Moharana, Professor (Retd.) GA-127, Niladri Vihar, Po- Sailashree Vihar, Bhubaneswar - 751021	Independent Director
7.	Sri B. B. Mohapatra, IAS (Retd.) Plot No. S-5/22, Niladri Vihar, Po- Sailashree Vihar, Bhubaneswar - 751021	Independent Director
8.	Sri Lokendra Singh General Manager, FCI, Odisha Region Director, OSCSC Ltd.	Director
9.	Sri Sailendra Kumar Dwivedi, OAS Additional Secretary to Govt., P.E. Deptt. Director, OSCSC Ltd.	Director
10.	Smt. Ellora Mohanty Addl., Secretary to Govt. Finance Department	Director
11.	Dr. Uddhaba Chandra Majhi, IAS Registrar, Co-operative Societies Odisha, Bhubaneswar	Director

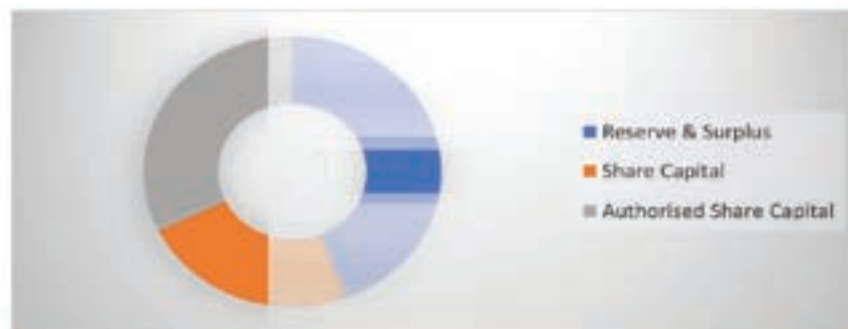


ODISHA STATE CIVIL SUPPLIES CORPORATION LTD
C/2, Nayapalli, Bhubaneswar-12
Activity & Performance
Turnover (Rs. In Lakh)



Financial Year	Amount (Rs. In Lakh)	Financial Year	Amount (Rs. In Lakh)
2006-2007	93638.61	2013-2014	319601.44
2007-2008	102221.93	2014-2015	365877.11
2008-2009	81149.48	2015-2016	367486.85
2009-2010	81064.25	2016-2017	499418.46
2010-2011	149980.77	2017-2018	408084.77
2011-2012	123945.67	2018-2019	354652.75
2012-2013	196128.63	2019-2020	627631.91

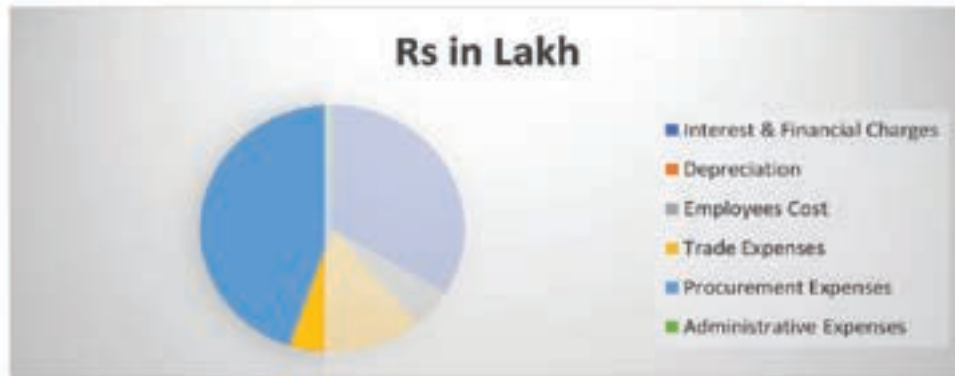
Share Holders Fund
Rs in Lakh



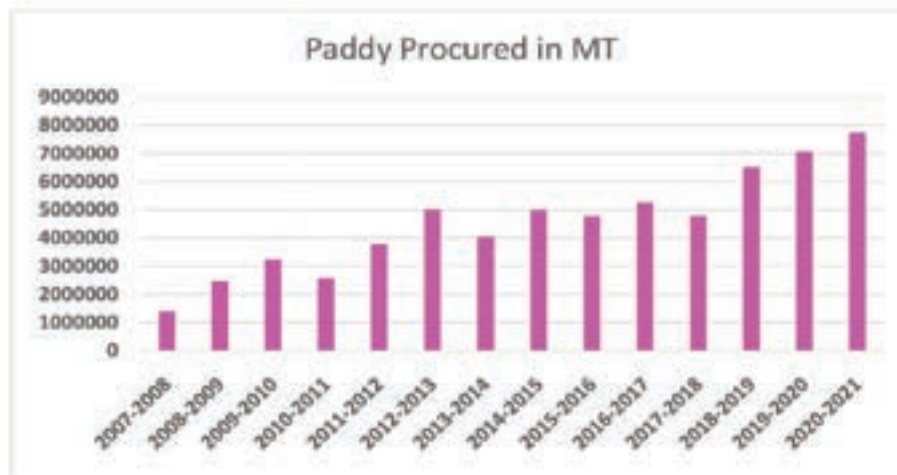
Fund Holding Pattern	Rs in Lakh
Reserve & Surplus	2052.75
Share Capital	1103.32
Authorised Share Capital	1500.00



Expenditure 2019-20



Heads	Rs in Lakh
Interest & Financial Charges	79753.00
Depreciation	180.71
Employees Cost	12486.38
Trade Expenses	38502.16
Procurement Expenses	103738.29
Administrative Expenses	2186.37



KMS	Paddy Procured in MT	KMS	Paddy Procured in MT
2007-2008	1404224	2014-2015	4987353
2008-2009	2489799	2015-2016	4779482
2009-2010	3234014	2016-2017	5262806
2010-2011	2578999	2017-2018	4789388
2011-2012	3780612	2018-2019	6506851
2012-2013	5002311	2019-2020	7056476
2013-2014	4033610	2020-2021	7732714



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR -12.

Statement Showing Names of the Share Holders & Distinctive Numbers of Equity Shares Allotted up to 31.03.2012

Sl. No.	Name of the share holder	Distinctive Nos.	No. of shares	Rupees per equity share	Total Value of Shares in Rs.
1	Secretary F.S. & C.W. Department Government of Odisha	000001 to 049999	49,999	1000	4,99,99,000
		050001 to 054997	04,997	1000	49,97,000
		055001 to 059997	04,997	1000	49,97,000
		060001 to 065429	05,429	1000	54,29,000
		065433 to 066329	00,897	1000	8,97,000
		066333 to 066829	00,497	1000	4,97,000
		066833 to 067327	00,495	1000	4,95,000
		067333 to 097827	30,495	1000	3,04,95,000
		097832 to 107832	10,000	1000	1,00,00,000
		107833 to 107857	02,500	1000	25,00,000
			1,10,306		11,03,06,000
2	Secretary to Govt. Finance Department	50,000	1	1000	1000
			1		1000
3	Addl. Secretary to Govt. Finance Department	54998	1	1000	1000
		59998	1	1000	1000
		65430	1	1000	1000
		66330	1	1000	1000
		97830	1	1000	1000
			5		5,000
4	Addl. Secretary to P. & C Govt. Finance Department	54999	1	1000	1000
		59999	1	1000	1000
		65431	1	1000	1000
		66331	1	1000	1000
			4		4,000



Sl. No.	Name of the share holder	Distinctive Nos.	No. of shares	Rupees per equity share	Total Value of Shares in Rs.
5	Addl. Secretary to Government, FS & CW Department	67328	1	1000	1000
		97828	1	1000	1000
			2		2,000
6	Managing Director, OSCSC Ltd.	55000	1	1000	1000
		60000	1	1000	1000
		65432	1	1000	1000
		66332	1	1000	1000
		66832	1	1000	1000
		67332	1	1000	1000
		97832	1	1000	1000
			7		7,000
7	Deputy Secretary to Government Finance Department	66830	1	1000	1000
		67331	1	1000	1000
			2		2,000
8	Deputy secretary to Government P & C Department	66831	1	1000	1000
			1		1,000
9	FA-cum-Deputy Secretary to Government FS & CW Department	67329	1	1000	1000
		97829	1	1000	1000
			2		2,000
10	FA-cum-Deputy Secretary to Government P & C Department	67330	1	1000	1000
		97831	1	1000	1000
			2		2,000
	Grand Total		110332		11,03,32,000



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR -12.

40th DIRECTORS REPORT TO THE SHARE HOLDERS OF ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

To

The Members,

Odisha State Civil Supplies Corporation Limited



Your Directors take pleasure in presenting the 40th Annual Report of the Corporation along with the Audited Accounts and Auditors' Report for the financial year ended 31st March, 2020 containing the matters as required under Section 134(3) of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

1. Financial Performance

The details of financial performance are given below.

PARTICULARS	2019-20(In Crores)	2018-19(In Crores)
Total Revenue	7800.34	6757.84
Total Expenses	(15079.48)	(12990.32)
Govt. Subsidy	7279.14	6232.48
Profit Before tax	0	0
Tax Expenses	N.A	N.A
Current Tax		
Deferred Tax		
Profit after Tax	N.A	N.A
Other Comprehensive income	N.A	N.A
Total Comprehensive income (PAT)	N.A	N.A
Earnings per Share	N.A	N.A

2. Paddy Procurement Operation

Your Corporation undertook Decentralized Procurement from KMS 2003-04 to extend support to the farmers of the State by ensuring payment of Minimum Support Price (MSP) fixed by Government of India, on sale of their Paddy and to utilize the rice so procured under PDS. OSCSC procured 71.52 LMT of Paddy in Financial Year 2019-20 equivalent to 48.63 LMT of CMR covering KMS 2018-19 & 2019-20.

You will be happy to note that OSCSC has taken up measures, under active guidance & support of Govt. in FS & CW Deptt, to bring efficiency and transparency to the procurement process & operations.

- a. Paddy Procurement Automation System (P-PAS), a complete automated online application system on procurement of paddy has been implemented in



all the 30 districts. All the paddy procuring blocks are covered under P-PAS. With the help of this P-PAS System, actual procurement vis-à-vis target and utilization funds by DCCB can be monitored on real time basis. The payment to farmers (MSP) for the paddy procured is being made online by transfer of funds to the account of the farmers. The complicated & lengthy manual documentation is automated through P-PAS.

- b. This P-PAS application is being integrated with SAP so that entire procurement data both physical & financial will be captured in the financial accounting.

3. Share Capital

As on 31st March, 2020, the Authorized Share Capital of your Corporation remains at Rs.15,00,00,000/- (Rupees Fifteen Crore Only) comprising 1,50,000 (One Lakh Fifty Thousand Only) Equity Share of Rs.1000/- each and the issued, subscribed and paid-up capital of your Corporation stood at Rs.11,03,32,000 (Rupees Eleven Crore Three Lakh Thirty Two Thousand) comprising 1,10,332 (One Lakh Ten Thousand Three Hundred Thirty Two) Equity Share of Rs.1000/- each.

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

4. Change in the nature of Business

The Company has not changed the nature of business in any way during the financial year 2019-20. The major line of activities i.e. Paddy Procurement under DCP Scheme & implementation of TPDS & OWS have been continued in the year.

5. Subsidiary Companies, Joint Venture or Associate Companies

The Company is not a Holding Company. It has no Subsidiary, Associate Companies and Joint Venture as disclosed in the financial statements for the financial year ended 31st March 2020.

6. Accounts

The accounts of the Corporation are maintained under ERP/SAP. In order to update finalization of accounts & audit and to cope up the increasing volume of procurement & PDS transactions, Corporation has taken up ERP-SAP.

7. Public Distribution System

- a. You will be pleased to know that from April 2017, the requirement of Rice under Mid-Day Meal (MDM) & WBNP Programme run by School & Mass



Education and Woman & Child Welfare Department, Govt. of Odisha, are being supplied by OSCSC out of CMR procured.

The Corporation has taken several measures to ensure timely and uninterrupted supply of essential commodities to the beneficiaries specially the weaker section of the society. Priority is being given to the PHH, AAY and Annapurna beneficiaries and supplies to these categories are being completed as per date line fixed by Govt. in FS & CW Deptt.

- b. Supply Chain Management System (SCMS) a web based application has been implemented in all depots to capture entire transactions at the Depots and for bringing efficiency, effectiveness and transparency in the system. The SAP application has been integrated to SCMS for complete automated accounting of OSCSC.
- c. Separate Handling Contractors are being appointed to be placed in all the depots to do handling operations. This operation was earlier carried out by transport contractors & custom millers which were not systematic and proper as per DCP guidelines.
- d. A prudent movement plan for efficient & economic inter district movement of CMR has been formulated in association with FCI & put in place.

8. Dividend

No dividend to the Shareholders is suggested by the Board of Directors as the Government allow subsidy to the Corporation only to the extent of actual loss sustained and hence no surplus is generated.

9. Board's Composition and their Meetings:

The strength of the Board as on March 31, 2020 is ten (10) directors. They are as follows:

1. Sri Vir Vikram Yadav, IAS
2. Sri Biswajit Kesari Das, OAS (SAG)
3. Sri Rajib Sekhar Sahoo, Chartered Accountant
4. Sri Samson Moharana, Prof. (Retd.)
5. Sri Bipin Bihari Mohapatra, IAS (Retd.)
6. Sri Prafulla Kumar Rout, IAS
7. Sri Akshaya Kumar Sethi, OAS
8. Sri Mrutyunjaya Harichandan, OFS (SS)
9. Sri Nishith Kumar Pradhan, G.M., FCI



10. Sri Bibhuti Bhusan Patnaik, IAS

During the financial year under report, the following changes occurred in the constitution of the Board of Directors of the Corporation:

(i) Following Changes occurred during the Financial Year 2019-20:

Sl. No.	Name of Director	Designation	Appointment	Cessation
1	Sri Biswajit Kehari Das, OAS	Managing Director	Appointed	-
2	Sri Saroj Kumar Samal, OAS	Managing Director	-	Cessation
3	Sri Bibhuti Bhusan Pattnaik, IAS, Registrar Co-operative Societies.	Director	Appointed	-
4	Sri Tribikram Pradhan, IAS, Registrar Co-operative Societies.	Director	-	Cessation
5	Sri Nishith Kumar Pradhan, G.M., FCI	Director	Appointed	-
6	Sri Natabar Pal, G.M., FCI	Director	-	Cessation
7	Sri Kamrup Mahanandia, FA & CAO	Director	-	Cessation

The Board meets at regular intervals to discuss and decide on the business policy and strategy apart from other Board business. The Board of Directors convened three meetings during the year under Report. The details of the meeting are given as under.

Number of Board Meeting	Dates	Number of Board Meeting	Dates
186 th	04-06-2019	188 th	29-11-2019
187 th	05-09-2019		

Details of attendance of each Director during the period April 01, 2019 to March 31, 2020:-

Sl. No.	Name of Directors	Designation	No. of Board Meetings	
			Held during tenure	Board Meetings attended
1	Sri Vir Vikram Yadav, IAS	Chairman	3	3
2	Sri Saroj Kumar Samal, OAS	Managing Director	1	1
3	Sri Biswajit Kesari Das, OAS (SAG)	Managing Director	1	1
4	Sri Rajib Sekhar Sahoo, Chartered Accountant	Independent Director	3	3
5	Sri Samson Moharana, Prof. (Retd.)	Independent Director	3	3



6	Sri Bipin Bihari Mohapatra, IAS (Retd.)	Independent Director	3	1
7	Sri Tribikram Pradhan, IAS, Registrar Co-Operative Societies	Director	1	0
8	Sri Bibhuti Bhusan Pattnaik, IAS, Registrar Co-Operative Societies	Director	1	0
9	Sri Prafulla Kumar Rout, IAS	Director	3	1
10	Sri Akshaya Kumar Sethi, OAS	Director	3	0
11	Sri Mrutunjaya Harichandan, OFS(SAG)	Director	3	3
12	Sri Natabara Pal, G.M., FCI	Director	3	2
13	Sri Kamrup Mahanadia, OFS(SAG)	Director	3	3

10. Committees of Board

To discharge its obligations effectively, the Board has established various Board level Committees. The details of composition of the Committees of the Board of Directors are as under:-

(i) Audit Committee:-

The Corporation has constituted an Audit Committee to ensure good Corporate Governance as well as compliance with the provisions of the Companies Act, 2013. The composition of Audit Committee as on 31.03.2020 was as follows:

1. Sri Rajib Sekhar Sahoo
2. Sri Samson Moharana
3. Sri Bipin Bihari Mohapatra
4. Sri Mrutunjaya Harichandan

Sl. No.	Name of Directors	Designation	No. of Audit Committee Meetings	
			Held during tenure	Meetings attended
1	Sri Rajib Sekhar Sahoo, Chartered Accountant	Independent Director (Chairman)	4	4
2	Sri Samson Moharana, Prof. (Retd.)	Independent Director	4	3
3	Sri Bipin Bihari Mohapatra, IAS (Retd.)	Independent Director	4	3
4	Sri Mrutunjaya Harichandan, OFS(SAG)	Director	3	2
5	Sri Kamrup Mahanadia, OFS(SAG)	Director	1	1

**(ii) 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 31.03.2020 was as follows:

1. Sri Samson Moharana
2. Sri Rajib Sekhar Sahoo
3. Sri Mrutyunjaya Harichandan

Sl. No.	Name of Directors	Designation	No. of CSR Committee Meetings	
			Held during tenure	Meeting attended
1	Sri Samson Moharana, Prof. (Retd.)	Independent Director (Chairman)	1	1
2	Sri Rajib Sekhar Sahoo, Chartered Accountant	Independent Director	1	1
3	Sri Mrutyunjaya Harichandan, OFS(SAG)	Director	1	0

(iii) Human Resource Committee:-

The Corporation has constituted a HR Committee. The composition of HR Committee as on 31.03.2020 was as follows.

1. Sri Biswajit Kesari Das, OAS
2. Sri Samson Moharana
3. Sri Rajib Sekhar Sahoo
4. Sri Bipin Bihari Mohapatra

(iv) Independent Directors Meeting:-

The Independent Directors of the Corporation also meet once a year. The composition of Independent Directors as on 31.03.2020 was as follows.

1. Sri RajibSekharSahoo
2. Sri Samson Moharana
3. Sri Bipin Bihari Mohapatra

Sl. No.	Name of Directors	Designation	No. of Independent Directors Meeting	
			Held during tenure	Meeting attended
1	Sri RajibSekharSahoo,	Independent Director (Chairman)	1	1
2	Sri Samson Moharana,	Independent Director	1	1
3	Sri Bipin Bihari Mohapatra,	Independent Director	1	1



11. Director's Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 in relation to the financial statements for the year 2019-20, the Board of Directors state:

- i. That in the preparation of the Annual Accounts for the financial year ended 31st March 2020, the applicable Accounting Standards have been followed.
- ii. That the Corporation has 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 or loss of the Corporation for the year under review.
- iii. That the Corporation has taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Accounts for the financial year ended March 31, 2020 as a going concern concept.

12. Personnel and Human Resource Development

The Corporation has continued to maintain cordial and harmonious relationship with its employees throughout the year. Your Directors expressed their appreciation for the sincere, enthusiastic and dedicated efforts put in by the employee in effective implementation of various schemes and programs of the Central Government and State Government. The Corporation has also taken steps for organizing different training programs for Human Resource Development.

13. Particulars of Loan, Guarantees & Investments under Section 186.

Your Corporation has not sanctioned any loan or extended guarantee and made investment U/s 186 of the Companies Act, 2013, during the period of report.

14. Particulars of Contracts or Arrangements with Related Parties.

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

15. Risk Management Policy:

The Company is exposed to risk in Paddy Procurement Operations. The Custom Millers are delivered paddy procured six times of security deposit furnished by



them, thus taking risk of getting back of 100% CMR due from the millers.

In order to reduce the risk exposure following measures have been taken.

- The Custom Millers in default are not allowed to participate in Procurement.
- The Custom Millers delayed delivery of CMR is allowed to operate on 100% security.
- Delivery of paddy to millers has been brought down to 6 times of security money, from 10 times in KMS 2016-17.
- Concurrent Milling & delivery of CMR is being strictly monitoring & the millers in default are not allowed to lift further paddy.
- Delivery of paddy is monitored through MAS & SAS as application software developed & implemented.
- Purchase of paddy is recognized only after Authentication of Acceptance Note by the Custom Miller in the Mobile Application linked to P-PAS.

16. Particulars of Energy Conservation, Technology absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules 2014:-

- | | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Conservation of Energy:- | The Company is taking utmost care for conservation of energy. |
| B. Technology Absorption:- | The Company is adopting various IT System like P-PAS, SCMS, OBMS, PFMS, SAP (ERP) etc. for smooth functioning of official work. |
| C. Foreign Exchange Earnings and Outgo:- | During the Year, the Company has not earned any Foreign exchange in terms of actual inflows and the foreign exchange outgo during the year in terms of actual outflows. |

17. 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.

18. 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.



19. Details in respect of adequacy of Internal Financial Controls with reference to the financial statements.

The internal financial controls with reference to the financial statements of your Company for the year under report are adequate and commensurate with the operations of the Company.

20. Extract of the Annual Return under Section 92(3) of the Act:

The extract of the Annual Return of the Company for the year in the form MGT- 9 under Section 92(3) of the Act is annexed hereto as Annexure and forms part of this Report.

21. Statutory Auditors:

M/s. SDR & Associates, Chartered Accountants Firm, Bhubaneswar has been appointed as Statutory Auditors of the Corporation for the Financial Year 2019-20 by Comptroller and Auditor General of India vide C&AG Letter No. CA.V/COY/ODISHA.ORCIVS(1)/179 dated 02/08/2019 to audit & report on the accounts of the Corporation.

The Audited Statements of Accounts along with Report of the Auditors, Management's Replies on the Auditor's Report are annexed to the Director's Report.

22. Internal Auditors.

The Corporation appointed Chartered Accountants firms as Internal Auditor of the Corporation for the F.Y. 2019-20 for conduct of Internal Audit of the Head Office as well as District Offices of the Corporation.

23. 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. 2019-20.

24. Secretarial Audit Report:

The Corporation was not required to obtain Secretarial Audit Report under Section 204(3) of the Companies Act, 2013 for the period. However, for good Secretarial practice and for better Corporate Governance, the Corporation has engaged Company Secretary Firm as Secretarial Auditor for conducting of Secretarial Audit for the said period.

25. 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.

**26. Corporate Social Responsibility (CSR):**

As per the provision of Companies Act, 2013, on the basis of turnover, the Corporation falls under the purview of CSR. The Corporation has also formed a CSR Committee. Due to lack of profit of the Corporation, it is not required to spend any money on CSR activities.

27. Declaration by Independent Directors:

As per the provisions of the Companies Act, 2013, the Independent Directors of the Corporation have given declarations that they meet the criteria of Independence as provided in Section 149(6) of the Act.

28. 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 the Company.

29. Particulars of employees.

None of the employees of the Company are in receipt of Rs.8,50,000/- per month or Rs.1,02,00,000/- per year pursuant to Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

30. 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.

31. Steps taken to prevent sexual harassment of women at workplace:

The Corporation has zero tolerance towards sexual harassment. The Company has taken due care to prevent sexual harassment of women at workplace.

32. Acknowledgement

The Directors place on record their appreciation for the wholehearted and sincere co-operation and assistance received by the Corporation from various Departments of State Government, Central Government organization, also from the employees, Statutory Auditors, Internal Auditors, Principal Accountant General, Bhubaneswar, C&AG, New Delhi and the Bankers from time to time.

Also thank to our esteemed shareholders for their constant support in guiding and steering ahead the affairs of the Company.

For and on behalf of the Board of Directors.

Chairman
OSCSC Ltd.



ANNEXURE 1- Extract of Annual Return

As on 31st March 2020

{Pursuant to Section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014}
Form No. MGT 9

I. REGISTRATION AND OTHER DETAILS

CIN	U51211OR1980SGC000894
Registration Date	03-09-1980
Name of the Company	Odisha State Civil Supplies Corporation Limited
Category/sub-category of the Company	Company limited by Shares State Government Company
Address of the registered Office and contact details	C/2, Nayapalli, Bhubaneswar -751012 E-mail id- faoscsc@gmail.com
Whether listed Company-Yes/No	No
Name, Address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company -:

Sl. No.	Name and Description of main products / services
a	Procurement of paddy from farmers under DCP operation of Government of India.
b	Distribution of PDS stocks to the beneficiaries under NFSA and other welfare schemes

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and Address of the Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
NA	NA	NA	NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity):

Entire Share Capital has been subscribed by the Govt. of Odisha. During the year under review, there is no change in the paid up capital of the Corporation.



(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2019]				No. of Shares held at the end of the year [As on 31 st March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	110332	110332	100	0	110332	110332	100	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	110332	110332	100	0	110332	110332	100	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0



i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	110332	110332	100		110332	110332	100	0

(ii) Change in Promoters' Shareholding:NA

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.					
	i) At the beginning of the year				
	ii) Date wise Increase / Decrease				
	iii) At the end of the year				



- (iii) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): N.A.

IV. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits(In Crores)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	10,767.57			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	2021.04			
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year	12,788.61			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	12,788.61			

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	
1		M.D	F.A & CAO(Director)	
	Gross salary	17,42,242	17,14,968	34,57,210.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	



	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		
2	Stock Option	-	-		
3	Sweat Equity	-	-		
4	Commission - as % of profit - Others, please specify - Others, specify...	-	-		
5	Other Retiral Benefits	-	-		
	Total (A)	17,42,242	17,14,968		34,57,210.00
	Ceiling as per the Act (5% of Net Profit)				

B. Remuneration to other directors:

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
		R.S. Sahoo	S. Moharana	B.B. Mohapatra	
1.	Independent Directors				
	Fee for attending Board, Committee meetings	45000	40000	25000	1,10,000.00
	Commission	NA	NA		
	Others, please specify	NA	NA		
	Total (1)				
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
			0	0	0
	Total (B)=(1+2)				1,10,000.00
	Total Managerial Remuneration	0	0	0	0
Overall Ceiling as per the Act (1% of net profit)	0	0	0	0	


VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

For and on behalf of the Board of Directors.

sd/-
Chairman
OSCSC Ltd.

**M/s. SDR & Associates**

Chartered Accountants

Plot No.- 150, Saheed Nagar

(Near Bishnu Mandir)

Bhubaneswar-751007

Phone No.: 06743572773, 9437004858

E-Mail : sahuo.sunilkumar@yahoo.co.in
casdr1111@gmail.com**INDEPENDENT AUDITORS' REPORT****TO,****THE MEMBERS OF ODISHA STATE CIVIL SUPPLIES CORPORATION LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **Odisha State Civil Supplies Corporation Limited**, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in "**Basis for Qualified Opinion**" in **Annexure-C** and "**Disclaimer of Opinion in Annexure-D**" of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- Of the state of affairs of the Company as at 31/03/2020, and
- Of its **Nil** Profit/loss 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) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matters

We draw attention to the following notes on the financial statement being matters pertaining to M/s Odisha State Civil Supplies Corporation Limited requiring emphasis by us. Our opinion is not qualified in respect of these matters

1. Refer Item No:2.4 of Note-1: -Subsidy is received from Government of India and Government of Odisha are accounted for on cash basis and disclosed under the head "Advance Subsidy Account" and adjusted against subsidy receivable for the period.
2. Refer Item No: 2 of Note-2: -The claim of OSCSC is under examination at the GoI Level. The additional amount of subsidy that will be receivable/refundable after such finalisation of the cost sheet would be accounted for in the year of receipt.
3. Refer Item No:20 of Note-2:-Accounting of extra cost on Transportation charges receivable from FCI due to lifting of stock other than the base deport is on cash basis.
4. Refer Item No: 13 of Note-2:- Balance appearing in remittance in transit, different advances, Loan and advances, current assets, current liabilities, other long term liabilities due to outsiders are unconfirmed and unreconciled.
5. Refer Item No:15 of Note 2:- Contain Assets & Liabilities, Advances & Deposit as on 31st March 2017, have been identified by Management as old, dormant, un-reconciled & unconfirmed which is subject to reconciliation.

Responsibility of Management and Those Charged with Governance (TCWG)

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an



auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable to the company.
2. As required by Section 143 (5) of the Act, we give in the 'Annexure B' a statement on the matters specified by the Comptroller and Auditor General of India, as applicable to the Company.
3. As required by Section 143 (3) of the Act, based on our audit we report that:-
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit excepting matters described in "Basis for Qualified Opinion" given in 'Annexure C' and "Disclaimer of Opinion" given in 'Annexure-D' of our report respectively.
 - b. Subject to our comments given in Annexure 'C' and Annexure 'D' of our report in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 **excepting non-compliance of AS-1, AS-2, AS-4, AS-5, AS-6, AS-9, AS-10, AS-12, AS-15, AS-22, and AS-28.**
 - e. As per the notification number GSR 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs Section 164 (2), as regards the disqualification of Directors is not applicable to the Company since it is a Government Company.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-E" of our report expresses a qualified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance



with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has not properly disclosed the impact of pending litigations on its financial position in its financial statements. (Ref item No 24 of Note 2 of Notes on Accounts)
- ii. The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SDR & Associates

Chartered Accountants

FRN:326522E

Place:-Bhubaneswar

Date:- 30/09/2022

sd/-

(CA S.K. Sahoo)

Partner

Memb.No: 056068

UDIN-22056068AYIUUY8705

**M/s. SDR & Associates**

Chartered Accountants
Plot No.- 150, Saheed Nagar
(Near Bishnu Mandir)
Bhubaneswar-751007
Phone No.: 06743572773, 9437004858
E-Mail : sahuo.sunilkumar@yahoo.co.in
casdr1111@gmail.com

ANNEXURE -A**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in our Independent Auditor's Report of even date to the members of Odisha State Civil Supplies Corporation Limited on the financial statements for the year ended 31st March 2020

1. In respect of the Fixed Assets:

- a) The Company has not maintained proper records with respect to fixed assets (tangible & intangible) showing full particulars including quantitative details and situation of the fixed assets.
- b) As per the information and explanation given to us, these fixed assets have not been physically verified by the management during the year. Hence, we are unable to comment on material discrepancy if any between book balance and physical balance required to be dealt with in the books of accounts of the company.
- c) Title deeds in respect of Head Office Building and Godowns at Mancheswar and Jagatpur respectively are held in the name of the company. **In remaining cases** of office building located at various district offices and 159 godowns, the lands over which construction are made by the company have been alienated in the name of Civil Supplies Officer of different district as per the decision of Government of Odisha. However full particulars of the immovable properties indicating the details of area, and status thereof (**either freehold or leasehold**) and reconciliation thereof with the fixed assets register have not been furnished to us for verification.

2. **In respect of the Inventories:** - In our opinion and on the basis of information and explanations given to us physical verification of inventory has **not** been conducted by the management during the year at all the locations / godowns RRCs / Custom Millers, including with stock lying with third Parties. **Hence, we are unable to quantify the discrepancy if any between physically verified inventories and book balance and materiality thereof requiring proper adjustment in the books of accounts.**

3. According to the information and explanations given to us, the company has not



granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.

