

4th ANNUAL REPORT
2008-2009

RSBCL

राजस्थान स्टेट बेवरेज कॉरपोरेशन लिमिटेड
(राज्य सरकार का उपक्रम)

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
(A Unit of State Government)

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BOARD OF DIRECTORS

Chairman	:	Shri C.K. Mathew Principal Secretary, Finance and Policy Planning Govt. of Rajasthan, Jaipur
Directors	1.	Shri D.B. Gupta Principal Secretary, Plan Govt. of Rajasthan, Jaipur
	2.	Shri B.N. Sharma Commissioner, Commercial Taxes Govt. of Rajasthan, Jaipur
	3.	Shri S.K. Agrawal Finance Secretary (Rev.) Govt. of Rajasthan, Jaipur
Managing Director	:	Shri Ajitabh Sharma Excise Commissioner, Rajasthan, Udaipur
Executive Director	:	Shri R.K. Goyal
Company Secretary	:	Shri R.K. Singhal
Statutory Auditor	:	Dhoot & Associates Chartered Accountants

Reg. Office : 'D' Block, First Floor,
Vitta Bhawan, Janpath, Jaipur-302005

Phone : 0141-2744231-9

Fax : 0141-2744237

E-mail : ed@rsbcl.com



RAJASTHAN STATE BEVERAGES CORPORATION, LIMITED

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

No : A-2(4)

Date : 24-11-2009

To All The Shareholders,
Directors & Others,

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Shareholders/Members of the Rajasthan State Beverages Corporation Limited will be held on 16th day of December, 2009 at the registered office of the Corporation at the address mentioned above at 05.00 P.M. to transact the following business.

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

As Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2009 and the Balance Sheet as on that date, Auditors' Report thereon and the report of the Directors to the Shareholders/Members.
2. RESOLVED that the remuneration payable to Statutory Auditors M/s Dhoot & Associates, Chartered Accountants, Jaipur for the financial year 2008-09 be and is hereby fixed at Rs. 60,000/- plus service tax per year and traveling and other expenses not to exceed Rs. 45,000 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 fix the remuneration payable to the Statutory Auditors for financial year 2009-2010 and onwards pursuance to section 224(8) aa of the Companies Act, 1956.

By order of the Board of Directors

Place : Jaipur
Dated : 24.11.2009

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

Note :

1. 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 himself and the proxy need be a member of the Corporation. Proxies in order to be effective must be received by the Corporation not less than 48 hours before the meeting. Format of proxy is enclosed.
2. 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, 2009
Gentlemen,

The Directors of your Corporation have pleasure in presenting to you the FOURTH ANNUAL REPORT on the working of the Corporation for the year ended 31st March, 2009 together with the Audited Statement of Accounts.

1. Business Operations

1.1 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 47.29 lakh carton boxes as against 37.43 lakh carton boxes in 2007-08 indicating an annualized growth of 26.34 percent over the previous year. The sale of beer increased to 120.18 lakh carton boxes from 105.93 lakh carton boxes in 2007-08, experiencing 13.45 percent annualized growth over 2007-08.

1.2 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.

1.3 Infrastructure

In addition to routine facilities like furniture, telephone etc all the depots have been equipped with computer hardware, best available Internet connectivity like Broadband and even VSAT for running online software, Online UPS and Gensets for meeting power crisis.

1.4 Financial Management

A Sound and prudent financial management is a major strength of the Corporation. The main commercial activity especially the purchase and sale of IMFL / Beer of the Corporation have been run real time on-line basis. This system has streamlined the working of the Corporation. The suppliers have been provided login / password facility in order to view their stock/sales position

alongwith due payment position, at any time / anywhere, herding an era of real transparency in Corporation functioning.

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 at its optimum level. The daily customized banking statement sent by bank and its sorting out branch wise / depot wise using "software module" enabled daily deposit reconciliation at depots. It may be mentioned 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 over 125 such authorized branches. The amount so deposited at any such branch gets instantly credited in the central account being maintained at Jaipur. The notable feature of above arrangement is converting any amount exceeding two 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. During the year Corporation started releasing the due weekly suppliers payment fully through RTGS (Real Time Gross Settlement) dispensing with issuing of physical cheques to respective supplier.

1.5 Future Outlook

The fourth 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.

2.1 Financial Performance :

The turnover of the Corporation increased during the year to Rs. 1597.54 crores from Rs. 1302.72 crores for previous year, an annual increase of 22.63 percent. The impressive growth has been a result of various reforms initiated by the Government and transparency maintained by corporation. During the year Rs. 26.00 crores was paid as privilege fee as against of Rs. 19.00 crores of 2007-08.

The year witnessed an annual increase of 20.88 percent in interest earned, as against of 1.58 crores of 2007-08, the interest earned reached to 1.91 crores.

2.2 Dividend :

Owing to non-availability of profit your Directors do not recommend distribution of dividend this year.

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 the company and for preventing and detecting frauds and other irregularities.
- 4.4 That the directors had prepared the annual accounts on a going concern basis.

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.

6. TURNOVER

The turnover of the Corporation during the current year is Rs. 1597.54 crores as compared to Rs. 1302.72 crores during the previous year.

7. 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.

8. TECHNOLOGY ABSORPTION

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

9. 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.

10. PERSONAL & INDUSTRIAL RELATIONS

Happy and cordial relations continued through out the year between the management and the employees of the Corporation.

11. 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.

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 C.K. Mathew, Shri B.N. Sharma, Ms. Gurjot Kaur and Shri Ajitabh Sharma were appointed and Shri Subhash Garg, Shri Mukesh Sharma, Shri Yaduvendra Mathur and Shri C.P. Vyas ceased to be directors 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 Dhoot & Associates, Chartered Accountants, Jaipur were appointed by the CAG for undertaking the audit for the year 2008-2009.

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 : 18.11.09



DHOOT & ASSOCIATES
Chartered Accountants

F-3, Ramesh Marg, 'C' Scheme, Jaipur-302001
Tel. : 0141-2222236, 4007133
E-mail : dhoot_asso@yahoo.co.in

AUDITOR'S REPORT
To the Members of
Rajasthan State Beverages Corporation Limited
Jaipur

We have audited the attached Balance Sheet of RAJASTHAN STATE BEVERAGES CORPORATION LIMITED As at 31st March 2009, and the Profit and Loss Account and also the cash flow statement of the company for the year ended on that date annexed thereto which are the revised statement of the original Balance Sheet and Profit and Loss account and cash flow statement adopted by the Board of Directors at the Board Meeting held on dated 11.08.2009 and as covered by our earlier audit report dated 11.08.2009. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditor's Report) Order, 2003(as amended) 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 "A" statement on the matters specified in paragraph 4 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- a) 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.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt

with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.

e) 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 "B"** enclosed the said accounts read together with the significant Accounting policies and the notes on accounts 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.

