

2nd

ANNUAL REPORT 2006-07

RSBCL

राजस्थान स्टेट बेवरेज कॉरपोरेशन लिमिटेड

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

BOARD OF DIRECTORS

Chairman	:	Shri Rajiv Mehrishi Principal Secretary, Finance and Plan Govt. of Rajasthan, Jaipur
Directors	1.	Shri Mukesh Sharma Commissioner, Commercial Taxes Govt. of Rajasthan, Jaipur
	2.	Shri V. Srinivas Secretary, Plan Govt. of Rajasthan, Jaipur
	3.	Shri Rajat Mishra Finance Secretary (II) Govt. of Rajasthan, Jaipur
Managing Director	:	Shri C.P. Vyas Excise Commissioner, Rajasthan, Udaipur
Executive Director	:	Shri R.K. Goyal
Company Secretary	:	Shri R.K. Singhal

Reg. Office : 'D' Block, First Floor,
Vitta Bhawan, Janpath, Jaipur-302004

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RAJASTHAN STATE BEVERAGES CORPORATION, LIMITED

D-Block, 1st Floor, Vitta Bhawan, Jaipur
(A government of Rajasthan Undertaking)

No : A-2(2)
To All The Shareholders,
Directors & Others,

Date : 26th Nov., 2007

NOTICE

Notice is hereby given that the 2nd Annual General Meeting of the Shareholders/Members of the Rajasthan State Beverages Corporation Limited will be held on Friday the 28th day of December, 2007 in the chamber of Principal Secretary Finance & Plan at 4.00 P.M. to transact of the following business.

TO CONSIDER IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS

As Ordinary Business :

3. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2007 and the Balance Sheet as on that date, Auditors Report thereon and the report of the Directors to the Shareholders/Members.
- 3 To declared dividend.
4. RESOLVED that the remuneration payable to Statutory Auditors M/s Neelam Jhanwar & Associates, Chartered Accountants, Jaipur for the financial year 2006-07 be and is hereby fixed at Rs. 45,000/- per year and out of pocket expenses not to be exceeded Rs. 60,000 (for audit out of own) in pursuance to section 224 (8) aa of Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors of the Corporation be and is hereby authorized to fixed the remuneration payable to the Statutory Auditors for financial year 2006-2007 and onwards pursuance to section 224(8) aa of the Companies Act, 1956.

By order of the Board of Directors

Place : Jaipur
Dated : 26.11.2007

Sd/-
(R.K. Singhal)
Company Secretary

Note :

3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him self and the proxy need be a member of the Corporation. Proxies in order to be effective must be received by the Corporation not less that 48 hours before the meeting. Format of proxy is enclosed.
4. Balance Sheet, profit and loss account together with statutory auditors report the on and the report of Directors to the Shareholders are enclosed. comments of Comptroller & Auditor General of India are yet to be received hence, shall be provided during the meeting.

Directors' Report to the
Shareholders/ Members for
the year ended 31st March, 2007
Gentlemen,

The Directors of your Corporation have pleasure in presenting to you the SECOND ANNUAL REPORT on the working of the Corporation for the year ended 31st March, 2007 together with the Audited Statement of Accounts.

1. **Business Operations**

1.1 **Government Policies :**

The year under consideration witnessed a host of reforms to enhance the additional revenue. The Government took a major policy decision and switched over from wholesaler system to retailer system wherein retailers have been given direct access to the Corporation. Thus, in that process, 5% margin of the wholesalers is now being passed to Government through levying of Additional Excise Duty. This resulted in enhancing the state excise duty to the tune of Rs. 50 crores without increasing the prices of liquor.

Advent of Invoice-cum-Permit : To facilitate the retailers with single window clearance the government notified that all Invoices issued at Corporation's depot will be deemed as Invoice-cum-Transport Pass enabling the retailers not to visit many places for the issue of liquor and excise levies such as Permit Fee, Vend Fee, Surcharge etc. which earlier used to be deposited separately by the retailers to the Excise Department and Bank have no longer required in the modified system and the excise levies are now collected at the time of issuance of Invoice by Corporation depot which subsequently deposited with Government at prescribed time interval by Corporation.

1.2 **Canalisation of Liquor**

The Corporation maintained its policy of canalising IMFL and beer without interfering in the dynamics of the market place. As a result, the healthy competition prevailing amongst suppliers continued during the year.

With its past experience, the Corporation ironed out minor difficulties experienced by the industry in its policies. The corporation is constantly in touch with all its stakeholders and is ever ready to fine tune its policies for improving its response and operations.

During the year under consideration, the sale of IMFL stood at 24.40 lakh bulk litres (29.13 lakh carton boxes) as against 18.11 lakh bulk Litres (21.69 lakh carton boxes) in 2005-06 indicating an annualized growth of 34.7 percent over the previous year. The sale of beer increased to 42.57 lakh bulk litres (82.13 lakh carton boxes) from 38.18 lakh bulk litres (68.02 lakh carton boxes) in 2005-06, experiencing 11.50 percent annualized growth over 2005-06.

Consequently, the duty collected increased by over Rs. 86.57 crores in respect of IMFL and by Rs. 61.28 crores in respect of beer. Cumulatively, the increase in duty collection was Rs. 147.85 crores, a 29.47 percent increase over the previous year of Rs. 501.78 crores.

The sales and duty realization for IMFL and beer was Rs. 1003.07 crores and 649.63 crores respectively

1.3 **Transparency in Operations / on line operation**

The Corporation is carrying out its commercial activities through an online web based software which has enabled to maintain total transparency in its operations. Suppliers and Excise Department have been given access on the Corporation's software for getting all sort of information like issuance of OFS, receipt of material at depot, sale of various brands, stock position of various brands, weekly payment, collection of excise duty etc. Simultaneously, copies of the ledgers are provided to respective retailers on monthly basis for their reconciliation purpose.

1.4 **Infrastructure**

During the year, to cater the retailers eight more depots have been setup as compared to 32 last year. In addition to routine facilities like furniture, telephone etc all the depots have been equipped with computer hardware, best available Internet connectivity like ISDN, Broadband and even VSAT for running online software, Online UPS and Gensets for meeting power crisis.

1.5 Financial Management

Sound and prudent financial management is a major strength of the Corporation. Entire commercial activities of the Corporation are being run on-line. This system has streamlined the working of the Corporation. Even the suppliers can view their stock/ sales position along with their due payment position.

The year under report experienced a significant change in the banking arrangements wherein the core banking solution (CBS) facilities extended by Punjab National Bank and Bank of India have been availed to its optimum level. It is needless to mention that through the CBS network (anywhere banking) only a single core account is maintained at Jaipur with the facility to the retailers to deposit the requisite amount anywhere throughout the state in 100 such authorized branches. The amount so deposited at any such branch get instantly credited in the central account being maintained at Jaipur. The notable feature of above arrangement is converting any amount exceeding one lakh through smart-roamer scheme in FDR A/c automatically fetching interest to the kitty of Corporation.

The time bound payments to suppliers and all other concerned parties have been the hallmark of operational efficiency of the Corporation.

The Corporation improved its internal audit system further appointing six internal auditors one each for a division to conduct the internal audit for the depots in the jurisdiction of the division. Monthly physical verification of the stock have been entrusted to internal auditors.

1.6 Future Outlook

The second year of operations proved to be significant, as the Corporation successfully lived up to the confidence reposed by the Government. The policies hitherto adopted have yielded rich dividends and given its past record of implementing Government policies with a friendly face, your Directors are confident that the Corporation would play a meaningful role in further reforms in the excise sector.

2. Financial Performance :

The turnover of the Corporation increased during the year to Rs. 1003.07 crores from Rs. 734.19 crores for previous year, an annual increase of 36.62 percent. The impressive growth was owing to the various reforms initiated by the Government. During the year Rs. 15.00 crores was paid as privilege fee as against of Rs. 12.50 crores of 2005-06.

The year witnessed an annual increase of 108 percent in interest earned, as against of 0.59 crores of 2005-06, the interest earned reached to 1.22 crores.

The demurrage charges were other major constituent among other incomes which increased to Rs. 3.52 crores from Rs. 1.73 crores of 2005-06, an increase of 104 percent.

3. Material changes and commitments from the date of balance sheet to till today- NIL.

4. Directors' Responsibility Statement :

- 4.1 That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 4.2 That the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for their period.
- 4.3 That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with company and for preventing and detecting frauds and other irregularities.
- 4.4 That the directors had prepared the annual accounts on going concern basis.

4.5 Capital Structure

During the year under review, there has been no change in the authorized capital of Rs. 5.00 crores of the Corporation and paid-up capital of Rs. 2.00 crores.

5. **Turnover**

The turnover of the Corporation during the current year is Rs. 1003.07 as compared to Rs. 734.19 crores during the previous year.

6. **CURRENT OUTLOOK**

The performance of your Corporation during the current year justify as optimistic outlook. We are confident that we can look forward to maintain the growth and improve the profitability of the Corporation in the current year and beyond.

7. **TECHNOLOGY ABSORPTION**

The Corporation is not using any foreign technology. Due attention is paid for energy conservations.

8. **DISCLOSURE UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

As per provisions of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, it is stated that since no employee has drawn remuneration more than the prescribed limit during the year under review, hence report may be treated as nil.

9. **PERSONAL & INDUSTRIAL RELATIONS**

Happy and cordial relations continued through out the year between the management and the employees of the Corporation. A sum of Rs. 50,145/- has been spent on staff welfare activities of the employees.

