

**FINANCIAL STATEMENTS  
OF  
RAJASTHAN STATE FOOD &  
CIVIL SUPPLIES CORP. LTD.  
FOR THE F.Y. 2016-17**

**Rajasthan State Food & Civil Supplies Corporation Limited**  
Balance Sheet as on 31st March, 2017

(Amount in Rs.)

| Particulars  |                                       | Note | As at 31.03.2017        | As at 31.03.2016        |
|--|---------------------------------------|------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                   |                                       |      |                         |                         |
| <b>1 Shareholder's funds</b>                       |                                       |      |                         |                         |
| (a)  | Share capital                         | 2.1  | 500,000,000.00          | 500,000,000.00          |
| (b)  | Reserves and surplus                  | 2.2  | 367,318,744.68          | 328,812,993.85          |
| (c)  | Money received against share warrants |      |                         |                         |
| <b>2 Share application money pending allotment</b> |                                       |      |                         |                         |
| <b>3 Non-current liabilities</b>                   |                                       |      |                         |                         |
| (a)  | Long-term borrowings                  |      | -                       | -                       |
| (b)  | Deferred tax liabilities (Net)        | 2.22 | -                       | -                       |
| (c)  | Other Long term liabilities           | 2.3  | 368,267,552.27          | 270,467,552.27          |
| (d)  | Long-term provisions                  |      | -                       | -                       |
| <b>4 Current liabilities</b>                       |                                       |      |                         |                         |
| (a)  | Short-term borrowings                 | 2.4  | -                       | 321,303,604.70          |
| (b)  | Trade payables                        | 2.5  | 1,470,869,407.22        | 1,512,554,362.54        |
| (c)  | Other current liabilities             | 2.6  | 607,018,890.11          | 256,552,710.90          |
| (d)  | Short-term provisions                 | 2.7  | 93,622,242.30           | 164,633,805.75          |
| <b>TOTAL</b>                                       |                                       |      | <b>3,407,096,836.58</b> | <b>3,354,325,030.01</b> |
| <b>II. ASSETS</b>                                  |                                       |      |                         |                         |
| <b>Non-current assets</b>                          |                                       |      |                         |                         |
| <b>1 (a) Fixed assets</b>                          |                                       |      |                         |                         |
| (i)  | Tangible assets                       |      | 3,437,794.92            | 3,816,885.37            |
| (ii)   | Intangible assets                     |      | 61,570.97               | 124,229.29              |
| <b>(b) Non-current investments</b>                 |                                       |      |                         |                         |
| <b>(c) Deferred tax assets (net)</b>               |                                       |      |                         |                         |
| <b>(d) Long-term loans and advances</b>            |                                       |      |                         |                         |
| (e)  | Other non-current assets              | 2.8B | 102,970,512.29          | 102,970,512.29          |
| <b>2 Current assets</b>                            |                                       |      |                         |                         |
| <b>(a) Current investments</b>                     |                                       |      |                         |                         |
| (b)  | Inventories                           | 2.9  | 95,413,105.38           | 112,066,835.40          |
| (c)  | Trade receivables                     | 2.10 | 1,412,405,886.61        | 1,043,619,561.25        |
| (d)  | Cash and cash equivalents             | 2.11 | 1,471,634,314.37        | 1,230,349,710.66        |
| (e)  | Short-term loans and advances         | 2.12 | 58,813,489.31           | 376,798,314.67          |
| (f)  | Other current assets                  | 2.13 | 261,375,231.26          | 483,043,229.24          |
| <b>TOTAL</b>                                       |                                       |      | <b>3,407,096,836.58</b> | <b>3,354,325,030.01</b> |

Significant accounting policies  
Notes to Accounts

In terms of our report of even date attached

In terms of our separate Report  
of even date Attached herewith  
For R. A. Sharma & Co  
Chartered Accountants  
(FRN 001657)

(R. A. Sharma)  
Partner M.No.70884



For and on behalf of  
Rajasthan State Food & Civil Supplies  
Corporation Limited

Managing Director  
(DIN: 08505942)

CFO/General Manager (F)  
Pradeep Mathur  
General Manager (Finance)

Director  
(DIN: 06433592)  
Jayanti Jha.  
Company Secretary

**COMPANY SECRETARY**  
Rajasthan State Food & Civil  
Supplies Corporation Ltd., JAIPUR

Place - Jaipur  
Date - 21 AUG 2019

**Rajasthan State Food & Civil Supplies Corporation Limited**  
**Statement of Profit and loss for the year ended 31st March, 2017**

(Amount in Rs.)

| Particulars   | Note | As at 31.03.2017        | As at 31.03.2016        |
|---|------|-------------------------|-------------------------|
| I. Revenue from operations  | 2.14 | 4,751,742,784.40        | 5,617,712,863.06        |
| II. Other income  | 2.15 | 40,250,865.22           | 72,573,852.07           |
| <b>III. Total Revenue (I + II)</b>  |      | <b>4,791,993,649.62</b> | <b>5,690,286,715.13</b> |
| IV. Expenses:   |      |                         |                         |
| Cost of materials consumed  |      |                         |                         |
| Purchases of Stock-in-Trade   | 2.16 | 4,392,434,781.55        | 5,184,034,786.10        |
| Changes in inventories  | 2.17 | 16,653,730.02           | -96,173,599.40          |
| Employee benefits expense   | 2.18 | 81,368,136.20           | 70,397,401.89           |
| Finance costs   | 2.19 | 3,027,269.35            | 63,850,537.54           |
| Depreciation and amortization expense                                     | 2.8  | 1,463,855.97            | 1,749,804.85            |
| Other expenses  | 2.20 | 222,060,275.35          | 371,116,805.32          |
| Total expenses  |      | <b>4,717,008,048.44</b> | <b>5,594,975,736.30</b> |
| <b>Profit before exceptional and extraordinary items and tax (III-IV)</b> |      | <b>74,985,601.18</b>    | <b>95,310,978.83</b>    |
| VI. Exceptional items   |      | -                       | -                       |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>            |      | <b>74,985,601.18</b>    | <b>95,310,978.83</b>    |
| VIII. Add: Prior Period Items   |      | (9,302,878.51)          | (1,102,952.82)          |
| <b>IX. Profit before tax (VII- VIII)</b>                                  |      | <b>65,682,722.67</b>    | <b>94,208,026.01</b>    |
| X. Tax expense:   |      |                         |                         |
| (1) Current tax   |      | 30,000,000.00           | 37,500,000.00           |
| (2) MAT credit (entitlement)  |      | -                       | -                       |
| (3) Deferred tax  | 2.22 | 550,820.38              | 1,535,751.85            |
| (3) Income tax relating to prior years                                    |      | -                       | 1,607,778.93            |
| <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b> |      | <b>35,131,902.29</b>    | <b>56,635,998.93</b>    |
| XII. Profit/(loss) from discontinuing operations                          |      | -                       | -                       |
| XIII. Tax expense of discontinuing operations                             |      | -                       | -                       |
| <b>Profit/(loss) from discontinuing operations (after tax)</b>            |      | <b>-</b>                | <b>-</b>                |
| <b>XIV. (XII-XIII)</b>  |      | <b>-</b>                | <b>-</b>                |
| <b>XV. Profit (Loss) for the period (XI + XIV)</b>                        |      | <b>35,131,902.29</b>    | <b>56,635,998.93</b>    |
| XVI. Earnings per equity share:   |      |                         |                         |
| Basic & Diluted   | 2.21 | 70.26                   | 113.27                  |

