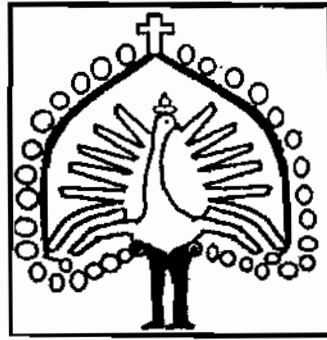


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THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD

(A GOVERNMENT OF RAJASTHAN CONCERN)

JAIPUR

ANNUAL ACCOUNTS FOR THE YEAR

2010-11

RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Balance Sheet as at 31st March 2011

Liabilities	Figures as at		Schedule	Figures as at	
	31st March 2011 (Rs)	31st March 2010 (Rs)		31st March 2011 (Rs)	March 2010 (Rs)
SOURCES OF FUNDS					
Share Capital	54,640,300	54,640,300	F	251,662,565	257,683,764
Reserve & Surplus	80,918,180	66,148,190	G	181,000	181,000
LOAN FUND					
Unsecured Loans	70,043,584	67,776,507	H	128,125,044	147,948,719
Current Liabilities & Provision	515,388,884	505,990,457	I	75,271,683	84,872,792
Contingent Liabilities & Notes on A/c				258,400,455	175,633,623
Share Application Money	15,000,000			21,350,201	28,235,556
	735,990,948	694,555,454		735,990,848	694,555,454

(Signature)
Pankaj
Chairman & Managing Director

(Signature)
Ravi Agrawal
Secretary

(Signature)
Surpesh Singhal
Financial Advisor

In Terms of our Report of Even Date
For D. P. Khandelwal & Co.
Chartered Accountants
FRN 000155C



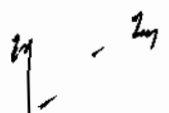
(Signature)
Deshraj Gupta
Partner
MN. 078560

Place Jaipur
Date: 17 OCT 2011

RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule annexed to & forming part of Balance Sheet as at 31.3.2011
Schedule "A"

Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
SHARE CAPITAL Authorised 7,00,000 Equity Share of Rs. 100/- each	70,000,000	70,000,000
ISSUED 5,46,403 Equity Shares of Rs. 100/- each	54,640,300	54,640,300
SUBSCRIBED & PAID UP 5,39,306 Equity shares of Rs. 100/- each fully called and paid up in cash	53,930,600	53,930,600
1,062 Equity shares of Rs. 100/- each fully paid up to Government of Rajasthan as Bonus shares in Lieu of dividend	106,200	106,200
6,035 Equity shares of Rs. 100/- each fully paid up issued to Govt. of Rajasthan in consideration other than cash	603,500	603,500
	54,640,300	54,640,300


Suresh Singhal
 Financial Advisor

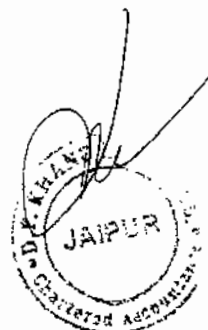

Ravi Agrawal
 Secretary


Pankaj
 Chairman & Managing Director


Director

Place: Jaipur


Date: 17 03 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule "B"

Particular	Figures as at 31st March 2011 (Rs)		Figures as at 31st March 2010 (Rs)
RESERVE & SURPLUS			
(I) CAPITAL RESERVE			
(a) Out of sale of fixed assets		4,367,245	4,367,245
(b) Revolving fund		4,854,000	4,854,000
(c) Deferred Grants (for Assets / Acquired)		71,696,935	56,926,945
Opening balance	56,926,945		58,130,437
Add: During the Year	16,782,000		
	73,708,945		58,130,437
Less: Depreciation/Amortization	2,008,826		1,202,805
Less: Reduction of assets created out of grant	3,184		687
			56,926,945
		80,918,180	66,148,190


Suresh Singhal

Financial Advisor


Ravi Agrawal

Secretary


Pankaj

Chairman & Managing Director


Director

Place: Jaipur

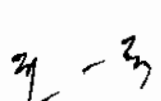
Date: 17 OCT 2011




RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

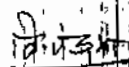
Schedule "C"

Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
LOAN		
<u>UNSECURED</u>		
(A) Short Term		
Interest accrued & due (old)	68,421	68,421
Interest accrued & due (old)	331,433	331,433
(B) From Government of Rajasthan:		
(a) For closure of Mills	2,666,333	2,666,333
(b) for Rajasthali New Delhi	7,500,000	7,500,000
(C) From State Renewal Fund:		
For VRS Scheme (2003-2004 & 2009-10)	59,477,397	57,210,320
	70,043,584	67,776,507


Suresh Singhal
 Financial Advisor


Ravi Agrawal
 Secretary


Pankaj
 Chairman & Managing Director


Director


Place: Jaipur
 Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)

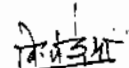
Schedule "D"

Particular	Figures as at 31st March 2011 (Rs)		Figures as at 31st March 2010 (Rs)
CURRENT LIABILITIES & PROVISIONS			
(A) Current Liabilities			
Sundry Creditors		136,274,119	134,875,558
Advance against Indent/order		34,953,404	32,439,284
Outstanding liabilities for exp		171,620,391	163,526,900
Staff Security		69,261	69,261
Other Finance		5,995,051	14,879,731
Security Deposits		38,258,941	33,781,964
Interest accrued but not due		555,057	555,054
Suspence		91	91
(B) Grant-in Aid		41,975,121	39,766,470
Opening balance	39,766,470		26,272,612
Received during the year	29,855,000		22,461,034
Add Realisation	2,691		770
	69,624,161		48,734,416
Less: Utilised	27,649,040		8,967,946
Refund/Adjustment	41,975,121		39,766,470
(C) Provisions			
- For Bonus		6,863	3,275
- For Gratuity		34,873,000	40,666,000
- For Income Tax		4,001,369	4,001,369
- For Leave Encashment		46,806,216	41,425,000
		515,388,884	505,990,457


Suresh Singhal
Financial Advisor

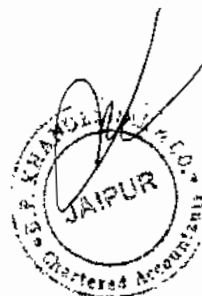

Ravi Agrawal
Secretary


Pankaj
Chairman & Managing Director


Director

Place: Jaipur

Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule "F" H.O & Other Units

Particulars	Gross Block			Depreciation			Net Block			
	Cost as on 1.4.2010	Addition	Reduction	Total	Up to 31.3.2010	Depreciation on WDV Method During the Year	Reduction	Total	Balance as on 31.3.11	Balance as on 31.3.10
LAND										
(a) Lease hold land	110,986,300	-	-	110,986,300	8,428,923	1,121,072	-	-	101,436,305	102,557,377
(b) Free hold land	2,397,083	-	-	2,397,083	-	-	-	-	2,397,083	2,397,083
BUILDING	104,916,504	8,940	29,083.00	104,896,361	40,748,785	3,217,315	25,668	43,940,432	60,955,929	64,167,719
PLANT & MACHINERY	5,957,882	-	-	5,957,882	3,716,295	311,806	-	4,028,101	1,929,781	2,241,587
FANS & FITTINGS	4,138,764	-	2,026.00	4,136,738	2,634,052	209,304	1,971	2,841,385	1,295,353	1,504,712
OTHER OFFICE EQUIPMENT	29,793,256	169,633	2,087,386	27,865,503	21,986,999	1,319,290	2,124,314	21,181,975	6,683,528	7,806,256
FURNITURE & FIXTURE	17,181,099	-	7,731	17,173,368	10,285,501	1,248,075	7,668	11,525,908	5,647,460	6,895,598
VEHICLES	1,816,908	-	-	1,816,908	1,406,559	106,240	-	1,512,799	304,109	410,349
CAPITAL WORK IN PROGRESS	69,703,082	1,310,472	537	71,013,017	-	-	-	-	71,013,017	69,703,082
	346,890,878	1,489,045	2,136,763	346,243,160	89,207,114	7,533,102	2,159,521	94,580,595	251,662,565	257,683,763
Previous year balance	348,699,303	1,976,750	4,765,175	346,890,878	81,572,713	8,926,186	1,291,785	89,207,114	257,683,763	268,126,590

