

**5<sup>th</sup>** ANNUAL REPORT  
2009-10



**राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड**  
(राज्य सरकार का उपक्रम)

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

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**BOARD OF DIRECTORS**

Chairman	:	<b>Shri C.K. Mathew</b> Addl. Chief Secretary, Finance Govt. of Rajasthan, Jaipur
Directors	1.	<b>Shri D.B. Gupta</b> Principal Secretary, Plan Govt. of Rajasthan, Jaipur
	2.	<b>Shri Niranjan Arya</b> Commissioner, Commercial Taxes Govt. of Rajasthan, Jaipur
	3.	<b>Shri Abhay Kumar</b> Secretary Finance (Rev.) Govt. of Rajasthan, Jaipur
Managing Director	:	<b>Shri Ajitabh Sharma</b> Excise Commissioner Rajasthan, Udaipur
Executive Director	:	<b>Shri R.K. Goyal</b>
Company Secretary	:	<b>Shri R.K. Singhal</b>
Statutory Auditor	:	Dhoot & Associates Chartered Accountants

Reg. Office : D' Block, First Floor, Vitta Bhawan,  
Janpath, Jaipur-302 005

Phone : 0141-2744231-9

Fax : 0141-2744237

E-mail : ed@rsbcl.net

**RAJASTHAN STATE BEVERAGES CORPORATION, LIMITED**  
D-Block, 1st Floor, Vitta Bhawan, Jaipur  
(A Government of Rajasthan Undertaking)

No : A-2(5)  
To All the Shareholders,  
Directors & Other,

Date : 19-10-2010

**NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of the Shareholders/Members of the Rajasthan State Beverages Corporation Limited will be held of Tuesday the 16th day of November, 2010 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 MODIFICATION 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 2010 and the Balance Sheet as on that date, Auditors' Report thereon and the report of the Directors to the Shareholders/Members.
2. To declare dividend, if any.
3. 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 2010-11 and onwards pursuant to section 224(8) aa of the Companies Act, 1956

By order of the Board of Directors

Place : Jaipur  
Dated : 19.10.2010

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 31 st March, 2010

Gentlemen,

The directors of your Corporation have pleasure in presenting to you the FIFTH ANNUAL REPORT on the working of the Corporation for the year ended 31 st March, 2010 together with the Audited Statement of Accounts.

**1. Business Operations :**

**1.1 Canalisation of Liquor :**

The Corporation maintained its policy of canalizing 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 industries 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.

**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 it 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 basic facilities like furniture, telephone etc. all the depots have been equipped with computer. Internet connectivity and 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 to view their stock/sales position alongwith their due payment position, at any time / anywhere, heralding 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, Bank of India and UCO Bank 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 175 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 the above arrangement is converting any amount exceeding two lakh through smart-roamer scheme in FDR A/c automatically fetching interest with the kitty of the 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 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 during the year is Rs. 1956.66 crores (Including Vat) whereas last year it was Rs. 1597.54 crores. During the year Rs. 24.00 crores were paid as privilege fee as against of Rs. 26.00 crores in 2008-09.

The year witnessed an increase of 71.20 percent in interest earned. As against Rs. 1.91 crores earned as interest in 2008-09, the interest earned in this year is Rs. 3.27 crores.

## 2.2 Dividend:

The Board of Directors has recommended the dividend @ 10% on paid up capital. The dividend pay out will require an amount of Rs. 23,39,900 including dividend distribution tax.

## 3. Material changes and commitments form the date of Balance sheet 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 delected such accounting Policies and applied them consistently and mode judgement 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 of 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 director had prepared the annual accounts on 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. 1956.66 crores (Including Vat) as compared to Rs. 1597.54 crores in previous year.

## 7. CURRENT OUTLOOK

The performance of your Corporation during the current year justifies an 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 conservation.

## 9. DISCLOSURE UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

As per provisions of Companies Act, 1956 read with Companies (Particulars of Employee) 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 MEETINGS

During the year under review, the Corporation has been benefited by the valuable guidance of the 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 directors of this Corporation during the year under review, Shri D.B. Gupta, Shri S.K. Agarwal, Shri Niranjana Arya and Shri Abhay Kumar and Shri B.N. Sharma, Ms. Gurjot Kaur, Shri Rajat Mishra and Shri S. K. Agarwal 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 2009-2010.

**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 : 29.09.2010



**DHOOT & ASSOCIATES**  
Chartered Accountants

F-3, Ramesh Marg, C' Scheme,  
JAIPUR - 302001  
Phone : 0141-2222236, 4007133  
e-mail : dhoot\_asso@yahoo.co.in

### COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**, Jaipur for the year ended on 31st March, 2010 in accordance with the directions/sub directions issued by the C&AG of India under section 619 (3) (a) of the Companies Act, 1956 and certify that we have complied with all the directions/sub directions issued to us.

**DHOOT & ASSOCIATES**  
Chartered Accountants  
(FRN 002145C)

sd/-

**(DIKSHANT SOGANI)**

Partner

Membership No.400831

Place : JAIPUR  
Dated : 29<sup>th</sup> day of September, 2010

**AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**  
**JAIPUR**

We have audited the attached Balance Sheet of RAJASTHAN STATE BEVERAGES CORPORATION LIMITED, JAIPUR as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 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 (Auditors' Report) order, 2003 (as amended) issued by the Central Government of India in terms of Sub-Section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure "A" 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 purposes 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 accounts;
- (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 the Annexure "B" enclosed the said accounts read together with the Significant Accounting Policies and Notes on Accounts forming part of accounts give the information 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 the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2010;
- (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

For and on behalf of  
**DHOOT & ASSOCIATES**  
Chartered Accountants  
(FRN 002145C)

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

Dated : 29<sup>th</sup> day of September, 2010

sd/-  
**(Dikshant Sogani)**  
Partner  
Membership No.400831

## **ANNEXURE "A" TO THE AUDITORS' 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 for depreciation charged on Assets.
- (b) As explained to us the fixed assets have been physically verified at reasonable intervals 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 explanations given to us, the Inventories of the company have been physically verified at reasonable intervals by the management.
- (b) According to explanation given to us, the procedure of physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its Business.
- (c) According to explanation given to us, the Company is maintaining proper 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 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 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 the purchase of inventories and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness 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 arrangement that needs 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 account, 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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and any 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 31<sup>st</sup> March, 2010 for a period of more than six months from the date of becoming payable.  
  
(b) According to the information and explanation 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 of Rs.5,21,25,843/- relating to show cause notice issued by commissioner, Central Excise, Jaipur-1 for the period February,2005 to August, 2007 and a demand raised by Excise Department, Government of Rajasthan towards interest Rs.64,69,083/- on late deposit of permit fees and vend fees for financial years 2006 to 2008 .The Income Tax department raised a demand of Rs 5,33,41,990/- for the Assessment Year 2006-2007 and Rs 6,70,20,550/- for the Assessment Year 2007-2008 disallowing the expenditure of Privilege Fees. A penalty of Rs. 1,00,000/- for the late filing of Return has been imposed for Assessment Year 2006-2007 The Corporation has deposited Rs 75 Lacs against the demands raised for Assessment Year 2006-2007 and 2007-2008. The matters are pending before appropriate authorities.