(i) In the case of Balance Sheet, of the state of affairs as at 31st March, 2009;

(ii) In the case of Profit and Loss Account, of the Profit for the period ended on that date; and

(iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Place : F-3, Ramesh Marg,
'C' Scheme, Jaipur-302001

Date : 18th November, 2009

For and on behalf of
DHOOT & ASSOCIATES
Chartered Accountants

sd/-
(K.K. DHOOT)
Partner
Membership No. 70184

ANNEXURE "A" TO THE AUDITOR'S REPORT

Referred to our Report of even date

1. (a) The company has maintained proper records Showing full particulars including quantitative details and situation of fixed assets **except depreciation Charged on assets.**
- (b) As explained to us the fixed assets have been physically verified at reasonable interval by the management during the year. As certified by the management no material discrepancies have been noticed on such verification.
- (c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
2. (a) According to explanation given to us, the inventories of the company have been physically verified by the management at reasonable intervals.
- (b) According to explanation given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
- (c) According to explanation given to us, the Company is maintaining records of Inventories through software application. No material discrepancies were noticed on physical verification of inventory.
3. (a) The company has neither granted or taken any loans, secured or unsecured from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the company has neither granted nor taken any loans, secured or unsecured from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4(iii)(b) to (g) are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system, commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and services subject to the following :
 - a) As per Liquor Sourcing Policy, any stock of beer lying unsold for the period of over 6 months from the date of bottling, declared unfit for human consumption and should be drained out

by the corporation. Since the corporation has not recorded the date of bottling, the corporation has not properly followed the said policy.

- b) In the regular books of accounts the company has entered sales, purchases, payments received from debtors by a monthly entry, generally on month end.
 - c) During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. There are no contracts or arrangements referred to in section 301 of the Companies Act, 1956. In view of the fact that there are no contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956, Sub clause 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, 1956 and the rules framed there under are not applicable.
 7. In our opinion, the company has an internal audit system commensurate with the size and nature of its Business.
 8. The maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
 - 9.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, State Insurance have been made to the parent organization. The Company is generally regular in depositing undisputed Statutory dues relating to Income Tax, Sale Tax, Wealth Tax, Customs Duty, Excise duty, Cess and other statutory dues to the extent applicable with the appropriate authorities. No Undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs duty, Wealth Tax, Excise Duty and Cess which have not deposited on account of any dispute except disputed Service Tax Rs. 521,25,843.00 relating to show cause notice issued by commissioner, Central Excise, Jaipur-I for the period February, 2005 to August, 2007 and a demand raised by excise department, Government of Rajasthan towards interest Rs. 64,69,083.00 on late deposit of permit fees and vend fees for financial years 2006 to 2008 and the Income Tax penalty imposed for the Assessment year 2006-2007 for late filing of return amounting to Rs. 1,00,000/-. The matters are pending before appropriate authorities.

10. The Company does not have accumulated losses as at 31st March, 2009. The Company has incurred cash losses during the financial year covered by our Audit and has not incurred cash losses in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial Institutions or Banks 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 or a nidhi/ mutual benefit fund/ society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable, to the company.
14. The Company is not dealing or trading in Shares, Securities, Debentures and other investments.
15. The Company has not given any guarantees for loans taken by others from Bank or financial Institutions.
16. The Company has not taken any term loan during the Year under audit.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short - term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year, hence the question of creating the securities / charges their on does not arise.
20. No money has been raised by public issues by the Company during the year.
21. In our opinion and according to the information and expatiation given to us, no fraud on or by the company was noticed or reported during the course of our audit during the year.

Place : F-3, Ramesh Marg,
'C' Scheme, Jaipur-302001

Date : 18th November, 2009

For and on behalf of
DHOOT & ASSOCIATES
Chartered Accountants

sd/-
(K.K. DHOOT)
Partner
Membership No. 70184

ANNEXURE "B" TO THE AUDITOR'S REPORT

Referred to our Report of even date

1. The details regarding entities falling under Micro, small and Medium Enterprises Development Act, 2006 required to be disclosed have not been furnished. Therefore, the provisions of *Micro, Small and Medium Enterprises Development Act, 2006 and the Companies Act, 1956* have not been complied with.
2. Refer Note - 18 of Notes on Accounts, the differences in Balances with Bank of India, Rs. 10,28,666/= and in fixed deposit Receipts (FDR) amounting to Rs. 1,63,225/- pertaining to the period 2005-06 lying unreconciled, hence written off during the year. *In our opinion writing off the bank balances is not appropriate as with the future efforts the possibility of reconciliation thereof can not be ruled out.*

Place : F-3, Ramesh Marg,
'C' Scheme, Jaipur-302001

Date : 18th November, 2009

For and on behalf of
DHOOT & ASSOCIATES
Chartered Accountants

sd/-
(K.K. DHOOT)
Partner
Membership No. 70184

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
BALANCE SHEET AS ON 31ST MARCH 2009

PARTICULARS	SCHNO.	AS AT 31.03.2009		AS AT 31.03.2008	
		(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
SOURCES OF FUNDS					
1 SHAREHOLDER'S FUNDS					
a) CAPITAL	"A"	20000000		20000000	
b) RESERVES & SURPLUS	"B"	4922241	24922241	3499185	23499185
2 LOAN FUNDS					
SECURED LOANS		-	-	-	-
UNSECURED LOANS		-	-	-	-
3 DEFERRED TAX LIABILITY			317425		444339
TOTAL			25239666		23943524
APPLICATION OF FUNDS					
1 FIXED ASSETS	"C"				
A) GROSS BLOCK		13703367			12225900
B) LESS: DEPRECIATION		<u>7823057</u>			<u>4965273</u>
C) NET BLOCK			5880310		7260622
2 INVESTMENTS			3000		3000
3 CURRENT ASSETS, LOANS & ADVANCES					
A) INVENTORIES		-		-	
B) SUNDRY DEBTORS	"D"	2581395		8316721	
C) CASH & BANK BALANCES	"D"	509192761		407079846	
D) LOANS & ADVANCES	"E"	<u>41698067</u>		<u>37491343</u>	
		553472223		452887910	
LESS:					
CURRENT LIABILITIES & PROVISIONS	"F"				
A) CURRENT LIABILITIES		532552819		432904372	
B) PROVISIONS		<u>2418399</u>		<u>4721122</u>	
NET CURRENT ASSETS		534971218	18501005	437625494	15262416
4 MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED	"G"		855351		1417486
TOTAL			25239666		23943524
NOTES ON ACCOUNTS	"K"				

