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ನೋಂದಾಯಿತ ಕಛೇರಿ

“ಸೀತಾಲಕ್ಷ್ಮಿ ಟರ್ಮ್ಸ್”
ನಂ. 78, ಮಿಷನ್ ರಸ್ತೆ,
ಸುಬ್ಬಯ್ಯ ವೃತ್ತ,
ಬೆಂಗಳೂರು - 560027.

ಲೆಕ್ಕ ಪರಿಶೋಧಕರು

ಮೆ. ಕರ್ರ ಅಂಡ್ ಕಂಪನಿ,
ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್
ಬೆಂಗಳೂರು.

ಬ್ಯಾಂಕುಗಳು

ಕೆನರಾ ಬ್ಯಾಂಕ್
ಕಾರ್ಪೊರೇಶನ್ ಬ್ಯಾಂಕ್
ಇಂಡಿಯನ್ ಬ್ಯಾಂಕ್
ಐ.ಎನ್.ಜಿ. ವೈಶ್ಯ ಬ್ಯಾಂಕ್
ಯು.ಟಿ.ಐ. ಬ್ಯಾಂಕ್

ನಿರ್ದೇಶಕರು

ಶ್ರೀಯುತರು

ಬಿ.ಕೆ.ದಾಸ್, ಭಾ.ಆ.ಸೇ.,
ಹೆಚ್ಚುವರಿ ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿ ಮತ್ತು
ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು,
ಆರ್ಥಿಕ ಇಲಾಖೆ,
ಅಧ್ಯಕ್ಷರು, ಕ.ರಾ.ಪಾ.ನಿ.
(02.06.2003 ರಿಂದ 05.07.2004 ವರೆಗೆ)

ಕೆ.ಪಿ.ಪಾಂಡೆ, ಭಾ.ಆ.ಸೇ.,
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ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು,
ಆರ್ಥಿಕ ಇಲಾಖೆ,
ಅಧ್ಯಕ್ಷರು, ಕ.ರಾ.ಪಾ.ನಿ.
(05.07.2004 ರಿಂದ 23.12.2004 ವರೆಗೆ)

ಸುಧಾಕರ್ ರಾವ್, ಭಾ.ಆ.ಸೇ.,
ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು,
ಆರ್ಥಿಕ ಇಲಾಖೆ,
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(02.06.2003 ರಿಂದ 23.09.2003 ರವರೆಗೆ)

ಡಿ. ಸತ್ಯಮೂರ್ತಿ, ಭಾ.ಆ.ಸೇ.,
ಅಬಕಾರಿ ಆಯುಕ್ತರು,
ನಿರ್ದೇಶಕರು, ಕ.ರಾ.ಪಾ.ನಿ.
(23.09.2003 ರಿಂದ 22.07.2004 ರವರೆಗೆ)

ಆರ್.ಬಿ. ಅಗವಾನಿ, ಭಾ.ಆ.ಸೇ.,
ಅಬಕಾರಿ ಆಯುಕ್ತರು,
ನಿರ್ದೇಶಕರು, ಕ.ರಾ.ಪಾ.ನಿ.
(22.07.2004 ರಿಂದ)

ಡಾ: ಎಸ್. ಸುಬ್ರಮಣ್ಯ, ಭಾ.ಆ.ಸೇ.,
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿಗಳು
ನಿರ್ದೇಶಕರು, ಕ.ರಾ.ಪಾ.ನಿ.
(26.11.2004 ರಿಂದ)

ಎನ್.ಎಸ್. ನಾಗರಾಜು
ಜಂಟಿ ಆಯುಕ್ತರು ಅಬಕಾರಿ,
ನಿರ್ದೇಶಕರು, ಕ.ರಾ.ಪಾ.ನಿ.
(30.06.2003 ರಿಂದ 26.11.2004 ರವರೆಗೆ)

ಆರ್. ರಾಮಶೇಷನ್, ಭಾ.ಆ.ಸೇ.,
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು,
ಕ.ರಾ.ಪಾ.ನಿ.
(04.06.2003 ರಿಂದ)



REGISTERED OFFICE

“Seethalakshmi Towers”
No.78, Mission Road
Subbaiah Circle
Bangalore - 560 027.

AUDITORS

M/s. Karra & Co.,
Chartered Accountants
Bangalore

BANKERS

Canara Bank
Corporation Bank
Indian Bank
ING Vysya Bank
UTI Bank

DIRECTORS

Sriyuths

B K Das, IAS
Additional Chief Secretary & Principal
Secretary, Finance Department
Chairman, KSBCL
(from 02.06.2003 to 05.07.2004)

K P Pandey, IAS
Additional Chief Secretary & Principal
Secretary, Finance Department
Chairman, KSBCL
(from 05.07.2004 to 23.12.2004)

Sudhakar Rao, IAS
Principal Secretary, Finance Department
Chairman, KSBCL
(from 23.12.2004)

S K Pattanayak, IAS
Excise Commissioner
Director, KSBCL
(from 02.06.2003 to 23.09.2003)

D Sathyamurthy, IAS
Excise Commissioner
Director, KSBCL
(from 23.09.2003 to 22.07.2004)

R B Agawane, IAS
Excise Commissioner
Director, KSBCL
(from 22.07.2004)

Dr. S Subramanya, IAS
Secretary to Government
Director, KSBCL
(from 26.11.2004)

N S Nagaraju
Joint Commissioner of Excise
Director, KSBCL
(from 30.06.2003 to 26.11.2004)

R Ramaseshan, IAS
Managing Director
KSBCL
(from 04.06.2003)



**Karnataka State Beverages Corporation Limited
Bangalore**

DIRECTORS' REPORT

The Board of Directors take pleasure in presenting the first Annual Report together with audited statement of accounts for the year ended 31st March, 2004.

1. Financial Performance

(Rs. in crores)

Details	For the current financial year (2003-04)	
Income		
Liquor Operations	1297.29	
Spirit Operations	9.70	
Other income	3.89	
Total		1310.88
Expenditure		
Cost of sales	1280.91	
Personnel cost	2.91	
Other administrative expenses	5.15	
Privilege fee	21.50	
Total		1310.47
Earnings before tax		0.41
Income tax		0.14
Earnings after tax		0.27



2. Business Operations

2.1 Government Policies

The year witnessed a host of reforms aimed at curbing evasion of duty to mobilise additional revenue, rationalisation of duty structure and simplification of procedures. The Corporation which was incorporated as a private limited company on 2.06.2003 to realise these objectives, commenced its activities initially by taking over the IML division of M/s Mysore Sales International Limited, and thereafter significantly augmenting its infrastructure.

With the Corporation living up to the expectation of all stakeholders, the initial few months signalled the success of the new policy, as the recorded volume of IML consumption in the state increased substantially. This prompted the government to take the next step to further revenue mobilisation by introducing limited canalisation of rectified spirit/denatured spirit, wherein industrial users were required to source their requirement through the Corporation effective from 1.11.2003. The Corporation geared up to implement this policy.

2.2 Canalisation of Liquor

The Corporation has uniquely positioned itself as a canalising agency without stifling competition, thereby giving the consumer the right to choose. While it is mandatory for every supplier, whether located in the state or outside, to access the market only through the Corporation, pricing of the product, choice of the market, portfolio of brands to cater to specific tastes and needs etc., are the prerogatives of the supplier. The Corporation, as a matter of policy, does not impose any restriction on the marketing strategy of the manufacturer.

The recorded volume of IML consumption which had almost stagnated around 200 lakh bulk litres a year showed a 235% increase to 668.04 lakh bulk litres (70.34 lakh carton boxes), indicating that the new policy was well received by the industry. The sale of beer increased to 627.05 lakh bulk litres from 489.85 lakh bulk litres in 2001-02 and 580.42 lakh bulk litres in 2002-03, the compounded annual growth rate being 13 percent.

Consequently, the duty collected for IML increased by over Rs.371 crores and for beer by a modest Rs.8 crores. Cumulatively, the increase in duty collection was Rs.379 crores, a 65 percent increase over the previous year. The duty collected apart from showing an increase, reflects the underlying economic activity of the industry, paving the way for a healthy growth in future.

The Company sourced IML from 99 manufacturers, out of which 49 were based in the state, 27 outside the state, and 23 outside the country. Local manufacturers supplied about 96 percent of the volume handled. Out of the balance 4 percent a little over 3 percent was supplied by manufacturers outside the state and a little less than 1 percent was from outside the country. Ten manufacturers supplied over 80 percent of the volume handled with just four manufacturers cornering over 50 percent of the market share.

In respect of beer, 17 manufacturers delivered supplies to the Corporation out of which 7 were from the state, 3 from outside the state and 7 from outside the country. Local manufacturers delivered about 99 percent of the volume handled. Manufacturers outside the state delivered about 1 percent of the volume handled and the share of manufacturers outside the country was negligible. Two major manufacturers in the state accounted for about 95 percent of the volume handled, indicating a highly concentrated market.

The lowest slab of IML (Rs.250-349) accounted for about 60 percent of the volume and 47 percent the value of goods transacted. The remaining volume was spread over other four slabs with the last slab (over Rs.1200) accounting for about 2 percent of the volume and 6 percent of the value.

The average sales and duty realisation for IML was Rs.1434 and Rs.901 respectively and for beer Rs.451 and Rs.188 respectively.

2.3 Canalisation of Spirit

The Corporation has extended its philosophy of allowing competitive market forces to play in canalisation of spirit. Manufacturers are allowed to indicate the quantity and price at which they are



willing to deliver spirit to the Corporation. Canalisation is based on merit order, except in cases where the buyer has a specific choice of a source.

During the financial year, the Corporation handled 46 lakh litres of spirit, out of which over 99 percent was rectified spirit, extra neutral alcohol and absolute alcohol. A very negligible quantity of malt spirit and other concentrates were handled.

2.4 Infrastructure

The Corporation took over 22 distribution depots and one whole sale depot from MSIL. During the year, six new depots were added, and presently every district except Bangalore (rural) and Chamarajanagar has a depot. To cater to the demand of Bangalore city and its environs, there are three depots.

Every depot is well equipped for continuous operations. An integrated financial and inventory accounting software, customised for the specific requirement of the Corporation is the backbone of operations. Depots are electronically linked to the head office, ensuring almost instantaneous two way transfer of data. Elimination of traditional movement of documents has resulted in efficiency and cost savings.

2.5 Financial Management

A sound and prudent financial management is a major strength of the Corporation.

A cash management system operated through four banks ensures that the amounts remitted by wholesale licencees at various depots are pooled at Bangalore within two days. A unique blend of short term deposit with a short term accommodation to tide over temporary mismatch of funds ensures that funds do not idle in the current account.

Payment is made to suppliers on specific days every week, which has reduced uncertainty in their cash flow. The Corporation has paid 99 percent of the amounts due to the suppliers on time.

The Company has established an internal audit system for all its depots and the head office. Enhancing the audit process and augmenting internal controls is an area of priority for the company.

2.6 Human Resources and Staff Welfare

The Corporation has drawn its staff on deputation from other sister public sector undertakings. Certain areas like depot accounting, internal audit, software development and maintenance and security services have been out sourced.

The year was marked by smooth inter-personnel relations with a high level of commitment exhibited by all employees.

2.7 Future Outlook

The first year of the Corporation has been a landmark year, as it has been successful in implementing government policy, earning appreciation from all quarters. As a recognition of this effort, government have gone ahead with complete canalisation of rectified/denatured spirit and entrusted this responsibility to the Corporation.

Given its commitment to the cause entrusted to it, the Directors are confident that the Corporation would play a meaningful role in reforms in this sector.

3. Directors

During the year Shri D Satyamurthy was appointed as a Director in place of Shri. S K Pattanayak. The Board wishes to place on record its appreciation of the valuable services and advice rendered by Shri S K Pattanayak during his tenure as a Director of your Company.

4. Corporate Governance

The Company has laid emphasis on corporate governance aspects. During the year spanning nine months, the Board of Directors met four times. One extraordinary general meeting of the shareholders was conducted to consider amendment to the Articles of Association as recommended by the government.

5. Directors' Responsibility Statement

As required under section 217 (2AA) of the Companies Act, 1956, your Directors state that –

- (i) in the preparation of Annual Accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;



- (ii) accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required, 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;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts for the financial year have been prepared on a going concern basis.

6. Secretarial Compliance Certificate

Since the paid up share capital of the company is Rs. 2 crores, it has obtained a secretarial compliance certificate from a Company Secretary in whole time practice as required by proviso to section 383 A of the Companies Act and the same is annexed to this report.

7. Particulars of Employees

During the year under review, there were no employees who were in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975. Hence no information is required to be appended to this report in this regard.

8. Conservation of Energy, Technology Absorption and Foreign Exchange Earning/outgo

The information required under section 217(1) (E) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 is nil.

9. Auditors and Auditors' Report

M/s Karra & Company, Chartered Accountants, Bangalore, have been appointed as the Statutory Auditors of your Company for the year 2003-04. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The C & AG has expressed that he has Nil comments under Section 619(4) of the Companies Act, 1956 on the accounts of the Corporation for the period from 2nd June 2003 to 31st March 2004.

10. Acknowledgements

Your Directors would like to place on record the continued support and encouragement extended by

- the Government of Karnataka and other agencies;
- the Excise Commissioner and all staff of the Excise Department which resulted in the excellent performance of the Company;
- the bankers of the Company, namely, Canara Bank, Corporation Bank, ING Vysya Bank and UTI Bank;
- the dedicated services rendered by the employees of the Corporation; and
- the media for publicity and creating awareness amongst the public.

for and on behalf of the Board of Directors

Sd/-
(K.P. Pandey)
Chairman



KARNATAKA STATE BEVERAGES CORPORATION LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting :

- i) Financial statements have been prepared under the historical cost convention.
- ii) Accrual basis of accounting has been adopted except wherever otherwise stated.
- iii) Purchase and Sales Policy :
 - a) Manufacturer/supplier places an offer to supply liquor based on the demand prevailing in the respective locations. Thereafter, an Order for Supply is issued to the manufacturer/supplier. Goods so supplied are stacked in the depots of the Corporation at the risk and cost of the manufacturers. Manufacturers/suppliers undertake the responsibility for creating demand for the goods supplied to the Corporation. Price for the supply is paid after sale of such supply has been done. Stocks lying unsold in the depots of the Corporation are subject to levy of demurrage charges which are collected from the manufacturers periodically.
 - b) Stocks are issued to the whole sale licencees after receipt of full value of the goods. Credit sale from the Whole sale Depot of the Corporation is permitted for a period of 15 days' in respect of MSIL and other registered clubs and institutes.
- iv) Income recognition :
 - a) Sales : Sales are recognised on invoicing and clearance of the goods from the depots. Sales do not include Inter-depot transfers.
 - b) Interest : Interest earned on advance and on fixed deposits with Banks are accounted on accrual basis.