10. The Company does not have accumulated losses as at 31<sup>st</sup> March, 2010. The Company has not incurred cash losses during the financial year covered by the Audit but has 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 which 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 there on does not arise.
20. No money has been raised by Public Issue 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

Dated : 29<sup>th</sup> day of September, 2010

For and on behalf of  
**DHOOT & ASSOCIATES**  
Chartered Accountants  
(FRN 002145C)  
sd/-  
**(Dikshant Sogani)**  
Partner  
Membership No.400831



**DHOOT & ASSOCIATES**  
Chartered Accountants

F-3, Ramesh Marg, C' Scheme,  
JAIPUR - 302001  
Phone : 0141-2222236, 4007133  
e-mail : dhoot\_asso@yahoo.co.in

**ANNEXURE "B" TO THE AUDITORS' 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. The calculation of Income from Demurrage Charges (Rs 3,82,78,932/-) has been done by the software of the corporation. However the records of Computation and Calculation were not made available to us for our verification at the time of audit. *Therefore resultant impact of calculation differences, if any, on the current year profits cannot be ascertained.*
3. During the year under audit the corporation has changed the accounting policy in accounting of Purchases and Stock in Hand. However the change in accounting policy is not in accordance with the guidelines of the Liquor Sourcing Policy (LSP) which defines and governs the operations of the Corporation. Due to such a change the Cost of Sales has been inflated by a sum of Rs 1,27,74,82,226/- and the Stock in Hand as on 31.03.2010 has been inflated by a sum of Rs 1,32,68,78,625/-. However, it has no effect on the Profit of the current period. Similarly, due to change in accounting policy the balance of creditors has been inflated by a sum of Rs 1,32,68,78,625/- (Refer Point 4(a) of Notes on Accounts)
4. The Liquor Sourcing Policy for 2009-2010 has defined fixed margins on sales of FMFL and IMFL/Beer @7% and 2% respectively according to which the Gross Margins work out to Rs 30,83,93,161/-. However in the Profit & Loss Account for the year 2009-2010 the Gross Margins stand at Rs 30,77,05,384/-. *The Gross Margin and Profit for the current year 2009-2010 has been understated by Rs 6,87,777/-*

For and on behalf of  
**DHOOT & ASSOCIATES**  
Chartered Accountants  
(FRN 002145C)  
sd/-  
**(Dikshant Sogani)**  
Partner  
Membership No.400831

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

Dated : 29<sup>th</sup> day of September, 2010



**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH 2010**

PARTICULARS	SCH NO.	AS AT 31.03.2010		AS AT 31.03.2009	
		(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
<b>SOURCES OF FUNDS</b>					
1 SHAREHOLDER'S FUNDS					
a) CAPITAL	"A"	20000000		20000000	
b) RESERVES & SURPLUS	"B"	<u>12878686</u>	32878686	<u>4922241</u>	24922241
2 LOAN FUNDS					
SECURED LOANS					-
UNSECURED LOANS					-
3 DEFERRED TAX LIABILITY			188259		317425
<b>TOTAL</b>			<b>33066945</b>		<b>25239666</b>
<b>APPLICATION OF FUNDS</b>					
1 FIXED ASSETS	"C"				
A) GROSS BLOCK		14267397		13703367	
B) LESS: DEPRECIATION		<u>9518820</u>		<u>7823057</u>	
C) NET BLOCK			4748577		5880310
2 INVESTMENTS			3000		3000
3 CURRENT ASSETS, LOANS & ADVANCES					
A) INVENTORIES	"D"	1326878625		-	
B) SUNDRY DEBTORS	"D"	2937373		2581395	
C) CASH & BANK BALANCES	"D"	1073693947		509192761	
D) LOANS & ADVANCES	"E"	<u>51235748</u>		<u>41698067</u>	
		2454745693		553472223	
<b>LESS:</b>					
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>					
A) CURRENT LIABILITIES	"F"	2418194443		532552819	
B) PROVISIONS		<u>8529098</u>		<u>2418399</u>	
NET CURRENT ASSETS		2426723541	28022152	534971218	18501005
4 MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED	"G"		293216		855351
<b>TOTAL</b>			<b>33066945</b>		<b>25239666</b>
<b>NOTES ON ACCOUNTS</b>	"L"		-		-

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

On behalf of the Board of Directors

Sd/-  
(Dikshant Sogani)  
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 : 29.09.2010

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010**

PARTICULARS	SCH NO.	31.03.2010 (In Rs.)	31.03.2009 (In Rs.)
<b>1 INCOME</b>			
a) SALES			
<b>2 COST OF SALES</b>	"H"	15694752522	15975415973
GROSS MARGIN		15387047138	15661387132
<b>OTHER INCOME</b>		307705384	314028841
a) INTEREST ON BANK DEPOSITS		32695252	19078563
b) MISCELLANEOUS RECEIPTS		4369486	9767428
c) DEMURRAGE CHARGES		38278932	30385104
d) DEBTORS HAVING CREDIT BALANCE WRITTEN BACK		-	5626801
<b>TOTAL</b>		383049054	378886737
<b>EXPENDITURE</b>			
<b>3 ADMINISTRATIVE &amp; GENERAL EXPENSES</b>	"I"	100024164	89355363
<b>4 MANAGERIAL REMUNERATION</b>	"J"	1450294	1668791
<b>5 FINANCE CHARGES</b>	"K"	224269	546332
<b>6 DEPRECIATION</b>	"C"	1695763	2245636
<b>7 PRIVILEGE FEE TO GOVT. OF RAJASTHAN</b>		240000000	260000000
<b>8 LICENSE FEES TO GOVT OF RAJASTHAN</b>		21880000	22290000
<b>9 MISCELLANEOUS EXPENDITURE WRITTEN OFF</b>		562135	562135
<b>10 BANK BALANCE DIFFERENCE WRITTEN OFF</b>		-	1191891
<b>11 BAD DEBTS WRITTEN OFF</b>		-	4134845
<b>TOTAL</b>		365836625	381994993
<b>10 PROFIT FOR THE YEAR</b>		17212429	(3108256)
<b>11 PRIOR PERIOD ADJUSTMENTS(NET)</b>		1145250	6822797
<b>12 PROFIT AFTER PRIOR PERIOD ADJUSTMENTS</b>		16067179	3714541
<b>13 LESS:PROVISION FOR TAX</b>			
a) CURRENT TAX		5900000	2167653
b) DEFERRED TAX		-129166	-126914
c) FRINGE BENEFIT TAX		0	250746
<b>14 PROFIT AFTER TAX LIABILITY</b>		10296345	1423056
<b>15 PROVISION FOR PROPOSED DIVIDEND</b>		2000000	-
<b>16 PROVISION FOR DIVIDEND TAX</b>		339900	-
<b>17 BALANCE TRANSFERRED TO GENERAL RESERVE</b>		7956445	1423056
<b>18 EARNING PER SHARE(FACE VALUE OF RS.100/-EACH)</b>		51.48	7.12
<b>19 NOTES ON ACCOUNTS</b>	"L"	-	-