10. **BOARD MEETING**

During the year under review, the Corporation has been benefited by the valuable guidance of Board of Directors, which has resulted in achieving the notable results.

11. **BOARD OF DIRECTORS**

The following directors were appointed by the GOR on the board of directors of this Corporation during the year under review. Shri V. Srinivas was appointed and Mrs. Veenu Gupta ceased to be director during the period under review.

We place on record our deep appreciation of the valuable advice and guidance the Corporation received from the members of the Board, during the year as Directors on the Board of the corporation.

12. **AUDITORS**

M/s Neelam Jhanwar & Associates, Chartered Accountants, Jaipur were appointed by the CAG for undertaking the audit for the year 2006-2007.

13. **ACKNOWLEDGEMENT**

Your Directors express their sincere appreciation of the loyal and commendable services rendered by the officers and staff of the Corporation in achieving notable results during the year under review and also confident that officers and staff will continue to strive hard to improve the performance of the Corporation in the years to come. The Board of Directors also take this opportunity to record their deep sense of gratitude to the Central Government / State Government / Company Bankers / other autonomous bodies for their cooperation and valuable assistance given to the Corporation during the year under review.

By order of the board,

Sd/-
Executive Director

Sd/-
Managing Director

Place : Jaipur
Date : 26.11.07

AUDITOR'S REPORT

The Members

Rajasthan State Beverages Corporation Limited Jaipur

1. We have audited the attached Balance Sheet of Rajasthan State Beverages Corporation Limited As at 31st March 2007, and the related Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express and opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the company, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure 1, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report are comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
 - v) On the basis of the written representations received from the directors as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2007 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us and subject to our comments in **Annexure 1 and Annexure 2** forming an integral part of this report the said accounts read together with the accounting policies and the notes forming part of accounts give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of Balance Sheet, of the state of affairs as at 31st March, 2007;
 - (b) In the case of Profit and Loss Account, of the Profit for the period ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flow for the period ended on that date.

For **NEELAM JHANWAR & ASSOCIATES**
Chartered Accountants

Place : Jaipur
Date : 30.10.2007

Sd/-
(NEELAM BHALA)
Partner

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in the Auditors's report to the members of Rajasthan State Beverage Corporation Limited for the Period ended 31 st March 2007

1. **FIXED ASSETS :**
 - (a) The company has not been maintained proper records according to companies Act, showing full particulars of fixed assets.
 - (b) As explained to us the fixed assets have been physically verified by the management once in a year during the period ended 31.03.2007. As certify by the management no material discrepancies were noticed during verification.
 - (c) During the year, the corporation has not disposed off a substantial part of its fixed assets.
2. **INVENTORIES :**
 - (a) According to explanation given to us, the inventory of the company has been physical verified by the management at reasonable intervals.
 - (b) According to explanation given to us, the procedure of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) According to the information given to us the company is maintaining records of inventory through software application. However no EDP audit has been conducted for such software application. The opening balance on 01.04.2006 of inventory carrying major differences from the closing balance of inventory as on 31st March 2006. During the year physical verification of inventory has been carried out by internal auditor, discrepancies noticed during verification difference in stocks has not been dealt with in the books of accounts.
3. **TRANSACTION WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT, 1956**
 - (a) The companies has neither granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (b) As the company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act, point No. 4(iii)(b) to (d) are not applicable.
4. In our opinion and as per the information and explanations furnished to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services subject to the following :
 - a) As per Para 9.6 of the Liquor Source Policy, any stock of beer lying unsold for a period of over six months from the date of bottling, declared unfit for human consumption and should be drain out by the corporation. Since the corporation has not recorded the date of bottling, the corporation has not properly followed the said policy.
 - b) Payment made by cash withdrawals from banks are not entered through cash book. These are directly accounted for as expenses.
 - c) In the regular books of accounts the company has entered sales, purchases, payments received from debtors by a monthly entry generally on month end.
 - d) As per Para 4.4 of the Liquor Source Policy and note no. 6 notes on accounts, the stocks are issued to retailer licensees after receipt of full value of goods. However the corporation has debtors for Rs. 65.14 Lacs which shows that RSBCL issued receiving the full value of goods.
 - e) During the period the company has given Advance to distilleries, without complying the conditions stated in Para 12 of Liquor Sourcing Policy 06-07 and interest was also not provide by the company.

During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. There are no contract or arrangements referred to in section 301 of the Act. In view of the fact that there

are no contracts or arrangements that need to be entered in to a register in pursuance of section 301 of the Act. point 5(b) is not applicable.

6. The Company has not accepted deposits from public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies act, and the rules framed there under are not applicable.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under clause (d) of the sub section (1) of section 209 of the Act.

9. STATUTORY DUES :

- a) As per information and explanations furnished to us and on the basis of our examination of the books of accounts, the company has personnel deputed from other state government organization, in respect to whom all statutory payments with regard to Provident Fund and Employee's State Insurance, have been made to the parent organizations. The company is generally regular in depositing undisputed statutory dues relating to I. Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Cess, Service Tax and other statutory dues with the appropriate authorities. According to the information and explanations given to us, except Rs. 1200000/- towards Licence fees, no undisputed amount payable in respect of dues of Sales Tax, I. Tax, Custom Duty, Wealth Tax, Cess, Service Tax were in arrears as at 31.03.2007 for a period more than six months from the date they become payable.
 - b) According to the information and explanation given to us, there are no dues of I. Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Cess, which have not been deposited on account of any dispute except service tax for Rs. 416.94 lacs.
10. There are no accumulated losses and the company has not incurred cash losses during the financial year covered by our audit.
 11. The Company has not defaulted in repayment of dues to financial Institution or bank or debenture holders.
 12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The company is not a chit fund/ nidhi/ mutual benefit fund/ society. Hence, the provisions of clause 4(xiii) of the CARO, 2003 are not applicable.
 14. The company is not dealing or trading in shares, securities, and debentures and other investments.
 15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
 16. The company has not obtained any term loan during the period under audit.
 17. According to the cash flow statement and other records examined by us and information and explanation given to us, on an overall basis funds raised on short term basis prima facie not been used for long term investment.
 18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
 19. The company has not issued debenture hence no securities have been created.
 20. No money has been raised by public issues by the Company.
 21. According to the information and explanations given to us, fraud for Rs. 83,89,443.00 has been noticed at Siker, Churu, Jhalawar, Pali, Udaipur, Ajmer, Bundi, Jodhpur, Banswara, Ajmer Makhupura, Jaipur Jagatpura, Jalore depots during the year, the same has not been dealt in the books of accounts.

For **NEELAM JHANWAR & ASSOCIATES**
Chartered Accountants

Place : Jaipur
Date : 30.10.2007

Sd/-
(NEELAM BHALA)
Partner

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 5 forming integral part of our Report addressed to the Members of Rajasthan State Beverages Corporation Limited for the year ended 31.03.2007)

- a) Refer Note No. 2 **Contingent liabilities not provided for**: The corporation was less disclosed contingent liability not provided for by Rs. 176.21 lacs regarding service tax liability for the year 2005-06.
- b) Refer Note No. 04 **Purchase**: the company has received invoices from the suppliers along with the stocks. However the purchase were accounted for by reducing two percent margin on purchase from sales. The same policy was adopted by the company during the year ended 31st March 2006. During the year company has reduced the previous year ended 31st March 2006 sale and purchase amount by Rs. 17,14,729.71 and Rs. 16,66,072.38 respectively.
During the year the company has accounted for sales of Rs. 10030667225/- and according to companies policy the purchase to be accounted for by Rs. 9833987475/- however the company has accounted for purchase less by Rs. 584/- and consequently profits are overstated by Rs. 584/-
- c) Refer Note No. 05 **Abnormal Losses, Breakage & Shortage**: During the year abnormal losses for Rs. 83,89,443.00 has been noticed at Sikar, Churu, Jalore, Pali, Ajmer Gughara, Bansawara, Udaipur, Bundi, Jodhpur, Ajmer Makhupura, Jaipur Jagatpur, depots during the year, the same has not been dealt in the books of account. Hence the profit of the company are overstated by Rs. 83,89,443.00
During the year physical verification of inventory has been carried out by internal auditor, discrepancies noticed during verification has not been dealt with in the books of accounts. However we are unable to quantify the amount in absence of proper records.
- d) Refer Note No. 06 in Notes on account, the stocks are issued to retailer (licenses) after receipt of full value of goods. However the corporation has debtors for Rs. 65.14 lacs which shows that RSBCL issued stock before receiving the full value of goods.
Refer Note No. 03, the debit balance of wholesalers remains outstanding since opening for Rs. 40,10,879.48. In absence of confirmation from such debtors the provision for bad and doubtful amount has not been made and consequently the profits and current assets are overstated by Rs. 40,10,879.48.
The sundry debtors has been stated for Rs. 65,14,900.68 inspite of Rs. 1,44,21,399.65. Thus the current assets and current liabilities both are understated by Rs. 79,06,498.97.
Further the debtors age wise information has not been properly given. However we are unable to quantify the amount in absence of proper records.
- e) Refer Note No. 07 regarding demurrage charges in Notes on accounts, the demurrage charges calculated during the year assuming as if the stocks arrived at depot on 1st April 2006 or subsequently. Thus the demurrage charged on stock received prior to 1st April 2006. However we are unable to quantify the amount in absence of proper inventory records.
- f) Refer Note No. 08 in Notes on accounts, during the year company has sold unapproved brands for Rs. 19,81,205/- which is contrary to LSP 2007 Demurrage charges of Rs. 7,70,806/- not credited to profit & loss account on sale of unapproved brand. Thus the profit are understated by Rs. 7,70,806.00 and consequently Loans and Advances are understated by Rs. 5,00,080/- and Current liabilities are overstated by Rs. 2,70,726.00
- g) Refer Note No. 09 in Notes on accounts regarding balance of manufacturer/suppliers/old wholesalers and debtors/retailers/loans and advances are subject to confirmation.
- h) During the year rent provision for Rs. 18,00,000.00 are subject to confirmation.
- i) Refer Note No. 11 in Notes on accounts: Balance of cash in hand and cash at bank at depot (in the name of depot managers) as on 31.03.2007 are not included in Cash & Bank Balance. Rs. 2,04,946.00 shown as advance which includes expenditure incurred by them up to 31st March 2007.
- j) Following accounts with banks are subject to reconciliation on account of unidentified entries in reconciliation Uco Bank, Tonk Road, Jaipur