2. Fixed Assets and Depreciation :

a) Fixed Assets :

Fixed Assets and leasehold improvements are stated at cost less accumulated depreciation. Intangible assets are recorded at the consideration paid for acquisition.

b) Depreciation :

- i) Depreciation is calculated on straight-line method adopting the rates specified in the Companies Act, 1956 except in the following cases :
 - Computer software classified as intangible assets, is being written off over a period of three years being the estimated useful life of the asset.
 - Leasehold improvements are written off over the period of the lease.



ii) Depreciation in respect of additions is charged proportionately for the period from the date of its addition.

iii) Assets costing Rs. 5,000/- or less individually are depreciated fully.

c) Preliminary Expenses :

Expenditure incurred towards incorporation of the Corporation is treated as Preliminary Expense and written off over a period of three years.

d) Pre-Operative Expenses :

All expenses incurred from the date of incorporation of the Corporation till the date of commencement of commercial operation is treated as "Pre-operative Expense" and amortised over a period of three years.

3. Valuation of Inventories :

Stocks taken over from MSIL are valued at KSBCL's prices prevalent as at the end of 31st March 2004.

4. Personnel :

The Corporation has personnel deputed from other State Government Organisations. In respect of these personnel, the Company has made remittances towards, leave salary, pensions, provident fund, Gratuity and ESI Contribution to the respective parent organisations.

5. Deferred Taxation :

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

6. Contingencies :

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



ಕರ್ನಾಟಕ ಸರ್ವೆ ಕಾರ್ಖಾನೆ ಸೀಮಿತ ಕಂಪನಿ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED
31ನೇ ಮಾರ್ಚ್-9 2004 ರ ಬೆಲೆಪತ್ರ
Balance Sheet as at 31st March 2004

SI No	Particulars	Sch No	As at 31.03.2004	Amt. in Rs.
	ಖರ್ಚಿನ ಮೂಲಗಳು : SOURCES OF FUNDS			
	1. ಕಂಪನಿಯವರ ಖರ್ಚಿನ ಮೂಲಗಳು Shareholders' Fund			
	H) ಮೂಲಧನ Capital	H A	20,000,000	
	†) ಖರ್ಚಿನ ಮೂಲಗಳು ಮತ್ತು ಉಳಿತಾಯ Reserves & Surplus	† B	2,658,326	22,658,326
	2. ಸಾಲ ಮೂಲಗಳು Loan Funds			
	H) ಸುರಕ್ಷಿತ ಸಾಲಗಳು Secured Loans	> C	54,631,607	
	†) ಅಸುರಕ್ಷಿತ ಸಾಲಗಳು Unsecured Loans	m D	27,853,718	82,485,325
	3. ವಿಳಂಬಿತ ತೆರಿಗೆ ಉದ್ಭವ Deferred tax Liability			465,885
	ಒಟ್ಟು TOTAL :			105,609,536
II	ಖರ್ಚಿನ ಮೂಲಗಳ ಅನ್ವಯ : APPLICATION OF FUNDS :			
	1. ಸ್ಥಿರ ಸಂಪತ್ತು Fixed Assets	C E		
	H) ಒಟ್ಟು ಸ್ಥಿರ ಸಂಪತ್ತು Gross Block		17,953,925	
	†) ಮೌಲ್ಯಮೀಟನು : ಡಿಪ್ರೀಷಿಯೇಷನ್ Less : Depreciation		4,118,564	
	>) ಸ್ವಲ್ಪ ಸ್ಥಿರ ಸಂಪತ್ತು Net Block			13,835,361
	2. ಹೂಡಿಕೆಗಳು Investments		--	
	3. ಪ್ರಸ್ತುತ ಸಂಪತ್ತು, ಸಾಲ ಮತ್ತು ಮುನ್ನಡೆ Current Assets, Loans & Advances			
	H) ಉತ್ಪನ್ನಗಳು Inventories		33,028,046	



<p>†) ಇತರ ಸಂಸ್ಥೆಗಳಿಗೆ Sundry Debtors</p> <p>>) ವ್ಯಯ ಮತ್ತು ಬ್ಯಾಂಕ್ ಸಂಪನ್ಮೂಲ Cash & Bank balances</p> <p>m) ಸಂಸ್ಥೆಗಳಿಗೆ ನೀಡಿದ ಉಣ್ಣೆ Loans & advances</p> <p style="text-align: right;">ಒಟ್ಟು Total</p> <p>ನಿರೀಕ್ಷಿಸಿದ : Less :</p> <p>ಪ್ರಸ್ತುತ ಉಣ್ಣೆ ಮತ್ತು ಉಣ್ಣೆಗಳಿಗೆ Current liabilities & provisions</p> <p>A) ಪ್ರಸ್ತುತ ಉಣ್ಣೆಗಳಿಗೆ Current liabilities</p> <p>B) ಉಣ್ಣೆಗಳಿಗೆ Provisions</p> <p>ಪ್ರಸ್ತುತ ಸಂಪನ್ಮೂಲ Net Current assets</p> <p>4 ಇತರ ವಿವಿಧ ಆಸ್ತಿಗಳಿಗೆ ಉಣ್ಣೆ ಮಾಡಿದ ಮಿಶ್ರ ಉಣ್ಣೆಗಳಿಗೆ ಮುಚ್ಚಿದ ಉಣ್ಣೆಗಳಿಗೆ Miscellaneous expenditure to the extent not written off or adjusted</p> <p>A) ಪ್ರಾರಂಭಿಕ ಉಣ್ಣೆಗಳಿಗೆ Preliminary Expenses</p> <p>B) ನಿಯೋಜನಾ ಉಣ್ಣೆಗಳಿಗೆ Pre-operative Expenses</p>	<p>Hydr F</p> <p>Hydr F</p> <p>d G</p> <p>ಉಣ್ಣೆ H</p>	<p>10,196,520</p> <p>523,637,784</p> <p>175,446,835</p> <p>742,308,185</p> <p>592,263,868</p> <p>58,794,389</p> <p>651,058,257</p> <p>239,333</p> <p>283,914</p>	<p>91,250,928</p> <p>523,247</p> <p>105,609,536</p>
ಒಟ್ಟು Total			105,609,536

೧೫.೧೧.೦೪ರ ೧೫.೧೧.೦೪ರ ವರೆಗೆ
೦೪. ೧೫.೧೧.೦೪ರ ವರೆಗೆ
ಗೌರವಾನ್ವಿತ ಅಧಿಕಾರಿಗಳಿಗೆ

ಸಹಿ /-
(ಆರ್. ಸಿವಕುಮಾರ್)
ಒಟ್ಟು

As per our report of even date
for Karra & Co
Chartered Accountants

sd/-
(R. Sivakumar)
Partner

ಸಹಿ /-
(ಬಿ. ರಾಮೇಶನ್)
ನಿರ್ದೇಶಕರು

sd/-
(R. Ramaseshan)
Managing Director

ಸಹಿ /-
(ಕೆ.ಪಿ. ಪಾಂಡೆ)
ಅಧ್ಯಕ್ಷರು

sd/-
(K.P. Pandey)
Chairman

ಸ್ಥಳ: Bangalore
ವಿ.ನಂ: 08.11.2004



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

02.06.2003 ರಿಂದ 31.03.2004ರವರೆಗೆ
 02.06.2003 ರಿಂದ 31.03.2004ರವರೆಗೆ

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 2.6.2003 TO 31.3.2004

ಕ್ರ. ಸಂ. SI No	ವಿವರಣೆ Particulars	ಆಯ್ಕೆ ಸಂ. Sch No	ಪ್ರಸ್ತುತ ವರ್ಷ Current Year	ರೂ. ಮೊ. Amt in Rs.
1.	ಬುಡ್ಡಿ Income			
	A) ಒಡಂಬಡಿಕೆ (J.H.O.H.E./ತೆರೆ)		12,972,950,265	
	Sales (IML/BEER)			
	B) ಒಡಂಬಡಿಕೆ (ಒಡಂಬಡಿಕೆ)		97,021,763	
	Sales (Spirit)			13,069,972,028
2.	ಒಡಂಬಡಿಕೆ Cost of Sales			
	ಉದ್ಘಾಟನೆ			
	Opening Stock			
	Q<°v (J.H.O.H.E./ತೆರೆ)		12,747,838,715	
	Purchase (IML/BEER)			
	Q<°v (ಒಡಂಬಡಿಕೆ)		95,397,083	
	Purchase (RS)			
	ನಷ್ಟ : ಮಳೆಗಾಲದ ನಷ್ಟ		1,066,760	
	LESS : Depot Damages			
	ನಷ್ಟ : ಅಂತ್ಯ ಉದ್ಘಾಟನೆ (H.O.H.S.-J.H.E-)		12,842,169,038	
	LESS : Closing Stock (MSIL)		33,028,046	
	ಒಡಂಬಡಿಕೆ			12,809,140,992
	Cost of Sales			
	ಖಚಿತ ಒಡಂಬಡಿಕೆ			260,831,036
	Gross Margin			
	ಇತರ ಬುಡ್ಡಿ Other Income			
1)	ಮಂಡಲದ ಮೇಲೆ ಒಡಂಬಡಿಕೆ		14,551,145	
	Interest on Advance to distilleries			
2)	ಬ್ಯಾಂಕ್ ಒಡಂಬಡಿಕೆ		9,312,334	
	Interest on Bank deposits			
3)	ಇತರ ಆದಾಯ		63,954	
	Miscellaneous receipts			
4)	ಠೇವಣಿ ಶುಲ್ಕ		14,971,239	
	Storage Fee			38,898,672
	ಒಟ್ಟು - H Total - A			299,729,708



№ ಸಂ SI No	ವಿವರಣೆ Particulars	ಆರ್ಟಿಕಲ್ Sch No	ಪ್ರಸ್ತುತ ವರ್ಷ Current Year	ರೂ. ಮೊತ್ತ Amt in Rs.
	ಖರ್ಚು EXPENDITURE			
1)	BI೯೦೦ ಿ೯೦೦೦ ಸಿಒ ಿ೯೦೦ ಿ೯೦೦೦ Administrative & General Expenses	J I	73,374,510	
2)	ಖಿ೯೦೦೦ ಸಿ೯೦೦೦ ಿ೯೦೦೦ Managerial Remuneration	bµ J	666,891	
3)	Bt9೦೦ ಿ೯೦೦೦ Finance Charges	µ K	2,162,581	
4)	ಸಿ೯೦೦೦ Depreciation		4,118,564	
5)	ಸಿ೯೦೦೦ ಸಿ೯೦೦೦ Privilege Fee to Govt of Karnataka		215,000,000	
6)	ಿ೯೦೦೦ ಮು೯೦೦೦ ಿ೯೦೦೦ Miscellaneous expenses written off		261,624	
	ಒಟ್ಟು - ಿ TOTAL - B			295,584,170
7)	ಿ೯೦೦೦ (H - ಿ) Profit for the year (A – B)			4,145,538
8)	ಿ೯೦೦೦ : ಿ೯೦೦೦ Less : Provision for tax			
	H) ಯಿ೯೦೦೦ ಿ೯೦೦೦ Current Tax		1,021,328	
	ಿ) ಿ೯೦೦೦ ಿ೯೦೦೦ Defferred Tax		465,884	
				1,487,212
9)	ಿ೯೦೦೦ ಿ೯೦೦೦ Profit after Tax			2,658,326
10)	ಿ೯೦೦೦ ಿ೯೦೦೦ Balance transferred to General Reserve			2,658,326



SI No	Particulars	Sch No	Current Year	Amt in Rs.
	11) Earning per share (Face Value of Rs.1000/- each)			
	H) Basic			5,317
	†) Diluted			133
	12) Notes to accounts	HE-L		---

8.11.04

(A. U. O. P. O. N. E. Y.)

As per our report of even date for Karra & Co Chartered Accountants

(R. Sivakumar) Partner

(B. E. N. O. U. O. Y. V. Y.)

(R. Ramaseshan) Managing Director

(P. A. N. E. N. E. Y.)