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

On behalf of the Board of Directors

Sd/-  
**(Dikshant Sogani)**  
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 : 29.09.2010

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-A**

**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

**SHARE CAPITAL**

PARTICULARS	AS AT 31.03.2010 (In Rs.)	AS AT 31.03.2009 (In Rs.)
<b>AUTHORISED SHARE CAPITAL</b>		
500000 EQUITY SHARES OF RS.100/-EACH	50000000.00	50000000.00
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
"200000 EQUITY SHARES OF RS.100/- EACH FULLY PAID UP"	20000000.00	20000000.00
<b>TOTAL</b>	20000000.00	20000000.00

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-B**

**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

**RESERVES & SURPLUS**

<b>PARTICULARS</b>	<b>AS AT 31.03.2010 (In Rs.)</b>	<b>AS AT 31.03.2009 (In Rs.)</b>
<b>A. CAPITAL RESERVE :</b>		
GRANT IN AID	137500	137500
<b>B. GENERAL RESERVE :</b>		
BALANCE AS PER LAST BALANCE SHEET	4784741	3361685
ADD : TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	7956445	1423056
<b>TOTAL</b>	<b>12878686</b>	<b>4922241</b>

SCHEDULE -C

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010  
FIXED ASSETS

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION/MORTISATION					NET BLOCK		
		As at 1st April 2009	Additions	Deduction	As at 31st March 2010	Up to 31st March 2009	For the Year	Related to Pre Year	Deduction during year	As at 31st March 2010	As at 31st March 2009	
		3	4	5	6	7	8	9	10	11	12	13
1	2											
1	OFFICE EQUIPMENTS											
a	Telephone Instruments	29740			29740	17186	1746			16932	10608	12554
b	Mobile Instruments	206635	3100		209735	74604	21405			96059	113655	132031
c	Photo Copy Machine	130639			130639	25184	19087			44271	86355	105455
d	Fax Machine	33228			33228	11615	3006			14622	18606	21612
e	Installation of RAS	95000			95000	82104	5159			87263	7737	12896
f	UPS/Batteries)	439622	198507		638129	278148	109201			367349	250760	161474
2	COMPUTER EQUIPMENTS											
a	Installation of Software	688333	22000		710333	597059	58510			655569	54754	91274
b	Computers	3133118			3133118	2404574	290029			2694603	438515	728544
c	Laptop	455400	69676		525076	311706	72902			364608	140463	143394
3	FURNITURE AND FIXTURES	3268216	224097		3492313	1646096	429378			2075474	1416839	1622120
4	Computer Accessories	590024	46650		636674	363765	113890			477655	159019	276259
5	D.G Set	850684			850684	225503	86963			312456	538218	625181
6	Electrical Appliances	589715			589715	249551	61570			311121	278594	340164
7	Fire Fighting Equipments	599991			599991	149571	81526			231097	368694	450420
8	Hand Plate Truck	47960			47960	18167	5393			23560	24400	23793
9	Instt. Of Broad Band	50119			50119	38759	4544			43303	6816	11360
10	Car	636461			636461	157736	124459			282197	356264	480723
11	Office Equipments	249577			249577	100241	27030			127271	122306	143336
12	Air Conditioners	273687			273687	117237	28317			145554	128133	156450
13	V Set	1333218			1333218	954248	151688			1105636	227362	378970
	TOTAL	13703367	564030		14267397	7823057	1695763	-	-	9518820	4748577	5880310
	Previous year	12225900	1490087	12620	13703367	4965278	2245636	624763	12620	7823057	5880310	

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-D**

**FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010**

**CURRENT ASSETS**

PARTICULARS	AS AT 31.03.2010 (In Rs.)		AS AT 31.03.2009 (In Rs.)	
<b>A SUNDRY DEBTORS, UNSECURED AND CONSIDERED GOOD AMOUNT RECEIVABLE FROM WHOLESALERS/RETAILERS SUPPLIERS HAVING DEBIT BALANCES</b>		2937373		2581395
<b>B INVENTORIES</b> (As taken, valued and certified by the management)		1326878625		-
<b>C CASH AND BANK BALANCES</b>				
CASH IN HAND	8146		10497	
P D A/C	10000000		10000000	
FIXED DEPOSITS WITH BOI	225313593		41716083	
FIXED DEPOSITS WITH UCO BANK	294433791		184031893	
UCO BANK HEAD OFFICE A/C	338709			
SBBJ TILAK MARG. JPR	182161			
FIXED DEPOSITS WITH PNB	510701326		243675000	
STATE BANK OF INDIA JALORE	7122183		11848831	
FIXED DEPOSITS WITH SBI JALORE	25000000		7500000	
PNB A/C	-		1373737	
PNB CORPORATE A/C	404316		402579	
BANK OF INDIA H.O. A/C	174722		3484991	
		<b>1073678947</b>		<b>504043611</b>
<b>UCO BANK DEPOTS A/C</b>				
BHARATPUR DEPOT	-		5134150	
SRIGANGANAGAR DEPOT	15000		15000	
		<b>15000</b>		<b>5149150</b>
<b>TOTAL</b>		<b>1073693947</b>		<b>509192761</b>

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-E**

**FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010**

**LOANS AND ADVANCES**

PARTICULARS	AS AT 31.03.2010 (In Rs.)		AS AT 31.03.2009 (In Rs.)	
	(ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED OR FOR PENDING ADJUSTMENT CONSIDERED GOOD)			
ADVANCE TO STAFF	28,002		4,055	
ADVANCES TO OTHERS	497,647		195,228	
SECURITY DEPOSIT	12,686	538,335	12,686	211,969
<b>IMPREST WITH DEPOT MANAGERS</b>	317,398	317,398		375,065
PREPAID TAXES				
ADVANCE INCOME TAX	4,800,000		72,00,000	
INCOME TAX 2006-07	5,000,000		-	
INCOME TAX 2007-08	2,500,000		-	
ADVANCE INCOME TAX	321,546		-	
ACCRUED INTEREST ON FDR	874,850		25,564	
ADVANCE FBT	-		217,183	
TDS ON INTEREST ON FD	1,09,13,881		68,77,787	
PREPAID EXP	2,59,25,950	50,336,227	2,49,38,375	3,92,58,909
OTHER CURRENT ASSETS				
RAJASTHAN SALES TAX	43,788			43,787
VEND FEES	-	43,788		18,08,337
<b>TOTAL</b>		<b>5,12,35,748</b>		<b>4,16,98,067</b>