Significant accounting policies  
Notes to Accounts

1  
2

In terms of our report of even date attached

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of even date Attached herewith  
For R. A. Sharma & Co  
Chartered Accountants  
(FRN 001657)

(R. A. Sharma)  
Partner M.No.70884

Place : Jaipur

Date: 21 AUG 2019



For and on behalf of  
Rajasthan State Food & Civil Supplies  
Corporation Limited

(Rashmi Gupta)  
Managing Director  
(CIN: 08505942)

CFO/General Manager (F)  
Pradeep Mathur  
General Manager (Finance)

Director  
(CIN: 06433592)  
Jayanti Jha

Company Secretary  
**COMPANY SECRETARY**  
Rajasthan State Food & Civil  
Supplies Corporation Ltd., JAIPUR

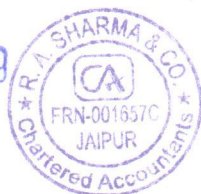
**Rajasthan State Food & Civil Supplies Corporation Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars  | March 31,2017          | March 31,2016          |
|--|------------------------|------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                          |                        |                        |
| Net Profit before Tax, prior period and Extra Ordinary Items           | 78,380,335.54          | 95,310,978.83          |
| <b>Adjustments For:</b>  |                        |                        |
| Depreciation   | 1,463,855.97           | 1,749,804.85           |
| Preliminary Exp. Written Off   | -                      | -                      |
| Interest & Finance Charges   | -                      | -                      |
| Adjustment for reserve   | -                      | -                      |
| Interest Received  | -33,564,441.07         | -67,379,588.83         |
| <b>Operating Profit Before Working Capital Changes</b>                 | <b>46,279,750.44</b>   | <b>29,681,194.85</b>   |
| <b>Adjustments For:</b>  |                        |                        |
| Decrease/(increase) in Trade & Other Receivables                       | -147,118,327.38        | 678,545,386.97         |
| Decrease/(increase) in Loan & Advances                                 | 317,984,825.32         | -328,121,225.11        |
| Increase/(decrease) in Trade & Other Payables                          | 406,581,223.89         | -281,776,517.08        |
| Increase/(decrease) in Provision                                       | -71,011,563.45         | 95,722,729.05          |
| Increase/(decrease) in Inventories                                     | 16,653,730.02          | -96,173,599.40         |
| <b>Cash Generated from Operations</b>                                  | <b>569,369,638.84</b>  | <b>97,877,969.28</b>   |
| Taxes (paid) refund / MAT Credit Utilisation( Entitlement)             | -30,000,000.00         | -39,107,778.93         |
| Cash Flow before extra-ordinary and exceptional item                   | 539,369,638.84         | 58,770,190.35          |
| Extra-ordinary and exceptional item                                    | -9,302,878.51          | -1,102,952.82          |
| <b>NET CASH FROM (USED IN) OPERATING ACTIVITIES (A)</b>                | <b>530,066,760.33</b>  | <b>57,667,237.53</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                          |                        |                        |
| Fixed Asset Acquired during the year                                   | -1,042,993.00          | -914,180.00            |
| Investment   | -                      | -                      |
| Interest Received  | 33,564,441.07          | 67,379,588.83          |
| <b>NET CASH FROM (USED IN) INVESTING ACTIVITIES (B)</b>                | <b>32,521,448.07</b>   | <b>66,465,408.83</b>   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                          |                        |                        |
| Issue of Equity Shares   | -                      | -                      |
| Share Premium  | -                      | -                      |
| Proceeds/(Repayment) of Long Term Borrowing                            | -                      | -                      |
| Short Term Borrowing (net)   | -321,303,604.70        | -160,120,535.10        |
| Interest & Finance Charges   | -                      | -                      |
| <b>NET CASH FROM (USED IN) FINANCING ACTIVITIES (C)</b>                | <b>-321,303,604.70</b> | <b>-160,120,535.10</b> |
| <b>Increase/Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>        | <b>241,284,603.71</b>  | <b>-35,987,888.73</b>  |
| Cash & Cash Equivalents in the beginning of the year                   | 1,230,349,710.66       | 1,266,337,599.39       |
| Cash & Cash Equivalents at the end of the year                         | 1,471,634,314.37       | 1,230,349,710.66       |
| <b>Net Increase in Cash and Cash Equivalent (As per notified AS-3)</b> | <b>241,284,603.71</b>  | <b>-35,987,888.73</b>  |

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Chartered Accountants  
(FRN 001657)

(R. A. Sharma)  
Partner M.No.70884



For and on behalf of  
Rajasthan State Food & Civil Supplies  
Corporation Limited

(Rashmi Gupta)  
Managing Director  
(DIN: 085D 5942)

CFO/General Manager (F)  
Pradeep Mathur  
General Manager (Finance)

Director  
(DIN: 06433592)  
Jayanti She  
Company Secretary

**COMPANY SECRETARY**  
Rajasthan State Food & Civil  
Supplies Corporation Ltd., JAIPUR

Place:- Jaipur

Date:- 21 AUG 2019

# Rajasthan State Food & Civil Supplies Corporation Limited

## 2. Notes to Financial Statements for the year ended 31st March, 2017

| <b>2.1 Share Capital</b>                | <b>As at 31 March 2017</b> |                        | <b>As at 31 March 2016</b> |                        |
|---|----------------------------|------------------------|----------------------------|------------------------|
|   | <b>Number</b>              | <b>(Amount in Rs )</b> | <b>Number</b>              | <b>(Amount in Rs )</b> |
| <b>Authorised</b>                       |                            |                        |                            |                        |
| 1000000 Equity Shares of Rs 1000 each   | 1000000                    | 1,000,000,000.00       | 1000000                    | 1,000,000,000.00       |
| <b>Issued, Subscribed &amp; Paid up</b> |                            |                        |                            |                        |
| 500000 Equity Shares of Rs 1000 each    | 500000                     | 500,000,000.00         | 500000                     | 500,000,000.00         |
| <b>TOTAL</b>                            | 500000                     | 500,000,000.00         | 500000                     | 500,000,000.00         |