Uco Bank, Alwar
 Uco Bank, Bhilwara
 Uco Bank, Sriganganager
 Uco Bank, Jodhpur
 Uco Bank, Ajmer
 Bank of India F.D.Account, Jaipur
 Bank of India, M. I. Road, Jaipur
 Bank of India, Hanumangarh
 Bank of India, Sriganganager
 Bank of India, Alwar
 PNB Head Office

- k) During the period the company has given Advance to distilleries, without complying the conditions stated in Para 12 of Liquor Sourcing Policy 06-07 and interest was also not provided by the company. However we are unable to quantify the amount being all purchases from distilleries credited to their accounts by a monthly single entry on end of every month.

The suppliers/ manufactures related to previous year still having debit balance for Rs. 42,18,444/- (detail follows) are not recoverable, being these manufacturers/ suppliers are not registered with company and the company is not having any financial hold of these suppliers. The company has not made provision for bad & doubtful debts for such amounts. Thus the profit are overstated by Rs. 42,18,444.00

Golden Bottling	-	12,19,297.00
Manav Breveragies (p) Ltd.	-	12,55,252.00
Ojas Industries (p) Ltd.	-	11,01,505.00
Superior Industires Ltd.	-	6,42,390.00

- l) Para 11.5 & 11.6 of Liquor Sourcing Policy 06-07 regarding confirmation of manufacturers account has not been complied by the company.
- m) The Company is not mentioned quantitative detail of purchases made and the opening and closing stocks, giving break up in respect of each class of goods as per requirement of schedule VI part II of the companies Act, 1956. It is contravention of schedule VI part II of the companies Act, 1956.
- n) Refer note no. 12 in Notes to accounts **Renovation to Building** : The company has debited to Renovation to building treated as deferred revenue expenditure Rs. 28,91,000.00 on estimated basis till 31st March 2007 and credited to Awas Vikas Limited. However the company has received utilization certificate from Awas Vikas limited only for Rs. 19,63,223.00 dated 23.07.2007 and amount paid to Awas Vikas Limited Rs. 19,50,000.00. Thus the Repair to building are overstated by Rs. 1,85,555.00 and profits are understated ..Miscellaneous expenses to the extent not written off are overstated by Rs. 7,42,220/- and Consequently the current liabilities are overstated by Rs. 9,27,775/-.
- o) Vend fees, Permit fees and Surcharge on Excuse duty Rs. 81,96,368.84 shown as advance subject to reconciliation.
- p) During the year the company has credited Rs. 2084.04 to Suspense account, pending for reconciliation.
- q) During the year company has paid Rs. 1,90,023.00 to Tayal Software towards Service Tax on purchase of computer hardware goods. The company has also paid VAT on such purchase, seems excess payment to this extent.
- r) Refer note No. 20 **Rounding off** : The figures of the current year have not been rounded off nearest to rupees.
- s) Refer not No. 21 **Cash Flow Statement** : Prior period expenses Rs. 7.88 lacs has not been shown in the statement. Net cash from operating activities overstated by Rs. 2996.08 lacs and cash and cash equivalents at beginning of period understated by Rs. 2996.08 lacs. **For NEELAM JHANWAR & ASSOCIATES**
Chartered Accountants

Sd/-
 (NEELAM BHALA)
 Partner

Place : Jaipur

Date : 30.10.2007

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

BALANCE SHEET AS ON 31ST MARCH 2007

PARTICULARS	SCH NO.	31.03.2007		31.03.2006	
SOURCES OF FUNDS					
1 SHAREHOLDER'S FUND					
a) CAPITAL	A	20000000.00		20000000.00	
b) RESERVES & SURPLUS	B	1396208.15	21396208.15	555619.00	20555619.00
2 LOAN FUNDS					
A SECURED LOANS		-	-	-	-
B UNSECURED LOANS		-	-	-	-
3 DEFERRED TAX LIABILITY			218942.00		37815.00
TOTAL			21615150.15		20593434.00
APPLICATION OF FUNDS					
1 FIXED ASSETS	C				
A) GROSS BLOCK			9523809.00	2014294.00	
b) LESS DEPRECIATION			2132089.62	340897.00	
c) NET BLOCK			7391719.38		1673397.00
2 INVESTMENTS			3000.00		3000.00
3 CURRENT ASSETS, LOANS & ADVANCES					
a) INVESTORIES			-	-	
b) SUNDRY DEBTORS	D	6514900.68		6408748.00	
c) CASH & BANK BALANCES	D	262759382.79		299607576.00	
d) LOANS & ADVANCES	E	45293879.83		11464358.00	
LESS :			314568163.30	317480682.00	
CURRENT LIABILITIES & PROVISIONS	F				
a) CURRENT LIABILITIES		301421673.53		297269519.00	
b) PROVISIONS		1203505.00		2595544.00	
NET CYRRENT ASSETS		302625178.53	11942984.77	299865063.00	17615619.00
4 MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OF OR ADJUSTED	G	2277446.00			1301418.00
TOTAL			21615150.15		20593434.00

As per our report of even date
For Neelam Jhanwar & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(Neelam Bhala)
Partner

Sd/-
(B. K. Sharma)
General Manager (F & A)

Sd/-
(R.K. Singhal)
Co. Secy.

Sd/-
(R.K. Goyal)
Executive Director

Sd/-
(C.P. Vyas)
Managing Director

Place : Jaipur
Date : 30.10.07

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
PROFIT AND LOSS A/C FOR THE PERIOD ENDING 31.03.2007

PARTICULARS	SCH NO.	31.03.2007	31.03.2006
1 INCOME			
a) SALE OF IMFL/BEER		10030667225.33	7341910054.00
2 COST OF SALE		9833986892.06	7197951036.00
GROSS MARGIN		196680333.27	143959018.00
OTHER INCOME			
a) INTEREST ON BANK DEPOSITS		12228312.35	5885468.00
b) MISCELLANEOUS RECEIPTS		1384231.73	649869.00
c) DEMURRAGE CHARGES		35276012.00	17292425.00
TOTAL-A		245568889.35	167786780.00
EXPENDITURE			
3 ADMINISTRATIVE & GENERAL EXPENSES	H	64928098.00	23150361.00
4 MANAGERIAL REMUNERATION	I	710556.00	732676.00
5 FINANCE CHARGES	J	2305816.25	428182.00
6 DEPRECIATION		1791192.62	340897.00
7 PRIVILEGE FEE TO GOVT OF RAJASTHAN		15000000.00	12500000.00
8 LICENSE FEES TO GOVT OF RAJASTHAN		23080000.00	17320000.00
9 MISCELLANEOUS EXPENSES WRITTEN OFF		72500.00	72500.00
TOTAL-B		242888162.87	167044616.00
10 PROFIT FOR THE YEAR (A-B)		2680726.48	742164.00
11 PREVIOUS YEARS ADJUSTMENTS		788383.33	0.00
12 PROFIT AFTER PREVIOUS YEAR ADJUSTMENTS		1892343.15	742164.00
13 LESS : PROVISION FOR TAX			
A) CURRENT TAX		592261.00	528954.00
B) DEFERRED TAX		181127.00	37815.00
C) FRINGE BENEFIT TAX		278366.00	119776.00
14 PROFIT AFTER TAX LIABILTY		840589.15	55619.00
15 BALANCE TRANSFERRED TO GENERAL RESERVE		840589.15	55619.00
16 EARNING PER SHARE (FACE VALUE OF RS. 100/-EACH)			
17 NOTES TO ACCOUNTS	K	4.20	0.28

As per our report of even date
For Neelam Jhanwar & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(Neelam Bhala)
Partner

Sd/-
(B. K. Sharma)
General Manager (F & A)

Sd/-
(R.K. Singhal)
Co. Secy.