(K.P. Pandey) Chairman

Bangalore
08.11.2004



ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಬೆವರಿಜ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿಮಿಟೆಡ್
KARNATAKA STATE BEVERAGES CORPORATION LIMITED
ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಬೆವರಿಜ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿಮಿಟೆಡ್
CASH FLOW STATEMENT FOR 2003-2004

ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಬೆವರಿಜ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿಮಿಟೆಡ್ Cash flow from operating activities	ರೂಪಾಯಿ ಲಕ್ಷಗಳಲ್ಲಿ (Rs.in lakhs)
ಕುಟುಂಬದ ಮೊದಲಿನಿಂದ ಆಸಕ್ತಿಯಾದ ಆಯವ್ಯಯಗಳಿಗೆ ಮೊದಲಿನಿಂದ Net profit before taxation and extraordinary item	41.46
ವಿವರಣೆ Adjustments for	
ಸಂಭವಿಸಿದ ಮತ್ತು ಮಿಕ್ಕಿತು ಕಡಿತಗೊಂಡ Depreciation & misc. expenses written off	43.80
...ನಿಂದ ಬಂದ Interest income	(238.00)
ಮಿಲಿವಿದು ಬಂದ Dividend income	
...ನಿಂದ Interest expenses	21.63
...ನಿಂದ ಮೊದಲಿನಿಂದ ಕಾರ್ಯಾಚರಣೆ ಮೊದಲಿನಿಂದ Operating profit before working capital changes	(131.11)
ಒಟ್ಟಾರೆಯಾಗಿ ಯಾವುದೇ ಒಂದು ವರ್ಷಕ್ಕೂ Increase in sundry debtors	(101.96)
ಮೇಲಿನಿಂದ ಒಟ್ಟಾರೆಯಾಗಿ Increase in inventories	(330.28)
ಯಾವುದೇ ಒಂದು ವರ್ಷಕ್ಕೂ ಮೊದಲಿನಿಂದ Increase in sundry creditors	5,914.17
ಯಾವುದೇ ಒಂದು ವರ್ಷಕ್ಕೂ ಮೊದಲಿನಿಂದ Increase in outstanding expenses	577.73
ಮೇಲಿನಿಂದ ಬಂದ Increase in current assets and advances	(1,658.81)
ಯಾವುದೇ ಒಂದು ವರ್ಷಕ್ಕೂ ಮೊದಲಿನಿಂದ Cash generated from operations	4,269.74
ಯಾವುದೇ ಒಂದು ವರ್ಷಕ್ಕೂ ಮೊದಲಿನಿಂದ Income taxes paid	95.66
ಆಸಕ್ತಿಯಾದ ಆಯವ್ಯಯಗಳಿಗೆ ಮೊದಲಿನಿಂದ Cash flow before extraordinary item	4,174.08
ಭೂಕಂಪದಿಂದ ಬಂದ Proceeds from earthquake disaster settlement	
ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಬೆವರಿಜ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿಮಿಟೆಡ್ Net cash from operating activities	4,174.08



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಆರ್ಟಿಕಲ್ - H
SCHEDULE - A

31 ಮಾರ್ಚ್ 2004 ರ ದೃಢೀಕೃತ ಬೆಲೆಪಟ್ಟಿ ಯಲ್ಲಿ ಒಳಗೊಂಡಿರುವ
FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

ಭಾಗಶಃ ಮೂಲಧನ
SHARE CAPITAL

ಕ್ರ. ಸಂ. SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs
1	ಅಧಿಕೃತ AUTHORISED ಪ್ರತಿ ಷೇರಿಗೆ ರೂ. 1000/- ದಂತೆ 50000 ಅಧಿಕೃತ ಷೇರು 50000 Equity Shares of Rs. 1000/- each	50,000,000
2	ನೀಡಲ್ಪಟ್ಟ, ಚಂದಾ ಪಾವತಿಸಿರುವುದು ISSUED, SUBSCRIBED AND PAID UP ಪ್ರತಿ ಷೇರಿಗೆ ರೂ. 1000/- ದಂತೆ 500 ಈಕ್ವಿಟಿ ಷೇರು 500 Equity Shares of Rs. 1000/- each ಷೇರು ಹಂಚಿಕೆ ಮಾಡದಿರುವ ಷೇರಿನ ಅರ್ಜಿ ಹಣ Share application money received pending allotment	500,000 19,500,000
	ಒಟ್ಟು Total	20,000,000



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಬಿ

SCHEDULE - B

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ

FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

ಮೀಸಲು ಮತ್ತು ಹೆಚ್ಚುವರಿ ನಿಧಿ

RESERVES & SURPLUS

ಕ್ರ. ಸಂ. SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs.
A	ಸಾಮಾನ್ಯ ಮೀಸಲು ನಿಧಿ GENERAL RESERVE ಲಾಭ ಮತ್ತು ನಷ್ಟ ಖಾತೆಯಿಂದ ವರ್ಗಾಯಿಸಿದ್ದು Transferred from Profit and Loss Account	2,658,326
	ಒಟ್ಟು Total	2,658,326



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಸಿ
SCHEDULE - C

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ
FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

ಭದ್ರತಾ ಸಾಲಗಳು
BORROWINGS - SECURED

ಕ್ರ.ಸಂಖ್ಯೆ Sl. No.	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs.
A	ಯು ಟಿ ಐ ಬ್ಯಾಂಕ್ UTI BANK	54,631,607*
	ಒಟ್ಟು TOTAL	54,631,607

*ರೂ. 30 ಕೋಟಿ ಸಾವಧಿ ಠೇವಣಿ ಮೇಲಿನ ಭದ್ರತೆ

*Secured against fixed deposits with the bank amounting to Rs.30 crores



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಡಿ
SCHEDULE - D

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ
FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

ಭದ್ರತಾ ರಹಿತ ಸಾಲಗಳು
BORROWINGS - UNSECURED

ಕ್ರ.ಸಂಖ್ಯೆ Sl. No.	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs.
A	ಸರ್ಕಾರ ಸಾಲಗಳು Government loans ಕರ್ನಾಟಕ ಸರ್ಕಾರ Government of Karnataka	27,853,718
	ಒಟ್ಟು TOTAL	27,853,718

ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ -ಇ

SCHEDULE - E

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ
FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

(Amt. in Rs.)
(ಮೊತ್ತ ರೂಗಳಲ್ಲಿ)

ಸ್ಥಿರಾಸ್ತಿ
FIXED ASSETS

ಕ್ರಮ ಸಂಖ್ಯೆ S.I. No.	ವಿವರ Particulars	ಒಟ್ಟು ಆಸ್ತಿ / Gross Block			ಸವಕಳಿ / Depreciations / Amortisation			ನಿವ್ವಳ ಆಸ್ತಿ / Net Block			
		1ನೇ ಏಪ್ರಿಲ್ 2003 As at 1st April 2003	ಪ್ರಚ್ಛೇದನೆ Additions	ಕಡಿತ Deletion	31ನೇ ಮಾರ್ಚ್ 2004 As at 31st March 2004	31ನೇ ಮಾರ್ಚ್ 2003 ರ ತನಕ Up to 31st March 2003	ವರ್ಷದಲ್ಲಿ For the Year	ಕಡಿತ Deletions	31ನೇ ಮಾರ್ಚ್ 2004 As at 31st March 2004	31ನೇ ಮಾರ್ಚ್ 2003 As at 31st March 2003	
1	2	3	4	5	6	7	8	9	10	11	12
1.	ಕಛೇರಿ ಸಾಮಗ್ರಿ Office equipments		688,48		688,458		54,414		54,414	634,044	
2.	ಕಂಪ್ಯೂಟರ್ ಸಾಮಗ್ರಿ Computer Equipments		5,660,883		5,660,883		494,992		494,992	5,165,891	
3.	ಫೀರ್ಡೋಷಕರಣ ಮತ್ತು ಆಳವಡಿಕೆ Furniture and fixtures		4,883,045		4,883,045		1,737,175		1,737,175	3,145,870	
4.	ಅಗ್ನಿ ಶಾಮಕ ಸಾಮಗ್ರಿ Fire fighting Equipment		478,125		478,125		233,699		233,699	244,426	
5.	ವಿತ್ತಳಿಸಿ ಒಯ್ಯುವ ಸಾಮಗ್ರಿ Handling Equipment		935,000		935,000		10,170		10,170	924,830	
6.	ವಾಹನ Vehicle		673,420		673,420		43,117		43,117	630,303	
7.	ಕಂಪ್ಯೂಟರ್ ಸಾಫ್ಟ್‌ವೇರ್ Computer Software		2,232,652		2,232,652		744,217		744,217	1,488,435	
8.	ಗುತ್ತಿಗೆ ಅಧಾರದ ಅಭಿವೃದ್ಧಿಗಳು Lease hold Improvement		2,402,342		2,402,342		800,780		800,780	1,601,562	
	ಒಟ್ಟು Total		1,953,925		17,953,925		4,118,564		4,118,564	13,835,361	



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಎಫ್
SCHEDULE - F

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ
FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2004

ಚಾಲಿ ಆಸ್ತಿ
CURRENT ASSETS

ಕ್ರ.ಸಂಖ್ಯೆ Sl. No.	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs.	
ಎ)	ಚಿಲ್ಲರೆ ಸಾಲ, ಆಧಾರ ರಹಿತ ಹಾಗೂ ಸುಸ್ಥಿತಿಯಲ್ಲಿರುವುದೆನಿಸಿದವು SUNDRY DEBTORS, UNSECURED AND CONSIDERED GOOD		
	ಸಗಟು ಮಾರಾಟಗಾರರಿಂದ ಬಂದ ಹಣ Amount receivable from Wholesalers		
	ಎ) 6 ತಿಂಗಳು ಮೀರಿ a) More than six months	2,111,444	
	ಬಿ) 6 ತಿಂಗಳ ಒಳಗೆ b) Less than six months	3,604,228	
	ಬ್ಯಾಂಕುಗಳಿಂದ ಬರುವ ಬಡ್ಡಿ Interest receivable from banks	4,075,658	
	ಬರಬೇಕಾದ ಬಾಡಿಗೆ ವೆಚ್ಚ Hire Charges receivable	8,297	
	ಡಿಸ್ಟಿಲರಿಗಳಿಗೆ ಮೂಲದಲ್ಲಿ ಹಿಡಿದ ತೆರಿಗೆ ಮೇಲಿನ ಬಡ್ಡಿ ಪಾವತಿಸಿದ್ದು TDS Interest paid to Distilleries	221,187	
	ಸಾಗಣೆಯಲ್ಲಿರುವ ಸರಕು Goods-in-transit	175,706	10,196,520
ಬಿ)	ನಗದು ಮತ್ತು ಬ್ಯಾಂಕ್ ಶಿಲ್ಕು CASH AND BANK BALANCES		
	ನಗದು ಬಾಬು Cash on Hand	120,279	
	ಸಾಗಣೆಯಲ್ಲಿರುವ ನಗದು Cash on Transit	35,500	
	ಕೆನರಾ ಬ್ಯಾಂಕ್ Canara Bank	5,570,124	
	ಕೆನರಾ ಬ್ಯಾಂಕ್ ಅಲ್ಪಾವಧಿ ಠೇವಣಿ Canara Bank - Short Term Deposit	10,000,000	
	ಕಾರ್ಪೊರೇಷನ್ ಬ್ಯಾಂಕ್ Corporation Bank	4,979,149	
	ಕಾರ್ಪೊರೇಷನ್ ಬ್ಯಾಂಕ್ ಅಲ್ಪಾವಧಿ ಠೇವಣಿ Corporation Bank - Short Term Deposit	10,300,000	
	ಯು ಟಿ ಐ ಬ್ಯಾಂಕ್ ಅಲ್ಪಾವಧಿ ಠೇವಣಿ UTI Bank - Short Term Deposit	300,000,000	
	ಐ ಎನ್ ಜಿ ವೈಸ್ಯಾ ಬ್ಯಾಂಕ್ ING Vysya Bank	6,251,150	
	ಚೆಕ್‌ನ ಬಾಬು Cheques in hand		



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಜಿ
SCHEDULE - G

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ
FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

ಸಾಲ ಮತ್ತು ಮುಂಗಡ
LOANS AND ADVANCES

ಕ್ರ. ಸಂಖ್ಯೆ Sl. No.	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs.	
	ನಗದು ಅಥವಾ ಅಷ್ಟೇ ಮೌಲ್ಯದ ವಸ್ತುಗಳ ರೂಪದಲ್ಲಿ ಮರಳಿ ಪಡೆಯಬಹುದಾದುದು ಹಾಗೂ ಖಾತ್ರಿಯೆಂದು ಪರಿಗಣಿಸುವಂತಹದ್ದು Advances recoverable in cash or in kind or for value to be received and considered good		
ಎ.	ಆದಾಯ ತೆರಿಗೆ ಮುಂಗಡ ADVANCE INCOME TAX		9,566,000
	ಮೂಲದಲ್ಲಿ ಹಿಡಿಯಲಾಗುವ ತೆರಿಗೆ ಸಾವಧಿ ಠೇವಣಿ ಮೇಲೆ ಬಡ್ಡಿ ವಸೂಲಿ TDS and Interest recovered on FD		1,909,027
ಬಿ	ಭದ್ರತೆ ರಹಿತ ಮುಂಗಡ UNSECURED ADVANCES		
	ಸಿಬ್ಬಂದಿಗೆ ಮುಂಗಡ - ವೇತನ Advance to staff- Pay	8,430	
	ಸಿಬ್ಬಂದಿಗೆ ಮುಂಗಡ - ಪ್ರಯಾಣ Advance to staff - Travelling	17,590	
	ಮುಂಗಡ ಬಾಡಿಗೆ Advance Rent	11,400,492	11,426,512
ಸಿ	ಭದ್ರತಾ ಮುಂಗಡಗಳು SECURED ADVANCES		
	ಡಿಸ್ಟಿಲ್ಲರಿಗೆ ಮುಂಗಡ Advance to Distilleries		149,424,895
ಡಿ.	ಠೇವಣಿ DEPOSITS		
	ಠೇವಣಿ ಪಾವತಿಸಿದ್ದು Deposit Paid	6,975	
	ದೂರವಾಣಿ ಠೇವಣಿ Telephone Deposit	175,103	182,078
ಇ	ಪೂರ್ವ ಸಂದಾಯಿತ ಖರ್ಚುಗಳು PREPAID EXPENSES		2,938,323
	ಒಟ್ಟು TOTAL		175,446,835



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಹೆಚ್
SCHEDULE - H

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಆಯವ್ಯಯ ಪಟ್ಟಿಯ ಅನುಸೂಚಿ
FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2004

ಚಾಲ್ತಿಯಲ್ಲಿರುವ ಹೊಣೆಗಳು ಮತ್ತು ಹವಣಿಕೆಗಳು
CURRENT LIABILITIES AND PROVISIONS

ಕ್ರ.ಸಂಖ್ಯೆ SI. No.	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt.in Rs.	
ಎ	ಚಾಲ್ತಿ ಹೊಣೆ CURRENT LIABILITIES		
	ಚಿಲ್ಲರೆ ಸಾಲಗಳು ಮತ್ತು ಉತ್ಪಾದಕರಿಗೆ Sundry Creditors - Distilleries	564,666,675	
	ಚಿಲ್ಲರೆ ಸಾಲಗಳು ಆರ್.ಎಸ್. ಉತ್ಪಾದಕರಿಗೆ Sundry Creditors - RS Distilleries	26,413,474	
	ಚಿಲ್ಲರೆ ಸಾಲಗಳು - ಸರಬರಾಜುದಾರರಿಗೆ Sundry Creditors - Suppliers	337,010	591,417,159
	ಇತರೆ ಠೇವಣಿ Miscellaneous Deposit	591,818	
	ಸರಬರಾಜುದಾರರು ಮತ್ತು ಇತರರಿಂದ ಪಡೆದ ಠೇವಣಿ Deposits received from Suppliers and others	90,312	
	ಇತರರ ಪರವಾಗಿ ಪಡೆದದ್ದು Receipts on behalf of Others	164,579	846,709
			592,263,868
ಬಿ	ಹವಣಿಕೆಗಳು PROVISIONS		
	ಕರ್ನಾಟಕ ಸರ್ಕಾರಕ್ಕೆ ಕೊಡಬೇಕಾದ ಗೌರವ ಶುಲ್ಕ Privilege Fee Payable to Govt of Karnataka	35,400,000	
	ಬಾಡಿಗೆ ಮತ್ತು ಬಾಡಿಗೆ ಖರ್ಚುಗಳು Rent and Hire charges	8,719,082	
	ಆಡಳಿತಾತ್ಮಕ ವೆಚ್ಚಗಳು Establishment expenses	2,852,502	
	ಮೂಲದಲ್ಲಿ ಹಿಡಿಯಲಾಗುವ ತೆರಿಗೆ - ಸಿಬ್ಬಂದಿ, ಸರಬರಾಜು ಮತ್ತು ಸೇವೆಗಳು TDS - Establishment and Supplies & Services	846,503	
	ಸಂದಾಯವಾಗಬೇಕಾದ ಮೂಲದಲ್ಲಿ ಹಿಡಿಯಲಾಗುವ ತೆರಿಗೆ TCS payable	9,954,974	
	ಸಂದಾಯವಾಗಬೇಕಾದ ಆದಾಯ ತೆರಿಗೆ Income Tax Payable	1,021,328	58,794,389
	ಒಟ್ಟು TOTAL		651,058,257