4. According to the information and explanations given to us, the company has not entered any transaction involving compliance with the provisions of Section 185 and 186 of the Companies Act 2013. Thus, Paragraph 3 (iv) of the order is not applicable.
5. As per the information and explanation given to us and on the basis of examination of books of accounts, the company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.
6. As per the information and explanation given to us and on the basis of our examination of books of accounts, the company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 as it is engaged in trading distribution, and supply of PDS Commodities.
7.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues where ever applicable have generally been regularly deposited with the appropriate authorities though there has been delay in some cases during the year. According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employees state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues with the appropriate authority were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable except in respect of the following statutory liabilities remaining old un-reconciled still unpaid for which sufficient particulars are not available with the Company. In absence of sufficient details like period to which it relates to, due date of deposit of the tax or duty or cess as prescribed under relevant statutes could not be adequately and properly reported.

Particulars	Amounts (Rs)
Income Tax (TDS)	5,48,02,179
TDS on GST Payable	30,02,097
Professional Tax	5,39,207
PRAN	82,724
GST Payable	13,24,831
RMC Fees	43,300
Bonus Payable	1,21,266
EPF Payable	6,33,279

Further as explained by the Company to us, most of the above statutory dues remain un-reconciled since 31st March 2017.



- b) According to the records of the company and on the basis of information and explanations given to us, there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise, value added tax or goods and services tax which have not been deposited with the appropriate authorities on account of any dispute except for the following disputed dues.

Name of the Statute	Nature of dues outstanding	Period	Disputed Amount (Rs)	Amount Deposited (Rs)	Forum where it is pending
Odisha Value Added Tax (OVAT) Act 2004	Penalty	F/Y 2013-14 to F/Y 2015-16	93,00,341	-	Odisha State Sales Tax Tribunal
-do-	Interest	-do-	3357261	335726	-do -

08. On the basis of examination of records and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to a financial institution, or bank. The company has not availed any loan from Government or debenture holders.
09. Based on the examination of the books of accounts and related records and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. Term loans have generally been applied for the purpose for which they were raised by the company.
10. Based on audit procedures applied and according to the information and explanation given to us, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ending 31st March 2020. However audit recovery of Rs 4,46,38,497/- and shortage value of Rs 12,06,14,194/- (Ref Note: 10-Other Income) was identified during the year.
11. In view of the Government notification No. GSR 463 (E) dated 5th June, 2015 the Company is exempt from the applicability of Section 197 read with Schedules (V) to the Companies Act 2013. Accordingly, clause 3 (xi) of the Order is not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, Clause 3 (xii) of the Order is not applicable to the Company.
13. In our opinion and as per the information and explanation given to us, the company has not entered into any transaction requiring compliance with Section 177 and 188 of the Companies Act, 2013. Hence clause 3 (XIII) of the order is not applicable to the Company.



14. Based on the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review requiring compliance with Section 42 of the Companies Act, 2013. Hence, Clause 3 (xiv) of the Order is not applicable to the Company.
15. Based on the information and explanation given to us, the Company has not entered into any non cash transactions with directors or persons connected with him. Hence, Clause 3 (xv) of the Order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934. Hence, Clause 3 (xvi) of the Order is not applicable to the Company.

sd/-

For SDR & Associates
Chartered Accountants
FRN:326522E

Place:-Bhubaneswar
Date:- 30/09/2022

sd/-

(CA S.K. Sahoo)
Partner
Memb.No: 056068
UDIN-22056068AYIUUY8705



M/s. SDR & Associates

Chartered Accountants
 Plot No.- 150, Saheed Nagar
 (Near Bishnu Mandir)
 Bhubaneswar-751007
 Phone No.: 06743572773, 9437004858
 E-Mail : sahuo.sunilkumar@yahoo.co.in
 casdr1111@gmail.com

ANNEXURE- B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in our Independent Auditor's Report of even date to the members of Odisha State Civil Supplies Corporation Limited on the financial statements for the year ended 31st March 2020

Directions indicating the areas examined by the Statutory Auditors during the course of audit of annual accounts of Odisha State Civil Supplies Corporation Limited for the year 2019-20 issued by the Comptroller & Auditor General of India under Section 143 (5) of the Companies Act 2013.

Based on the information and explanations given to us, we report as under:-

<i>Directions</i>		
A <i>General Directions</i>		
Sl. No.	Areas Examined	Observation/Findings
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on integrity of accounts along with the financial implications, if any may be stated.	The Corporation has implemented SAP to process all the accounting transactions through IT System. Corporation is capturing purchase/procurement data through PPAS system and sales data by SCMS system and integrating those data in SAP. However there is a mismatch between PPAS/SCMS data with SAP.
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year, there is no restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender.



3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for /utilized as per its term and conditions? List cases of deviations.	The fund received/ receivable for specific schemes from central/ State agencies were properly accounted for, utilised as per the terms and conditions
B	Company/Sector Specific Sub-direction	
1	That grants/subsidies received from implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose.	The grants received for implementing various schemes are accounted for as per the accounting standards and utilised for intended purpose. But, subsidy claimed from Govt of India and Govt of Odisha are accounted for on cash basis and disclosed under "Advance Subsidy Account" and deficit in account is recoupled to that extent from "Advance Subsidy Account".
2	Report the cases of diversion of grants/subsidies received from central/state Govt. or their agencies for performing certain activities.	We have not come across any diversion of grants/subsidies received from central/state Govt or their agencies for performing certain other activities.
3	If the audited entity has computerized its operation or part of it, assess and report, how much of the data in the company is in electronic format, which of the areas have been computerized and the company has evolved security policy for the data/software/ hardware.	The company has computerised its major operation like paddy procurement process in PPAS, sales of PDS Goods in SCMS including accounting in SAP. Also some other process like online bill management system (OBMS), Feedback management system, Grievance redressal system, IT Asset Management System, PIMS (HR System) etc. has been implemented and is operational. Further it is noticed that neither the company has fully adopted any security policy for the data/software nor done any information system audit to check the data security.
4	Cases of wrong accounting of interest earned on account of	No such accounting has come to our knowledge during the audit except Rs 1,93,92,875/- earned on Bank Deposits of Market Intervention Fund which has not



	non-utilization of amount received for certain projects or schemes may be reported.	been credited to Market Intervention Fund .																
5	Whether the Company has lifted the quantity of food grains allotted by Government, the lifted quantities and quantity released or distributed to fair price shops at subsidized rates and the company has reconciled the total quantity of food grains lifted and distributed.	<p>As per information and explanations given to us, the company has lifted the following quantity of food grains allotted by the Government, the lifted quantities and quantity released or distributed to fair price shops at subsidized rates.</p> <p>The company has not reconciled the total quantity of food grains allotted/lifted and distributed during the year 2019-20.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: right;">In(MT)</th> </tr> <tr> <th>Food Grains Commodities</th> <th>Allotment</th> <th>Lifting</th> <th>Released or Distributed</th> </tr> </thead> <tbody> <tr> <td>Rice</td> <td>2369912.409</td> <td>2369912.409</td> <td>2318667.907</td> </tr> <tr> <td>Wheat</td> <td>288295.497</td> <td>285956.195</td> <td>285956.195</td> </tr> </tbody> </table>	In(MT)				Food Grains Commodities	Allotment	Lifting	Released or Distributed	Rice	2369912.409	2369912.409	2318667.907	Wheat	288295.497	285956.195	285956.195
In(MT)																		
Food Grains Commodities	Allotment	Lifting	Released or Distributed															
Rice	2369912.409	2369912.409	2318667.907															
Wheat	288295.497	285956.195	285956.195															
6	Whether the Company has preferred the claim in time for differential cost with the Government and the amount of claim accepted/rejected has been properly accounted for in the books of the Company.	<p>In absence of period wise claim details we are unable to comment the amount of claim accepted/rejected and accounting thereof in the books of account by the company.</p> <p>Till date corporation has short received for Rs 2,458.83 Crores from Govt of India towards subsidy claimed under decentralised paddy procurement operation for the period from FY 2003-04 & 2019-20 and excess receipt of Rs 107.76 Cr from Govt of Odisha towards subsidy for distributing rice at subsidised rate, but accounting of the short /excess receipt could not be linked and reconciled by the company (Ref Item No 2 of Note 2 of Note on Account).</p> <p>Corporation has preferred claim regularly for differential cost (subsidy) with the Govt of India and Government of Odisha. During the FY 2019-2020 corporation have claimed Rs 6021.95 Cr from Govt of India and Rs 1406.56 Cr from Govt of Odisha against which corporation received Rs 5807.45 Cr and Rs 1198.44 Cr from Govt of India and Govt of Odisha respectively.</p> <p>But, subsidy claimed from Govt of India and Govt of Odisha are accounted for on cash basis and disclosed under "Advance Subsidy Account" and deficit in account is recoupled to that extent from "Advance Subsidy Account".</p> <p>Also the details of claim accepted or rejected is not properly reconciled and has not been provided to us for verification.</p>																
7	Comment on the existence of quality	According to information and explanation given to us, there exists a quality control system with company to																



	control system to check the quality of food grains to be distributed to beneficiaries. Any deficiencies resulting in supply of food grains as per accepted quality norms shall be mentioned.	check the quality of food grains to be distributed to beneficiaries. During our checking we have not come across any cases of deficiency resulting in supply of food grains as per accepted quality norms.
8	Examine and report the system of reconciliation of amount recoverable/payable in respect of gunny bales with millers and other procurement agencies.	Since past several years company has not reconciled the amount recoverable/payable in respect of gunny bales with Millers and other procurement agencies.
9	Examine the system to check authenticity of claims shown as recoverable from FCI/Govt.	There is a section at HO which deals with all FCI/Govt related matters along with recoverable issues of sale of Rice to FCI and other beneficiaries but no conformation or reconciliation is found against balance shown under receivable from FCI/Govt.

We have conducted the audit of accounts of Odisha State Civil Supplies Corporation Limited for the year 2019-20 in accordance with the directions/Company sector specific sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

For SDR & Associates

Chartered Accountants
FRN:326522E

sd/-

(CA S.K. Sahoo)
Partner

Memb.No: 056068
UDIN-22056068AYIUUY8705

Place:-Bhubaneswar
Date:- 30/09/2022



M/s. SDR & Associates

Chartered Accountants

Plot No.- 150, Saheed Nagar

(Near Bishnu Mandir)

Bhubaneswar-751007

Phone No.: 06743572773, 9437004858

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ANNEXURE-C

BASIS OF QUALIFIED OPINION

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to our Independent Auditor's Report of even date to the members of Odisha State Civil Supplies Limited on the financial statements for the year ended 31st March 2020.

A. LIABILITIES AND ASSETS:

1. REF: NOTE: 3.2 :- RESERVES&SURPLUS Rs.20,52,75,133.00

1.1. Capital Reserve Rs.17,53,03,837.00

Against capital reserve of Rs 17,53,03,837/-, the W.D.V. of fixed assets acquired out of grants as at 31st March 2020 shows an amount of Rs 13,79,40,305.00 resulting a mismatch of Rs 3,73,63,532.00 thus, stands un-reconciled.

Mobile Vans acquired out of grants during the year 1987-88 to 2000-01 shown in accounts has neither been disclosed separately in fixed assets nor was depreciation charged on those assets properly adjusted against Capital Reserve. Impact of such non-disclosure or non-accounting/non-adjustment in fixed assets Over "Loss Before Subsidy" for the year with corresponding adjustment in "Capital Reserve" has not been given in accounts.

1.2. Non-charging of depreciation on depreciable assets in a systematic and rational basis over the useful life of assets acquired out of Grant received and non-allocation of the same to income over the period is not in accordance with Accounting Standard-12 prescribed by the Institute of Chartered Accountants of India.

2. REF: NOTE:4.1:-OTHER LONG TERM LIABILITIES Rs.3,11,79,08,097.00

2.1. Earnest Money Deposit- EMD Rs. 8,88,64,501.00

Earnest Money Deposit-(EMD) in some of the Districts are showing debit balance of Rs.7,84,28,039.00 representing excess refund of EMD to various parties which may be shown under the head "Loans & Advances" instead of setting off against "other long term liabilities".

**2.2. Market Intervention Fund****Rs. 86,15,54,020.00**

Bank deposit (Market Intervention Fund) balance of Rs. 88,09,46,895.00 showing excess of Rs. 1,93,92,875/- against Market Intervention Fund of Rs. 86,15,54,020/-.

3. REF: NOTE: 5.1:-SHORT TERM BORROWINGS Rs. 1,27,88,61,34,702.00**3.1. Cash Credit Loan****Rs. 1,02,88,61,36,009.00**

(i) Year end balances with SBI A/c No-3099466351 & Union Bank of India A/c No-38080805010000197 are showing net debit balances of Rs. 2,73,39,937.95 & Rs. 1,82,09,62,762.67 respectively and included under "short Term Borrowings" instead of showing under "Cash & Cash Equivalents" resulting under-statement of both account by Rs. 1,84,83,02,700.62.

(ii) SBI A/c No-3099466351 account balance includes brought forward un-reconciled balance of Rs.1,91,67,537/- not yet been adjusted by the Company.

4. REF: NOTE: 5.2:-TRADE PAYABLES Rs. 14,53,27,57,485.00**4.1. (i) Dues to SA cum GA****Rs. 85,16,482.00****(ii) Dues to Marketing Inspectors****Rs. 35,40,342.00**

The above dues are unreconciled lying in the account of Sales Assistants cum Godown Assistants and Marketing Inspectors since past several years without any payment or adjustment. Dues to staff can never remain outstanding for so long again lying dormant, un-reconciled and un-confirmed. Further staff wise details and their present employment status and reason of non-payment or non-adjustment have not been furnished before us for verification. So amount required to be set off against Advance to SA cum GA and MI in absence of staff wise details, could not be ascertained.

5. REF: NOTE: 5.3:- OTHER CURRENT LIABILITIES Rs. 5,37,25,31,957.00**5.1. Control Account****Rs.1,43,30,17,196.00**

Total other Current Liabilities balance as on 31.03.2020 includes Control A/c balance of Rs. 1,43,30,17,196.00 (As per Annexure-(5.3A)). Control Account balance represents the inter-unit balance of all units of the Corporation. In our opinion inter unit balance in aggregate at the end of the year should be nil. The Control Account (Inter unit) balance is also same as last year. So in our opinion "Other Current Liabilities" balance was overstated by Rs. 1,43,30,17,196.00 and its corresponding impact over balance of "Other liabilities and assets/Loss before subsidy" is not ascertainable.

5.2. Trade Advance from Storage Agents/ FPS & Others: Rs. 1,46,88,61,729.00

It includes receivables of Rs.45,11,36,617.00 under different scheme by the Corporation setoff against Advance Sales Proceeds of Rs. 1,91,99,98,346.00. Substantial portion of debit balance as well as credit Balance have been carried forward in accounts remaining old, dormant, un-reconciled and un-confirmed since several years neither recoverable nor



payable. In our opinion these old, dormant, unreconciled and unconfirmed receivable of Rs.45,11,36,617.00 should be shown as Trade Receivable under Current Asset. Similarly old, unreconciled & unconfirmed payable balance of Rs.1,91,99,98,346.00 should be shown under "Other Long Term Liabilities". This has resulted understatement of "Trade Receivable" by Rs.45,11,36,613.00 and "Other long Term Liabilities" by the same amount.

5.3. Advance Received From FS & CW Department Rs.12,68,960.00

The above balance includes debit balance of Rs 34,65,961.00 belongs to Keonjhar District which in our opinion should be shown under "Other current assets". This has resulted understatement of "Other current assets" by Rs 34,65,961/- with corresponding understatement of "Other current liabilities".

5.4. EPF Rs.19,58,373.00

The above balance includes debit balance of Rs 28,91,413/- which arises due to deposit of employer share of Provident Fund not booked as expenses, as a result of which "Loss before subsidy has been understated by Rs 2,891,413/- with corresponding understatement of "Other Current Liabilities".

5.5. Stale Cheque Rs. 8,19,790.00

This represents outstanding cheques not encashed by the creditor/payee for a long period and requires reversal in the account.

5.6. Outstanding Salary Rs. 43,69,69,098.00

It includes Rs 22,79,95,665 pertaining to FY 2018-19 and earlier years, the details of which are not made available to us for verification. This overstate the "Other current liabilities" by Rs 22,79,95,665/- with corresponding overstatement of "Loss before subsidy".

5.7. TDS Payable Rs. 17,04,02,562.00

The above amount includes debit balance of Rs 60,27,123/- brought forward from earlier years and not adjusted till date. This has resulted understatement of "Other current liabilities" of Rs 60,27,123/- with corresponding under statement "Other current Assets"

It is further noticed that under TDS Receivable (Other Current Assets) showing credit balance of Rs 8,00,396/- which consist of Baragarh District A/c Rs 85,69,970/- (Debit) & Rs 93,70,366/- (Credit) at HO. This is resulted due to non-adjustment of inter-unit adjustment of TDS balance through Control Account.

6. REF: NOTE: 6:-FIXED ASSETS Rs. 36,89,11,486.00

6.1. The company has not classified fixed assets into tangible and intangible assets given in the Note-6 under the broad heading of "Fixed Assets" forming part of financial statements. Further, order of presentation of Fixed Assets has not been made as per the requirements of Schedule-III of the Companies Act, 2013.



6.2. The company has not correctly reassessed useful life and residual values of different assets (both tangible and intangible) as prescribed under Part C of Schedule II of the Companies Act 2013 in case of various own assets as well as assets created out of grants right from the period commencing from 1st April 2014. The financial statement does not disclose impact over Statement of profit and loss from F/Y 2014-15 in case the lower useful life of certain assets has been assessed and taken by the company in accounts for the purpose of calculation of depreciation along with justification duly supported by technical advice.

The company has not quantified the effect of transitional provision with respect to useful life of fixed assets either in the opening balance of retained earnings or by way of charge off to Statement of profit & loss where the remaining useful life is nil.

Impact of non-reassessment/improper assessment of useful lives as well as residual value of different assets over "Loss Before Subsidy" since the financial year 2014-15 till date, over "Subsidy Receivable"/Advance Subsidy (Other Current Assets) as well as Fixed Assets as at 31.03.2020 has not been quantified by the company.

6.3. Godown

Rs. 83,55,578.00

The Company has transferred 127 numbers of old, small, unscientific, unserviceable and abandoned godowns to Co-operation Department, Government of Odisha, during the year 2017-18 though possession of those godowns are yet to be handed over. Neither W.D.V of the godowns so transferred nor depreciation charged on those godowns have not yet been withdrawn from Accounts, nor appropriate write off of Capital Reserve in the accounts has been made by the Company in respect of those godowns constructed out of Grant in Accounts. Its consequential impact over "Loss before Subsidy" for the year as well as Fixed Assets of the Company as at 31.03.2020 has not been quantified by the Company.

6.4. Impairment Loss-

The Company has not ascertained impairment loss in the value of Fixed Assets (Tangible & Intangible assets) in accordance with Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

7. REF: NOTE: 7.1:-NON-CURRENT INVESTMENT Rs.10,00,000.00

7.1. It represents 1000 Equity shares @ Rs.1000.00 each invested in Share Capital of Odisha Wholesale Consumer Co-operative Federation Limited. Copy of the audited accounts of the Federation since the date of original investment has not been made available to us for verification in order to assess its net worth and profitability. In our opinion, the carrying cost of the investment is nil. Considering its permanent decline in value, the entire value of investments be fully provided for as doubtful investment in the accounts. On account of such non provision "Loss Before Subsidy" for the year is understated by Rs.10,00,000.00 and value of non-current Investment is overstated by similar amount.



8. REF: NOTE: 8.1:-INVENTORIES Rs. 78,75,88,81,246.00

8.1. Stock of Sugar Rs.4,89,395.00

Closing stock of sugar for Rs.4,89,395.00 is being carried forward in the accounts by the company without availability of any physical stock since earlier years. Considering the nature of item and complete deterioration in quality, its realizable value is to be taken as nil.

This has resulted understatement of "Loss Before Subsidy" for the year as well as overstatement of Inventories by Rs.4,89,395.00 to the extent of non-provision for diminution in value of stocks and non-availability of stock with the company.

8.2. Valuation of Stock

In accordance with the practice being followed, the Company values the stock of Custom Milled Rice and at MFPS and RRCs at Economic Cost of Govt. of India.

The said Economic Cost is fixed provisionally and separately for cost of new bags used by the Govt. of Odisha and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool and for DCP Scheme and Custom Milled Rice procured under (FAQ) specification retained for distribution under the DCP during the KMS for the 2019-20 in respect of Govt. of Odisha & its agency etc. separately for Raw-Rice and Par Boiled Rice. The said provisional Economic Cost includes certain indirect cost like Interest Charges, Administrative Charges and Distribution Cost. The basis of valuation i.e. at Economic Cost to Govt. of India both for opening stock as well as closing stock is not in accordance with accounting standard-2 prescribed by ICAI.

The company has not ascertained the impact of such inclusion of indirect cost in both Opening stock as well as Closing Stock resulting departure from accounting standard-2 by ICAI. Its impact over "Loss before Subsidy" for the year as well as inventories has not been ascertained.

9. REF: NOTE:8.2:-TRADE RECEIVABLE Rs.14,07,63,73,727.00

9.1. Dues from FCI

More than six months:	Rs. 7,50,23,79,598.00
Less than six months:	Rs. 6,15,36,73,480.00
	<u>Rs. 13,65,60,53,078.00</u>
Annapurna Scheme:	
Less than six months:	Rs.39,15,77,189.00

Against sale for Rs. 3,99,39,658 made under this scheme by the Company during the year, a sum of Rs.560,64,000.00 has been received resulting reduction of opening balance. Under the said scheme receivable accrues monthly to the extent rice is distributed to the beneficiaries as per the allocation of Government of Odisha.

In respect of both the cases, dues from FCI as well as Annapurna scheme bifurcation of receivable in to less than six months and more than six months from the date they are due for



payment without production of any month wise working of sales as well as debts is not correct.

More Than Six Months (Unsecured)Others: - Rs.6,05,770.00

It represents the amount receivable from various Government Departments and Agencies towards sale of Petrol, Oil and Lubricants continues in accounts without any recovery or adjustment and no-follow-up action for recovery has been taken by the company since earlier years. On account of non-availability of party wise/period wise details in our opinion, chances of recovery are Nil. Therefore, provision of the doubtful receivable or write off is to be made in the accounts during the year by the Company.

This has resulted understatement of "Loss Before Subsidy" for the year as well as overstatement of "Trade Receivables" by Rs.6,05,770.00.

10. REF: NOTE: 8.3:-CASH & CASH EQUIVALENTS Rs.4,39,77,10,528.00

10.1. Cash in Hand Rs.84,06,487.00

It includes a sum of Rs.65,41,379.00 being stagnant cash balance lying the books of various district offices of the company continuing in accounts since past several years without availability of any physical cash either at the beginning of the year or at the end of the year leading to possibility of defalcation of cash. In our opinion, such stagnant cash balance not physically available either should be provided for or be written off in the Accounts In case of non-identification of person/officials responsible for the defalcation. Therefore, chances of recovery are Nil. Despite of our adverse comments made by us in our earlier reports no effective steps has yet been taken by the company.

On account of such non-provision/ non write off in accounts, this has resulted understatement of "Loss Before Subsidy" by Rs.65,41,379.00 with an overstatement of "Cash & Cash equivalents" by similar amount.

10.2. Cash at Banks Rs.96,86,41,797.00

Above bank balance includes opening balance difference of Rs. 1,58,91,633.17 and unreconciled balance of Rs.15,63,38,704.12 for which no satisfactory explanations have been obtained. As the chances of recovery of those bank balances is very remote. In our opinion the total amount of Rs.17,22,30,337.29 should be provided for/written off. Due to non-provisioning/written off of above bank balance "Loss Before Subsidy" under stated by Rs.17,22,30,337.29 and "Cash & Cash Equivalents" have been over stated by same amount.

10.3. Fixed Deposits Rs 1,01,75,04,156.00

Balance confirmation certificates of some of the fixed deposits at 31.03.2020 with Corporation Bank, Indian Bank, Central Bank of India and Punjab & Sind Bank have not been made available to us for verification.

10.4. The Company has accounted for interest receivable from PNB-Savings Flexi-Kolkata JC Rs.92,23,490.00 under "Other Current Assets" whereas interest receivable on



other bank deposits are shown under "Cash & Cash Equivalent"

10.5. Remittance In Transit Rs.31,24,36,313.00

Remittance in Transit (Net) Rs.31,24,36,313.00 is resultant of debit balance of Rs. 33,24,36,313.00 and Cr. Balance of Rs. 2,00,00,000.00. The creditBalance of Rs. 2,00,00,000.00 under Sonepur district has been lying since 2017 with a narration "Correction of Initial balance". In our opinion Cash-in-Transit cannot be negative and subject to adjustment. As the credit Balance of Rs.2,00,00,000.00 is unreasonable and lying unadjusted since long it should be closed by transferring to "Statement of Profit & Loss".

Due to non-adjustment of Credit balance of Remittance-in-Transit the "Loss Before Subsidy" has been overstated by Rs. 2,00,00,000.00 with corresponding understatement of "Cash & Cash Equivalents".

10.6. Outstanding Sales Proceeds Rs. 4,60,70,436.00

Above head consists of tenSub-heads out of which nine sub heads balances are stagnant and remaining same for both opening and closing balances. While going through the details it was found that majority of entries are passed for correction of initial balances. In our opinion outstanding sale proceeds balance should not be disclosed under Cash & Cash Equivalent but under Other Current Asset. Due to above inaccuracy"Cash & Cash Equivalents" has been over stated by Rs. 4,60,70,436.00 and "Trade Receivables" has been under stated for the same amount.

11. REF:NOTE:8.4-SHORT TERM LOANS & ADVANCERs.36,51,05,513.00

11.1. (i) Advance for Construction /Renovation of Godown/Office Rs.3,94,54,925.00
(ii) Advance for Building for(Creation of Capital Assets) Rs. 70,40,388.00
Total Rs.4,64,95,313.00

Considering the nature and purpose of advance, the above advances should be presented under "Capital Advance" instead of "Short Term Loans & Advance".

This has resulted understatement of "Capital Advance" by Rs 4,64,95,313.00and over statement of "Short Term Loans & Advances" by similar amount.

11.2. Advancefor NFSA Expenses:- Rs.4,80,54,747.00

The above balance includes the Advance for NSFA Expenses- CSO cum DM Rs 1,86,53,558/- and Advance for NFSA Expenses-DRDA Rs 13,60,000/- which are brought forward from earlier years and the reasons of non-adjustment is not known. This has resulted understatement of "Loss before subsidy" by Rs 2,00,13,558/- with corresponding over statement of " Short term Loans and Advances" by the same amount.

11.3. Advance for SFSS Expenses: - Rs. 3,55,52,862.00

Above balance represents advance for SFSS programme to BDO's, Executive Officers of ULB, ACSO, DRDA, Marketing Inspectors, and Municipality Commissioner etc against which nominal amount has been adjusted and most of the advances are remaining unadjusted.



As a result "Loss before subsidy" has been understated by Rs 3,55,52,862/- with a corresponding overstatement of "Short term Loans & Advances".

11.4. Security Deposits:- Rs. 2,10,39,415.00

The above amount deposited with BPCL/HPCL/Other parties by the Company mostly in connection with running of gas/cylinder business and other business are not supposed to be discontinued within a period of next 12 months or operating cycle nor has a chance of immediate refund or liquidity. Considering its nature and purpose, it should be presented under "Long Term Loans & Advances" (Non-Current Assets) instead of "Short Term Loans and Advances". Due to above inaccuracy "Long Term Loans & Advances" is understated by Rs. 2,10,39,415.00 with corresponding over statement of "Short Term Loans & Advances".

11.5. Advance to Employees:- Rs. 10,09,36,697.00

It represents advance paid to different type of employees like CSO, SA cum GA, MI, PI, Godown Supervisor, Manager, MATRI gas etc. for various types of expenses such as Festival, Medical, Travelling, PPAS and other expenses etc. While going through the accounts it is observed that most of the advances are remaining unadjusted and continued from earlier years. It is further noticed that Rs. 6,00,56,650/- is continued from earlier years. So, in our opinion chances of recovery of the advance is remote and necessary provision/adjustment may be made after due verification.

Due to non-provision /non-adjustment of above advance "Loss before subsidy" has been under stated by Rs 6,00,56,650/- with corresponding overstatement of "short term loans and Advances".

11.6. Advance for Legal & Professional Fees Rs. 8,01,750.00

Above balance includes unadjusted opening balance of Rs 6,81,750/- which has resulted understatement of "Loss before subsidy" by Rs 6,81,750/- and over statement "Short term Loans and Advances" for the same amount.

11.7. Advance Recoverable from CWC-Junagarh Rs. 13,83,171.00

The advance is brought forward from earlier years and has not been adjusted during the year. Due to such non adjustment "short term Loan and Advance" has been overstated by Rs 13,83,171/- with corresponding understatement of "Loss before subsidy" by same amount.

11.8. In respect of Short Term Loans and Advances, the balance includes brought forward advances of Rs. 4,94,70,984/- in different subheads from last year.

These advances are old, stagnant, dormant, unreconciled and unconfirmed and having a remote chance of recovery or adjustment within a period of next 12 months or operating cycle and it should be presented under "Long Term Loans & Advances (Non-Current Assets)" instead of "Short Term Loans and Advances".

11.9. Stolen Cheque Rs. 59,90,525.00

Rs. 59,90,525.00 debited to stolen cheque A/c on account of correction of initial balance on



31.03.2017 under Baragarh District. Since then balance is lying unadjusted and no action has been taken for its recovery.

In our opinion it necessary provisioning may be made. Due to such non-provisioning "Loss before subsidy" has been understated by Rs 59,90,525/- with corresponding overstatement of Short term Loans & Advances".

12. REF: NOTE:8.5-OTHER CURRENT ASSETS Rs. 53,28,15,20,169.00

12.1. Amount Receivable from SRC Rs. 1,19,23,972.00

The above balances are brought forward from earlier years which are old, dormant, un-reconciled and unconfirmed should be provided for/written off after due reconciliation and examining the chances of recovery.

12.2. Advances to Suppliers (Goods) Rs.89,37,78,756.00

It includes Advances to FCI for various items like Rice, Wheat, Sugar SRM for Rs. 81,03,17,319.00 are subject to confirmation and reconciliation. Substantial portion of the advances are being carried forward from earlier period as old, dormant, stagnant and having a remote chance of recovery or adjustment within a period of next 12 months or operating cycle, which should be presented under "Long Term Loans and Advances" (Non-Current Assets) instead of "other current assets".

12.3. Advances to Others Rs 46,91,952.00

It includes a sum of Rs 25,43,700.00 paid towards "Advances to R&B for Capital Storage" is to be presented under "Capital Advance" considering its nature, and purpose instead of "Other Current Assets". This has resulted understatement of "Capital Advance" by Rs. 25,43,700.00 and overstatement of "Other Current Assets" by similar amount.