### Details of Shareholders holding more than 5%

| <b>Name of Shareholder</b>              | <b>As at 31 March 2017</b> |                     | <b>As at 31 March 2016</b> |                     |
|---|----------------------------|---------------------|----------------------------|---------------------|
|   | <b>No. of Shares held</b>  | <b>% of Holding</b> | <b>No. of Shares held</b>  | <b>% of Holding</b> |
| H.E. Governor of Rajasthan and nominees | 500000                     | 100.00              | 500000                     | 100.00              |

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 is set out below:

| <b>Particulars</b>                                      | <b>As at 31 March 2017</b> |                | <b>As at 31 March 2016</b> |                |
|---|----------------------------|----------------|----------------------------|----------------|
|   | <b>Number</b>              | <b>Rs</b>      | <b>Number</b>              | <b>Rs</b>      |
| Shares outstanding at the beginning of reporting period | 500000                     | 500,000,000.00 | 500000                     | 500,000,000.00 |
| Shares Issued during the period                         | -                          | -              | -                          | -              |
| Shares bought back during the period                    | -                          | -              | -                          | -              |
| Shares outstanding at the end of the reporting          | 500000                     | 500,000,000.00 | 500000                     | 500,000,000.00 |

The Company has only one class of shares referred to as equity shares having a par value of Rs. 1000/-. Each holder of equity shares is entitled to one vote per share. Entire shareholding vests into Government of Rajasthan.

There was no buy back of shares and no calls were unpaid during the F.Y 2016-17



| <b>Particulars</b>  | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
|---|----------------------------|----------------------------|
|   | <b>Rs.</b>                 | <b>Rs.</b>                 |
| <b>2.2 Reserve &amp; Surplus</b>  |                            |                            |
| <b>a. Surplus</b>   |                            |                            |
| Opening balance   | 328,812,993.85             | 272,176,994.92             |
| (-) Adjustment relating to Fixed Assets(Refer Note No. 2.8) AND reversal of prior period adjustments  | (3,373,848.54)             |                            |
| (+) Net Profit/(Net Loss) For the current year as per Statement of Profit & Loss  | 35,131,902.29              | 56,635,998.93              |
| Closing Balance   | 367,318,744.68             | 328,812,993.85             |
| <b>Total</b>  | <b>367,318,744.68</b>      | <b>328,812,993.85</b>      |
| <b>2.3 Other Long Term Liabilities</b>  |                            |                            |
| <b>(a) Trade Payables</b>   |                            |                            |
| For expenses  | 9,294,341.00               | 9,294,341.00               |
| For services  | 131,301.00                 | 131,301.00                 |
| For Goods/Materials   |                            |                            |
| <b>(b) Others</b>   |                            |                            |
| Payable to State Govt:  |                            |                            |
| - For Price equalisation funds <sup>1</sup>   | 30,838,299.00              | 30,838,299.00              |
| - For Upbhokta kalyan consumer welfare fund society   | 37,483,237.94              | 37,483,237.94              |
| - KVSS Kota a/c   | 428,206.00                 | 428,206.00                 |
| Consumer Welfare levy payable   | 192,292,167.33             | 192,292,167.33             |
| <b>(c) Unsecured Borrowings</b>   |                            |                            |
| Loan for Sugar Department 2   | 97,800,000.00              | -                          |
| <b>Total</b>  | <b>368,267,552.27</b>      | <b>270,467,552.27</b>      |
| <p>1 Price Equalization difference amount is received from Kraya Vikraya Sahkari Samiti on behalf of the government on account of difference in transportation expenses/surplus and this is payable back to the State Government of Rajasthan.</p> <p>2 Unsecured loan of Rs. 9.78 crores was provided by Rajasthan Upbhokta Kalyan Samiti for lifting Levy Sugar (Public Distribution System) for Sugar Department on short term basis, which has become overdue for payment on 20.05.2013. Extension has later been given for Loan repayment of Rs. 9.78 crore upto 31.3.2018 by Principal Secretary, Food and Civil Supplies Department, as per note sheet . This has been further extended and classified as long term liabilities this year.</p> |                            |                            |
| <b>2.4 Short-Term Borrowings</b>  |                            |                            |
| <b>Secured</b>  |                            |                            |
| <b>(a) from Bank</b>  |                            |                            |
| PNB - CC Limit <sup>3</sup>   | -                          | 73,503,604.70              |
| <b>Unsecured</b>  |                            |                            |
| <b>(a) Other</b>  |                            |                            |
| Loan for Sugar Department   | -                          | 97,800,000.00              |
| Loan for Wheat Department (State Govt.) 1   | -                          | 150,000,000.00             |
| <b>Total</b>  | <b>-</b>                   | <b>321,303,604.70</b>      |
| <p><sup>1</sup> Unsecured loan of Rs. 30 Crore for wheat department for purchases of wheat on Minimum Support Price under decentralized procurement system, granted by Government of Rajasthan has now been paid off completely.</p>  |                            |                            |



<sup>3</sup> **Securities:**

**Cash Credit Hypothecation (Panjab National Bank)**

Fund based Cash Credit Hypothecation limit for Rs. 395 crores against Stock & Book Debt. Margin on security is 25% against inventory of wheat and book debts. There is no outstanding amount against CC limit during the current year.

**Primary**

Cash credit limit from PNB was secured against:

1. First charges by way of hypothecation on stock of wheat and book debts of Company, present & future.

**Collateral**

i. Secured by Guarantee of Government of Rajasthan.

| <b>2.5 Trade Payables</b>                          |                         |                         |
|--|-------------------------|-------------------------|
| For Expense  | 75,387,332.00           | 74,021,820.11           |
| For Services                                       | 299,627.00              | 527,645.00              |
| For Goods/Materials                                | 1,395,182,448.22        | 1,438,004,897.43        |
| <b>Total</b>                                       | <b>1,470,869,407.22</b> | <b>1,512,554,362.54</b> |
| <b>2.6 Other Current Liabilities</b>               |                         |                         |
| a) Bank Balances (Credit) due to timing difference |                         |                         |
| PNB Rajasmand                                      | -                       | 17,091.53               |
| Pnb Dausa( 3909002100009249)                       | 4,558,620.80            |                         |
| SBBJ Flexi Jalore                                  | -                       | 3,762.36                |
| b) Outstanding Liabilities                         |                         |                         |
| Security deposit                                   | 29,932,975.43           | 20,254,949.43           |
| Payable to State Govt:                             |                         |                         |
| Advances recd. From DSO & KVSS <sup>1</sup>        | 13,723,323.84           | 10,850,441.28           |
| Advances from Mills and Commission Agent           | 64,961,413.03           | 26,607,309.83           |
| Statutory Liabilities                              | 3,588,209.91            | 2,799,693.56            |
| Wheat Revolving Fund                               | 81,189,473.08           | 81,189,473.08           |
| Kerosene Subsidy                                   | 84,158,340.30           | 83,980,260.65           |
| Daal, Ghee & oil subsidy                           | 5,252,354.00            | 5,252,354.00            |
| Bonus on Wheat Procurement                         | 14,941.50               | 14,941.50               |
| Consumer Welfare Fund(Non PDS)                     | 12,635,222.50           | 6,206,809.30            |
| Fund for PDS Scheme for End to End Computerisation | 26,000,000.00           |                         |
| Salary & Wages Payable                             | 3,739,639.33            | 4,455,610.43            |
| Other Outstanding Exp.                             | 12,599,588.13           | 14,920,013.95           |
| Sugar Subsidy <sup>1</sup>                         | 264,664,788.26          | -                       |
| <b>Total</b>                                       | <b>607,018,890.11</b>   | <b>256,552,710.90</b>   |