As per our report of even date attached
For Dhoot & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(K.K. Dhoot)
Partner

Sd/-
(Alok Mathur)
General Manager (F & A)

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

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

Sd/-
(Ajitabh Sharma)
Managing Director

Place : Jaipur
Date : 18.11.09

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2009

PARTICULARS	SCHNO.	31.03.2009 (In Rs.)	31.03.2008 (In Rs.)
1 INCOME			
a) SALES		15975415973	13027238354
2 COST OF SALES		15661387132	12771801372
GROSS MARGIN		314028841	255436982
OTHER INCOME			
a) INTEREST ON BANK DEPOSITS		19078563	15826451
b) MISCELLANEOUS RECEIPTS		9767428	3348713
c) DEMURRAGE CHARGES		30385104	21782806
d) DEBTORS HAVING CREDIT BALANCE WRITTEN BACK		5626801	-
TOTAL		378886737	296394952
EXPENDITURE			
3 ADMINISTRATIVE & GENERAL EXPENSES	"H"	89355363	72006912
4 MANAGERIAL REMUNERATION	"T"	1668791	789239
5 FINANCE CHARGES	"J"	546332	390114
6 DEPRECIATION		2245636	2126387
7 PRIVILEGE FEE TO GOVT. OF RAJASTHAN		260000000	190000000
8 LICENSE FEES TO GOVT OF RAJASTHAN		22290000	23500000
9 MISCELLANEOUS EXPENDITURE WRITTEN OFF		562135	562135
10 BANK BALANCE DIFFERENCE WRITTEN OFF		1191891	-
11 BAD DEBTS WRITTEN OFF		4134845	-
TOTAL		381994993	289374787
12 PROFIT FOR THE YEAR		(3108256)	7020165
13 PRIOR PERIOD ADJUSTMENTS (NET)		6822797	391831
14 PROFIT AFTER PRIOR PERIOD ADJUSTMENTS		3714541	7411996
15 LESS PROVISION FOR TAX			
a) CURRENT TAX		2167653	2132300
b) DEFERRED TAX		-126914	225397
c) FRINGE BENEFIT TAX		250746	248922
16 PROFIT AFTER TAX LIABILITY		1423056	4805377
17 PROVISION FOR PROPOSED DIVIDEND		-	2000000
18 PROVISION FOR DIVIDEND TAX		-	339900
19 BALANCE TRANSFERRED TO GENERAL RESERVE		1423056	2465477
20 EARNING PER SHARE(FACE VALUE OF RS.100/-EACH)		7.12	24.03
21 NOTES ON ACCOUNTS	"K"		

As per our report of even date attached
For Dhoot & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(K.K. Dhoot)
Partner

Sd/-
(Alok Mathur)
General Manager (F & A)

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

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

Sd/-
(Ajitabh Sharma)
Managing Director

Place : Jaipur
Date : 18.11.09

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-A

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

SHARE CAPITAL

PARTICULARS	AS AT 31.03.2009 (In Rs.)	AS AT 31.03.2008 (In Rs.)
<u>AUTHORISED SHARE CAPITAL</u>		
500000 EQUITY SHARES OF RS.100/-EACH	<u>50000000.00</u>	<u>50000000.00</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
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 THE BALANCE SHEET AS AT 31ST MARCH 2009

RESERVES & SURPLUS

PARTICULARS	AS AT 31.03.2009 (In Rs)	AS AT 31.03.2008 (In Rs)
A. CAPITAL RESERVE:		
GRANT IN AID	137500	137500
B. GENERAL RESERVE:		
BALANCE AS PER LAST BALANCE SHEET	3361685	896208
ADD: TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	1423056	2465477
TOTAL	4922241	3499185

SCHEDULE-C

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

FIXED ASSETS

S.No	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK		
		As at 1st April 2008	Additions	Deducti- ons	As at 31st March 2009	Up to 31st March 2008	For the Year	Related to previous year	Deduction During year	As at 31st March 2009	As at 31st March 2009	As at 31st March 2009
1	2	3	4	5	6	7	8	9	10	11	12	13
1	OFFICE EQUIPMENTS											
a	Telephone Instruments	26100	3640	-	29740	11518	5668	0	0	17186	12554	14582
b	Mobile Instruments	169636	36999	-	206635	54024	20580	0	0	74604	132031	115612
c	Photo Copy Machine		130639	-	130639	-	23305	1879	0	25184	105455	-
d	Fax Machine	24100	9128	-	33228	8629	2987	0	0	11616	21612	15471
e	Installation of RAS	95000	-	-	95000	33687	8598	39819	0	82104	12896	61313
f	UPS (Batteries)	305266	134356	-	439622	45489	162861	69798	0	278148	161474	259777
2	COMPUTER EQUIPMENTS											
a	Installation of Software	688333	-	-	688333	536209	60850	0	0	597059	91274	152124
b	Computers	3133118	-	-	3133118	1908318	496256	-	0	2404574	728544	1224800
c	Laptop	390902	64498	-	455400	241002	70704	-	0	311706	143694	149900
3	Furniture and Fixtures	3126137	154699	12620	3268216	1185472	462598	10646	12620	1646096	1622120	1940565
4	Computer Accessories	550984	39040	-	590024	123896	170986	68883	0	363755	226259	427088
5	D G Set	802382	48302	-	850684	124661	100842	0	0	225503	625181	677721
6	Electrical Appliances	589715	-	-	589715	174374	75177	0	0	249551	340164	415341
7	Fire Fighting Equipments	369666	230325	-	599991	57468	92103	0	0	149571	450420	312198
8	Hand Plate Truck	47960	-	-	47960	11583	6584	0	0	18167	29793	36377
9	Instt. Of Broad Band	50119	-	-	50119	31186	7573	0	0	38759	11360	18933
10	Car	-	638461	-	638461	-	157738	-	0	157738	480723	-
11	Office Equipments	249577	-	-	249577	65668	33003	1570	0	100241	149336	183909
12	Air Conditioners	273687	-	-	273687	82661	34576	0	0	117237	156450	191026
13	V Set	1333218	-	-	1333218	269433	252647	432168	0	954248	378970	1063785
	Total	12225900	1490087	12620	13703367	4965278	2245636	624763	12620	7923057	5880310	7260622
	Previous Year	9523809	2702091	0.00	12225900	2132090	2126387	706801	0	4965278	7260622	-