Previous year balance

Suresh Singhal
Financial Advisor

Ravi Agrawal
Secretary

Pankaj
Chairman & Managing Director

Director

Place: Jaipur

Date: 17/07/2011



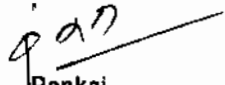
RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule "G"

Particular	Figures as at 31st March 2011 (Rs)		Figures as at 31st March 2010 (Rs)	
INVESTMENT				
Long Term Investment (Un-quoted at Book value)				
One equity share of Rs. 1000/- (fully paid up) of All India Handloom Fabrics Marketing Cooperative Society Ltd, Mumbai		1,000		1,000
18,000 "B" Equity shares of Rs. 10/- each of Oberoi Holdings (P) Ltd, Kalkota		180,000		180,000
100 Equity shares of Rs. 1000/- each (fully paid up) of Rajasthan Consultancy Organisation Ltd, Jaipur	100,000	-	100,000	
Less:- Provision for Diminution in Value	100,000		100,000	
500 Equity shares of Rs. 1000/- each (fully paid up) of Rajasthan State Handloom Development Corporation Ltd, Jaipur	500,000	-	500,000	
Less:- Provision for Diminution in Value	500,000		500,000	
Share Application Money of Indo Bazar (Joint Venture) on net			500,000	
Less:- Provision for Diminution in Value			500,000	
		181,000		181,000


Suresh Singhal
Financial Advisor


Ravi Agrawal
Secretary


Pankaj
Chairman & Managing Director


Director

Place: Jaipur

Date **17 OCT 2011**




RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

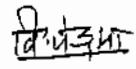
Schedule "H"

Particulars	Figures as at 31st March 2011 (Rs)		Figures as at 31st March 2010 (Rs)	
CURRENT ASSETS				
Inventory (As taken, valued & certified by the management)		8,096,423		23,419,599
Stores & Spares Parts		110,497		141,820
Raw Material		71,244		143,644
Stock in trade		7,711,851		8,813,479
Work in process		202,831		401,073
Stock in transit		-		13,919,680
Sundry Debtors (for which company holds no security/other than personal)				
Debtors outstanding for a period Exceeding six month considered good		9,462,601		19,331,589
considered doubtful	23,136,170	-	23,138,785	-
Less Provision	23,136,170	-	23,138,785	-
Other debtors considered good		-	9,462,601	9,331,589
Hire Purchase Debtors				
Considered Doubtful	70,673	-	70,673	-
Less Provision	70,673	-	70,673	-
		C/F	17,559,024	42,751,285


Suresh Singhal
 Financial Advisor


Ravi Agrawal
 Secretary


Pankaj
 Chairman & Managing Director


Director

Place: Jaipur
 Date



★
RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule "H" (Contd)

Particulars	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
B/F	17,559,024	42,751,285
Cash & Bank Balance	105,754,038	101,079,674
(A) Cash In hand (Included postage)	1,021,200	1,333,070
(B) Bank Balance with Scheduled Bank in Current A/c	45,628,719	34,897,948
(C) Bank Transfer in Transit	5,402,222	1,523,756
(D) FDR	51,730,494	60,268,757
(Fixed deposited pledged with bank against BG/LCRs.31,19,865) (Pr Year Rs.65,08,119)		
Deposit with Schedule Bank (Staff Security)	310,344	263,258
Interest Accrued on FDR's of Bank	1,427,206	2,567,492
Govt. PD Account	233,853	225,393
(a) Interest Bearing Rs. 1,88,000		
(b) Non interest bearing Rs. 4853		
Other Current Assets	4,811,982	
Accrued Income		4,117,760
	128,125,044	147,948,719

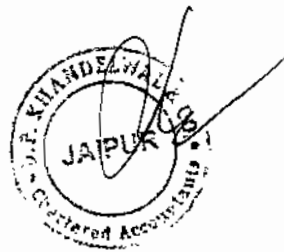
Suresh Singh
Suresh Singh
 Financial Advisor

Ravi Agrawal
Ravi Agrawal
 Secretary

Pankaj
Pankaj
 Chairman & Managing Director

[Signature]
[Signature]
 Director

Place: Jaipur
 Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule "I"

Particular	Figures as at 31st March 2011 (Rs)		Figures as at 31st March 2010 (Rs)
<u>LOANS & ADVANCES</u>			
Advances Recoverable			
In cash or kind for which Value to be received			
(a) Considered Goods		55,581,755	63,509,552
(b) Considered doubtful	15014793		15060900
Less: Provision	15014793	-	15060900
Prepaid Expenses Recoverable		887,737	480,174
Considered good		16,357,379	18,881,342
(a) Claims	1,164,731		2,273,024
(b) Rajasthan Sales Tax	1,353,294		1,286,194
(c) Income Tax/Payment	12,614,078		14,400,597
(d) Advance FBT	122,516		122,516
(e) Other	799,011		799,011
(f) Advance Service Tax	87,409		
(g) Deposit under protest	216,340		
Considered Doubtful			
(a) Claims	1,507,879		1,507,879
(b) Suspense	62,094		62,394
Less: Provision	1,569,973		1,570,273
Deposit		2,444,812	2,001,724
		75,271,683	84,872,792

Suresh Singhal
Financial Advisor

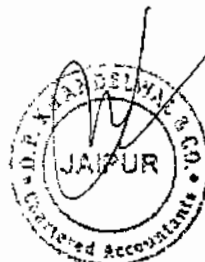
Ravi Agrawal
Secretary

Pankaj
Chairman & Managing Director

Director

Place: Jaipur

Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)

Jaipur

Schedule "J"

Particular	Figures as at 31st	
	March 2011 (Rs)	March 2010 (Rs)
MANUFACTURING EXPENSES		
Raw Material Consumed	108,069	94,267
Stores Consumed	11,855	8,666
Job Charge	2,174	26,930
	122,098	144,863


Schedule "K"

Particular	Figures as at	
	31st March 2011 (Rs)	31st March 2010 (Rs)
EMPLOYEES REMUNERATION ETC		
Salary, Wages, allowance & Bonus including provision towards balance PLencashment	83,286,980	118,242,214
Contribution to Provident Fund and other funds	13,019,828	38,411,285
Staff Welfare Expenses, etc	241,033	159,338
Incentive to Staff	-	3,500
	96,547,841	156,816,337


Suresh Singhal
Financial Advisor


Ravi Agrawal
Secretary


Pankaj
Chairman & Managing Director


Director

Place: Jaipur

Date: 17/07/2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)

Jaipur

Schedule "L"

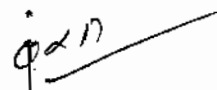
Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
REPAIRS & MAINTENANCE		
Building, other repairs & Renovation	2844774	3,516,369
Contribution for Udyog Bhawan Common Facility	1000017	836,000
	3,844,791	4,352,369

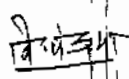
Schedule "M"

Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
SELLING & OTHER EXPENSES		
Advertisement & Publicity	414,163	1,843,669
Packing & Forwarding Expenses	244,737	182,018
Commission/Rebate/Trade Discount	409,008	232,122
	1,067,908	2,259,810


