



Press Release
ODISHA STATE CIVIL SUPPLIES CORPORATION LIMITED
March 27, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29925.00	ACUITE A Stable Reaffirmed	-
Bank Loan Ratings	6000.00	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	35925.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long- term rating of ‘**ACUITE A**’ (**read as ACUITE A**) and its short-term rating of ‘**ACUITE A1**’ (**read as ACUITE A one**) on the Rs.35925.00 Cr. bank facilities of Odisha State Civil Supplies Corporation Limited (OSCSCL). The outlook remains ‘**Stable**’.

Rationale for Rating Reaffirmation

The rating reaffirmation considers the support from the Central Government/GoO (Government of Odisha) for OSCSCL by compensating for the entire losses of the company after taking into account all the revenue generated and expenses incurred in the form of subsidies and grants. Further, the rating continues to reflect the strong financial and operational linkage of OSCSCL with the State Government of Odisha (GoO), as the company is strategically important to the state and acts as a nodal agency for the distribution of rice and food grains to weaker sections of society. However, these strengths are partly offset by OSCSCL’s weak financial profile and high working capital requirement.

Going ahead, any significant delays in the receipt of subsidies leading to further deterioration in the financial risk profile of the corporation will remain key rating monitorable.

About the Company

Odisha State Civil Supplies Corporation Limited (OSCSCL) was set up in 1980 as a wholly owned undertaking of the Government of Odisha (GoO) to procure paddy and supply rice under the Public Distribution System (PDS) in Odisha. OSCSCL acts as an agent of the Government of Odisha and handles the responsibilities of purchase, procurement, storage and delivery of the stock to the retail dealers.

Unsupported Rating

Acuite B+/ Stable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of OSCSCL and notched up the standalone rating by factoring in the strong operational and financial support extended by GoO. This is because GoO holds the

100 percent stake in OSCSCL and the board comprises representatives from GoO.

Key Rating Drivers

Strengths

Support from the government of Odisha

OSCSCL is responsible for procurement of paddy and supply of rice to Odisha under public distribution system. OSCSCL acts as an agent of the Government of Odisha (GoO) and handles the responsibilities of purchase, procurement, storage and delivery of the stock to the retail dealers in the state. OSCSCL is also the nodal agency for several schemes of GoO (Annapurna, APL Rice and APL wheat scheme). OSCSCL distributes rice and other grains at a concessional rate and free of cost to weaker sections of society. The Central and state Government extends financial support to the company at regular interval in order to meet the losses. OSCSCL is spread across 30 districts in Odisha and accounts for nearly 60 percent of the paddy procured in Odisha. OSCSCL is a systemically important entity and caters to over 80 percent of the population in the state. Hence, in the absence of the company's operations, procurement from farmers will get impacted. As a result, OSCSCL continues to receive operational, managerial and financial support from GoO from time to time. The Board of Directors of OSCSCL comprises appointees by the state government. The operations are supervised by the Food Supplies and Consumer Welfare Department of the GoO. Hence, the rating derives comfort from the ongoing support in the form of subsidy from GoO to OSCSCL over the medium term.

Healthy scale of operations

OSCSCL has operations in all 30 districts of Orissa. Paddy is procured through commission agents like Primary Agriculture Co-operative Societies (PACS), Women Self help Groups (WSHGS) and Pani Panchayats (PPs). Total number of commission agents associated with the company is 3242. The paddy directly goes to custom millers for processing (Number of rice millers registered with the company is 1360). The revenue of the company (including subsidy) stood at Rs 18,834.21 Cr. in FY2024 as compared to Rs.17,742.13 Cr. in FY2023.

Weaknesses

Weak financial risk profile

OSCSCL's financial risk profile is weak marked by its moderate net worth, high gearing level and weak debt protection metrics. The net worth stood at Rs.30.69 Cr. as on 31st March 2024. Gearing level stood high at 706.66 times as on 31st March 2024 as against 785.05 times as on 31st March 2023 on account of decrease in short-term debt. Total debt of the company stood at Rs.21685.83 Cr. as of 31st March 2024 against Rs.24316.82 Cr. as of 31st March 2023. The interest coverage ratio stood weak at 1.00 times as on 31st March 2024. Acuite believes that the financial risk profile will continue to remain weak over the medium term on account of high reliance on short term limits due to delays in receiving subsidy from the government.