Sd/-
(R.K. Goyal)
Executive Director

Sd/-
(C.P. Vyas)
Managing Director

Place : Jaipur
Date : 30.10.07

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-A

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007

SHARE CAPITAL

PARTICULARS	31.03.2007	31.03.2006
AUTHORISED		
500000 EQUITY SHARES OF RS. 100/- EACH	50000000.00	50000000.00
ISSUED, SUBSCRIBED AND PAID UP		
200000 EQUITY SHARES OF RS. 100/- EACH	20000000.00	20000000.00
TOTAL	20000000.00	20000000.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-B

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007

RESERVES & SURPLUS

PARTICULARS	31.03.2007	31.03.2006
A. CAPITAL RESERVE		
GRANT IN AID	500000.00	500000.00
A. GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET	55619.00	0.00
ADD : TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	840589.15	55619.00
TOTAL	1396208.15	555619.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-C
FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007
FIXED ASSETS

S.No	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK	
		As at 1st April 2006	Additions	Deletions	As at 31st March 2007	Up to 31st March 2006	For the Year	Deletions	As at 31st March 2007	As at 31st March 2006	As at 31st March 2007
1	2	3	4	5	6	7	8	9	10	11	12
1	OFFICE EQUIPMENTS										
a	Telephone Instruments	7600.00	16250.00	-	23850.00	542.00	6370.48	-	6912.48	16937.52	7058.00
b	Mobile Instruments	152036.00	-	-	152036.00	17851.00	18665.13	-	36516.13	115519.87	134185.00
c	Fax Machine	24100.00	-	-	24100.00	3225.00	2903.71	-	6128.71	17971.29	20875.00
d	Installation of RAS	9500.00	-	-	95000.00	12273.00	11507.33	-	23780.33	71219.67	82727.00
e	UPS (Batteries)	118800.00	-	-	118800.00	15348.00	14390.17	-	29738.17	89061.83	103452.00
2	COMPUTER EQUIPMENTS										
a	Installation of Software	688333.00	-	-	688333.00	265766.00	169026.80	-	434792.80	253540.20	422567.00
b	Computers	39600.00	1650268.00	-	1698868.00	-	603051.60	-	603051.60	1086816.40	39600.00
c	Laptop	221352.00	169550.00	-	390902.00	1455.00	139613.48	-	141068.48	249833.52	219897.00
3	Furniture and Fixtures	667473.00	2215601.00	-	2883074.00	24437.00	511686.69	-	536123.69	2346950.31	643036.00
4	Computer Accessories	-	16141.00	-	16141.00	-	3078.09	-	3078.09	13062.91	-
5	D G Set	-	609174.00	-	609174.00	-	40324.70	-	40324.70	568849.30	-
6	Electrical Appliances	-	589715.00	-	589715.00	-	82582.73	-	82582.73	507132.27	-
7	Fire Fighting Equipments	-	301500.00	-	301500.00	-	3286.32	-	3286.32	298213.68	-
8	Hand Plate Truck	-	47960.00	-	47960.00	-	3543.65	-	3543.65	44416.35	-
9	Instt. Of Broad Band	-	50119.00	-	50119.00	-	18564.63	-	18564.63	31554.37	-
11	Office Equipments	-	236332.00	-	236332.00	-	24600.81	-	24600.81	211731.19	-
12	ACS	-	273687.00	-	273687.00	-	40444.19	-	40444.19	233242.81	-
13	V Set	-	1333218.00	-	1333218.00	-	97552.11	-	97552.11	1235665.89	-
	Total	2014294.00	7509515.00	0.00	9523809.00	340897.00	1791192.62	0.00	2132089.62	7391719.38	1673397.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-D
FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007
CURRENT ASSETS

PARTICULARS	31.03.2007		31.03.2006	
A SUNDRY DEBTORS, UNSECURED AND CONSIDERED GOOD AMOUNT RECEIVABLE FROM WHOLESALERS				
A MORE THAN SIX MONTHS	4010879.48		0.00	
B LESS THAN SIX MONTHS	2504021.20	6514900.68	6408748.00	6408748.00
B CASH AND BANK BALANCES				
CASH ON HAND	21516.00		0.00	
P D A/C	10000000.00		10000000.00	
FIXED DEPOSITS WITH BOI	29015170.75		75933195.00	
FIXED DEPOSITS WITH UCO BANK	0.00		110331056.00	
FIXED DEPOSITS WITH PNB	115510000.00		0.00	
STATE BANK OF INDIA JALORE	22952778.00		0.00	
UCO BANK H O A/C	16181248.18		0.00	
BANK OF INDIA H O A/C	13105686.86		0.00	
PUNJAB NATIONAL BANK H O A/C	0.00		46448718.00	
		206786399.79		242712969.00
BANK OF INDIA DEPOTS A/C				
BARMER DEPO	20000.00		0.00	
CHITTORGARH DEPO	1753000.00		825500.00	
PALI DEPO	0.00		6941260.00	
SRIGANGANAGAR DEPO	1001065.00	2774065.00	2692792.00	10459552.00
PUNJAB NATIONAL BANK DEPOTS A/C				
BARMER DEPO	0.00		1071850.00	
BUNDI DEPO	0.00		5445.00	
DHOLPUR DEPO	733720.00		2040667.00	
DUNGARPUR DEPO	0.00		6911.00	
JAISALMER DEPO	0.00		1843444.00	
JHALAWAR DEPO	8457372.00		7046644.00	
JODHPUR DEPO	0.00		8415814.00	
KOTA DEPO	0.00		119092.00	
SAWAI MADHOPUR DEPO	0.00		2661511.00	
SIROHI DEPO	0.00		1087500.00	
UDAIPUR DEPO	0.00	9191092.00	200850.00	24499728.00
UCO BANK DEPOTS A/C				
AJMER DEPO 1238	160000.00		0.00	
AJMER DEPO 4726	3908640.00		15786450.00	
AJMER DEPO STATION ROAD	3354250.00		0.00	
ALWAR DEPO	4693000.00		820000.00	
BHARATPUR DEPO	2363711.00		1970000.00	
BHILWARA DEPO	1328193.00		1184352.00	
BIKANER DEPO	494925.00		0.00	
DAUSA DEPO	259400.00		0.00	
HANUMANGARH DEPO	63869.00		0.00	
JHUNJUNU DEPO	218455.00		0.00	
JODHPUR DEPO 903146	736185.00		0.00	
JODHPUR DEPO 92832	19788978.00		0.00	
NAGOUR DEPO	5378500.00		79525.00	
SRIGANGANAGAR DEPO	284000.00		0.00	
UDAIPUR DEPO 1124	758280.00		0.00	
UDAIPUR DEPO 3177	217440.00		0.00	
SIKAR DEPO	0.00		2095000.00	
		44007826.00		21935327.00
		262759382.79		299607576.00



RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-E
FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007
LOANS AND ADVANCES

S.No. PARTICULARS		31.03.2007	31.03.2006
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED-CONSIDERED GOOD		-	685,728.00
AWAS VIKAS LIMITED		6,223,871.99	7,306,917.00
ADVANCE TO SUPPLIERS		19,344.00	6,636.00
ADVANCE TO STAFF		26,738.00	4,967.00
ADVANCES TO OTHER		27,500.00	-
SECURITY DEPOSIT			
BALANCE ON CURRENT ACCOUNT WITH DEPOT MANAGERS	204,946.00	204,946.00	110,000.00
PREPAID TAXES		2200000.00	1500000.00
TDS INTEREST ON FD		2,771,598.00	596,256.00
(NET OF PROVISION OF INCOME TAX)			
PREPAID EXP		25,523,513.00	1,253,854.00
OTHER CURRENT ASSETS		800,543.60	-
PERMIT FEES		7,477,175.58	-
VEND FEES		18,649.66	-
SURCHARGE ON EXCISE DUTY			
TOTAL		45,293,879.83	11,464,358.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-F
FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007
CURRENT LIABILITIES AND PROVISIONS

PARTICULARS	31.03.2007		31.03.2006	
A CURRENT LIABILITIES				
SUNDRY CREDITORS-OLD WHOLESALLERS	2645014.19		7356752.00	
SUNDRY CREDITORS-SUPPLIERS/DISTILLERIES	202622004.35		192121041.00	
SUNDRY DEBTORS HAVING CREDIT BALANCE	9073667.44		4329983.00	
SUNDRY CREDITORS FOR EXP	4254626.00		0.00	
ADVANCE FROM RETAILERS	14312116.00		25167039.00	
SECURITY DEPOSIT OF SERVICE PROVIDERS	663189.00		241527.00	
OUTSTANDING EXPENSES	190280.00		2150355.00	
OTHER LIABILITIES	17000.00		0.00	
ESTABLISHMENT EXPENSES	5142118.00	238920014.98	318406.00	231685103.00
B BANK OVERDRAFT				
PUNJAB NATIONAL BANK HEAD OFFICE A/C	51329621.98		17528292.00	
UCO BANK TONK DEPO	75.00			
BANK OF INDIA ALWAR DEPO	56000.00			
HANUMANGARH DEPO	500.00			
PUNJAB NATIONAL BANK BARMER	4111.00	51390307.98	39995274.00	57523566.00
C. STATUROY LIABLITIES				
RAJASTHAN SALES TAX PAYABLE	32802.02		61434.00	
F B T PAYABLE	37116.00		8549.00	
T D S PAYABLE	261697.00		111798.00	
T C S PAYABLE	9545375.55		7483895.00	
VEND FEES	0.00		395174.00	
LICENCE FEES PAYABLE	1200000.00		0.00	
EXCISE DUTY PAYABLE	34360.00	11111350.57	0.00	8060850.00
D PROVISIONS				
OFFICE & GODOWN RENT	1131270.00		2551771.00	
AUDIT FEES	72235.00	1203505.00	43773.00	2595544.00
TOTAL		302625178.53		299865063.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-G
FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 31ST MARCH 2007

MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OF OR ADJUSTED

S.No	PARTICULARS	31.03.2007		31.03.2006	
1	PRELIMINARY EXPENSES				
	OPENING BALANCE	290000.00		0.00	
	ADD : ADDITION DURING THE YEAR			362500.00	
	LESS : WRITTEN OFF DURING THE YEAR	72500.00	217500.00	72500.00	290000.00
2	DEFERRED REVENUE EXPENSES FOR RENOVATION OF BUILDING				
	OPENING BALANCE	1011418.00		0.00	
	ADD : ADDITION DURING THE YEAR	1626728.00		1264272.00	
	LESS : WRITTEN OFF DURING THE YEAR	578200.00	2059946.00	252854.00	1011418.00
	GRAND TOTAL		2277446.00		1301418.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-H

FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD

ENDED 31ST MARCH 2007

ADMINISTRATIVE AND GENERAL EXPENSES

PARTICULARS	31.03.2007	31.03.2006
ESTABLISHMENT EXPENSES		
1 SALARIES AND WAGES	23974142.00	4454119.00
2 HONORARIUM	24219.00	
3 TRAVELLING EXPENSES	301056.00	328713.00
4 CONVEYANCE EXPENSES	0.00	9143.00
5 ACCOUNTING SERVICES EXPENSES	890356.00	2044650.00
6 EMPLOYEE WELFARE EXP	50855.00	5300.00
7 REIMBURSEMENT OF MEDICAL EXPENSES	261935.00	33266.00
8 EXPENSES ON SECURITY	5004927.00	2236494.00
9 EXPENSES ON IT SERVICES	5277738.00	0.00
10 EXPENSES ON OUTSOURCED LABOUR PAYMENT	679919.00	0.00
11 PENSION CONTRIBUTION	1303484.00	206904.00
12 DEPUTATION ALLOWANCE	0.00	10916.00
GENERAL EXPENSES		
13 RENT FOR GODWON	13201526.00	7867925.00
14 BOOKS AND PERIODICALS	15652.00	70860.00
15 COMPUTER CONSUMABLES	76840.00	53590.00
16 ENTERTAINMENT EXPENSES	98410.00	191640.00
17 ELECTRICITY & WATER CHARGES	783861.00	112398.00
18 PRINTING AND STATIONARY EXPENSES	1246650.00	474542.00
19 POSTAGE AND COURIER EXPENSES	89329.00	25593.00
20 TELEPHONE EXPENSES	2637545.00	1071271.00
21 VSET EXP	311118.00	0.00
22 OFFICE EXPENSES	676021.00	150985.00
23 STATUTORY AUDITORS REMUNERATION	50508.00	33672.00
24 TRAVELLING EXP OF STATUTORY AUDITORS	41616.00	0.00
25 TAX AUDIT FEES	10112.00	10101.00
26 INTERNAL AUDIT FEES	1141462.00	692105.00
27 ADVERTISEMENT AND PUBLICITY	829331.00	727473.00
28 PROFESSIONAL AND LEGAL CHARGES	24995.00	26867.00
29 INSURANCE ON STOCK AT DEPOTS	2077984.00	1812447.00
30 MUSCELLANEOUS EXPENSES	8323.00	1560.00
31 GRANT TO SPORT COUNCIL RAJASTHAN	2000000.00	0.00
MAINTENANCE EXPENSES		
32 REPAIRS AND MAINTENANCE GODWON & BUILDING	644281.00	315550.00
33 REPAIRS AND MAINTENANCE OF MOTOR VEHICLES	1193903.00	182277.00
TOTAL	64928098.00	23150361.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-I
FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 31ST MARCH 2007
MANAGERIAL REMUNERATION

PARTICULARS	31.03.2007		31.03.2006	
	A WHOLETIME DIRECTORS (ED)			347879.00
SALARY AND ALLOWANCES	440612.00		49381.00	
TRAVELLING EXPENSES	16920.00	457532.00	28800.00	426060.00
PENSION CONTRIBUITION	0.00			
B OTHER DITRECTORS			1689.00	
REIMBURSEMENT OF MEDICAL EXPENSES	0.00		0.00	
HONORARIUM TO CHAIRMAN	18000.00		278750.00	
TRAVELLING EXPENSES	235024.00	253024.00	26177.00	306616.00
OTHER REIMBURSEMENT	0.00			
TOTAL		710556.00		732376.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SCHEDULE-J
FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 31ST MARCH 2007
FINANCE CHARGES

PARTICULARS	31.03.2007	31.03.2006
1 INTEREST PAID ON OVERDRAFT	337170.00	315157.00
2 BANK CHARGES	1968646.25	113025.00
GRAND TOTAL	2305816.25	428182.00

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
SIGNIFICANT ACCOUNTING POLICIES

1. Methods of Accounting :

- i) Financial statements have been prepared under the historical cost convention.
- ii) Accrual basis of accounting has been adopted except wherever otherwise stated.
- iii) Purchase and Sales policy.
- a) Manufacturer/supplier places an offer to supply liquor based on the demand prevailing in the respective locations. Thereafter, an order for supply (OFS) is issued to the manufacturer/supplier. Goods supplied against OFS are stacked in the depots of the Corporation which is insured by RSBCL. Manufacturer/suppliers undertake the responsibility for creating demand for the goods supplied to the Corporation. Payment for the stock supplied is made at prevailing rates, after sale of such supplies. Stocks remained unsold after a specified period in the depot of the corporation are subject to levy of demurrage charge which is debited/recovered from the manufacturers from time to time.
- b) The stocks are issued to the retail licensees after receipt of full value of goods.
- iv) Income recognition :
 - a) Sale : Sales are recognized on invoicing and clearance of the goods from the depots. Sales do not include inter-depot transfers.
 - b) Interest : Interest earned on fixed deposits with banks are accounted for on accrual basis.
 - c) Demurrage & other receipts : As per the provisions of LSP Corporation levied demurrage charges, OFS extension and Transfer out order (TOO) charges are also recovered from the manufacturers.

2. Fixed Assets & Depreciation :

- a) Fixed Assets : Fixed assets are stated at cost less depreciation.
- b) Depreciation :
 - i) Depreciation is calculated on written down value adopting the rates specified in the Companies Act, 1956.
 - ii) Depreciation in respect of additions is charged proportionately for the period from the date of its addition.
 - iii) Depreciation on assets, where actual cost does not exceed Rs. 5,000/- is provided at the rate of hundred percent. Provided that where the aggregate actual cost of individual items of plant and machinery costing Rs. 5000/- or less constituted more than ten percent cost of plant and machinery, rate of depreciation is applied to such item as per the rates specified in the Companies Act, 1956.

3. Personnel :

The Corporation has personnel deputed from the Govt. of Rajasthan/PSU of State Govt. In respect of these personnel, the company has made remittances towards, leave salary, pensions contribution, provident fund, GPF gratuity and State Insurance contribution to the respective parent organizations.

4. Deferred Taxation :

The timing differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax liability/asset is recognized. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized.

5. Contingencies :

Contingent liabilities are provided for if there are reasonable prospects of such liabilities maturing.

6. Deferred Revenue Expenditure :

Deferred revenue expenditure incurred up to 31 March 2007 is written off equally in five years beginning with the year of its incidence.

7. Retirement Benefits :

As per the policy of corporation all personnel are on deputation and not recruited by corporation hence, there will not be any liability relating to retirement of personnel. However the pension contribution of Govt. employees is remitted to the Director pension as direction of State Government.

On behalf of the Board of Directors

Sd/-
(B. K. Sharma)
General Manager (F & A)

Sd/-
(R.K. Singhal)
Co. Secy.

Sd/-
(R.K. Goyal)
Executive Director

Sd/-
(C.P. Vyas)
Managing Director

Place : Jaipur
Date : 30.10.07

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE K

FORMING PART OF 2006-07 ACCOUNTS

NOTES ON ACCOUNTS :

1 Nature of Operation

The Corporation set up as a Government of Rajasthan undertaking to canalise sale of IMFL and Beer in the State was incorporated on 24th February 2005.

During the year the company has operated their working according to the Liquor Sourcing Policy 2006-07 approved by board.

2 Contingent Liability provided is as under.

- (i) Rs. 8.92 lacs of M/s Anu Gupta against the appeal of the firm before Hon'ble High Court, Jaipur.
- (ii) Rs. 240.73 for financial year 2006-07 towards service tax considering the correspondence exchanged between Corporation and Central Excise & Customs Department, Jaipur.

3. In view of the change in Policy by the State Government during the financial year 2006-07 Corporation sold the stocks directly to retailers, in contrast to wholesaler during 2005-06. Thus over 5000 retailer directly purchase the stock from Corporation.
4. The RSBCL accounted for purchases by reducing two percent margin on purchase from sales. The company has booked their purchase to the extent of quantity sold during the period of audit. Stocks at the close of year are held on behalf of manufactures/suppliers and have not been accounted for in the books of company.
5. Breakage/shortage including abnormal losses if any, are not accounted for in the books.
6. The stocks are issued to retailer (licensees) after receipt of full value of goods.
7. Goods supplied by manufacturers against order for supplies (OFS) are held in custody at the depots of the RSBCL. The RSBCL has a policy of levying demurrage charge on slow moving stocks which is more than 60 days and 120 days respectively for Beer & IMFL @ Rs. 2/- per case per day. During the year the corporation has accounted for Rs. 3,59,93,818/- towards demurrage receivable from various suppliers. The demurrage charge, calculated during the year, assuming as if the stock arrives at Depot on 1.4.06 or subsequently, the charges of such stock is levied upon till 31.3.07 on accrued basis.
8. The sale of unapproved brands refers to the sale of brands carried over from financial year 2005-06. of which the rate was not offered by the concerned supplier, rather rate was decided by Corporation, at its own and the stock if sold, is shown against this category.
9. The balances of manufacturers / suppliers / old wholesalers and debtors / wholesalers/loans and advances are subject to confirmation.