Suresh Singhal
Financial Advisor

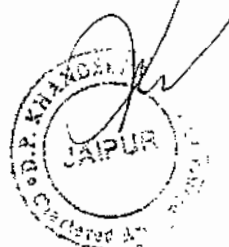

Ravi Agrawal
Secretary


Pankaj
Chairman & Managing Director


Director

Place: Jaipur

Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Schedule "N"

Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
ESTABLISHMENT & OTHER EXPENSES		
Rate and Taxes	1,842,449	2,298,030
Rent	532,066	532,232
Payment to Statutory Auditors	57,908	62,308
(a) Audit Fee	44,120	44,120
(b) Reimbursement of exp.	-	4,400
(c) Tax Audit Fee	13,788	13,788
Contribution to State Renewal Fund	546,000	546,000
Telephone & Telex Exp	526,750	750,727
Travelling & Conveyance Exp	459,446	678,311
Bank Commission	712,512	705,951
Light & Water Exp	1,996,979	3,388,391
Maintenance of Vehicle	456,206	515,644
Insurance	691,442	770,566
Exhibition Exp	5,143,106	5,968,518
Other Office Expenses	4,369,805	5,009,076
	17,334,669	21,225,754


Suresh Singhal
Financial Advisor


Ravi Agrawal
Secretary


Pankaj
Chairman & Managing Director


Director

Place: Jaipur

Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

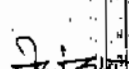
Schedule "O"

Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
OTHER INCOME		
Commission on Consignment Sale	20,091,051	11,036,280
Recoveries	1,249,272	850,259
Interest Received (From parties/staff/bank/PD A/c)	4,299,270	5,070,419
(Includes interest on FDR of Grant in Aid recd under ASIDE Scheme)		
Rent & License fee received/ Receivable	17,198,289	3,823,377
Sundry credit balance W/b	10,055	-
Miscellaneous Income	2,532,588	8,065,043
Handling Charge of cargo/ICD Services	34,731,347	101,172,140
Cost Recovery of WSP, Jodhpur/ICD's	2,226,700	12,770,684
Lease money of WSP, Jodhpur		1
	82,338,672	142,788,203

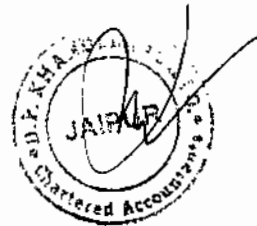

Suresh Singhal
 Financial Advisor


Ravi Agrawal
 Secretary


Pankaj
 Chairman & Managing Director


Director

Place: Jaipur
 Date: **17 OCT 2011**



SCHEDULE "E" ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES:-

(1) The expenditure and realisation as dealt in Annexure "A" in respect of Grant-in-Aid have not been dealt in the Profit & Loss Account.

(2) **Investment**

(i) Long term investment are valued at cost however in case of permanent diminution in value of investment, carrying amount of investment is reduced by the amount of such decline

(ii) Current investment are valued at cost or net realisable value whichever ever is lower

(3) **Depreciation**

(i) **Land**

Amortization is provided in the accounts in respect of leasehold land on the basis of lease period.

(ii) **Other Fixed Assets**

Depreciation has been charged on Written down Value Method at the rates and methods in accordance with schedule XIV of the companies Act, 1956.

(4) **Retirement Benefits**

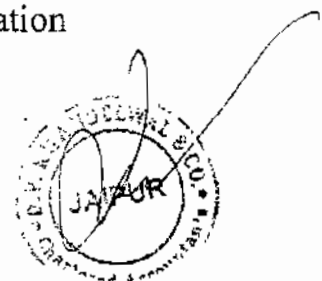
(i) **Gratuity**

The corporation has taken a policy from LIC for the payment of Gratuity to its employees and annual contribution payable to LIC is debited to the P & L account of the Corporation on the basis of the actuarial valuation

(ii) **Leave Encashment**

Provision for the value of leave encashment benefit on retirement of employees/officers have been made on accrual basis on the basis of calculation made by the Corporation

91
19
10/11/19



(5) Government Grants

(i) For Capital Expenditure

Government grants received for capital Expenditure are transferred to Capital reserve upon capitalization of concerned assets and proportionate depreciation on subsidy portion of concerned asset is charged to Capital Reserve account, unutilized grant is shown in current liabilities.

(ii) For Others

Government grants received for revenue expenditure is set off against the concerned expenditure head / scheme. The same is shown as liability before utilization.

(6) Miscellaneous income, unrealised Warehousing, handling charges, wharfage charge, rent in dispute, leave encashment, honorarium incentive payment to official other than payment under incentive scheme (Handicrafts) are accounted for an actual receipts/payment basis.

(7) Interest on the staff advances for the employees who have left the organisation will be accounted for as & when it will be received.

(8) Sales includes transfer and expenses.

(9) (a) Stock in trade of Iron & Steel etc. is Valued at Cost on

FIFO method.

(b) Stock in trade of Central Stores & DDRC is valued at cost/standard cost or realizable value whichever is lower on FIFO method. The stock at Emporia is valued at issue price of Central store. DDRC etc. or at realizable value whichever is lower on FIFO method. Shop soiled and damaged articles of handicrafts have been valued at 45% (Rajasthali,

For

21
20
Jat



Central Stores etc.) at 30% (SSD Wing) on an estimated basis as in earlier years.

- (c) Stores, spare parts and raw material is valued at cost on FIFO method generally.
- (d) Work in process is valued at cost.

(10) TAXATION

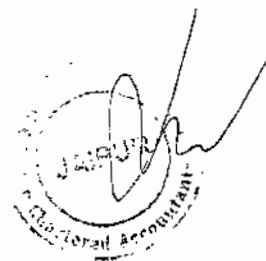
- (a) Current tax is the provision made for Income Tax Liability, if any on the profits accordance with the Provisions of the Income Tax Act 1961.
- (b) Deferred Tax is recognized subject to the consideration of Prudence on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable or reversal in one or more subsequent period.
- (c) Deferred Tax Assets and Liabilities are measured using the Tax Rate and Tax Law that has been enacted on the Balance Sheet date. *However no DTA/DTL was credited during the year due to uncertainty of the profit.*

(B) CONTIGENT LIABILITIES

- (1) Claims against the company not acknowledged as debts. This year Rs 526.00 lakhs, (Previous year Rs. 696.72 lakhs.)
- (2) Various Court cases/ arbitration cases filed by clients and employees Rs62.06Lakhs (Previous Year Rs 66.00 lakhs.)
- (3) Claim of Rs. 3596.96 lacs filed by M/S Sadhu Ram Patel & Sons in which the District Magistrate, Jaipur city has passed award of Rs. 314.69 lakhs (Including Interest of Rs. 108.52 lakhs upto 31.03.11) against the corporation.
- (4) Claim of Rs, 522.82 Lakhs filed by M/S Ganesh Container Movers Syndicate, Mumbai (Including Rs. 100.00 lakhs damages and compensation)
- (5) Estimated amount of contracts to be executed on capital account and not provided for this year Rs13.25 lakhs, (Previous year Rs. 3.00 lakhs.)
- (6) In respect of disallowance/additions in Income Tax assessments, the Company is in appeal before the appropriate

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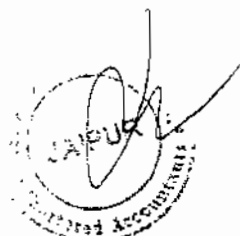


- Authorities. No material liability is likely to arise from the issues in dispute.
- (7) In respect of Sales Tax Demand of Rs.205.70 Lakhs, (Previous year Rs. 1656.24 Lakhs.) the Company is in appeal before the appropriate authorities and required documents /information submitted for set aside the demand
 - (8) Service Tax on commission on consignment sale of Handicrafts amount unascertainable.
 - (9) The Corporation has given bank guarantee amounting to Rs236.68 Lakh in favour of RIL and SECL (Previous year Rs. 322.70 Lakhs.)
 - (10) Claim of Rs.90.23 lacs filed by M/s. Larok International, Jaipur
 - (11) Claim of Rs. 400.46^{Lakhs} filed by M/s Max Logistics Pvt. Ltd. (including Rs. 100.00lakh towards business loss)