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಐ
SCHEDULE - I

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಲಾಭ ಮತ್ತು ನಷ್ಟ ತಃಖ್ತೆಯ ಅನುಸೂಚಿ
FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 31st MARCH 2004

ಆಡಳಿತ ಮತ್ತು ಸಾಧಾರಣ ಖರ್ಚುಗಳು

ADMINISTRATIVE AND GENERAL EXPENSES

ಕ್ರ.ಸಂಖ್ಯೆ SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs	
	ಸಿಬ್ಬಂದಿ ವೆಚ್ಚಗಳು ESTABLISHMENT EXPENSES		
1	ಸಂಬಳ ಮತ್ತು ಮಜೂರಿ Salaries and Wages	19,715,799	
2	ಭವಿಷ್ಯ ನಿಧಿಗೆ ಉದ್ಯೋಗದಾತನ ವಂತಿಗೆ Employer's contribution to Provident Fund	1,507,089	
3	ಕಾರ್ಮಿಕ ರಾಜ್ಯ ವಿಮೆಗೆ ಉದ್ಯೋಗದಾತನ ವಂತಿಗೆ Employer's contribution to ESI	25,087	
4	ಪ್ರಯಾಣದ ಖರ್ಚುಗಳು Travelling Expenses	1,084,565	
5	ಸಾರಿಗೆ ಖರ್ಚು Conveyance Expenses	257,563	
6	ಸಿಬ್ಬಂದಿ ತರಬೇತಿ ಖರ್ಚು Staff Training Expenses	55,400	
7	ಆತಿಥ್ಯ ಖರ್ಚು - ಸಿಬ್ಬಂದಿ Entertainment Expenses - Staff	362,400	
8	ವೈದ್ಯಕೀಯ ವೆಚ್ಚ Medical Expenses	486,901	
9	ಭದ್ರತಾ ಸಿಬ್ಬಂದಿಯ ಸಂಭಾವನೆ Remuneration for Security Services	3,274,092	
10	ರಜಾ ವೇತನ ವಂತಿಗೆ Leave Salary Contribution	1,055,648	
11	ನಿವೃತ್ತಿ ವೇತನ ವಂತಿಗೆ Pension Contribution	701,102	
12	ಗ್ರಾಚ್ಯುಯಿಟಿ ವಂತಿಗೆ Gratuity Contribution	672,932	29,198,578
	ಸಾಮಾನ್ಯ ವೆಚ್ಚಗಳು GENERAL EXPENSES		
13	ಬಾಡಿಗೆ Rent	20,011,857	



ಕ್ರ.ಸಂಖ್ಯೆ SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs	
14	ಕಂದಾಯ ಮತ್ತು ತೆರಿಗೆಗಳು Rates and Taxes	876,408	
15	ಪುಸ್ತಕ ಮತ್ತು ನಿಯತಕಾಲಿಕೆಗಳು Books and Periodicals	77,361	
16	ಕಂಪ್ಯೂಟರ್ ಗೆ ಸಂಬಂಧಿಸಿದ ನಿಯೋಜನೆಯಾಗಿ ವಸ್ತುಗಳು Computer Consumables	588,498	
17	ಆತಿಥ್ಯ ಖರ್ಚು Entertainment Expenses	171,367	
18	ವಿದ್ಯುಚ್ಛಕ್ತಿ ವೆಚ್ಚ Electricity Charges	450,415	
19	ಮುದ್ರಣ ಮತ್ತು ಲೇಖನ ಸಾಮಗ್ರಿ Printing and Stationery	1,597,695	
20	ಅಂಚೆ ಮತ್ತು ಕೂರಿಯರ್ Postage and Courier	246,134	
21	ದೂರವಾಣಿ ವೆಚ್ಚ Telephone Expenses	2,182,317	
22	ಬಾಡಿಗೆ ವೆಚ್ಚ Hire Charges	1,427,746	
23	ನೀರಿನ ಖರ್ಚು Water Charges	112,560	
24	ವಂತಿಗೆ Donations	55,000	
25	ಕಛೇರಿ ವೆಚ್ಚ Office Expenses	953,891	
26	ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಸಂಬಂಧಿ ವೆಚ್ಚ Expenses to Auditors	16,686	
27	ಶಾಸನಬದ್ಧ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಸಂಭಾವನೆ Statutory Auditors Remuneration	110,200	
28	ಶಾಸನಬದ್ಧ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಇತರ ವೆಚ್ಚ Out of Pocket Expenses-Statutory Auditors	29,396	
29	ತೆರಿಗೆ ಲೆಕ್ಕ ಪರಿಶೋಧನ ಶುಲ್ಕ Tax Audit Fees	22,040	
30	ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಶುಲ್ಕ Internal Audit Fees	801,360	
31	ಜಾಹೀರಾತು ಮತ್ತು ಪ್ರಚಾರ Advertisement and Publicity	366,076	
32	ವೃತ್ತೀಯ ಮತ್ತು ಕಾನೂನು ವೆಚ್ಚಗಳು Professional and Legal Charges	6,070,490	
33	ಇತರ ವಿಮೆ Other Insurance	5,723	



ಕ್ರ.ಸಂಖ್ಯೆ SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs	
34	ವಾಹನ ಮತ್ತು ಯಂತ್ರೋಪಕರಣದ ಮೇಲಿನ ವಿಮೆ Insurance on Vehicles and Machinery	1,966,342	
35	ಇತರ ವೆಚ್ಚಗಳು Miscellaneous Expenses	328,494	
36	ಸಲಹಾ ಖರ್ಚು Consultancy Charges	574,567	39,042,622
	ನಿರ್ವಹಣಾ ವೆಚ್ಚಗಳು MAINTENANCE EXPENSES		
37	ಕಟ್ಟಡ ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ Repairs and Maintenance of Buildings	159,121	
38	ಕಂಪ್ಯೂಟರ್ ದುರಸ್ತಿ ಹಾಗೂ ನಿರ್ವಹಣೆ Repairs and Maintenance - Computer Equipment	8,741	
39	ಪೀಠೋಪಕರಣ ಹಾಗೂ ಜೋಡಣೆಗಳ ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ Repairs and Maintenance - Furniture and fixtures	4,084	
40	ಕಛೇರಿ ಸಾಮಗ್ರಿಗಳ ದುರಸ್ತಿ ಹಾಗೂ ನಿರ್ವಹಣೆ Repairs and Maintenance - Office Equipment	13,560	
41	ಇತರೆ ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ Repair and Maintenance of others	71,325	
42	ವಾಹನಗಳ ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ Repairs and Maintenance Motor Vehicles	58,740	315,571
	ಇತರೆ OTHERS		
43	ಅಭಿವೃದ್ಧಿ ವೆಚ್ಚ Development Expenses	276,158	
44	ಮಾಹಿತಿ ಸಂಸ್ಕರಣೆಯ ವೆಚ್ಚ Data Processing Charges	1,146,367	
45	ಪ್ಯಾಕಿಂಗ್ ಮತ್ತು ಸಾಗಾಣಿಕೆ ಖರ್ಚು Packing, Forwarding and Freight	1,674,267	
46	ಶೇಖರಣಾ ವೆಚ್ಚ Storage Charges	10,147	
47	ಸೋಡಿ ನೀಡಿಕೆ Discount Allowed	549,274	
48	ಮಂಡಳಿ ಸಭೆಯ ವೆಚ್ಚ Expenses on Board Meeting	2,025	
49	ಡೆಪೋ ವ್ಯವಸ್ಥಾಪಕರ ಸಭೆಯ ವೆಚ್ಚ Expenses on Depot Managers Meeting	92,740	
50	ಡೆಪೋ ನಷ್ಟ Depot Damages	1,066,760	4,817,739
	ಒಟ್ಟು TOTAL		73,374,510



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಜೆ
SCHEDULE - J

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ತಃಖ್ತೆಯ ಅನುಸೂಚಿ
FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 31st MARCH 2004

ನಿರ್ವಹಣಾ ಸಂಭಾವನೆ
MANAGERIAL REMUNERATION

ಕ್ರ.ಸಂಖ್ಯೆ SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂಗಳಲ್ಲಿ Amt. in Rs.	
A	ಪೂರ್ಣಾವಧಿ ನಿರ್ದೇಶಕರುಗಳು (ವ್ಯ. ನಿ.) WHOLETIME DIRECTORS (MD)		
	ಸಂಬಳ ಮತ್ತು ಭತ್ಯೆ Salary and Allowances	407,699	
	ಪ್ರಯಾಣ ವೆಚ್ಚಗಳು Travelling Expenses	172,803	
	ವೈದ್ಯಕೀಯ ಮರು ಪಾವತಿ ವೆಚ್ಚ Reimbursement of Medical Expenses	747	
	ರಜೆ ವೇತನ ವಂತಿಕೆ Leave Salary Contribution	24,992	
	ಪಿಂಚಣಿ ವಂತಿಕೆ Pension Contribution	46,249	652,490
B	ಇತರೆ ನಿರ್ದೇಶಕರುಗಳು OTHER DIRECTORS		
	ಸಾರಿಗೆ ಮತ್ತು ವಾಹನ ಭತ್ಯೆ TA and Conveyance Allowance	12,901	
	ಆಸೀನ ಶುಲ್ಕ Sitting Fees	1,500	14,401
	ಒಟ್ಟು TOTAL		666,891



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
KARNATAKA STATE BEVERAGES CORPORATION LIMITED

ಅನುಸೂಚಿ - ಕೆ

SCHEDULE - K

31ನೇ ಮಾರ್ಚ್ 2004ರಲ್ಲಿದ್ದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ತಃಖ್ತೆಯ ಅನುಸೂಚಿ

FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 31st MARCH 2004

ಆರ್ಥಿಕ ವೆಚ್ಚಗಳು

FINANCE CHARGES

ಕ್ರ. ಸಂಖ್ಯೆ SI No	ವಿವರಗಳು Particulars	ಮೊತ್ತ ರೂ.ಗಳಲ್ಲಿ Amt. in Rs.
1	ಬ್ಯಾಂಕ್ ಓ.ಡಿ. ಮೇಲಿನ ಬಡ್ಡಿ Interest paid on Overdraft	1,615,712
2	ಬ್ಯಾಂಕಿನ ವೆಚ್ಚ Bank charges	30,294
3	ಸಾಲ ಪಡೆಯುವಲ್ಲಾದ ಖರ್ಚು Expenses on availment of loan	31,410
4	ಎಂ.ಎಸ್.ಐ.ಎಲ್.ಗೆ ನೀಡಿದ ಬಡ್ಡಿ Interest paid to MSIL	485,165
	ಒಟ್ಟು Total	2,162,581



KARNATAKA STATE BEVERAGES CORPORATION LIMITED

SCHEDULE - L

FORMING PART OF 2003-2004 ACCOUNTS

NOTES ON ACCOUNTS:

1. Nature of Operations:

The Company set up as a Government of Karnataka undertaking to canalise sales of IML and Beer in the State was incorporated on 2.6.2003. Canalising of RS sales through the company was also effected in a limited manner from 01.11.2003.

2. Contingent Liability not provided for: Rs. NIL

3. Consequent to setting up of KSBCL, physical verification of MSIL stocks in the Depots was conducted by the Institute of Cost & Works Accountants of India, Bangalore Chapter, from 19th June to 21st June, 2003 in the presence of the MSIL representative and an official from the Excise Department. The Institute classified the inventory as: (i) saleable stocks Rs. 15.95 crores; (ii) slow/non moving stocks to the extent of Rs.5.36 crores and damaged/missing stocks amounting to Rs. 0.45 crore respectively.

Pending treatment of account in respect of damaged/missing stocks of stocks, KSBCL took over the available stocks amounting to Rs.20.84 crores as per the MSIL stock ledger value on 1st July 2003. MSIL has been informed of the results of physical verification of stocks.

4. Consequent to reduction in duties, the selling prices of IML and beer were revised with effect from 01.07.2003. As a result, MSIL stocks to the extent of Rs.11.39 crores has been sold during the year 2003-2004 at reduced rates. The loss on account of: (i) sales at reduced rates amounting to Rs. 3.65 crores; and (ii) revaluation of closing stock at KSBCL's price as on 31st March 2004 amounting to Rs.2.49 crores will be borne by MSIL as per Government of Karnataka letter No.FD 14 PES 2004 dated 27.03.2004.

5. (a) KSBCL as custodian of stocks delivered by Manufacturers/Suppliers, held inventory of 877245 CBs amounting to Rs.103.20 crores in its godowns on behalf of Manufacturers/Suppliers as at the end of 31st March 2004.