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-F**

**FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010**

**CURRENT LIABILITIES AND PROVISIONS**

PARTICULARS	AS AT 31.03.2010 (In Rs.)		AS AT 31.03.2009 (In Rs.)	
<b>A CURRENT LIABILITIES</b>				
SUNDRY CREDITORS-OLD WHOLESALERS	1326540		1326541	
SUNDRY CREDITORS-SUPPLIERS/ DISTILLERIES	1943804319		238916550	
VAT PAYABLE TO SUPPLIERS	12164151		-	
LIABILITIES FOR EXPENSES	4353667		3948861	
SUNDRY DEBTORS HAVING CREDIT BALANCE (NET)	12387355		630549	
ADVANCE FROM RETAILERS	17654576		210779773	
SECURITY DEPOSIT OF SERVICE PROVIDERS/SUPP.	10638103		461865	
ESTABLISHMENT EXPENSES	9410578	<b>2011739289</b>	10640827	<b>466704966</b>
<b>B BANK OVERDRAFT</b>				
PNB BANK	7667918		0	
UCO BANK HEAD OFFICE A/C	-		35064697	
UCO BANK AJMER DEPOT	50000	<b>7717918</b>	50000	<b>35114697</b>
<b>C STATUTORY LIABILITIES</b>				
VEND FEE	1393530		0	
T D S PAYABLE	909363		800470	
T C S PAYABLE	14068051		6117227	
SURCHARGE ON T C S PAYABLE	-		8251866	
CESS ON T C S PAYABLE	-		2722021	
VAT PAYABLE(NET)	100105661		0	
VAT PAYABLE SUPPLIER PART	263288853		0	
PERMIT FEES	18971778		11947961	
SURCHARGE ON EXCISE DUTY	-	<b>398737236</b>	893611	<b>30733156</b>
		<b>2418194443</b>		<b>532552819</b>
<b>D PROVISIONS</b>				
PROVISION FOR INCOME TAX	6189198		2167653	
PROVISION FOR F.B.T.	-		250746	
PROVISION FOR DIVIDEND & DIVIDEND DISTRIBUTION TAX	2339900	<b>8529098</b>		<b>2418399</b>
<b>TOTAL</b>		<b>2426723541</b>		<b>534971218</b>



**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-G**

**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
ON 31ST MARCH, 2010**

**MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED**

S. No.	PARTICULARS	AS AT 31.03.2010 (In Rs.)		AS AT 31.03.2009 (In Rs.)	
<b>1</b>	<b>PRELIMINARY EXPENSES</b>				
	OPENING BALANCE	0			
	ADD: ADDITION DURING THE YEAR	0			
	LESS: WRITTEN OFF DURING THE YEAR	0	0		0
<b>2</b>	<b>DEFERRED REVENUE EXPENSES FOR RENOVATION OF BUILDING</b>				
	OPENING BALANCE	855351		1417486	
	ADD: ADDITION/DELETION DURING THE YEAR	0		0	
	LESS: WRITTEN OFF DURING THE YEAR	562135	293216	562135	855351
	<b>TOTAL</b>		<b>293216</b>		<b>855351</b>

## RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

### SCHEDULE-H

**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED ON 31ST MARCH, 2010**

### COST OF SALES

PARTICULARS	AS AT 31.03.2010 (In Rs.)		AS AT 31.03.2009 (In Rs.)	
Purchases (Opening)	1277482226	-		
Add Purchases		-		
Purchases - Interstate	311123525	-		
Purchases - Within-state	15186355796	-		
	<b>15497479321</b>	16774961547	15661387132	15661387132
Less : (A) Depot Damage (Beer)	4492193			
Depot Damage (IMFL)	3184494			
Drainout (Beer)	8349805			-
Drainout (IMFL)	4733446			
Transit Loss	39878031			
Transit Loss (Interstate)	397815	61035784		
Less : (B) Closing Stock		<b>1326878625</b>	1387914409	-
<b>TOTAL</b>		<b>15387047138</b>		<b>15661387132</b>

(Closing Stock as taken valued & certified by the Management )

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-I**

**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
ON 31ST MARCH, 2010**

**ADMINISTRATIVE AND GENERAL EXPENSES**

PARTICULARS	AS AT 31.03.2010 (In Rs.)	AS AT 31.03.2009 (In Rs.)
<b>ESTABLISHMENT EXPENSES</b>		
SALARIES AND WAGES	44744367	43562909
HONORARIUM	18000	18000
TRAVELLING EXPENSES	131843	275117
ACCOUNTING SERVICES EXPENSES	1212420	1010513
REIMBURSEMENT OF MEDICAL EXPENSES	1009756	783803
EXPENSES ON SECURITY	10407565	8877978
EXPENSES ON IT SERVICES	4167072	3875880
EXPENSES ON OUTSOURCED LABOUR /DRIVER PAYMENT	1366152	1363086
PENSION CONTRIBUTION	5255791	1350922
<b>GENERAL EXPENSES</b>		
RENT FOR GODWON	17144240	17169033
BOOKS AND PERIODICALS	13560	11957
COMPUTER CONSUMABLES	761024	657870
ENTERTAINMENT EXPENSES	122180	106789
ELECTRICITY & WATER CHARGES	955455	1016083
PRINTING AND STATIONERY EXPENSES	783954	593730
POSTAGE AND COURIER EXPENSES	101865	90641
TELEPHONE EXPENSES	2505137	1739852
PLANTATION AND NURSERY	1200000	0
V-SET EXP	228968	486631
OFFICE EXPENSES	490361	710048
STATUTORY AUDITORS REMUNERATION	82725	66180
TRAVELLING EXP OF STATUTORY AUDITORS	31310	15445
SALES TAX EXPENSES	6257	-
TAX AUDIT FEES	22060	9927
INTERNAL AUDIT FEES	1198677	1100522
ADVERTISEMENT AND PUBLICITY	1704729	736098
PROFESSIONAL AND LEGAL CHARGES	192970	72236
INSURANCE ON STOCK AT DEPOTS	3086253	2618957
MISCELLANEOUS BALANCES W/OFF	5851	132821
INSURANCE OF VEHICLES	15356	17087
<b>MAINTENANCE EXPENSES</b>		
REPAIRS AND MAINTENANCE GODWON & BUILDING	-	89522
RUNNING AND MAINTENANCE OF MOTOR VEHICLES	756753	795726
REPAIRS AND MAINTENANCE OF OFFICE EQUIPMENTS	301513	-
<b>TOTAL</b>	<b>100024164</b>	<b>89355363</b>

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**

**SCHEDULE-J**

**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED ON 31ST MARCH, 2010**

**MANAGERIAL REMUNERATION**

PARTICULARS	AS AT 31.03.2010 (In Rs.)		AS AT 31.03.2009 (In Rs.)	
	<b>A WHOLETIME DIRECTORS(E D)</b>			
SALARY AND ALLOWANCES	966197	<b>1170313</b>	1347772	<b>1391878</b>
TRAVELLING EXPENSES	11116		15306	
PENSION CONTRIBUTION	193000		28800	
<b>B OTHER DIRECTORS</b>				
HONORARIUM TO CHAIRMAN	18000	<b>279981</b>	16600	<b>276913</b>
TRAVELLING EXPENSES	261981		237537	
OTHER REIMBURSEMENT	0		22776	
<b>TOTAL</b>		<b>1450294</b>		<b>1668791</b>

## RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

## SCHEDULE-K

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED ON 31ST MARCH, 2010

## FINANCE CHARGES

PARTICULARS	AS AT 31.03.2010 (In Rs.)	AS AT 31.03.2009 (In Rs.)
1 INTEREST PAID ON OVERDRAFT	20909	43475
2. BANK CHARGES	203360	502857
<b>TOTAL</b>	<b>224269</b>	<b>546332</b>

