



# RAJASTHAN STATE FOOD & CIVIL SUPPLIES CORPORATION LIMITED

## ANNUAL REPORT 2015-16

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Corporate Identity Number (CIN) - U63023RJ2010SGC033489  
Head Office: 5th floor, Kisan Bhawan, LalKothi, Tonk Road, Jaipur-302015  
Phone: 0141- 2744692, 0141-2744649, General, Fax No. 0141-2741924 ,E-Mail: rsfsc@gmail.com

## CORPORATION INFORMATION

### BOARD OF DIRECTORS as on 29/12/2017

Shri Sudarshan Sethi	Additional Chief Secretary, Rural Development and Panchayati Raj .
Shri. Giri Raj Singh	Managing Director, RSOWC .
Smt. Neel Kamal Darbari	Additional Principal Secretary, Agricultural Department .
Smt. Mugdha Sinha	Secretary, Food and Civil Supplies Department & Chairman, RSFCSC .
Shri P. Ramesh	Managing Director, RSFCSC
Shri Abhay Kumar	Registrar, Cooperative Societies
Shri Dinesh Sharma	Deputy Secretary, Finance (Exp-I) Department

### AUDIT COMMITTEE

Smt. Neel Kamal Darbari, Additional Principal Secretary, Agriculture Department	(Chairman)
Shri Abhay Kumar, Registrar, Cooperative Societies	(Member)
Shri P. Ramesh, Managing Director, RSFCSC	(Member)
Shri Dinesh Sharma, Deputy Secretary, Finance (Exp-I) Department	(Member)

### CSR COMMITTEE

Smt. Mugdha Sinha, Secretary, Food and Civil Supplies Department & Chairperson RSFCSC
Shri Abhay Kumar, Registrar, Cooperative Societies
Shri P. Ramesh, Managing Director, RSFCSC

### MANAGEMENT

Smt. Anju Rajpal	General Manager (Administration)
Shri Umed Singh	General Manager (Finance)
Smt. Rekha Samaria	General Manager (Marketing)
Shri Mrigank Singh	Company Secretary

### AUDITORS

M/s H.S. Darda & Company,  
Chartered Accountants,  
36-A, Suraj Nagar (East), Civil Lines, Jaipur.

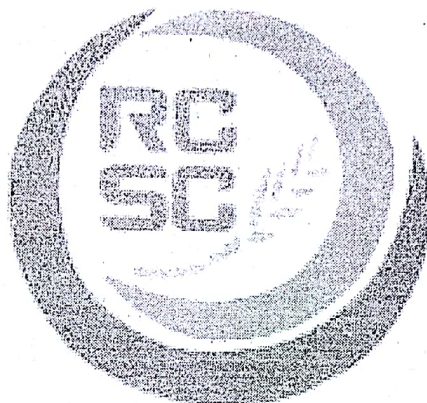
### BANKERS

State Bank of Bikaner & Jaipur  
Punjab National Bank  
Central Bank of India  
Oriental Bank of Commerce

### REGISTERED OFFICE

501, 5th Floor, Lal Kothi, Tonk Road, Jaipur-302015

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



**DIRECTORS REPORT  
FOR  
FINANCIAL YEAR 2015-16**

Dear Shareholders,

The Board of Directors have great pleasure in presenting the 6<sup>th</sup> Annual Report on the working and affairs of the company together with Audited financial Statements for the year ended on 31st March; 2016.

In accordance to the Budget announcement of the Hon'ble Chief Minister for the financial year 2010-11, the Rajasthan State Food & Civil Supplies Corporation Ltd. (RSFCSC) was incorporated on 8th December, 2010 under the Companies Act, 1956 and the Corporation commenced Its business from 27<sup>th</sup> December, 2010, The Authorized Share Capital of the Corporation is Rs. 100 Crores. Presently, the paid-up share Capital of the Corporation is Rs. 50 Crores.

**1. Financial Summary/ Highlights:**

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

(Amount in Crores)

Particulars	For the Financial Year	For the Financial Year
	ended on 31 <sup>st</sup> March 2016	ended on 31 <sup>st</sup> March 2015
Revenue from operations	561.77	512.06
Other income	7.25	7.45
Total Expenses	559.49	513.09
Profit / (Loss) before exceptional items and tax	9.53	6.42
Exceptional & prior period items	(0.110)	0.049
Pro (Loss) before tax	9.42	6.47
Tax Expenses	4.06	1.32
Profit / (Loss) from continuing operations	5.66	5.15

**2. Change in the nature of business, if any:**

There has been no change in the nature of business of the Company.

**3. Material Changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which financial year relates and the date of the report:**

There has been no material change which affects the financial position of the Company which has occurred between the end of the financial year of the Company to which financial year relates and the date of the report.

**4. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The particulars as required under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of

energy and technology absorption is not being given, since the company is not engaged in any manufacturing or processing activity. There are no foreign exchange earnings and outgo during the year under review.

**5. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**6. Share Capital:**

The authorized and paid-up share capital of the company remain unchanged during the financial year 2015-16.

**7. Particulars of Leans, Guarantees or Investments made Under Section 186 of the Companies Act, 2013:**

The Company has not given any loans and guarantees or made any investments pursuant to section 186 of Companies Act, 2013 and hence the said provisions are not applicable to Company.

**8. Directors Responsibility Statement:**

Pursuant to the provision of section 134(5) of the Companies Act, 2013 the Board of Directors hereby confirmed that:

8.1 in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

8.2 the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;

8.3 the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

8.4 the directors had prepared the annual accounts on a going concern basis; and

8.5 the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**9. Particulars of Employee:**

Particulars of employees pursuant to provision of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

#### 10. Particulars of Contracts or Arrangements with Related Parties:

Information pertaining to the disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 be treated as nil.

#### 11. Personnel & Industrial Relations:

During the period under review, the personnel and industrial relations with the employees remained cordial and peaceful in all respects.

#### 12. Extract of Annual Return:

The extracts of Annual Return in Form No. MGT-9, as required under section 92 of the Companies Act, 2013 is annexed hereto as Annexure- I and forms part of this Report.

#### 13. Secretarial Audit:

According to the provisions of section 204 of the Companies Act, 2013 there is an applicability of Secretarial Audit of the Company and due to delay in processing of the same by the appointed authority, Secretarial Audit is under process and the Secretarial Audit Report for the Financial Year 2015-16 will be adopted shortly.

#### 14. Statutory Auditor:

M/s H.S. Darda & Co. Chartered Accountants, Jaipur were appointed as Statutory Auditor of the Company by the Comptroller and Auditor General of India for audit the Company's Annual Accounts for the financial Year 2015-16.