(b) Following are inventory particulars:

	Qty. in CBs	Value (Rs. in crores)
i. Opening Stock	Nil	Nil
ii. Purchases	12364519	1274.78
iii. Sales	12336460	1297.30
iv. Shortages/Damages	1066	0.11
v. Closing Stock	26993	3.30



6. Bank balances include an amount of Rs.32.40 crores due to the suppliers of liquor & beer towards value of sales effected for the period from 25.03.2004 to 31.03.2004; but paid on 3rd April, 2004.
7. Letters seeking confirmation of balances as on 31.03.2004 in respect of Sundry Creditors and Advance to Distilleries have been sent and their response is awaited.
8. There are no earnings and/or outgo in foreign exchange.
9. Stock includes items taken over from MSIL on 01.07.2003. Goods supplied by manufacturers against Orders for Supplies are held in the custody at the depots of the Corporation. The Company has a policy of levying demurrage on slow moving stocks which are more than two months but less than three months old at the rate of Re.1/- per carton box per month and in respect of stocks which are more than three months old, at a rate of Rs.2/- per carton box per day.
10. This being the first year of the Company, previous year's figures do not arise.
11. The Manufacturers and Suppliers are paid to the extent of sale of their products every week. Hence, there are no dues beyond 30 days to small scale industries.
12. Consequent to preliminary comments/observations of the Comptroller & Auditor General, the Company has effected revision in the following items:
 - (i) Value of non-MSIL Stocks amounting to Rs.103.20 crores has been removed from the books of accounts - Refer Note. No.5(a).
 - (ii) Stock taken over from MSIL has been valued at KSBCL's price prevalent as at the end of 31st March 2004 resulting in a loss of Rs.2.49 crores to be absorbed by MSIL – Refer Note No. 4.
 - (iii) Demurrage charges amounting to Rs.12.63 lakhs on MSIL stocks taken over originally debited to MSIL A/c has been reversed.
 - (iv) Administrative & General Expenses have undergone change with creation of provision towards leave salary contribution amounting to Rs.8.58 lakhs and electricity charges amounting to Rs.1.60 lakhs respectively.
 - (v) Assets costing Rs.5000/- or less individually is now written off by charging full depreciation amounting to Rs.20.65 lakhs duly withdrawing excess depreciation of Rs.0.44 lakh.
 - (vi) On account of the above revisions, the current assets have reduced by Rs.105.12 crores and current liabilities by Rs.105.32 crores respectively. Additional provision to Profit & Loss Account is Rs.43.06 lakhs.
13. In pursuance of Government of Karnataka Notification No.FD 14 PES 2004 dated 02.11.2004, Company made an additional provision of Rs.3.54 crores towards privilege fee payable to Government as against Rs.3.99 crores originally provided for.



14. Net Impact of revision of accounts is the increase in pre-tax profit from Rs.38.95 lakhs to Rs.41.46 lakhs.

15. Related Party Disclosure :

Key Management Personnel:

Managing Director – Remuneration: Rs.6,52,490/- for the year 2003-04.

Signatories to Accounting Policies and Schedules “A” to “L”

As per our report of even date
for Karra & Co
Chartered Accountants

sd/-
(R. Sivakumar)
Partner

sd/-
(R. Ramaseshan)
Managing Director

sd/-
(K.P. Pandey)
Chairman

Place : Bangalore
Date : 08.11.2004



**KARRA & CO.,
CHARTERED ACCOUNTANTS**

**No. 27, II Floor,
Anand Chambers,
Elephant Rock Road,
Jayanagar III Block,
Bangalore – 560 011
Ph. – 26651762 / 26539240**

AUDITORS' REPORT

We had earlier given our report dated 10th September 2004 on the Balance sheet of **Karnataka State Beverages Corporation Limited (The Company)** as at 31st March 2004 and the Profit & Loss Account and the Cash Flow statement of the Company for the period from 02.6.2003 to 31.03.2004 on that date duly approved by the Board of Directors on 10th September 2004.

We had also given another report dated 30th October 2004 on the revised Balance sheet of **Karnataka State Beverages Corporation Limited (The Company)** as at 31st March 2004 and the revised Profit & Loss Account and the revised Cash Flow statement of the Company for the period from 02.6.2003 to 31.03.2004 on that date duly approved by the Board of Directors on 29th October 2004 on the basis of the observations on the said accounts by the Comptroller & Auditor General as was indicated in Para 12 of Notes on accounts.

Subsequent to the above two reports, the Company has in the light of observations of the Comptroller & Auditor General and after obtaining the approval of authority for the payment of privilege fees payable to Government of Karnataka has reclassified and renumbered the notes on account as Note No. 12 (Observations of the Comptroller & Auditor General) & Note no. 13 (relating to Privilege fee) of the Notes on accounts. The Company has also added Note No. 14 disclosing the effect on the Pre tax Profits, subsequent to the revision carried out in the accounts dated 29.10.2004.

We have audited the attached Balance Sheet of **Karnataka State Beverages Corporation Limited (The Company)** as at 31st March 2004 and the Profit and Loss Account and Cash Flow Statement of the Company for the period from 02.6.2003 to 31.03.2004 on that date annexed there to incorporating the reclassified and renumbered Notes on Accounts as approved by the Board of Directors on 8th November 2004. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) and 4(D) and of the Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in the paragraph 4 and 5 of the said order.

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

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.



2. In our opinion, proper books of accounts, as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the directors as on 31st March 2004, we report that none of the directors is disqualified as on 31st March 2004 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
6. Subject to the following
 - a. *Note No. 07 in Notes on accounts pertaining to non confirmation of balances of sundry creditors and Advances to Distilleries,*
 - b. *Note 14 on the net increase in the profits before tax to the extent of Rs 250,297/- and the other changes in the items viz Inventories, Sundry Creditors, Fixed Assets and Deferred Taxes in the Balance Sheet after the said revision as carried out on 29.10.2004.*
 - c. *There is no impact on any of the items in Balance Sheet, Profit & Loss Account & Cash Flow Statement on account of the reclassification and renumbering the Notes on Accounts*

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2004;
- b. in the case of Profit and Loss Account of the Profit for the period ended on that date; and
- c. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

For KARRA & Co.,
Chartered Accountants
Sd/-
R. Sivakumar
Partner

Place: Bangalore
Date: 08th November 2004



ANNEXURE TO THE AUDITORS' REPORT

**Referred to in the Auditors' report to the Members of
Karnataka State Beverages Corporation Limited for the period ended 31st March 2004.**

1. FIXED ASSETS:

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a substantial part of its fixed assets.

2. INVENTORIES:

- (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification. Such discrepancies as were noticed have been properly dealt with in the books of accounts;

3. TRANSACTION WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT, 1956.

- (a) The company has neither granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) As the company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act, points 4 (iii)(b) to (d) are not applicable.

4. In our opinion and as per the information and explanations furnished to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



5. There are no transactions that need to be entered into a register in pursuance of Section 301 of the Act. In view of the fact that there are no transactions that need to be entered into a register in pursuance of section 301 of the Act, point 5(b) is not applicable.
6. The company has not accepted deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58 AA of the Companies Act, and the rules framed thereunder are not applicable.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under clause (d) of subsection (1) of section 209 of the Act.
9. **STATUTORY DUES:**
 - (a) As per information and explanations furnished to us and on the basis of our examination of the books of accounts, the company has personnel deputed from other state government organisations, in respect of whom all statutory payments with regard to Provident Fund and Employees' State Insurance, have been made to the parent organisations. The company is generally regular in depositing undisputed statutory dues relating to Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of dues of sales tax / income-tax / custom tax/ wealth tax/ excise duty/ cess were in arrears as at 31.3.2004 for a period of more than six months from the date they became payable.
10. There are no accumulated losses and the company has not incurred cash losses during the financial year covered by our audit.
11. The Company has not defaulted in repayment of dues to a Financial Institution or bank or debenture holders
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund / nidhi / mutual benefit fund / society. Hence, the provisions of clause 4(xiii) of the CARO, 2003 are not applicable



14. The company is not dealing or trading in shares, securities, and debentures and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not obtained any term loan during the period under audit.
17. According to the Cash Flow Statement and other records examined by us and information and explanation given to us, on an overall basis, funds raised on short term basis have prima facie not been used for long term investment and vice versa.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The company has not issued debentures hence no securities have been created.
20. No money has been raised by public issues by the company.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For KARRA & Co.,
Chartered Accountants
Sd/-
R. Sivakumar
Partner

Place: Bangalore
Date: 08th November 2004



Indian Audit and Accounts Department

Office of the Principal Accountant General (Audit) I Karnataka,
'C' Block, New Building, P.B. No. 5398,
Bangalore - 560 001. Ph : 22269591 / Fax : 080-22380014
E-mail : pragkar@vsnl.com

CAW/CA-I/2004-05/K-262(2)/116

10 November 2004

The Managing Director
Karnataka State Beverages Corporation Limited,
2nd Floor, Trade Centre,
116/2, Race Course Road,
Bangalore - 560 001

Sir,

Sub : Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Karnataka State Beverages Corporation Limited, BANGALORE for the period from 2nd June 2003 to 31st March 2004.

I am to forward herewith Nil comments under Section 619(4) of the Companies Act, 1956 on the accounts of **Karnataka State Beverages Corporation Limited, BANGALORE** for the period from **2nd June 2003 to 31st March 2004**.

2. A copy of the proceedings of the Annual General Meeting adopting the certified accounts, Auditors' Report thereon and the Comments of the Comptroller and Auditor General of India may be forwarded to this office immediately after the conclusion of the Annual General Meeting. Six copies of the printed Annual Reports may also be sent to this office.

3. Receipt of the letter and the enclosures may please be acknowledged.

Yours faithfully,

Sd/-

(K.P. LAKSHMANA RAO)

PR. ACCOUNTANT GENERAL (AUDIT)-I
KARNATAKA, BANGALORE



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF KARNATAKA STATE BEVERAGES CORPORATION LIMITED, BANGALORE FOR THE PERIOD FROM 2nd JUNE 2003 TO 31st MARCH 2004.

“In view of the revisions made in the accounts as a result of the observations made by the Comptroller and Auditor General of India as indicated in Para 1 of the Auditors’ Report to the Shareholders and Note No. 12 of notes forming part of accounts, there are no further comments to offer upon or supplement to the Auditors’ Report under Section 619(4) of the Companies Act, 1956 on the accounts of Karnataka State Beverages Corporation Limited, Bangalore for the period from 2nd June 2003 to 31st March 2004”.

Sd/-
(K.P. LAKSHMANA RAO)
PR. ACCOUNTANT GENERAL (AUDIT)-I
KARNATAKA, BANGALORE

Bangalore
Dated : 10th November 2004





ಸ್ಥಿತಿ ವಿವರಣಾ ಪಟ್ಟಿಯ ಸಾರಾಂಶ ಮತ್ತು ಕಂಪನಿ ಸಾಧಾರಣ ವ್ಯವಹಾರ ಚಿತ್ರಣ

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(ಕಂಪನಿ ಕಾಯಿದೆ 1956ರ ಅನುಸೂಚಿ 6 ಭಾಗ 4 ರಂತೆ)

(Pursuant to part IV of schedule VI to the Companies Act 1956)

ನೋಂದಣಿ ವಿವರ

I Registration Details

ನೋಂದಣಿ ಸಂಖ್ಯೆ

Registration No.

0	8	0	2	0	3	3
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ರಾಜ್ಯದ ಸಂಖ್ಯೆ

0	8
---	---

ಆಯವ್ಯಯ ಪಟ್ಟಿ ದಿನಾಂಕ

Balance Sheet Date

3	1
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0	3
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2	0	0	4
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ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ ಪಡೆದ ಬಂಡವಾಳ (ಮೊತ್ತ ರೂ. ಸಾವಿರಗಳಲ್ಲಿ)

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

ಸಾರ್ವಜನಿಕ ವಿತರಣೆ

Public Issue

N	I	L
---	---	---

ರೈಟ್ ವಿತರಣೆ

Right Issue

N	I	L
---	---	---

ಬೋನಸ್ ವಿತರಣೆ

Bonus Issue

N	I	L
---	---	---

ಖಾಸಗಿ ವಿತರಣೆ

Private Placement

N	I	L
---	---	---

ಬಂಡವಾಳದ ಕ್ರೋಢೀಕರಣ ಮತ್ತು ವಿನಿಯೋಗ (ಮೊತ್ತ ರೂ. ಸಾವಿರಗಳಲ್ಲಿ)

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

ಒಟ್ಟು ಹೊಣೆಗಳು

Total Liabilities

0	0	1	0	5	6	1	0
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ಒಟ್ಟು ಆಸ್ತಿ

Total Assets

0	0	1	0	5	6	1	0
---	---	---	---	---	---	---	---

ಬಂಡವಾಳದ ಮೂಲಗಳು

Source of Funds

ಪೂರ್ಣ ಪಾವತಿಯಾದ ಬಂಡವಾಳ

Paid-up Capital

0	0	2	0	0	0	0
---	---	---	---	---	---	---

ಮೀಸಲು ಮತ್ತು ಮಿತಿ

Reserves & Surplus

0	0	0	0	2	6	5	8
---	---	---	---	---	---	---	---

ಭದ್ರತಾ ಸಾಲಗಳು

Secured Loans

0	0	0	5	4	6	3	2
---	---	---	---	---	---	---	---

ಭದ್ರತೆ ಇಲ್ಲದ ಸಾಲಗಳು

Unsecured Loans

0	0	0	2	7	8	5	4
---	---	---	---	---	---	---	---

ಪ್ರಗತಿಯಲ್ಲಿರುವ ಬಂಡವಾಳ

Application of Funds

ನಿವ್ವಳ ಸ್ಥಿರ ಆಸ್ತಿ

Net Fixed Assets

0	0	0	1	3	8	3	5
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ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆಗಾರಿಕೆ

DTL

1	1	9	0
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ನಿವ್ವಳ ಚಾಲ್ತಿ ಆಸ್ತಿ

Net Current Assets

0	0	0	9	1	2	5	1
---	---	---	---	---	---	---	---

ಹೂಡಿಕೆಗಳು

Investment

N	I	L
---	---	---

ಕ್ರೋಢೀಕೃತ ನಷ್ಟ

Accumulated Losses

N	I	L
---	---	---

ಇತರ ವೆಚ್ಚಗಳು

Misc. Expenditure

5	2	3
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ನಿಗಮದ ಸಾಧನೆ (ಮೊತ್ತ ಸಾವಿರ ರೂಗಳಲ್ಲಿ)

IV Performance of Company (Amount in Rs. Thousands)

ವಹಿವಾಟು

Turn Over

1	3	0	6	9	9	7	2
---	---	---	---	---	---	---	---

ಒಟ್ಟು ವೆಚ್ಚ

Total Expenditure

0	0	2	9	5	5	8	4
---	---	---	---	---	---	---	---

ತೆರಿಗೆ ಮುನ್ನ ಲಾಭ

Profit Before Tax

0	0	0	4	1	4	5
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ತೆರಿಗೆ ನಂತರ ಲಾಭ

Profit/Loss After Tax

0	0	0	2	6	5	8
---	---	---	---	---	---	---

ಪ್ರತಿ ಷೇರಿನ ಗಳಿಕೆ

Earnings per share in Rs.

1	3	3
---	---	---

ಲಾಭಾಂಶದ ದರ

Dividend Rate %

N	I	L
---	---	---

ನಿಗಮದ ಪ್ರಮುಖ ಮೂರು ಉತ್ಪನ್ನಗಳ ಸಾಮಾನ್ಯ ಹೆಸರು/ನಿಗಮದ ಸೇವೆಗಳು

V Generic Names of Three Principal Products/Services of Company

ವಸ್ತುವಿನ ಕಲಂ ಸಂಖ್ಯೆ

Item code No.