(C) NOTES ON ACCOUNTS

- (1) Sadhu Ram Patel & Sons (Erstwhile H & T Contractor of the corporation) has raised a claim of Rs. 3596.96 lakhs against the company against which the District Magistrate, Jaipur city has awarded a claim of Rs. 314.69 lakhs (Including Interest of Rs. 108.52 lakhs) against the corporation. The corporation has filed an appeal in High Court, Jaipur against the judgement of the District Magistrate, Jaipur city and Hon'ble High Court has ordered to be stayed the execution proceedings, Hon'ble High court has passed interim relief order dt 3.9.2008 that appellant shall deposit the amount of claim awarded by arbitrator and upheld by District Judge in favour of the respondent no. 1 one i.e Rs. 2,0,2,22,423/- Out of this amount a sum of Rs. 1,12,51,827/- will be paid to Syndicate Bank on furnishing usual undertaking by Bank for restitution of the amount with interest @ 9 % in case the appeal is allowed. The rest amount will be deposited in Fixed deposit in any nationalized bank during the pendency of this appeal. In compliance of this order RSIC has deposited a sum of Rs. 2,02,22,423/- and same has been shown as advance against court order So far as amount of award relating to interest part is concerned, the same will remain stayed during the pendency of this appeal Therefore no liability has been provided against the same.

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- (2) Ganesh Container Movers Syndicate (Erstwhile H & T Contractor of the corporation) has raised claims involving total amount of Rs.522.82 lakhs (including Rs. 100.00 Lakh towards damages and compensation) plus interest thereon against the company the matter is pending before Arbitrator involving several disputes, the corporation has not accepted his claims, hence no liability has been provided against the same.
- (3) Land & Building amounting to Rs.1, 534.34 lakhs (Previous Year 1,534.34lakhs) have been accounted subjected to formal transfer of title deeds, since in use and possession of the company. The value of the land already with building amounting to Rs. 0.61 lakhs could not be ascertained.
- (4) The matter regarding payment of rent of Rajasthali, New Delhi premises is still pending for settlement with the Govt. therefore the provision for rent of Rs. 60,000/- p.a. have been made as usual as being done in earlier years.
- (5) The Exhibition / Haat Expenses to the extent of Rs. 4,91,724 (Previous year Rs. 5,73,222) has not been charged to P & L account as the same are reimbursed by Development Commissioner All India Handicrafts Board, New Delhi.
- (6) The shortage in stock in earlier years aggregating to Rs. 2,30,234 is under investigation.(Previous year 2,30,234/-)
- (7) Stock in trade includes goods worth Rs. 0.21 lakhs (Previous year Rs. 0.21 lakhs) lakhs years in transit under enquiry in earlier and Rs. 0.16 Lakhs lying with others.(pervious year Rs. 0.19 lakhs)
- (8) Cash in hand includes Cheques/Drafts/Credit Cards/Money in transit Rs.3900/-

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- (9) The balances of Sundry Creditors, Outstanding Liabilities, Sundry Debtors, Loan and Advances are subject to confirmation & reconciliation. These include some old/unlinked balances pending confirmation reconciliation/settlement. Adjustment if any will be made at the time of final reconciliation / confirmation/settlement. The balance of debtors/creditors of RM and ICD Jodhur are not reconciled with main ledger.
- (10) Income Tax Payment of Rs. 126.14 lakhs shown under the head Loans & Advances and Income Tax Provision of Rs. 40.01 Lacs shown under the head Current Liabilities & Provisions are subject to reconciliation. The efforts are being made to reconcile the same and resultant effect, if any will be accounted for in the year of final reconciliation. Further Additional liability for taxes duties and refund for pending assessment/appeals/revision/reference as well as financial effect for pending cases of claim are accounted for at the time of final settlement/Decision.
- (11) During the year 2002-2003 the Corporation has converted its existing group gratuity scheme to cash accumulation scheme under which LIC of India would be responsible for payment of full gratuity to its employees. As per demand note of LIC of India present value of gratuity for past service is Rs. 785.54 lakhs out of which the value of Corporation fund as on 31.3.2011 is Rs436.81 lakhs, and provision of Rs348.73 lakhs has been made against balance value to be funded.
- (12) Current Assets includes Rs. 3,20,000/- given to M/S CMC limited for software development and other work, the same is under dispute with the CMC Ltd and the same will be capitalized after implementation of the concerned software.
- (13) Current Assets includes Rs. 4,99,000/- paid to DISC Technology Private Limited , New Delhi for software development in the year 1999, the same is under dispute and award for recovery of the same has been passed by the sole arbitrator against the company, however adjustment of the same

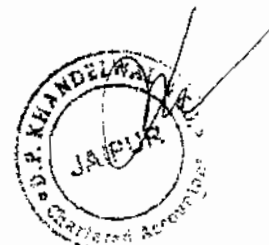
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will be made only after final settlement of the issue. However provision for doubts full debts of Rs. 4,99,000/- has been made

- (14) Account of M/s. RSRDCC Ltd. Construction contractor for various works of the Corporation is under reconciliation. Final settlement of the same will affect fixed assets and other related accounts and fixed assets and other related accounts shall be debited/credited after the final settlement.
- (15) Unsecured loan includes Rs. 26,66,333/- received from State Government which is over due for payment and Rs. 3,99,854/- towards old interest accrued and due for which no information is available
- (16) Interest includes Rs. 23, 73,733/- on Long Term Loans.
- (17) Sundry creditors includes Rs. 319.13 lakhs payable to M/s RSMM Limited on account of credit note issued by above company towards purchase of Iron and Steel from SAIL under MOU with M/S RSMM Limited and erstwhile RSMDC Limited. The above outstanding is subject to confirmation reconciliation on account of deduction of IFC & administrative charges of Rs. 2.18 lakhs and non provision of interest on outstanding amount Since Nov. 2002. Further as per the terms of MOU the Corporation has to pay the amount of credit notes to above two companies within stipulated time period of 30 days from the date of lifting of material from SAIL and accordingly eligible for claim of IFC from above two companies. On the observation of Sr Deputy Accountant General (Comm) vide their letter dated 20.7.2009 We have made provision of interest amount claimed by RSMM of Rs. 378.43 laks.
- (18) Salary and allowances include Rs. 13,44,867/- paid to the CMD (Previous year Rs. 13,89,365/-)
- (19) Information with regards to amount outstanding towards Directors or firms in which Directors are interested is NIL.

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(20) (a) Traveling and conveyance expenses includes Rs.1,24,335/-
- incurred by the CMD (Previous year Rs. 1,40,323)

(21) During the year under review the Corporation has received Rs71.55 lakhs from Government of Rajasthan as grant for organizing India International Trade Fair 2010 in New Delhi. The Corporation has a total Exp of Rs117.73 Lakhs for the same Grant of Rs71.55 lakhs has been fully set off against the same. Balance exp of Rs. 46.18Lakhs has been debited to P& L Account of the corporation. Further Income earned of Rs, 105.90 Lakhs form licence fee of Counters and contribution at IITF 2010 has been credited to P&L Account of the Corporation.

(22) The value of machinery supplied under the hire purchase scheme lying with the hirer has not been shown as stock though the ownership thereof vests in the company.

(23) Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 :
Related Party are given below:-

(a) List of related parties and their relationship.