**12.4. (i) TC on Paddy Receivable from FCI Rs.3,36,77,98,488.00
(ii) TC on CMR Receivable from FCI Rs.1,91,69,70,302.00
(iii) Sugar Claim Receivable from FCI Rs.50,46,38,380.00
Rs.5,78,94,07,170.00**

The above balances are subject to confirmation and reconciliation. Considering the nature of dues and poor recovery/non-recovery and substantial amount being old, dormant, un-reconciled and unconfirmed in our opinion, the balance should be presented under "Long Term Trade Receivable" (Other Non-Current Assets) instead of "Other Current Assets".

This has resulted understatement of "Long Term Trade Receivable" (Other Non-Current Assets) by Rs 5,78,94,07,170.00 with overstatement of "Other Current Assets" by similar amount.

12.5. Advance To DGSD, Gunny Rs. 2,37,19,917.00

A sum of Rs 14,00,00,000.00 was received against brought forward outstanding balance of Rs 16,37,19,917.00 only after Joint final reconciliation with the Company is made and agreed. Thus the above amount is irrecoverable but has not been written off in accounts.



This has resulted understatement of "Loss Before Subsidy" for the year by Rs. 2,37,19,917.00 with overstatement of "Other Current Assets" by similar amount on account of such non-write off.

12.6. Advance to Suppliers (Services) Rs 54,31,56,864.00
Advance To Transport Contractor (Level- I) Rs. 1,47,64,457.00

It includes brought forward stagnant unreconciled balance of Rs.1,47,64,457.00 for which party wise / period wise details are not available for verification, again lying dormant and stagnant.

12.7. Advance to Transport Contractors-(State Level) Rs. 84,00,000.00

A sum of Rs. 84,00,000.00 has been paid by HO towards transportation of CMR in January 2020. As Corporation does not have a system of advance payment to Transport Contractor, the above amount might have been paid towards part payment of the bill. So in our opinion necessary entry should be passed for booking of expenses for adjusting the advance. As a result "Advance to Contractor (State Level)" has been overstated by Rs.84,00,000.00 with a corresponding understatement of "Loss before Subsidy".

12.8. Dues from CSO: Rs.2,49,713.00
Dues from-Sales Assts.Cum Godown Asst. Rs. 20,31,451.00
Rs.22,81,164.00

These balances are lying old, stagnant, unreconciled, unconfirmed unrecovered and carried forward in accounts since past several years. Staff wise / period wise details are not available for verification. Present employment statuses of those staff are also not available with the Company. Amount required to be set off against liabilities to CSO or Sales Assistants Cum Godown Assistants could not be ascertained.

Therefore in our opinion, the amount of Rs 22,81,164/-should be presented under "Long Term Loans & Advances"(Non-Current Assets) in absence of detailed information, to what extent provision for doubtful dues or write off is required to be made in accounts.

12.9. Misappropriation Stock/Shortage Value Receivable:-Rs. 1,78,34,58,376.00

Above amount includes Credit balance of Rs.8,84,60,638.00 which shows excess recovery from different Millers over and above from their claim amount. Such excess recovery was wrongly shown under "Misappropriation of stock value Recoverable" instead of payable to millers. Due to above mistake "Other Current Assets" has been under stated by Rs.8,84,60,638.00 with corresponding understatement of "Other Long Term Liabilities" for the same amount.

12.10. Shortage Receivable from CWC/OSWC Rs. 15,15,73,415.00
Against Cost of Damaged Stock

A sum of Rs. 9,84,39,160.00 and Rs. 5,31,34,255.00 is recoverable from CWC & OSWC towards cost of damaged Stock (CMR) during the KMS 2010-11 to KMS 2013-14 respectively have been accounted for by the Company, neither received during the year nor adjusted against outstanding godown rent payable to CWC & OSWC Ltd .



As a result of which it overstatement "Other Current Assets" by Rs. 15,15,73,415.00 for receivable from CWC/OSWC with corresponding overstatement of "Trade Payable" for such godown rent payable.

12.11. NSC A/C:- Rs. 1,25,200.00

The above amount represents investment in N.S.C made by the company during earlier period against which full particulars like date of investment, purpose of investment, period of maturity, reason of non-encashment and reason of non-recognition of interest accrued during the period are not available on record with the Company for our verification again identified as old, dormant and un-reconciled by the Company. In our opinion, the amount should be written off in Accounts.

This has resulted understatement of "Loss Before Subsidy" for the year by Rs.1,25,200.00 with corresponding overstatement of "Other Current Assets" by similar amount.

12.12. Suspense Account Rs. 37,70,672.00

The above balance includes Rs 45,66,496/- (debit) & Rs 7,95,825/- (credit) belongs to Baragarh & Bolangir District respectively laying unadjusted since long, needs adjustment/provisioning. Due to such non-adjustment/ non-provisioning "Loss before subsidy" has been understated by Rs 37,70,672/- with corresponding overstatement of "Other current assets".

B. STATEMENT OF PROFIT & LOSS:

13. REF: NOTE:9:-REVENUE FROM OPERATION Rs. 62,76,31,91,087.00

It includes, sales of Kerosene oil of Rs 1,85,60,339/- and sales of gas items of Rs 16,99,76,089/- during the year accounted for on cash basis without appropriate disclosure on basis of revenue recognition.

14. REF: NOTE: 10:- OTHER INCOME Rs. 2,00,70,13,263.00

14.1. Audit Recovery Rs. 4,46,38,497.00

It includes a sum of Rs 1,39,72,535/- recovered from different millers against shortage for FY 2013-14 by Kalahandi District. Full particulars of such recovery and extent of shortage shown in quantitative reconciliation during the year has not been linked.

14.2. Shortage Value Rs. 12,06,14,194.00

It includes a sum of Rs. 7,63,08,458/- recovered by Boudh District during the year, against earlier period's shortage without ensuring availability of amount under misappropriation of stock which implies that the same is being accounted for on cash basis.

14.3. Other Receipt- Relief Rs 16,56,12,024.00



The substantial portion of above amount represents amount recoverable from SRC against transport charges/handling charges and incidental charges towards dispatch of relief materials to various districts. However period wise expenses incurred by the company against above receivable/ receipt has not been ascertained impliedly it is being accounted for on cash basis.

14.4. Auction Sales Rs 2,93,24,285.00

The above amount represents sale of damaged items in Flood/cyclone for which quantitative particulars could not be reconciled with the stock statements of various districts of different period so as to ascertain correctness of accounting under the head.

14.5. TC Handling and Storage Charges for AP Schemes Rs 76,42,058.00
Retailers Margin for AP Schemes Rs 3,81,014.00
Administrative Charges for AP Schemes Rs 11,63,291.00

Handling charges, Retailers margin and Administrative Charges for AP Schemes are recoverable for each year, but amount recovered under the above head for earlier years has not been accounted for by the Company. The reason of non-accounting in earlier year has neither been explained to us nor suitably disclosed in accounts. Thus figures of income under above heads for the current year are not comparable with that of previous year.

14.6. Bank Charges-Received Rs 58,73,141.00

Finance cost includes bank charges of Rs 32,480/- against which above amount has been shown as income for the current year without ensuring period of debit or charges made by different banks. So Rs 58,73,141/- should have been shown as "prior period income" instead of current years income.

14.7. Insurance in Paddy Rs. 83,123.00

It includes a sum of Rs. 83,123.00 being adjusted against Miller charges for the year 2017-18, which should have been charged to Prior Period Income.

15. REF: NOTE:13:-TRADE EXPENSES:- Rs.3,85,02,15,945.00

15.1. Railway Freight Rs. 50,000.00

Transportation Charges on Rake movement Rs 15,14,101.00

Though the above expenses are paid by Baragarh district during the year, it has not been reconciled with the quantities of CMR transported through railway and period of such



dispatch due to which correctness of the expenditure booked for the year could not be ascertained.

15.2. TC on RAGI

Rs. 3,10,691.00

The above expenses are incurred by Ganjam, Kalahandi, Kandhamal & Malkangiri Districts during the year but not reconciled with the quantity of RAGI procured. Further purchase of RAGI made during the year is not ascertainable. The above expenses should have been debited to Grants received for Millet Mission instead of showing it as an expense.

This has resulted in over statement of "other long term liabilities" and "Loss before subsidy" for the year.

15.3. TC for Dal

Rs 8,62,436.00

Purchase of Dal during the year has not been accounted/ shown in purchase/sales of the company, due to which correctness of the expenditure booked for the year could not be ascertained.

16. REF: NOTE:14 PROCUREMENT EXPENSES: -Rs. 10,37,38,28,758.00

16.1. Commission to WSHG

Rs 4,83,28,934/-

It includes a sum of Rs 2,12,58,079/- paid by different districts towards commission and a sum of Rs 2,70,70,855/- have been provided for as provision for current year's expenses. However Annual statement of quantity procured (period wise) through WSHG, and entitlement of commission for the year has not been provided before us so as to ascertain correctness of expenditure/ as well as provision for the current year.

16.4 EXPENSES ON INTRA-STATE MOVEMENT AND HANDLING OF FOODGRANS CHARGES AND MARGIN TO FAIR PRICE SHOP DEALERS FOR THE YEAR 2019-20 CLAIMED FOR CENTRAL ASSISTANCE UNDER NFSA 2013.

A sum of Rs 51,86,68,000/- is shown as "Other Income" towards intrastate transport charges under NSFA 2013 (Ref Note-10) , but expenditure incurred towards intrastate transport charges during the year against above income could not be linked as there is no specific head/account towards these expenditure, due to which correctness of the expenditure booked for the year could not be ascertained.

17. REF: NOTE: 15:-EMPLOYEE BENEFIT EXPENSES Rs. 1,24,86,38,433.00

17.1. Wages to SPA

Rs. 10,19,23,841.00

It is observed that in respect of Rayagada District, provision against current year as well as adjustment for earlier years has not been made in accounts during the year excepting



payment of Rs 46,33,262/-.

Similarly in respect of Ganjam, Koraput & Malkangiri provision of current for current year has not been made in the account. Impact of non-provision/non-adjustment against earlier year over "Loss before subsidy" is not ascertainable.

17.2. Retirement Pension

Rs. 62,07,009.00

A sum of Rs. 62,07,009.00 have been paid by the Company during the year and accounted for on cash basis without appropriate disclosure on basis of accounting.

17.3. Comment on Disclosure on Employee Benefit

As per Accounting Standard-15, in case the liability for retirement benefit is funded through a scheme administered by an insurer, the company should disclose the information with respect to the financial effects of changes in those plans during the period, a reconciliation statement of opening and closing balance of the present value of defined benefit obligation showing separately under each specified head, the funded status of defined benefit obligation, the fair value of the planned assets and liabilities recognized in the balance sheet showing at least the past service cost. This was not disclosed, thus the disclosure is deficient to that extent.

18. REF: NOTE: 17:-ADMINISTRATIVE& OTHER EXPENSES Rs. 21,86,37,176.00

18.1. Audit Fees & Expenses

Rs. 49,18,926.00

It includes a sum of Rs 59,000/- paid towards tax audit fees against earlier year's provision which should have been booked as prior year expense. This has resulted in understatement of prior period expense. To this extent disclosure made in "Item no 27" of "Note on Accounts" is incorrect.

19. CASH FLOW STATEMENT:-

19.1. The Company has not presented a reconciliation of the amounts in its cash flow statements with equivalent items reported in the Balance Sheet. Certain figures appearing in increase / decrease in current liabilities and provisions, sale proceeds of fixed assets, cash flow from financing activities more particularly with respect to receipts and applications of different scheme funds from Government as appearing in Cash Flow Statement could not be linked with the figures reported in Balance Sheet.

19.2. The Company has not disclosed a commentary by the management the amount of significant Cash & Cash Equivalents balances held by it that are not available for use by the Company, such as deposits earmarked against different scheme funds of Government together with Cash Flow Statement.

20. NET PROFIT OR LOSS FOR THE PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:-



The nature and amount of prior period items has not separately disclosed in the Statement of profit & Loss in a manner so that their impact on the current year's profit or loss can be perceived. However, Disclosure of prior period income of Rs. 11,98,143.00 under the broad heading of "Other Income" in Note-10 has not been suitably made in accordance with the requirement of "Accounting Standard-5" issued by the Institute of Chartered Accountants of India.

21. In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated herein over the financial affairs of the Company for the year ending 31st March 2020.

We further state that without considering the impact of items stated in preceding Para, the effect of which could not be determined, had the observation made by us in Point No.1 to 20 been considered in the financial statements, different items of reported liabilities and assets as at 31.03.2020, Loss Before Subsidy for the year, Subsidy Receivable/Advance Subsidy (Included under "Other Current Assets"), Prior Period Expense and Prior Period Income would undergo a change. The changed figures after giving due impact as compared to the reported figures in the financial statements as at 31.03.2020 for the year ending 31st March 2020 are given as under: -

The changed Impact on consideration of Audit Observations covered in the basis for qualified opinion paragraph is as under:

Particulars	Reported Figures	Changed Figures (after impact)
	As at 31.03.2020 (Rs)	As at 31.03.2020 (Rs)
EQUITY AND LIABILITIES		
Share Capital/ Shareholders' Funds	11,03,32,000.00	11,03,32,000.00
Reserves and Surplus	20,52,75,133.00	20,52,75,133.00
Sub-Total	31,56,07,133.00	31,56,07,133.00
Non-Current Liabilities		-
Other Long Term Liabilities	3,11,79,08,097.00	3,73,56,22,696.00
Sub-Total	3,11,79,08,097.00	3,73,56,22,696.00
Current Liabilities		-
Short-Term Borrowings	1,27,88,61,34,702.00	1,27,88,61,34,702.00
Trade Payables	14,53,27,57,485.00	14,38,11,84,070.00
Other Current Liabilities	5,37,25,31,957.00	5,15,55,37,618.00



Short Term Provisions	2,45,63,295.00	2,45,63,295.00
Sub-Total	1,47,81,59,87,439.00	1,47,44,74,19,685.00
Total	1,51,24,95,02,669.00	1,51,49,86,49,514.00
ASSETS		-
Non-Current Assets		-
Fixed Assets	36,89,11,486.00	36,89,11,486.00
Tangible		-
Intangible		-
Capital Advances		-
Non-Current Investment	10,00,000.00	10,00,000.00
Long Term Loans and Advances	-	81,03,17,319.00
Capital Advance	-	4,90,39,013.00
Security Deposits	-	7,84,28,039.00
<i>Other Non-Current Assets</i>		22,81,164.00
Long Term Trade Receivable		5,81,04,46,585.00
Remittance in Transit		-
Outstanding Sales Proceeds		-
Misappropriation of Stock Receivable		-
Current Assets		-
Inventories	78,75,88,81,246.00	78,75,77,86,081.00
Trade Receivables	14,07,63,73,727.00	14,57,35,80,776.00
Cash & Cash Equivalents	4,39,77,10,528.00	4,36,50,98,713.00
Short Term Loans and Advances	36,51,05,513.00	17,27,31,740.00
Other Current Assets	53,28,15,20,169.00	46,50,90,28,598.00
Total	1,51,24,95,02,669.00	1,51,49,86,49,514.00
Loss Before Subsidy for the year (2019-20)	72,79,14,05,682.00	72,71,31,96,388.00
Subsidy From Govt. for the year	72,79,14,05,682.00	72,71,31,96,388.00
Prior Period Expenses (Trade, Procurement & Admin Exp.)	-	-
Prior Period Income(Net) (Part of Other Income in Note-10)	-	-
Net Profit/loss for the Year	-	-

Place: Bhubaneswar
Date: 30/09/2022

For SDR & Associates
Chartered Accountants
FRN: 326522E
sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068
UDIN-22056068AYIUUY8705



M/s. SDR & Associates

Chartered Accountants

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ANNEXURE-D

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in "Basis of Disclaimer of Opinion" paragraph of our Independent Auditor's Report to the Members of Odisha State Civil Supplies Corporation Limited on the financial statements for the year ended 31st March 2020

We report that:-

1. REF: NOTE-5.2 TRADE PAYABLE:- **Rs. 14,53,27,57,485.00**

1.1. MSP Payable to Farmers **Rs. 50,05,76,719.00**

The Company has shown payment of Rs. 18,13,33,817.00 during the year against brought forward balance of "MSP Payable to Farmers" as at 31.03.2019. Full particulars of the same have not been provided to us for verification. The year-end outstanding of Rs 50,05,76,719.00 as at 31.03.2020 is not possible under the present system of direct transfer to the bank account of farmers.

1.2. Dues to Custom Millers **Rs. 2,37,14,29,903.00**
Dues to PACS **Rs. 4,99,98,01,871.00**
Total: **Rs. 7,37,12,31,774.00**

Party wise/period wise/district wise details of above balance are not produced before us for our verification. The reason of non-adjustment of above outstanding balance against "Dues from Millers" "Advance to Custom Millers" and "Advance to PACS" has also not been explained to us.

1.3. Dues to Jute Commissioner- **Rs. 68,69,62,525.00**

The above balance represents outstanding dues to various Jute Mills are subject to confirmation and reconciliation.

2. REF: NOTE-5.3 OTHER CURRENT LIABILITIES **Rs. 5,37,25,31,957.00**

2.1. Liabilities for Expenses **Rs. 64,48,29,837.00**

It includes a sum of Rs. 14,36,27,794.30 carried forward by Head Office since earlier years



against which there is neither any payment nor any adjustment has been made during the year but a sum of Rs. 1,37,93,560.57 has been further created towards liabilities for the year, thus remains unadjusted.

Further a sum of Rs. 2,40,91,550.00 has been paid by all the districts against huge brought forward balance of Rs. 51,91,72,397.69 as at 01.04.2019 under this head. Substantial portion of the liabilities remains still unpaid, un-reconciled and unadjusted. In absence of production of party wise / expense wise / period wise details, we are unable to comment on adequacy of provision made by the company. Correctness of the balance shown in accounts and the extent of write back / adjustment required if any in the accounts of the Company during the year could not be ascertained by us.

3. REF: NOTE: 6 FIXED ASSETS:

3.1. Assets Under Construction -CWIP Rs. 2,60,29,442.00

The amount represents construction of office building in progress spent out of grant for "Creation of Capital Assets". Details of utilization certificates, estimated cost of completion, expected date of completion and further cost to be incurred for completion of each project, have not been furnished to us for verification.

4. REF: NOTE: 8.1 INVENTORIES:- Rs. 78,75,88,81,246.00

4.1. Copy of the physical verification report of all the items of stock including the items held with third parties such as CWC, OSWC and all other parties as at 31st March, 2019 and 31st March, 2020 are not available to us for our verification. In absence of availability of physical verification report of inventories both as at the beginning of the year and at the end of the year, shortage / damaged / misappropriation or deterioration in quality if any could not be commented by us.

4.2. Stock of New Gunny Bags/Bales Rs. 1,73,70,16,117.0

Stock of Jute Gunny Bags (New B.Twill) since past several years has not been reconciled by the company with respect to its procurement and issue to the Millers. Its consequential impact over "Loss before Subsidy" for the year and value of inventories has not been ascertained.

Due to inconsistent method of valuation, impact on stock valuation as well as on loss



before subsidy could not be ascertained.

5. REF: NOTE: 8.5 OTHER CURRENT ASSETS:- Rs. 53,28,15,20,169.00

5.1. Advance Subsidy Rs. 40,63,26,60,367.00

Basis of accounting with respect to subsidy both from Central Government / State, is neither on cash basis nor on accrual. Year wise breakup of subsidy receivable vis-à-vis received from Govt of India and Govt of Odisha appearing in accounts including excess/short receipt than claims along with copies of advice have not been furnished to us for verification.

5.2. TC on Paddy Receivable from FCI	Rs. 3,36,77,98,488.00
TC on CMR Receivable from FCI	Rs. 1,91,69,70,302.00
Total:	Rs. 5,28,47,68,790.00

It is observed from above that, in addition to huge opening balance, substantial amounts are also shown as recoverable during the year without any adjustment. Basis of recovery, the reason of non-recovery and copies of all latest related correspondence with FCI have not been furnished before us for our verification.

6. REF: NOTE: 12 PURCHASE OF STOCK IN TRADE:-Rs.1,27,11,00,85,757.00

6.1. Purchase of Paddy Rs.1,21,89,96,30,139.00

Purchase cost of paddy for Rs.1,21,89,96,30,139.00 has been stated to be shown based on the receipt of stock of paddy for 7,15,22,063.29 quintals by the company in the Accounts during the year. As against above, purchase of 6,72,51,801.380 qtls of paddy has been shown in the P.PASS data for the year. Based on PPAS data, payment for procurement as well as all other expenses connected with procurement is made by the company during the year. Therefore, Financial Impact of such differential quantity of 42,70,261.91 Qtls of paddy along with payment to farmers, procurement expenses as well as all other related expenses on financial statements of the company could not be ascertained due to non-reconciliation/non-production of all relevant details and information.

6.2. Purchase of New Gunny Bags Rs.4,43,58,50,170.00

Purchase is accounted against procurement of 1,39,964.00 bales of Jute gunny bags received during the year. As per the terms of payment, advance to the extent of 90% are made through Punjab National Bank, Kolkata at the time of making indent. Balance 10% to be paid only after receipt of Jute bags. Payments for the year includes 10% outstanding for the period ending 31st March 2019 has neither been excluded nor adjusted from purchase for the year or against outstanding liabilities. Further balance 10% payable against procurement quantity for the year 2019-20 has also not been provided for in the Account during the year.



7. REF: NOTE: 13 TRADE EXPENSES:- Rs. 3,85,02,15,945.00

7.1. Transportation Charges & H & T Charges Rs. 1,15,60,75,797.33

In case of TC on Rice for Level-I & Level-II, wheat for Level-I & Level-II, H & T charges on Level-I & Level-II either expenses under each sub head not paid nor provided for towards current year's expenses nor adjustment against earlier year have been made properly by each district. Further since number of transporters or H & T contractors engaged in each district, applicable rate of tariff for the year have not been furnished to us by the company, we are unable to comment on correctness of expense shown and adequacy of provisions made under each sub-head during the year in the Accounts.

7.2. Godown Rent & Godown Rent Payable Rs 72,49,50,360.00

Since the rent paid or payable for Godowns taken in to occupation by each district of the Company under different arrangements. As per the agreements or contracts or applicable rate for each kind of arrangement has not been provided to us for verification, correctness of the provision made towards Godown Rent for the year or adjustment made against earlier year's expenses included in payment made during the year could not be ascertained by us.

8. REF: NOTE: 14 PROCUREMENT EXPENSES:- Rs. 10,37,38,28,758.00

8.1. Joint Custody & Maintenance Rs.39,90,45,124.00

It is observed in some districts payments have been accounted for without any provision for current year's expense or adjustment against earlier period expense. The reason and circumstances of such inconsistency has not been explained to us.

9. REF: NOTE: 16 FINANCE COST :- Rs. 7,97,52,99,895.00

9.1. Interest on Bank Loan Rs. 7,97,52,67,416.00

Interest on bank loan for Rs 1,46,08,653.14 reversed by different banks and credited to the account interest on bank loan account by the company during the year. Full particulars of such credit such as date of credit, period of interest it relates to, and copies of all related bank loan statements have not been produced before us for our verification so as to ensure its correctness.

10. CONTINGENT LIABILITIES:-

The company does not maintain any Memorandum register / records for cases filed against the company for any matters having financial implication, so as to assess the amount of Contingent Liabilities of the Company as on date.

11. CAPITAL COMMITMENT:-

Estimated amount of contracts remaining to be executed on capital account but, not



provided for in respect of assets under construction /advances against any other capital work has not been disclosed by way of a note.

12. OTHERS(NOTES ON ACCOUNTS):-

12.1. The loss incurred on potato trade during the financial year 2013-14 & 2014-15 are Rs. 18,47,399.00 and Rs. 15,37,436.00 respectively. The results of Potato trade has been communicated to Government vide letter no. 20987 dt. 18.11.2014. The result of Potato trade of the financial year 2015-16 was under examination by the committee constituted by Govt. vide their letter no. 23594 dt. 01.12.2016 on receipt of the decision of the Committee, the financial result will be quantified and disclosed. (Ref: Item No. 23 of Note-2 of financial year 2016-17). The present status of the same has not been intimated to us.

12.2. In absence of computation of timing difference for provision of Deferred Tax Assets / Liabilities, arising out of following different basis of charge of depreciation under provisions of Companies Act, 2013 and Income Tax Act, 1961 / Income Tax Rules 1962 and in view of non-payment of statutory liabilities in time, we are unable to quantify its impact over loss before subsidy for the year, provision for taxation including Deferred Tax Assets or Deferred Tax Liabilities as the case may be for the year.

For SDR & Associates

Chartered Accountants

FRN:326522E

Place:-Bhubaneswar

Date:- 30/09/2022

sd/-

(CA S.K. Sahoo)

Partner

Memb.No: 056068

UDIN-22056068AYIUUY8705

**M/s. SDR & Associates**

Chartered Accountants

Plot No.- 150, Saheed Nagar

(Near Bishnu Mandir)

Bhubaneswar-751007

Phone No.: 06743572773, 9437004858

E-Mail : sahuo.sunilkumar@yahoo.co.in

casdr1111@gmail.com

ANNEXURE-E**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph (3)(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT 2013 ("THE ACT").

We have audited the internal financial controls over financial reporting of Odisha State Civil Supplies Corporation Limited ("the company") as of 31st March 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for the Financial Statements

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India. 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 presentation of reliable financial information, as required under the Companies Act, 2013.

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 have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013,



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

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 procedure depends upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial 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 generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that;

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting,



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

Qualified Opinion

According to the information and explanations given to us and based on our audit, **the following material weaknesses have been identified in the operating effectiveness** of the company's internal financial controls over financial reporting as at March 31, 2020:-

1. Non- establishment or non-design of proper system of reporting criteria of internal financial controls based on the internal control over financial reporting considering the essential components of internal controls stated in the guidance note on "Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountant of India since inception may not ensure an orderly and efficient conduct of its business including adherence to Company's policies and the safeguarding of its assets and the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information and presentation thereof as required under the Companies Act 2013.
2. The Company did not have appropriate internal control system for compliance of majority of the accounting standards of ICAI which could potentially result in to improper and inconsistent disclosure / lack of reliability of the financial statements.
3. The Company did not have an appropriate internal control system for maintenance of records in reasonable details accurately and fairly reflecting the transactions relating to assets of the company so as to ensure reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting.
4. The Company did not have an appropriate internal control system for timely and



expeditious clearance/reconciliation/adjustment of old and dormant accounts of assets and liabilities which potentially could result into changes in financial position.

5. The company neither adhere to Odisha Government Financial Rules (OGFR) nor did it have appropriate internal control system for selection of vendor for implementation of SAP-ERP and achieving desired quality output from implementation, in milestone payments without ensuring timely completion of desired deliverables. This has resulted in delay of implementation of SAP involving huge expenditure with lesser output.
6. The Company did not have an integrated ERP/SAP system including third party evaluation or System Audit. Different software packages used by the company are interfaced through software links or multiple manual interventions at many places leaving gaps between them. This could potentially result in to impaired financial reporting.
7. The company did not have timely and effective internal audit system so as to cover all major areas with extensive scope. This could potentially result in to weak checks and balances and delayed or unreported financial irregularities.
8. The company did not have an appropriate internal control system for timely accounting of utilization of grants received from State Government as well as Central Government or any other authorities as well as advance paid out of such grant given to CSOs, Executive Engineers, Marketing Inspectors, Executive Officers of Municipalities and DRDA etc. for implementation of different works / welfare scheme of Government.
9. The Company did not have an appropriate internal control system to ensure the correct and adequate provision / liabilities against advance or adjustment against such advance during earlier period's expenses out of payments during current year. This could potentially result in accounting of same expenditure either twice or omission or erroneous adjustment and may impair financial reporting.
10. The company did not have an appropriate internal control system for proper accounting of purchases as well as proper stock adjustment with respect to issue of relief materials,



issue of Jute bags / other items and shortages / damages / misappropriation in a continuous and consistent manner and periodic reconciliation of balance with suppliers / other government parties to whom it is issued. This could impact the operational results by way of loss of revenue as well as impair financial reporting.

11. The company did not have an appropriate internal control system for periodic physical verification of stock including reconciliation of stock records with financial ledger and timely identification and accounting of shortage / damage or misappropriation of stock / loss due to natural calamity as well as improper inconsistent basis of valuation of stock which may impair financial report.
12. The Company did not have an appropriate internal control system for recording the fixed assets location wise, with proper identification in an orderly manner as well as conducting periodic physical verification of fixed assets (both own assets and assets created out of grant). This could result in to timely non identification of shortage / theft or pilferage of obsolete and unserviceable items which ultimately cause financial loss to the company.
13. The company did not have an appropriate internal control system for identification and maintenance of record relating to staff retired or reverted to parent department or BDOs or any other Govt. Officials to whom huge advances were paid and remained unadjusted / unrecovered / un-reconciled for a long period. This could result into impaired financial reporting and changes in operational result of the company.

A material weakness' is deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, **except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria**, the company has in all material respects does not have an internal control system over



financial reporting so as to be called adequate and as such we opine that the internal financial control over financial reporting were not operating effectively as at March 2020. Particularly in the absence of proper documentation on the internal control over financial reporting criteria to be established by the Company, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of March 31, 2020 financial statements of the Company and these material weaknesses do not affect our opinion on the financial statements of the Company.

For SDR & Associates

Chartered Accountants

FRN:326522E

Place:-Bhubaneswar

Date:- 30/09/2022

sd/-

(CA S.K. Sahoo)

Partner

Memb.No: 056068

UDIN-22056068AYIUUY8705



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

C/2, NAYAPALLI, BHUBANESWAR-12

Replies to the Statutory Auditors Observation made in the accounts of
OSCSC Ltd., for the financial year ending 31st March 2020

ANNEXURE –A

Observation of Audit	Replies of Management
<p>1. In respect of the Fixed Assets:</p> <p>a) The Company has not maintained proper records with respect to fixed assets (tangible & intangible) showing full particulars including quantitative details and situation of the fixed assets.</p>	<p>A Fixed asset register is being maintained in SAP ERP System with details except some assets which is not traceable. Efforts will be made to update the location of assets which need to be identified and updated.</p>
<p>b) As per the information and explanation given to us, these fixed assets have not been physically verified by the management during the year. Hence, we are unable to comment on material discrepancy if any between book balance and physical balance required to be dealt with in the books of accounts of the company.</p>	<p>The period of accounts is related to COVID phase and assets could not be verified. But efforts will be made to take the physical verification for the FY 2022-23 and onwards.</p>
<p>c) Title deeds in respect of Head Office Building and Godowns at Mancheswar and Jagatpur respectively are held in the name of the company. In remaining cases of office building located at various district offices and 159 godowns, the lands over which construction are made by the company have been alienated in the name of Civil Supplies Officer of different district as per the decision of Government of Odisha. However full particulars of the immovable properties indicating the details of area, and status thereof (either freehold or leasehold) and reconciliation thereof with the fixed</p>	<p>The land particulars on sample basis were furnished to the auditor during their audit.</p>



assets register have not been furnished to us for verification.	
<p>2. In respect of the Inventories: - In our opinion and on the basis of information and explanations given to us physical verification of inventory has not been conducted by the management during the year at all the locations / godowns RRCs / Custom Millers, including with stock lying with third Parties. Hence, we are unable to quantify the discrepancy if any between physically verified inventories and book balance and materiality thereof requiring proper adjustment in the books of accounts.</p>	<p>At the time of issue, authorised officer of the corporation gives a delivery certificate and physical verification of asset made periodical including at the end of the year. Copies of such verification report were submitted to the Audit on a sample basis.</p> <p>Any shortage/misappropriation detected at mill/RRC point has been accounted for.</p>
<p>3. According to the information and explanations given to us, the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.</p>	No comments
<p>4. According to the information and explanations given to us, the company has not entered any transaction involving compliance with the provisions of Section 185 and 186 of the Companies Act 2013. Thus, Paragraph 3 (iv) of the order is not applicable.</p>	No comments
<p>5. As per the information and explanation given to us and on the basis of examination of books of accounts, the company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.</p>	No comments
<p>6. As per the information and explanation given to us and on the basis of our examination of books of accounts, the company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 as it is engaged in trading distribution, and</p>	No comments



supply of PDS Commodities.