N	I	L
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ಉತ್ಪನ್ನದ ವಿವರ

Product Description

I	M	L	BEER	SPIRIT
---	---	---	------	--------





**2003-04ನೇ ಸಾಲಿನ
ಪ್ರವೃತ್ತಿ - ಸಾಧನೆಗಳ ಮುಖ್ಯಾಂಶಗಳು**

**TRENDS & PERFORMANCE
HIGHLIGHTS 2003-04**





KARNATAKA STATE BEVERAGES CORPORATION LIMITED
ABSTRACT OF SALES PERFORMANCE FROM JULY'03 TO MARCH '04

Qty : in CBs
 Value Rs.in lakhs

IML & BEER SALES PERFORMANCE FROM JULY'03 TO MARCH'04

MONTH	IML		BEER		TOTAL VALUE
	QTY	VALUE	QTY	VALUE	
JUL	600362	9160.94	449299	2029.60	11190.54
AUG	756054	11287.06	425115	1912.03	13199.09
SEP	771836	11659.05	496196	2237.68	13896.73
OCT	830715	12633.72	585810	2641.33	15275.05
NOV	756760	11388.13	554557	2508.07	13896.20
DEC	873755	13606.96	625268	2830.40	16437.36
JAN	819258	12321.53	606916	2745.75	15067.28
FEB	772176	11499.95	667073	3017.96	14517.91
MAR	852848	12223.81	892462	4025.53	16249.34
TOTAL	7033764	105781.15	5302696	23948.35	129729.50

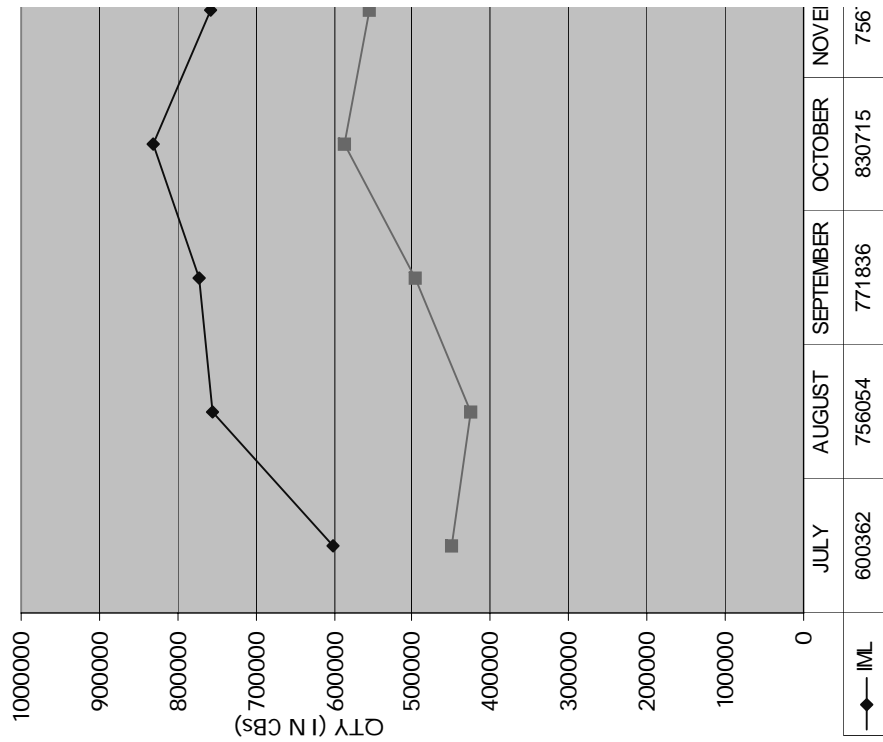
Qty : in Bulk Litres
 Value in Rs.lakhs

SPIRIT SALES PERFORMANCE FROM JANUARY'04 TO MARCH'04

MONTH	RECTIFIED SPIRIT		DENATURED SPIRIT		TOTAL VALUE
	QTY	VALUE	QTY	VALUE	
JAN	1432500	281.37	110500	16.06	297.43
FEB	1713200	337.67	115000	17.51	355.18
MAR	1114475	290.81	133000	26.80	317.60
TOTAL	4260175	909.85	358500	60.36	970.22

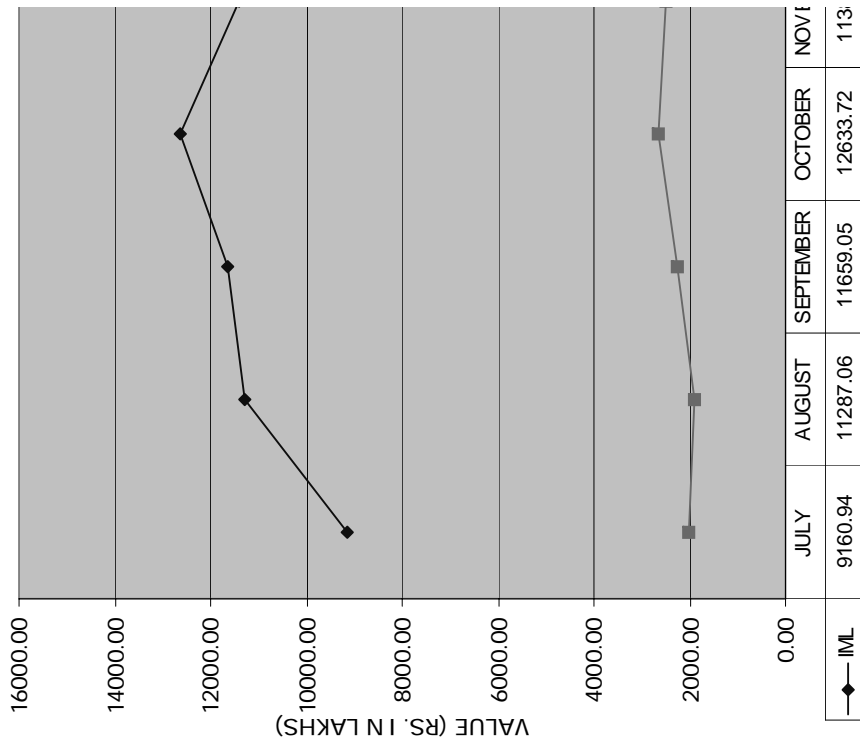


KARNATAKA STATE BEVERAGES CORPORATION LIMITED
MONTHLYWISE IML & BEER SALES PERFORMANCE
FROM JULY 2003 TO MARCH 2004
(QUANTITY : IN CBS)



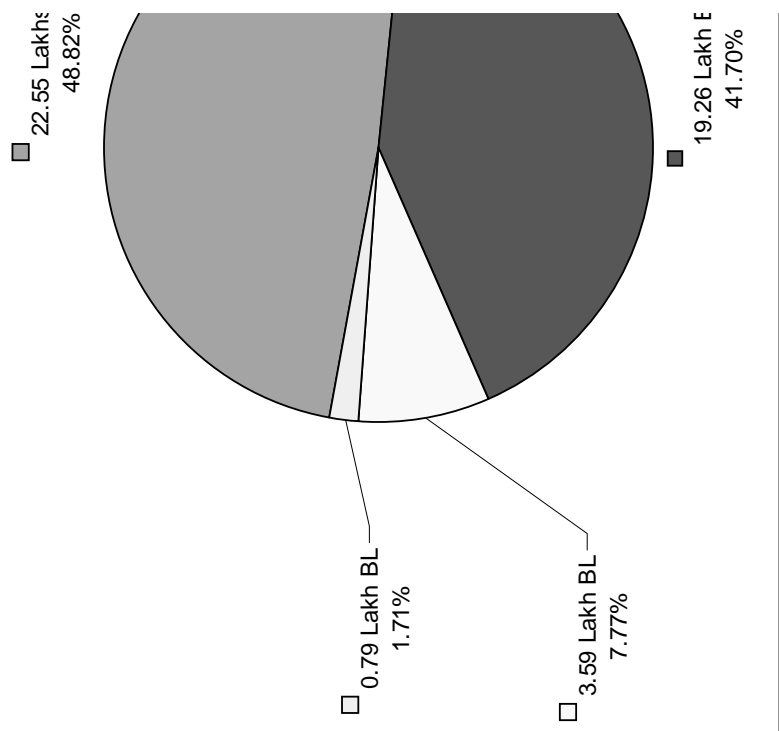


KARNATAKA STATE BEVERAGES CORPORATION LIMITED
MONTHLYWISE IML & BEER SALES PERFORMANCE
FROM JULY 2003 TO MARCH 2004
(VALUE : RS. IN LAKHS)





KARNATAKA STATE BEVERAGES CORPORATION LIMITED
PRODUCTWISE COMPOSITION OF SPIRIT SALES
FOR THE PERIOD JANUARY'04 TO MARCH'04
QUANTITY IN LAKH BULK LITRES





KARNATAKA STATE BEVERAGES CORPORATION LIMITED
DEPOTWISE SALE OF IML & BEER FOR THE PERIOD JULY '03 TO MARCH '04

QTY : in CBs
 VALUE : Rs in Lakhs

DEPOT	IML		BEER		TOTAL VALUE	Value in %
	Qty	Value	Qty	Value		
MYSORE ROAD	1169315	18698.23	815969	3620.42	22318.65	17.20
PEENYA	923516	13748.49	894813	3955.26	17703.75	13.65
PLATFORM ROAD	911969	14019.84	546010	2438.20	16458.04	12.69
MANGALORE	392509	5596.93	360416	1570.92	7167.85	5.53
MYSORE	374545	5813.60	207446	916.87	6730.47	5.19
BELGAUM	308926	4358.30	259703	1245.35	5603.65	4.32
UDUPI	255097	3505.56	206176	913.21	4418.77	3.41
GULBARGA	242694	3462.04	200943	947.35	4409.39	3.40
BANGARPET	222502	3232.06	148370	670.74	3902.80	3.01
DHARWAD	203225	2960.63	189817	890.77	3851.40	2.97
BELLARY	189881	2844.70	160979	736.98	3581.68	2.76
TUMKUR	206569	3069.61	103156	465.89	3535.50	2.73
HASSAN	168053	2688.88	81987	360.80	3049.68	2.35
DAVANAGERE	175219	2555.33	101790	465.57	3020.90	2.33
BIJAPUR	163677	2318.88	145938	692.94	3011.82	2.32
SHIMOGA	166813	2501.18	99862	448.85	2950.03	2.27
RAICHUR	145341	2115.22	140352	652.21	2767.43	2.13
CHICKMAGALUR	139035	2048.34	60192	263.01	2311.35	1.78
KUSHALNAGAR	110717	1745.06	59449	258.59	2003.65	1.54
MANDYA	103903	1617.90	69443	305.60	1923.50	1.48
SIRSI	94303	1327.28	114368	533.19	1860.47	1.43
BIDAR	89671	1280.72	99172	469.31	1750.03	1.35
BAGALKOT	83572	1152.24	74985	358.28	1510.52	1.16
HAVERI	64078	874.47	42073	200.29	1074.76	0.83
CHITRADURGA	45889	681.19	39032	178.91	860.10	0.66
KOPPAL	31366	437.55	32214	150.90	588.45	0.45
GADAG	33250	452.43	27876	132.64	585.07	0.45
WHOLESALE DEPOT	18129	674.49	20165	105.30	779.79	0.60
TOTAL	7033764	105781.15	5302696	23948.35	129729.50	100.00



KARNATAKA STATE BEVERAGES CORPORATION LIMITED
TOP 32 IML BRANDS CONTRIBUTING 80% MARKET SHARE
FROM JULY'03 TO MARCH'04

Quantity : in CBs
Value : Rs. In Lakhs

IML BRAND	Quantity	Value	Value in %
ORIGINAL CHOICE DELUXE WHISKY	1166434	13986.63	13.22
MCDOWELL'S NO.1 RESERVE WHISKY	415734	8906.66	8.42
MCDOWELL'S NO.1 SELECT GRAPE BRANDY	414164	7185.98	6.79
OLD MONK VERY OLD VATTED XXX RUM	550840	6599.84	6.24
RAJA WHISKY	431074	5135.65	4.85
KHODAYS XXX RUM	286041	4777.41	4.52
MCDOWELL'S NO.1 CELEBRATION DELUXE XXX RUM	265283	4040.25	3.82
GILBEYS GREEN LABEL WHISKY	186796	3404.29	3.22
BAGPIPER DELUXE WHISKY	183044	3171.60	3.00
MYSORE LANCER WHISKY	179545	2162.24	2.04
WELLINGTON WHISKY	163700	1963.31	1.86
AMRUT'S SILVER CUP BRANDY	158323	1891.44	1.79
DIRECTOR'S SPECIAL BLACK DELUXE WHISKY	81165	1808.41	1.71
HAYWARDS OT WHISKY	118380	1792.93	1.69
ROYAL GOLD CUP EXTRA SMOOTH WHISKY	123788	1478.29	1.40
ROYAL CHALLENGE FINEST PREMIUM WHISKY	37029	1319.03	1.25
BAGPIPER PRESTIGE WHISKY	75444	1309.36	1.24
MANSION HOUSE FRENCH BRANDY	53925	1280.98	1.21
HERCULES DELUXE 3X RUM	56097	1184.36	1.12
RAJA SUPER XXX RUM	98191	1169.18	1.11



IML BRAND	Quantity	Value	Value in %
ROYAL LANCER WHISKY	93028	1115.58	1.05
ROYAL STAG DELUXE WHISKY	40820	1028.04	0.97
DIRECTOR'S SPECIAL WHISKY	52426	959.12	0.91
MCDOWELL'S SIGNATURE RARE WHISKY	24128	940.76	0.89
AMRUT XXX RUM	77462	927.22	0.88
IMPERIAL BLUE SUPERIOR GRAIN WHISKY	42942	919.67	0.87
SUPER JACK DELUXE WHISKY	75007	885.53	0.84
8 P M CLASSIC RARE WHISKY	47761	871.38	0.82
PETER SCOT MALT WHISKY	18093	755.42	0.71
RAJA SPECIAL DRY GIN	62548	744.32	0.70
CAPTAIN MARTIN SPECIAL WHISKY	60570	723.34	0.68
HERCULES SUPERIOR WHITE RUM(BIANCO)	32513	685.74	0.65
TOP 32 BRANDS CONTRIBUTING 80% OF THE TOTAL VALUE	5672295	85123.96	80.47
537 BRANDS CONTRIBUTING FOR 20% OF THE TOTAL VALUE	1361469	20657.19	19.53
TOTAL	7033764	105781.15	100.00