Sr. No.	Name of the Related Party	Relationship (Key Management Personnel)
1.	Dr M.K Devarajan, IPS,	CMD
2.	Ms. Nilima Jauhari, IAS	Director
3.	Shri Rajhuns Upadhyay, IAS	Director
4.	Shri Sanjay Agarwal, IAS	Director
5.	Smt Usha Sharma , IAS	Director
6.	Shri S.S.Gupta, IAS	Addl Director
7.	Dr. Ashok Singhvi, IAS	Addl Director
8.	Dr. Purushottam Agrwal, IAS	Director
9.	Shri Ashok Jain, IAS	Director
10.	Shri Vinod Pandya, IAS	Director
11.	Sh. Dileep Baid	Additional Director

26
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No disclosure is required regarding related party relationship with other State Controlled Enterprises in accordance with Para 9 of AS-18.

(b) Details of Transaction with related parties:-

Salary and allowance paid to	
Dr. M.K.Devarajan,IPS, CMD	Rs 13,28,795/-
Shri Manohar Kant, IAS CMD	Rs. 16,072/-

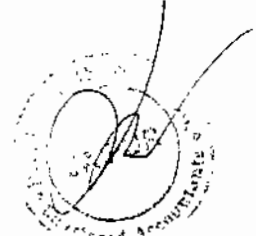
No transactions have taken place with Key Management Personnel or their relatives other than payment of Salary & Other dues payable under contractual obligations.

24 Earnings Per Share pursuant to Accounting Standard 20 is as under:-

Particulars	Amount(Rs.)	
	31.3.2011	31.3.2010
Net Profit/Loss after Tax	(8,37,66,832)	(15,96,73,815)
Number of Shares	546403	546403
Face Value(Rs. Per Share)	100	100
EPS-Basic & Diluted (Rs. Per Share)- Negative	(153.31)	(292.23)

25 n compliance of budget speech/announcement year 2007-08 point no 165 Rajasthali New Delhi show room was to be renovated and upgraded. RSIC has requested to Government of Rajasthan to provide grant-in -aid/ alternatively a loan in perpetuity of Rs. 150.00 lakhs for renovation. But Government has Sanction Rs. 75.00 Lakhs as interest free loan to RSIC for renovation/up gradation. RSIC has again requested to Government of Rajasthan to provide grant-in-aid instead of loan vide letter dated 14.7.2008. Government of Rajasthan has informed vide their letter dated 25.8.2008 that RSIC may submit their proposal after completion of renovation work. However the work has not completed with all respect but PWD

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has handover the show room on dt 29.5.2009 and RSIC has started its business Still no direction has been received from govt. about grant RSIC has incurred total expenditure of Rs. 99.38 lakhs up to 31.3.2010 on renovation work against which RSIC has received grant in aid of Rs. 7.50 lacs from DC HC and cost of AC's Rs. 9.86 lacs has been capitalized and balance amount of Rs. 82.02 lakhs has been deferred in five years. During the year 2010-11 a sum of Rs. 2.17 lakh incurred on renovation and same have been deferred in five years.

- (25)A) During the year 2009-10 Rajasthali Mt Abu and Udaipur were got renovated and a sum of Rs. 9.00 lakhs was incurred which has also been deferred in five years
- (26) During the year 2009-10 RSIC has sanctioned VRS to the 36 employees and a sum of Rs. 2, 63, 16,228/- have been paid to them against Ex-Gratia. As per opinion of the expert advisor, committee of the Institute of Chartered Accountant of India, VRS benefit consisting of Ex Gratia Amount have been written off over a period of five year hence Rs. 52,63,245/- has been charged to P & L of the year towards 1/5 write off VRS expenditure .
- (27) (A) RSIC has got a Rajasthali showroom on M I Road, Jaipur and that a attached Mall constructed. At the time of beginning of construction there were two co occupants in the same piece and partial of land mainly Rajasthan State Bunkar Sahakari Sangh and United General Store. A tripartite agreement was entered between RSIC, Bunkar Sangh and the State and another between RSIC, United General Store and the State wherein Bunkar and United General Store had agreed that the Mall be made by RSIC and on completion of the Mall Bunkar Sangh and United General Store would be given the same area as there were occupying earlier for which they would not be bearing any capital cost whatsoever except their interiors. Construction of Rajasthali is complete whereas construction of Mall is proportionally complete The area of Bunkar Sangh and United General Store is complete and has been handed over to them on 21/3/2006 and 2/12/2005. The cost of construction of the area of Bunkar Sangh and United General Store is to be borne completely by RSIC. Accordingly the cost of that area has been debited to the building account of Rajasthali and Mall proportionally after deducting the token amount of Rs.

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1,00,000/- received from United General Store towards capital outlay.

- (B) Sum of Rs. 695.17 Lakhs has been incurred up to 31.3.2011 by the corporation towards capital expenditure on Rajasthali mall, Jaipur

Building of Rajasthali Mall has been taken over from AVL, Jaipur, on dt 21.01.2010 but no activities has started in mall except space of 1032.sq. feet allotted to TRIFED on rent of Rs. 82.606/- per month from ^{3rd} sep.2010, but, TRIFED has not started any business up to 31-3-2011 therefore the same has been taken as "Capital work in progress" and shown in the schedule "F" .

This project was to be constructed by Avas Vikas Limited as per MOU between RSIC and Avas Vikas Limited dated 27/4/2004 and as per that MOU the ceiling cost of the project was Rs. 593.37 lacs including the fees of Architect, service charges of Avas Vikas Limited @ 7.5% etc. Originally there was a joint venture agreement between RSIC AND Avas Vikas Limited dated 28/8/1998 at the same cost thereafter there were many changes in the project from time to time including changes in the project and also cost escalation. As on date the revised cost of the project was approved by the board in its meeting dated 16/10/2006 agenda item No. 296(3) and board meeting dated 20/8/2008 agenda item 305(15). Only escalated price was approved and agenda did not include the reasons and justification of escalation and there were certain items which were covered in the MOU dated 27/4/2004 and were proposed in the board as additional items. These changes, additions and escalation were proposed by the Project Management Group from time to time.

- (29) M/s. Laroc International, Jaipur was given a Jewellery counter (precious and semi precious) at Rajasthali Jaipur on minimum sale guarantee for the period from 1.5.2007 to 30.4.2009. CMD was authorized by the Board of Directors in its 205th meeting held on 20.8.2008 to take necessary action as per clause 29 of the tender The contract has been terminated with effect from 31.01.2009 by RSIC (M/s. Laroc International has vacated space on 27.2.2009) and accordingly commission on MSG and licence fee, interest and service tax were debited in the account of M/s. Laroc International, Jaipur As per terms and condition

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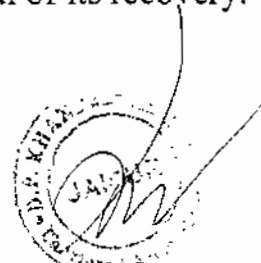
of allotment letter a security equivalent to six month commission and licence fee of minimum guaranteed sales amounting to Rs. 26,52,525/- was to be taken as security amount But while given possession of the counter, only Rs. 15,00,000 was taken against security amount. and no agreement has been executed The position of the account is as under

Out standing amount as on 31.1.2009 is	
Rs. 98,82,249/-	
Less: security amount taken	Rs.
15,00,000/-	
Less: Sales proceeds adjusted in balance security amt	Rs
11,52,525/-	
Balance amount to be recovered	Rs.
72,29,724,	

There being no security, the party not paying the out standing amount, it has become doubtful and accordingly provision has been made to the above extent. Now matter is pending before arbitrator involving some dispute and M/s. Laroc International has filed counter claim of Rs. 90, 23,350/- against RSIC

- (30) Under ASIDE Scheme A sum of Rs. 1398.46 lacs was sanctioned to RSIC for setting of Inland Container Depot, Bikaner. Out of 1398.46 lacs a sum of Rs. 676.05 lacs has been released as grant in aid during the year 2008-09 for purchase of land etc. RSIC has purchased 75 haceter land at village Sharh Nathainia, Bikaner for Rs. 4,80,75,118/- including stamp duty and registration fee on dt 30.3.2009 which has been capitalized. A sum of Rs. 14.96 lacs was also incurred/accrued towards lease rent, development charges and consultancy charges which has been shown in WIP (Work in Progress) as on 31.3.2011
- (31) Ivory items has been banned to be sold by the Govt., therefore ,it is not saleable condition .Hence as per AS 2 the value of Ivory items of Rs. 54,943/-is not included in Stock In Trade.
- (32) SAIL has deducted Rs. 3,25,851/- out of SSI rebate payable for the quarter ended June 2000, the issue is under settlement with SAIL and no provision for bad & doubtful debt has been made against the same as the corporation is hopeful of its recovery.