1. Sugar Subsidy due from GOI/GOR has been accounted for in Books of Accounts on Distribution basis.
2. Claims of sugar subsidy were sent to GOI/GOR on basis of Allotment Qty.
3. The amount received from the GOI/GOR has been accounted for in Books of Accounts as per actual amount received against claims of sugar subsidy submitted to the GOI and GOR.
4. Excess amount of sugar subsidy received from, GOI/GOR is lying as payable to GOI/GOR in our books and reconciliation of the same is underway.
5. The excess amount of sugar subsidy has not been treated income in the books of accounts of the of the Corporation.
6. Orders for the division of margin between the Corporation and KVSS for the F.Y. 2013-14, 2014-15 & 2015-16 is yet to be issued by the GoR, hence the income of the Corporation's margin has been booked in the accounts as per previous orders. The same will be revised after receipt of the revised orders from GOR.



| 2.8A Fixed Assets        | Rate of Depreciation (%) | Gross Block                |                     |                          | Depreciation / Amortisation |                            |                                  |                          | Net Block                   |                            |                             |
|--------------------------|--------------------------|----------------------------|---------------------|--------------------------|-----------------------------|----------------------------|----------------------------------|--------------------------|-----------------------------|----------------------------|-----------------------------|
|                          |                          | Balance as at 1 April 2016 | Additions           | Deductions / Adjustments | Balance as at 31 March 2017 | Balance as at 1 April 2016 | Depreciation charge for the year | Deductions / Adjustments | Balance as at 31 March 2017 | Balance as at 1 April 2016 | Balance as at 31 March 2017 |
| <b>a</b>                 |                          |                            |                     |                          |                             |                            |                                  |                          |                             |                            |                             |
| <b>Tangible Assets</b>   |                          |                            |                     |                          |                             |                            |                                  |                          |                             |                            |                             |
| Furniture and Fixtures   |                          | 5,593,534.08               | 371,634.00          |                          | 5,965,168.08                | 3,124,995.13               | 692,253.89                       |                          | 3,817,249.02                | 2,468,538.95               | 2,147,919.06                |
| Office Equipments        |                          | 1,975,356.26               | 452,529.00          |                          | 2,427,885.26                | 1,395,667.35               | 394,508.86                       | 3,604.18                 | 1,793,780.38                | 579,688.91                 | 634,104.88                  |
| Computers                |                          | 10,928,484.27              | 218,830.00          |                          | 11,147,314.27               | 10,797,344.53              | 110,840.20                       | 17,281.65                | 10,925,466.38               | 131,139.74                 | 221,847.89                  |
| Motor Car                |                          | 1,823,805.00               | -                   |                          | 1,823,805.00                | 1,186,287.24               | 203,594.70                       |                          | 1,389,881.94                | 637,517.76                 | 433,923.09                  |
| <b>Total (a)</b>         |                          | <b>20,321,179.61</b>       | <b>1,042,993.00</b> | -                        | <b>21,364,172.61</b>        | <b>16,504,294.24</b>       | <b>1,401,197.65</b>              | <b>20,885.82</b>         | <b>17,926,377.72</b>        | <b>3,816,885.37</b>        | <b>3,437,794.92</b>         |
| <b>b</b>                 |                          |                            |                     |                          |                             |                            |                                  |                          |                             |                            |                             |
| <b>Intangible Assets</b> |                          |                            |                     |                          |                             |                            |                                  |                          |                             |                            |                             |
| SMS Based Software       |                          | 40,500.00                  | -                   |                          | 40,500.00                   | 37,481.67                  | 1,510.44                         |                          | 38,992.11                   | 3,018.33                   | 1,507.89                    |
| Web design               |                          | 111,750.00                 | -                   |                          | 111,750.00                  | 63,837.98                  | 25,255.83                        |                          | 89,093.81                   | 47,912.02                  | 22,656.19                   |
| Tally Erp.9              |                          | 671,491.69                 | -                   |                          | 671,491.69                  | 598,192.75                 | 35,892.05                        |                          | 634,084.80                  | 73,298.94                  | 37,406.89                   |
| <b>Total (b)</b>         |                          | <b>823,741.69</b>          | -                   |                          | <b>823,741.69</b>           | <b>699,512.40</b>          | <b>62,658.32</b>                 | -                        | <b>762,170.72</b>           | <b>124,229.29</b>          | <b>61,570.97</b>            |
| <b>Total (a+b)</b>       |                          | <b>21,144,921.30</b>       | <b>1,042,993.00</b> | -                        | <b>22,187,914.30</b>        | <b>17,203,806.64</b>       | <b>1,463,855.97</b>              | <b>20,885.82</b>         | <b>18,688,548.44</b>        | <b>3,941,114.66</b>        | <b>3,499,365.89</b>         |

1. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful life as specified in Schedule-II. Accordingly the unamortised carrying value is being depreciated/ amortised over the remaining useful lives.

2. The Fixed Asset Schedule is prepared on the basis of consolidation of accounts at Head Office.





| <b>2.7 Short Term Provisions</b>    |                      |                       |
|-------------------------------------|----------------------|-----------------------|
| <b>(a) Others</b>                   |                      |                       |
| Provision for EPF and ESI           | -                    | 299,008.45            |
| Provision for Gratuity              | 2,363,000.00         | 2,363,000.00          |
| Provision for Leave Encashment      | 1,471,000.00         | 1,471,000.00          |
| Provision for Bonus                 | 339,000.00           | 339,000.00            |
| Auditors' Remuneration              | -                    | 94,500.00             |
| Provision for Sugar Branch expenses | 44,984,420.90        | 10,540,223.90         |
| Provision for Current Tax           | 16,324,884.00        | 37,500,000.00         |
| Provision for DCP Schemes           | 26,422,501.40        | 110,309,637.40        |
| Provision for Atta Difference       | 1,717,436.00         | 1,717,436.00          |
| <b>Total</b>                        | <b>93,622,242.30</b> | <b>164,633,805.75</b> |

Provision for DCP schemes included provision of Bardana Expenses for Rs. 1.19 crores, which have been taken on loan basis from the Food Corporation of India for DCP 2014-15 and DCP 2015-16.