#### 15. Number of Meetings of the Board of Directors:

The Board of Directors of the Company met Five times during the financial year 2015-16, i.e. on 17/04/2015, 01/06/2015, 15/09/2015, 05/01/2016 and 15/03/2016

The attendance of the directors in the Board Meeting is as under:

S. No.	Name of Directors	Attendance
1.	Shree Shreemat Pandey	1/5
2.	Dr. Lalit Mehra	3/4
3.	Dr. Subodh Agarwal	5/5
4.	Dr. Veena Pradhan	4/5
5.	Shree Ashok Sampatram	1/3
6.	Shree Siddharth Mahajan	1/4
7.	Dr. R. Venkateshwaram	1/4
8.	Shree Mahaveer Prasad Sharma	1/1
9.	Shree Giri Raj Singh	1/1
10.	Smt. Neel Kamal Darbari	1/1
11.	Smt. Shivangi Swarnkar	1/1

## 16. Directors:

The details of the Directors who have been appointed and who have ceased during the year under review as under:-

- Appointment of Shree Rama Krishanan Venkateswaran as Nominee Director, Professional Charge on behalf of GOVERNMENT OF RAJASTHAN.
- Appointment of Shree Mahavir Prasad Sharma as Alternate Director, Professional Charge on behalf of Smt. Veena Pradhan and discharged thereafter.
- Appointment of Smt. Shivangi Swarnkar as Nominee Director, Promoter Charge on behalf of GOVERNMENT OF RAJASTHAN.
- Appointment of Shree Giriraj Singh as Nominee Director, Promoter Charge on behalf of GOVERNMENT OF RAJASTHAN.
- Appointment of Smt. Neel Kamal Darbari as Nominee Director, Promoter Charge on behalf of GOVERNMENT OF RAJASTHAN.
- Cessation of Shree Lalit Mehra as Nomination withdrawn by appointing authority.
- Cessation of Shree Ashok Sampatram as Nomination withdrawn by appointing authority.
- Cessation of Shree Siddharth Mahajan as Nomination withdrawn by appointing authority.

The Board place on the record its deep appreciation for the valuable contribution received from the members of Board, during their tenure as Directors of the Corporation.

## 17. Audit Committee:

The composition of Audit Committee is as under:-

1. ACS, Agriculture Department – Chairman
2. Registrar, Co-Operative Society – Member
3. Special Secretary (Finance) Budget Department – Member

## 18. CSR Committee:

1. Principal Secretary, Food and Civil Supplies – Chairman
2. Registrar, Co-Operative Society – Member
3. Managing Director, RFSCSC – Member

## 19. Risk Management:

The company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and, mechanism for their proper and timely monitoring and reporting. The Company has introduced several measures to control the risks such as efficient management at all levels and the internal audit methodologies and processes.


**20. Acknowledgment:**

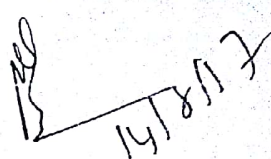
Your Directors wish to place on record their sincere, gratitude for the assistance, cooperation and support received from Government of Rajasthan, various Government Departments and authorities, bankers and other autonomous bodies/suppliers. Your Directors also wish to place on record their deep sense of appreciation for the committed services of executives and staff of the Corporation in achieving the improved, services during the year under review and confident that officers, and staff will continue to strive hard to improve the performance of the Corporation in the years to come.

Place: Jaipur

Date:

**For and on Behalf of the Board of Directors of RSFCSC**

  
**Chairman**  
(Rajeev Singh Thakur) I.A.S  
Chairman  
Rajasthan State Food & Civil Supplies Corporation Limited, JAIPUR

  
**Managing Director**  
**P. Ramesh, IAS**  
Managing Director  
Rajasthan State Food & Civil Supplies Corporation Ltd., Jaipur





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(A State Government undertaking)

CIN: U63023RJ2010SGC033489

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Phone: 0141- 2744692, 0141-2744649, General

Fax No. 0141-2741924 - E-Mail: rsfsc@gmail.com

## ANNEXURE - I

Form No.MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### 1. REGISTRATION AND OTHER DETAILS:

CIN	U63023RJ2010SGC033489
Registration Date	08/12/2010
Name of the Company	RAJASTHAN STATE FOOD AND CIVIL SUPPLIES CORPORATION LIMITED
Category/Sub-Category of the Company	Company Limited by Shares / State Govt. Company
Address of the Registered Office and Contact Details	Fifth Floor, Hall No. 501, Kisan Bhawan Lalkothi, Tonk Road Jaipur Rj 302015 In Phone: 0141- 2744692, 0141-2744649, General Fax No. 0141-2741924 - E-Mail: rsfsc@gmail.com
Whether Listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	No Registrar and Transfer Agent

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

S.No.	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to total Turnover of the Company
1.	Sugar and Other Related Items	51225	100

#### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
--	--	--	--	--	--



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## 4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the Beginning of the Year[As on 30-June-2015]				No. of Shares held at the End of the Year[As on 31-March-2016]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
Govt. of Rajasthan and Nominees of GOR	--	500000	500000	100	--	500000	500000	100	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)	--	500000	500000	100	--	500000	500000	100	--
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
<b>2. Non-Institutions</b>									
a) Bodies Corp.									



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i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--
Non Resident Indians	--	--	--	--	--	--	--	--	--
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	--	--	--	--	--	--	--	--	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	500000	500000	100	--	500000	500000	100	0%



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## (ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the End of the Year			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Governor of Rajasthan	499300	99.86		499300	99.86		--
2.	Dr. Lalit Mehra	100	0.02		--	--		0.02%
3.	Dr. Subodh Agarwal	100	0.02		100	0.02		--
4.	Shee Ashok Sampatram	100	0.02		--	--		0.02%
5.	Shri Anurag Bhardwaj	100	0.02		--	--		0.02%
6.	Shri Siddharth Mahajan	100	0.02		--	--		0.02%
7.	Shri Jassa Ram Choudhary	100	0.02		--	--		0.02%
8.	Shri S.C. Sharma	100	0.02		100	0.02		--
9.	Shri Mahavir Prasad Sharma	--	--		100	0.02		0.02%
10.	Shri Giriraj Singh	--	--		100	0.02		0.02%
11.	Smt. Neel Kamal Darbari	--	--		100	0.02		0.02%
12.	Shri Rama Krishanan Venkateswaran	--	--		100	0.02		0.02%
13.	Smt. Shivangi Swarnkar	--	--		100	0.02		0.02%
	<b>Total</b>	<b>500000</b>	<b>100%</b>	<b>0%</b>	<b>500000</b>	<b>100%</b>	<b>0%</b>	<b>--</b>



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### (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year:	--	--	--	--
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/sweat equity, etc):				
At the end of the Year:	--	--	--	--

### (iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
	No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year	--	--	--	--
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the end of the Year	--	--	--	--

### (v) Shareholding of Directors and Key managerial Personnel:

Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
	No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year	700	0.14%	700	0.14%
Dr. Lalit Mehra	100	0.02%	100	0.02%
Dr. Subodh Agarwal	100	0.02%	100	0.02%
Shee Ashok Sampatram	100	0.02%	100	0.02%
Shri Anurag Bhardwaj	100	0.02%	100	0.02%
Shri Siddharth Mahajan	100	0.02%	100	0.02%
Shri Jassa Ram Choudhary	100	0.02%	100	0.02%



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Shri S.C. Sharma	100	0.02%	100	0.02%
Shri Mahavir Prasad Sharma	--	--	--	--
Shri Giriraj Singh	--	--	--	--
Smt. Neel Kamal Darbari	--	--	--	--
Shri Rama Krishanan Venkateswaran	--	--	--	--
Smt. Shivangi Swarnkar	--	--	--	--
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the end of the Year	700	0.14%	700	0.14%
Dr. Lalit Mehra (Due to Transfer)	--	--	--	--
Dr. Subodh Agarwal	100	0.02%	100	0.02%
Shri Ashok Sampatram (Due to Transfer)	--	--	--	--
Shri Anurag Bhardwaj (Due to Transfer)	--	--	--	--
Shri Siddharth Mahajan (Due to Transfer)	--	--	--	--
Shri Jassa Ram Choudhary (Due to Transfer)	--	--	--	--
Shri S.C. Sharma	100	0.02%	100	0.02%
Shri Mahavir Prasad Sharma	100	0.02%	100	0.02%
Shri Giriraj Singh	100	0.02%	100	0.02%
Smt. Neel Kamal Darbari	100	0.02%	100	0.02%
Shri Rama Krishanan Venkateswaran	100	0.02%	100	0.02%
Smt. Shivangi Swarnkar	100	0.02%	100	0.02%