7.

(a)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues where ever applicable have generally been regularly deposited with the appropriate authorities though there has been delay in some cases during the year. According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employees state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues with the appropriate authority were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable **except** in respect of the following statutory liabilities remaining old un-reconciled still unpaid for which sufficient particulars are not available with the Company. In absence of sufficient details like period to which it relates to, due date of deposit of the tax or duty or cess as prescribed under relevant statutes could not be adequately and properly reported.

Particulars	Amounts (Rs)
Income Tax (TDS)	5,48,02,179
TDS on GST Payable	30,02,097
Professional Tax	5,39,207
PRAN	82,724
GST Payable	13,24,831
RMC Fees	43,300
Bonus Payable	1,21,266
EPF Payable	6,33,279

The Corporation regularly file and deposit its statutory dues to various authorities except the mentioned amount.

Most of the mentioned amount are very old dues and we are under reconciliation with District wise data of concern authorities and will clear/adjust the same in the accounts at the earliest.



<p><i>Further as explained by the Company to us, most of the above statutory dues remain un-reconciled since 31st March 2017.</i></p>																			
<p>b) According to the records of the company and on the basis of information and explanations given to us, there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise, value added tax or goods and services tax which have not been deposited with the appropriate authorities on account of any dispute <i>except</i> for the following disputed dues.</p> <table border="1" data-bbox="264 894 857 1170"> <thead> <tr> <th>Name of the Statute</th> <th>Nature of dues outstanding</th> <th>Period</th> <th>Disputed Amount (Rs)</th> <th>Amount Deposited (Rs)</th> <th>Forum where it is pending</th> </tr> </thead> <tbody> <tr> <td>Odisha Value Added Tax (OVAT) Act 2004</td> <td>Penalty</td> <td>F/Y 2013-14 to F/Y 2015-16</td> <td>93,00,341</td> <td>-</td> <td>Odisha State Sales Tax Tribunal</td> </tr> <tr> <td>-do-</td> <td>Interest</td> <td>-do-</td> <td>3357261</td> <td>335726</td> <td>-do-</td> </tr> </tbody> </table>	Name of the Statute	Nature of dues outstanding	Period	Disputed Amount (Rs)	Amount Deposited (Rs)	Forum where it is pending	Odisha Value Added Tax (OVAT) Act 2004	Penalty	F/Y 2013-14 to F/Y 2015-16	93,00,341	-	Odisha State Sales Tax Tribunal	-do-	Interest	-do-	3357261	335726	-do-	<p>The matter is subjudice and the Company is hopeful of getting substantial relief in the appeal.</p>
Name of the Statute	Nature of dues outstanding	Period	Disputed Amount (Rs)	Amount Deposited (Rs)	Forum where it is pending														
Odisha Value Added Tax (OVAT) Act 2004	Penalty	F/Y 2013-14 to F/Y 2015-16	93,00,341	-	Odisha State Sales Tax Tribunal														
-do-	Interest	-do-	3357261	335726	-do-														
<p>08. On the basis of examination of records and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to a financial institution, or bank. The company has not availed any loan from Government or debenture holders.</p>	<p>No comments</p>																		
<p>09. Based on the examination of the books of accounts and related records and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. Term loans have</p>	<p>No comments</p>																		



generally been applied for the purpose for which they were raised by the company.	
10. Based on audit procedures applied and according to the information and explanation given to us, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ending 31 st March 2020. However audit recovery of Rs 4,46,38,497/- and shortage value of Rs 12,06,14,194/- (Ref Note:10-Other Income) was identified during the year.	No comments
11. In view of the Government notification No. GSR 463 (E) dated 5th June, 2015 the Company is exempt from the applicability of Section 197 read with Schedules (V) to the Companies Act 2013. Accordingly, clause 3 (xi) of the Order is not applicable to the Company.	No comments
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, Clause 3 (xii) of the Order is not applicable to the Company.	No comments
13. In our opinion and as per the information and explanation given to us, the company has not entered into any transaction requiring compliance with Section 177 and 188 of the Companies Act, 2013. Hence clause 3 (XIII) of the order is not applicable to the Company.	No comments
14. Based on the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review requiring compliance with Section 42 of the Companies Act, 2013. Hence, Clause 3 (xiv) of the Order is not applicable to the Company.	No comments



<p>15. Based on the information and explanation given to us, the Company has not entered into any non cash transactions with directors or persons connected with him. Hence, Clause 3 (xv) of the Order is not applicable to the Company.</p>	No comments
<p>16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934. Hence, Clause 3 (xvi) of the Order is not applicable to the Company.</p>	No comments



ANNEXURE -B

Directions			
A General Directions			
S N	Areas Examined	Observation/Findings	Replies of Management
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on integrity of accounts along with the financial implications, if any may be stated.	<p>The Corporation has implemented SAP to process all the accounting transactions through IT System.</p> <p>Corporation is capturing purchase/procurement data through PPAS system and sales data by SCMS system and integrating those data in SAP. However there is a mismatch between PPAS/SCMS data with SAP.</p>	SAP has been implemented for accounting and related transaction of the Corporation. But SAP implementation and improvising the same is a continuous process and process like integration of PPAS/SCMS/other system with SAP is being value-added on a continuous basis. AS PPAS and SCMS is not integrated fully, mismatch are noticed and efforts are made to rectify the same.
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year, there is no restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender.	No comments
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for /utilized as per its term and conditions? List cases of deviations.	The fund received/ receivable for specific schemes from central/ State agencies were properly accounted for, utilised as per the terms and conditions	No comments
B	Company/Sector Specific Sub-		



	direction		
1	That grants/subsidies received from implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose.	<p>The grants received for implementing various schemes are accounted for as per the accounting standards and utilised for intended purpose.</p> <p>But, subsidy claimed from Govt of India and Govt of Odisha are accounted for on cash basis and disclosed under "Advance Subsidy Account" and deficit in account is recoupled to that extent from "Advance Subsidy Account".</p>	No comments
2	Report the cases of diversion of grants/subsidies received from central/state Govt. or their agencies for performing certain activities.	We have not come across any diversion of grants/subsidies received from central/state Govt or their agencies for performing certain other activities.	No comments
3	If the audited entity has computerized its operation or part of it, assess and report, how much of the data in the company is in electronic format, which of the areas have been computerized and the company has evolved security policy for the data/software/hardware.	<p>The company has computerised its major operation like paddy procurement process in PPAS, sales of PDS Goods in SCMS including accounting in SAP. Also some other process like online bill management system (OBMS), Feedback management system, Grievance redressal system, IT Asset Management System, PIMS (HR System) etc. has been implemented and is operational.</p> <p>Further it is noticed that neither the company has fully adopted any security policy for the data/software nor done any information system audit to check the data security.</p>	The security aspect of the applications will be revisited through specialised agency.
4	Cases of wrong accounting of interest earned on account of non-utilization of amount received for certain projects or schemes may be	No such accounting has come to our knowledge during the audit except Rs 1,93,92,875/- earned on Bank Deposits of Market Intervention Fund which has not been credited to Market Intervention Fund .	It is factually incorrect, the matter will be examined.



	reported.														
5	Whether the Company has lifted the quantity of food grains allotted by Government, the lifted quantities and quantity released or distributed to fair price shops at subsidized rates and the company has reconciled the total quantity of food grains lifted and distributed.	<p>As per information and explanations given to us, the company has lifted the following quantity of food grains allotted by the Government, the lifted quantities and quantity released or distributed to fair price shops at subsidized rates.</p> <p>The company has not reconciled the total quantity of food grains allotted/lifted and distributed during the year 2019-20.</p> <p style="text-align: right;">In(MT)</p> <table border="1"> <thead> <tr> <th>Food Grains Commodities</th> <th>Allotment</th> <th>Lifting</th> <th>Released or Distributed</th> </tr> </thead> <tbody> <tr> <td>Rice</td> <td>2369912.409</td> <td>2369912.409</td> <td>2318667.907</td> </tr> <tr> <td>Wheat</td> <td>288295.497</td> <td>285956.195</td> <td>285956.195</td> </tr> </tbody> </table>	Food Grains Commodities	Allotment	Lifting	Released or Distributed	Rice	2369912.409	2369912.409	2318667.907	Wheat	288295.497	285956.195	285956.195	No comments
Food Grains Commodities	Allotment	Lifting	Released or Distributed												
Rice	2369912.409	2369912.409	2318667.907												
Wheat	288295.497	285956.195	285956.195												
6	Whether the Company has preferred the claim in time for differential cost with the Government and the amount of claim accepted/rejected has been properly accounted for in the books of the Company.	<p>In absence of period wise claim details we are unable to comment the amount of claim accepted/rejected and accounting thereof in the books of account by the company.</p> <p>Till date corporation has short received for Rs 2,458.83Crores from Govt of India towards subsidy claimed under decentralised paddy procurement operation for the period from FY 2003-04 & 2019-20 and excess receipt of Rs 107.76 Cr from Govt of Odisha towards subsidy for distributing rice at subsidised rate, but accounting of the short /excess receipt could not be linked and reconciled by the company (Ref Item No 2 of Note 2 of Note on Account).</p> <p>Corporation has preferred claim regularly for differential cost (subsidy) with the Govt of India and Government of Odisha. During the FY 2019-2020 corporation have claimed Rs 6021.95 Cr from Govt of India and Rs 1406.56 Cr from Govt of Odisha against which corporation received Rs 5807.45 Cr and Rs 1198.44 Cr</p>	Claims made before Goi/GoO will be reconciled so as to ascertain the status of the amount of claim rejected/accepted.												



		<p>from Govt of India and Govt of Odisha respectively.</p> <p>But, subsidy claimed from Govt of India and Govt of Odisha are accounted for on cash basis and disclosed under "Advance Subsidy Account" and deficit in account is recoupled to that extent from "Advance Subsidy Account".</p> <p>Also the details of claim accepted or rejected is not properly reconciled and has not been provided to us for verification.</p>	
7	<p>Comment on the existence of quality control system to check the quality of food grains to be distributed to beneficiaries. Any deficiencies resulting in supply of food grains as per accepted quality norms shall be mentioned.</p>	<p>According to information and explanation given to us, there exists a quality control system with company to check the quality of food grains to be distributed to beneficiaries. During our checking we have not come across any cases of deficiency resulting in supply of food grains as per accepted quality norms.</p>	No comments
8	<p>Examine and report the system of reconciliation of amount recoverable/payable in respect of gunny bales with millers and other procurement agencies.</p>	<p>Since past several years company has not reconciled the amount recoverable/payable in respect of gunny bales with Millers and other procurement agencies.</p>	<p>There is a Gunny section at HO, which is dealing with the account of Gunny has been asked to do the needful reconciliations.</p>
9	<p>Examine the system to check authenticity of claims shown as recoverable from FCI/Govt.</p>	<p>There is a section at HO which deals with all FCI/Govt related matters along with recoverable issues of sale of Rice to FCI and other beneficiaries but no conformation or reconciliation is found against balance shown under receivable from FCI/Govt.</p>	No comments



ANNEXURE -C

<p>A. LIABILITIES</p> <p>B. LIABILITIES AND ASSETS:</p> <p>1. REF: NOTE: 3.2 :- RESERVES&SURPLUS Rs.20,52,75,133.00</p> <p>1.1. Capital Reserve Rs.17,53,03,837.00</p> <p>Against capital reserve of Rs 17,53,03,837/-, the W.D.V. of fixed assets acquired out of grants as at 31st March 2020 shows an amount of Rs 13,79,40,305.00 resulting a mismatch of Rs 3,73,63,532.00 thus, stands un-reconciled.</p> <p>Mobile Vans acquired out of grants during the year 1987-88 to 2000-01 shown in accounts has neither been disclosed separately in fixed assets nor was depreciation charged on those assets properly adjusted against Capital Reserve. Impact of such non-disclosure or non-accounting/non-adjustment in fixed assets Over "Loss Before Subsidy" for the year with corresponding adjustment in "Capital Reserve" has not been given in accounts.</p>	<p>The company create asset from Govt Funds under specific Scheme and its own funds. But some of the assets created under the Category "Motor Vehicle" has been shown under own Assets instead of "Creation of Capital Assets-Motor Vehicles" due to which there is a mis-match between Capital Reserve and Fixed Asset acquired out of grants which has been shown under the category "Creation of capital Assets".</p> <p>Due to non-reconciliation and non-identification of the assets under Motor Vehicle, the assets could not be segregated under proper head.The same will be revised and after due identification will be appropriately disclosed.</p>
<p>1.2. Non-charging of depreciation on depreciable assets in a systematic and rational basis over the useful life of assets acquired out of Grant received and non-allocation of the same to income over the period is not in accordance with Accounting Standard-12 prescribed by the Institute of Chartered Accountants of India.</p>	<p>Depreciation has been charged as per the rate/useful life of the assets applicable as per the Companies Act in a systematic and rational basis. However the same will be reviewed and if necessary, will be rectified.</p>
<p>2. REF: NOTE:4.1:-OTHER LONG TERM LIABILITIES Rs.3,11,79,08,097.00</p> <p>2.1. Earnest Money Deposit-EMD Rs. 8,88,64,501.00</p> <p>Earnest Money Deposit (EMD) in some of the Districts are showing debit balance of Rs.7,84,28,039.00 representing excess refund of EMD to various parties which may be shown</p>	<p>The cases of EMD refund without opening balance/recovery during the year at some District, against which balance is available at Head Office books of accounts. But due to non-availability of party wise, District wise balance the same could not be transferred to concern Districts.</p>



<p>under the head "Loans & Advances" instead of setting off against "other long term liabilities".</p>	<p>After due reconciliation and identification of proper District, the balance will be transferred to the concern Districts.</p>
<p>2.2. Market Intervention Fund Rs. 86,15,54,020.00</p> <p>Bank deposit (Market Intervention Fund) balance of Rs. 88,09,46,895.00 showing excess of Rs. 1,93,92,875/- against Market Intervention Fund of Rs. 86,15,54,020/-.</p>	<p>The fact of non-agreement between Schematic Fund and balance as per Utilisation certificate has been duly disclosed in Note 2 – "Notes on Accounts" point no-14.</p> <p>However due effort will be made to reconcile the same.</p>
<p>3. REF: NOTE: 5.1:-SHORT TERM BORROWINGS Rs. 1,27,88,61,34,702.00</p> <p>3.1. Cash Credit Loan Rs. 1,02,88,61,36,009.00</p> <p>(i) Year end balances with SBI A/c No-3099466351 & Union Bank of India A/c No-38080805010000197 are showing net debit balances of Rs. 2,73,39,937.95 & Rs. 1,82,09,62,762.67 respectively and included under "short Term Borrowings" instead of showing under "Cash & Cash Equivalents" resulting under-statement of both account by Rs. 1,84,83,02,700.62.</p> <p>(ii) SBI A/c No-3099466351 account balance includes brought forward un-reconciled balance of Rs.1,91,67,537/- not yet been adjusted by the Company.</p>	<p>Although a debit balance of Rs 2,73,39,937.95 and Rs. 1,82,09,62,762.67 mentioned by auditor appeared under short term borrowings but due to similar nature of cash credit taken under the same head of Cash credit Loan Account, the net balance is also carried under same head.</p> <p>The disclosure suggestion is being noted.</p> <p>The balance amount of Rs 1,91,67,537/- is brought forward balance of earlier years which need to identified before proper adjustment is made. The same will be examined and after identification will be accounted properly.</p>
<p>4. REF: NOTE: 5.2:-TRADE PAYABLES Rs. 14,53,27,57,485.00</p> <p>4.1. (i) Dues to SA cum GA Rs. 85,16,482.00</p> <p>(ii) Dues to Marketing Inspectors Rs. 35,40,342.00</p> <p>The above dues are unreconciled lying in the account of Sales Assistants cum Godown Assistants and Marketing Inspectors since past several years without any payment or adjustment. Dues to staff can never remain outstanding for so long again lying dormant, un-reconciled and un-confirmed. Further staff wise details and their present employment</p>	<p>The balance remained under "Due to SA&GA, MI" are old balances which need reconciliation before setoff against Advance.</p> <p>The same has been arising due to departmental execution of corporation work through corporation officials & the expenses</p>



<p>status and reason of non-payment or non-adjustment have not been furnished before us for verification. So amount required to be set off against Advance to SA cum GA and MI in absence of staff wise details, could not be ascertained.</p>	<p>have been booked. Communication to District is being made against the same and on receiving the details adjustment will be made.</p>
<p>5. REF: NOTE: 5.3:- OTHER CURRENT LIABILITIES Rs. 5,37,25,31,957.00</p> <p>5.1. Control Account Rs. 1,43,30,17,196.00</p> <p>Total other Current Liabilities balance as on 31.03.2020 includes Control A/c balance of Rs. 1,43,30,17,196.00 (As per Annexure-(5.3A)). Control Account balance represents the inter-unit balance of all units of the Corporation. In our opinion inter unit balance in aggregate at the end of the year should be nil. The Control and Account (Inter unit) balance is also same as last year. So in our opinion "Other Current Liabilities" balance was overstated by Rs. 1,43,30,17,196.00 and its corresponding impact over balance of "Other liabilities and assets/Loss before subsidy" is not ascertainable.</p>	<p>The substantial portion of the amount represents brought forward unreconciled continued in the accounts. However old dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect (if any) of the same will be given only after finalisation of their report.</p>
<p>5.2. Trade Advance from Storage Agents/FPS&Others: Rs. 1,46,88,61,729.00</p> <p>It includes receivables of Rs.45,11,36,617.00 under different scheme by the Corporation setoff against Advance Sales Proceeds of Rs. 1,91,99,98,346.00. Substantial portion of debit balance as well as credit Balance have been carried forward in accounts remaining old, dormant, un-reconciled and un-confirmed since several years neither recoverable nor payable. In our opinion these old, dormant, unreconciled and unconfirmed receivable of Rs.45,11,36,617.00 should be shown as Trade Receivable under Current Asset. Similarly old, unreconciled & unconfirmed payable balance of Rs.1,91,99,98,346.00 should be shown under "Other Long Term Liabilities". This has resulted understatement of "Trade Receivable" by Rs.45,11,36,613.00 and "Other long Term Liabilities" by the same amount..</p>	<p>The disclosure reported by the Auditor is being noted for future reference. However old and dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect of the same will be given after finalisation of the report.</p>



<p>5.3. Advance Received From FS & CW Department Rs.12,68,960.00</p> <p>The above balance includes debit balance of Rs 34,65,961.00 belongs to Keonjhar District which in our opinion should be shown under "Other current assets". This has resulted understatement of "Other current assets" by Rs 34,65,961/- with corresponding understatement of "Other current liabilities".</p>	<p>In the absence of reconciliation and conformation of the brought forward balance, the chances of realisation or adjustment within a period of next 12 months are less. Therefore it may not be appropriate to show it as other current assets.</p>
<p>5.4. EPF Rs.19,58,373.00</p> <p>The above balance includes debit balance of Rs 28,91,413/- which arises due to deposit of employer share of Provident Fund not booked as expenses, as a result of which "Loss before subsidy has been understated by Rs 2,891,413/- with corresponding understatement of "Other Current Liabilities".</p>	<p>The balance needs further examination which is mostly related to brought forward debit balance stands unreconciled.</p>
<p>5.5. Stale Cheque Rs. 8,19,790.00</p> <p>This represents outstanding cheques not encashed by the creditor/payee for a long period and requires reversal in the account.</p>	<p>The same will be reviewed and examined and will be rectified during the next financial year.</p>
<p>5.6. Outstanding Salary Rs. 43,69,69,098.00</p> <p>It includes Rs 22,79,95,665 pertaining to FY 2018-19 and earlier years, the details of which are not made available to us for verification. This overstate the "Other current liabilities" by Rs 22,79,95,665/- with corresponding overstatement of "Loss before subsidy".</p>	<p>The unreconciled and unaccounted amounts observed by the auditor will be reviewed and examined and will be accounted for.</p>
<p>5.7. TDS Payable Rs. 17,04,02,562.00</p> <p>The above amount includes debit balance of Rs 60,27,123/- brought forward from earlier years and not adjusted till date. This has resulted understatement of "Other current liabilities" of Rs 60,27,123/- with corresponding under statement "Other current Assets"</p> <p>It is further noticed that under TDS Receivable (Other Current Assets) showing credit balance of Rs 8,00,396/- which consist of Baragarh</p>	<p>All the TDS related matter observed by the auditor will be reviewed and examined and if necessary, needfuleffect and entrywill be made.</p>



<p>District A/c Rs 85,69,970/- (Debit) & Rs 93,70,366/- (Credit) at HO. This is resulted due to non-adjustment of inter-unit adjustment of TDS balance through Control Account.</p>	
<p>6. REF: NOTE: 6:-FIXED ASSETS Rs. 36,89,11,486.00</p> <p>6.1. The company has not classified fixed assets into tangible and intangible assets given in the Note-6 under the broad heading of "Fixed Assets" forming part of financial statements. Further, order of presentation of Fixed Assets has not been made as per the requirements of Schedule-III of the Companies Act, 2013.</p>	<p>Noted for future reference.</p>
<p>6.2. The company has not correctly reassessed useful life and residual values of different assets (both tangible and intangible) as prescribed under Part C of Schedule II of the Companies Act 2013 in case of various own assets as well as assets created out of grants right from the period commencing from 1st April 2014. The financial statement does not disclose impact over Statement of profit and loss from F/Y 2014-15 in case the lower useful life of certain assets has been assessed and taken by the company in accounts for the purpose of calculation of depreciation along with justification duly supported by technical advice.</p> <p>The company has not quantified the effect of transitional provision with respect to useful life of fixed assets either in the opening balance of retained earnings or by way of charge off to Statement of profit & loss where the remaining useful life is nil.</p> <p>Impact of non-reassessment/improper assessment of useful lives as well as residual value of different assets over "Loss Before Subsidy" since the financial year 2014-15 till date, over "Subsidy Receivable"/Advance Subsidy (Other Current Assets) as well as Fixed Assets as at 31.03.2020 has not been quantified by the company.</p>	<p>Depreciation has been charged as per the rate/useful life of the assets applicable as per the Companies Act in a systematic and rational basis. However the same will be reviewed and if found required, necessary entry will be made.</p>



<p>6.3. GodownRs. 83,55,578.00</p> <p>The Company has transferred 127 numbers of old, small, unscientific, unserviceable and abandoned godowns to Co-operation Department, Government of Odisha, during the year 2017-18 though possession of those godowns are yet to be handed over. Neither W.D.V of the godowns so transferred nor depreciation charged on those godowns have not yet been withdrawn from Accounts, nor appropriate write off of Capital Reserve in the accounts has been made by the Company in respect of those godowns constructed out of Grant in Accounts. Its consequential impact over "Loss before Subsidy" for the year as well as Fixed Assets of the Company as at 31.03.2020 has not been quantified by the Company.</p>	<p>Noted for future reference. However it is decided by the Board to transfer 127 numbers of godowns to Govt. But even after a series of letters issued to Govt, the said godowns could not be handed over.</p>
<p>6.4. Impairment Loss-</p> <p>The Company has not ascertained impairment loss in the value of Fixed Assets (Tangible & Intangible assets) in accordance with Accounting Standard-28 issued by the Institute of Chartered Accountants of India.</p>	<p>Noted for future reference.</p>
<p>7. REF: NOTE: 7.1:-NON-CURRENT INVESTMENT Rs.10,00,000.00</p> <p>7.1. It represents 1000 Equity shares @ Rs.1000.00 each invested in Share Capital of Odisha Wholesale Consumer Co-operative Federation Limited. Copy of the audited accounts of the Federation since the date of original investment has not been made available to us for verification in order to assess its net worth and profitability. In our opinion, the carrying cost of the investment is nil. Considering its permanent decline in value, the entire value of investments be fully provided for as doubtful investment in the accounts. On account of such non provision "Loss Before Subsidy" for the year is understated by Rs.10,00,000.00 and value of non-current Investment is overstated by similar amount.</p>	<p>Investment of Rs 10,00,000/- has been made on the basis of direction made by government of Odisha. Also the agency the Consumer Co-operative Federation Limited has conformed about the investment. In this circumstance providing the investment as doubtful will not be prudent as has been suggested by the auditor and only will be possible on the concurrence of GoO.</p> <p>The same is noted for future reference.</p>



**8. 8 REF: NOTE: 8.1:-INVENTORIES Rs.
78,75,88,81,246.00**

8.1. Stock of Sugar Rs.4,89,395.00

Closing stock of sugar for Rs.4,89,395.00 is being carried forward in the accounts by the company without availability of any physical stock since earlier years. Considering the nature of item and complete deterioration in quality, its realizable value is to be taken as nil.

This has resulted understatement of "Loss Before Subsidy" for the year as well as overstatement of Inventories by Rs.4,89,395.00 to the extent of non-provision for diminution in value of stocks and non-availability of stock with the company.

Noted for future reference. However communication to District has been made to know the exact status of the balance, so that process will be initiated to put the proposal before the management for appropriate action.

8.2 Valuation of Stock

In accordance with the practice being followed, the Company values the stock of Custom Milled Rice and at MFPS and RRCs at Economic Cost of Govt. of India.

The said Economic Cost is fixed provisionally and separately for cost of new bags used by the Govt. of Odisha and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool and for DCP Scheme and Custom Milled Rice procured under (FAQ) specification retained for distribution under the DCP during the KMS for the 2019-20 in respect of Govt. of Odisha & its agency etc. separately for Raw-Rice and Par Boiled Rice. The said provisional Economic Cost includes certain indirect cost like Interest Charges, Administrative Charges and Distribution Cost. The basis of valuation i.e. at Economic Cost to Govt. of India both for opening stock as well as closing stock is not in accordance with accounting standard-2 prescribed by ICAI.

The company has not ascertained the impact of such inclusion of indirect cost in both Opening stock as well as Closing Stock resulting departure from accounting standard-2 by ICAI. Its impact over "Loss before Subsidy" for the year as well as inventories has not been ascertained.

Since subsidy is reimbursable from GoO and GoI, stock is valued on the basis of GoI advice of economic cost and this practice of valuation of stock is being followed by the corporation since long.

Considering the business the corporation is involved of paddy procurement and CMR distribution under PDS scheme of Government and for all purpose including subsidy reimbursement is considered stock value as per the economic cost finalised by them, it is prudent to consider economic cost for valuation of Custom Milled Rice, Rice at MFPS and RRCs which is being continuously followed by the corporation since long.



**9. 9. REF: NOTE:8.2:-TRADE RECEIVABLE
Rs.14,07,63,73,727.00**

9.1. Dues from FCI

More than six months:Rs. 7,50,23,79,598.00

Less than six months: Rs. 6,15,36,73,480.00

Rs. 13,65,60,53,078.00

Annapurna Scheme:

Less than six months: Rs. 39,15,77,189.00

Against sale for Rs. 3,99,39,658 made under this scheme by the Company during the year, a sum of Rs.560,64,000.00 has been received resulting reduction of opening balance. Under the said scheme receivable accrues monthly to the extent rice is distributed to the beneficiaries as per the allocation of Government of Odisha.

In respect of both the cases, dues from FCI as well as Annapurna scheme bifurcation of receivable in to less than six months and more than six months from the date they are due for payment without production of any month wise working of sales as well as debts is not correct.

More Than Six Months

(Unsecured)Others: Rs.6,05,770.00

It represents the amount receivable from various Government Departments and Agencies towards sale of Petrol, Oil and Lubricants continues in accounts without any recovery or adjustment and no-follow-up action for recovery has been taken by the company since earlier years. On account of non-availability of party wise/period wise details in our opinion, chances of recovery are Nil. Therefore, provision or the doubtful receivable or write off is to be made in the accounts during the year by the Company.

This has resulted understatement of "Loss Before Subsidy" for the year as well as overstatement of "Trade Receivables" by Rs.6,05,770.00.

Period wise bills raised and along with tagging of collection with monthly collection on receipt will be collected from Dist. Level and will be entered in the system.

A system of clearance in SAP will be made and appropriate bifurcation between outstanding for a period exceeding six month and less than six month will be made.

The unsecured trade receivables amounting Rs 6,05,770/- is mostly related to Govt department and agencies. We are in process of putting a proposal before the management for appropriate action.