The said Provision has been adjusted in current year against the Bardana returned to FCI

| <b>2.8B Other Non-Current Assets</b>   |                       |                       |
|--|-----------------------|-----------------------|
| Amount receivable from Central Govt. under DCP Scheme for FY 2013-14 and 2014-15 | 102,970,512.29        | 102,970,512.29        |
| <b>Total</b>   | <b>102,970,512.29</b> | <b>102,970,512.29</b> |

<sup>1</sup>The amount receivable from Central Government under the Decentralised Procurement of Wheat (DCP) Scheme in Alwar District for FY 2013-14 and 2014-15 for Wheat Procurement has been recognised.

| <b>2.9 Inventories</b>         |                      |                       |
|--------------------------------|----------------------|-----------------------|
| a) Stock in trade <sup>1</sup> | 27,633,900.90        | 19,500,962.00         |
| b) Packing material            | 67,779,204.48        | 92,565,873.40         |
| <b>Total</b>                   | <b>95,413,105.38</b> | <b>112,066,835.40</b> |

1 Stock in trade comprises of stock of holograms held by the company for affixing on stock and wheat held by the Food Corporation of India.

| <b>2.10 Trade Receivables</b>                      |                         |                         |
|--|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                  |                         |                         |
| Exceeding six months from the date due for payment | 36,537,114.41           | 40,623,521.22           |
| Other Debts  | 1,374,323,251.05        | 1,001,450,518.88        |
| <b>Unsecured, considered doubtful</b>              |                         |                         |
| Exceeding six months from the date due for payment | 1,545,521.15            | 1,545,521.15            |
| <b>Total</b>                                       | <b>1,412,405,886.61</b> | <b>1,043,619,561.25</b> |

Suspense has been reduced from Trade Receivables. It reflects the amount directly deposited into bank by parties, details of which are non- traceable.

| <b>2.11 Cash &amp; Cash Equivalents</b>          |                         |                         |
|--|-------------------------|-------------------------|
| a. Balances with banks                           | 1,075,512,230.47        | 702,884,186.76          |
| b. Cash in hand                                  | 12,850.00               | -                       |
| <b>(II) Other Bank Balances</b>                  |                         |                         |
| Interest accrued on Bank Deposits                | 352,250.00              | 7,245,993.32            |
| Bank deposits with more than 12 months' maturity | -                       | -                       |
| Bank deposits with 12 months' maturity           | 395,756,983.90          | 520,219,530.58          |
| <b>Total</b>                                     | <b>1,471,634,314.37</b> | <b>1,230,349,710.66</b> |



| <b>2.12 Short Term Loans &amp; Advance</b> |                      |                       |
|--|----------------------|-----------------------|
| <b>Unsecured, considered good</b>          |                      |                       |
| a. Loans and advances to related parties   | -                    | -                     |
| b. Capital Advances                        | -                    | -                     |
| c. Others                                  |                      |                       |
| Advance to suppliers 1                     | 24,658,017.00        | 6,424,509.20          |
| Imprest to employees                       | 67,199.00            | 33,620.00             |
| Other Advance 2                            | 23,240,688.12        | 359,182,037.76        |
| <b>Unsecured, considered doubtful</b>      |                      |                       |
| DSO Advance                                | 504,619.00           | 504,619.00            |
| Other Advance 3                            | 10,342,966.21        | 10,653,528.72         |
| <b>Total</b>                               | <b>58,813,489.33</b> | <b>376,798,314.68</b> |

<sup>1</sup> Advance to Suppliers consists of outstanding advance of Rs. 22.48 lakhs to Rajasthan Rajya Sahkari Upbhogta Sangh. The advance of Rs. 4 crores was given on 23.08.2013 for purchase of onion for a period of 10 days, out of which around Rs. 3.78 crores have been received back in previous financial year and Rs 2247803/- is to be recovered from the party till date.

<sup>2</sup> Other Advances includes D.S.O. Advances of Rs. 5,04,619 in case of which no recoveries have been made during the year. In some cases, in absence of clarity regarding claim, amount may not be recovered. Such amount being unascertainable, could not be provided for.

<sup>3</sup> Kraya Vikraya Sahkari Samiti (KVSS) are distribution agencies of the corporation. To enable them to lift wheat from Food Corporation of India godowns, certain KVSS have been advanced amounts and the corporation recovers higher commission amount, if KVSS avails such financial assistance.

| <b>2.13 Other Current Assets</b>                      |                       |                       |
|---|-----------------------|-----------------------|
| Amount receivable from Central Govt. under DCP Scheme | 117,973,358.50        | 101,731,149.00        |
| Sugar Subsidy Receivable                              | -                     | 189,118,844.94        |
| Prepaid Expenses                                      | 294,962.76            | 105,556.61            |
| Security Deposit <sup>1</sup>                         | 37,023,000.00         | 106,822,500.00        |
| Income tax refundable <sup>2</sup>                    | 84708220.00           | 76723138.64           |
| Balance with Revenue Authorities                      | 12,217,668.00         |                       |
| Service Tax Receivable                                | 9,158,022.00          | 8,542,040.05          |
| <b>Total</b>  | <b>261,375,231.26</b> | <b>483,043,229.24</b> |

<sup>1</sup>The company had placed security deposit with FCI against the Gunny Bag (Bardana) supplied on Loan Basis for DCP 2014-15 and DCP 2015-16.

<sup>2</sup>The amount of Income Tax refundable includes amount adjusted by the Income Tax department against the demand raised for AY 2012-13 and 2013-14. The management has filed Appeal against the disputed demand, which is pending before the hon'able bench of ITAT Jaipur.