10. The total sales during the year is inclusive of sales of Rs. 3,23,819.44 of confiscated goods by Excise authorities (DEO, Bikaner)
11. A sum of Rs. 4,88,000/- was sanctioned to Depot Managers as standing imprest to meet the petty expenses at depots. The details of expenditure is received from depots, the same is treated as expenses.
12. The Corporation has accounted for Rs. 28,91,000.00 towards renovation to building 88 date, treated as deferred revenue expenditure to be written off equally in five years.
13. Names of small scale industrial undertaking to which the company owes any sum, which was outstanding for more than 30 days as at the Balance Sheet Date-None.
14. In pursuance of Government of Rajasthan Order No. F-4 (5) Fin/Ex/2005/30307 Company has paid a sum of Rs. 15.00 crores towards privilege fees to Government of Rajasthan.
15. In pursuance of Government of Rajasthan Excise Deptt Order No F 32 B (7) Excise/2005/4507 dated 19.05.06 company has paid a sum of Rs. 2.15 crores towards License fees to Government of Rajasthan.
16. The necessary approval of EGM held on 25.07.2007 towards of Rs. 20.00 lacs to Rajasthan State Sports Council, Jaipur has been obtained.

Additional Information pursuant to Part II of schedule VI to the Companies Act, 1956.

17. Quantitative Information in respect of purchase and sale of IMFL & BEER

	Qty.	Value (Rs. in crores)		
		31.03.2007	Qty.	31.03.2006
Op. Stock	--		--	
Sale	--	1003.07	--	734.19
Purchase	--	983.40	--	719.80
Cl. Stock	--		--	

18. Remuneration to Directors

(Including Chairman & Managing Director)	31.03.2007	31.03.2006
	(Rs.)	(Rs.)
Salary & Allowance	4,29,812.00	3,74,056.00
Contribution to Pension Fund	28,800.00	28,800.00
Travelling	2,51,944.00	3,28,131.00
Medical	---	1,689.00
	7,10,556.00	7,32,676.00

Remuneration payable to Auditors

Statutory Audit Fees	50,508.00	33,672.00
Tax Audit Fees	10,112.00	10,101.00
	60,620.00	43,773.00

19. As 22 Deferred Tax

Deferred Tax Liability/Assets have been determined on the basis of Accounting Standard 22 (As-22) "Accounting for Taxes on Income" and the details thereof are as follows :

	As at 31.03.2007 (Rs.)	As at 31.03.06 (Rs.)
Deferred Tax Assets arising on Account of timing differences in :		
Deferred Revenue Expenditure	1,28,944.00	42,555.00
Deferred Tax Liability arising on Account of timing differences in :		
Depreciation	3,10,071.00	80,370.00
Net Deferred Tax Liability	1,81,127.00	37,815.00

20. Partics and transactions have been identified as per Accounting Standard 18 Related Party Disclosures issued by the Institue of Chartered Accountants of India are as following :

1. Sh. Rajiv Maharshi	Chairman	55,269.00
2. Sh. C. P. Vyas	M. D.	1,97,755.00
3. Sh. R. K. Goyal	Ex. Director	4,57,532.00

21. Cash flow statement has been prepared using indirect method as prescribed by institute of Chartered Accountant India as per A. S. 3.
22. There are no earnings and/or out go in foreign exchange.
23. Figures of the current year have been rounded off to the nearest of rupees.
24. Preliminary Expenses written off over a period of five years.
25. Schedules A to K and accounting policies form integral part of accounts.

As per our report of even date
For Neelam Jhanwar & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(Neelam Bhala)
Partner

Sd/-
(B. K. Sharma)
General Manager (F & A)

Sd/-
(R.K. Singhal)
Co. Secy.

Sd/-
(R.K. Goyal)
Executive Director

Sd/-
(C.P. Vyas)
Managing Director

Place : Jaipur
Date : 30.10.2007

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
CASH FLOW STATEMENT FOR 2006-07

CASH FLOWS FROM OPERATION ACTIVITIES	31.03.2007	(Rs. in Lacs)	31.03.2006	(Rs. in Lacs)
NET PROFIT BEFORE TAXATION AND EXTRAORDINAR ADJUSTMENTS FOR	18.92		7.42	
DEPRECIATION & MISC. EXPENSES WRITTEN OFF	18.63		4.12	
INTEREST INCOME	(122.28)		(58.85)	
PRIOR PERIOD EXPENSES	-		-	
INTEREST EXPENSES	23.05		4.28	
OPERATING PROFIT BEFORE WORKING CAPITAL CHAI	(61.68)		(43.03)	
INCREASE IN SUNDRY DEBOTRS	(1.06)		(64.09)	
INCREASE IN INVENTORIES	-		-	
INCREASE (DECREASE) IN SUNDRY CREDITORS	2854.61		2867.38	
INCREASE IN OUTSTANDING EXPENSES	176.64		131.23	
INCREASE IN CURRENT ASSETS AND ADVANCES	(336.93)		(104.93)	
CASH GENERATED FROM OPERATIONS	2631.58		2786.56	
INCOME TAXES PAID	(17.49)		(16.12)	
CASH FLOW BEFORE EXTRAODINARY ITEM				
EXTRAORDINARY ITEM	(10.63)	2603.46	(13.75)	2756.69
NET CASH FROM OPERATING ACTIVITIES				
CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(75.10)		(20.15)	
PURCHASE OF N S C	0.00		(0.03)	
INTEREST RECEIVED	122.28		58.85	
DIVIDENDS RECEIVED	-		-	
NET CASH FROM INVESTING ACTIVITIES		47.18		38.67
CASH FLOW FINANCING ACTIVITIES				
PROCEEDS FROM ISSUANCE OF SHARE CAPITAL	0.00		200.00	
PROCEEDS FROM SUBCIDY & GRANTS	0.00		5.00	
REPAYMENT OF LONG TERM BORROWINGS	-		-	
INTEREST PAID	(23.05)		(4.28)	
DEVIDEND PAID	-		-	
NET CASH USED IN FINANCING ACTIVITIES		(23.05)		200.72
NET INCREASE IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD				
CASH AND CASH EQUIVALENTS AT END OF PERIOD		2627.59		2996.08

As per our report of even date
For Neelam Jhanwar & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(Neelam Bhala)
Partner

Sd/-
(B. K. Sharma)
General Manager (F & A)

Sd/-
(R.K. Singhal)
Co. Secy.

Sd/-
(R.K. Goyal)
Executive Director

Sd/-
(C.P. Vyas)
Managing Director

Place : Jaipur
Date : 30.10.07

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE
(Pursuant to part IV Schedule VI to the Companies Act 1956)

I Registration Details

Registration No.	17-020336	State Code	17
Balance Sheet Date	31.03.07		

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	21615.15	Total Assets	21615.15
Source of Funds			
Paid-up-Capital	20000.00	Reserves & Surplus	1396.21
Secured Loan	NIL	Unsecured Loans	NIL
		DTL	218.94

Application of Funds

Net Fixed Asset	7391.72	Investment	3
Net Current Assets	11942.98	Misc. Expenditure	2277.45
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. Thousands)

Turn Over	10030667.23	Total Expenditure	242668.16
Profit Before Tax	1892.34	Profit/Loss After Tax	840.59
Earnings per share in	4.20	Dividend Rate %	NIL

V Generic Name of Three Principal Products/Services of Company

Item code No	NIL
Product Description	I M F L/BEER

For Neelam jhanwar & Associates
Chartered Accountants

On behalf of the Board of Directors

Sd/-
(Neelam Bhala)
Partner

Sd/-
(B. K. Sharma)
General Manager (F & A)

Sd/-
(R.K. Singhal)
Co. Secy.

Sd/-
(R.K. Goyal)
Executive Director

Sd/-
(C.P. Vyas)
Managing Director

Place : Jaipur
Date : 30.10.07

AUDITOR'S REPORT	REPLY
<p>1. FIXED ASSETS :</p>	
<p>(a) The company has not been maintained proper records according to companies Act, Showing full particulars of fixed assets;</p>	<p>Noted Presently Depot / Unit wise record showing full particulars for fixed assets have been maintained. Further, the maintenance of consolidated fixed assets register prescribed under Company's Act of fixed assets is in progress to be maintained at Head Office, Jaipur</p>
<p>(b) As explained to us the fixed assets have been physically verified by the management once in a year during the period ended 31.03.2007. As certify by the management no material discrepancies were noticed during verification.</p>	<p>No Comment</p>
<p>(c) During the year, the corporation has not disposed off a substantial part of its fixed assets.</p>	<p>No Comment</p>
<p>2. INVENTORIES :</p>	
<p>(a) According to explanation given to us, the inventory of the company has been physical verified by the management at reasonable intervals.</p>	<p>No Comment</p>
<p>(b) According to explanation given to us, the procedure of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.</p>	<p>No Comment</p>
<p>(c) According to the information given to us the company is maintaining records of inventory through software application. However no EDP audit has been conducted for such software application. The opening balance on 01.04.2006 of inventory carrying major differences from the closing balance of inventory as on 31st March 2006. During the year physical verification of inventory has been carried out by internal auditors, discrepancies noticed during verification difference in stocks has not been dealt with in the books of accounts.</p>	<p>Noted. The difference may be attributed to following reasons :</p> <ol style="list-style-type: none"> 1. The whole transaction of F/Y 05-06 was carried out manually. The computerized system with software application was commenced w.e.f. 1.04.06 2. The closing stock as on 31.3.2006 consisted of breakage/shortage took place during the year. The details thereof relating to each of depot is being called for, and after scrutiny of such details received, the necessary sanction to reduce such stock entailing breakage/shortage is being issued from Head Office, Jaipur. 3. In contrast the opening stock taken as on 01.04.2006 was on the actual saleable stock found at respective depot.
<p>3. TRANSACTION WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT, 1956</p>	
<p>(a) The companies has neither granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act.</p>	<p>No Comment</p>
<p>(b) As the Company has neither granted not taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act, point No. 4 (iii)(b) to (d) are not applicable</p>	<p>No Comment</p>
<p>4. In our opinion and as per the information and explanations furnished to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services subject to the following.</p>	
<p>a) As per Para 9.6 of the Liquor Source Policy, any stock</p>	<p>The Stock when arrives at the concerning Depots, in-</p>