KARNATAKA STATE BEVERAGES CORPORATION LIMITED
MARKET SHARE OF BEER BRANDS FOR THE PERIOD JULY '03 TO MARCH '04

Quantity : in CBs
Value : Rs. In Lakhs

BEER BRAND	Quantity	Value	Value in %
KINGFISHER	2389018	11090.85	46.31
KNOCK OUT HIGH PUNCH	1110590	5365.85	22.41
UB EXPORT	1294004	5140.35	21.46
HAYWARDS 5000	81877	394.60	1.65
HAYWARDS 2000	94853	378.88	1.58
LONDON NO.1	78139	371.97	1.55
FOSTERS	42184	230.27	0.96
ROYAL CHALLENGE	50347	224.37	0.94
PREMIUM ICE	42593	209.96	0.88
KALYANI BLACK LABEL	31243	148.69	0.62
KINGFISHER DIET	22945	105.07	0.44
CASTLE	19642	95.15	0.40
CHARGER	11456	52.36	0.22
GOLDEN EAGLE	11301	44.40	0.19
SAND PIPER	7832	33.70	0.14
ZINGARO	3664	17.44	0.07
COLTS BERG	3485	14.55	0.06
7 STARS SUPER STRONG LAGER BEER 650 ML (0207)	3470	15.20	0.12
OTHER BRANDS	4053	14.71	0.12
TOTAL	5302696	23948.35	100.00



KARNATAKA STATE BEVERAGES CORPORATION LIMITED
MANUFACTURERWISE IML SALES FROM JULY '03 TO MARCH '04

Quantity : in CBs
Value : Rs. In Lakhs

Manufacturer	Quantity	Value	Value in %
I. DOMESTIC IML/WINE/FENNY			
KARNATAKA BREWERIES & DISTILLERIES PVT. LTD.,(0080)	915878	17091.27	16.16
JOHN DISTILLERIES LTD (0067)	1119057	13396.31	12.66
SHASHI DISTILLERIES (0055)	747205	9022.52	8.53
J P DISTILLERIES PVT. LTD., (0063)	658278	8010.66	7.57
PAMPASAR DISTILLERY (0029)	389223	7219.69	6.83
KHODAY R C A INDUSTRIES (0001)	364851	6284.28	5.94
MCDOWELL & COMPANY LTD., (0020)	344944	5989.99	5.66
KARNATAKA BREWERIES & DISTILLERIES PVT. LTD., (0005)	275349	5002.37	4.73
AMRUT DISTILLERIES LIMITED (0009)	263910	4387.86	4.15
SRI VENKATESWARA DISTILLERIES (0060)	262133	3636.32	3.44
SARVADA DISTILLERIES (0021)	234735	2833.47	2.68
AMRUT DISTILLERIES LIMITED (0037)	231656	2768.76	2.62
VORIAN DISTILLERIES INC. (0014)	186678	2305.60	2.18
S P R GROUP HOLDINGS PVT. LTD.,(0032)	155120	1848.70	1.75
YEZDI DISTILLERIES (0026)	100360	1203.30	1.14
JOHN DISTILLERIES LIMITED, (0081)	94830	1119.95	1.06
KHODAY INDIA LIMITED (0003)	36027	1089.23	1.03
KHODAY BREWERIES LIMITED (0002)	45742	953.15	0.90
CHAMUNDI WINERIES & DISTILLERY (0066)	79875	948.47	0.90
THE UGAR SUGAR WORKS LIMITED, (0034)	68737	820.59	0.78
KALBURGI DISTILLERIES PVT. LTD., (0031)	58923	723.13	0.68
ANUGRAHA DISTILLERIES LIMITED (0065)	44058	666.82	0.63
BACARDI MARTINI (INDIA) LTD (0057)	17013	652.81	0.62
GREENFIELD DISTILLERIES (0069)	35887	430.36	0.41
TRACSTAR INVESTMENTS PVT. LTD., (0017)	15680	278.31	0.26
APPOLLO ALCHOBEV PVT. LTD., (0022)	21261	243.77	0.23
A J DISTILLERIES (0064)	20058	228.82	0.22
SREE BALAJI ENTERPRISES (0053)	9077	151.10	0.14
GROVER VINEYARDS LTD. (0079)	5039	142.09	0.13
B T & F C (P) LTD.,(0062)	4346	76.86	0.07
SOMARASA DISTILLERIES (0071)	5643	67.72	0.06
RAVINDRA & COMPANY LTD.(0083)	5571	64.96	0.06
SAINATH DISTILLERIES PVT LTD (IML)(0090)	3967	46.04	0.04
SRI VENKATESHWARA DISTILLERY (0082)	2044	22.86	0.02
SAINATH DISTILLERIES PVT. LTD., (0077)	1887	20.72	0.02
SHAKTHI AGRO INDUSTRIES CORPORATION (0078)	1672	18.38	0.02
OTHERS	6234	98.00	0.09
DOMESTIC IML/WINE/FENNY - TOTAL	6832948	99865.28	94.41



Manufacturer	Quantity	Value	Value in %
II. IMPORT IML/WINE/FENNY			
GWALIOR DISTILLERIES LIMITED (0142)	83375	1933.75	1.83
TILAK NAGAR INDUSTRIES LIMITED (0115)	58437	1429.04	1.35
SEAGRAM MANUFACTURING (P) LIMITED (0127)	8761	443.79	0.42
ASSOCIATED ALCOHOLS & BREWERIES LTD., (0141)	11240	386.48	0.37
UNITED DISTILLERIES (I) LTD., (0129)	4713	320.44	0.30
CHAMPAGNE INDAGE LTD., (0140)	9560	306.73	0.29
ALLIED DOMECCQ SPIRITS AND WINE (I) PVT. LTD., (0134)	3081	242.26	0.23
KONKAN AGRO MARINE INDUSTRIES PVT. LTD., (0143)	3384	139.10	0.13
SAMANT SOMA WINE LIMITED (0138)	2843	85.27	0.08
SEAGRAM DISTILLERIES (P) LTD.,(0137)	1705	43.04	0.04
WHYTE HALL INDIA LIMITED (0144)	1720	38.25	0.04
NAVEEN DISTILLERY (0102)	1984	21.49	0.02
SHAIV DISTILLERIES (0145)	982	20.38	0.02
JOHN DISTILLERIES LIMITED (0139)	1812	15.54	0.01
MCDOWELL & COMPANY LIMITED (0104)	248	11.50	0.01
SANKALP WINERY PVT LTD.(0148)	164	6.32	0.01
OTHERS	2110	47.46	0.04
IMPORT IML/WINE/FENNY - TOTAL	196119	5490.85	5.19
III. FOREIGN IML/WINE/LIQUOR			
MUDRA IMPEX (0316)	2204	175.07	0.17
BRINDCO SALES LIMITED (0308)	435	62.47	0.06
SONARY'S CO-BRANDS PVT. LTD., (0320)	531	56.68	0.05
SUNTAN TRADING COMPANY PVT. LTD., (0318)	161	33.45	0.03
BRINDCO SALES LIMITED (0321)	197	24.07	0.02
RADICO KHAITAN LIMITED (0304)	307	20.08	0.02
SAMANTH SOMA WINES LIMITED, (0319)	201	11.84	0.01
AGENCIES INTERNATIONAL IMPEX (0309)	166	9.82	0.01
KHODAY INDIA LIMITED (0303) IMPORT DIVISION	98	5.81	0.01
OTHERS	397	25.74	0.02
FOREIGN IML/WINE/LIQUOR - TOTAL	4697	425.03	0.40
GRAND TOTAL - IML	7033764	105781.15	100.00



KARNATAKA STATE BEVERAGES CORPORATION LIMITED
MANUFACTURERWISE BEER SALES FROM JULY '03 TO MARCH '04

Quantity : in CBs
Value : Rs. In Lakhs

Manufacturer	Quantity	Value	Value in %
KARNATAKA BREWERIES & DISTILLERIES PVT. LTD., (0206)	2683661	11856.70	49.51
MYSORE BREWERIES LIMITED (0207)	1291380	6136.33	25.62
MANGALORE BREWERIES & DIST. LTD., (0208)	1190480	5261.33	21.97
KHODAYS BREWERIES LIMITED (0204)	62082	295.59	1.23
H. DASAPPA & SONS PVT. LTD., (0203)	23505	100.38	0.42
FOSTERS INDIA LIMITED, (0281)	42185	230.07	0.96
BOMBAY BREWERIES LIMITED (0277)	5345	30.59	0.13
OTHERS	4058	37.37	0.16
TOTAL	5302696	23948.35	100.00

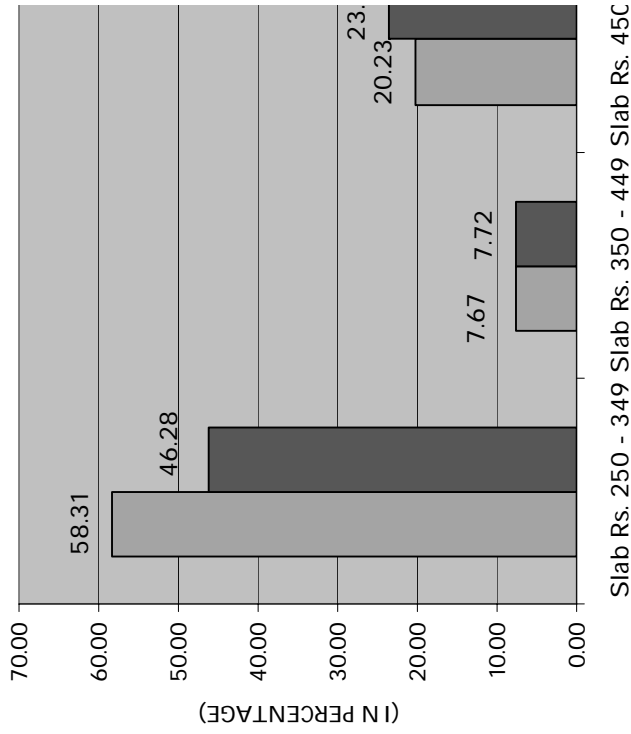


**KARNATAKA STATE BEVERAGES CORPORATION LIMITED
CATEGORY WISE SALES FROM JULY '03 TO MARCH '04**

Quantity : in CBs
Value : Rs. In Lakhs

Group	Category	Quantity	Value	Value in %
I.M.L				
	WHISKY	4302943	64873.28	50.01
	RUM	1569178	22514.05	17.35
	BRANDY	834885	13168.63	10.15
	GIN	207470	2702.67	2.08
	VODKA	60081	1284.13	0.99
	WINE	55098	1180.94	0.91
	OTHERS (FENNY, ETC.)	4110	57.45	0.04
I.M.L TOTAL		7033764	105781.15	81.54
BEER		5302696	23948.35	18.46
GRAND TOTAL		12336460	129729.50	100.00

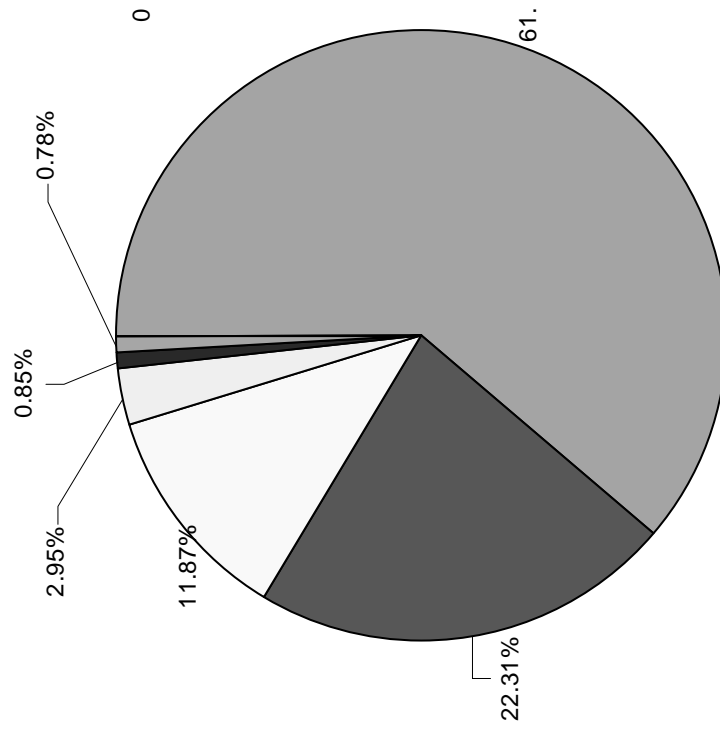
KARNATAKA STATE BEVERAGES CORPORATION LIMITED
SLABWISE SALES ANALYSIS OF IML, FENNY & WINE
FOR THE PERIOD JULY'03 TO MARCH'04
(QUANTITY AND VALUE IN PERCENTAGE)



	Slab Rs. 250 - 349	Slab Rs. 350 - 449	Slab Rs. 450 - 649	Slab Rs. 650 - 1199	Slab Above Rs. 1200	TOTAL
Quantity (in CBs)	4101248	539290	1423222	815811	154192	7033764
Value (Rs. In Lakhs)	48954.63	8168.92	24810.89	17397.39	6449.32	105781.15



KARNATAKA STATE BEVERAGES CORPORATION LIMITED
PRODUCTWISE COMPOSITION OF IML SALES FOR THE PERIOD OF JULY'03 TO MARCH'04
(COMPOSITION OF PERCENTAGE QUANTITY-WISE)





FORM
[SEE RULE 3]
COMPLIANCE CERTIFICATE

The Members

Karnataka State Beverages Corporation Ltd
(A Government of Karnataka Undertaking)
Seetha Lakshmi Towers
No.78, Mission Road
BANGALORE 560 027

In connection with issue of a **SECRETARIAL COMPLIANCE CERTIFICATE** pursuant to Sec. 383A proviso of the Companies Act 1956 (as amended) in respect of **KARNATAKA STATE BEVERAGES CORPORATION LIMITED**

I wish to state as under: -

A) KARNATAKA STATE BEVERAGES CORPORATION LIMITED

(A Government of Karnataka Undertaking) incorporated under the Companies Act, 1956 vide Certification of Incorporation Number issued by the ROC Karnataka dated 02.06.2003 Co.No.08/32033.