|  |                         |                         |
|--|-------------------------|-------------------------|
| <b>2.14 Revenue From Operations</b>  |                         |                         |
| Sales & Subsidy <sup>1</sup>   | 4,368,932,612.95        | 5,298,234,534.08        |
| Commission received <sup>2</sup>   | 382,810,171.45          | 319,478,328.98          |
| Other operating revenues   | -                       | -                       |
| <b>Total</b>   | <b>4,751,742,784.40</b> | <b>5,617,712,863.06</b> |
| <b>2.15 Other Income</b>   |                         |                         |
| Interest Income  | 33,564,441.07           | 67,379,588.83           |
| Receipt of Tender fees   | 567,100.00              | 282,000.00              |
| Other non-operating income   | 6,119,324.15            | 4,912,263.24            |
| <b>Total</b>   | <b>40,250,865.22</b>    | <b>72,573,852.07</b>    |
| <b>2.16 Purchases of Stock-in-trade</b>  |                         |                         |
| FCI Purchase   | 526,422,992.00          | 468,884,708.00          |
| Purchases Sugar Branch   | 3,615,269,400.91        | 3,694,882,570.86        |
| Purchases under DCP scheme   | 248,134,778.64          | 1,018,199,507.24        |
| Purchase of holograms  | 787,500.00              | 2,068,000.00            |
| Purchase of Non PDS items  | 1,820,110.00            | -                       |
| Purchase of Daal (Baran Sahariya)  | -                       | -                       |
| <b>Total</b>   | <b>4,392,434,781.55</b> | <b>5,184,034,786.10</b> |
| <sup>1</sup> Sales & Subsidy includes sales of wheat and sugar under various schemes along with subsidies receivable from Govt. of India and Govt. of Rajasthan for purchase of sugar. |                         |                         |
| <sup>2</sup> Commission received includes commission on wheat and sugar under various schemes and EPA on non- PDS items- Masala, soap, tea and daal etc.                               |                         |                         |
| <b>2.17 Change in inventories</b>  |                         |                         |
| <b>a. Inventories (at commencement)</b>  |                         |                         |
| Stock in trade   | 19,500,962.00           | 15,893,236.00           |
| Packing Material   | 92,565,873.40           | -                       |
|  | <b>112,066,835.40</b>   | <b>15,893,236.00</b>    |
| <b>b. Inventories (at close)</b>   |                         |                         |
| Stock in trade   | 27,633,900.90           | 19,500,962.00           |
| Packing Material   | 67,779,204.48           | 92,565,873.40           |
|  | <b>95,413,105.38</b>    | <b>112,066,835.40</b>   |
| <b>Net Change in Inventories</b>   | <b>16,653,730.02</b>    | <b>-96,173,599.40</b>   |
| <b>2.18 Employee benefits expense</b>  |                         |                         |
| Salaries, wages and Incentives <sup>1</sup>  | 78,890,464.20           | 66,153,880.89           |
| Salary NIC   | 260,219.00              | 203,231.00              |
| Staff Welfare Expenses   | 374,270.00              | 565,209.00              |
| Contribution to Provident fund   | 590,599.00              | 401,664.00              |
| Contribution to Pension  | 1,252,506.00            | 710,345.00              |
| Contribution to Employer Welfare fund  | 78.00                   | 72.00                   |
| Gratuity   | -                       | 2,363,000.00            |
| <b>Total</b>   | <b>81,368,136.20</b>    | <b>70,397,401.89</b>    |
| 1. Salary, Wages and Incentives include the salary/contract amount paid to the persons appointed on contract directly or through placement agencies.                                   |                         |                         |



|   |                       |                       |
|---|-----------------------|-----------------------|
| <b>2.19 Finance Cost</b>                  |                       |                       |
| Bank Charges                              | 200,444.35            | 197,240.54            |
| Interest Expense                          | 2,826,825.00          | 63,653,297.00         |
| <b>Total</b>                              | <b>3,027,269.35</b>   | <b>63,850,537.54</b>  |
| <b>2.20 Other Expenses</b>                |                       |                       |
| Transportation                            | 115,719,667.56        | 113,283,278.35        |
| Storage charges                           | 3,729,540.00          | 39,949,980.00         |
| Advertisement                             | 5,013,860.00          | 7,142,690.00          |
| Commission/Margin Reimbursed              | 54,616,990.98         | 45,642,142.77         |
| Rent                                      | 6,704,486.00          | 5,988,655.00          |
| Computer operating & maintenance          | 7,721,713.00          | 5,030,161.00          |
| Tours & Travelling Expenses               | 4,942,322.00          | 5,016,280.00          |
| Accounting Charges                        | 1,784,960.00          | 1,568,000.00          |
| Repairs & Maintenance                     | 127,562.00            | 275,330.00            |
| Printing & Stationery                     | 1,245,334.00          | 1,053,636.00          |
| Telephone & Communication                 | 1,431,432.48          | 997,334.00            |
| Professional & Consultancy                | 1,950,430.00          | 875,823.00            |
| Internal Audit fees                       | 134,000.00            | 134,000.00            |
| Security Expenses                         | 1,052,853.00          | 1,037,053.85          |
| Other expenses under DCP Scheme           | 3,945,310.50          | 121,555,201.00        |
| Expenses under Annapurna Bhandar          | 1,246,633.00          | 2,036,721.00          |
| Vehicle Rent                              | 8,317,701.00          | 6,770,559.00          |
| Contribution to CM Relief Fund(For Nepal) | -                     | 10,000,000.00         |
| Miscellaneous expenses                    | 2,269,279.85          | 2,669,960.35          |
| Payment to Current Auditor as:            |                       |                       |
| a. Auditor                                | 47,200.00             | 40,000.00             |
| b. for tax audit                          | 47,200.00             | 40,000.00             |
| c. other services & certification         | 11,800.00             | 10,000.00             |
| <b>Total</b>                              | <b>222,060,275.37</b> | <b>371,116,805.32</b> |



|   |                      |                      |
|---|----------------------|----------------------|
| <b>2.21 Earning per share</b>   |                      |                      |
| 1) Profit/(Loss) after tax  | 35,131,902.29        | 56,635,998.93        |
| 2) Number of equity shares  | 500,000              | 500,000              |
| 3) Nominal value of share   | 1,000                | 1,000                |
| <b>Earning Per Share (Basic &amp; Diluted)</b>  | <b>70.26</b>         | <b>113.27</b>        |
| <b>2.22 Deferred tax liabilities (Net)</b>  |                      |                      |
| <b>Disclosure in accordance with AS-22 "Accounting for Taxes on Income"</b>   |                      |                      |
| Major components of Deferred Tax Balance:   |                      |                      |
| <b>I) Deferred Tax Liability /Asset</b>   |                      |                      |
| Difference between accounting and tax WDV   |                      | -                    |
| <b>II) Deferred Tax Assets</b>  |                      |                      |
| Disallowance under IT Act, 1961   | 984,931.47           | 1,535,751.85         |
| Closing Deferred Tax Asset  | 984,931.47           | 1,535,751.85         |
| <b>Less: Opening Deferred Tax Asset</b>   | <b>1,535,751.85</b>  | <b>-</b>             |
| Net Difference credited to Statement of Profit & Loss   | <b>-550,820.38</b>   | <b>1,535,751.85</b>  |
| Closing Deferred Tax Liability  |                      |                      |
| <b>Less: Opening Deferred Tax Liability</b>   | <b>-</b>             | <b>-</b>             |
| Net Difference credited to Statement of Profit & Loss   | <b>-</b>             | <b>-</b>             |
| <b>2.23 Contingent Liabilities and Commitments (to the extent not provided for)</b>   |                      |                      |
| <b>(i) Contingent Liabilities</b>   |                      |                      |
| (a) Claims against the company not acknowledged as debt <sup>1</sup>  | 2,247,803.00         | 2,247,803.00         |
| (b) Guarantees (B/G limit)  |                      |                      |
| (c) Other money for which the company is contingently liable<br>(as) Liability in respect of bills discounted with Banks  |                      |                      |
| (d) Other money for which the company is contingently liable <sup>2</sup>   |                      |                      |
| <b>(ii) Commitments</b>   |                      |                      |
| <b>(iii) Contingent Incomes</b>   | 10,000,000.00        | 10,000,000.00        |
| <b>(iv) Contingent Expenses</b>   |                      |                      |
| <b>Total</b>  | <b>12,247,803.00</b> | <b>12,247,803.00</b> |
| <sup>1</sup> The corporation has given loan of Rs. 4 crores to Raiasthan Raiva Sahkari Ubbhogta Sangh for a period of 10 days towards purchase of onion, out of which Rs 2247803/- is to be recovered from the party till date. |                      |                      |
| <sup>2</sup> The details of suit filed against the company are given in point. no. 1.27 of notes on accounts/significant accounting policies.   |                      |                      |