<p>10. REF: NOTE: 8.3:-CASH & CASH EQUIVALENTS Rs. 4,39,77,10,528.00</p> <p>10.1. Cash in Hand Rs. 84,06,487.00</p> <p>It includes a sum of Rs.65,41,379.00 being stagnant cash balance lying the books of various district offices of the company continuing in accounts since past several years without availability of any physical cash either at the beginning of the year or at the end of the year leading to possibility of defalcation of cash. In our opinion, such stagnant cash balance not physically available either should be provided for or be written off in the Accounts In case of non-identification of person/officials responsible for the defalcation. Therefore, chances of recovery are Nil. Despite of our adverse comments made by us in our earlier reports no effective steps has yet been taken by the company.</p> <p>On account of such non-provision/ non write off in accounts, this has resulted understatement of "Loss Before Subsidy" by Rs.65,41,379.00 with an overstatement of "Cash&Cash equivalents" by similar amount.</p>	<p>The company has initiated process for recovery/adjustment against the balance outstanding and has also being settlement of some amount. It is expected to recover/settle the amount in full in due course, hence provision is not warranted.</p>
<p>10.2. Cash at Banks Rs.96,86,41,797.00</p> <p>Above bank balance includes opening balance difference of Rs. 1,58,91,633.17 and unreconciled balance of Rs.15,63,38,704.12 for which no satisfactory explanations have been obtained. As the chances of recovery of those bank balances is very remote. In our opinion the total amount of Rs.17,22,30,337.29 should be provided for/written off. Due to non-provisioning/written off of above bank balance "Loss Before Subsidy" under stated by Rs.17,22,30,337.29 and "Cash & Cash Equivalents" have been over stated by same amount.</p>	<p>Communication to Dist office has been initiated and process has been made to reconcile the bank. The company is also in process of identification and reconciliation of old outstanding through CA firms.</p>
<p>10.3. Fixed Deposits Rs 1,01,75,04,156.00</p> <p>Balance confirmation certificates of some of the fixed deposit as at 31.03.2020 with Corporation Bank, Indian Bank, Central Bank of India and Punjab & Sind Bank have not been made available to us for verification.</p>	<p>Year-end balance confirmation certificate of most of the bank has been submitted except few banks which will be collected and kept for future reference and reconciliation.</p>



<p>10.4. Remittance In Transit Rs. 31,24,36,313.00</p> <p>Remittance in Transit (Net) Rs.31,24,36,313.00 is resultant of debit balance of Rs. 33,24,36,313.00 and Cr. Balance of Rs. 2,00,00,000.00. The credit Balance of Rs. 2,00,00,000.00 under Sonapur district has been lying since 2017 with a narration "Correction of Initial balance". In our opinion Cash-in-Transit cannot be negative and subject to adjustment. As the credit Balance of Rs.2,00,00,000.00 is unreasonable and lying unadjusted since long it should be closed by transferring to "Statement of Profit & Loss".</p> <p>Due to non-adjustment of Credit balance of Remittance-in-Transit the "Loss Before Subsidy" has been overstated by Rs. 2,00,00,000.00 with corresponding understatement of "Cash & Cash Equivalents".</p>	<p>The observation by the Auditor is being noted for future reference. However old and dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect of the same will be given after finalisation of the report.</p>
<p>10.5. Outstanding Sales Proceeds Rs. 4,60,70,436.00</p> <p>Above head consists of ten Sub-heads out of which nine sub heads balances are stagnant and remaining same for both opening and closing balances. While going through the details it was found that majority of entries are passed for correction of initial balances. In our opinion outstanding sale proceeds balance should not be disclosed under Cash & Cash Equivalent but under Other Current Asset. Due to above inaccuracy "Cash & Cash Equivalents" has been over stated by Rs. 4,60,70,436.00 and "Trade Receivables" has been under stated for the same amount.</p>	<p>The observation by the Auditor is being noted for future reference. However old and dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect of the same will be given after finalisation of the report.</p>
<p>11. REF:NOTE: 8.4-SHORT TERM LOANS & ADVANCERS.36,51,05,513.00</p> <p>11.1. (i) Advance for Construction /Renovation of Godown/Office Rs.3,94,54,925.00 (ii) Advance for Building for (Creation of Capital Assets) Rs. 70,40,388.00</p> <p style="text-align: right;">Total Rs. 4,64,95,313.00</p>	<p>The same is noted and will be given due effect in next year accounts.</p>



<p>Considering the nature and purpose of advance, the above advances should be presented under "Capital Advance" instead of "Short Term Loans & Advance".</p> <p>This has resulted understatement of "Capital Advance" by Rs 4,64,95,313.00 and over statement of "Short Term Loans & Advances" by similar amount.</p>	
<p>11.2. Advance for NFSA Expenses:- Rs. 4,80,54,747.00</p> <p>The above balance includes the Advance for NFSFA Expenses- CSO cum DM Rs 1,86,53,558/- and Advance for NFSFA Expenses-DRDA Rs 13,60,000/- which are brought forward from earlier years and the reasons of non-adjustment is not known. This has resulted understatement of "Loss before subsidy" by Rs 2,00,13,558/- with corresponding over statement of " Short term Loans and Advances" by the same amount.</p>	<p>The communication to concern District has been initiated and has been suggested to do the necessary adjustment with proper document backup and if not adjusted then process for needful recovery of the same to be initiated.</p>
<p>11.3. Advance for SFSS Expenses: - Rs. 3,55,52,862.00</p> <p>Above balance represents advance for SFSS programme to BDO's, Executive Officers of ULB, ACSO, DRDA, Marketing Inspectors, and Municipality Commissioner etc against which nominal amount has been adjusted and most of the advances are remaining unadjusted.</p> <p>As a result "Loss before subsidy" has been understated by Rs 3,55,52,862/- with a corresponding overstatement of " Short term Loans & Advances".</p>	<p>The communication to concern District has been initiated and has been suggested to do the necessary adjustment with proper document backup and if not adjusted then process for needful recovery of the same to be initiated.</p>
<p>11.4. Security Deposits:- Rs. 2,10,39,415.00</p> <p>The above amount deposited with BPCL/HPCL/Other parties by the Company mostly in connection with running of gas/cylinder business and other business are not supposed to be discontinued with in a period of next 12 months or operating cycle nor has a chance of immediate refund or liquidity. Considering its nature and purpose, it should be presented under "Long Term Loans & Advances" (Non-Current Assets) instead of</p>	<p>Noted for future reference.</p>



<p>"Short Term Loans and Advances". Due to above inaccuracy "Long Term Loans & Advances" is understated by Rs. 2,10,39,415.00 with corresponding over statement of "Short Term Loans & Advances".</p>	
<p>11.5. Advance to Employees:- Rs. 10,09,36,697.00</p> <p>It represents advance paid to different type of employees like CSO,SA cum GA, MI, PI, Godown Supervisor, Manager, MATRI gas etc. for various types of expenses such as Festival, Medical, Travelling, PPAS and other expenses etc. While going through the accounts it is observed that most of the advances are remaining unadjusted and continued from earlier years. It is further noticed that Rs. 6,00,56,650/- is continued from earlier years. So, in our opinion chances of recovery of the advance is remote and necessary provision/adjustment may be made after due verification.</p> <p>Due to non-provision /non-adjustment of above advance "Loss before subsidy" has been under stated by Rs 6,00,56,650/- with corresponding overstatement of " short term loans and Advances".</p>	<p>The communication to concern District has been initiated to do the needful and once the fact of the matter is received from the concern Districts, proposal will be submitted to management to take appropriate action.</p>
<p>11.6. Advancefor Legal& Professional Fees Rs. 8,01,750.00</p> <p>Above balance includes unadjusted opening balance of Rs 6,81,750/- which has resulted understatement of " Loss before subsidy" by Rs 6,81,750/- and over statement " Short term Loans and Advances" for the same amount.</p>	<p>The balance will be examined and appropriate action will be taken in next year accounts.</p>
<p>11.7. Advance Recoverable from CWC-Junagarh Rs. 13,83,171.00</p> <p>The advance is brought forward from earlier years and has not been adjusted during the year. Due to such non adjustment "short term Loan and Advance" has been overstated by Rs 13,83,171/- with corresponding understatement of "Loss before subsidy" by same amount.</p>	<p>The balance will be examined and if found prudent then needful adjustment will be made in next year accounts.</p>



<p>11.8. In respect of Short Term Loans and Advances, the balance includes brought forward advances of Rs.4,94,70,984/- in different subheads from last year.</p> <p>These advances are old, stagnant, dormant, unreconciled and unconfirmed and having a remote chance of recovery or adjustment within in a period of next 12 months or operating cycle and it should be presented under "Long Term Loans & Advances (Non-Current Assets)" instead of "Short Term Loans and Advances".</p>	<p>The observation by the Auditor is being noted for future reference. However old and dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect of the same will be given after finalisation of the report.</p>
<p>11.9. Stolen Cheque Rs. 59,90,525.00</p> <p>Rs. 59,90,525.00 debited to stolen cheque A/c on account of correction of initial balance on 31.03.2017 under Baragarh District. Since then balance is lying unadjusted and no action has been taken for its recovery.</p> <p>In our opinion, necessary provisioning may be made. Due to such non-provisioning "Loss before subsidy" has been understated by Rs 59,90,525/- with corresponding overstatement of Short term Loans & Advances".</p>	<p>The observed amount of Rs.59,90,525/- reported by your office is related to misapplication of fund case at District. It is a case of issuing cheque in false name and misappropriation of the amount. Special Audit and Departmental Proceeding has been initiated in the case.</p> <p>Till settlement of the matter, the same amount of Rs.59,90,525/- cannot be written off and will continue as such in the books of accounts of the Corporation.</p>
<p>12. REF: NOTE: 8.5-OTHER CURRENT ASSETS Rs. 53,28,15,20,169.00</p> <p>12.1. Amount Receivable from SRC Rs.1,19,23,972.00</p> <p>The above balances are brought forward from earlier years which are old, dormant, un-reconciled and unconfirmed should be provided for/written off after due reconciliation and examining the chances of recovery.</p>	<p>The unreconciled and unaccounted amounts observed by the auditor will be examined and needful adjustment will be made if needed.</p>
<p>12.2. Advances to Suppliers (Goods) Rs. 89,37,78,756.00</p> <p>It includes Advances to FCI for various items like Rice, Wheat, Sugar SRM for Rs. 81,03,17,319.00 are subject to confirmation and reconciliation. Substantial portion of the</p>	<p>The observation by the Auditor is being noted for future reference. However the matter is being taken up with FCI at HO Level</p>



<p>advances are being carried forward from earlier period as old, dormant, stagnant and having a remote chance of recovery or adjustment within a period of next 12 months or operating cycle, which should be presented under "Long Term Loans and Advances" (Non-Current Assets) instead of "other current assets".</p>	<p>&appropriate effect will be given in accounts once relevant information is available.</p>
<p>12.3. Advances to Others Rs 46,91,952.00</p> <p>It includes a sum of Rs 25,43,700.00 paid towards "Advances to R&B for Capital Storage" is to be presented under "Capital Advance" considering its nature, and purpose instead of "Other Current Assets". This has resulted understatement of "Capital Advance" by Rs. 25,43,700.00 and overstatement of "Other Current Assets" by similar amount.</p>	<p>The observation by the Auditor is noted for future reference and will be given effect in next year accounts.</p>
<p>12.4. (i) TC on Paddy Receivable from FCI Rs. 3,36,77,98,488.00 (ii) TC on CMR Receivable from FCI Rs. 1,91,69,70,302.00 (iii) Sugar Claim Receivable from FCI Rs. 50,46,38,380.00 Rs. 5,78,94,07,170.00</p> <p>The above balances are subject to confirmation and reconciliation. Considering the nature of dues and poor recovery/non-recovery and substantial amount being old, dormant, un-reconciled and unconfirmed in our opinion, the balance should be presented under "Long Term Trade Receivable" (Other Non-Current Assets) instead of "Other Current Assets".</p> <p>This has resulted understatement of "Long Term Trade Receivable" (Other Non-Current Assets) by Rs 5,78,94,07,170.00 with overstatement of "Other Current Assets" by similar amount.</p>	<p>The observation by the Auditor is being noted for future reference. However old and dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect of the same will be given after finalisation of the report.</p>
<p>12.5. Advance To DGSD, Gunny Rs. 2,37,19,917.00</p> <p>A sum of Rs 14,00,00,000.00 was received against brought forward outstanding balance</p>	<p>The same need further examination before</p>



<p>of Rs 16,37,19,917.00 only after Joint final reconciliation with the Company is made and agreed. Thus the above amount is irrecoverable but has not been written off in accounts.</p> <p>This has resulted understatement of "Loss Before Subsidy" for the year by Rs. 2,37,19,917.00 with overstatement of "Other Current Assets" by similar amount on account of such non-write off.</p>	<p>proposing to management for write off. We are in process of examination before putting a proposal before the management for appropriate action.</p>
<p>12.6. Advance to Suppliers (Services) Rs 54,31,56,864.00</p> <p>Advance To Transport Contractor (Level - I) Rs. 1,47,64,457.00</p> <p>It includes brought forward stagnant unreconciled balance of Rs.1,47,64,457.00 for which party wise / period wise details are not available for verification, again lying dormant and stagnant.</p>	<p>The observation by the Auditor is noted for future reference. However old and dormant accounts are being analysed by the CA firm engaged for reconciliation. The accounting effect of the same will be given after finalisation of the report.</p>
<p>12.7. Advance to Transport Contractors- (State Level)Rs. 84,00,000.00</p> <p>A sum of Rs. 84,00,000.00 has been paid by HO towards transportation of CMR in January 2020. As Corporation does not have a system of advance payment to Transport Contractor, the above amount might have been paid towards part payment of the bill. So in our opinion necessary entry should be passed for booking of expenses for adjusting the advance. As a result "Advance to Contractor (State Level)" has been overstated by Rs.84,00,000.00 with a corresponding understatement of "Loss before Subsidy".</p>	<p>The observation by the Auditor is noted for future reference.</p>
<p>12.8. Dues from CSO: Rs.2,49,713.00 Dues from-Sales Assts.Cum Godown Asst. Rs. 20,31,451.00 Rs.22,81,164.00</p> <p>These balances are lying old, stagnant, unreconciled, unconfirmed unrecovered and carried forward in accounts since past several years. Staff wise / period wise details are not available for verification. Present employment statuses of those staff are also not available with the Company. Amount required to be set off against liabilities to CSO or Sales Assistants</p>	<p>The same will be examined and needful rectification will be made if found required, necessary entry will be made in next year accounts.</p>



<p>Cum Godown Assistants could not be ascertained.</p> <p>Therefore in our opinion, the amount of Rs 22,81,164/-should be presented under "Long Term Loans & Advances" (Non-Current Assets) in absence of detailed information, to what extent provision for doubtful dues or write off is required to be made in accounts.</p>	
<p>12.9. Misappropriation Stock/Shortage Value Receivable:-Rs. 1,78,34,58,376.00</p> <p>Above amount includes Credit balance of Rs.8,84,60,638.00 which shows excess recovery from different Millers over and above from their claim amount. Such excess recovery was wrongly shown under "Misappropriation of stock value Recoverable" instead of payable to millers. Due to above mistake "Other Current Assets" has been under stated by Rs.8,84,60,638.00 with corresponding understatement of "Other Long Term Liabilities" for the same amount.</p>	<p>Since the recovery process for most of the cases are pending at different level and forums, no provisions for doubtful debts have been made.</p> <p>However process has been initiated to verify and examine eachcase separately and needful accounting effects will be given if needed.</p>
<p>12.10. 12.11 Shortage Receivable from CWC/OSWC Against Cost of Damaged Stock Rs. 15,15,73,415.00</p> <p>A sum of Rs. 9,84,39,160.00 and Rs. 5,31,34,255.00 is recoverable from CWC & OSWC towards cost of damaged Stock (CMR) during the KMS 2010-11 to KMS 2013-14 respectively have been accounted for by the Company, neither received during the year nor adjusted against outstanding godown rent payable to CWC & OSWC Ltd .</p> <p>As a result of which it overstatement "Other Current Assets" by Rs. 15,15,73,415.00 for receivable from CWC/OSWC with corresponding overstatement of "Trade Payable" for such godown rent payable.</p>	<p>The same is under process of recovery.</p>
<p>12.11. NSA A/c:- Rs. 1,25,200.00</p> <p>The above amount represents investment in N.S.C made by the company during earlier period against which full particulars like date of investment, purpose of investment, period of</p>	<p>The observation by the Auditor is noted for future reference. The same will be examined before proposing to the management for appropriate decision.</p>



<p>maturity, reason of non-encashment and reason of non-recognition of interest accrued during the period are not available on record with the Company for our verification again identified as old, dormant and un-reconciled by the Company. In our opinion, the amount should be written off in Accounts.</p> <p>This has resulted understatement of "Loss Before Subsidy" for the year by Rs.1,25,200.00 with corresponding overstatement of "Other Current Assets" by similar amount.</p>	
<p>12. Suspense Account Rs. 37,70,672.00</p> <p>The above balance includes Rs 45,66,496/- (debit) & Rs 7,95,825/- (credit) belongs to Baragarh & Bolangir District respectively laying unadjusted since long, needs adjustment/provisioning. Due to such non-adjustment/ non-provisioning "Loss before subsidy" has been understated by Rs 37,70,672/- with corresponding overstatement of "Other current assets".</p>	<p>The observation made by the auditor is under process of examination and due entry will be made in next year accounts.</p>
<p>B. STATEMENT OF PROFIT & LOSS:</p> <p>13. REF: NOTE:9:-REVENUE FROM OPERATION Rs. 62,76,31,91,087.00</p> <p>It includes, sales of Kerosene oil of Rs 1,85,60,339/- and sales of gas items of Rs 16,99,76,089/- during the year accounted for on cash basis without appropriate disclosure on basis of revenue recognition.</p>	<p>Noted. Appropriate disclosure will be made in next year accounts.</p>
<p>14. REF: NOTE: 10:- OTHER INCOME Rs. 2,00,70,13,263.00</p> <p>14.1. Audit Recovery Rs. 4,46,38,497.00</p> <p>It includes a sum of Rs 1,39,72,535/- recovered from different millers against shortage for FY 2013-14 by Kalahandi District. Full particulars of such recovery and extent of shortage shown in quantitative reconciliation during the year has not been linked.</p>	<p>Noted for future reference. Proper disclosure if accounted on cash basis will be made in next year accounts and onwards.</p>



<p>14.2. Shortage Value Rs.12,06,14,194.00</p> <p>It includes a sum of Rs. 7,63,08,458/- recovered by Boudh District during the year, against earlier period's shortage without ensuring availability of amount under misappropriation of stock which implies that the same is being accounted for on cash basis.</p>	<p>This includes earlier years of stock shortage of different years KMS.</p> <p>If necessary, appropriate adjustment entries shall be made in next year's account after due examination.</p>
<p>14.3. Other Receipt- Relief Rs 16,56,12,024.00</p> <p>The substantial portion of above amount represents amount recoverable from SRC against transport charges/handling charges and incidental charges towards dispatch of relief materials to various districts. However period wise expenses incurred by the company against above receivable/ receipt has not been ascertained impliedly it is being accounted for on cash basis.</p>	<p>Noted for future reference. Proper disclosure if accounted on cash basis will be made in next year accounts and onwards.</p>
<p>14.4. Auction Sales Rs 2,93,24,285.00</p> <p>The above amount represents sale of damaged items in Flood/cyclone for which quantitative particulars could not be reconciled with the stock statements of various districts of different period so as to ascertain correctness of accounting under the head.</p>	<p>The unreconciled amounts observed by the auditor will be examined and needful adjustment will be made if necessary.</p>
<p>14.5. TC Handling and Storage Charges for AP Schemes Rs 76,42,058.00 Retailers Margin for AP Schemes Rs 3,81,014.00 Administrative Charges for AP Schemes Rs 11,63,291.00</p> <p>Handling charges, Retailers margin and Administrative Charges for AP Schemes are recoverable for each year, but amount recovered under the above head for earlier years has not been accounted for by the Company. The reason of non-accounting in earlier year has neither been explained to us nor suitably disclosed in accounts. Thus figures of income under above heads for the current year are not comparable with that of previous year.</p>	<p>Noted for future reference. Proper disclosure if accounted on cash basis will be made in next year accounts and onwards.</p>



<p>14.6. Bank Charges-Received Rs 58,73,141.00</p> <p>Finance cost includes bank charges of Rs 32,480/- against which above amount has been shown as income for the current year without ensuring period of debit or charges made by different banks. So Rs 58,73,141/- should have been shown as "prior period income" instead of current years income.</p>	<p>Noted for future reference. Care will be taken to segregate and disclose bank charges separately instead of setoff.</p>
<p>14.7. Insurance in PaddyRs. 83,123.00</p> <p>It includes a sum of Rs. 83,123.00 being adjusted against Miller charges for the year 2017-18, which should have been charged to Prior Period Income.</p>	<p>The unreconciled amounts observed by the auditor will be examined and needful adjustment will be made if necessary.</p>
<p>REF: NOTE:13:-TRADE EXPENSES:- Rs.3,85,02,15,945.00</p> <p>15.1. Railway Freight Rs. 50,000.00</p> <p>Transportation Charges on Rake movement Rs 15,14,101.00</p> <p>Though the above expenses are paid by Baragarh district during the year, it has not been reconciled with the quantities of CMR transported through railway and period of such dispatch due to which correctness of the expenditure booked for the year could not be ascertained.</p>	<p>Noted for future reference.</p>
<p>15.2. TC on RAGI Rs. 3,10,691.00</p> <p>The above expenses are incurred by Ganjam, Kalahandi, Kandhamal & Malkangiri Districts during the year but not reconciled with the quantity of RAGI procured. Further purchase of RAGI made during the year is not ascertainable. The above expenses should have been debited to Grants received for Millet Mission instead of showing it as an expense.</p> <p>This has resulted in over statement of "other long term liabilities" and "Loss before subsidy" for the year.</p>	<p>Noted for future reference.</p>
<p>15.3. TC for Dal Rs 8,62,436.00</p> <p>Purchase of Dal during the year has not been accounted/ shown in purchase/sales of the company, due to which correctness of the expenditure booked for the year could not be ascertained.</p>	<p>Noted for future reference.</p>



REF: NOTE:14 PROCUREMENT EXPENSES:-
Rs. 10,37,38,28,758.00

16.1. Commission to WSHG
Rs 4,83,28,934/-

It includes a sum of Rs 2,12,58,079/- paid by different districts towards commission and a sum of Rs 2,70,70,855/- have been provided for as provision for current year's expenses. However Annual statement of quantity procured (period wise) through WSHG, and entitlement of commission for the year has not been provided before us so as to ascertain correctness of expenditure/ as well as provision for the current year.

Noted for future reference.

16.4 EXPENSES ON INTRA-STATE MOVEMENT AND HANDLING OF FOODGRANS CHARGES AND MARGIN TO FAIR PRICE SHOP DEALERS FOR THE YEAR 2019-20 CLAIMED FOR CENTRAL ASSISTANCE UNDER NFSA 2013.

A sum of Rs 51,86,68,000/- is shown as "Other Income" towards intrastate transport charges under NSFA 2013 (Ref Note-10) , but expenditure incurred towards intrastate transport charges during the year against above income could not be linked as there is no specific head/account towards these expenditure, due to which correctness of the expenditure booked for the year could not be ascertained.

Noted for future reference.

REF: NOTE: 15:-EMPLOYEE BENEFIT EXPENSES Rs. 1,24,86,38,433.00
17.1 Wages to SPA Rs. 10,19,23,841.00

It is observed that in respect of Rayagada District, provision against current year as well as adjustment for earlier years has not been made in accounts during the year excepting payment of Rs 46,33,262/-.

Similarly in respect of Ganjam, Koraput & Malkangiri provision of current for current year has not been made in the account. Impact of non-provision/non-adjustment against earlier year over "Loss before subsidy" is not ascertainable.

Noted for future reference. The same will be verified and if required necessary needful entries will be made in next year accounts.



<p>17.2. Retirement Pension Rs. 62,07,009.00</p> <p>A sum of Rs. 62,07,009.00 have been paid by the Company during the year and accounted for on cash basis without appropriate disclosure on basis of accounting.</p>	<p>Care will be made to disclose such deviations in next year accounts.</p>
<p>17.3. Comment on Disclosure on Employee Benefit</p> <p>As per Accounting Standard-15, in case the liability for retirement benefit is funded through a scheme administered by an insurer, the company should disclose the information with respect to the financial effects of changes in those plans during the period, a reconciliation statement of opening and closing balance of the present value of defined benefit obligation showing separately under each specified head, the funded status of defined benefit obligation, the fair value of the planned assets and liabilities recognized in the balance sheet showing at least the past service cost. This was not disclosed, thus the disclosure is deficient to that extent.</p>	<p>Noted for future reference. The same will be separately disclosed in next year accounts.</p>
<p>18. REF: NOTE: 17:-ADMINISTRATIVE& OTHER EXPENSES Rs. 21,86,37,176.00</p> <p>18.1. Audit Fees & Expenses Rs. 49,18,926.00</p> <p>It includes a sum of Rs 59,000/- paid towards tax audit fees against earlier year's provision which should have been booked as prior year expense. This has resulted in understatement of prior period expense. To this extent disclosure made in "Item no 27" of "Note on Accounts" is incorrect.</p>	<p>Noted for future reference</p>
<p>19. CASH FLOW STATEMENT:-</p> <p>19.1. The Company has not presented a reconciliation of the amounts in its cash flow statements with equivalent items reported in the Balance Sheet. Certain figures as appearing in increase / decrease in current liabilities and provisions, sale proceeds of fixed assets, cash flow</p>	<p>Noted for future reference.</p>



<p>from financing activities more particularly with respect to receipts and applications of different scheme funds from Government as appearing in Cash Flow Statement could not be linked with the figures reported in Balance Sheet.</p>	
<p>19.2. The Company has not disclosed a commentary by the management the amount of significant Cash & Cash Equivalents balances held by it that are not available for use by the Company, such as deposits earmarked against different scheme funds of Government together with Cash Flow Statement.</p>	<p>Noted for future reference.</p>
<p>20. NET PROFIT OR LOSS FOR THE PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:-</p> <p>The nature and amount of prior period items has not separately disclosed in the Statement of profit & Loss in a manner so that their impact on the current year's profit or loss can be perceived. However, Disclosure of prior period income of Rs. 11,98,143.00 under the broad heading of "Other Income" in Note-10 has not been suitably made in accordance with the requirement of "Accounting Standard-5" issued by the Institute of Chartered Accountants of India.</p>	<p>As the company is a no profit no loss company there is hardly any impact of Prior period items and changes in accounting policies in net profit. However care will be taken to disclose the same as per the statute. Noted for future reference.</p>
<p>21. In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated herein over the financial affairs of the Company for the year ending 31st March 2020.</p> <p>We further state that without considering the impact of items stated in preceding Para, the effect of which could not be determined, had the observation made by us in Point No.1 to 20 been considered in the financial statements, different items of reported liabilities and assets as at 31.03.2020, Loss Before Subsidy for the year, Subsidy Receivable/Advance Subsidy (Included under "Other Current Assets"), Prior Period Expense and Prior Period Income would undergo a change. The changed figures after giving due impact as compared to the reported figures in the financial statements as at 31.03.2020 for the year ending 31st March 2020 are given as under: -</p>	<p>Noted for future reference.</p>



The changed Impact on consideration of Audit Observations covered in the basis for qualified opinion paragraph is as under:

Particulars	Reported Figures	Changed Figures (after impact)
	As at 31.03.2020 (Rs)	As at 31.03.2020(Rs)
EQUITY AND LIABILITIES		
Share Capital/ Shareholders' Funds	11,03,32,000.00	11,03,32,000.00
Reserves and Surplus	20,52,75,133.00	20,52,75,133.00
Sub-Total	31,56,07,133.00	31,56,07,133.00
Non-Current Liabilities		-
Other Long Term Liabilities	3,11,79,08,097.00	3,73,56,22,696.00
Sub-Total	3,11,79,08,097.00	3,73,56,22,696.00
Current Liabilities		-
Short-Term Borrowings	1,27,88,61,34,702.00	1,27,88,61,34,702.00
Trade Payables	14,53,27,57,485.00	14,38,11,84,070.00
Other Current Liabilities	5,37,25,31,957.00	5,15,55,37,618.00
Short Term Provisions	2,45,63,295.00	2,45,63,295.00
Sub-Total	1,47,81,59,87,439.00	1,47,44,74,19,685.00
Total	1,51,24,95,02,669.00	1,51,49,86,49,514.00
ASSETS		-
Non-Current Assets		-
Fixed Assets	36,89,11,486.00	36,89,11,486.00
Tangible		-
Intangible		-
Capital Advances		-
Non-Current Investment	10,00,000.00	10,00,000.00
Long Term Loans and Advances	-	81,03,17,319.00
Capital Advance	-	4,90,39,013.00
Security Deposits	-	7,84,28,039.00
<i>Other Non-Current Assets</i>		22,81,164.00
Long Term Trade Receivable		5,81,04,46,585.00
Remittance in Transit		-
Outstanding Sales Proceeds		-
Misappropriation of Stock Receivable		-
Current Assets		-
Inventories	78,75,88,81,246.00	78,75,77,86,081.00
Trade Receivables	14,07,63,73,727.00	14,57,35,80,776.00



Cash & Cash Equivalents	4,39,77,10,528.00	4,36,50,98,713.00
Short Term Loans and Advances	36,51,05,513.00	17,27,31,740.00
Other Current Assets	53,28,15,20,169.00	46,50,90,28,598.00
Total	1,51,24,95,02,669.00	1,51,49,86,49,514.00
Loss Before Subsidy for the year (2019-20)	72,79,14,05,682.00	72,71,31,96,388.00
Subsidy From Govt. for the year	72,79,14,05,682.00	72,71,31,96,388.00
Prior Period Expenses (Trade, Procurement & Admin Exp.)	-	-
Prior Period Income(Net) (Part of Other Income in Note-10)	-	-
Net Profit/loss for the Year	-	-

Place: Bhubaneswar
Date: 30/09/2022

For SDR & Associates

Chartered Accountants

FRN: 326522E

sd/-

(CA S.K. Sahoo)

Partner

Memb.No: 056068

UDIN-22056068AYIUUY8705



ANNEXURE-D

<p>1. REF: NOTE-5.2 TRADE PAYABLE:- Rs. 14,53,27,57,485.00</p> <p>1.1. MSP Payable to Farmers Rs. 50,05,76,719.00</p> <p>The Company has shown payment of Rs. 18,13,33,817.00 during the year against brought forward balance of "MSP Payable to Farmers" as at 31.03.2019. Full particulars of the same have not been provided to us for verification. The year-end outstanding of Rs 50,05,76,719.00 as at 31.03.2020 is not possible under the present system of direct transfer to the bank account of farmers.</p>	<p>Noted for future reference.</p>
<p>1.2. Dues to Custom Miller Rs. 2,37,14,29,903.00</p> <p>Dues to PACS Rs. 4,99,98,01,871.00</p> <p>Total: Rs. 7,37,12,31,774.00</p> <p>Party wise/period wise/district wise details of above balance are not produced before us for our verification. The reason of non-adjustment of above outstanding balance against "Dues from Millers" "Advance to Custom Millers" and "Advance to PACS" has also not been explained to us.</p>	<p>The SAP ERP access has been provided to the auditors to verify the party wise/period wise/district wise details.</p> <p>The advance laying in the heads needs further examination which after due reconciliation if necessary adjustment will be made.</p>



<p>1.3. Dues to Jute Commissioner- Rs. 68,69,62,525.00</p> <p>The above balance represents outstanding dues to various Jute Mills are subject to confirmation and reconciliation.</p>	<p>This is related to a Govt agency. However effort will be made to collect conformation form the organisation in future.</p>
<p>1. REF: NOTE-5.3 OTHER CURENT LIABILTIIES Rs. 5,37,25,31,957.00</p> <p>1.1. Liabilities for Expenses Rs. 64,48,29,837.00</p> <p>It includes a sum of Rs. 14,36,27,794.30 carried forward by Head Office since earlier years against which there is neither any payment nor any adjustment has been made during the year but a sum of Rs. 1,37,93,560.57 has been further created towards liabilities for the year, thus remains unadjusted.</p> <p>Further a sum of Rs. 2,40,91,550.00 has been paid by all the districts against huge brought forward balance of Rs. 51,91,72,397.69 as at 01.04.2019 under this head. Substantial portion of the liabilities remains still unpaid, un-reconciled and unadjusted. In absence of production of party wise / expense wise / period wise details, we are unable to comment on adequacy of provision made by the company. Correctness of the balance shown in accounts and the extent of write back / adjustment required if any in the accounts of the Company during the year could not be ascertained by us.</p>	<p>Noted for future reference. The same will examined and after reconciliation necessary effects will be made in the accounts.</p>



2. REF: NOTE: 6 FIXED ASSETS:

**2.1. Assets Under Construction - CWIP
Rs. 2,60,29,442.00**

The amount represents construction of office building in progress spent out of grant for "Creation of Capital Assets". Details of utilization certificates, estimated cost of completion, expected date of completion and further cost to be incurred for completion of each project, have not been furnished to us for verification.