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-D

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

CURRENT ASSETS

PARTICULARS	31.03.2009 (In Rs.)		31.03.2008 (In Rs.)	
A SUNDRY DEBTORS, UNSECURED AND CONSIDERED GOOD AMOUNT RECEIVABLE FROM WHOLESALERS / RETAILERS				
A MORE THAN SIX MONTHS	-	-	4700146	-
B LESS THAN SIX MONTHS	-	-	487341	-
C SUPPLIERS HAVING DEBIT BALANCE	2581395	2581395	3129234	8316721
B CASH AND BANK BALANCES				
CASH ON HAND	10497		-	
P D A/C	10000000		10000000	
FIXED DEPOSITS WITH BOI	41716083		73627093	
FIXED DEPOSITS WITH UCO BANK	184031893		108200000	
FIXED DEPOSITS WITH PNB	243675000		178840000	
STATE BANK OF INDIA JALORE	11848831		14816858	
FIXED DEPOSITS WITH SBI JALORE	7500000		-	
UCO BANK CA A/C NO 113	-		193327	
PNB A/C	1373737		-	
PNB CORPORATE A/C	402579		-	
BANK OF INDIA H O A/C	3484991		-	
BANK OF INDIA DEPOTS A/C		504043611		385677278
SRIGANGANAGAR DEPO	-		10000	10000
UCO BANK DEPOTS A/C				
AJMER DEPO 4726	-		3579483	
ALWAR DEPO	-		1631566	
BHARATPUR DEPO	5134150		1971500	
BIKANER DEPO	-		1587683	
DAUSA DEPO	-		3317081	
HANUMANGARH DEPO	-		20000	
JHUNJUNU DEPO	-		817240	
JODHPUR DEPO 92832	-		19265	
NAGOUR DEPO	-		8348750	
SRIGANGANAGAR DEPO	15000		100000	
		5149150		21392568
		509192761		407079846

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-E

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

LOANS AND ADVANCES

S.No. PARTICULARS	31.03.2009 (in Rs.)	31.03.2008 (in Rs.)
(ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED OR FOR PENDING ADJUSTMENT-CONSIDERED GOOD)		
ADVANCE TO STAFF	4055	38329
ADVANCES TO OTHERS	195228	203195
SECURITY DEPOSIT	<u>12686</u>	24033
IMPEREST WITH DEPOT MANAGERS	375065	419202
PREPAID TAXES		
ADVANCE INCOME TAX	7200000	2200000
ACCRUED INTEREST ON FDR	25564	-
ADVANCE F B T	217183	198414
TDS INTEREST ON FD	6877787	5138466
PREPAID EXP	<u>24938375</u>	24913513
OTHER CURRENT ASSETS		
RAJASTHAN SALES TAX	43787	23381
VEND FEES	1808337	4332810
TOTAL	41698067	37491343

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-F

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

CURRENT LIABILITIES AND PROVISIONS

PARTICULARS	31.03.2009		31.03.2008	
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
A CURRENT LIABILITIES				
SUNDRY CREDITORS-OLD WHOLESSELLERS	1326541		1326541	
SUNDRY CREDITORS-SUPPLIERS/ DISTILLERIES	238916550		287340566	
LIABILITIES FOR EXPENSES	3948861		5392576	
SUNDRY DEBTORS HAVING CREDIT BALANCE (NET) (REFER PARA NO. 9 OF NOTES ON ACCOUNTS)	630549		17187649	
ADVANCE FROM RETAILERS	210779773		13267152	
SECURITY DEPOSIT OF SERVICE PROVIDERS	461865		577495	
ESTABLISHMENT EXPENSES	10640827	466704966	4951764	330043743
B BANK OVERDRAFT				
PUNJAB NATIONAL BANK HEAD OFFICE A/C	0		21443170	
UCO BANK HEAD OFFICE A/C	35064697		24135231	
UCO BANK BHILWARA DEPO	0		25216	
UCO BANK AJMER DEPO	50000		0	
BANK OF INDIA ALWAR DEPO	0		56000	
BANK OF INDIA	0		31358875	
BOI HANUMANGARH DEPO	0		500	
PNB JHALAWAR	0		6000	
PNB BARMER	0	35114697	4111	77029103
C STATUTORY LIABILITIES				
T D S PAYABLE	800470		429595	
T C S PAYABLE	6117227		14823514	
SURCHARGE ON T C S PAYABLE	8251866		0	
CESS ON T C S PAYABLE	2722021			
PERMIT FEES	11947961		5997642	
EXCISE DUTY PAYABLE	0		3662631	
SURCHARGE ON EXCISE DUTY	893611	30733156	918144	25831526
		532552819		432904372
D PROVISIONS				
PROVISION FOR INCOME TAX	2167653		2132300	
PROVISION FOR F.B.T.	250746		248922	
PROVISION FOR DIVIDEND & DIVIDENT DISTRIBUTION TAX	0	2418399	2339900	4721122
TOTAL		534971218		437625494

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-G

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR

ENDED ON 31ST MARCH 2009

MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED

S.No PARTICULARS	31.03.2009		31.03.2008	
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
1 PRELIMINARY EXPENSES				
OPENING BALANCE	0		217500	
ADD: ADDITION DURING THE YEAR	0		0	
LESS: WRITTEN OFF DURING THE YEAR	0	0	217500	0
2. DEFFERED REVENUE EXPENSES FOR RENOVATION OF BUILDING				
OPENING BALANCE	1417486		2059946	
ADD: ADDITION/DELETION DURING THE YEAR	0		-80325	
LESS: WRITTEN OFF DURING THE YEAR	562135	855351	562135	1417486
GRAND TOTAL		855351		1417486