# RAJASTHAN STATE FOOD AND CIVIL SUPPLIES CORPORATION LIMITED

## 1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1.1 Basis of preparation of Financial Statements

The financial statements are prepared following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with the Accounting Standards referred to in Section 133 and other requirements of the Companies Act, 2013.

### 1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure thereof at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Actual result could differ from these estimates. Difference between actual results and estimates are recognized in the period in which results materialize.

### 1.3 Fixed Assets

#### **Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including finance costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

#### **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

### 1.4 Depreciation and amortization

#### **Tangible Assets**

Depreciation on fixed assets has been charged on Written down Value basis in accordance with the provisions of section 123(2) of the Companies Act, 2013, based on useful life and in manner as prescribed in Schedule II with reference to the day in which the asset was brought



into use. In respect of additions or extensions forming an integral part of existing assets, depreciation is provided as aforesaid over the residual life of the respective assets.

### **Intangible Assets**

These are amortised as under:

| <b><u>Particular</u></b> | <b><u>Amortization / Depletion</u></b> |
|--------------------------|--|
| SMS Based Software       | Over a period of 5 years               |
| Tally ERP 9              | Over a period of 5 years               |

### **1.5 Impairment**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. In such case the impairment loss is charged to the statement of Profit & Loss in the year in which the asset is identified as impaired.

### **1.6 Inventories**

There was no closing stock of raw materials or work in progress of commodities or products in which the company deals. However, during this year, the company had stock of wheat, Sugar and Gunny Bags.

The company is holding stock of Holograms, Sugar, Gunny Bags and Wheat.

- (a) Stock in holograms (consumables) is valued at cost on FIFO basis and includes freight.
- (b) Stock of wheat is valued at cost on FIFO basis.
- (c) Stock of Sugar is valued at cost on FIFO basis.
- (d) Stock of Gunny Bag is valued at cost on FIFO basis.

### **1.7 Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include commission/subsidy/margin on various services provided by the corporation on behalf of government for lifting, transportation, storage and distribution of food and other essential commodities in public distribution system. Rate of commission is fixed by the State Government.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.



**1.8 Employee benefits**

**Short Term Employee benefits**

The undiscounted amount of short-term employee benefit expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absence.

**Post Employment benefits**

The Company makes specified monthly contribution towards Provident Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**1.9 Provision for Current and Deferred Tax**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**1.10 Provisions, Contingent liabilities and contingent assets**

Provision is recognized in the accounts when there is a present obligation as a result of the past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

**1.11 Accounting for Decentralized Procurement of Wheat (DCP) Scheme**

The company has carried the business of supply of wheat as Nodal Agency under the Decentralized Procurement Scheme (DCP) in State of Rajasthan which was handled by RAJFED in Alwar and MCS Office in Bharatpur, acting as procurement agency, on





## RAJASTHAN STATE FOOD AND CIVIL SUPPLIES CORPORATION LIMITED

behalf of the company. All the transactions pertaining to purchases and sales, claims of subsidy and expenses related to procurement and storage of wheat, costs of packing materials and other operational charges incurred upon the scheme have been charged to the Profit and Loss statement based on statement supplied by the RAJFED and certified by Statutory Auditors of that concern and in case of MCS Office, on basis of actual Sales/Purchase transactions entered into.

- 1.12 Number of employees who are in receipt of remuneration exceeding Rs.60 lakhs p.a. or Rs. 5 lakhs p.m., if employed for part of the year. **NIL**
- 1.13 Current year figures and previous year figures have been regrouped and rearranged, where ever necessary.
- 1.14 Suspense account for miscellaneous receipts, normally reduced from Trade Receivables, reflects amount directly deposited in bank by parties, details of which are non- traceable.
- 1.15 Balance of some of the Trade Receivables, Other Debtors and Trade Payables and Payables for expenses is subject to confirmation.
- 1.16 Consumer Welfare Payable to Govt. for Rs. 19.22 crores for the F.Y. is still outstanding and payable to Food Department or to be utilized as per instructions of Food Department.
- 1.17 Payment of Salary (on contract) against payment to Company Secretary to Shri Karni Seva Samiti, Churu, is through empanelled placement agency. This payment has been made for company secretary services as contractual payment instead of payment of salary to company secretary, key managerial personnel to be in whole-time employment, as per resolution approved by the Board of Director's meeting dated 27.06.2012.
- 1.18 In respect of distribution of Non- PDS items, the company is exercising internal control over actual material supplied by respective suppliers to Fair Price Shops on the basis of Holograms supplied and based upon the details supplied by the parties.
- 1.19 During the year 2015-16, the Corporation had launched the "Annapurna Bhandar Yojna", in line with budget announcement of honorable Chief Minister of Rajasthan. On 20<sup>th</sup> August 2015, a tripartite agreement was signed at the Chief Minister's Office in Jaipur, between RSFCSC (the facilitator on behalf of GOR), selected FPS shops and Future Consumer Enterprise Ltd (FCEL) in the auspicious presence of the honourable CM, Smt. Vasundhra Raje, Chief Secretary GOR, Sri C.S. Rajan, Principal Secretary Food and Civil Supplies, Dr Subodh Agrawal and other officials



# RAJASTHAN STATE FOOD AND CIVIL SUPPLIES CORPORATION LIMITED

of the food department and RSFCSC. Under this agreement, 1% of total turnover at FPS shops each month to RSFCSC would be passed on by the supplier.