**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)**

<b>I</b>	<b>Registration Details</b>			
	Registration No.	17-020336	State Code	17
	Balance Sheet Date	31.03.10		
<b>II</b>	<b>Capital Raised during the year (Amount in Rs. Thousands)</b>			
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
<b>III</b>	<b>Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>			
	Total Liabilities	33066.95	Total Assets	33066.95
	Source of Funds			
	Paid-up-Capital	20000.00	Reserves & Surplus	12878.69
	Secured Loans	NIL	Unsecured Loans	NIL
			DTL	188.26
	<b>Application of Funds</b>			
	Net Fixed Asset	4748.58	Investment	3
	Net Current Assets	28022.15	Misc. Expenditure	293.22
	Accumulated Losses	NIL		
<b>IV</b>	<b>Performance of Company (Amount in Rs. Thousands)</b>			
	Turnover (Including other Income)	15770096.19	Total Expenditure	15752883.76
	Profit before Tax	17212.43	Profit/Loss after Tax	10296.35
	Earnings per share in Rs.	51.48 (7.12)	Dividend rate %	10 (0)
<b>V</b>	<b>Generic Name of Three Principal Products/Services of Company</b>			
	Item code No.	NIL		
	Product Description	I M F L / BEER		

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

On behalf of the Board of Directors

Sd/-  
**(Dikshant Sogani)**  
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 : 29.09.2010

**RAJASTHAN STATE BEVERAGES CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR 2009-10**

PARTICULARS	AS AT 31.03.2010 (Rs. in Lacs)		AS AT 31.03.2009 (Rs. in Lacs)	
CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	172.12		(31.08)	
ADJUSTMENTS FOR				
DEPRECIATION & MISC. EXPENSES WRITTEN OFF	22.58		81.34	
INTEREST INCOME	(326.95)		(190.79)	
PRIOR PERIOD INCOME/EXPENSES	(11.45)		68.22	
INTEREST EXPENSES	0.21		0.44	
PROFIT ON SALE OF FIXED ASSETS	-		0.02	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(143.49)		(71.85)	
DECREASE (INCREASE) IN SUNDRY DEBTRS	(3.56)		16.00	
DECREASE (INCREASE) IN INVENTORIES	(13,268.79)		-	
INCREASE/(DECREASE) IN CURRENT LIABILITIES	18,856.42		996.48	
INCREASE IN OUTSTANDING EXPENSES	(21.29)		(17.57)	
INCREASE/(DECREASE) IN CURRENT ASSETS AND ADVANCES	(22.38)		(3.80)	
CASH GENERATED FROM OPERATIONS	5,396.91		919.26	
INCOME TAXES PAID	(73.00)		(50.19)	
CASH FLOW FROM BEFORE EXTRAORDINARY ITEM	5,323.91		869.07	
EXTRAORDINARY ITEM	-	5,323.91	-	869.07
NET CASH FROM OPERATING ACTIVITIES	-	5,323.91	-	869.07
CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(5.64)		(14.90)	
SALE OF FIXED ASSETS	-		0.02	
INTEREST RECEIVED	326.95		190.79	
DIVIDENDS RECEIVED	-		-	
NET CASH FROM INVESTING ACTIVITIES	-	321.31	-	175.91
CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDS FROM ISSUANCE OF SHARE CAPITAL	-		-	
PROCEEDS FROM SUBSIDY & GRANTS	-		-	
REPAYMENT OF LONG TERM BORROWINGS	-		-	
INTEREST PAID	(0.21)		(0.44)	
DIVIDEND PAID INCLUDING TAX THEREON	-		(23.40)	
NET CASH USED IN FINANCING ACTIVITIES	-	(0.21)	-	(23.84)
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,645.01		1,021.14
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		5,091.93		4,070.79
CASH AND CASH EQUIVALENTS AT END OF PERIOD		10,736.94		5,091.93

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

On Behalf of the Board of Directors

Sd/-  
(Dikshant Sogani)  
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 : 29.09.2010

## RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

## SCHEDULE L

NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR  
THE YEAR ENDED 31.03.2010NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIESA. SIGNIFICANT ACCOUNTING POLICIES1. **Basis of preparation of Financial Statements:**

- i) The financial statements are prepared on an accrual basis and under historical cost convention and in accordance with the generally accepted accounting principles in India, provision of the Companies Act, 1956, Liquor Sourcing Policy(LSP) and in compliance with mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) except wherever otherwise stated.

2. **Method of Accounting:**i) **Income recognition:**

- a) **Sales:** Sales invoicing and clearance of goods are done from the depots located across the state on software. There after on the basis of sales report generated from the above a single monthly entry for each depot is booked in the accounting software. Sales do not include inter-depot transfers and applicable VAT.
- b) **Interest on Fixed Deposit:** Interest earned on Fixed Deposits with banks have been accounted for on accrual basis.

**(c) Miscellaneous Receipts, Demurrage & Margin on drained/returned goods:** Order For Supply (OFS) Extension, Transfer out order (TOO), Late Inward charge(LIC), Demurrage charges, Margin on drained/returned goods are accounted for/received/recovered as per the provisions of Liquor Sourcing Policy and terms & conditions of Agreement executed with suppliers/manufacturers, on accrual basis.

- ii) **Inventory.** : Stock in hand are valued and stated at lower of cost or net realisable value excluding VAT. The FIFO method of Inventories valuation is used to determine the cost.



**3. Change in Accounting Policy:**

During the year 2009-2010 policy related to accounting of Purchases and Stocks has been changed. Up to 2008-2009 purchases were recognized only as and when related sales occurred and stocks in hand were not accounted for in the books of accounts. From year 2009-2010 purchases have been recognized as and when goods are received and value of stocks in hand have also been accounted for. However, due to this change no effect on the current year Profit and Loss is observed.

**4. Fixed Assets & Depreciation:**

- a) Fixed Assets:- The Gross Block of Fixed Assets is stated at cost of acquisition including any cost attributable to bringing the Assets to their working condition for their intended use. The Net Block is stated at cost less accumulated depreciation.
- b) Depreciation:- Depreciation on Fixed Assets is provided on W.D.V. method as per the rates specified in schedule XIV of The Companies Act 1956. Depreciation in respect of additions is charged proportionately for the period from the date of its addition. Depreciation on assets, where actual cost does not exceed Rs. 5,000/- are depreciated 100% in the year of purchase itself.

**5. Personnel:**

The Corporation has personnel's deputed from the Govt. of Rajasthan/State PSUD's. The Corporation has made remittances towards Pension Contribution, Provident Fund, Gratuity, State Insurance & Other contributions to the respective Departments/Parent Organizations in respect of the above personnel's.

**6. Retirement Benefits:**

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

**7. Taxation**

- a) Provisions for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961, if any.
- b) Deferred Taxation:  
Deferred Tax resulting from "Timing differences" between books and taxable profits accounted using the Tax Rates and Laws that have been enacted or substantively enacted on the balance sheet date. Deferred tax assets are

recognized only if there is a reasonable certainty that they will be realized.