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-H

**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED ON 31ST MARCH 2009**

ADMINISTRATIVE AND GENERAL EXPENSES

PARTICULARS	31.03.2009 (in Rs.)	31.03.2008 (in Rs.)
ESTABLISHMENT EXPENSES		
SALARIES AND WAGES	43562909	27073952
HONORARIUM	18000	17900
TRAVELLING EXPENSES	275117	363471
ACCOUNTING SERVICES EXPENSES	1010513	959954
REIMBURSEMENT OF MEDICAL EXPENSES	783803	683589
EXPENSES ON SECURITY	8877978	5694465
EXPENSES ON IT SERVICES	3875880	3911880
EXPENSES ON OUTSOURCED LABOUR PAYMENT	1363086	1285191
PENSION CONTRIBUTION	1350922	1394854
GENERAL EXPENSES		
RENT FOR GODWON	17169033	16622471
BOOKS AND PERIODICALS	11957	26578
COMPUTER CONSUMABLES	657870	702303
ENTERTAINMENT EXPENSES	106789	299862
ELECTRICITY & WATER CHARGES	1016083	1146353
PRINTING AND STATIONARY EXPENSES	593730	956491
POSTAGE AND COURIER EXPENSES	90641	110993
TELEPHONE EXPENSES	1739852	2257546
V-SET EXP	486631	573857
OFFICE EXPENSES	710048	282921
STATUTORY AUDITORS REMUNERATION	66180	67416
TRAVELLING EXP OF STATUTORY AUDITORS	15445	29400
TAX AUDIT FEES	9927	10112
INTERNAL AUDIT FEES	1100522	1154232
ADVERTISEMENT AND PUBLICITY	736098	808074
PROFESSIONAL AND LEGAL CHARGES	72236	107586
INSURANCE ON STOCK AT DEPOTS	2618957	2618957
MISCELLANEOUS BALANCES W/OFF	132821	596260
INCOME TAX	17087	-
INSURANCE OF VEHICLES		
MAINTENANCE EXPENSES		
REPAIRS AND MAINTENANCE GODWON & BUILDING	89522	311502
RUNNING AND MAINTENANCE OF MOTOR VEHICLES	795726	791180
TOTAL	89355363	72006912

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-I

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR

ENDED ON 31ST MARCH 2009

MANAGERIAL REMUNERATION

PARTICULARS	31.03.2009		31.03.2008	
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
A WHOLETIME DIRECTORS (ED)				
SALARY AND ALLOWANCES	1347772	1391878	466588	503665
TRAVELLING EXPENSES	15306		8277	
PENSION CONTRIBUTION	28800		28800	
B OTHER DIRECTORS				
HONORARIUM TO CHAIRMAN	16600	276913	18000	285574
TRAVELLING EXPENSES	237537		244798	
OTHER REIMBURSEMENT	22776		22776	
TOTAL		1668791		789239

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE-J

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR

ENDED ON 31ST MARCH 2009

FINANCE CHARGES

PARTICULARS	31.03.2009		31.03.2008	
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
1 INTEREST PAID ON OVERDRAFT		43475		97762
2 BANK CHARGES		502857		292352
GRAND TOTAL		546332		390114

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Pursuant to part IV of Schedule VI to the Companies Act 1956)**

I Registration Details			
Registration No.	17-020336	State Code	17
Balance Sheet Date	31.03.09		
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. Thousands)			
Total Liabilities	25239.67	Total Assets	25239.67
Source of Funds			
Paid-up-Capital	20000.00	Reserves & Surplus	4922.24
Secured Loans	NIL	Unsecured Loans	NIL
	DTL		317.43
Application of Funds			
Net Fixed Asset	5880.31	Investment	3
Net Current Assets	18501.00	Misc. Expenditure	855.35
Accumulated Losses	NIL		
IV Performance of Company (Amount in Rs. Thousands)			
Turn Over (Including other Income)	16040273.87	Total Expenditure	16036559.33
Profit Before Tax	3714.54	Profit/Loss After Tax	1423.06
Earnings per share in Rs.	7.12 (24.03)	Dividend Rate %	0 (10)
V Generic Name of Three Principal Products/Services of Company			
Item code No.	NIL		
Product Description	IMFL / BEER		

As per our report of even date annexed
For Dhoot & Associates
Chartered Accountant

On behalf of the Board of Directors

Sd/-
(K.K. Dhoot)
Partner

Sd/-
(Alok Mathur)
General Manager (F & A)

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

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

Sd/-
(Ajitabh Sharma)
Managing Director

Place : Jaipur
Date : 18.11.09

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 2008-09

	31.03.2009 (Rs. in Lacs)	31.03.2008 (Rs. in Lacs)	
(A) CASH FLOWS FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	(31.08)	70.20	
ADJUSTMENTS FOR			
DEPRECIATION & MISC. EXPENSES WRITTEN OFF	81.34	23.43	
INTEREST INCOME	(190.79)	(158.26)	
PRIOR PERIOD INCOME / EXPENSES	68.22	3.92	
INTEREST EXPENSES	0.44	3.90	
PROFIT ON SALE OF FIXED ASSETS	0.02	-	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(71.85)	(56.81)	
DECREASE IN SUNDRY DEBTRS	16.00	42.22	
INCREASE IN INVENTORIES	-	-	
INCREASE / (DECREASE) IN CURRENT LIABILITIES	996.48	1,147.55	
INCREASE/ (DECREASE) IN OUTSTANDING EXPENSES	(17.57)	155.73	
INCREASE / (DECREASE) IN CURRENT ASSETS AND ADVANCES	(3.80)	23.69	
CASH GENERATED FROM OPERATIONS	919.26	1,312.38	
INCOME TAXES PAID	(50.19)	(1.98)	
CASH FLOW BEFORE EXTRAORDINARY ITEM	869.07	1,310.40	
EXTRAORDINARY ITEMS	-	5.46	
NET CASH FROM OPERATING ACTIVITIES	869.07	1,315.86	
(B) CASH FLOW FROM FINANCING ACTIVITIES			
PURCHASE OF FIXED ASSETS	(14.90)	(27.02)	
SALE OF FIXED ASSETS	0.02	-	
INTEREST RECEIVED	190.79	158.26	
DIVIDENDS RECEIVED	-	-	
NET CASH FROM INVESTING ACTIVITIES	175.91	131.24	
(C) CASH FLOW FROM FINANCING ACTIVITIES			
PROCEEDS FROM ISSUANCE OF SHARE CAPITAL	-	-	
PROCEEDS FROM SUBSIDY & GRANTS	-	-	
REPAYMENT OF LONG TERM BORROWINGS	-	-	
INTEREST PAID	(0.44)	(3.90)	
DIVIDEND PAID INCLUDING TAX THERE ON	(23.40)	-	
NET CASH USED IN FINANCING ACTIVITIES	(23.84)	(3.90)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,021.14	1,443.20	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,070.79	2,627.59	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,091.93	4,070.79	

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

On behalf of the Board of Directors

Sd/-
(K.K. Dhoot)
Partner

Sd/-
(Alok Mathur)
General Manager (F & A)

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

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

Sd/-
(Ajitabh Sharma)
Managing Director

Place : Jaipur
Date : 18.11.09

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

SCHEDULE K

**FORMING PART OF 2008-09 ACCOUNTS
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES**

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 stored 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) Sales: 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 levies 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 Compa-

nies 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, 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:

Expenditure on building renovation amounting to Rs. 5,62,135/- (Previous year Rs. 5,62,135/-) considered deferred revenue & written off in the 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.