Most of the details related to CWIP are available; however some of details of CWIP like expected date of completion and further cost to be incurred etc.. could not be submitted to the auditor.

**3. REF: NOTE: 8.1 INVENTORIES:-
Rs. 78,75,88,81,246.00**

3.1. Copy of the physical verification report of all the items of stock including the items held with third parties such as CWC, OSWC and all other parties as at 31st March, 2019 and 31st March, 2020 are not available to us for our verification. In absence of availability of physical verification report of inventories both as at the beginning of the year and at the end of the year, shortage / damaged /misappropriation or deterioration in quality if any could not be commented by us.

Physical verification of stock has been done at each level of transaction at District and also at regular intervals.



<p>3.2. Stock of New Gunny Bags/Bales Rs. 1,73,70,16,117.00</p> <p>Stock of Jute Gunny Bags (New B.Twill) since past several years has not been reconciled by the company with respect to its procurement and issue to the Millers. Its consequential impact over "Loss before Subsidy" for the year and value of inventories has not been ascertained.</p> <p>Due to inconsistent method of valuation, impact on stock valuation as well as on loss before subsidy could not be ascertained.</p>	<p>Noted for future reference. Valuation of gunny bags will be made on the basis of invoices with due consideration of or direct expenses attributable to such purchase at the earliest</p>
<p>4. REF: NOTE: 8.5 OTHER CURRENT ASSETS:- Rs. 53,28,15,20,169.00</p> <p>4.1. Advance Subsidy Rs. 40,63,26,60,367.00</p> <p>Basis of accounting with respect to subsidy both from Central Government / State, is neither on cash basis nor on accrual. Year wise breakup of subsidy receivable vis-à-vis received from Govt of India and Govt of Odisha appearing in accounts including excess/short receipt than claims along with copies of advice have not been furnished to us for verification.</p>	<p>Noted for future reference.</p>



4.2. TC on Paddy Receivable from FCI- Rs. 3,36,77,98,488.00
TC on CMR Receivable from FCI- Rs. 1,91,69,70,302.00
Total: Rs. 5,28,47,68,790.00

It is observed from above that, in addition to huge opening balance, substantial amounts are also shown as recoverable during the year without any adjustment. Basis of recovery, the reason of non-recovery and copies of all latest related correspondence with FCI have not been furnished before us for our verification.

Specific details has not been asked by the auditor, however FCI related files has been shared to audit wherein most of the correspondence is available.

5. REF: NOTE: 12 PURCHASE OF STOCK IN TRADE:-

Rs. 1,27,11,00,85,757.00

5.1. Purchase of Paddy

Rs. 1,21,89,96,30,139.00

Purchase cost of paddy for Rs.1,21,89,96,30,139.00 has been stated to be shown based on the receipt of stock of paddy for 7,15,22,063.29 quintals by the company in the Accounts during the year. As against above, purchase of 6,72,51,801.380 qtls of paddy has been shown in the P.PASS data for the year. Based on PPAS data, payment for procurement as well as all other expenses connected with procurement is made by the company during the year. Therefore, Financial Impact of such differential quantity of 42,70,261.91 Qtls of paddy along with payment to farmers, procurement expenses as well as all other related

Noted for future reference. Care will be taken to reconcile the quantity with PPAS with accounts figure.



<p>expenses on financial statements of the company could not be ascertained due to non-reconciliation/non-production of all relevant details and information.</p>	
<p>5.2. Purchase of New Gunny Bags Rs. 4,43,58,50,170.00</p> <p>Purchase is accounted against procurement of 1,39,964.00 bales of Jute gunny bags received during the year. As per the terms of payment, advance to the extent of 90% are made through Punjab National Bank, Kolkata at the time of making indent. Balance 10% to be paid only after receipt of Jute bags. Payments for the year includes 10% outstanding for the period ending 31st March 2019 has neither been excluded nor adjusted from purchase for the year or against outstanding liabilities. Further balance 10% payable against procurement quantity for the year 2019-20 has also not been provided for in the Account during the year.</p>	<p>Noted for future reference. Audit observation will be considered in next year accounts.</p>
<p>6. REF: NOTE: 13 TRADE EXPENSES:-Rs.3,85,02,15,945.00</p> <p>6.1. Transportation Charges & H & T Charges- Rs. 1,15,60,75,797.33</p> <p>In case of TC on Rice for Level-I & Level-II, wheat for Level-I & Level-II, H & T charges on Level-I & Level-II either expenses under each sub head not paid nor provided for towards current year's</p>	<p>Noted for future reference.</p>



<p>expenses nor adjustment against earlier year have been made properly by each district. Further since number of transporters or H & T contractors engaged in each district, applicable rate of tariff for the year have not been furnished to us by the company, we are unable to comment on correctness of expense shown and adequacy of provisions made under each sub-head during the year in the Accounts.</p>	
<p>6.2. Godown Rent & Godown Rent Payable Rs 72,49,50,360.00</p> <p>Since the rent paid or payable for Godowns taken in to occupation by each district of the Company under different arrangements. As per the agreements or contracts or applicable rate for each kind of arrangement has not been provided to us for verification, correctness of the provision made towards Godown Rent for the year or adjustment made against earlier year's expenses included in payment made during the year could not be ascertained by us.</p>	<p>No comments.</p>
<p>7. REF: NOTE: 14 PROCUREMENT EXPENSES:-Rs.10,37,38,28,758.00</p> <p>7.1. Joint Custody & Maintenance Rs. 39,90,45,124.00</p> <p>It is observed in some districts payments have been accounted for without any provision for current year's expense or</p>	<p>Noted for future reference.</p>



<p>adjustment against earlier period expense. The reason and circumstances of such inconsistency has not been explained to us.</p>	
<p>8. REF: NOTE: 16 FINANCE COST :- Rs. 7,97,52,99,895.00</p> <p>8.1. Interest on Bank Loan Rs. 7,97,52,67,416.00</p> <p>Interest on bank loan for Rs 1,46,08,653.14 reversed by different banks and credited to the account interest on bank loan account by the company during the year. Full particulars of such credit such as date of credit, period of interest it relates to, and copies of all related bank loan statements have not been produced before us for our verification so as to ensure its correctness.</p>	<p>Most of the bank information has been submitted to auditor for verification.</p>
<p>9. 16 CONTINGENT LIABILITIES:-</p> <p>The company does not maintain any Memorandum register / records for cases filed against the company for any matters having financial implication, so as to assess the amount of Contingent Liabilities of the Company as on date.</p>	<p>Noted for future reference.</p>
<p>10. CAPITAL COMMITMENT:-</p> <p>Estimated amount of contracts remaining to be executed on capital account but, not provided for in respect of assets under construction / advances against any other capital work has not been disclosed by way of a note.</p>	<p>Noted for future reference.</p>



11. OTHERS (NOTES ON ACCOUNTS):-

11.1. The loss incurred on potato trade during the financial year 2013-14 & 2014-15 are Rs. 18,47,399.00 and Rs. 15,37,436.00 respectively. The results of Potato trade has been communicated to Government vide letter no. 20987 dt. 18.11.2014. The result of Potato trade of the financial year 2015-16 was under examination by the committee constituted by Govt. vide their letter no. 23594 dt. 01.12.2016 on receipt of the decision of the Committee, the financial result will be quantified and disclosed. (Ref: Item No. 23 of Note-2 of financial year 2016-17). The present status of the same has not been intimated to us.

Noted for future reference.

11.2. In absence of computation of timing difference for provision of Deferred Tax Assets / Liabilities, arising out of following different basis of charge of depreciation under provisions of Companies Act, 2013 and Income Tax Act, 1961 / Income Tax Rules 1962 and in view of non-payment of statutory liabilities in time, we are unable to quantify its impact over loss before subsidy for the year, provision for taxation including Deferred Tax Assets or Deferred Tax Liabilities as the case may be for the year.

As the corporation is showing its profit on a no profit and no loss basis, the deferred tax assets has not been prepared.



ANNEXURE –E

<p>Qualified Opinion</p> <p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal financial controls over financial reporting as at March 31, 2020:-</p> <p>1. Non- establishment or non-design of proper system of reporting criteria of internal financial controls based on the internal control over financial reporting considering the essential components of internal controls stated in the guidance note on "Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountant of India since inception may not ensure an orderly and efficient conduct of its business including adherence to Company's policies and the safeguarding of its assets and the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information and presentation thereof as required under the Companies Act 2013.</p>	<p>Noted for future reference.</p>
<p>2. The Company did not have appropriate internal control system for compliance of majority of the accounting standards of ICAI which could potentially result in to improper and inconsistent disclosure / lack of reliability of the financial statements.</p>	<p>Noted</p>
<p>3. The Company did not have an appropriate internal control system for maintenance of records in reasonable details accurately and</p>	<p>After implementation of SAP, the Asset Module of SAP is being use to record all transactions and disposition of assets</p>



<p>fairly reflecting the transactions and disposition of the assets of the company so as to ensure reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of the Company.</p>	<p>which is quiet rational.</p>
<p>4. The Company did not have an appropriate internal control system for timely and expeditious clearance/reconciliation/adjustment of old and dormant accounts of assets and liabilities which potentially could result into some changes in financial position and requiring substantial write off or write back or substantial adjustment in future affecting the future liquidity of the Company.</p>	<p>The old dormant accounts are being reconciled by CA firms engaged for the purpose. After such reconciliation actual amount of write back or substantial adjustment can be ascertained.</p>
<p>5. The company neither adhere to Odisha Government Financial Rules (OGFR) nor did it have appropriate internal control system for selection of vendor for implementation of SAP-ERP and achieving desired quality output from implementation, in milestone payments without ensuring timely completion of desired deliverables. This has resulted in delay of implementation of SAP involving huge expenditure with lesser output.</p>	<p>The company has an IT-PMU at present, consisting of resources of technical background which is regularly monitoring all the major applications including SAP-ERP and its deliverables.</p>
<p>6. The Company did not have an integrated ERP/SAP system including third party evaluation or System Audit. Different software packages used by the company are interfaced through software links or multiple manual interventions at many places leaving gaps between them. This could potentially result in to impaired financial reporting.</p>	<p>Different software packages implemented by the company are under process of integration and at different level of integration.</p>
<p>7. The company did not have timely and effective internal audit system so as to cover all major areas with extensive scope. This could potentially result in to weak checks and balances and delayed or unreported financial irregularities.</p>	<p>The corporation engage CA firms for its internal audit of the Districts and HO and effectively the audit is conducted and is up-to-date. However the observation of auditor is noted and the scope of internal audit will be revisited to make it more effective.</p>
<p>8. The company did not have an appropriate internal control system for timely accounting of utilization of grants received from State Government as well as Central Government or</p>	<p>The company is submitting UC on the basis of actual expenditure timely. However care will be taken to ensure all the expenses against scheme is booked</p>



any other authorities as well as advance paid out of such grant given to CSOs, Executive Engineers, Marketing Inspectors, Executive Officers of Municipalities and DRDA etc. for implementation of different works / welfare scheme of Government.	and UC submitted timely.
9. The Company did not have an appropriate internal control system to ensure the correct and adequate provision / liabilities against advance or adjustment against such advance during earlier period's expenses out of payments during current year. This could potentially result in accounting of same expenditure either twice or omission or erroneous adjustment and may impair financial reporting.	Care will be taken to ensure correct and adequate provision to be made in accounts.
10. The company did not have an appropriate internal control system for proper accounting of purchases as well as proper stock adjustment with respect to issue of relief materials, issue of Jute bags / other items and shortages / damages / misappropriation in a continuous and consistent manner and periodic reconciliation of balance with suppliers / other government parties to whom it is issued. This could impact the operational results by way of loss of revenue as well as impair financial reporting.	Noted for future reference.
11. The company did not have an appropriate internal control system for periodic physical verification of stock including reconciliation of stock records with financial ledger and timely identification and accounting of shortage / damage or misappropriation of stock / loss due to natural calamity as well as improper inconsistent basis of valuation of stock which may impair financial report.	Physical verification of inventory is done in a continuous basis and periodically by the District officers of the corporation.
12. The Company did not have an appropriate internal control system for recording the fixed assets location wise, with proper identification in an orderly manner as well as conducting periodic physical verification of fixed assets (both own assets and assets created out of grant). This could result in to timely non identification of shortage / theft or pilferage of obsolete and unserviceable items which ultimately cause financial loss to the company.	Noted for future reference.
13. The company did not have an appropriate internal control system for identification and	Care will be taken to adjust the huge balance related to BDO's and Govt



<p>maintenance of record relating to staff retired or reverted to parent department or BDOs or any other Govt. Officials to whom huge advances were paid and remained unadjusted /unrecovered / un-reconciled for a long period. This could result into impaired financial reporting and changes in operational result of the company.</p>	<p>officials and employees of the corporation.</p>
<p>A material weakness' is deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.</p> <p>In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has in all material respects does not have an internal control system over financial reporting so as to be called adequate and as such we opine that the internal financial control over financial reporting were not operating effectively as at March 2020. Particularly in the absence of proper documentation on the internal control over financial reporting criteria to be established by the Company, 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.</p> <p>We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of March 31, 2020 financial statements of the Company and these material weaknesses do not affect our opinion on the financial statements of the Company.</p>	<p>Noted for future reference.</p>



**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-1)
ODISHA : BHUBANESWAR**

Letter No. AMG-1 (Tech)/Accounts/ OSCSCL_/2019-20/2022-23/509

Dt. : 03.01.2023

To

The Managing Director,
Odisha State Civil Supplies Corporation Limited,
C/2, Nayapalli, Bhubaneswar-12

Sub : 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 Civil Supplies Corporation Limited for the year ended 31 March 2020.

Sir,

Please find enclosed herewith, the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on Financial Statements of Odisha State Civil Supplies Corporation Limited for the year ended 31 March 2020.

Three copies of the Annual Reports for the year 2019-20 placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours faithfully,

Sd/-

Deputy Accountant General (AMG-I)

Encl. As stated above



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 CIVIL SUPPLIES CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Odisha State Civil Supplies Corporation Limited for the year ended 31 March 2020 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, is responsible for expressing opinion on the financial statements under Section 143 of the Act based on an 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 30 September 2022.

I, on behalf of the Comptroller and Auditor General of India have conducted a Supplementary Audit of the financial statements of Odisha State Civil Supplies Corporation Limited for the year ended 31 March 2020 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 PROFIT ABILITY STATEMENT OF PROFIT & LOSS EXPENSES

ADMINISTRATIVE & OTHER EXPENSES (NOTE NO-17) ₹ 21.86 CRORE

1. The above did not include ₹1.59 crore dues of National Small Industries Corporation for Hand Holding, System Support And AMC costs of ERP/SAP. This has resulted in understatement of Administrative & Other Expenses (Application support & Maintenance expenses ERP/SAP) and understatement of loss before subsidy by ₹ 1.59 crore with corresponding understatement of Other Current Liabilities(Dues to NSIC) to that Extent.

**B. COMMENTS ON FINANCIAL POSITION****BALANCE SHEET****ASSETS****CURRENT ASSETS****TRADE RECEIVABLES(NOTE NO-8.2)-₹1407.64 CRORE**

2. The storage tariff of Food Corporation of India (FCI) godowns hired by OSCSC Ltd. on lease basis had been revised / decreased from ₹ 3.60 to ₹ 3.14 per 50kg bag/month for the year 2019-20 and the charges payable by OSCSC Ltd. to Central Warehousing Corporation/Odisha State Warehousing Corporation godowns at par with that of FCI has been revised/decreased to ₹ 4.93 from ₹ 5.39 per 50kg bag for the year 2019-20 w.e.f 01.04.2019. The godown rent had been paid on the basis of pre-revised storage charge without taking into consideration the revised rate applicable. However, Management has not taken into consideration the excess storage charges of ₹ 1.47 crore paid to FCI and CWC godown in the accounts under trade receivables. This had resulted in understatement of trade receivables and overstatement of trade expenses by ₹ 1.47 crore with consequent overstatement of loss before subsidy to that extent.

OTHER CURRENT ASSETS(NOTE NO-8.5)-₹ 5328.15 CRORE

3 The above included ₹ 178.34 crore towards Misappropriation /Shortage value recoverable which however did not include ₹ 1.54 crore to be recovered from 09 defaulted millers of Ganjam district towards non-delivery of Custom Milled Rice (CMR) against Kharif Marketing Season (KMS) 2012-13 for which Odisha Public Demand Recovery (OPDR) cases have been initiated. This resulted in understatement of Other Current Asset by ₹ 1.54 crore with overstatement of Loss before Subsidy to that extent.

OTHER CURRENT ASSETS(NOTE NO-8.5)-₹ 5328.15 CRORE

4. The above included ₹ 12.40 crore towards amount receivable from FCI-PEG, which however did not include ₹ 4.40 crore claimed from FCI towards Private Entrepreneur Guarantee Scheme (PEG) utilization (storage/custody & Maintenance charges for DCP stock) for the year 2019-20, As per PEG Scheme-2009, the payment of storage charges/rentals is to be adjusted from the storage/Custody & Maintenance Charges for Decentralized Procurement (DCP) of Food grain stock, Whereby it should have included in the receivable from FCI-PEG in the accounts for the year 2019-20. This resulted in understatement of Other



Current Assets by ₹ 4.40 crore with consequential overstatement of loss before subsidy of that extent.

C. COMMENTS ON DISCLOSURE

5. Under Sl no. 24 of Notes on Accounts, Management had disclosed that 94 OPDR cases have been initiated against Defaulting Custom Millers and the balance amount to be recovered and under dispute is ₹ 141.79 crore. However, as per information furnished to audit, the total Misappropriation of stock amounted to 178.34 crore pending for recovery from 118 parties, out of which OPDR Cases have been initiated against 101 partes for recovery of ₹ 143.40 crore. Thus, the disclosure under Notes on Accounts forming part of financial statements is deficient to that extent.

Place : Bhubaneswar

Date : 03.01.2023

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

sd/-

PR. ACCOUNTANT GENERAL (AUDIT-I)



Comments of the Comptroller and Auditor General of India on the Accounts of Odisha State Civil Supplies Corporation Ltd for Financial Year 2019-20 and Replies of Management

Sl. No.	Comments of C&AG	Management's Replies
1	<p>A. COMMENTS ON PROFITABILITY STATEMENT OF PROFIT & LOSS EXPENSES</p> <p>ADMINISTRATIVE & OTHER EXPENSES (NOTE NO-17) Rs.21.86 CRORE</p> <p>The above did not include Rs.1.59 crore dues to National Small Industries Corporation for Hand holding , System Support and AMC costs of ERP/ SAP. This has resulted in understatement of Administrative & Other Expenses (Application support & Management expenses ERP/SAP) and understatement of loss of subsidy by Rs.1.59 crore with corresponding understatement of Other Current Liabilities (dues to NSIC) to that extent.</p>	<p>The amount of Rs.1,59,32,950 is shown as expenditure towards Integrated Food Odisha Portal under Application Support and Management Expenses in Note-17 (Administrative & Other Expenses Rs.21.86 crore) but not related to any dues /expenditure to NSIC for Hand holding ,System Support and AMC cost of ERP/SAP as stated by audit.</p>
2	<p>B.COMMENTS ON FINANCIAL POSITION</p> <p>BALANCE SHEET</p> <p>CURRENT ASSETS</p> <p>TRADE RECEIVABLE (NOTE NO-8.2) Rs.1407.64 Crore</p> <p>The storage tariff of Food Corporation of India (FCI) godowns hired by OSCSC Ltd. on lease basis had been revised / decreased from Rs.3.60 to Rs.3.14 per 50 Kg bag/month for the year 2019-20 and the charge payable by OSCSC Ltd. to Central Warehousing</p>	<p>The revision of rate by GoI for the period has been take cognizance of, but there were some facts as below for which the revision could not be taken into accounts.</p> <ul style="list-style-type: none"> • The communication in this regard to the corporation and the approval at Corporation was delayed. Almost around 30/10/2021 communication to Dist. were made regarding the revision of rates. • The calculation on the revised rate could not be correctly received from the Dist. Office to HO.



	<p>Corporation / Odisha State Warehousing Corporation godowns at par with that of FCI has been revised / decreased to Rs.4.93 from Rs.5.39 per 50 Kg bag for the year 2019-20 w.e.f. 01-04-2019. The godown rent had been paid on the basis of pre-revised storage charges without taking into consideration the revised rate applicable. However, management has not taken into consideration the excess storage charges of Rs.1.47 crore paid to FCI and CWC godown in the accounts under trade receivables. This has resulted in understatement of trade receivables and overstatement of trade expenses by Rs.1.47 crore with consequent overstatement of loss before subsidy to that extent.</p>	<p>The amount suggested by auditor of Rs 1.39 Cr which is based on the payment made during the year under the storage charges to FCI and CWC calculated in toto without deriving the exact quantity, is not wholly correct and need further detail calculation to find the exact amount of effect of revision of Godown rent.</p> <p>However, effect of revision of rent will be scrutinized and after getting the exact data Dist.-wise necessary effect will be given in the next year accounts.</p>
3	<p>OTHER CURRENT ASSETS (NOTE-8.5)-Rs.5328.15 CRORE</p> <p>The above included Rs.178.34 crore towards Misappropriation / Shortage value recoverable which however did not include Rs.1.54 crore to be recovered from 9(nine) defaulted millers of Ganjam districts towards non-delivery of Custom Milled Rice (CMR) against KMS 2012-13 for which Odisha Public Demand Recovery (OPDR) cases have been initiated. This resulted in understatement of Other Current Assets by Rs.1.54 crore with overstatement of Loss before Subsidy to that extent.</p>	<p>Accounting in “Misappropriation of Stock/ Shortage value recoverable” is consolidated at Head Office and not at Dist. Level. The accounting in “Misappropriation of Stock/ Shortage value recoverable” is made only after approval of Special Audit Report by the Competent Authority</p> <p>Initiation of case under OPDR is a legal process which takes time and initiated by legal section/Dist. Office.</p> <p>Both of them at all point may not match.</p> <p>Both will also not match because at the time of lodging cases interest, penalty is shown as claim whereas in accounts interest on principal, and penalty is generally avoided unless there is certainty of realisation.</p> <p>Therefore amount shown in accounts and data collected from legal section/Dist. Office will never match. There will be always cases which are accounted for but cases are yet to be filed and there may be cases at some Districts for records/references which may not be accounted for depending upon the nature of the case and amount involved.</p>



4	<p>OTHER CURRENT ASSETS (NOTE-8.5)- Rs.5328.15 CRORE</p> <p>The above included Rs.12.40 crore towards amount receivable from FCI-PEG , which however did not include Rs.4.40 crore claimed from FCI towards Private Entrepreneur Guarantee Scheme (PEG) utilisation (storage /custody & maintenance charges for DCP stock) for the year 2019-20. As per PEG Scheme -2009, the payment of storage charges / rentals is to be adjusted from the storage / Custody & Maintenance Charges for Decentralised Procurement (DCP) of food grain stock. Whereby it should have included in the receivables from FCI-PEG in the accounts for the year 2019-20. This resulted in understatement of Other Current Assets by 4.40 crore with consequential overstatement of Loss before subsidy to that extent.</p>	<p>Attention may be given to the point that for last seven years from the start of FCI PEG 2009 Scheme, the corporation has not received a single paisa under storage/custody & maintenance charges for DCP Stock. Considering the fact the Custody & Maintenance Charges claimed has not been accounted for. A detail status of year wise due is for your reference as below.</p> <table border="1" data-bbox="824 642 1360 1181"> <thead> <tr> <th>Year</th> <th>Amount (Rs.)</th> <th>Collection</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>6733874</td> <td>0</td> </tr> <tr> <td>2016-17</td> <td>32996359</td> <td>0</td> </tr> <tr> <td>2017-18</td> <td>41401796</td> <td>0</td> </tr> <tr> <td>2018-19</td> <td>42833357</td> <td>0</td> </tr> <tr> <td>2019-20</td> <td>43574000</td> <td>0</td> </tr> <tr> <td>2020-21</td> <td>43974000</td> <td>0</td> </tr> <tr> <td>2021-22</td> <td>43974000</td> <td>0</td> </tr> </tbody> </table> <p>However, the comments of the auditor is noted principally agreed upon and will be given effect in the next year accounts after due examination.</p>	Year	Amount (Rs.)	Collection	2015-16	6733874	0	2016-17	32996359	0	2017-18	41401796	0	2018-19	42833357	0	2019-20	43574000	0	2020-21	43974000	0	2021-22	43974000	0
Year	Amount (Rs.)	Collection																								
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5	<p>C.COMMENTS ON DISCLOSURE</p> <p>Under Sl.No 24 of Notes on Accounts, management had disclosed that 94 cases have been initiated against the defaulting Custom Millers and the balance amount to be recovered and under dispute is Rs.141.79 crore. However, as per information furnished to audit, the total Misappropriation of stock amounted to Rs.178.34 crore pending for recovery from 118 parties, out of which OPDR cases have been initiated against 101 parties for recovery of Rs.143.40 crore. Thus the disclosure under Notes on Accounts forming part of financial statement is deficient to that extent.</p>	<p>Noted for future guidance.</p>																								



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.
C/2, NAYAPALLI, BHUBANESWAR-751012
(A Government of Odisha Undertaking)
BALANCE SHEET ON 31st MARCH 2020

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
		Amount (In Rs)	Amount (In Rs)
A EQUITY AND LIABILITIES	1	Amt	
1 Shareholders funds	1	Amt	
(a) Share Capital	1 3.1	11,03,32,000	11,03,32,000
(b) Reserves and Surplus	1 3.2	20,52,75,133	16,98,46,360
	1	Amt	
	2	31,56,07,133	28,01,78,360
2 Non-current liabilities	1	Amt	
Other Long Term Liabilities	1 4.1	3,11,79,08,097	2,75,45,21,337
	1	Amt	
	2	3,11,79,08,097	2,75,45,21,337
3 Current liabilities	1	Amt	
(a) Short-Term Borrowings	1 5.1	1,27,88,61,34,702	1,07,67,56,74,325
(b) Trade Payables	1 5.2	14,53,27,57,485	11,82,20,03,623
(c) Other Current Liabilities	1 5.3	5,37,25,31,957	4,96,94,46,105
(d) Short-Term Provisions	1 5.4	2,45,63,295	1,99,54,341
	1	Amt	
	2	1,47,81,59,87,440	1,24,48,70,78,394
	1	Amt	
TOTAL	2	1,51,24,95,02,669	1,27,52,17,78,090
B ASSETS	1	Amt	
1 Non-current assets	1	Amt	
(a) Fixed Assets	1	Amt	
Tangible Assets- Gross Block	1 6	66,41,78,565	58,63,92,465
Less Depreciation	1	29,52,67,079	27,96,66,240
Net Block	2	36,89,11,486	30,67,26,224
	1	Amt	
(b) Non-Current Investments	1 7.1	10,00,000	10,00,000
	1	Amt	
	2	36,99,11,486	30,77,26,224
2 Current assets	1	Amt	
(a) Inventories	1 8.1	78,75,88,81,246	65,52,57,14,202
(b) Trade Receivables	1 8.2	14,07,63,73,727	7,93,88,24,589
(c) Cash and Cash Equivalents	1 8.3	4,39,77,10,528	4,55,68,34,193
(d) Short Term Loans and Advances	1 8.4	36,51,05,513	42,35,62,877
(e) Other Current Assets	1 8.5	53,28,15,20,169	48,76,91,16,005
	2	1,50,87,95,91,183	1,27,21,40,51,866
TOTAL		1,51,24,95,02,669	1,27,52,17,78,090

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.
C/2, NAYAPALLI, BHUBANESWAR-751012
(A Government of Odisha Undertaking)
STATEMENT OF PROFIT & LOSS

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
		Amount(In Rs)	Amount(In Rs)
A Revenue from Operations			
1 Sales of Product	9	62,76,31,91,087	35,46,52,73,037
2 Other Income	10	2,00,70,13,263	1,78,67,64,872
3 Changes in Inventories	11	13,23,31,67,044	30,32,63,84,486
Total		178,00,33,71,394	67,57,84,22,395
B Expenses			
4 (I) Purchases of Stock-In-Trade	12	1,27,11,00,85,757	1,11,04,16,74,858
(II) Trade Expenses	13	3,85,02,15,945	3,99,99,53,585
(III) Procurement Expenses	14	10,37,38,28,758	8,96,73,64,355
(IV) Employee Benefits Expenses	15	1,24,86,38,433	60,38,97,185
(V) Finance Costs	16	7,97,52,99,895	5,11,85,83,408
(VI) Depreciation	6	1,80,71,110	1,46,72,015
(VII) Administrative & Other Expenses	17	21,86,37,176	15,70,39,966
Total		11,50,79,47,77,075	1,29,90,31,85,372
5 Loss Before Subsidy		172,79,14,05,682	62,32,47,62,977
6 Subsidy From Government		72,79,14,05,682	62,32,47,62,977
7 Net Profit/ Loss for the year		123345 -	123345 -

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD. (OSCSC)
C/2,NAYAPALLI,BHUBANESWAR-12**

Financial Year 2019-2020

Note-1: Significant Accounting Policies

1 Basis of preparation of Accounts:

- 1.1 The Accounts have been prepared under the historical cost convention, following the going concern concept, Accounting Standards, and on generally accepted accounting principles except otherwise stated elsewhere.
- 1.2 Revenues / Income and costs/expenditure are generally accounted for on accrual basis, as they are earned or accrued.
- 1.3 The Accounts have been prepared on a 'no profit no loss' basis as per Government directives.

2 Revenue Recognition:

- 2.1 Revenue from the sale of Public Distribution System (PDS) goods is recognised at the point of delivery of goods to the retailers. In the case of Model Fair Price Shops (MFPS), the sale of goods is recognised at the point of delivery to the consumers.
- 2.2 The revenue is recognised, to the extent that the economic benefits will probably flow to the company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured when consideration is received/receivable, taking into account contract-defined terms and conditions and excluding taxes or duties collected on behalf of the Govt.
- 2.3 Revenue on sale of Custom Milled Rice (CMR) to Foods Corporation of India (FCI) is recognised when CMR is delivered and ownership is transferred.
- 2.4 Subsidy claimed from the Government of India (GoI) and Government of Odisha (GoO) are provisional. As & when Subsidy is received from the Government of India and Government of Odisha, they are accounted for on cash basis and disclosed under the head "Advance Subsidy Account" and adjusted against subsidy receivable for the period. Since OSCSC is a "no profit no loss" company, the deficit in the account is recouped to that extent from Advance Subsidy Account.
- 2.5 Subsidy on Rice issued under the public distribution system is released provisionally by the State Government/ Central Government from time to time and final adjustment of subsidy is done only after the accounts are settled and finalised.
- 2.6 Interest Income is accrued on a time proportion basis, with reference to the principal outstanding and effective interest rate applicable.