## 5. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	83,624,139.80	3,97,800,000	--	4,81,424,139.80
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	83,624,139.80	3,97,800,000	--	4,81,424,139.80
Change in Indebtedness during				



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the financial year				
* Addition	--	--	--	--
* Reduction	10,120,535.10	1,50,000,000	--	1,60,120,535.10
Net Change	10,120,535.10	1,50,000,000	--	1,60,120,535.10
Indebtedness at the end of the financial year				
i) Principal Amount	73,503,604.70	2,47,800,000	--	321303604.70
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	73,503,604.70	2,47,800,000	--	3,21,303,604.70

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager\*:

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	--	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify	--	--	--
5	Others, please specify	--	--	--
	Total (A)	--	--	--
	Ceiling as per the Act	--	--	--

\*as per State Government norms.

### B. Remuneration to other Directors\*



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S.No.	Particulars of Remuneration	Name of Directors	Total Amount
		--	
1	Independent Directors	--	--
	Fee for attending board committee meetings	--	--
	Commission	--	--
	Others, please specify	--	--
	Total (1)	--	--
2	Other Non-Executive Directors	--	--
	Fee for attending board committee meetings	--	--
	Commission	--	--
	Others, please specify	--	--
	Total (2)	--	--
	Total (B)=(1+2)	--	--
	Total Managerial Remuneration	--	--
	Overall Ceiling as per the Act	--	--

\*as per State Government norms.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	--	--	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	1,78,548.00	--	1,78,548.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
5	- as % of profit	--	--	--	--
6	Others, please specify	--	--	--	--
	Total	--	1,78,548.00	--	1,78,548.00

## 7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:





# RAJASTHAN STATE FOOD & CIVIL SUPPLIES CORPORATION LTD.

(A State Government undertaking)

CIN: U63023RJ2010SGC033489

Head Office: 5th floor, Kisan Bhawan, Lal Kothi, Tonk Road, Jaipur-302015

Phone: 0141- 2744692, 0141-2744649, General

Fax No. 0141-2741924 - E-Mail: rsfcsc@gmail.com

## 7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:


Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty		THERE IS NO PENALTY, PUNISHMENT OR COMPOUNDING DURING THE FINANCIAL YEAR			
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty		THERE IS NO PENALTY, PUNISHMENT OR COMPOUNDING DURING THE FINANCIAL YEAR			
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		THERE IS NO PENALTY, PUNISHMENT OR COMPOUNDING DURING THE FINANCIAL YEAR			
Punishment					
Compounding					

Place: Jaipur

Date: 11/08/17

By the Order of the Board of Directors

  
Chairman  
(Rajeev Singh Thakur) I.A.S  
Chairman  
Rajasthan State Food & Civil Supplies  
Corporation Limited, JAIPUR

  
Managing Directors  
P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur



From No. MR-3

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended 31<sup>st</sup> March, 2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Rajasthan State Food & Civil Supplies Corporation Ltd.  
(RSFCSCCL)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rajasthan State Food & Civil Supplies Corporation Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other laws applicable specifically to the Company namely:
- a. Food Safety And Standards Act, 2006

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. The Company fails to hold the 6<sup>th</sup> Annual General Meeting in time despite extension given by Registrar of Companies, Rajasthan upto 31<sup>st</sup> December, 2016.
- ii. There are no Independent Directors appointed in the Company in the Financial Year 2015-16.
- iii. Register of Members are not closed in the Financial Year 2015-16.
- iv. No Vigil Mechanism established.
- v. The Company has not taken FSSAI Registration under Food Safety And Standards Act, 2006.

I further report that:

The Board of Directors of the Company is duly constituted by Center/ State Government orders and which are strictly followed. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for



seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

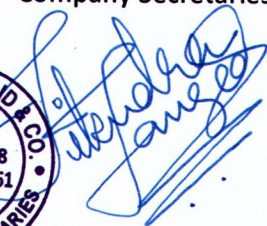
I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines perhaps the composition of Board is observed as:

1. The Company has One Chairman, One Managing Director, One Chief Financial Officer, One Company Secretary and Five Nominee Directors from several State Government Departments.

Lastly, the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder does not apply to the Company in given point of time.

For JITENDRA JANGID & CO.  
Company Secretaries



  
CS Jitendra Jangid  
M. NO.: A41561  
C.O.P. NO.: 15978

Date: 06.10.2017  
Place: Jaipur

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,  
The Members,  
Rajasthan State Food & Civil Supplies Corporation Ltd.  
(RSFCSCCL)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as I deem appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JITENDRA JANGID & CO.  
Company Secretaries



Date: 06.10.2017  
Place: Jaipur

CS Jitendra Jangid  
M. NO.: A41561  
C.O.P. NO.: 15978

**Rajasthan State Food & Civil Supplies Corporation Limited**  
Balance Sheet as on 31st March, 2016

(Amount in Rs.)

Particulars	Note No.	As at 31/03/2016	As at 31/03/2015
<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	328,812,993.85	272,176,994.92
(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	270,467,552.27	269,750,140.27
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings	2.4	321,303,604.70	481,424,139.80
(b) Trade payables	2.5	1,512,554,362.54	1,757,891,031.58
(c) Other current liabilities	2.6	256,552,710.90	293,709,970.94
(d) Short-term provisions	2.7	164,633,805.75	68,911,076.70
<b>TOTAL</b>		<b>3,354,325,030.01</b>	<b>3,643,863,354.21</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>	2.8		
(i) Tangible assets		3,816,885.37	4,640,685.23
(ii) Intangible assets		124,229.29	136,054.27
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		1,535,751.85	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		102,970,512.29	-
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	2.9	112,066,835.40	15,893,236.00
(c) Trade receivables	2.10	1,043,619,561.25	876,905,815.70
(d) Cash and cash equivalents	2.11	1,230,349,710.66	1,266,337,599.39
(e) Short-term loans and advances	2.12	376,798,314.67	48,677,089.57
(f) Other current assets	2.13	483,043,229.24	1,431,272,874.05
<b>TOTAL</b>		<b>3,354,325,030.01</b>	<b>3,643,863,354.21</b>

Significant accounting policies  
Notes to Accounts

In terms of our report of even date attached

For H.S. Darda & Co.