## 1.20 RELATED PARTY TRANSACTIONS

The company has identified all the related parties having transaction during the year as under:

### Related Party Information

#### **Key Management personnel**

1.20.1 Dr. Veena Pradhan, Managing Director

1.20.2 Sh. Ummed Singh, Finance Officer

1.20.3 Sh. Vikas Yadav, Company secretary

1.20.4 Transactions carried out with related parties' referred in (1) above in ordinary course of business are as follows:

#### **Transactions with Key Management personnel**

| Name  | Salary<br>(including<br>DA) | Nature of transactions    |                             |                         |
|---|-----------------------------|---------------------------|-----------------------------|-------------------------|
|   |                             | Medical<br>Reimbursements | Newspaper<br>Reimbursements | Misc.<br>Reimbursements |
| Dr. Veena Pradhan, M.D  | 392073.00                   | -                         | -                           | -                       |
| Sh. Ummed Singh, FO   | 1151558.00                  | 945.00                    | 4228.00                     | 153887.00               |
| Sh. Vikas Yadav (Company Secretary retained through service provider) | 182798.00                   | -                         | -                           | 8390.00                 |

1.21 The company has not obtained details of Micro, Small & Medium Enterprises (MSMEs). Therefore, details required to be given as per the provisions of the Act are not available.



- 1.22 The corporation is dealing in purchase and sale of wheat and wherein it earns income out of commission and reimbursement of expenses. The corporation has total 34 branches for distribution of food grain and commodities on PDS or non-PDS basis under various schemes of Central and State Government. As such the corporation deals into geographically 35 locations including Head Office within the state. It has two business model of distribution. One is on commission and reimbursement of expenses basis and another on trading in various commodities. The management opines that segment wise reporting under AS 17 is not applicable upon the Corporation as all locations are within the State, all commodities are distributed under government support schemes. Individual commodity wise inventory value and commission details are maintained by the corporation.
- 1.23 The company takes Bardana (Gunny bags) from FCI on loan, when required in procurement process. The packing material consumed during the year is expensed at prevailing cost of material in the accounts and corresponding liability is being carried out in the books of account. The closing stock at the end of year out of such loan is not recognized in the books of account. It is held by the company as the Third's Party Stock. As per terms of the loan arrangement, the company will return the material to FCI after receiving back from the supplier along with a stipulation that the increase in cost of the materials, if any, will be borne by the company. Reconciliation of Gunny Bags transactions with various parties is required to be done.
- 1.24 Government Grants and subsidies are recognized when there is a reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received. Government grants & subsidies receivable against expense are recognized as income in the Statement of Profit & Loss.
- 1.25 After availing input credit of Service Tax, balance amount is refundable from the Service Tax department towards excess deposit of service tax. The management is of the opinion that this refund will be available for adjustment from Service Tax payable of next financial year.
- 1.26 There is an incidence of Deferred Tax Assets which has been recognized as there is virtual certainty of sufficient future taxable income to be available.



# RAJASTHAN STATE FOOD AND CIVIL SUPPLIES CORPORATION LIMITED

1.27 **CONTINGENT LIABILITY** - Claims against the Company not acknowledged as debts:

| S. No. | Writ No.       | Detail   | Remarks   | Expenditure in Rs. & Monitoring |
|--------|----------------|--|---|---------------------------------|
|        |                |  |   | Mechanism                       |
| 1.     | 16084/13       | DholpurMahilaPrathnikSahakari<br>UpbhogtaBhandar Ltd.<br>V/s<br>State (Food & Civil Supplies) and others                   | For wholesaler<br>handling agent                |                                 |
| 2.     | 12054/20<br>13 | Uttar Railway KaramchariSangh<br>UpbhogtaSangh Ltd.<br>V/s<br>Rajasthan Sarkar   | For cancellation<br>of wholesaler<br>dealership |                                 |
| 3.     | 5892/201<br>4  | Kumari Priyanka Saini<br>V/s<br>State (Food & Civil Supplies ) and others  | For recruitment<br>process                      |                                 |
| 4.     | 31/2013        | Prem Prakash Gujjar<br>V/s<br>Rajasthan State Food and Civil supplies<br>Corporation, Jaipur and others                    | For recruitment<br>process                      |                                 |
| 5.     | 10360/14       | Ruchi Agarwal & Others<br>V/s<br>Principal Secretary and Rajasthan State<br>Food and Civil supplies Corporation,<br>Jaipur | For making<br>MCS<br>permanent.                 |                                 |
| 6.     | 37/2015        | Heera Lal Gujjar<br>V/s<br>Rajasthan State Food and Civil supplies<br>Corporation, Jaipur                                  | For recruitment<br>process                      |                                 |



**RAJASTHAN STATE FOOD AND CIVIL SUPPLIES CORPORATION LIMITED**

1.28 Rajasthan Rajya Sahakari Upphokta Sangh Ltd. has claimed Rs. 22,47,803, towards price increase and has retained the respective money out of the advance given to the party, however the company has not admitted the claim.

1.29 Amount payable to Rajasthan State Warehousing Corporation is pending for final reconciliation with the party for expenses payable under DCP procurement.

1.30 The Income Tax demand for Rs. 3,35,63,110/- for A.Y. 2012-13(F.Y. 11-12), interest and penalty have not been provided for as the management is of the opinion that no liability will arise thereupon. The company has preferred an appeal against assessment order U/S 143(3) of the Income Tax Act, 1961 dated 31.01.2015. The same is pending at ITAT.

The demand has been adjusted against outstanding refunds of prior years by Income Tax department.

1.31 The Income Tax demand for Rs. 8,14,51,120/- for A.Y. 2013-14(F.Y. 12-13), The company had paid an amount of 15% of demand(Rs 1,22,17,668/-) on 20.04.2016 against stay of demand to prefer appeal with CIT(Appeals). The first appeal has confirmed the demand. The company has further preferred second appeal against assessment order U/S 143(3) of the Income Tax Act, 1961 dated 22.03.2016. The same is pending at ITAT.

The demand has been adjusted further partly against outstanding refunds of prior years by Income Tax department. Rest of the amount is being paid through monthly instalment during FY 2017-18.

**As per our Report attached**


In terms of our separate Report  
of even date Attached herewith  
For R. A. Sharma & Co  
Chartered Accountants  
(FRN 001657)

(R. A. Sharma)  
Partner M.No.70884

Place - Jaipur  
Date - 21 AUG 2019



**For Rajasthan State Food & Civil Supplies Corporation Limited**

  
Managing Director  
(DIN: 08505992)  
Managing Director

  
Director  
(DIN: 06433592)

  
CFO / General Manager (F)  
General Manager (Finance)

  
Company Secretary  
**COMPANY SECRETARY**  
Rajasthan State Food & Civil  
Supplies Corporation Ltd., JAIPUR