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

NOTES ON ACCOUNTS:

1. Nature of Operations:

The Corporation has been constituted by Government of Rajasthan, for purchase and sale of IMFL & Beer in the State, was incorporated on 24th February 2005.

The company has operated according to the Liquor Sourcing Policy and Liquor Sale Policy 2008-09 approved by Board of Directors.

2. Contingent liability not provided for:

- (i) Rs. 8.92 lacs Payable to M/s Anu Gupta is under appeal before Hon'ble High Court, Jaipur.
- (ii) The Commissioner of Central Excise, Jaipur-I has issued show cause notice for payment of service tax considering the activities of the Company under 'Business Auxiliary Services'(BAS) in July 2008 for the period February, 2005 to August, 2007 for Rs. 5,21,25,843/-. Further liability for the period September 2007 to March 2009 amounting to Rs. 5,67,90,707/- has not been provided for in the books of accounts since no demand there against as so far been received. The Corporation is of the view that activities pursued by the RSBCL do not falls under 'BAS' hence has not provided for the liability. The Company has represented the appropriate authorities against the demand and no any reply has so far been received.
- (iii) Demand of Rs. 32,89,550/- and 31,79,533/- has been raised by District Excise Officer, Excise Department, Government of Rajasthan, Jaipur City towards interest on late deposit of permit fees and vend fees for FY 2006-07 and 2007-08 vide their letter dt. 13.12.2007 and 16.06.2008 respectively. The company has represented for deletion of demand in view of excess deposit of vend fees and permit fees on a number of occasions during the year.
- (iv) The Income Tax Department has raised a demand of Rs. 5,33,41,990/- for the assessment year 2006-07 disallowing the expenditure on privilege fee by treating this as capital expenditure and a penalty of Rs. 1,00,000/- was imposed for late filing of return for the assessment year 2006-2007 and the matter has been subjudice before appellate authority. However the C.I.T. Appeals) II has decided the Appeal in favour the Corporation and a demand of Rs. 5,33,41,990/- has been deleted by not treating Privilege fee as Capital Expenditure.

3. During the financial year 2008-09 Corporation has sold the stocks directly to retailers. Thus, over 6000 retailers purchase the goods directly from Corporation.
4. The RSBCL has accounted for purchases by reducing 2% margin on purchase value on IMFL & Beer and 7% on profit on purchase value of FMFL 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 after accounting for purchase and sale are held on behalf of manufacturers/ suppliers and have not been accounted for in the books of company. The stock amounting to Rs. 127.59 crore lying at depots on behalf on manufacturers/suppliers.

5. Breakage/shortage including abnormal losses if any, are not accounted for in the books. Normally the same is borne by respective manufacturers.
6. 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. 3,70,17,710/- towards demurrage receivable from various suppliers. However, management decides to waive the demurrage charge Rs. 66,32,606/- levied upon Rajasthan State Ganganagar Sugar Mills Ltd. (RSGSM) being a fully State Government owned Company and to promote sale of Heritage Liquor in the State.
7. As per Liquor Source Policy, the goods are sold to retailers (licensees) after receipt of full value of goods.
8. A sum of Rs. 3,75,065/- is outstanding as on 31st March, 2009 sanctioned to Depot Managers as standing imprest to meet the petty expenses at depots. The details and of expenditure is received from depots and the same is booked as expenses.
9. Sundry Debtors having credit balances after doing depot wise net of credit balance amounting to Rs. 6,30,548.79 has been shown in Schedule 'F' of the Balance sheet. The debtors exceeding six months are amounting to Rs. 9.99 lacs. The details are as under :

Financial Year	Debit Balances	Credit Balances	Net Balance
2006-07	5,12,118.32	41,39,474.70	36,27,356.38 Cr.
2007-08	4,87,340.70	72,76,321.30	67,88,980.60 Cr.
2008-09	10,770,659.04	9,84,870.85	97,85,788.19 Cr.
	<u>1,17,70,118.06</u>	<u>1,24,00,666.85</u>	<u>6,30,548.79 Cr</u>

10. The Company has been in the process of obtaining copies of Memorandum filed with the concerned authority by entities falling under the MSMED Act. 2006. Till date two, six and eight units respectively claim to be in Micro, Small and Medium category. The rest of units, despite of repeated pursuance didn't provide any intimation in this regard.
11. In pursuance of Government of Rajasthan Order No. F-4(1) Fin/Ex/08/26.3.09 Company has paid a sum of Rs. 26.00 Crores towards privilege fees to Government of Rajasthan.

12. In pursuance of Government of Rajasthan Excise Deptt Order No. F-32(B)(85)/Excise/2006 dated 24.02.08 company has paid a sum of Rs. 2.21 crores towards License fees and 1.90 lacs towards application fees to Government of Rajasthan.

13. Adjustments for earlier year income /expenditure are as follows :

Income related to earlier year	88,56,828.00
Expenses related to earlier year	<u>20,34,031.00</u>
	<u>68,22,797.00</u>

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

14. Quantitative Information in respect of purchase and sale of IMFL & BEER (As certified by the Management)

	Value (Rs. in crores)					
	Qty. 31.03.2009		Qty. 31.03.2008			
	Case	Bottles	Case	Bottles	Case	Bottles
Sales :IMFL/FMFL	4728871	7764	1597.54	3743212	332132	1302.72
Beer	12018325	416		10593371	9753	
Purchases :						
IMFL/FMFL	4728871	7764	1566.14	3743212	332132	1277.18
Beer	12018325	416		10593371	9753	
Closing Stock :						
IMFL/FMFL	633681	7623	34.36	-	-	-
Beer	390343	93326	93.23	-	-	-