Chartered Accountants

Firm Reg. No. 00086992

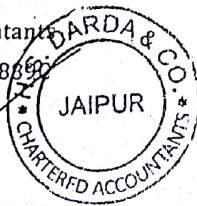
Rajneesh Singhvi

Partner

Membership No. 073506

Place : Jaipur

Date : 110817



For and on behalf of

Rajasthan State Food & Civil Supplies

Corporation Limited

P. Ramesh, Director

Managing Director

Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur  
General Manager (F)

UMED SINGH  
General Manager (Finance)  
RSFCSC Ltd., Jaipur

Director

Rajeev Singh Thakur (I)  
Chairman  
Rajasthan State Food & Civil  
Supplies Corporation Limited

Company Secretary

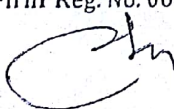
COMPANY SECRETARY  
Rajasthan State Food & Civil  
Supplies Corporation Ltd., JAIPUR

**Rajasthan State Food & Civil Supplies Corporation Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in Rs.)


Particulars	March 31, 2016	March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax, prior period and Extra Ordinary Items	95,310,978.83	64,274,269.96
<b>Adjustments For:</b>		
Depreciation	1,749,804.85	6,087,002.54
Preliminary Exp. Written Off		
Interest & Finance Charges		
Adjustment for reserve		
Interest Received	-67,379,588.83	-69,828,144.24
<b>Operating Profit Before Working Capital Changes</b>	<b>29,681,194.85</b>	<b>533,128.26</b>
<b>Adjustments For:</b>		
Decrease/(increase) in Trade & Other Receivables	678,545,386.97	-1,356,441,929.35
Decrease/(increase) in Loan & Advances	-328,121,225.11	4,010,587.28
Increase/(decrease) in Trade & Other Payables	-281,776,517.08	883,171,463.93
Increase/(decrease) in Provision	95,722,729.05	25,260,805.36
Increase/(decrease) in Inventories	-96,173,599.40	34,362,423.95
<b>Cash Generated from Operations</b>	<b>97,877,969.28</b>	<b>-409,103,520.57</b>
Taxes (paid) refund / MAT Credit Utilisation( Entitlement)	-39,107,778.93	-13,829,094.50
Cash Flow before extra-ordinary and exceptional item	58,770,190.35	-422,932,615.07
Extra-ordinary and exceptional item	-1,102,952.82	485,761.92
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>57,667,237.53</b>	<b>-422,446,853.15</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Asset Acquired during the year	-914,180.00	-922,279.00
Investment		
Interest Received	67,379,588.83	69,828,144.24
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>66,465,408.83</b>	<b>68,905,865.24</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)	-160,120,535.10	-15,208,110.20
Interest & Finance Charges		
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>-160,120,535.10</b>	<b>-15,208,110.20</b>
<b>Increase/Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-35,987,888.73</b>	<b>-368,749,098.10</b>
Cash & Cash Equivalents in the beginning of the year	1,266,337,599.39	1,635,086,697.49
Cash & Cash Equivalents at the end of the year	1,230,349,710.66	1,266,337,599.39
<b>Net Increase in Cash and Cash Equivalent (As per notified AS-3)</b>	<b>-35,987,888.73</b>	<b>-368,749,098.10</b>

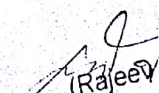
In terms of our report of even date attached  
 For H.S. Darda & Co.  
 Chartered Accountants  
 Firm Reg. No. 000889

  
 RAJNEESH SINGHVI  
 H.S. DARDA & CO.  
 CHARTERED ACCOUNTANTS  
 JAIPUR

Rajneesh Singhvi  
 Partner  
 Membership No. 073506  
 Place : Jaipur  
 Date : 110817

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

  
 P. Ramesh IAS  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur  
 General Manager  
 (UMED SINGH) (F)  
 General Manager (Finance)  
 RSCSC Ltd., Jaipur

  
 Rajeev Singh Thakur) I.A.S.  
 Chairman  
 Director  
 Rajasthan State Food & Civil Sup  
 plies Corporation Ltd., Jaipur  
 Company Secretary  
 Rajasthan State Food & Civil  
 Supplies Corporation Ltd., JAIPUR

**Rajasthan State Food & Civil Supplies Corporation Limited**  
Statement of Profit and loss for the year ended 31st March, 2016

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
I. Revenue from operations	2.14	5,617,712,863.06	5,120,677,321.30
II. Other income	2.15	72,573,852.07	74,527,236.80
III. Total Revenue (I + II)		5,690,286,715.13	5,195,204,558.10
IV. Expenses:			
Cost of materials consumed	2.16	5,184,034,786.10	4,654,414,687.35
Purchases of Stock-in-Trade	2.17	-96,173,599.40	34,362,423.95
Changes in inventories	2.18	70,397,401.89	60,296,003.92
Employee benefits expense	2.19	63,850,537.54	68,815,354.32
Finance costs	2.8	1,749,804.85	6,087,002.54
Depreciation and amortization expense	2.20	371,116,805.32	306,954,816.06
Other expenses			
Total expenses		5,594,975,736.30	5,130,930,288.14
Profit before exceptional and extraordinary items and tax (III-IV)		95,310,978.83	64,274,269.96
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		95,310,978.83	64,274,269.96
VIII. Add: Prior Period Items		(1,102,952.82)	485,761.92
IX. Profit before tax (VII- VIII)		94,208,026.01	64,760,031.88
X. Tax expense:			
(1) Current tax		37,500,000.00	22,324,509.00
(2) MAT credit (entitlement)		-	-
(3) Deferred tax	2.22	1,535,751.85	(571,399.44)
(3) Income tax relating to prior years		1,607,778.93	(8,495,414.50)
Profit (Loss) for the period from continuing operations (VII- VIII)		56,635,998.93	51,502,336.82
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
Profit/(loss) from discontinuing operations (after tax) (XII- XIII)		-	-
XIV. Profit (Loss) for the period (XI + XIV)		56,635,998.93	51,502,336.82
XVI. Earnings per equity share:			
Basic & Diluted	2.21	113.27	103.00

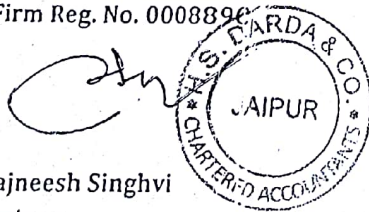
Significant accounting policies  
Notes to Accounts

1  
2

In terms of our report of even date attached  
For H.S.DARDA & CO.

Chartered Accountants

Firm Reg. No. 0008896



Rajneesh Singhvi  
Partner

Membership No. 073506

Place : Jaipur

Date : 15th March, 2016

110817

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

P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur

Rajeev Singh Thakur  
Director Chairman  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur

General Manager (F)

(UMED SINGH) COMPANY SECRETARY  
General Manager (Finance)  
Rajasthan State Food & Civil  
Supplies Corporation Ltd., JAIPUR



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

**2. Notes to Financial Statements for the year ended 31st March, 2016**

Share Capital	As at 31 March 2016		As at 31 March 2015	
	Number	(Amount in Rs.)	Number	(Amount in Rs.)
<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%**

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
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, 2016 and March 31, 2015 is set out below:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Rs.	Number	Rs.
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 2015-16

  
**P. Ramesh, IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur

  
 (General Manager) (Finance)  
 RSFSCG Ltd., Jaipur



Particulars	As at 31 March	As at 31 March
	2016	2015
	Rs.	Rs.
<b>2.2 Reserve &amp; Surplus</b>		
<b>a. Consumer Welfare Fund</b>		
Opening Balance		
Reserve created during the year		
(-) Transfer to Liabilities		
Closing Balance		
<b>b. Surplus</b>		
Opening balance		
(-) Adjustment relating to Fixed Assets (Refer Note No. 2.8)	272,176,994.92	220,728,577.04
(+) Net Profit/(Net Loss) For the current year as per Statement of Profit & Loss	56,635,998.93	51,502,336.82
Closing Balance	328,812,993.85	272,176,994.92
<b>Total</b>	<b>328,812,993.85</b>	<b>272,176,994.92</b>
<b>2.3 Other Long Term Liabilities</b>		
<b>(a) Trade Payables</b>		
<b>For services</b>	9,294,341.00	8,559,745.00
<b>For Goods/Materials</b>	131,301.00	148,485.00
<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>Total</b>	<b>270,467,552.27</b>	<b>269,750,140.27</b>

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.