Working capital intensive nature of operations

The working capital intensive nature of operations of the company is marked by the high Gross Current Asset (GCA) days of 495 days as on March 31, 2024 as against 572 days as on March 31, 2023. The GCA days is high primarily on account of a high proportion of Other Current Assets consisting of amount receivables from Government and Government agencies and advances to suppliers. Further, the debtor days stood at 104 days as on March 31, 2024, as compared to 152 days in as on March 31, 2023. The inventory days stood high at 324 days as on March 31, 2024, as compared to 311 days as on March 31, 2023. Going ahead, Acuite believes that the working capital operations of the company will remain at same level as evident from stretched collection mechanism and inventory levels over the medium term.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix) Support from GoO/Central Government

OSCSCL is responsible for procurement of paddy and supply of rice to State of Odisha under public distribution system. OSCSCL is also the nodal agency for several schemes of GoO (Annapurna, APL Rice and APL wheat scheme). Further, GoO along with Central Government extends support to OSCSCL by compensating for the entire losses of the company after taking into account all the revenue generated, and expenses incurred in the form of subsidies and grants.

Stress Scenario

Acuite believes that the strong parentage and support extended by GoO/Central Government will continue in the form of compensating for entire losses of the company even in stress scenarios.

Rating Sensitivities

- Significant delays in the receipt of subsidies from the government, leading to further loading of debt and weakening of financial risk profile.
- Increase in efficiency in working capital management.

- Improvement in financial risk profile by lowering reliance on borrowings.

Liquidity Position

Adequate

OSCSCL has adequate liquidity profile reflected from net cash accrual of Rs 2.40 Cr. in FY2024 against no debt repayment obligation. The company has cash & bank balance of Rs.502.99 Cr. as on March 31, 2024. The current ratio stood at 1.06 times as on March 31, 2024, as against 1.02 times as on March 31, 2023. However, the company has high working capital requirement as reflected from its GCA days of 495 days as on March 31, 2024 as against 572 days as on March 31, 2023.

Acuite believes that the liquidity of the company is likely to remain adequate over the medium term backed by inflow of subsidy from Central government.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	18834.21	17742.13
PAT	Rs. Cr.	0.00	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	706.66	785.05
PBDIT/Interest	Times	1.00	1.00

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Public Finance - State Government Ratings: <https://www.acuite.in/view-rating-criteria-26.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Dec 2023	Cash Credit	Long Term	1000.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1700.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	4000.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1300.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	154.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	3000.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1400.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1250.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	400.00	ACUITE A Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	5500.00	ACUITE A Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	2500.00	ACUITE A Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1364.00	ACUITE A Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2611.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	3500.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	246.00	ACUITE A Stable (Reaffirmed)
	Short-term Loan	Short Term	6000.00	ACUITE A1 (Reaffirmed)
23 Mar 2023	Cash Credit	Long Term	1000.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	1700.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	4000.00	ACUITE A Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	4500.00	ACUITE A Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	1000.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1250.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	330.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	70.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1400.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1000.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1000.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1254.00	ACUITE A Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	354.00	ACUITE A Stable (Reaffirmed)

	Proposed Long Term Bank Facility	Long Term	10.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	746.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	146.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	100.00	ACUITE A Stable (Assigned)
	Short-term Loan	Short Term	4900.00	ACUITE A1 (Reaffirmed)
	Short-term Loan	Short Term	1100.00	ACUITE A1 (Assigned)
23 Dec 2022	Cash Credit	Long Term	4000.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Working Capital Demand Loan (WC DL)	Long Term	4500.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	1250.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	354.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	330.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	146.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	1254.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	746.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	1000.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	1700.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Short-term Loan	Short Term	4900.00	ACUITE A1 (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Odisha State Co-operative Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1000.00	Simple	ACUITE A Stable Reaffirmed
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1700.00	Simple	ACUITE A Stable Reaffirmed
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4000.00	Simple	ACUITE A Stable Reaffirmed
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1300.00	Simple	ACUITE A Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3000.00	Simple	ACUITE A Stable Reaffirmed
Utkal Gramin Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	246.00	Simple	ACUITE A Stable Reaffirmed
Utkal Gramin Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	154.00	Simple	ACUITE A Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3500.00	Simple	ACUITE A Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1250.00	Simple	ACUITE A Stable Reaffirmed
Odisha Gramya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	475.00	Simple	ACUITE A Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	689.00	Simple	ACUITE A Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	611.00	Simple	ACUITE A Stable Reaffirmed
National Bank for Agriculture and Rural Development (NABARD)	Not avl. / Not appl.	Short-term Loan	03 Jan 2025	Not avl. / Not appl.	03 Jan 2026	6000.00	Simple	ACUITE A1 Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5500.00	Simple	ACUITE A Stable Reaffirmed
	Not	Working		Not avl.				ACUITE A

Punjab National Bank	avl. / Not appl.	Capital Demand Loan (WCDL)	Not avl. / Not appl.	/ Not appl.	Not avl. / Not appl.	6500.00	Simple	Stable Reaffirmed
----------------------	------------------------	-------------------------------	-------------------------	----------------	-------------------------	---------	--------	------------------------

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company name
1	Odisha State Civil Supplies Corporation Limited
2	Government of Odisha

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Sanidhya Jain Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.