15. Remuneration to Directors

(Including Chairman & Managing Director)	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Salary & Allowance	13,87,148.00	5,07,364.00
Contribution to Pension Fund	28,800.00	28,800.00
Traveling Expenses	2,52,843.00	2,53,075.00
	<u>16,68,791.00</u>	<u>7,89,239.00</u>
Remuneration payable to Auditors		
Statutory Audit Fees	66,180.00	67,416.00
Tax Audit Fees	9,927.00	10,112.00
	<u>76,107.00</u>	<u>77,528.00</u>

16. AS 22 Deferred Tax

Deferred Tax Liability/Assets have been determined on the basis of Accounting Standards 22(AS-22) Accounting for Taxes on Income issued by ICAI and the details thereof are as follows :

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Deferred Tax Assets arising on Account of timing differences in :		
Deferred Revenue Expenditure		
Opening Balance	444339	218942
Dererred Tax Liability arising on Account of timing differences in Depreciation	-	240673
Deferred Tax Assets	<u>126914</u>	<u>(-)15276</u>
Net Dererred Tax Liability	<u>317425</u>	<u>444339</u>

17. Parties and transactions have been identified as per Accounting Standar 18 Related Party Disclosures issued by the Institute of Chartered Accountants of India payment to related parties are as under :

			2008-09	2007-08
1. Sh. Rajiv Maharshi	Chairman	Honorarium	11,277.00	18,000.00
2. Sh. C.K. Methew	Chairman	Honorarium	5,323.00	Nil
3. Sh. C.P. Vyas	M.D.	Travelling Exp.	2,60,313.00	2,67,574.00
4. Sh. R.K. Goyal	Exe. Director		13,91,878.00	5,03,665.00
			<u>16,68,791.00</u>	<u>7,89,239.00</u>

18. The differences in Balance with Bank of India Rs. 10,28,666/- and in fixed deposits receipt (FDR) amounting to Rs. 1,63,225/- pertaining to the period 2005-06 lying unreconciled since than and could not be traced out even after efforts made. Therefore, the management has decided to write-off the same by debiting in Profit & Loss Account.

19. The debit balances amounting to Rs. 28,54,877/- with the debtors pertaining to the period 2005-06 lying unreconciled and unconfirmed since than and there are no chances of recovery thereof, similarly suppliers having debit balances lying up to March 2008 amounting to Rs. 12,79,968/- remained outstanding since 2005-06 to 2007-08. Therefore, the management has decided to write off as Bad debts by debiting in Profit & Loss Account. If there are any recovery arises the same will be accounted for in the year of recovery.

20. The debtors having credit balances pertaining to the period 2005-06 amounting to Rs. 56,26,801/- have been written back as the management has considered the same to be appropriate as income as the liability is not payable. As such the same has been credited in Profit & Loss Account. If there is any payment against the same has to be made in subsequent years would be accounted for in the year of payment.

21. The accounts of the Company for the year 2008-09 were originally adopted by the Board of Director on 11.08.2009. However, due to observation of the CAG auditors, it was considered appropriate to revise the accounts to give the necessary effects of the major observations of CAG auditors. Due

to revisions of the accounts, following changes have been made in the balance sheet and profit and loss account of the original accounts of the Company :

Particulars	Figure as per Original accounts (Rs.)	Figure as per revised accounts (Rs.)	Increase/ Decrease (Rs.)
Balance Sheet :			
Sources of fund			
Reserve & surplus	50,73,037	49,22,241	-1,50,796
Deferred Tax Liability	3,56,765	3,17,425	-39,340
Total	54,29,802	52,39,666	-1,90,136
Application of funds			
Fixed assets (Net Block)	60,07,624	58,80,310	-1,27,314
Current Assets, Loans & Advances			
Sundry Debtors	33,63,624	25,81,395	-7,82,229
Cash & Bank Balances	51,03,84,652	50,91,92,761	-11,91,891
Loans & Advances	4,14,98,067	4,16,98,067	2,00,000
Current Liabilities and Provisions	53,66,82,516	53,49,71,218	-17,11,298
Total	2,45,71,451	2,43,81,315	-1,90,136
Profit before Tax	40,84,138	37,14,541	-3,69,597
Profit after Tax	20,41,832	14,23,056	-6,18,776

22. Cash flow statement has been prepared using indirect method as prescribed by the Institute of Chartered Accountants of India as per A.S. 3.
23. There are no earnings and/or out go in foreign exchange.
24. Figures have been rounded off to the nearest of rupees.
25. Figures of the previous year have been regrouped / rearranged wherever deemed necessary so as to make them comparable with those of the current year.
26. Schedules A to K and accounting policies form integral part of accounts.

For Dhoot & Associates
Chartered Accountants

On behalf of the Board of Directors

Sd/-
(K.K. Dhoot)
Partner

Sd/-
(Alok Mathur)
General Manager (F & A)

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

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

Sd/-
(Ajitabh Sharma)
Managing Director

Place : Jaipur
Date : 18.11.09

संख्या/No. सीएडब्ल्यू-1/वाले/आरएसबीसीएल/2008-09/के 298/प्रे.1098



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 11.12.2009

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

विषय : राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च 2009 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 2009 को समाप्त वर्ष के लिए राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड, जयपुर के लेखाओं पर कम्पनी अधिनियम की धारा 619 (4) के अधीन '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 जावे तथा स्वीकृत की जावें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

संलग्न : उपरोक्तानुसार

भवदीय,

ह.

व. उपमहालेखाकार (वाणिज्यिक)

टेलीक्स : 2285 फैक्स : 0141-2385230
Telex : 2285 Fax : 0141-2385230

टेलीफोन : 2385431-39
Telephone : 2385431-39

तार : लेखापरीक्षा II, जयपुर
Telgram : 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 2009.

The preparation of financial statements of Rajasthan State Beverages Corporation Limited for the year ended 31 March 2009 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/ auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is/are 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 18.11.2009.

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 2009. 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. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No. 21 of the Notes forming part of Accounts (Schedule No. K), I have no further comments to offer upon or supplement to the Statutory Auditors Report, under Section 619(4) of the companies act. 1956. 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/-
(Meera Swarup)
Accountant General (C. & R. Audit)
Rajasthan, Jaipur.