<b>2.4 Short-Term Borrowings</b>		
<b>Secured</b>		
<b>(a) from Bank</b>		
PNB - CC Limit <sup>2</sup>		
<b>Unsecured</b>	73,503,604.70	83,624,139.80
<b>(a) Other</b>		
Loan for Sugar Department <sup>1</sup>	97,800,000.00	97,800,000.00
Loan for Wheat Department (State Govt.) <sup>2</sup>	150,000,000.00	300,000,000.00
<b>Total</b>	<b>321,303,604.70</b>	<b>481,424,139.80</b>

<sup>1</sup> Unsecured loan of Rs. 9.78 crores was provided by Government of Rajasthan 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 December, 2015 by Principal Secretary, Food and Civil Supplies Department, as per note sheet dated 07.10.2015 last year. This has been further extended till 30.06.2016.

<sup>2</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 is overdue for payment since 31.03.2013. Out of opening balance of Rs 30 crores, Rs 15 crores had been paid in Mar '16. Amount of Rs 10 crores has been further paid on 20.06.16.

**<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.

Primary

Cash credit limit from PNB is secured against:

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


Collateral

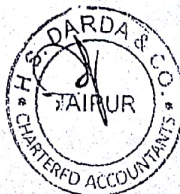
i. Secured by Guarantee of Government of Rajasthan.

P. B. ... IAS  
Manager  
Rajasthan State

(UMESH SINGH)

<b>2.5 Trade Payables</b>		
For Expense	74,021,820.11	67,249,284.11
For Services	527,645.00	1,983,056.60
For Goods/Materials	1,438,004,897.43	1,688,658,690.87
<b>Total</b>	<b>1,512,554,362.54</b>	<b>1,757,891,031.58</b>
<b>2.6 Other Current Liabilities</b>		
a) Bank Balances (Credit) due to timing difference		
Oriental Bank of Commerce (0451)		1,052,454.00
Oriental Bank of Commerce (0581)		-
PNB - Pali		-
PNB - Baran		2,619,254.40
PNB - Kota		-
PNB - Ajmer		84,346.65
PNB - Alwar		330,404.17
PNB - Jhalawad		9,575,833.70
PNB - Jaipur Rural		11,170,138.89
PNB Rajasmand	17,091.53	-
SBBJ Flexi Banswara		175,000.00
SBBJ- Dholpur		248,746.75
SBBJ- Pali		-
SBBJ Flexi Jalore	3,762.36	-
b) Outstanding Liabilities		
Security deposit	20,254,949.43	47,486,807.43
Payable to State Govt:		
- For Price equalisation funds <sup>1</sup>	-	-
- For Upbhokta kalyan consumer welfare fund society	-	-
- KVSS Kota a/c	-	-
Consumer Welfare levy payable	-	-
Advances recd. From DSO & KVSS <sup>1</sup>	10,850,441.28	7,694,165.98
Advances from Mills and Commission Agent	26,607,309.83	23,535,022.93
Statutory Liabilities		
Wheat Revolving Fund	2,799,693.56	6,899,409.86
Kerosene Subsidy	81,189,473.08	83,330,925.08
Daal, Ghee & oil subsidy	83,980,260.65	84,051,840.65
Bonus on Wheat Procurement	5,252,354.00	5,252,354.00
Consumer Welfare Fund(Non PDs)	14,941.50	14,941.50
Salary & Wages Payable	6,206,809.30	3,414,405.22
Other Outstanding Exp.	4,455,610.43	6,773,919.73
<b>Total</b>	<b>256,552,710.90</b>	<b>293,709,970.94</b>
<b>2.7 Short Term Provisions</b>		
(a) Others		
Provision for EPF and ESI	299,008.45	299,597.45
Provision for Gratuity	2,363,000.00	-
Provision for Leave Encashment	1,471,000.00	-
Provision for Bonus	339,000.00	-
Auditors' Remuneration	94,500.00	63,680.00
Provision for Sugar Branch expenses	10,540,223.90	10,254,276.45
Provision for Current Tax	37,500,000.00	22,324,509.00
Provision for DCP Schemes	110,309,637.40	31,117,237.80
Provision for Atta Difference	1,717,436.00	4,851,776.00
<b>Total</b>	<b>164,633,805.75</b>	<b>68,911,076.70</b>
Provision for DCP schemes includes provision of Bardana Expenses for Rs. 9.58 crores, which have been taken on loan basis from the Food Corporation of India for DCP 2014-15(2.54 crores) and DCP 2015-16(7.04 crores)		
<b>2.8 Other Non-Current Assets</b>		
Amount receivable from Central Govt. under DCP Scheme for FY 2013-14 and 2014-15	102,970,512.29	-
<b>Total</b>	<b>102,970,512.29</b>	<b>-</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.		

  
**P. Ramesh IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur



  
 (UNITED CINCH)  
 General Manager (Finance)  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur

<b>2.9 Inventories</b>		
a) Stock in trade <sup>1</sup>	19,500,962.00	15,893,236.00
b) Packing material	92,565,873.40	-
<b>Total</b>	<b>112,066,835.40</b>	<b>15,893,236.00</b>

<sup>1</sup> 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>		
Unsecured, considered good		
Exceeding six months from the date due for payment	40,623,521.22	3,458,242.28
Other Debts	1,001,450,518.88	871,902,052.27
Unsecured, considered doubtful		
Exceeding six months from the date due for payment	1,545,521.15	1,545,521.15
<b>Total</b>	<b>1,043,619,561.25</b>	<b>876,905,815.70</b>

Suspense for Rs. 86,794 (PY Rs. 86,794) has been reduced from Trade Receivables. It reflects the amount directly deposited into bank by parties, details of which are non- traceable.

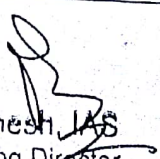
<b>2.11 Cash &amp; Cash Equivalents</b>		
a. Balances with banks		
b. Cash in hand	702,884,186.76	744,524,555.33
(II) Other Bank Balances		6,556.73
Interest accrued on Bank Deposits		
Bank deposits with more than 12 months' maturity	7,245,993.32	10,401,898.33
Bank deposits with 12 months' maturity		78,417,484.00
<b>Total</b>	<b>520,219,530.58</b>	<b>432,987,105.00</b>
	<b>1,230,349,710.66</b>	<b>1,266,337,599.39</b>

<b>2.12 Short Term Loans &amp; Advance</b>		
Unsecured, considered good		
a. Loans and advances to related parties	-	-
b. Capital Advances	-	-
c. Others.		
Advance to suppliers <sup>1</sup>	6,424,509.20	5,251,066.00
Imprest to employees	33,620.00	12,092.00
Other Advance <sup>2</sup>	359,182,037.76	34,972,415.74
Unsecured, considered doubtful		
DSO Advance	504,619.00	504,619.00
Other Advance <sup>3</sup>	10,653,528.72	7,936,896.83
<b>Total</b>	<b>376,798,314.68</b>	<b>48,677,089.57</b>

<sup>1</sup> Advance to Suppliers consists of advance of Rs. 1 crore to Rajasthan Rajya Sahkari Upphogta 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 Rs. 3 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.