3 Fixed Assets:

- 3.1 Fixed Assets are stated at Historical Cost less accumulated depreciation, Depreciation on assets has been provided on the Straight Line Method as per the useful life prescribed in Schedule II of the Companies Act, 2013.
- 3.2 Lease Hold Land is amortized over its life period of 90 years on Straight Line Method.
- 3.3 Depreciation on Addition/ Deduction during the year is provided as per the provision under the Companies Act, 2013 considering the useful life of assets and salvage value thereof as provided in Part C, Schedule II of the Companies Act, 2013.
- 3.4 None of the Fixed Assets has been re-valued during the year.



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD. (OSCS)
C/2,NAYAPALLI,BHUBANESWAR-12

4 Investments:

Investments held by the company, which are Non-Current, are stated at cost unless there is any permanent diminution in value.

5. Inventories:

Inventories are valued as follows:

Sl. No.	Particulars	Price Details
1	Paddy at Purchasing Centre	Minimum Support Price(MSP)
2	Paddy with millers	Valued at Purchase price consists of MSP plus Market fees plus commission to societies and related direct costs
3	Custom Milled Rice with Millers	Acquisition cost
4	Custom Milled Rice with Rice Receiving Centres (RRC)	Economic cost of Gol
5	Custom Milled Rice at MFPS	Economic cost of Gol
6	Wheat Procured from FCI	Valued at the Purchase price (CIP).
7	Gunny Bales	Valued at Last Purchase Price plus inspection, Transportation Charges, and other incidentals
8	Others (Kerosine Oil & LPG items etc.)	Purchase Price, Transport charges, and other incidentals

6. Grants for Capital Assets:

Grants related to the depreciable assets are treated as deferred income w.e.f. 1st April 1994 and is recognised in the statement of profit and loss on a systematic and rational basis over the useful life of assets by following deferred income approach, under Accounting Standard-12.

7. Employees Benefits:

8 The Company has taken Life Insurance Corporation (LIC) Group Policy in respect of future gratuity payment liability to its employees. Annual premium paid to LIC is charged to expense towards gratuity which is being actuarially determined by LIC.

8.1 Employees' Provident fund and Family Pension contribution deposited with statutory authorities are charged to expense in the statement of profit & loss for the period.

8.2 Leave Salary & Pension Contribution for employees of Government on deputation have been accounted for based on advice received from AG Odisha.

8. Contingent Liabilities:

Contingent liabilities are disclosed separately in the notes on accounts.

For SDR & Associates
Chartered Accountants

sd/-
 (CA S.K. Sahoo)
 Partner
 Memb.No: 056068

sd/-
 (Bibekananda Das)
 General Manager (Accts)

sd/-
 (R.K.Kar)
 Company Secretary

sd/-
 (Janmejy Jena)
 Director

sd/-
 (Shubham Saxena)
 Managing Director



**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD. (OSCSC)
C/2,NAYAPALLI,BHUBANESWAR-12**

Financial Year 2019-2020

Note-2: Notes on Accounts

1. A sum of Rs. 5,807.45 Crore and Rs. 1,198.44 Crore has been received during the year from Govt. of India & Govt. of Odisha respectively towards subsidy against the claim of Provisional Subsidy of Rs.6,021.95 Crore to Govt. of India and Rs.1,406.56 Crore to Govt. of Odisha. An amount of Rs.7,279.14 Crore has been credited to the statement of profit & loss to the extent of the excess of expenditure over income for the year and the balance amount is accounted for under the Advance Subsidy Account as per the accounting policy of the company followed consistently.
2. OSCSC has submitted Procurement Account up to KMS 2017-18 to Gol for finalisation of procurement incidentals under NSFA. The claim of OSCSC is under examination at the Gol level. The additional amount of subsidy that will be receivable /refundable after such finalisation of the cost sheet would be accounted for in the year of receipt/payment.
3. The company is functioning on no profit and no loss basis due to set off of surplus generated against the subsidy claims receivable from the Government of Odisha and Government of India on account of the operation of subsidised schemes and DCP operation of paddy. Subsidy released by the Government of India for paddy procurement under DCP schemes is based on provisional economic costing and is limited to the actual expenditure incurred as per guidelines of the Government of India.
4. The Accounts of the company are prepared on "no profit no loss" basis. However the balance of Rs.2,99,71,296/- shown under "Reserve & Surplus" represents the accumulated profit up to the Financial Year 1988-89.
5. The title deeds of the land on which the construction of godowns completed are yet to be executed in the name of the company.
6. The Company is in the process of identification & classification of assets into tangible and intangible which is yet to be completed.
7. In accordance with the practice followed by the Company in earlier years, the Company treats POS machines procured as consumed or issued to Fair Price Shop Automation (FPS) Grants. As such no stock account is being maintained for the same. However, POS machines are issued to FPS dealers by retaining Security deposits at a specific rate.
8. No physical/technical assessment of assets has been made during the current financial year, to know impairment.
9. Funds received from the Government of Odisha for implementing different schemes are accounted for and shown under separate heads like "Corpus Fund", "Digitization of Ration Card", "End-to-End Computerisation", "Capital Assets for PDS", "DFID-OMEGA Account", "Fair Price Automation" and "Millet Mission" etc. under other long term liabilities. OSCSC submits Utilisation Certificate (UC) to the funding agency for expenditure incurred, from time to time, and in the case of some of the schemes, there



**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD. (OSCSC)
C/2,NAYAPALLI,BHUBANESWAR-12**

is difference in the year-end balance and utilisation certificates balance appearing in the accounts which is under reconciliation.

10. The funds received under different schemes are generally deposited in the bank account of the company except in cases where there is a specific direction from the funding agency for parking the funds under the scheme in the Fixed/Flexi account. Interests accrued out of the Term deposits (Fixed/Flexi) are kept in banks out of such funds and credited to the scheme, and expenditure is debited to the respective Schemes.
11. Considering the nature and substance of the transactions debit balance has been set off against credit balance & vice versa in case of some accounts shown under other long-term liabilities, trade payables, other current liabilities, trade receivables, short term loans, and advances, and other current assets. Mostly balances are brought forward from earlier years which are under reconciliation. Hence, provision/write-off or write back has not been considered necessary till the reconciliation process is complete.
12. Debit balance appearing in certain heads of accounts like Earnest Money Deposit (EMD), Security Deposits (SD), and Withheld is in the process of reconciliation. Necessary rectifications in such account heads will be made only after reconciliation is complete.
13. Balance appearing in Remittance in transit, different advances, loans and advances, current assets, other long-term liabilities, and current liabilities which are either due to or from outsiders more particularly Dues from FCI and Dues to Jute commissioners are lying unconfirmed and unreconciled.
14. Some Bank Accounts of the districts and paddy purchase centers, Inter-district stock transfer, Purchase of Paddy at DPC, Millers Accounts, and Gunny Accounts with millers have not been reconciled. The impact of such non-reconciliation will be given effect in the accounts of the subsequent period only after reconciliation.
15. Certain Assets & Liabilities, Advances & Deposit as of 31st March 2017 have been identified by the Management as old, dormant, un-reconciled & unconfirmed. The reconciliation of the aforementioned head of accounts has already been entrusted to the professional or Chartered Accountant (CA) firms and necessary accounting effects will be given on receipt of their reports.
16. As per the Decision of the Government of Odisha, the Primary Agricultural Cooperative Society (PACS) have been engaged in the purchase of paddy on behalf of the company. The paddy delivered to custom millers of OSCSC Ltd by PACS is accounted for as "Purchase of Paddy" from Kharif Marketing Season (KMS) 2016-17 and onwards; the dues from the farmers against paddy procured are paid by way of transfer of funds to bank accounts of farmers from the account of the company maintained at OSCB. The difference between the cost of paddy purchased till 31st March 2020 and the amount debited to our account at OSCB has been disclosed as "MSP Payable" which is under reconciliation.
17. OSCSC has been using godowns constructed under the scheme "PEG 2009" of GOI since 2011. These godowns constructed by CWC (1,62,500 MT) and OSWC (97,000 MT) under the above-said scheme are used for storage of CMR & Wheat. Food Corporation of India



**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD. (OSCSC)
C/2,NAYAPALLI,BHUBANESWAR-12**

makes payment to the agencies and as per the provisions in the scheme, the storage rent for these godowns is reimbursed by GOI to FCI. Hence no expenditure has been booked in the accounts.

18. OSCSC has utilised eleven (11) godowns each 5000 MT constructed under Central PEG 2009 2nd Phase for storage of CMR and wheat. The rent is booked under godown rent and as per the scheme, the rent is reimbursable by FCI on behalf of GoI.
19. It was decided by management to let out/handover small & unscientific godowns on a rent basis to Govt. of Odisha in 2020. However, such let-out/handover has not yet been given effect.
20. The extra cost on Transportation charges receivable from FCI due to lifting of stock other than the base depot is accounted for on a cash basis.
21. Certain income like shortage value received from Transport contractors, employees, and others cost, cost of new gunny recovered, and recovery of gunny cost, and sales of empty bags and its recovery have been accounted for on cash basis.
22. Application support & Maintenance expenses of recurring nature have been incurred after the implementation of SAP/ERP. Such expenditure is towards providing handholding support & providing necessary guidance to the company employees to maintain Accounts through SAP.
23. The accounts of the Company maintained in SAP/ERP have been partially integrated with different application modules namely Paddy Procurement Automation Systems (PPAS), Delivery Certificate Module (DC) & Supply Chain Management System (SCMS). Purchase Account of Paddy, Stock Account of Paddy & CMR with Custom Millers, and Stock account of Rice & Wheat at RRCs are based on reports of these applications & Modules.
24. Ninety-four (94) Orissa Public Demand Recovery Act (OPDR) cases have been initiated against Defaulting Custom Millers and the balance amount to be recovered and under dispute is Rs 1,41,78,97,560.06.
25. A sum of Rs Rs 33,57,261/- and Rs 93,00,341/- have been demanded by the sales tax department, Govt of Odisha towards interest and penalty respectively under OVAT Act for delayed deposit of Tax. The matter is under appeal before the sales tax Tribunal Odisha, Cuttack. Against the above-disputed dues, the company has deposited a sum of Rs 3,35,726/- towards a provisional deposit of tax.
26. The company has received a refund vide intimation issued under 143 (1) of the Income Tax Act, 1961 for Assessment Year 2018-19 and 2019-20 for Rs 54,48,780/- and Rs 1,00,63,050/- respectively. Subsequently, the company received a rectification order under 154 of the Income Tax Act, 1961 for the above Assessment Years for an excess refund of Rs 14,75,030/- and Rs 35,62,553/- respectively, and the same has been paid by the company.
27. The amount paid/payable to the Statutory Auditors.
 - a) As auditors:-



**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD. (OSCSC)
C/2,NAYAPALLI,BHUBANESWAR-12**

Sl. No	Particulars	Current Year (Excluding GST)	Previous Year (Excluding GST)
1	Towards Statutory Audit Fees	Rs.5,00,000/-	Rs.5,00,000/-
2	Towards reimbursement expenses	Rs. 50,000/-	Rs. 50,000/-
3	For Tax Audit	-	Rs. 50,000/-
4	For GST Audit	-	Rs. 75,000/-
5	Total	Rs 5,50,000/-	Rs 6,75,000/-

b) As an advisor or in any other capacity in respect of:

Sl. No	Particulars	Current Year	Previous Year
1	Taxation matters	Nil	Nil
2	Company Law matters	Nil	Nil
3	Management Services	Nil	Nil

28. Related party transactions: As per the requirement of Part-II of Schedule III of the Companies Act, the detail of managerial remuneration for the year is as below.

a) Remuneration by way of Salary & Allowances to Managing Director:

Sl. No	Particulars	Current Year	Previous Year
1	Remunerations	Rs. 17,42,242/-	Rs. 18,51,906/-

b) Remuneration by way of Salary of FA & CAO (Director):

Sl. No	Particulars	Current Year	Previous Year
1	Remunerations	Rs. 17,14,968/-	Rs. 17,82,506/-

c) Sitting Fees paid to Directors:

Sl. No	Particulars	Current Year	Previous Year
1	Sitting Fees	1,40,000/-	1,60,000/-

29. The indirect method as prescribed in AS-3 has been followed in the preparation of the Cash Flow Statement.

30. Dues to suppliers registered under the Micro, Small, and Medium Enterprises Development (MSMED Act 2006) included in Trade payable have not been identified by the company.

31. Segment Reporting (AS-17) does not apply to the company, since the company is dealing with food grains only.

32. Figures and notes relating to the previous year have been regrouped, rearranged, or reclassified wherever necessary to make them comparable with that of the current year.

33. All the figures in the statement of accounts have been rounded off to the nearest rupee.

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-3.1: SHARE CAPITAL

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Authorised		
150000 Shares of Rs.1000/- each	15,00,00,000f	15,00,00,000f
Issued, subscribed & paid up		
110332 Shares of Rs.1000/- each fully paid up	11,03,32,000	11,03,32,000
Total	11,03,32,000	11,03,32,000

Name of the Shareholder	No. of Shares Held (Face value of Rs.1000 each) % of Total Shares	No. of Shares Held (Face value of Rs.1000 each) % of Total Shares
Hon'ble Governor of Odisha	110332	100
<p>The Corporation has only one class of shares referred to as equity shares having a par value of Rs.1000/-. Each holder of equity shares 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 amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		

For SDR & Associates
Chartered Accountants

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Partner
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Company Secretary

sd/-
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Director

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(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-3.2: RESERVES & SURPLUS

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
A. Surplus in Statement of Profit & Loss		
Opening Balance	2,99,71,296	2,99,71,296
Profit for the year	-1	-1
Closing Balance	2,99,71,296	2,99,71,296
B. Capital Reserve		
Opening Balance	13,98,75,063	6,89,68,198
Add During the Year	4,08,63,203	8,82,89,267
Less Written Back/Adjusted during the Year	54,34,430	1,73,82,402
Closing Balance	17,53,03,837	13,98,75,064
Total (A + B)	20,52,75,133	16,98,46,360

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
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General Manager (Accts)

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(R.K.Kar)
Company Secretary

sd/-
(Janmejoy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-4.1: OTHER LONG TERM LIABILITIES

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Security Deposit Received		
Security Deposit from Ex SA/C.Millers/Tr.Cont	28,12,43,274	20,02,62,942
Security Deposit for Godown-PEG	1,22,43,000	1,76,18,000
Security Deposit from Gas Agency	26,49,199	28,01,186
Security Deposit for Cylinder	2,46,61,433	2,25,59,153
Security Deposit from FPS for POS Machine	9,12,27,515	8,92,51,445
Security Deposit for P.PASS	1,93,982	1,93,982
Initial Security Deposit-ISD	17,567	36,815
Additional Performance Security-APS	2,129	16,497
Security Deposit received from Others	27,58,648	15,42,311
Earnest Money Deposit - EMD	8,88,64,501	3,34,07,150
Performance Guarantee fee from ERP-SAP Vendor	17,40,400	17,40,400
Schematic Fund Received From Govt.		
End to End Computerisation	3,81,47,770	6,64,82,969
Digitization of Ration Card	33,11,86,333	29,17,19,704
FPS Automation	42,89,87,603	38,88,88,076
FPS Automation-License		20,00,000
Market Intervention Fund	86,15,54,020	80,00,06,073
Village Grain Bank Scheme	3,82,625	3,82,625
DFID (OMEGA)	6,60,68,394	6,60,68,394
VGF for State PEG	9,84,37,500	4,50,29,582
Creation of Capital Assets	8,82,23,537	12,90,86,740
Amount Received From Govt for Cap Storage	93,25,710	93,25,710
Ineligible Ration Card Holders	14,39,46,665	14,57,03,328
Special Draught Assistance-SDA	2,76,93,566	1,49,14,360
MI Sectorial Office	5,64,000	5,64,000
Corpus Fund	14,90,14,850	14,23,58,329
Relief	27,97,54,200	27,23,72,354
IEC-Information, Education & Communication	1,43,86,730	1,02,95,836
Strengthening of Price Monitoring Cell	1,19,504	
Consumer Welfare Sch.-Fortified Rice-PDS-GOO	7,45,13,440	
Total	3,11,79,08,097	2,75,45,21,337

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-5.1: SHORT-TERM BORROWINGS

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
From Bank- Secured		
Short Term Loans	24,99,99,98,693	25,02,81,73,745
Cash Credit Loan	1,02,88,61,36,009	82,64,75,00,580
Total	1,27,88,61,34,702	1,07,67,56,74,325

Note: The above loan is secured against hypothecation of stock of Paddy and CMR of OSCSC at millers premises and at RRC and Subsidy receivable from Govt.of India and Govt.of Odisha.

For SDR & Associates Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

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(Bibekananda Das)
General Manager (Accts)

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Company Secretary

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Director

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(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-5.2: TRADE PAYABLES

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Sundry Creditors-Suppliers-Goods		
MSP Payable to Farmers	50,05,76,719	68,19,10,536
Dues to FCI	3,14,983	
Dues to Jute Commissioner	68,69,62,525	96,70,58,173
Dues to Kerosine Oil Vendor	75,655	10,29,446
Suppliers Bills Payable	77,27,441	68,04,310
Sundry Creditors-Suppliers-Services		
Dues to Custom Millers	2,37,14,29,903	2,42,03,71,414
Dues to Transport Contractors	67,92,11,192	71,89,17,793
Dues to Handling Contractor	8,88,91,645	9,19,15,246
Dues to Mandi Handling Contractor	12,67,355	
Dues to PACS	4,99,98,01,871	3,59,72,07,303
Dues to WSHG	14,20,54,136	11,31,61,579
Dues to Pani Panchayat	3,77,432	2,62,551
Godown Rent Payable	30,04,59,532	25,94,50,905
Dues to Storage Agents(SA)	18,66,07,438	18,65,10,598
Dues to RMC	4,33,13,73,998	2,51,93,91,164
Holding Charges	4,41,03,594	4,42,08,745
NSIC		1,79,44,450
Dues to Other Agencies	8,79,19,419	8,79,19,419
Dues to SA cum GA	85,16,482	91,29,307
Others Service		32,14,760
GST Payable		5,10,182
Excess/Short Deposit from FPS	48,59,952	48,59,530
Agent Money Dep.by Agent by order of High Cou	4,91,938	4,91,938
Advance from Sugar Mill	8,18,40,593	8,18,40,593
Differential Cost to be settled	43,53,340	43,53,340
Dues to MI	35,40,342	35,40,342
Total	14,53,27,57,485	11,82,20,03,623

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

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Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-5.3: OTHER CURRENT LIABILITIES

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Dues to Dept./Govt./Govt.Agencies		
Dues to BDO	1,68,347	1,17,180
Dues to DRDA	3,53,19,696	3,53,19,696
Dues to DSWO	9,07,70,138	9,07,70,138
Dues to Collectors	8,04,94,324	8,04,94,324
Dues to FS & CW Deptt.	17,28,58,684	17,28,58,684
Advance from Govt./Govt.Agencies		
Advance Received from Collector on Relief A/c	8,52,61,112	8,52,61,112
Advance Received from FS & CW Deptt.	12,68,960	12,68,960
Advance Received from A&FE Dep-Millet Mission		33,00,000
Advance Received from EO Relief	60,08,853	49,57,811
Advance Received from Desk Officer	1,95,818	1,95,818
Advance Received From CSO	5,03,456	5,03,456
Advance Received from BDO	64,33,272	54,99,220
Advance Received from DSWO	2,67,49,132	2,67,49,132
Advance from DRDA	24,48,302	24,48,302
Advance from Govt.for SC/ST Rice	4,72,03,806	
Trade Advance From Storage Agents,FPS &Others	1,46,88,61,729	1,49,50,79,001
Withheld Amount Refundable	50,22,01,955	48,48,19,476
Recoveries from Employees	2,16,241	17,81,151
Recovery Cost of POS Machine	33,500	33,500
Auction Sale of Paddy Under Dispute	2,01,03,255	2,01,03,255
EPF	19,58,373	27,51,633
PRAN	1,62,821	13,80,852
Gratuity Received from LIC	71,92,757	18,31,694
Professional Tax	6,15,824	7,04,226
Salary Payable	43,69,69,098	22,79,95,665
Bonus Payable	1,21,266	1,21,266
Revolving Fund from Govt.	1,28,40,610	1,28,40,610
Stale Cheque	8,19,790	9,13,490
Excess Credit by Bank	9,09,030	9,09,030
Dues to Service Provide Agency	1,85,09,940	2,74,40,117
House Rent Payable	11,693	8,43,093
SICA	2,573	2,573
Cess/Royalty	4,433	17,713



Seized Stock on Paddy	1,63,328	1,63,328
RM Payable to FPS	1,17,33,333	1,17,33,333
Dues to RCMS	43,300	43,300
Dues to Roller Flour Mill	89,47,674	89,47,674
Dues to PPC Staff	57,291	57,291
Dues to PMU	28,66,416	28,66,416
Dues to Godown Supervisor	15,21,430	15,21,430
Dues to NSIC	5,51,23,558	
Dues to Others Service	65,39,809	
Liabilities for Expenses	64,48,29,837	66,36,63,581
GST Payable	20,16,135	
TDS Payable	17,04,02,562	4,49,66,714
TDS on GST Payable	80,03,144	1,31,53,662
Other Liabilities & Deduction	3,73,796	
Control Account A/c (5.3A)	1,43,30,17,196	1,43,30,17,196
Total	5,37,25,31,957	4,96,94,46,105

For SDR & Associates
Chartered Accountants

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Annexure to Note- 5.3(A)

Particulars	As at 31.03.2020 (In Rs)	
	DEBIT	CREDIT
Angul Control A/C	1,25,92,92,735	
Baleswar Control A/C	1,36,38,38,252	
Baragarh control A/c	12,50,30,92,338	
Bhadrak control a/c	5,82,43,53,424	
Bolangir control a/c	6,87,27,13,515	
Boudh control a/c	1,89,89,53,202	
CSO Control A/C	1,58,87,633	
Cuttack control a/c	1,66,13,16,080	
DPC control a/c	1,28,68,709	
Deogarh control A/c	1,45,26,12,881	
Dhenkanal Control A/c	1,69,57,46,431	
District Control A/c		54,72,03,00,593
District Sublimit A/c		1,16,50,680
Gajapati control a/c	2,18,68,58,314	
Ganjam control a/c	7,32,65,71,993	
Govt. Control A/C	4,50,000	
Head Office Control Reconciliation A/c	45,27,324	
Head office control A/c		60,58,30,87,494
Inter Bank Transfer		12,42,28,727
Inter unit Adjustment	5,07,72,314	
Jagatsinghpur control A/c	1,35,32,23,973	
Jajpur control A/c	1,94,12,54,533	
Jharsuguda control A/c	1,56,02,83,068	
Kalahandi control A/c	9,79,69,21,724	
Kandhamal Control A/c	2,27,78,856	
Kendrapada control A/c	1,26,18,68,154	
Kendrapara District Control Reconciliation A/c		13,291
Keonjhar control A/c	4,13,64,43,865	
Khurda District Control Reconciliation A/c		27,282
Khurda control A/c	1,17,38,22,056	
Koraput control A/c	5,78,90,65,260	
M.V.Control A/C	31,81,946	
MFPS Control A/C		2,78,59,733
Malkangiri control A/c	4,06,82,03,768	
Mayurbhanj Control A/c	2,23,24,59,239	
Nabarangapur control A/c	4,42,56,26,236	



Nayagarh control A/c	2,75,79,74,338	
Nuapada control A/c	2,22,38,44,451	
Phulbani control A/c	1,08,66,63,009	
Procurement Control A/C	18,71,28,030	
Puri control A/c	1,60,90,90,309	
Rayagada control A/c	6,52,92,89,793	
Remittance with in corporation chuda		6,94,000
Remittance with on Corporation Dal	1,99,995	
Remittance with on Corporation P.oil		21,21,08,887
Remittance with on Corporation Potato	28,640	
Remittance with on Corporation Rice		12,28,967
Remittance with on Corporation Sugar		2,77,19,999
Remittance with on Corporation Wheat		2,25,34,991
Sambalpur Control A/C	6,70,98,25,693	
Sonepur Control A/C	6,81,42,78,023	
Sundargarh Control A/c	4,48,42,89,610	
Transfer of funds	8,37,734	
Total	1,14,29,84,37,449	1,15,73,14,54,645
NET		1,43,30,17,196

**For SDR & Associates
Chartered Accountants**

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note- 5.4: SHORT-TERM PROVISIONS

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Provision for Audit Expenses	1,09,67,053	88,90,933
Provision-Leave Salary & Pension Contribution	1,35,96,242	1,10,63,408
Total	2,45,63,295	1,99,54,341

For SDR & Associates
Chartered Accountants

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note- 6: FIXED ASSETS

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Tangible Assets		
Gross Block	63,81,49,123	56,70,53,305
Less: Cumulative Depreciation	29,52,67,079	27,96,66,240
Capital-Work-In Progress	2,60,29,442	1,93,39,160
Total	36,89,11,486	30,67,26,224

For SDR & Associates

Chartered Accountants

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.

(A Government of Odisha Undertaking)
FIXED ASSET STATEMENT FOR THE F. Y. 2019-20

Note - 6 Fixed Assets

(Figures in Rs)

Sl. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Original Cost	Addition during the year	Sold during the year	TOTAL	Up to 31.03.2019	For the year	Sold during the year	TOTAL	As at 31.03.2019	As at 31.03.2020
1	Leasehold-Land	2,24,888			2,24,888	90,718	2,499		93,217	1,34,170	1,31,671
2	Office Building	1,23,32,941	49,54,195		1,72,87,136	54,47,499	1,40,858		55,88,357	68,85,442	1,16,98,779
3	Office Building-CCA	5,42,94,182	4,08,63,203		9,51,57,385	14,91,621	11,78,909		26,70,530	5,28,02,561	9,24,86,855
4	Godown	22,98,08,193	4,96,588		23,03,04,781	10,33,58,816	23,54,042		10,57,12,858	12,64,49,377	12,45,91,923
5	Godown-CCA	4,38,68,713			4,38,68,713	56,30,442	6,38,629		62,69,071	3,82,38,271	3,75,99,642
6	Plant & Machinery	19,09,827	2,45,342		21,55,169	13,02,523	53,118		13,55,641	6,07,304	7,99,528
7	Plant & Machinery-CCA	1,21,87,841			1,21,87,841	36,95,027	6,49,189		43,44,216	84,92,814	78,43,625
8	Furniture & Fixtures	2,55,64,634	4,11,388	19,435	2,59,56,587	1,98,93,274	6,24,846	15,037	2,05,03,082	56,71,360	54,53,505
9	Office Equipment	3,23,50,880	16,15,059		3,39,65,939	2,64,62,595	14,60,007		2,79,22,602	58,88,284	60,43,337
10	Office Equipment-CCA	26,81,524			26,81,524	26,71,341			26,71,341	10,183	10,183
11	Electrical Installations	38,95,551			38,95,551	13,86,015	3,03,672		16,89,687	25,09,536	22,05,864
12	Vehicle/Motor Cars	7,60,68,420		24,70,011	7,35,98,409	7,48,76,595	1,44,244	24,55,234	7,25,65,605	11,91,825	10,32,804
13	Bicycle	10,892			10,892	10,064	313		10,377	828	515
14	Computers	3,42,81,849	49,83,167		3,92,65,016	2,69,75,771	33,98,488		3,03,74,258	73,06,078	88,90,757
15	Computers-Network, Server & Software	3,75,72,971	2,00,16,323		5,75,89,294	63,73,939	71,22,297		1,34,96,237	3,11,99,032	4,40,93,057
16	Asset Under Construction-CWIP	1,93,39,160	66,90,282		2,60,29,442					1,93,39,160	2,60,29,442
	TOTAL	58,63,92,465	8,02,75,547	24,89,446	66,41,78,565	27,96,66,240	1,80,71,110	24,70,272	29,52,67,079	30,67,26,224	36,89,11,486
	Previous Year	51,50,29,396	7,27,56,011	13,92,942	58,63,92,465	26,63,65,474	1,46,72,015	13,71,248	27,96,66,240	24,86,63,922	30,67,26,224

For SDR & Associates
Chartered Accountants

sd/-

(CA S.K. Sahoo)
Partner

Memb.No: 056068

sd/-

(Bibekanda Das)
General Manager (Accts)

Company Secretary

sd/-

(R.K.Kar)

Company Secretary

sd/-

(Janmejoy Jena)
Director

Managing Director

sd/-

(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-7.1: NON-CURRENT INVESTMENTS

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Investments-OCCF (Unquoted: 1000 equity shares of Rs.1000/- each of OCCF fully paid)	10,00,000	10,00,000
Total	10,00,000	10,00,000

Note: The market value of investment is not known as the shares are unquoted. Diminution in value of shares if any is not ascertainable. Accordingly value of shares is stated at cost. No dividend has been received during the year.

For SDR & Associates Chartered Accountants

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-8.1: INVENTORIES

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Rice	88,84,156	24,37,173
Wheat	1,14,78,321	13,72,998
Sugar	4,89,395	4,89,395
New Gunny Bales	1,73,70,16,117	80,09,68,041
Kerosine Oil	5,30,976	2,72,997
Old Empty Gunny bags	1,87,447	58,368
CMR with Custom Millers	13,28,65,61,836	9,07,62,73,095
CMR at Godown (RRC)	11,86,89,59,921	20,03,43,47,811
Paddy with Custom Millers	51,77,43,48,829	35,59,67,77,573
Gas Refills	18,73,573	15,03,264
Gas Accessories	2,36,231	2,62,843
Stock in Transit-CMR	1,22,49,749	1,09,50,644
Stock in Transit-Paddy	5,55,15,558	
Stock in Transit-Wheat	5,49,139	
Total	78,75,88,81,246	65,52,57,14,202

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-8.2: TRADE RECEIVABLES

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Less than SIX Months (Unsecured)		
Dues from-FCI	6,15,36,73,480	25,40,97,502
Annapurna Scheme A/c	39,15,77,189	40,77,01,531
More than SIX Months (Unsecured)		
Others	6,05,770	6,05,770
Dues from FPS	2,79,92,879	2,79,92,879
Dues from FCI	7,50,23,79,598	7,24,82,82,095
Amount Receivable from MARKFED	1,44,812	1,44,812
Total	14,07,63,73,727	7,93,88,24,589

Note: Trade Receivables for Rs. 6,05,770/- relates to sale of Petrol, Oil and Lubricants made to various Govt. dept. & agencies and thus not considered as bad & doubtful debts.