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- (33) During the year 2009-10 Company has not lifted coal quantity from South Eastern Coal Field Ltd as per terms of FSA due to mismanagement of the Corporation, resulting SECL has imposed penalties of Rs. 86.02 lakhs on RSIC towards short lifting of Coal as per FSA. Penalties amount has been shown in the P & L Account under the head exp. pertaining to previous year.
- (34) During the year 2010-11 asum of Rs. 1,50,00,000/- received from Govt. of Rajasthan towards Share Application Money ,but shares not issued
- (35) Advertisement & Publicity includes gifts and presentation.
- (36) Depreciation and Amortisation of Rs20,08,826./- has been charged to Capital Reserve in accordance with accounting policy No. 2.
- (37) The Company had to contribution 1 % of paid up capital i.e Rs. 5.46. lac p.a towards state renewal fund but the same had not been contributed since 2001-02. Though the Company is providing liabilities in the books of accounts which had accumulated of Rs.54.60 lacs till march-2011
- (38) There are no employees who are drawing remuneration above the prescribed limit as provided under section 217 (2A) of the companies Act. 1956.
- (39) Value of Long Term investment in Rajasthan Handloom Development Corporation Ltd. Jaipur Rs. 5.00 Lakh, and Rajasthan Consultancy Origination Ltd. Rs. 1.00 Lakh has been reduced by 100% due to permanent reduction in value of the said Investment as per AS-13.
- The BOD of Indo Bazar decided to windup the company and necessary formalities were initiate of for the winding up the process. The Director of the Company has submitted affidavit to the ROC for closure of the company and ROC has been issued a notice on 30.8.10 in pursuant to the sub section 3 of section 560 of the Company Act-1956.ROC informed vide their letter dated 19-11-2010 that the name of company has struck in the register of the ROC and the said company was dissolved on dated

for 31 July

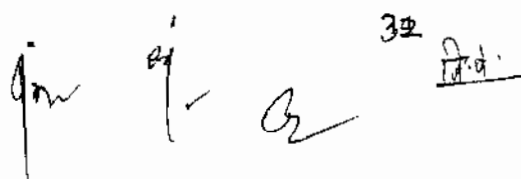


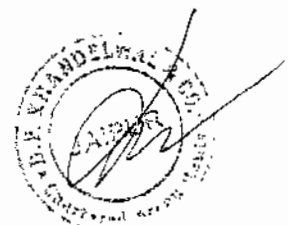
19-11-2010. Therefore, BOD of RSIC in its 316(8-G) meeting held on 30-11-2010 accorded approval of write off the RSIC, Share Capital at a loss of Rs.5.00lakh. Provision of reduction in value is already there.

- (40) Due to some technical reasons and stay orders passed by Hon,ble High Court ,ICD Bhiwadi ,Bhilwara and Jodhpur could not be operated during the 2010-11. Wood Seizing Plant, Jodhpur was also remained closed during 2010-11
- (41) During the physical verification and Audit, Shortages/ Embezzlement of Rs.18,04,972/-was deducted in cash and stocks at Rajasthali Gariahat/Chowranghee ,Kolkatta and Mumbai.FIR has been lodged against defaulters and disciplinary action has also been initiated against them.
- (42) Fixed Assets items (Gross value 4.06lakh and Net value 0.21 lakh) are lying at closed Rajasthali ,D.N.Road Mumbai .Stock taking of these items could not be taken place ,as this building is in damaged condition and no one is allowed to enter in the building.
- (43) There are delays in payment beyond 45 days form the due date to suppliers covered micro , small and medium enterprise development Act 2006 and no payment for interest has been made. Details are at Annexure "B"
- (44) (A) Quantitative details and other statutory information

DDRC (Handicrafts)

S.No.	Particulars	Current year	Previous year
1.	Actual Production(Qty)	262 pcs	1361 pcs
2.	Opening Stock of goods produced		
	(A) Quantity	4208 pcs	4450pcs
	(B) Value(Rs.)	1,95,943	3,34,446
3.	Closing Stock of goods produced		
	(A) Quantity	524pcs	4208 pcs
	(B) Value(Rs.)	46,902	1,95,943
4.	Raw Material Consumed		
	(A) Quantity	222.200 Kg 1026.55Mts	996.400 kg
	(B) Value(Rs.)	1,08,069	94,267/-

32




THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.
(A Government of Rajasthan Concern)
Jaipur

Quantity -MTS
Value -- Rs. in lacs

44 (B) QUANTITATIVE DETAILS OF TRADING GOODS

S. No.	Name of Item	Opening Stock				Purchase				Closing Stock			
		Current Year		Previous year		Current Year		Previous year		Current Year		Previous year	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
1.	Iron & Steel	370.992	139.21	126.032	37.27	6276.530	2356.12	4622.440	1608.44			370.992	139.21
2.	Coal	-	-	9020.060	139.74	-	-	41295.040	1056.38	-	-	-	-
2.	Others Handicrafts/Marketing etc		92.13	-	151.67		731.73		1423.76		79.15		92.13
	Total	370.992	231.34	9146.092	328.68	6276.530	3087.85	45917.480	4088.58		79.15	370.992	231.34

44(C) PARTICULARS OF SALES

S.No.	Particulars	Current year		Previous Year	
		Qty	Value	Qty	Value
1.	Iron & steel	6564.120	2513.88	4377.480	1521.90
2.	Coal	-	-	50316.920	1217.97
2.	Other Handicrafts / Marketing etc	-	848.32	-	1655.51
	Total	6647.390	3362.20	54694.400	4395.38

** Note:- Opening stock taken wrongly excess of 0.132 MT (Pre Year excess sale 1.820 MT)

for J. B. S.



46 (A) Value of imported raw material spare parts and components calculated on CIF basis by the Corporation.