  
**P. Ramesh JAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur



  
 (UNITED FRONT)  
 General Manager (Finance)  
 RSPSCO Ltd., Jaipur

<b>2.13 Other Current Assets</b>		
Amount receivable from Central Govt. under DCP Scheme <sup>1</sup>	101,731,149.00	647,739,054.29
Sugar Subsidy Receivable	189,118,844.94	687,553,693.09
Prepaid Expenses	105,556.61	41,447.00
Security Deposit <sup>2</sup>	106,822,500.00	28,395,000.00
Income tax refundable	76,723,138.64	61,699,460.93
Service Tax Receivable	8,542,040.05	5,844,218.74
<b>Total</b>	<b>483,043,229.24</b>	<b>1,431,272,874.05</b>

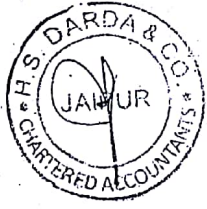
<sup>1</sup>The amount receivable from Central Government under the Decentralised Procurement of Wheat (DCP) Scheme in Alwar District for Wheat Procurement has been recognised.

<sup>2</sup>The company has placed security deposit of Rs. 10,66,12,500 with FCI towards the Gunny Bag (Bardana) supplied on Loan Basis for DCP 2014-15 and DCP 2015-16

*SP*

*[Signature]*

**P. Ramesh, IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur



**(UMED SINGH)**  
 General Manager (Finance)  
 RSFSC Ltd., Jaipur


<b>2.14 Revenue From Operations</b>		
Sales & Subsidy <sup>1</sup>	5,298,234,534.08	4,978,981,544.55
Commission received <sup>2</sup>	319,478,328.98	141,695,776.75
Other operating revenues		
Total	5,617,712,863.06	5,120,677,321.30
<b>2.15 Other Income</b>		
Interest Income		
Receipt of Tender fees	67,379,588.83	69,828,144.24
Other non-operating income	282,000.00	161,200.00
Total	4,912,263.24	4,537,892.56
	72,573,852.07	74,527,236.80
<b>2.16 Purchases of Stock-in-trade</b>		
FCI Purchase		
Purchases Sugar Branch	468,884,708.00	222,481,358.00
Purchases under DCP scheme	3,694,882,570.86	3,184,169,146.35
Purchase of holograms	1,018,199,507.24	1,238,969,426.00
Purchase of Daal (Baran Sahariya)	2,068,000.00	1,128,000.00
Total	5,184,034,786.10	4,654,414,687.35

<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.

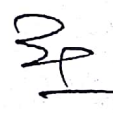
<sup>2</sup>Commission received includes commission on wheat and sugar under various schemes and commission on non-PDS items- Masala, soap, tea and daal etc.

<b>2.17 Change in inventories</b>		
<b>a. Inventories (at commencement)</b>		
Stock in trade	15,893,236.00	582,800.00
Packing Material		49,672,859.95
	15,893,236.00	50,255,659.95
<b>b. Inventories (at close)</b>		
Stock in trade	19,500,962.00	15,893,236.00
Packing Material	92,565,873.40	
Net Change in Inventories	112,066,835.40	15,893,236.00
	-96,173,599.40	34,362,423.95
<b>2.18 Employee benefits expense</b>		
Salaries, wages and Incentives <sup>1</sup>	66,153,880.89	58,479,896.92
Salary NIC	203,231.00	406,641.00
Staff Welfare Expenses	565,209.00	553,179.00
Contribution to Provident fund	401,664.00	193,019.00
Contribution to Pension	710,345.00	663,100.00
Contribution to Employer Welfare fund	72.00	168.00
Gratuity	2,363,000.00	
Total	70,397,401.89	60,296,003.92

<sup>1</sup> Salary, Wages and Incentives include the salary/contract amount paid to the persons appointed on contract directly or through placement agencies.

  
**P. Ramesh, IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur



  
**(UMESH SINGH)**  
 General Manager (Finance)  
 RSFSSC Ltd., Jaipur


<b>2.19 Finance Cost</b>		
Bank Charges	197,240.54	791,165.52
Interest Expense	63,653,297.00	68,024,188.80
<b>Total</b>	<b>63,850,537.54</b>	<b>68,815,354.32</b>
<b>2.20 Other Expenses</b>		
Transportation	113,283,278.35	72,364,554.48
Storage charges <sup>1</sup>	39,949,980.00	67,783,013.00
Advertisement	7,142,690.00	6,033,856.60
Commission/Margin Reimbursed	45,642,142.77	47,187,116.83
Rent	5,988,655.00	4,763,340.00
Computer operating & maintenance	5,030,161.00	3,526,265.00
Tours & Travelling Expenses <sup>2</sup>	5,016,280.00	5,386,857.00
Accounting Charges	1,568,000.00	1,412,000.00
Repairs & Maintenance	275,330.00	111,690.00
Printing & Stationery	1,053,636.00	676,626.00
Telephone & Communication	997,334.00	903,115.55
Professional & Consultancy	875,823.00	506,963.00
Internal Audit fees	134,000.00	134,000.00
Security Expenses	1,037,053.85	1,072,256.00
Other expenses under DCP Scheme <sup>3</sup>	121,555,201.00	90,899,277.00
Expenses under Annapurna Bhandar	2,036,721.00	
Vehicle Rent	6,770,559.00	2,479,767.78
Contribution to CM Relief Fund(For Nepal)	10,000,000.00	
Miscellaneous expenses	2,669,960.35	1,615,407.82
Payment to Current Auditor as: <sup>4</sup>		
a. Auditor	40,000.00	40,000.00
b. for tax audit	40,000.00	40,000.00
c. other services & certification	10,000.00	10,000.00
c. Out of Pocket expenses		8,710.00
<b>Total</b>	<b>371,116,805.32</b>	<b>306,954,816.06</b>

<sup>1</sup> Storage expenses include expenses of bardana storage and other storage charges incurred under the DCP Scheme


<sup>2</sup> Tour & Travelling Expenses includes petrol expenses paid to Managing Director.

<sup>3</sup> Other expenses under the DCP Scheme includes expenses incurred towards mandi charges, handling & transporting expenses, mandi tax, gunny bag consumption and administrative expenses incurred by the Rajfed and the Company. The company has taken gunny bags on loan basis, hence the cost of consumption is on estimated basis.

<sup>4</sup> Payment to Auditor is net of service tax input credit

  
**P. Ramesh IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur



  
 (UNITED FINCH)  
 General Manager (Finance)  
 Raj State Food, Jaipur

<u>2.21 Earning per share</u>		
1) Profit/(Loss) after tax	56,635,998.93	51,502,336.82
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>113.27</b>	<b>103.00</b>

2.22 Deferred tax liabilities (Net)

Disclosure in accordance with AS-22 "Accounting for Taxes on Income"

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	1,535,751.85	-
Closing Deferred Tax Asset	1,535,751.85	-
Less: Opening Deferred Tax Asset	-	7,518,623.51
<b>Net Difference credited to Statement of Profit &amp; Loss</b>	<b>1,535,751.85</b>	<b>-7,518,623.51</b>
Closing Deferred Tax Liability		
Less: Opening Deferred Tax Liability	-	571,399.44
<b>Net Difference credited to Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-571,399.44</b>

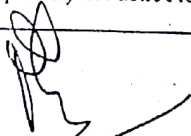
2.23 Contingent Liabilities and Commitments (to the extent not provided for)

<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		
(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 <sup>3</sup></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 Rajasthan Rajyz Sakhari Upphogta 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. 2.43 of notes on accounts.