<p>of beer lying unsold for a period of over six months from the date of bottling, declared unfit for human consumption and should be drain out by the corporation. Since the corporation has not recorded the date of bottling, the corporation has not properly followed the said policy.</p>	<p>variably has got reference of manufacturing month in each bottle. Further, the system of FIFO is followed at time of issuing stock. Thus, any stock particularly beer if remained unsold for period exceeding six month, becomes identifiable, and is drained out following laid down procedure.</p>
<p>b) Payments made by case withdrawals from banks are not entered through cash book. These are directly accounted for as expenses.</p>	<p>It is duly entered in the petty cash book maintained at the respective depot.</p>
<p>c) In the regular books of accounts the company has entered sales, purchases, payments received from debtors by a monthly entry generally on month end.</p>	<p>No Comment</p>
<p>d) As per Para 4.4 of the Liquor Source Policy and note no. 6 notes on accounts, the stocks are issued to retailer licensees after receipt of full value of goods. However the corporation has debtors for Rs. 65.14 lacs which shows that RSBCL issued stocks before receiving the full value of goods.</p>	<p>Of this 40 lacs relates to year 2005-06 and 25 lacs relates to financial year 2006-07. Final reconciliation relating to year 2005-06 is in progress and soon it will be concluded. Out of 25 lacs of year 2006-07, Rs. 10 lacs have been recovered, efforts are on for recovering the balance amount.</p>
<p>e) During the period the company has given advance to distilleries, without complying the conditions stated in Para 12 of Liquor Sourcing Policy 2006-07 and interest was also not provided by the company</p> <p>During the Course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.</p>	<p>There have only been very few case of such type, which may be attributed because of issuing sale invoices manually particularly at beginning of financial year for want of lack of telephone connectivity, electricity failure etc. at some depot. Such offline record when put to online through system, led negative balance nevertheless, such type of instances have subsequently been reduced.</p>
<p>5. There are no contract or arrangements referred to in section 301 of the Act. In view of the fact that there are no contracts or arrangements that need to be entered in to a register in pursuance of section 301 of the Act, point 5 (b) is not applicable</p>	<p>No such advances have ever been given to any distiller rather the debit balance of supplier if any in some instances is in view of demurrage charge debited to concern supplier</p>
<p>6. The company has not accepted deposits from public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, and the rules framed there under are not applicable.</p>	<p>No Comment</p>
<p>7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.</p>	<p>No Comment</p>
<p>8. The maintenance of cost records has not been prescribed by the Central Government under clause(d) of the sub section (1) of section 209 of the Act.</p>	<p>No Comment</p>
<p>9. STATUTORY DUES :</p>	<p>No Comment</p>
<p>a) As per information and explanations furnished to us and on the basis of our examination of the books of accounts, the company has personnel deputed from other state government organization, in respect to whom all statutory payments with regard to Provident Fund and Employee's State Insurance, have been made to the parent organizations. The company is generally regular in depositing undisputed statutory dues relating to Income Tax, Sales Tax, Wealth Tax,</p>	<p>Rs. 12.00 lacs due towards License fees has been paid to Excise Department on 15.10.2007</p>

<p>Custom duty, Excise duty, Cess, Service Tax and other statutory dues with the appropriate authorities. According to the information and explanations given to us, except Rs. 1200000/- towards License fees no undisputed amount payable in respect of dues of Sales Tax, I Tax, Custom Duty, Wealth Tax, Cess, Service Tax were in arrears as at 31.03.2007 for a period more than six months from the date they become payable.</p>	
<p>9) According to the information and explanation given to us, there are no dues of I Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Cess which have not been deposited on account of any dispute except service tax for Rs. 416.94 lacs.</p>	<p>Corporation is of firm view, that because of the trading activity (sale and purchase) the operation of Corporation does not fall in the category to attract service tax. The expert opinion sought by Corporation, also endorses the view of Corporation.</p>
<p>10) There are no accumulated losses and the company has not incurred cash losses during the financial year covered by our audit.</p>	<p>No Comment</p>
<p>11) The company has not defaulted in repayment of dues to financial institution or bank or debenture holders.</p>	<p>No Comment</p>
<p>12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p>	<p>No Comment</p>
<p>13) The Company is not a chit fund/nidhi/mutual benefit fund/society. Hence, the provisions of clause 4(xiii) of the CARO, 2003 are not applicable.</p>	<p>No Comment</p>
<p>14) The company is not dealing or trading in shares, securities, and debentures and other investments.</p>	<p>No Comment</p>
<p>15) The company has not given any guarantee for loans taken by others from bank or financial institutions.</p>	<p>No Comment</p>
<p>16) The company has not obtained any term loan during the period under audit.</p>	<p>No Comment</p>
<p>17) According to the cash flow statement and other records examined by us and information and explanation given to us, on an overall basis funds raised on short term basis have prima facie not been used for long term investment.</p>	<p>No Comment</p>
<p>18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.</p>	<p>No Comment</p>
<p>19) The company has not issued debentures hence no securities have been created.</p>	<p>No Comment</p>
<p>20) No money has been raised by public issues by the company.</p>	<p>No Comment</p>
<p>21) According to the information and explanations given to us, fraud for Rs. 83,89,443.00 has been noticed at Sikar, Churu, Jhalawar, Pali, Udaipur, Ajmer, Bundi, Jodhpur, Banswara, Ajmer, Makhapura, Jaipur, Jagatpura, Jalore depots during the year, the same has not been dealt in the books of accouts.</p>	<p>The breakage/losses includes the shortage/breakage of stock till the sale of the stock at depot. Upon receiving the details of breakage from depots after scrutiny necessary sanction is issued, and in accordance to sanction the necessary updation of stock takes place.</p> <p>However, the case of Sikar Road Depot, Jaipur where the abnormal difference of stock in the books and physical stock remain Rs. 47.74 lacs, the Corporation lodged FIR and the matter is subjudiced in the Hon'ble Civil Court. Out of remaining Rs. 36.15 lacs sanction of breakage after due scrutiny of Rs. 22.54 lacs have been issued, suitable action has also been initiated for the rest amount.</p>

AUDITOR'S REPORT
REPLY

a) Refer Note No. 02 **Contingent liabilities not provided for** The corporation was less disclosed contingent liability not provided for by Rs. 176.21 lacs regarding service tax liability for the year 2005-06.

Simple correspondence have been exchanged between Corporation and Central Excise and Custom Department Corporation is of firm view that the activity pursued by Corporation does not fall in the category of service tax.

b) Refer Note No. 04 Purchase : the company has received invoices from the suppliers alongwith the stocks. However the purchase were accounted for by reducing two percent margin on purchase from sales. The same policy was adopted by the company during the year ended 31st March 2006. During the year company has reduced the previous year ended 31st March 2006 sale and purchase amount by Rs. 17,14,729.71 and Rs. 16,66,072.38 respectively.

This is due to adjustment relating to previous year on account of reconciliation with debtor.

During the year the company has accounted for sales of Rs. 10030667225/- and according to companies policy the purchase to be accounted for by Rs. 9833987475/- however the company has accounted for purchase less by Rs. 584/- and consequently profits are overstated by Rs. 584/-

Noted.

c) Refer Note No. 05 Abnormal Losses, Breakage & Shortage : During the year abnormal losses for Rs. 83,89,443.00 has been noticed at Sikar, Churu, Jalore, Pali, Ajmer Gughara, Bansawara, Udaipur, Bundi, Jodhpur, Ajmer Makhupura, Jaipur, Jagatpura, depots during the year, the same has not been dealt in the books of accounts. Hence the profit of the company are overstated by Rs. 83,89,443.00.

Same as per point 21 of annexure-1

During the year physical verification of inventory has been carried out by internal auditors, discrepancies noticed during verification has not been dealt with in the books of accounts. However we are unable to quantify the amount in absence of proper records.

d) Refer Note No. 06 in Notes on accounts, the stocks are issued to retailer (licensees) after receipt of full value of goods. However the corporation has debtors for Rs. 65.14 Lacs which shows that RSBCL issued stocks before receiving the full value of goods.

Of which 40 lacs relates to year 2005-06 and 25 lacs relates to financial year 2006-07. Final reconciliation relating to year 2005-06 is in progress and soon it will be concluded. Out of 25 lacs of year 2006-07, Rs. 10 lacs have been recovered, efforts are on for recovering the balance amount.