Current Year - Nil

Previous Year - Nil

(B) The details of imported / indigenous raw material, spare parts and components consumed are as under:-

Current Year:	Raw Material		Spares & Stores parts	
	Imported	Indigenous	Imported	In digenous
Total Consumption	Nil	1,08,069	Nil	2174
Percentage	Nil	100%	Nil	100
Previous Year:				
Total Consumption	Nil	94,267	Nil	3666
Percentage	Nil	100%	Nil	100%

(C) Earning in foreign currency on sale of goods:

Current Year : 3.29Lakh Previous Year: 47.51 Lakh

(D) Expenditure in foreign currency:

Current Year : NIL Previous Year: NIL

47. Previous year figures have been regrouped, reclassified wherever necessary

Signed Schedule A to O

Suresh singhal
Financial Advisor

Ravi Agrawal
SECRETARY

Pankaj
CHAIRMAN &
MANAGING
DIRECTOR

DIRECTOR

In terms of our report of even date
For D.P.Khandelwal & co
Chartered Accountants FRN 000155

Deshnidhi Gupta

Partner

M No 07856

Place: Jaipur

Dated: 17 OCT 2011

RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Annexure "A"

Details of Expenditure charged to grant-in-aid

Particular	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
Organizing EXHIBITION EXPENSES (IITF 2009 & 2010)	7,155,000.00	5,500,000
Capital Expenditure of Handicraft Sourcing Hub	16,782,000.00	
Organizing Handicrafts Exhibition	-	390,670.00
State Award to Artisans (Dist and State level craft award)	-	541232
Organising of Gandhi Shilp Bazar (Grant In Aid from DC HC)	-	1786034
<u>Estt. & Other Expenses of Handicraft Sourcing Hub</u>		
Rates and Taxes	1,924,367.00	
Telephone Exp.	76,961.00	
Light & Water charges	1,444,822.00	
other office expenses	265,890.00	
	27,649,040.00	8,217,936


Suresh Singhal
Financial Advisor


Ravi Agrawal
Secretary


Pankaj
Chairman & Managing
Director


Director

Place: Jaipur

Date: 17 OCT 2011

In Terms of our Report of Even Date
For D.P.Khandelwal & Co.
Chartered Accountants

FRN 0001556


Deshraj Gupta
Partner

MNo-078550

THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.

(A Government of Rajasthan Concern)
Udyog Bhawan, Tilak Marg, C-Scheme, Jaipur
UNIT - MARKETING CELL

LIST OF MSME PAYMENT TO SSI UNIT AFTER 45 DAYS FOR THE YEAR 2010-2011

S. No.	Name of Unit	Bill No. & Date	Date of Bill Received	Date of Payment	Amount	Day of delay payment
1	Jain Industrial Corporation	52/06.02.10	09.2.10	16.4.10	341350	66
2	Jai Industrial Corporation	03/06.02.10	09.2.10	16.4.10	341350	66
3	Karnawat Traders	1480/29.7.09	16.9.09	16.4.10	1591824	214
4	Mehta Plast Corporation	5924/23.02.10	23.2.10	16.4.10	123866	52
5	Khandelwal Enterprises	246/29.12.09	29.12.09	16.4.10	5936	110
6	Dayal Foundry & Plastic Works	468/04.02.10	04.2.10	16.4.10	331948	71
7	Padmawati Polymers	572/21.02.10	25.2.10	16.4.10	100426	50
8	Dayal Foundry & Plastic Works	469/05.02.10	20.2.10	20.4.10	731046	59
9	Mehta Plast Corporation	5939/5.3.10	05.3.10	20.4.10	209223	46
10	Mehta Plast Corporation	5938/5.3.10	05.3.10	20.4.10	151324	46
11	Padmawati Polymers	98/25.01.10	28.01.10	20.4.10	136283	51
12	A. K. Enterprises	73/12.01.10	13.01.10	20.4.10	126062	66
13	Dayal Foundry & Plastic Works	478/11.03.10	20.3.10	20.5.10	77412	61
14	Dayal Foundry & Plastic Works	479/12.03.10	20.3.10	20.5.10	82215	61
15	Padmawati Polymers	105/20.3.10	30.3.10	20.5.10	82215	51
16	Saharia Steel Products	422/28.3.10	30.3.10	20.5.10	198428	51
17	Kainya Wires Pvt. Ltd.	648/25.3.10	31.3.10	20.5.10	226517	50
18	Mehta Plast Corporation	6207/07.4.10	10.4.10	17.6.10	66406	67
19	Dayal Foundry & Plastic Works	480/15.3.10	30.3.10	17.6.10	404289	78
20	Dayal Foundry & Plastic Works	485/3.4.10	20.4.10	17.6.10	83061	58
21	Dayal Foundry & Plastic Works	489/24.4.10	01.5.10	17.6.10	173760	47
22	Padmawati Polymers	02/9.4.10	12.4.10	17.6.10	25581	66
23	Padmawati Polymers	01/9.4.10	12.4.10	17.6.10	396587	66
24	Rajasthan Metal Smelting Co.	34/26.3.10	31.3.10	01.7.10	229461	91
25	Saharia Metals	264/29.3.10	05.4.10	01.7.10	229687	87
26	Mechci Tech	334/29.3.10	05.4.10	01.7.10	229688	87
27	Govind Enterprises	03/26.4.10	26.4.10	01.7.10	124993	66
28	Hall Mark	14/30.3.10	31.3.10	07.7.10	144572	98
29	Khandelwal Enterprises	12/9.4.10	15.4.10	07.7.10	226015	83
30	Marketing Centre	94/8.4.10	15.4.10	07.7.10	226256	83
31	Steelgrip Industries	16/26.4.10	29.4.10	07.7.10	228184	70
32	Selmax Industries	28/26.4.10	29.4.10	07.7.10	228424	70
33	Parag Industries	99/26.4.10	29.4.10	07.7.10	228184	70
34	Piyush Wire Industries	38/26.4.10	29.4.10	07.7.10	228424	70
35	Dayal Foundry & Plastic Works	488/23.4.10	29.4.10	07.7.10	114053	70
36	Govind Enterprises	02/13.4.10	13.4.10	15.7.10	43886	93
37	Veekay Associates	102/31.5.10	08.6.10	31.8.10	586221	84
38	Veekay Associates	106/29.6.10	07.7.10	31.8.10	904436	58
39	Veekay Associates	104/28.6.10	07.7.10	31.8.10	475762	58
40	Veekay Associates	103/22.6.10	25.6.10	31.8.10	717364	67
41	Govind Enterprises	05/01.6.10	02.6.10	04.8.10	7804	63
42	Ravi International	47/25.5.10	09.6.10	30.8.10	7296	88
43	Rajasthan Metal Smelting Co.	11/22.4.10	25.4.10	14.9.10	63945	111