<sup>3</sup> The company has forfeited security deposit of Rs. 1-crore from Ganesh Khand Udyog, however, since the party is disputing the income, it is disclosed as contingent income. The company has lodged a case against party for which claim is pending. The company has gone into second appeal against the party with the Principal Secretary, Food, Civil Supplies & Consumer Affairs Dept., GoR under Transparency in Public Procurement Act, 2012.

  
**P. Ramesh, IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur



  
**(UMESH SINGH)**  
 General Manager (Finance)  
 RFOCSG Ltd., Jaipur



2.8 Fixed Assets	Rate of Depreciation (%)	Gross Block			Depreciation/Amortisation			Net Block		
		Balance as at 1 April 2015	Additions	Deductions / Adjustments	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation/Amortisation charge for the year	Balance as at 31 March 2016	Balance as at 1 April 2015	Balance as at 31 March 2016
<b>a</b> Tangible Assets										
Furniture and Fixtures	18.10%	5,220,924.08	372,610.00		5,593,534.08	2,292,400.83	832,594.31	3,124,995.13	2,928,523.25	2,468,538.95
Office Equipments	13.91%	1,606,436.26	368,920.00		1,975,356.26	970,614.29	425,053.05	1,395,667.35	635,821.97	579,688.91
Computers	40.00%	10,816,384.27	112,100.00		10,928,484.27	10,676,682.52	120,662.01	10,797,344.53	139,701.75	131,139.74
Motor Car	25.89%	1,823,805.00			1,823,805.00	887,166.74	299,120.50	1,186,287.24	936,638.26	637,517.76
<b>Total (a)</b>		19,467,549.61	853,630.00		20,321,179.61	14,826,864.38	1,677,429.86	16,504,294.24	4,640,685.23	3,816,885.37
<b>b</b> Intangible Assets										
SMS Based Software	40.00%	40,500.00			40,500.00	34,459.82	3,021.85	37,481.67	6,040.18	3,018.33
Web design	40.00%	62,000.00	49,750.00		111,750.00	62,000.00	1,837.98	63,837.98	130,014.09	47,912.02
Tally Exp <sup>y</sup>	40.00%	660,691.69	10,800.00		671,491.69	530,677.60	67,515.16	598,192.75		73,298.94
<b>Total (b)</b>		763,191.69	60,550.00		823,741.69	627,137.42	72,374.98	699,512.40	136,054.27	124,229.29
<b>Total (a+b)</b>		20,230,741.30	914,180.00		21,144,921.30	15,454,001.80	1,749,804.85	17,203,806.64	4,776,739.50	3,941,114.66

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



P. Ramkish, IAS  
 Managing Director  
 Rajasthan State Food &  
 Supplies Corporation Ltd., Jaipur

(UNAID SINGH)  
 General Manager (Finance)  
 RSPSC Ltd., Jaipur

## SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of Financial Statements

1. 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.

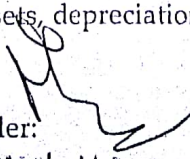
### 1.4 Depreciation and amortization

#### 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:

  
P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur

(P. RAMESH)  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur



<u>Particular</u>	<u>Amortization / Depletion</u>
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 and Sugar.

The company is holding stock of Holograms, Sugar 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.

#### 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 virtual 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



P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur

(Signature)  
Finance

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.

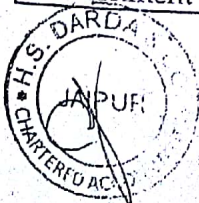
Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

**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) at Alwar district which was handled by RAJFED, acting as procurement agency, on 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.

The company has provided for administrative expenses for Rs 1,92,19,891.00 for RAJFED's share of administrative expenses as claimed by RAJFED, the nodal agency for DCP. The company is entitled to reimbursement of administrative charges for Rs. 2,31,40,840.40 being 2.5% of MSP from GOI, which the company has recognized in the current year on accrual basis.

Particulars	Amount (Rs. in lacs)
Purchases	9256.34
Arhatia/ Samiti Commission	172.36
Mandi Labour Charges	71.65
Mandi Tax	148.10
Transportation and handling charges	88.59
Consumption of gunny bags	703.58
Transportation charges of gunny bags	5.54
Administrative exp.	231.41
RAJFED	192.20
RSFCSC	39.21
Transportation charges	243.41
Storage Charges	399.50
Interest on CC Limit	586.29
Government Guarantee Commission	50.25

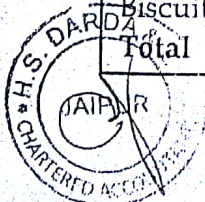


P. Ramesh, IAS  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaisipur

(UJED SINGH)  
 Controller (Finance)  
 R.S.C.S. Ltd., Jaisipur

- 2.24 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
- 2.25 Current year figures and previous year figures have been regrouped and rearranged where ever necessary.
- 2.26 Provision for bonus has been provided for Rs 3,39,000/- for the employees of the Corporation.
- 2.27 Suspense account amounting to Rs. 86,794 (P.Y. Rs. 86,794) reduced from Trade Receivables reflects amount directly deposited in bank by parties, details of which are non- traceable.
- 2.28 Balance of some of the Trade Receivables, Other Debtors and Trade Payables and Payables for expenses are subject to confirmation.
- 2.29 Management has quantified the defined benefit plans/long term compensated absence in respect of employee benefits scheme in accordance with AS-15 issued by Institute of Chartered Accountants of India. Provision for Gratuity for Rs 23,63,000/- and Provision for Leave Encashment for Rs 14,71,000/- has been provided for.
- 2.30 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.
- 2.31 Payment of Salary (on contract) against payment to Company Secretary for Rs. 2,32,266.00 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, a key managerial personnel to be in whole-time employment as per resolution approved by the Board of Director's meeting dated 27.06.2012.
- 2.32 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. The amount of Margin deposited by the parties is as follows:

Non PDS Item	Current Year (Rs.)	Previous Year (Rs.)
Tea Difference	2,82,75,205.38	3,10,186.01
Margin on Washing Soap	7,21,781.66	-
Salt Difference	7,75,339.26	-
Margin on Toilet Soap	5,77,877.73	-
Masala Margin	60,47,081.32	-
Agarbatti Difference	5,20,140.61	-
Biscuit Difference	20,466.38	-
<b>Total</b>	<b>3,69,37,892.34</b>	<b>3,10,186.01</b>



P. Ramesh, IAS  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur

(UNITED OFFICE)  
 Government of Rajasthan  
 Jaipur

2.33 During the year, The Corporation has also 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. Vasundhara Raje, Chief Secretary GOR, Sri C. S. Rajan, Principal Secretary Food and Civil Supplies, Dr. Subodh Agrawal and other officials 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. During the year 2015-16, an amount of Rs 5,23,106.09 has been received on account of Annapurna Bhandar Scheme by RSFCSC.