Place : Jaipur
Date : 11.12.2009

AUDITOR'S REPORT	REPLY
<p>1 (a) The company has maintained proper records including quantitative detail and situation of its fixed assets except depreciation charged on assets.</p>	<p>Noted. Depreciation is being charged and worked out separately on consolidated basis and the effect thereof has been accounted for in the books as per stipulated rate.</p>
<p>(b) As explained to us the fixed assets have been physically verified by the management during the year. As certify by the management no material discrepancies have been noticed on such verification.</p>	<p>No Comment</p>
<p>(c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.</p>	<p>No Comment</p>
<p>2 (a) According to explanation given to us, the inventories of the company has been physically 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 inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</p>	<p>No Comment</p>
<p>(c) According to explanation given to us, the Company has maintaining records of Inventories through software application. No material discrepancies were noticed on physical verification of inventory.</p>	<p>No Comment.</p>
<p>3 (a) The companies has neither granted nor taken any loans, secured or unsecured from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act.</p>	<p>No Comment</p>
<p>(b) As the Company has neither granted nor taken any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 hence clause, 4 (iii)(b) to (g) are not applicable</p>	<p>No Comment</p>

4. In our opinion and according to the information and explanations given 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 inventories and fixed assets and for the sale of goods and services subject to the following.

a) As per Liquor Sourcing 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 drained out by the corporation. Since the corporation has not recorded the date of bottling, the corporation has not properly followed the said policy.

b) In the regular books of accounts the company has entered sales, purchases, payments received from debtors by a monthly entry generally on month end.

c) During the Course of our audit, we have not observed any continuing failure to correct major weakness in internal controls procedures.

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 Companies Act, 1956 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, 1956 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.

The Stock at the concerning Depots, invariably has got reference of manufacturing date/month in each bottle/ carton box. 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. During the year under reference Beer worth Rs. 25.40 lacs has been drained out. Further during the current financial year, a provision has been inserted in the LSP not to accept and inward Beer at Depot beyond 90 days from the date of manufacturing in order to minimize such cases.

No Comment

No Comment

No Comment

No Comment

No Comment

<p>8. The maintenance of cost records has not been prescribed by the Central Government under section 209 (I) (d) of the Act, 1956.</p>	<p>No Comment</p>
<p>9 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 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, Custom duty, Excise duty, Cess, Service Tax and other statutory dues with the appropriate authorities.</p>	<p>No Comment</p>
<p>b) According to the information and explanations given to us, no undisputed amount payable in respect of dues of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Cess were in arrears as of 31.03.2009 for a period more than six months from the date they become payable.</p>	<p>No Comment</p>
<p>c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom duty, Wealth Tax, Excise duty, Cess which have not been deposited on account of any dispute except disputed service tax Rs. 5,21,25,843.00 relating to show cause notice issued by Commissioner, Central Excise, Jaipur-I for the period Feb. 05 to August 07 and Income Tax penalty imposed for the assessment year 2006-07 for late filing of return amounting to Rs. 1,00,000.00. The matters are pending before appropriate authorities.</p>	<p>The Corporation is of a firm view, that activities pursued by it are simply the trading of IMFL/Beer i.e. purchasing of IMFL/Beer from suppliers and selling to authorised licencees as per the mandate of Government for Rajasthan. This activity does not fall under 'Business Auxiliary Services' (BAS). Further, the Corporation also sought opinion of subject expert Mr. Punkaj Malik, who has given clear opinion that the activities pursued by the Corporation is not under 'BAS', Corporation further engaged Shri Punkaj Malik to prepare and present the case relating to Rs. 5,21,25,843.00 before the Commissioner, Central Excise on behalf of the Corporation to drop the notice. The reply of the notice has already been filed.</p> <p>Appeal against demand of Rs. 1,00,000/- has been filed before Income Tax Commissioner, Appeal-II Appeal is pending for decision.</p>
<p>10. The company does not have accumulated losses as at 31st March 2009 and the Company has not incurred cash losses during the financial year covered by our audit. and has not incurred cash losses in the immediately preceding financial year.</p>	<p>No Comment</p>

11. The company has not defaulted in repayment of dues to financial institution or bank or debenture holders.	No Comment
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.	No Comment
13. The Company is not a chit fund/nidhi/mutual benefit fund/society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order 2003 are not applicable.	No Comment
14. The company is not dealing or trading in shares, securities, and debentures and other investments.	No Comment
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.	No Comment
16. The company has not obtained any term loan during the period under audit.	No Comment
17. According to the cash flow statement and other records examined by us and information and explanation given to us, we are of the opinion that there are no funds raised on short terms basis have been used for long term investment.	No Comment
18. The company has not made any preferential allotment of shares to parties and Companies covered in the Register during the year maintained under section 301 of the Companies Act, 1956.	No Comment
19. There are no debentures issued and outstanding during the year, hence the question of creating the securities/charges there on does not arise.	No Comment
20. No money has been raised by public issues by the company.	No Comment
21. To the best of our knowledge and belief, and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the course of our audit during the year.	No Comment

AUDITOR'S REPORT	REPLY
<p>1 The details regarding entities falling under Micro, Small and Medium Enterprises Development Act, 2006 required to be disclosed have not been furnished. Therefore, the provisions of Micro, Small and Medium Enterprises Development Act, 2006 and the Companies Act, 1956 have not been complied with.</p> <p>2. Refer note - 18 of Notes on Accounts, the differences in Balances with Bank of India, Rs. 10,28,666/- and in fixed deposit Receipts (FDR) amounting to Rs. 1,63,225/- pertaining to the period 2005-06 lying unreconciled, hence written off during the year. In our opinion writing off the bank balances is not appropriate as with the further efforts the possibility of reconciliation there of can not be ruled out.</p>	<p>Corporation has been pursuing with the respective parties to provide the requisite information. Till date Two, Six and Eight suppliers claim to fall in Micro, Small and Medium category respectively.</p> <p>As many as 22 suppliers reported not to fall in the above category, rest 39 parties despite repeated pursuance did not provide the requisite information. However, it is on record that corporation follows a unique payment system normally releasing due payment to any suppliers on every saturday through RTGS. So generally their due payment is made within stipulated limit of the Act. Hence, the tenet and proviso of Act is being followed.</p> <p>All necessary and possible efforts to recover/reconcile the balances were made during last 3 years. Even after all possible efforts and available procedures the differences have not been reconciled. In view of the available facts the management decided to write it off. However if in future it is recovered/reconciled the same will be treated as income of the Corporation and accounted for in the books.</p>



राजस्थान स्टेट बेवरेज कॉर्पोरेशन लिमिटेड

(राजस्थान सरकार का उपक्रम)

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

फोन : 0141-2744233/34, फैक्स : 0141-2744237

Rajasthan State Beverages Corporation Limited

(A Government of Rajasthan Undertaking)

1st Floor, D-Block, Vitta Bhawan, Janpath, Jaipur

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