Refer Note No. 03, the debit balance of wholesalers remains outstanding since opening for Rs. 40,10,879.48 In absence of confirmation from such debtors the provision for bad and doubtful amount has not been made and consequently the profits and current assets are overstated by Rs. 40,10,879.45.

The process of confirmation and recovery has been going on.

The sundry debtors had been stated for Rs. 65,14,900.68 inspite of Rs. 1,44,21,399.65 Thus the current assets and current liabilities both are understated by Rs. 79,06,498.97

The net sundry debtors cr. balance is Rs. 3108967.41 In view of multiple depot at a particular location (viz four depot of Jaipur, two each at Bikaner, Kota, Ajmer, Udaipur) and liberty given to the retailer to take the stock from any of depots, leads one of these depots to shows debit balance and correspondingly other depot show credit balance. Moreover, the actual balance payable or receivable have been accounted for and the same is stated and shown in the books.

<p>Further the debtors age wise information has not been properly given. However we are unable to quantify the amount in absence of proper records.</p> <p>e) Refer Note No. 07 regarding demurrage charges in Notes on accounts, the demurrage charges calculated during the year assuming as if the stocks arrived at depot on 1st April 2006 or subsequently. Thus the demurrage charges short charged on stock received prior to 1st April 2006. However we are unable to quantify the amount in absence of proper inventory records.</p> <p>f) Refer Note No. 08 in Notes on accounts during the year company has sold unapproved brands for Rs. 19,81,205/- which is contrary to LSP 2007. Demurrage charges of Rs. 7,70,806/- not credited to profit & loss account on sale of unapproved brand. Thus the profit are understated by Rs. 7,70,806.00 and consequently Loans and Advances are understated by Rs. 5,00,080/- and Current liabilities are overstated by Rs. 2,70,726.00</p> <p>g) Refer Note No. 09 in Notes on accounts regarding balance of manufacturer/suppliers/old wholesalers and debtors/retailers/loans and advances are subject to confirmation.</p> <p>h) During the year rent provision for Rs. 18,00,000.00 are subject to confirmation.</p> <p>i) Refer Note No. 11 in Notes on accounts : Balance of cash in hand and cash at bank at depot (in the name of depot manager) as on 31.03.2007 are not included in Cash & Bank Balance Rs. 2,04,946.00 shown as advance which includes expenditure incurred by them up to 31st March 2007.</p> <p>j) Following accounts with banks are subject to reconciliation on account of unidentified entries in reconciliation. Uco Bank, Tonk Road, Jaipur Uco Bank, Alwar Uco Bank, Bhilwara Uco Bank, Sriganganagar Uco Bank, Jodhpur Uco Bank, Ajmer Bank of India F. D. Account, Jaipur Bank of India, M. I. Road, Jaipur Bank of India, Hanumangarh Bank of India, Sriganganagar Bank of India, Alwar PNB Head Office PNB, Jhalawar</p> <p>k) During the period the company has given Advance to distilleries, without complying the conditions stated in Para 12 of Liquor Sourcing Policy 2006-07 and interest was also not provided by the company. However we are unable to quantify the amount being all purchase from distilleries credited to their accounts by a monthly single entry on end of every month.</p>	<p>The customer ledger balance depicts the chronological records of the transaction of retailers through the software application.</p> <p>Noted</p> <p>Demurrage charge, if any, upto 31.03.06 on these brands were recovered. Considering slow moving nature of these brands and respective manufacturers are no longer associated and registered their brands to Corporation, leaves no option to Corporation, but to exempt the demurrage charges, if any.</p> <p>Noted</p> <p>Noted</p> <p>Rs. 2,04,946.00 is the actual amount of cash balance lying with Depot Managers as on 31.03.2007. This does not include any expenditure incurred.</p> <p>Reconciliation statements with the bank balance confirmation certificate of respective bank branch referred to have been shown and given All reconciliation statements are tallied except FDR account of BOI.</p> <p>No such advance has ever been given to any distiller. The debit balance of distilleries, if any, is attributed to demurrage charges debited to respective supplier.</p>
---	---

The suppliers/ manufacturers related to previous year still having debit balance for Rs. 42,18,444/- (detail follows) are not recoverable, being these manufacturers/suppliers are not registered with company and the company is not having any financial hold of these suppliers. The company has not made provision for bad & doubtful debts for such amount. Thus the profit are overstated by Rs. 42,18,444 00

Golden Bottling	-	12,19,297 00
Manav Beveragies (P) Ltd	-	12,55,252 00
Ojas Industries (P) Ltd.	-	11,01,505 00
Superior Industires Ltd.	-	6,42,390 00

Rs. 9 00 lacs have been recovered during the financial year 2007-08, efforts are going on to recover the rest amount

i) Para 11.5 & 11.6 of Liquor Sourcing Policy 2006-07 regarding confirmation of manufacturers account has not been complied by the company.

Noted.

m) The company is not mentioned quantitative detail of purchase made and the opening and closing stocks, giving break up in respect of each class of goods as requirement of schedule VI part II of the companies Act, 1956. It is contravention of schedule VI part II of the companies Act, 1956.

Noted.

n) Refer note no. 12 in Notes to accounts Renovation to Building : The company has debited to Renovation to building treated as deferred revenue expenditure Rs. 28,91,000.00 on estimated basis till 31st March 2007 and credited to Awas Vikas Limited. However the company has received utilization certificate from Awas Vikas limited only for Rs. 19,63,223.00 dated 23.07.2007 and amount paid to Awas Vikas Limited Rs. 19,50,000.00. Thus the Repair to building are overstated by Rs. 1,85,555.00 and profits are understated. Muscellaneous expenses to the extent not written off are overstated by Rs. 7,42,220/- and Consequently the current liabilities are overstated by Rs. 9,27,775/-.

The utilization certificate/final bill of the amount accounted for has been obtained.

o) Vend fees, Permit fees and Surcharge on Excise duty Rs. 81,96,368.84 shown as Advance subject to reconciliation.

Noted.

p) During the year the company has credited Rs. 2084.04 to Suspense account, pending for reconciliation.

Noted.

q) During the year company has paid Rs. 1,90,023.00 to Tayal Software towards Service tax on purchase of computer hardware goods. The company has also paid VAT on such purchase, seems excess payment to this extent.

The agreement entered with the Tayal Software has been complete package of IT service to be provided Corporation entailing the purchase of hardware as well and hence was paid.

r) Refer note No. 20 Rounding off : The figures of the current year have not been rounded off nearest to rupees.

Noted.

s) Refer note No. 21 Cash Flow Statement : Prior period expenses Rs. 7.88 lacs has not been shown in the statement. Net cash from operation activities overstated by Rs. 2996.08 lacs and cash and cash equivalents at beginning of period understated by Rs. 2996.08 lacs.

Noted.



संख्या/No. सी. ए. इन्श्यु/मले./आर.एस.वी.सी./2006-07/कै. 198/डी. 1740

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय महालेखाकार (वाणिज्यिक एवं प्राप्ति लेखा परीक्षा), राजस्थान
जनपथ, जयपुर-302 005
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE ACCOUNTANT GENERAL (COMMERCIAL & RECEIPT AUDIT), RAJASTHAN
JANPATH, JAIPUR-302 005

दिनांक/Date 28-12-2007

प्रबन्ध निदेशक,
राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड,
'डी' ब्लॉक, विल भवन, जनपथ,
जयपुर ।

विषय : राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च 2007 को समाप्त वर्ष के लेखों पर भारत के नियंत्रक महालेखापरीक्षक की टिप्पणी।

महोदय,

मुझे कम्पनी अधिनियम की धारा 619 (5) के अंतर्गत कम्पनी की वार्षिक साधारण सभा में प्रस्तुत करने हेतु 31 मार्च 2007 को समाप्त वर्ष के लिए राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड, जयपुर के लेखाओं पर कम्पनी अधिनियम की धारा 619 (4) के अर्धीन 'शून्य टिप्पणी प्रमाण-पत्र' जारी करने का आदेश प्राप्त हुआ है।

उपरोक्त अवधि के वार्षिक लेखे एवं लेखापरीक्षकों की रिपोर्ट की सात प्रतियां जैसी कि साधारण सभा में रखी जायें तथा स्वीकृत की जायें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

भवदीया,

ह.

(अर्चना गुर्जर)

उपमहालेखाकार (वाणिज्यिक)

संलग्न : उपरोक्तानुसार

टेलीफोन : 2285 फैक्स : 0141-2385230
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तार : लेखापरीक्षा II, जयपुर
Telegram : Lekhapariksha II, Jaipur

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN STATE BEVERAGES CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2007.

The preparation of financial statements of Rajasthan State Beverages Corporation Limited for the year ended 31 March 2007 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30.10.2007.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Rajasthan State Beverages Corporation Limited for the year ended 31 March 2007. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors report under section 619 (4) of the Companies Act, 1956.

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

Sd/-
(Satish Loomba)
Accountant General (C. & R. Audit)
Rajasthan, Jaipur.

Place : Jaipur
Date : 28.12.2007



राजस्थान स्टेट बेवरेज कॉर्पोरेशन लिमिटेड

(राजस्थान सरकार का उपक्रम)

प्रथम मंजिल, डी-ब्लॉक, वित्त भवन, जनपथ, जयपुर

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Rajasthan State Beverages Corporation Limited

(A Government of Rajasthan Undertaking)

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