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-8.3: CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Cash in Hand	84,06,487	68,96,344
Cash at Bank	96,86,41,797	1,65,59,44,185
Fixed Deposit	1,01,75,04,156	95,31,54,246
Corpus Fund (Saving Flexi A/C)	25,400	25,641
Punjab & Sind Bank Savings Flexi A/c	13,52,437	10,00,000
PNB-Bank Savings Flexi A/c (Kolkata-JC)	2,04,23,00,000	1,44,28,50,000
Bank Drafts in Hand	9,73,501	5,97,265
Remittance in Transit	31,24,36,313	44,18,00,382
Outstanding Sale proceeds	4,60,70,436	5,45,66,130
Total	4,39,77,10,528	4,55,68,34,193

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-8.4: SHORT TERM LOANS AND ADVANCES

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Adv.for Const./Renov.of Godown/Off.Building	3,94,54,925	3,93,76,525
Advance for Creation of Capital Asset	70,40,388	4,69,81,586
Advance for NFSA Expenses	4,80,54,747	4,78,43,196
Advance for SFSS Expenses	3,55,52,862	3,51,42,651
Advance for PEETHA Expenses	4,02,750	4,02,750
Advance for IEC Expenses	1,84,89,573	
Security Deposit	2,10,39,415	2,04,68,776
Advance to Employees	10,09,36,697	9,50,41,412
Advance to RRC	10,000	10,000
Advance to MFPS	50,000	50,000
Advance to/from BDO	4,13,072	4,13,072
Advance for Legal & Professional fees	8,01,750	6,90,750
Provisional Deposit with Sale tax Deptt.	3,35,726	3,35,726
Advance to Secy.RWCC Store	10,38,259	10,38,259
Advance to OSWC	4,20,25,468	4,20,25,468
Advance to OSWC for Storage&Reservation	30,96,000	30,96,000
Advance to FS & CW Dept.		8,70,166
Pipeline A/c	11,09,476	11,09,476
POSB A/c	2,11,823	2,11,823
Stolen Cheque	59,90,525	59,90,525
Income Tax	3,10,33,610	4,56,28,710
Amount Receivable from Employees	5,43,270	5,43,270
Amount Receivable From Insurance.Co	7,99,069	9,99,959
Amount Recoverable From R.Pattnaik,SA,KHURDA	31,640	31,640
Amount Recoverable From T.Roy,SA,Khurda	47,571	47,571
Amount Recoverable from CWC-Junagarh	13,83,171	13,83,171
Dues from MDM Contractor	1,55,929	1,55,929
Corporate Tax		3,21,83,015
GHIP-Group Health Insurance Premium	50,41,978	14,70,450
Advance for PDS Training	15,818	21,000
Total	36,51,05,513	42,35,62,877

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-8.5: OTHER CURRENT ASSETS

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Advance Subsidy	40,63,26,60,367	37,90,01,97,686
Amount Receivable from Govt./Govt.Agencies		
Amount Receivable from DRDA	47,49,424	47,49,424
Amount Receivable from OSWC	59,33,394	59,33,394
Amount Receivable from SRC	1,19,23,972	1,13,24,503
Amount Receivable from DSWO	1,06,78,374	1,06,78,374
Amount Receivable from Emergency Officer	4,62,56,519	4,62,56,519
Amount Receivable from Collector(Dues fr.Col)	14,36,93,868	14,36,93,868
Amount Receivable from Revenue Deptt.	37,07,453	37,07,453
Amount Receivable from FS & CW Deptt.	2,56,437	2,56,437
Amount receivable from Govt.for NFSA	2,78,90,28,000	2,51,78,05,832
Amount receivable from Govt.for S.C.A.	9,15,30,037	7,87,50,831
Amount Receivable from W&CD Deptt.	3,49,55,210	3,49,55,210
Amount Receivable-A&FE Dept-Millet Mis.-RAGI	12,12,034	
Amount Deposited with Reg.Hon'ble High Court	1,97,17,287	1,97,17,287
Amount Receivable From FCI-PEG	12,39,65,386	12,39,65,386
Advance to Suppliers-Goods		
Advance to FCI - Rice	17,55,94,640	17,55,94,640
Advance to FCI - Wheat	13,24,01,968	7,27,04,885
Advance to FCI - Sugar	84,47,771	84,47,771
Advance to FCI-SRM	49,38,72,940	49,38,72,940
Advance for Kerosine Oil	79,71,692	79,71,692
Advance to BPCL	1,80,75,838	1,52,41,243
Advance to HPCL	15,63,800	15,35,319
Advance to DGS&D(GUNNY)	2,37,19,917	2,37,19,917
Advance to TDCC	3,10,65,449	3,10,65,449
Advance to STC I	10,59,554	10,59,554
Advance to NAFED	5,187	5,187
Advance to Suppliers-Services		
Advance to PACs	42,96,95,847	42,96,95,847
Advance to Custom Miller	27,44,965	27,40,965
Advance to Transport Contractor Level-I	1,47,64,457	2,22,64,457
Advance to Transport Contractor Level-II	19,229	
Advance to Transport Contractor State Level	84,00,000	65,00,000
Advance to Mandi Handling Contractor	53,89,837	53,89,837



Advance to Transport Contractor-Gunny Bales		10,00,000
Advance Against Godown Rent-Godown Lessors		25,80,000
Advance Against Others	8,21,42,529	28,54,603
Advance to Others		
Advance to S.A. for RM on A.P.Rice	4,39,590	4,39,590
Advance to S.A.(Storage Agent)	348	348
Advace to SDO(Electrical)	1,23,339	1,23,339
Advance to R & B for Cap Storage	25,43,700	25,43,700
Advance to General Vendor	15,84,975	24,750
Dues from Transport Contractor	3,64,804	3,99,677
Dues from-Storage Agents (SA)	7,16,89,325	7,16,89,325
Dues from Millers	13,78,61,660	13,78,61,660
Dues from CSO	2,49,713	2,49,713
Dues From Suppliers	58,990	58,990
Dues From Handling Contractor	66,899	66,899
Amnt Receivable-Custom Millers for Insurance	6,13,40,796	6,13,40,796
TC on Paddy Receivable from FCI	3,36,77,98,488	2,46,48,76,177
TC on CMR Receivable from FCI	1,91,69,70,302	1,44,75,80,330
Refund-Auction Sale Phalin affect sugar&wheat	24,217	24,217
Misappropr.Stock/Shortage value Recoverable	1,78,34,58,376	1,79,48,16,086
Gunny Cost Recoverable from Custom Millers	1,39,000	1,39,000
Excess Payment	15,23,270	14,12,002
Sugar Claim receivable from FCI	50,46,38,380	50,46,38,380
ESI	1,24,377	1,24,377
Suspenses A/c	37,70,672	37,70,672
TDS-Receivable	56,11,681	2,54,18,114
Interest Receivable on Income tax Refund		1,34,94,386
Interest Receivable from PNB Flexi A/c	92,23,490	3,52,70,932
Refund of Advance	11,000	11,000
GIS	43,82,714	43,82,714
GPF	26,90,688	28,19,370
LIC	10,84,768	10,96,659
ORHDC	1,26,730	1,26,730
NSA A/c	1,25,200	1,25,200
Dues from-Sales Asst.cum Godown Asst.	20,31,451	20,31,451



Wrong Debit/Credit	4,21,700	4,21,700
Bank Loan/Flood Loan-Staff	5,01,211	5,01,211
GST Receivables	8,56,455	
Pre-Paid Expenses	4,24,78,478	
Total	53,28,15,20,169	48,76,91,16,005

**For SDR & Associates
Chartered Accountants**

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-9: REVENUE FROM OPERATIONS- SALES

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Sale of Rice	2,55,29,54,796	2,52,63,81,961
Sales of Damaged Rice	3,32,535	
Sale of Wheat	27,45,74,600	28,71,57,281
Sale of Kerosine Oil	1,85,60,339	1,97,45,370
Sale of Rice to FCI	57,09,45,53,452	32,24,27,09,444
Sale of Relief Goods	2,65,22,39,276	20,61,65,697
Sale of GAS Items	16,99,76,089	18,31,13,285
Total	62,76,31,91,087	35,46,52,73,037

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-10: OTHER INCOME

Particulars	As on 31.03.2020	As on 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Storage and Warehousing Charges	2,13,440	4,29,08,927
Audit Recovery	4,46,38,497	1,02,26,302
Shortage Value	12,06,14,194	4,77,03,874
Interest Received from Bank on Deposits	3,89,21,857	10,07,19,841
Bank Charges-Received	58,73,141	24,22,254
Value Cut on CMR	8,52,86,574	6,32,52,564
Cost of New Gunny Recovered	3,49,138	25,28,664
Gunny Cut(FCI)		10,056
Other Receipt-Relief	16,56,12,024	4,75,663
Other Recovery	3,18,734	1,04,823
Miscellaneous Receipt	96,45,600	24,58,499
Auction Sales	2,93,24,285	
Capital Subsidy Written back	54,34,430	1,74,15,211
Sale of Empty Gunny	5,07,223	15,57,463
TC Received	50,262	
Demurrage Charges Received		4,45,000
Interest on HBA	37,72,654	11,80,833
Interest on IT Refund	3,35,518	
Sale of Tender Paper	1,04,47,490	35,69,240
sale of Ration Card	1,04,385	
Sale of Damaged CMR		41,10,136
Sale of Damaged Gunny	1,07,440	
Sale of Damaged Wheat		74,400
Penalty Recovered	2,18,093	3,66,294
RTI Fees	3,928	33,493
Weightment charges	2,66,475	2,78,354
Central Assistance on FPS Dealers' Margin	95,53,13,000	80,11,92,000
Intra State Transport Charges-GOI Scheme	51,86,68,000	51,38,55,000
TC, Handling & Storage Charges for AP Scheme	76,42,058	
Retailers Margin for AP Scheme	3,81,014	
Admin.Charges for AP Scheme	11,63,291	
Adminstrative Charges	1,32,182	17,64,381



Insurance on Paddy	83,123	1,45,69,060
Insurance Claim Received	32,000	27,100
Profit on Sale of Assets	3,55,069	1,87,326
Prior Period Income	11,98,143	15,33,28,113
Total	2,00,70,13,263	1,78,67,64,872

**For SDR & Associates
Chartered Accountants**

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-11: CHANGE IN INVENTORIES

Particulars	F Y 2019-20	F Y 2018-19
	Amount(In Rs)	Amount(In Rs)
Opening Stock		
Rice	24,37,173	1,70,97,286
Wheat	13,72,998	1,84,95,095
Sugar	4,89,395	4,89,395
New Gunny Bales	80,09,68,041	91,18,49,083
Kerosine Oil	2,72,997	1,68,871
Old Empty Gunny bags	58,368	2,13,751
CMR with Custom Millers	9,07,62,73,095	6,94,25,82,339
CMR at Godown (RRC)	20,03,43,47,811	9,49,04,58,743
Paddy with Custom Millers	35,59,67,77,573	17,78,29,03,651
Gas Refills	15,03,264	6,95,889
Gas Accessories	2,62,843	2,23,450
Stock in Transit-CMR	1,09,50,644	3,33,78,626
Stock in Transit-Paddy		2,80,873
Stock in Transit-Wheat		4,92,665
A.Sub Total	65,52,57,14,202	35,19,93,29,717
Closing Stock		
Rice	88,84,156	24,37,173
Wheat	1,14,78,321	13,72,998
Sugar	4,89,395	4,89,395
New Gunny Bales	1,73,70,16,117	80,09,68,041
Kerosine Oil	5,30,976	2,72,997
Old Empty Gunny bags	1,87,447	58,368
CMR with Custom Millers	13,28,65,61,836	9,07,62,73,095
CMR at Godown (RRC)	11,86,89,59,921	20,03,43,47,811
Paddy with Custom Millers	51,77,43,48,829	35,59,67,77,573
Gas Refills	18,73,573	15,03,264
Gas Accessories	2,36,231	2,62,843
Stock in Transit-CMR	1,22,49,749	1,09,50,644
Stock in Transit-Paddy	5,55,15,558	
Stock in Transit-Wheat	5,49,139	
B.Sub Total	78,75,88,81,246	65,52,57,14,202
Increase in Inventories(A-B)	13,23,31,67,044	30,32,63,84,486

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-12: PURCHASE OF STOCK IN TRADE

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Purchase of Paddy	1,21,89,96,30,139	1,07,09,31,72,803
Purchase of Rice	1,35,68,229	2,26,424
Purchase of Wheat	55,98,71,659	55,67,42,814
Purchase of Kerosine Oil	1,93,19,561	1,97,29,895
Purchase of New Gunny Bags	4,43,58,50,170	3,20,06,54,965
Purchase of Gas Items	15,84,78,470	17,11,47,959
Purchase of Relief Materials	2,33,67,529	
Total	1,27,11,00,85,757	1,11,04,16,74,858

For SDR & Associates
Chartered Accountants

sd/-	sd/-	sd/-	sd/-	sd/-
(CA S.K. Sahoo)	(Bibekananda Das)	(R.K.Kar)	(Janmejy Jena)	(Shubham Saxena)
Partner	General Manager (Accts)	Company Secretary	Director	Managing Director
Memb.No: 056068				



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-13: TRADE EXPENSES

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Transportation Charges		
Transport Charges	9,13,459	
TC on Rice	56,92,80,157	46,90,17,975
TC on Wheat	17,38,37,024	14,47,84,388
TC on Ragi	3,10,691	
TC on DAL	8,62,436	
H&TC Level-1 (Transportation Charges)	39,73,670	1,92,89,829
H&TC Level-2 (Transportation Charges)	13,17,19,122	17,33,02,494
Transportation charges on Rake movement	15,14,101	
TC on Gas	35,74,687	33,54,121
Inter District TC on CMR	26,59,91,720	51,54,27,178
TC to Relief Material	39,84,908	3,41,984
TC on K.Oil	1,13,823	58,423
Railway Freight	50,000	
Weighment Charges	18,21,111	21,87,334
Incidental charges	22,536	
Retailers Margin	1,59,81,59,503	1,54,51,64,089
Godown Rent	72,49,50,396	71,42,65,679
Loading & Unloading Charges	24,46,121	15,34,077
Handling Charges to Handling Contractors	36,03,35,157	34,49,95,469
Loading and Unloading on Gas	2,74,164	2,97,729
Insurance on Godown	36,70,911	23,14,540
Dunnage	11,70,000	16,97,500
Prior Period Expenses-Trade	12,40,250	6,19,20,776
Total	3,85,02,15,945	3,99,99,53,585

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-14: PROCUREMENT EXPENSES

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Commission to PACS	2,18,53,14,022	1,84,48,18,859
Commission to WSHG	4,83,28,934	16,533
Commission to Pani Panchayat	97,238	2,81,188
RMC Fees	2,43,79,99,651	2,14,62,92,306
Milling Charges	1,16,24,18,812	94,10,61,199
Mandi Labour Charges	34,25,85,690	62,16,95,658
Gunny Depreciation	9,06,95,761	17,35,75,215
Gunny Usage Charges	47,01,04,795	25,87,42,708
Gunny Cost to Custom Millers	1,28,887	3,02,13,376
Joint Custody & Maintenance Charges	39,90,45,124	29,11,04,751
TC On Paddy to Custom Millers	2,01,57,60,142	1,66,06,68,476
TC on CMR to Custom Millers	1,07,52,58,485	81,23,88,570
TC on Gunny	12,31,25,782	8,33,09,869
Handling Charges on CMR to Custom Millers	1,92,70,135	9,79,35,684
Driage		17,03,699
Other Procurement Expenses	29,970	1,22,520
Chemical Treatment Expenses	22,33,625	24,69,192
Quality Control Laboratory Expenses		22,308
Insurance on paddy	14,31,705	6,74,830
Prior Period Expenses-Procurement		2,67,415
Total	10,37,38,28,758	8,96,73,64,355

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-15: EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Pay & Allowances	95,63,08,270	44,83,84,333
CPF (Employer's Share & Admin.Charges)	6,88,07,543	5,64,24,220
CPF(OMC)	1,83,015	2,02,438
PRAN (Employer's Share)	78,41,239	55,53,926
Leave Salary & PC	2,27,78,593	75,76,138
Premium on Group Gratuity	8,67,96,098	14,44,986
Liveries to Staff	62,000	98,500
Training Expenses	11,763	1,45,787
Medical Expenses	2,29,263	2,49,513
Staff Welfare Expenses	37,20,334	2,42,955
Payment to Service Providing Agency-Man Power	10,19,23,841	8,35,74,389
Total	1,24,86,38,433	60,38,97,185

**For SDR & Associates
Chartered Accountants**

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR

(A Government of Odisha Undertaking)

Note-16: FINANCE COST

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Bank Charges	32,480	18,010
Interest on Bank Loan	7,97,52,67,416	5,11,85,65,398
Total	7,97,52,99,895	5,11,85,83,408

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

Note-17: ADMINISTRATIVE & OTHER EXPENSES

Particulars	As at 31.03.2020	As at 31.03.2019
	Amount(In Rs)	Amount(In Rs)
Administrative Charges	8,70,166	3,39,50,400
Audit Fees & Expenses	49,18,926	38,98,614
Rent & Taxes	7,48,303	5,71,583
Penalty on CPF to RPF	1,39,346	4,32,703
Penalty on ESI to ESIC	14,32,969	
Repair & Maintenance	1,41,89,339	1,05,69,546
Advertisement Expenses	1,85,07,967	62,83,204
Meeting Expenses	8,94,139	12,90,621
Books and Periodicals	75,363	71,231
Business Promotion Expenses	6,24,935	2,77,276
Computer Consumable	25,17,722	22,72,673
Electricity Charges	31,72,517	30,95,762
Fees & Fines	10,01,563	7,82,433
House Rent	7,31,480	5,67,350
Office Rent	8,74,478	7,38,902
Office Expenses	8,43,560	5,39,634
Printing & Stationery	61,84,828	55,94,493
Postage & Telegram	3,87,309	4,18,291
Misc. Expenses	3,08,257	6,49,701
Telephone Charges	52,54,024	46,44,616
Water Charges	41,257	43,700
Legal & Professional Fees	30,48,220	20,15,184
NFSA Expenses		3,45,560
PEETHA Expenses	1,60,702	3,63,600
IEC Expenses	75,22,750	
Application Support and Maintenance Expenses		
ERP/SAP	9,55,60,695	3,32,61,650
M-Governance	58,74,276	54,82,044
P-PAS	94,400	32,45,466
Integrated Food Odisha Portal	1,59,32,950	
GIS Application MMD		2,24,234
CPMU		54,12,070
Sitting Fees of Non-Official Director	1,40,000	1,60,000
Professional Tax-Trade	2,500	
Prior Period Expenses-Admin	91,803	17,59,383



Hire Charges Vehicle	1,41,25,037	1,30,18,983
Insurance On Vehicle	5,18,104	7,44,642
Insurance on Electrical Installation	1,574	
Petrol, Oil & Lubricants	1,00,43,585	1,15,02,843
Travelling Expenses (Including Directors)	19,85,739	28,11,574
Total	21,86,37,176	15,70,39,966

**For SDR & Associates
Chartered Accountants**

sd/- (CA S.K. Sahoo) Partner Memb.No: 056068	sd/- (Bibekananda Das) General Manager (Accts)	sd/- (R.K.Kar) Company Secretary	sd/- (Janmejy Jena) Director	sd/- (Shubham Saxena) Managing Director
-------------------------------------------------------	------------------------------------------------------	----------------------------------------	------------------------------------	-----------------------------------------------



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
(A Government of Odisha Undertaking)

CONSOLIDATED STOCK STATEMENT FOR THE YEAR 2019-20

VARIETY	OPENING BALANCE	RECEIPTS	TRANSFER RECEIPT	TRANSFER RECEIPT FROM MFPS	TOTALS	ISSUE	TRANSFER ISSUE	TRANSFER ISSUE TO MFPS	TRANSIT LOSS	SHORTAGE	STOCK IN TRANSIT	CLOSING BALANCE
Paddy-DPC & PACS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paddy - Millers	19,173,100.06	71,522,063.29	51,236.77	0.00	90,746,400.13	59,888,999.82	3,936,174.42	0.00	0.00	133,307.72	22,712.38	26,787,918.17
CM Rice-Millers	3,053,822.69	40,621,969.01	27,342.14	0.00	43,703,133.84	39,715,034.73	13,511.40	0.00	0.00	8,770.67	0.00	3,965,817.05
CM Rice-RRC	6,283,007.45	20,837,809.76	2,818,124.94	0.00	29,938,942.16	23,189,598.18	2,846,073.40	60,226.22	996.23	116,238.77	0.00	3,726,805.59
Rice (MFPS)	717.91	0.00	60,226.22	0.00	60,944.13	58,290.28	0.00	0.00	0.00	0.00	0.00	2,653.85
Rice (SA)	52.39	0.00	0.00	0.00	52.39	0.00	0.00	0.00	0.00	0.00	0.00	52.39
Wheat-RRC	6,667.50	2,796,556.42	29,939.70	0.00	2,833,163.62	2,735,906.98	29,937.64	10,453.15	56.02	285.86	2,745.69	56,579.99
Wheat (MFPS)	195.94	0.00	10,453.15	0.00	10,649.09	9,839.02	0.00	0.00	0.00	0.00	0.00	810.07
Wheat (SA)	1.73	0.00	0.00	0.00	1.73	0.00	0.00	0.00	0.00	0.00	0.00	1.73
Sugar-RRC (SA)	229.50	0.00	0.00	0.00	229.50	0.00	0.00	0.00	0.00	0.00	0.00	229.50
Gunny Bags (In Bales)	31,490.50	19,9964.00	0.00	0.00	225,454.50	1,588,601.14	0.00	0.00	0.00	0.00	0.00	66,594.36
Kerosene Oil	9,176.30	555,269.74	0.00	0.00	564,446.04	549,282.69	0.00	0.00	0.00	0.00	0.00	15,163.35
GAS Refills	1,526.00	232,038.00	0.00	0.00	233,564.00	231,239.00	0.00	0.00	0.00	0.00	0.00	2,325.00
GAS Accessories	2,596.00	2,380.00	0.00	0.00	4,976.00	1,655.00	0.00	0.00	0.00	0.00	0.00	3,321.00

(Qty in Qtls)

Reconciliation of transfer account of CM Rice

Transfer Receipt	Transfer Issue
From Other District RRC	To Other District RRC
From Own District RRC	To Own District RRC
From Other Agency	To Other Issue
From Previous Year In Transit	
Total Transfer Receipt	Total Transfer Issue
2,410,839.14	2,457,531.40
387,850.77	387,852.02
4,383.82	
15,051.22	689.98
2,818,124.94	2,846,073.40

Reconciliation of transfer account of PHH-Wheat

Transfer Receipt	Transfer Issue
From Own District RRC	To Own District RRC
From Other Receive	To Other Issue
Total Transfer Receipt	Total Transfer Issue
29,938,366	29,937,640
1,33	-
29,939,70	29,937,64

Transfer Receipt From MFPS	Transfer Issue To MFPS
From MFPS	To MFPS
Total Transfer Receipt From	Total Transfer Issue to M
0.00	10,453.15
-	10,453.15

Reconciliation of Purchase account of PHH-Wheat

From Previous Year In Trai	0
From Purchase	2796612.435
Transit Loss	56.01835
Net Receive at RRC	2796556.417

For SDR & Associates
Chartered Accountants

sd/-

(CA S.K. Sahoo)
Partner

Memb.No: 056068

(Bibekanda Das)
General Manager (Accts)

(R.K.Kar)
Company Secretary

(Janmejy Jena)
Director

(Shubham Saxena)
Managing Director

sd/-



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD., BHUBANESWAR
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31.03.2020

Particulars	2019-20	2018-19
	Amount (Rs.)	Amount (Rs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before Tax & Prior Period adjustment	-	-
Adjustment for:		
(+) Depreciation	18,071,110	14,672,015
(+) Addition of capital reserve	40,863,203	88,289,267
(-) Profit on Sale of fixed Assets	-	-
(-) Capital Subsidy written off on MV/Godown	(5,434,430)	(17,382,402)
Operating Profit / (Loss) before changes in Working Capital	53,499,883	85,578,880
Adjustment for:		
(-)/+ (Increase)/Decrease in Current Assets, Loan & Advances	(10,591,495,938)	(5,988,026,021)
(-)/(+) Increase/Decrease in inventories	(13,233,167,044)	(30,326,384,485)
(+)/(+) Increase/ Decrease in Current Liabilities & Provisions	3,352,176,357	1,305,163,552
Cash Flow from operating activities	(20,418,986,742)	(34,923,668,074)
Less Tax Paid	-	-
Net Cash Flow from operating activities (A)	(20,418,986,742)	(34,923,668,074)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
(-) Purchases of Fixed Assets	(80,275,547)	(72,756,011)
(+) Sale Proceeds of Fixed Assets	19,175	21,694
Net Cash Flow from investing activities (B)	(80,256,372)	(72,734,317)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Digitization of ration cards	39,368,994	37,528,044
End-to-End Computerisation	(28,413,783)	(32,851,452)
Capital Assets for PDS	-	8,695,000
FPS Automation Fund	40,099,527	24,633,887
Market Intervention Fund	-	250,000,000
Consumer Welfare scheme-fortified rice under PDS	74,513,440	
IEC	4,090,894	495,836
Short Term Borrowing (net)	20,210,460,377	37,930,618,515
Net Cash flow from Financing Activities (C)	20,340,119,449	38,219,119,830
Net Increase in Cash and Cash Equivalents (A+B+C)	(159,123,665)	3,222,717,439
Cash and Cash equivalents at the beginning of year	4,556,834,193	1,334,116,754
Cash and Cash equivalents at the end of year	4,397,710,528	4,556,834,193

For SDR & Associates
Chartered Accountants

sd/-
(CA S.K. Sahoo)
Partner
Memb.No: 056068

sd/-
(Bibekananda Das)
General Manager (Accts)

sd/-
(R.K.Kar)
Company Secretary

sd/-
(Janmejy Jena)
Director

sd/-
(Shubham Saxena)
Managing Director

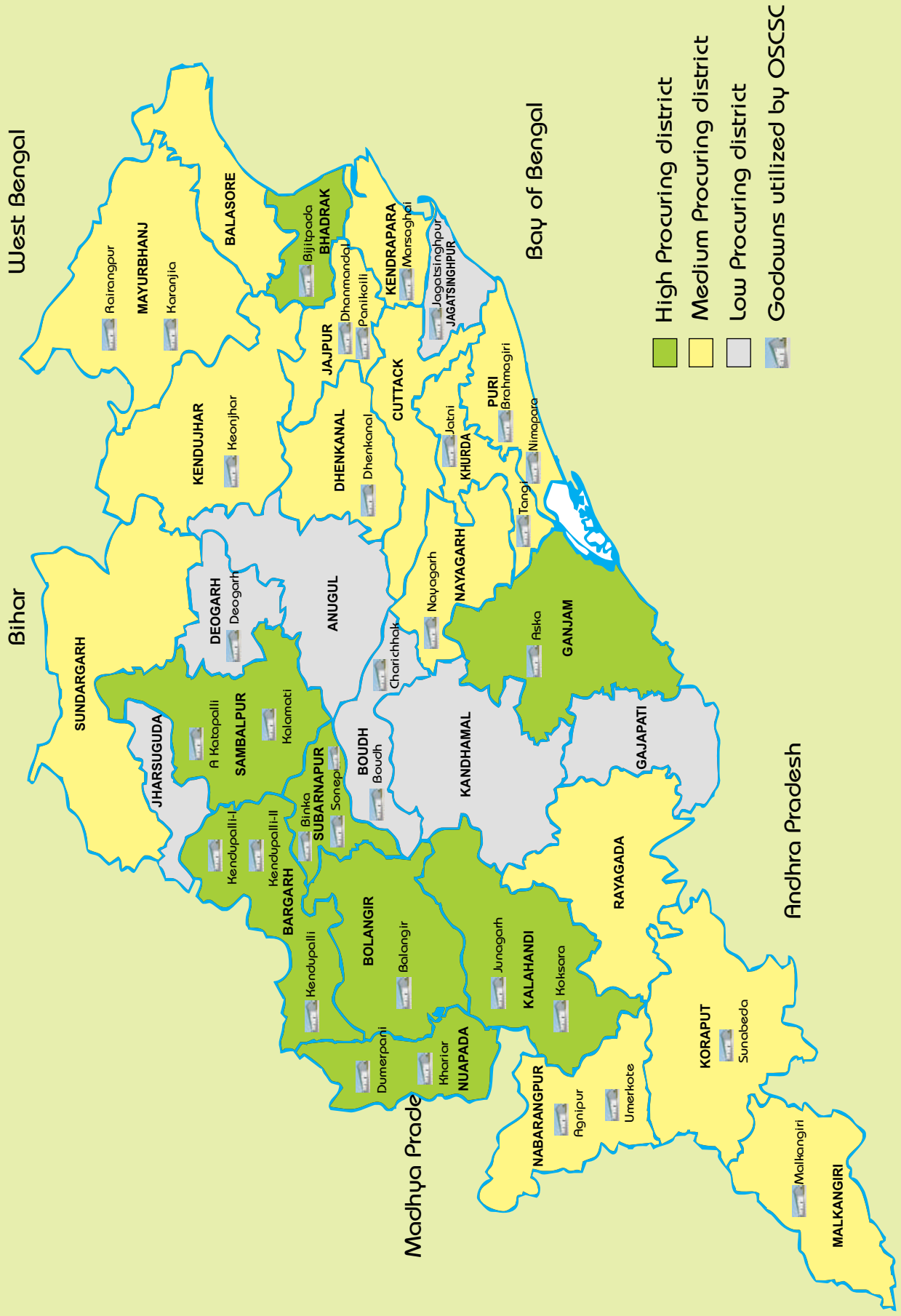


Submission of delay statement laying the 40th Annual Report of OSCSC Ltd for the Financial Year 2019-20 in the Odisha Legislative Assembly

1.	Dated of appointment of Statutory Auditors for the year 2019-20	02-08-2019
2.	Date on which the accounts for the year 2019-20 referred to Audit Committee for review & discussion	26-04-2022
3.	Date on which the Board of Directors authenticated the accounts for the year 2019-20	26-04-2022
4.	Date on which the accounts for the year 2018-19 adopted in A.G.M	14-03-2022
5.	Date on which the accounts for the year 2019-20 handed over to the Statutory Auditors	07-05-2022
6.	Date of submission of Audit Report by Statutory Auditors	06-10-2022
7.	Date on which accounts were referred to AG(Odisha), Bhubaneswar for Supplementary Audit	06-10-2022
8.	Date of Commencement of Supplementary Audit by AG Odisha, Bhubaneswar	11-10-2022
9.	Date of completion of Supplementary Audit by AG Odisha, Bhubaneswar	01-11-2022
10.	Date of receipt of Audit Certificate from C & A G, New Delhi	03-01-2023
11.	Date on which the Comments of C&AG, Observation of Statutory Auditor & replies of Management thereto reviewed and discussed in the Audit Committee	18-01-2023
12.	Approval of Director's Report in the Board	19-01-2023
13.	Adoption of 2019-20 Accounts in AGM	15-02-2023

Map of Odisha

(District wise paddy Procurement Pattern)



- High Procuring district
- Medium Procuring district
- Low Procuring district
- Godowns utilized by OSCSC