B) I have verified the records maintained by the Company under the provisions of The Companies Act 1956 from (Date of Incorporation) **02.06.2003 to 31.03.2004** and certify that the company has complied with the various provisions of the said Act properly.

C) The Authorised Capital of the Company is **Rs.5,00,00,000** (Rupees Five Crores) divided into 50,000 (Fifty Thousand) Equity Shares of Rs.1000/- (Rupees Thousand) each. The Issued, subscribed and Paid-up Capital of the Company is **Rs.2,00,00,000** (Two Crores) divided into 20,000 (Twenty Thousand) Equity Shares of Rs.1000/- each .

I have examined the registers, records, books and papers of **KARNATAKA STATE BEVERAGES CORPORATION LIMITED (A Government of Karnataka Undertaking)** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial period ended on **31st March, 2004**.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial period: -

01. MAINTENANCE OF REGISTERS

The Company has maintained the Registers that are to be maintained by a Government Company under the Companies Act, 1956.



STATUTORY REGISTERS

Sl. No.	Name of the Register	Ref to Sec.	Remarks
01.	Register of Investments Register of Investments in shares or securities not held in Company's Name.	49(7)&(8) 49	Maintained . The Company has not made any investments in shares and securities and therefore no entries are made in the said register.
02.	Register of Deposits Return of deposits filed with ROC	58A Companies Acceptance of Dep. Rules 1975	Maintained. No entries are made in the said register as the Company has not accepted any public deposits.
03.	Register of Buyback of shares	77A	Maintained. No entries are made as the Company has not resorted to any buy back of shares.
04.	Register of shareholders of differential rights and index of members with differential rights	86 and Co. issue of share certificates share certificates with differential voting rights Rules 2001	The Company has not issued any shares with differential rights
05.	Copy of every instrument creating any charge requiring registration	136	Maintained
06.	Register of charges Copies of instruments creating charge	143 (1)	Maintained.
07.	Register of members	150(1)	Maintained. Proper and requisite entries are made in the said register.
08.	Register of Index of members if members exceeds fifty	151(1)	As total members do not exceed fifty the register is not maintained.
09.	Register of Debenture holders	152(1)	Maintained and no entries are made as the Company has not issued any debentures.
10.	Register of Index of debenture holders in case the Company is having more than fifty debenture holders.	152(2)	Not maintained as the Company has not issued any debentures



11.	Register and index of beneficial owners (members and debenture holders maintained by depository).	152A	The Company has not issued any shares under demat form
12.	Foreign Register of members and debenture holders	157(1) 158	The company has not opted to keep a foreign Register of members.
13.	Copies of annual returns prepared under Sec. 159/160 together with copies of certificates and documents required to be annexed thereto under Sec. 160 and 161.	163(1)	Maintained
14.	Minute Books of Board meetings and Committees	193(1)	Maintained. The Company has opted to maintain the minutes in loose leaf and has taken sufficient precaution to bound the sheets periodically.
15.	Minute Books of proceedings of	193(1) & 196(1)	The Company has kept the minutes of the general meetings in loose leaf and has taken sufficient precaution to bound them periodically
16.	Books of accounts and the other Cost records etc.,	209(1)	Maintained. The Act has not prescribed any cost audit. In respect of the business of the Company.
17.	Register of contracts with directors companies and firms in which Directors are interested.	301(1)/(5)	The Company has not entered into any contract which falls within purview of Sec 297.
18.	Register of Managing Directors, Manager, Secretary and Directors	303(1)/304(1)	Maintained. Proper entries are made in the Register. As the Company's paid up capital does not exceed Rs. 2,00,00,000/- there is no need to appoint a Qualified Full Time Company Secretary in terms of Sec. 383A Companies Act 1956.
19.	Register of Directors shareholdings	307(1)/(5)	Maintained.
20.	Register of Investments or loans made	372A	Maintained. As the Company is a private limited company provisions of Sec.372A do not arise.
21.	Place of keeping and inspection of	163	The registers are kept at the Registered Office at Karnataka State Beverages Corporation Ltd., (A Government of Karnataka Undertaking) Seetha Lakshmi Towers, No.78, Mission Road BANGALORE 560 027.



NON STATUTORY REGISTERS

Sl. No.	Name of the Register	Ref to Sec.	Remarks
01.	Director's Attendance Register		The signatures of the directors attending the meetings are obtained in the Register Maintained.
02.	Register of share transfers		Maintained.
03.	Register of duplicate share certificates	Rule 7 of Issue of Share Certificate Rules 1960.	The company has not issued any duplicate share certificates.
04.	Share application and allotment book		Maintained. Necessary are made.
05.	Share warrants		The Company has not issued any share warrants.
06.	Register of beneficial interest	187(C)	Maintained.
07.	Register of legal representation such as probates, letters of administration and succession certificates		Maintained.
08.	Register of Fixed assets	The Companies (Auditors' Report) Order 2003.	Maintained

02. FILING OF RETURNS

During the year under report, the Company has filed returns and forms that are to be filed under various sections with Registrar of Companies.

03. ADEQUACY OF CAPITAL AND MINIMUM NUMBER OF MEMBERS

During the year under report

- (i) The Company has not invited public to subscribe for its shares or debentures.
- (ii) The Company has not invited or accepted any deposits from persons including from members, directors or their relatives.

04. BOARD MEETINGS (Sec.285)

The Company has duly complied with the provisions of Section 285,286, 287,288 and 289 of the Companies Act. The Company has held Board Meetings during the year under report as under :-

Sl. No.	Dates	No of Meetings in a year
1.	04.06.2003	
2.	13.08.2003	
3.	06.11.2003	FOUR
4.	11.03.2004	

05. CLOSURE OF REGISTER OF MEMBERS (Sec.154)

The Company has not closed the Register of members during the year under report.



06. ANNUAL GENERAL MEETINGS (Sec.166/210)

The first AGM is due to be held on or before 20.09.2004.

07. EXTRAORDINARY GENERAL MEETINGS (Sec.165)

During the year the Company has held an EGM on 13.05.2004 for Amendments to Articles of Association of the Company and complied with Section 31 of the Companies Act, 1956.

08. LOANS TO DIRECTORS (Sec. 295)

The Company has not given any Loans to Directors.

09. CONTRACTS IN, WHICH DIRECTORS ARE INTERESTED (Sec. 297)

The Company has not entered into contracts in which director/s is/are interested.

10. MAINTENANCE OF REGISTER OF CONTRACTS (Sec. 301)

The Company has maintained the Register and no entries needs to be made in the said register as the Company has not entered into any contracts.

11. APPROVALS (U/S 314)

Passing of resolutions or obtaining approvals under Section 314 do not apply to the Company as no director or relative of director has been appointed to the Office or place of profit.

12. ISSUE OF DUPLICATE SHARE CERTIFICATES (Under Issue of Share Certificate Rules 1960)

The Company has not issued any duplicate share certificates

13. DELIVERY OF SHARE CERTIFICATES, DEPOSIT OF DIVIDEND AMOUNT, POSTING OF DIVIDEND WARRANTS, TRANSFER OF UNPAID DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND AND MEETING THE REQUIREMENTS OF SEC. 217 REGARDING DIRECTORS REPORT:

DELIVERY OF SHARE CERTIFICATES (Sec. 113)

(a) During the year the Company has made allotment of shares and has complied under Section 113 of the Companies Act, 1956.

DEPOSIT OF DIVIDEND AMOUNT, POSTING OF DIVIDEND WARRANTS, TRANSFER OF UNPAID DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND (Sec. 205)

(b) The Company has not declared interim/final dividend for the year 2003-2004.

MEETING THE REQUIREMENTS OF SEC. 217 REGARDING DIRECTORS REPORT (Sec. 217)

©The compliance of Sec. 217 regarding directors report arises after 31.03.2004.



14. APPOINTMENT OF DIRECTORS

During the year the following are the Directors of the Company:-

Name of the Director	Date of Appnt.	Date of Ceasing	Remarks
Sri. R Ramaseshan, IAS	02.06.2003 04.06.2003	—	Director Appointed as Managing Director
Sri. N S Nagaraju, IAS	30.06.2003	—	Director
Sri. K P Pandey, IAS	05.07.2004	—	Director
Sri. Agawane, IAS	22.07.2004	—	Director
Sri. S K Pattanayak, IAS	02.06.2003	23.09.2003	
Sri. B K Das, IAS	02.06.2003	05.07.2004	
Sri. D Satyamurthy, IAS	23.09.2003	22.07.2004	

15. APPOINTMENT OF MANAGING DIRECTOR, WHOLETIME DIRECTOR, MANAGER (Sec. 269 and Articles of Association of the Company)

During the year under the report the Company appointed Mr. R. Ramaseshan, IAS as Managing Director of the Company and filed necessary forms at Registrar of Companies and passed necessary board meeting resolutions.

16. APPOINTMENT OF SOLE SELLING AGENTS (Sec. 294 AA)

The Company has not appointed selling agents.

17. APPROVAL REQUIRED BY VARIOUS AUTHORITIES

There was no event, which required obtaining approval from various statutory authorities.

18. DISCLOSURE OF INTEREST BY DIRECTORS (Sec. 299)

The Company has obtained Form 24AA Disclosure of interest by Director from all the Directors and the same has been placed before the Board Meeting and necessary entries have been made in the Register of Directors maintained for the purpose.

19. ISSUE OF SHARE CERTIFICATES, DEBENTURES, OTHER SECURITIES DURING THE FINANCIAL YEAR: (Sec. 113)

During the year under report the Company has made Allotment of Shares and complied with Section 113 of the Companies Act, 1956.

20. BUY BACK OF SHARES (Sec. 77A)

The Company has not bought back any shares during the year under report.



21. REDEMPTION OF PREFERENCE SHARES AND DEBENTURES (Sec. 80)

The Company has not issued any preference shares or debentures and therefore the redemption of the same do not arise.

22. KEEPING IN ABEYANCE RIGHTS TO DIVIDEND, RIGHT SHARES, BONUS SHARES, PENDING REGISTRATION OF TRANSFERS (Sec. 205)

There is no such event or occasion during the year under report.

23. ACCEPTANCE OF THE DEPOSITS (Sec. 58A read with Acceptance of Deposit Rules 1975)

The Company has not accepted any deposits from the public.

24. BOARD POWERS TO BORROW (Sec. 292)

The Company has borrowed funds from banks and passed necessary resolutions and has also complied with Section 125 of the Companies Act, 1956 regarding filing of particulars of creation of charges.

25. INTER-CORPORATE LOANS AND INVESTMENTS (Sec. 372A)

The Company has not made any inter-corporate loans or investments.

26. ALTERATION OF MEMORANDUM - RELATING TO SHIFTING OF REGISTERED OFFICE FROM ONE STATE TO ANOTHER STATE (Sec. 17)

The Company during the year has not altered its Memorandum of Association relating to Clause II of MOA.

27. ALTERATION OF OBJECTS CLAUSE OF MOA (Sec. 17)

The Company has not altered its Memorandum of Association relating to Clause II of MOA.

28. CHANGE OF NAME OF THE COMPANY (Sec. 21)

During the year the Company has not changed its name.

29. ALTERATION OF SHARE CAPITAL (Sec. 94)

During the year under the report the Company has not altered its Authorized Capital of the Company.

30. ALTERATION OF ARTICLES OF ASSOCIATION (Sec. 31)

During the year the Company has made any amendments to Articles of Association of the Company and complied with Section 31 of the Companies Act, 1956 and filed necessary forms at Registrar of Companies, Karnataka.

31. PROSECUTIONS, FINES AND PENALTIES

As informed by the Company during the year under report, no prosecutions have been launched nor the Company has paid any fines or penalties.

32. EMPLOYEES SECURITIES (Sec. 417)

The Company has not obtained any security from the employees.



33. DEPOSIT OF PROVIDENT FUND (Sec. 418)

The Company has been regular in depositing the Provident Fund dues with appropriate Government Authorities and does not have a provident fund scheme falling under Sec. 418 of the Companies Act 1956.

34. GENERAL

This Certificate is issued based on the information that were made available at the time of verification of the records and clarifications furnished for queries raised by us and inspection of the documents, files, book, registers and other relevant papers made available for verification.

Sd/-

M R GOPINATH

Company Secretary

C. P. No.: 1030/FCS 3812

Date : 08.11.2004

Bangalore



ANNEXURE - A
TO
COMPLIANCE CERTIFICATE
KARNATAKA STATE BEVERAGES CORPORATION LIMITED
REGISTERS MAINTAINED BY THE COMPANY:

Sl. No.	Name of the register	Sec.
01.	Register of Investments Register of Investments in shares or securities not held in company's Name.	49(7)&(8) 49
02.	Register of Deposits Return of deposits filed with ROC	58A Companies Acceptance of Deposit Rules 1975
03.	Register of Buyback of shares	77A
04.	Register of shareholders of differential rights and index of Members with differential rights	86 and Co. issue of share certificates with differential voting rights Rules 2001
05.	Copy of every instrument creating any charge requiring registration	136
06.	Register of charges Copies of instruments creating charge	143 (1)
07.	Register of members	150(1)
08.	Copies of annual returns prepared under Sec. 159/160 together with copies of certificates and documents required to be annexed thereto under Sec. 160 and 161.	163(1)
09.	Minute Books of Board Meetings and Committees	193(1)
10.	Minute Books of Proceedings of General Meeting	193(1) & 196(1)
11.	Books of accounts and the other Cost records etc.	209(1)
12.	Register of contracts with directors, companies and firms in which Directors are interested.	301(1)/(5)
13.	Register of Managing Directors, Manager, Secretary and Directors	303(1)/304(1)
14.	Register of Directors's shareholdings	307(1)/(5)
15.	Register of Investments or loans made	372A



ANNEXURE- B

Forms and Returns as filed by the Company, during the financial year ended **31.03.2004**
with Registrar of Companies

Sl.No.	Forms	Purpose
1.	Incorporation Documents	
2.	Form 18/11.03.2004	For Shifting of Regd. Office
3.	Form 2/11.03.2004	For Allotment of Shares
4.	Form 32/04.06.2003	For Appointment of Managing Director
5.	Form 32/04.06.2003	For Appointment of Managing Director
6.	Form 32/30.06.2003	For Appointment of Director
7.	Form 32/23.09.2003	For Appointment & Resignation of Directors
8.	Form 8 & 13/11.07.2003	For Creation of Charge

With Regional Director

Nil

With Central Government or other authorities

Nil