8. **Deferred Revenue Expenditure:**

Expenditure on building renovation is considered as deferred revenue expenditure & written off in the five years beginning with the year of its incidence.

9. **Provisions, Contingent Liabilities & Contingent Assets**

- a) Provisions are recognized when the company has a present legal obligation, as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimation can be made from the amount of obligation.
- b) Contingent Liabilities are not recognized but are disclosed in the notes to accounts, disputed demands in respect of Income Tax and Sales/Vat Tax etc. are disclosed as contingent liabilities. Payments in respect of such demands, if any is shown as advance, till the final outcome of the matter.
- c) Contingent assets are neither recognized nor disclosed in the financial statements.

## RAJASTHAN STATE BEVERAGES CORPORATION LIMITED

**Notes on Accounts****1. Nature of Operation**

Rajasthan State Beverages Corporation Limited (RSBCL) has been incorporated as a Public Limited Company by the Government of Rajasthan with the object to control Liquor sales in the State of Rajasthan. RSBCL enjoys special privilege under the provisions of the Rajasthan Excise Act meaning thereby RSBCL has exclusive rights of wholesale Liquor trade in the State of Rajasthan for which it also pays "Privilege Fees" to the Government of Rajasthan as per the Excise Act. The operations of RSBCL are directed by LSP (Liquor Sourcing Policy) as framed from year to year. LSP for the current year 2009-2010 is as per Circular No RSBCL/LSP/2009-10/11074 dated 04.03.2009.

**2. Procedure of Sourcing & Selling of Liquor**

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 invoiced and supplied against OFS are stored in the depots of the Corporation. However, risk reward and ownership of such stocks vest in the supplier though RSBCL gets such stocks insured at its own cost. Manufacturer/ suppliers undertake the responsibility for creating demand for the goods supplied to the Corporation. Payment for the stocks supplied by the Manufacturer/ Suppliers is made only after such stocks are liquidated. Stocks remaining unsold after a specified period are subject to levy of demurrage charges or margin on drain out/return at rates contained in the LSP, the income of which is recognized in the books of accounts of RSBCL.

**3. Method of Accounting**

Goods are received against OFS at depots located across the state which is accounted for at respective depot locations on designated software after keeping into account the respective transit losses /shortages. Applicable Input Tax Credit (Rajasthan VAT), if any, is availed on such purchase as per the rules of Rajasthan VAT Act 2003 and Purchases are recognized in Profit & Loss Account excluding Rajasthan VAT. Goods are sold as per the guidelines suggested by LSP against VAT invoices and recognized in Profit & Loss Account excluding Rajasthan VAT. Hence, both sales and purchases are accounted for and recognized in P&L excluding VAT for which setoff is claimed as per Rajasthan VAT Rules. Records of individual sales, purchases, stock are kept and accounted for at respective depots. However, financial accounting is done and records are kept at Head Office in Jaipur. Valuation of Stock in hand at the year end is done in accordance with Point No 2(ii) Method of Accounting of Significant Accounting Policies

Up to financial year 2008-09 purchases were recognized in the books of accounts only after relevant sales were made after adjusting margin as allowed by the LSP. Stock in hand though was stored in RSBCL godowns were not accounted for in the books of accounts of RSBCL because as per LSP all the stock belongs to the manufacturer/supplier. No local Sales Tax was applicable till 2008-09.

#### 4. Method of Accounting vis-à-vis LSP

The method of accounting, ownership of goods, income and expense recognition followed varies with the rules, regulations, procedures enumerated in the LSP. The details are as under:-

- a) **Stock in hand as on 01.04.09:** Up to 2008-09 the ownership of stock was recognized as per LSP, therefore stocks in hand as on 31.03.09 were not recognized as closing stock in the financial statement for the year 2008-09 (refer point no. 3 of Notes on accounts). However due to change in accounting policy by RSBCL such Goods (Rs1,27,74,82,226) were accounted as purchases and included in Cost of Sales in the current year 2009-10. However, as per LSP ownership of stocks in the RSBCL godown vests in the supplier / manufacturer.
- b) **Purchases:** For change in method of accounting of purchases w.e.f. 2009-10 refer point no. 3 of Notes on accounts.
- c) **Stock in hand as on 31.03.2010 (Rs.1,32,68,78,625):** Up to 2008-09 the stock in hand as on the end of the year were not recognized in the financial statements in accordance with the guidelines of the LSP. However w.e.f. 2009-10 stock in hand as at the end of the year (31.03.2010) has been accounted for in the books of accounts and included in the preparation of the financial statement. All stocks in the RSBCL godowns belong to the supplier / manufacturer.
- d) **Demurrage Charges (Rs.3,82,78,932):-**RSBCL has recovered demurrage charges in accordance to the LSP as the burden of sales of stocks to the retailers is with the supplier / manufacturer and not with RSBCL. Such stock, although "Purchased" in the books of RSBCL attracts demurrage charges as per LSP.

#### 5. Contingent Liability not provided for:

- a) Estimated amount of contracts remaining to be executed on capital account Rs. NIL (Previous Year Rs. NIL)
- b) The Claims not accepted and not provided:- A claim of Rs 8.92 Lacks raised

by one of the contractors Ms. Anu Gupta is pending for decision before the Honorable High Court, Jaipur.

- c) The Commissioner of Central Excise Jaipur-I show-caused and raised a Demand of Rs. 5,21,25,843.00 on the Gross Margin towards service tax under the Service Tax Category Business Auxiliary Services up to August 2007. RSBCL has gone into appeal against this order before the Service Tax Tribunal, New Delhi and has not provided for in the books of accounts. The matter is not yet decided. Further on the same basis, service tax (excluding interest) on the Gross Margin for the period from September 2007 to March 2009 amounting to Rs. 5,67,90,707/- and for 2009-2010 Rs 3,17,34,375/- has not been provided for in the books of accounts since till date no demand for the same has been raised by the department.
- d) The Excise Department, Government of Rajasthan Jaipur raised a demand of Rs. 64,69,083/- towards interest on late payment of permit and vend fees for the Financial Year 2006-07 (Rs. 32,89,550) and 2007-08 (Rs. 31,79,533). However, the Corporation made representations for deletion of the demand, the decision of which is still awaited.
- e) The Income Tax Department for the Assessment Year 2006-07 raised a demand of Rs. 5,33,41,990/- disallowing the expenditure of Privilege Fee treating the same as expenditure of Capital Nature. Also, for the same Assessment Year 2006-07 a penalty of Rs. 1,00,000/- was imposed for late filing of income tax return. However, on appeal the C.I.T. (Appeals) II decided the matter in favour of the Corporation and turned down the demand of Rs. 5,33,41,990/-. The Income Tax Department went into appeal in the matter in ITAT, Jaipur Bench "B" Jaipur. On 20.08.2010 ITAT dismissed the appeal of the Income Tax Department deciding the case in favour of the Corporation.

Again, on the same lines for the assessment Year 2007-2008, expenditure of Privilege Fee was disallowed treating it as expenditure of Capital Nature, the assessing authority has raised a demand of Rs. 6,70,20,550/- for which the corporation has gone into appeal with the designated authority. However, the Corporation has deposited a sum of Rs. 50.00 Lacs and Rs. 25.00 Lacs for Assessment Year 2006-07 and Assessment Year 2007-2008 respectively against the above demands.