2.34 RELATED PARTY TRANSACTIONS

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

1. Related Party Information

Key Management personnel

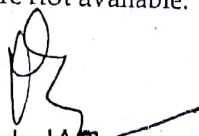
- Dr. Veena Pradhan, Managing Director
- Sh. Ummed Singh, Finance Officer
- Sh. Vikas Yadav, Company secretary

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

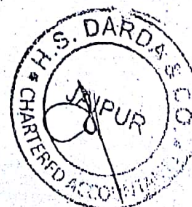
Transactions with Key Management personnel

Name	Nature of transactions			
	Salary (including DA)	Medical Reimbursements	Newspaper Reimbursements	Misc. Reimbursements
Dr. Veena Pradhan, M.D	19,23,114.00	-	3,979.00	25,052.00
Sh. Ummed Singh, FO	12,05,147.00	80,410.00	3,259.00	1,20,507.00
Sh. Vikas Yadav (Company Secretary retained through service provider)	2,32,266.00	-	-	16,204.00

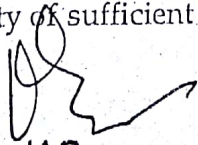
2.35 The company has not obtained details of Micro, Small & Medium Enterprises (MSMEs). Therefore, details required to be given as per the provisions of the Act are not available.

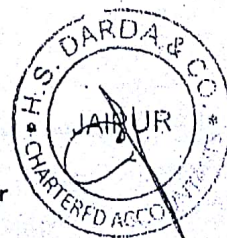
  
**P. Ramesh, IAS**  
 Managing Director  
 Rajasthan State Food &  
 Civil Supplies Corporation Ltd., Jaipur


  
 (Joint Signatory)  
 Company Secretary (Finance)  
 RSFCSC Ltd., Jaipur



- 2.36 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 at 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.
- 2.37 The company has taken Bardana (Gunny bags) from FCI on loan. The packing material consumed during the year has been expensed at prevailing cost of material in the accounts and corresponding liability has been 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 as 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.
- 2.38 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.
- 2.39 After availing input credit of Service Tax, amount of Rs. 85.42 lacs 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.
- 2.40 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.

  
P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jainpur



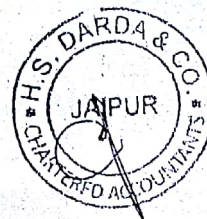
  
(UMED SINGH)  
General Manager (Finance)  
R.S.P.S.C. Ltd., Jainpur

## 2.41 CONTINGENT LIABILITY

### i. Claims against the Company not acknowledged as debts:

S.No.	Writ No.	Detail	Remarks	Expenditure in Rs. & monitoring mechanism
1.	5892/2014	Kumari Priyanka Saini V/s State (Food & Civil Supplies) and others	For recruitment process.	Details not made available by the management
2.	14457/2015	Mohammad Shareef Bikaner V/s State & Others	For cancellation of order dated 28.10.2015 and tender dated 27.11.2015.	Details not made available by the management
3.	2286/2016	Pali Tehsil KVSS V/s State & Others	For cancellation of order and transportation tender dated 28.10.2015.	Details not made available by the management
4.	4749/2016	Kshitij Samuh Seva Sansthan, Baran V/s RSFCSC & Others	For non appointment as transporter on given rates in tender dated 27.11.2015.	Details not made available by the management
5.	5838/2016	Anil Kumar V/s State & Others	For recruitment process.	Details not made available by the management
6.	8883/2016	Rajeev Lochan Sharma (KVSS Byana) V/s State & Others	For cancellation of order dated 22.06.2016 by Bharatpur DSO.	Details not made available by the management
7.	31/2013	Prem Prakash Gujjar V/S Rajasthan State Food and Civil Supplies Corporation, Jaipur and others	For recruitment process.	Details not made available by the management
8.	16084/13	Dholpur Mahila Prathmik Sahakari Upbhogta Bhandar Ltd. V/s State (Food & Civil Supplies) and others	For wholesaler handling agent	Details not made available by the management
9.	10360/14	Ruchi Agarwal & Others V/s	For making MCS permanent.	Details not made available by the

P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur



(Signature)  
Corporate Finance  
Rajasthan State Food & Civil Supplies Corporation Ltd., Jaipur



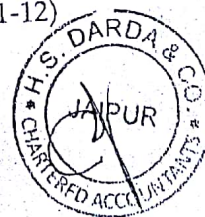
		Principal Secretary and Rajasthan State Food and Civil supplies Corporation, Jaipur		management
10.	37/2015	Heera Lal Gurjar V/s State & Others	For recruitment process	Details not made available by the management
11.	2342/2016	Jhalor Sahkari Upbhokta Wholesale Bhandar Ltd. V/s State & Others	For cancellation of order and transportation tender dated 28.10.2015.	Details not made available by the management
12.	2348/2016	Aahore Co.-Operative Marketing Society Ltd. V/s State & Others	For cancellation of order and transportation tender dated 28.10.2015.	Details not made available by the management
13.	15/2016	Anta KVSS V/s State & Others	For non-payment of commission by corporation.	Details not made available by the management
14.	107/2016	Manager Civil Supplies Bharatpur Girjesh Traders Bharatpur V/s State & Others	Against the order dated 15.04.2016 for accepting e-tender.	Details not made available by the management
15.	4761/2016	Basant Chand Mathur V/s State & Others	To declare the e-tenders for PDS wheat and sugar transportation dated 27.11.2015 and 29.03.2015, as invalid	Details not made available by the management

ii. Rajasthan Rajya Sahakari Upbhokta 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.

iii. Amount payable to Rajasthan State Warehousing Corporation for Rs 3,80,78,142.68 is pending for final reconciliation with the party for expenses payable under DCP procurement.

iv. Penalty proceedings under section 271B of The Income Tax Act initiated against assessee for A.Y. 12-13 (F.Y. 11-12)

P. Ramesh, IAS  
Managing Director  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur

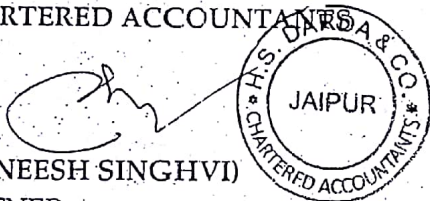


(Signature)  
General Manager (Finance)  
RSCG Ltd., Jaipur

- v. 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 confident that no liability will arise thereupon. The company has paid an amount of Rs. 15,00,000 during the year. 50% of demand has been stated by CIT(Appeals). The company has preferred an appeal against assessment order U/S 143(3) of the Income Tax Act, 1961 dated 31.01.2015.
- vi. The Income Tax demand for Rs. 8,14,51,120/- for A.Y. 2013-14(F.Y. 12-13), interest and penalty have not been provided for as the management is confident that no liability will arise thereupon. The company has 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 company has preferred an appeal against assessment order U/S 143(3) of the Income Tax Act, 1961 dated 22.03.2016.

As per our Report attached

For H. S. DARDA & CO.  
CHARTERED ACCOUNTANTS



(RAJNEESH SINGHVI)  
PARTNER  
Jaipur

For Rajasthan State Food & Civil Supplies  
Corporation Limited

Chairman  
(Rajeev Singh Thakur) I.A.S.  
Chairman  
Rajasthan State Food & Civil Supplies  
Corporation Limited, JAIPUR

(UMED SINGH)  
General Manager (Finance)  
RSFCSC Ltd., Jaipur

Managing Director  
P. Ramesh, IAS  
Rajasthan State Food &  
Civil Supplies Corporation Ltd., Jaipur  
Company Secretary

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