6. The calculation of Income from Demurrage (Rs. 3,82,78,932) has been done by software in accordance with the LSP. However due to un-avoidable reasons the details of computation of demurrage receipt is not available with the corporation.

7. Entry for sales, purchase, inventory, other income (demurrage, RSBCL margin) is done in the accounting software (Tally) on the basis of reports generated by the software. A difference of Rs.6,87,777 (Short in books of accounts) is observed in the gross margin reports generated by software and books of accounts.
8. The deferred revenue expenditure (Rs 5, 62,135) on account of building renovation which is written off during the year.
9. A sum of Rs. 47,65,578/-on account of Demurrage Receipt for the year 2009-10 is levied on one of the suppliers M/s Rajasthan State Ganganagar Sugar Mills Ltd. However the Board of Directors of the Corporation has waived off the same being the supplier is a Government Company.
10. Privilege Fee of Rs. 24.00 Crores has been paid to the Government of Rajasthan during the year 2009-10. License Fees Rs. 21,88,0000 includes application fees of Rs.3,80,000 also paid to the Government of Rajasthan during the year 2009-10.
11. The Government of Rajasthan on 31.08.09 introduced a Composite Tax Scheme (Sales Tax) for retailers with retrospective effect from 01.04.09 and entrusted the Corporation to recover the applicable Sales Tax from the retailers and deposit it accordingly. Since then RSBCL recovered and deposited a sum of Rs. 34,09,43,088 with the Commercial Taxes Department.
12. In the opinion of the Board, Current Assets, Loans and Advances have a realisable value in the ordinary course of business at least equal to the amount at which they are stated.
13. The Debit /Credit balances of Sundry Debtors, Sundry Creditors, Loans and Advances, Bank balances are subject to reconciliation and confirmation.
14. The Company's primary (business) segment is singular viz liquor. Therefore Segment information as per Accounting Standard-17 in respect thereof is not furnished.
15. The stock in hand as on 31.03.2010 is taken at values as certified by the Management of the Corporation. The valuation has been done in accordance with AS-2 as issued by Institute of Chartered Accountant of India (ICAI)
16. As per accounting standard-18, issued by the Institute of Chartered Accountant of India (ICAI), the disclosures of transaction with the related parties as defined in the accounting standard are given below:

**List of related parties with whom transactions have taken place and relationship.**

S. No.	Name of the Related Party	Relationship
1.	Sh. Rajiv Meharshi	Chairman
2.	Sh. C.K. Methew	Chairman
3.	Sh. Ajitabh Sharma	M.D.
4.	Sh. C.P. Vyas	M.D.
5.	Sh. R.K. Goyal	Executive Director

**Transactions during the year with related parties**

S. No.	Name of the Related Party	Nature of Transaction	Amount 2009-10	Amount 2008-09
1.	Sh. Rajiv Meharshi	Honorarium	Nil	11277.00
2.	Sh. C.K. Methew	Honorarium	18000.00	5323.00
3.	Sh. Ajitabh Sharma	Travelling Expenses	261981.00	Nil
4.	Sh. C.P. Vyas	Travelling Expenses & Other Allowances	Nil	260313.00
5.	Sh. R.K. Goyal	Remuneration & Travelling Expenses	1170313.00	1391878.00

17. The Corporation 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 nil units claim to be in Micro, Small and Medium category.
18. Sundry Debtors are considered as good and recoverable. Balance of sundry debtors as appearing in Schedule F of the Balance Sheet are shown net of credit balances (Rs.1,23,87,354.89)

Balances of Sundry Debtors having age in excess of six months are Rs. 47.70 Lacks. The year wise break up is as under:

Financial Year	Debit Balances	Credit Balances	Net Balance
2006-07	512118.32	NIL	512118.32Dr.
2007-08	487340.70	NIL	487340.70Dr.
2008-09	3770319.36	5400327.17	1630007.81Cr.
2009-10	1361354.55	13118160.65	11756806.10Cr.
<b>Total</b>	<b>6131132.93</b>	<b>18518487.82</b>	<b>12387354.89Cr.</b>

19.	<b>Remuneration to Directors</b> (Including Chairman & Managing Director)	<b>31.03.2010</b>	<b>31.3.2009</b>
		(In Rs.)	(In Rs.)
	Salary & Allowance	984197	1387148
	Contribution to Pension Fund	193000	28800
	Travelling Expenses	<u>273097</u>	<u>252843</u>
		<b>1450294</b>	<b>1668791</b>
20.	<b>Remuneration payable to Auditors</b>		
	Statutory Audit fees	82725	66180
	Tax Audit Fees	<u>22060</u>	<u>9927</u>
		<b>104785</b>	<b>76107</b>

**21. Accounting Standard-22 Accounting of Taxes on Income:** Deferred Tax Liability/Assets have been determined on the basis of Accounting Standard- 22 Accounting for Taxes on Income issued by ICAI and the details thereof are as follows:

Particulars	2009-10	2008-09
<b>Deferred Tax Liability arising on account of Timing Difference in Depreciation</b>		
Deferred Tax Liability	317425	444339
Less-Deferred Tax Asset	129166	126914
Net deferred Tax Liability	188259	317425

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

**Quantitative Information in respect of purchases, sales and closing stock of FMFL/IMFL & BEER (As certified by the Management and relied upon by the Auditors)**

Value (Rs. In Crores)

Particulars	QTY.		31.03.2010	QTY.		31.03.2009
		BOTTLES		CASE	BOTTLES	
Sales	IMFL/FMFL	314547954	1569.48	4728871	7764	1597.54
	BEER			12018325	416	
Purchases	IMFL/FMFL	337125527	1677.50	4728871	7764	1566.14
	BEER			12018325	416	
Closing Stock	IMFL/FMFL	22162110	132.69	633681	7623	127.59
	BEER			390343	93326	



23. Cash Flow statement has been prepared using Indirect Method as prescribed by the Institute of Chartered Accountants of India as per AS-3(Revised).
24. Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted averages number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of shares
25. There are no earnings and /or out go in foreign exchange.
26. Prior period expenses/income is accounted under separate heads. Material items, if any, are disclosed separately by way note in notes to accounts.
27. Material events occurring after the Balance Sheet date are taken into consideration.
28. Figures have been rounded off to the nearest of rupees.
29. Figures of the previous year have been regrouped/ rearranged wherever deemed necessary so as to make them comparable with those of the current year.
30. Schedules A to L and accounting policies and notes on accounts form integral part of accounts.

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

On behalf of the Board of Directors

Sd/-  
(Dikshant Sogani)  
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 : 29.09.2010

**REPLY OF AUDITOR'S REPORT (ANNEXURE-A)**

AUDITOR'S REPORT	REPLY
<p>1.(a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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 at reasonable interval by the management during the year. As certified 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 explanations given to us, the Inventories of the company have been physically verified at reasonable intervals by the management.</p>	<p>No comment</p>
<p>(b) According to explanation given to us, the procedure of physical verification of Inventories followed by the management is 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 is maintaining proper records of Inventories through software application. No material discrepancies were noticed on physical verification of inventory</p>	<p>No comment</p>

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| 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.  | No comment |
| (b) As 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 hence clause 4(iii) (b) to (g) are not applicable.                                       | No comment |
| 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 the purchase of inventories and fixed assets and also for the sale of goods and services. | No comment |
| 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 arrangement that needs to be entered into a register in pursuance of section 301 of the Companies Act, 1956, Sub clause 5(b) is not applicable.  | No comment |
| 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.                   | No comment |

In our opinion, the Company has an Internal audit system commensurate with the size and nature of its Business.

No comment.

The maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.

No comment

(a) As per information and explanations furnished to us and on the basis of our examination of the books of account, 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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and any 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, 2010 for a period of more than six months from the date of becoming payable.

No comment

(b) According to the information and explanation 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.5,21,25,843/- relating to show cause notice issued by commissioner, Central Excise, Jaipur-1 for the period February, 2005 to August, 2007 and a demand raised by Excise Department, Government of Rajasthan towards interest Rs.64,69,083/- on late deposit of permit fees and vend fees for financial years 2006 to 2008.

The Corporation sought opinion of subject expert Mr. Pankaj Malik, who have given clear opinion that the activities pursued by the Corporation do not fall under "BAS"(Business Auxiliary Services).

Further Corporation engaged Sh. Pankaj Malik to prepare and file stay application and the appeal against demand before the Service Tax Tribunal, New Delhi. The matter is not yet decided.

The Corporation 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.

Income Tax department raised a demand of Rs 5,33,41,990/- for the Assessment Year 2006-2007 and Rs 6,70,20,550/- for the Assessment Year 2007-2008 disallowing the expenditure of Privilege Fees. A penalty of Rs. 1,00,000/- for the late filing of Return has been imposed for Assessment Year 2006-2007. The corporation has deposited Rs 75 Lacs against the demands raised for Assessment Year 2006-2007 and 2007-2008. The matters are pending before appropriate authorities.

Regarding demand of Rs.5,33,41,990/- the appeal was decided in the favour of Corporation but the Income Tax Department has appealed before ITAT (Income Tax Appellate Tribunal). The appeal of the Income Tax Department has been dismissed by the ITAT on 20.08.10

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| 10. The Company does not have accumulated losses as at 31st March, 2010. The Company has not incurred cash losses during the financial year covered by the Audit but has incurred cash losses in the immediately preceding financial year. | No comment. |
| 11. The Company has not defaulted in repayment of dues to financial Institutions or Banks 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 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.                                  | No comment. |
| 14. The Company is not dealing or trading in Shares, Securities, Debentures and other investments.   | No comment. |

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| 15. | The Company has not given any guarantees for loans taken by others from Bank or financial institutions.  | No comment. |
| 16. | The Company has not taken any term loan during the year under audit.   | No comment. |
| 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 which have been used for long-term investment. | No comment. |
| 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.  | No comment. |
| 19. | There are no debentures issued and outstanding during the year, hence the question of creating the securities /charges thereon does not arise.   | No comment. |
| 20. | No money has been raised by Public Issue by the company during the year.   | No comment. |
| 21. | In our opinion 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. |

REPLY OF AUDITOR'S REPORT (ANNEXURE-B)

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>Corporation has been pursuing with the respective parties to provide the requisite information. Till date no party has claimed to be MSMED category. However it is on record that Corporation follows a unique payment system normally releasing due payment to any supplier on weekly basis through RTGS as per Liquor Sourcing Policy. Generally due payment is made within stipulated limit of the Act. Hence, the tenet and proviso of Act is being followed.</p>
<p>2. The calculation of Income from Demurrage Charges (Rs 3,82,78,932/-) has been done by the software of the corporation. However, the records of Computation and Calculation were not made available to us for our verification at the time of audit. Therefore resultant impact of calculation differences, if any, on the current year profits cannot be ascertained.</p>	<p>The previous software service provider's contract has ended and new firm has taken over the work. The old vendor did not provide the required software/programme, therefore information could not be made available. Calculation at the level of RSBCL was done. Before handover/ takeover of contract sample check was done by the Auditors.</p>
<p>3. During the year under audit the corporation has changed the accounting policy in accounting of Purchases and Stock in hand. However the change in accounting policy is not in accordance with the guidelines of the Liquor Sourcing Policy(LSP) which defines and governs the operations of the Corporation. Due to such a change the Cost of Sales has been inflated by a sum of Rs 1,27,74,82,226/- and the Stock in hand as on 31.03.2010 has been inflated by a sum of Rs 1,32,68,78,625/- .However it has no effect on the Profit of the current period. Similarly, due to change in accounting policy the balance of creditors has been inflated by a sum of Rs 1,32,68,78,625/- (Refer Point 4a of Notes on Accounts)</p>	<p>The Government of Rajasthan introduced VAT (Sales Tax) on the sale of Liquor/Beer w.e.f. 01.04.09. The Corporation, is therefore liable for accounting the stock, sale, purchase etc. as per the VAT Act. Therefore, it was compulsory to take all the stocks into books of accounts as purchase and to book the purchase as per invoices raised by the suppliers to take the input tax credit as per the provisions of VAT.</p>
<p>4. The Liquor Sourcing Policy for 2009-2010 has defined fixed margins on sales of FMFL and IMFL/Beer @7% and 2% respectively according to which the Gross Margins work out to Rs 30,83,93,161/-. However in the Profit &amp; Loss Account for the year 2009-2010 the Gross Margins stand at Rs 30,77,05,384/- The Gross Margin and Profit for the current year 2009-2010 has been understated by Rs 6,87,777/-</p>	<p>The Corporation is in process of reconciliation of the records. After due reconciliation it will be accounted for in current year books of accounts.</p>

संख्या / No. सी.ए. डब्ल्यू/वा.ले/आरएसवीसीएल/2009-10/के-344/D-1129



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

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

दिनांक 15.11.2010

विषय : राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च, 2010 को  
समाप्त वर्ष के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणी।

महोदय,

मुझे कम्पनी अधिनियम की धारा 619 (5) के अंतर्गत कम्पनी की वार्षिक साधारण सभा में प्रस्तुत करने हेतु  
31 मार्च 2010 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  
जायें तथा स्वीकृत की जायें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

संलग्न : उपरोक्तानुसार

भवदीय,  
ह.

उपमहालेखाकार (वाणिज्यिक)

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फैक्स : 0141-2385230

टेलीफोन : 2385431-39

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**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, JAIPUR, FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of Rajasthan State Beverages Corporation Limited, Jaipur for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 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 date 29.09.2010.

I, on 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, Jaipur of the year ended 31 March, 2010. 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/-

(Meenakshi Sharma)  
Accountant General  
(C. & R. Audit) Rajasthan, Jaipur.

Place : Jaipur

Date : 15.11.2010



राजस्थान स्टेट बेवरेजेज कॉर्पोरेशन लिमिटेड

(राजस्थान सरकार का उपक्रम)

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

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