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44	Khandelwal Enterprises	69/21.6.10	24.6.10	14.9.10	9681	82
45	Mehta Plast Corporation	6230/26.4.10	30.4.10	14.9.10	6630	137
46	Novelty Manufacturing Co.	03/12.5.10	14.5.10	14.9.10	386460	123
47	Kalyan Steel Industries	172/12.5.10	14.5.10	14.9.10	386460	123
48	Karnawat Tarpo	461/03.5.10	03.5.10	20.9.10	1086624	140
49	Padmawati Polymers	516/13.6.10	17.6.10	20.9.10	26369	95
50	Abhishek Industries	10/28.4.10	30.4.10	30.9.10	80142	153
51	Abhishek Industries	12/10.5.10	11.5.10	30.9.10	14553	142
52	Khandelwal Enterprises	04/28.4.10	30.4.10	30.9.10	64326	153
53	Khandelwal Enterprises	07/30.4.10	03.5.10	30.9.10	354759	150
54	Khandelwal Enterprises	14/30.4.10	10.5.10	30.9.10	26749	143
55	Khandelwal Enterprises	17/8.5.10	11.5.10	30.9.10	117306	142
56	General Engg. Co.	06/7.5.10	12.5.10	30.9.10	124146	141
57	International Wire Products	02/7.5.10	12.5.10	30.9.10	124146	141
58	Ravi International	46/25.5.10	25.5.10	30.9.10	19027	127
59	Ravi International	74/12.7.10	12.7.10	30.9.10	11872	80
60	Ravi International	11/7.5.10	7.5.10	30.9.10	41057	146
61	Ravi International	10/6.5.10	6.5.10	30.9.10	159341	147
62	Ravi International	49/25.5.10	25.5.10	30.9.10	87980	128
63	Ravi International	76/25.6.10	25.6.10	30.9.10	61296	97
64	Ravi International	75/12.7.10	12.7.10	30.9.10	9513	80
65	Ravi International	18/10.5.10	10.5.10	30.9.10	41040	143
66	Ravi International	14/7.5.10	07.5.10	30.9.10	25252	146
67	Ravi International	15/7.5.10	07.5.10	30.9.10	43280	146
68	Rama Furniture Industries	153/28.7.10	06.8.10	07.10.10	323106	62
69	Ravi International	25/24.6.10	21.8.10	07.10.10	14285	47
70	Ravi International	09/6.5.10	20.5.10	07.10.10	87980	140
71	Kalyan Steel Industries	181/17.5.10	21.5.10	07.10.10	71948	139
72	Kalyan Steel Industries	182/17.5.10	21.5.10	07.10.10	66266	139
73	Khandelwal Enterprises	08/30.4.10	03.8.10	07.10.10	11731	65
74	Khandelwal Enterprises	57/15.6.10	16.6.10	07.10.10	27514	113
75	Khandelwal Enterprises	03/28.4.10	30.4.10	07.10.10	62269	160
76	Khandelwal Enterprises	15/7.5.10	10.5.10	07.10.10	344872	150
77	Khandelwal Enterprises	05/30.4.10	03.5.10	07.10.10	293710	157
78	Khandelwal Enterprises	11/30.4.10	07.5.10	07.10.10	430991	153
79	Kalyan Steel Industries	178/17.5.10	21.5.10	11.10.10	53424	139
80	Kalyan Steel Industries	179/17.5.10	21.5.10	11.10.10	20208	139
81	Kalyan Steel Industries	180/17.5.10	21.5.10	11.10.10	26073	139
82	S. S. Enterprises	19/26.7.10	12.8.10	11.10.10	256653	60
83	Advantage Furniture	26/02.8.10	12.8.10	11.10.10	256653	60
84	Novelty Manufacturing Co.	12/02.8.10	12.8.10	11.10.10	254276	60
85	Ravi International	84/15.6.10	23.8.10	14.10.10	204413	52
86	Ravi International	92/19.7.10	23.8.10	14.10.10	188072	52
87	Ravi International	93/10.6.10	23.8.10	14.10.10	117306	52
88	Ravi International	83/15.6.10	21.8.10	14.10.10	93596	54
89	H. R. Industries	632/02.6.10	09.6.10	14.10.10	28540	125
90	RCS Wires	162/12.7.10	13.7.10	14.10.10	237640	93
91	Hind Safe Company	01/03.8.10	12.8.10	14.10.10	255702	63
92	Khandelwal Enterprises	66/21.6.10	13.7.10	20.10.10	87980	99
93	Khandelwal Enterprises	47/14.6.10	16.6.10	20.10.10	546483	126
94	Ravi International	103/21.6.10	10.8.10	20.10.10	44486	71
95	Khandelwal Enterprises	31/31.5.10	08.6.10	25.10.10	62398	139

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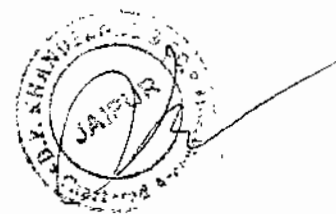
96	Khandelwal Enterprises	16/8.5.10	10.5.10	25.10.10	121024	168
97	Khandelwal Enterprises	123/29.6.10	30.6.10	25.10.10	240203	117
98	Khandelwal Enterprises	06/30.4.10	03.5.10	25.10.10	372748	175
99	Khandelwal Enterprises	207/04.9.10	06.9.10	25.10.10	71487	49
100	Selmax Industries	150/27.8.10	31.8.10	25.10.10	243582	55
101	Sigma Steels Pvt. Ltd.	01/27.08.10	31.8.10	25.10.10	243582	55
102	Steelgrip Industries	91/29.8.10	31.8.10	25.10.10	243820	55
103	Ashish Enterprises	200/31.8.10	03.9.10	25.10.10	243820	52
104	Saharia Wire Industries	294/31.8.10	03.9.10	25.10.10	243820	52
105	Bhagwati Metals	224/29.8.10	03.9.10	25.10.10	243582	52
106	Ravi International	97/12.7.10	8.9.10	25.10.10	29327	47
107	Ravi International	79/11.6.10	8.9.10	25.10.10	217449	47
108	Ravi International	78/11.6.10	8.9.10	25.10.10	38814	47
109	Ravi International	73/11.6.10	23.8.10	25.10.10	16378	62
110	Ravi International	77/11.6.10	8.9.10	25.10.10	192426	47
111	Ravi International	85/15.6.10	15.9.10	03.11.10	147176	49
112	Ravi International	86/15.6.10	15.9.10	03.11.10	253260	49
113	Ravi International	87/15.6.10	15.9.10	03.11.10	85840	49
114	Ravi International	88/15.6.10	15.9.10	03.11.10	130267	49
115	Rohilla Industries	12/15.6.10	17.6.10	03.11.10	1085222	139
116	Khandelwal Enterprises	83/12.6.10	24.7.10	04.11.10	255936	103
117	Khandelwal Enterprises	20/10.5.10	10.5.10	04.11.10	153941	178
118	Khandelwal Enterprises	142/26.7.10	28.7.10	04.11.10	70666	99
119	Dayal Foundry & Plastic Works	539/12.8.10	20.8.10	04.11.10	12896	76
120	Dayal Foundry & Plastic Works	538/12.8.10	20.8.10	04.11.10	41863	76
121	Dayal Foundry & Plastic Works	552/27.8.10	03.9.10	04.11.10	43864	62
122	Rajasthan Metal Smelting Co.	54/25.6.10	30.6.10	04.11.10	200975	127
123	Saharia Steel Products	441/06.9.10	09.9.10	04.11.10	107285	56
124	Ravi International	89/16.7.10	23.8.10	12.11.10	90964	81
125	Ravi International	98/14.6.10	23.8.10	12.11.10	20305	81
126	Ravi International	26/12.7.10	8.9.10	12.11.10	34343	65
127	Govind Enterprises	25/21.9.10	21.9.10	12.11.10	130013	52
128	Govind Enterprises	16/10.8.10	10.8.10	29.11.10	107520	111
129	Ravi International	90/16.7.10	23.8.10	29.11.10	206076	98
130	Veekay Associates	108/22.9.10	05.10.10	29.11.10	342335	55
131	Kalyan Steel Industries	176/12.5.10	14.5.10	29.11.10	5923	199
132	Kalyan Steel Industries	175/12.5.10	14.5.10	29.11.10	44135	199
133	Khandelwal Enterprises	206/4.9.10	06.9.10	29.11.10	9681	84
134	Khandelwal Enterprises	141/24.7.10	26.7.10	29.11.10	9681	126
135	Khandelwal Enterprises	61/15.6.10	20.6.10	29.11.10	9681	162
136	Khandelwal Enterprises	39/14.6.10	20.6.10	29.11.10	22011	162
137	Govind Enterprises	21/8.9.10	08.9.10	15.12.10	255016	98
138	A. K. Enterprises	50/21.9.10	08.10.10	15.12.10	254514	68
139	Ravi International	19/11.5.10	20.5.10	15.12.10	245963	2149
140	Kalyan Steel Industries	174/12.5.10	14.5.10	15.12.10	248292	225
141	Kalyan Steel Industries	173/12.5.10	14.5.10	15.12.10	33713	225
142	Khandelwal Enterprises	129/30.6.10	13.7.10	15.12.10	73432	155
143	Khandelwal Enterprises	73/21.6.10	22.6.10	15.12.10	284435	176
144	Ravi International	91/16.7.10	23.8.10	28.12.10	511656	97
145	Ravi International	104/29.9.10	23.10.10	28.12.10	91991	66
146	Veekay Associates	107/13.9.10	15.9.10	28.12.10	564512	103
147	Padmawati Polymers	522/29.10.10	02.11.10	28.12.10	208645	56

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148	Rajasthan Metal Smelting Co.	56/7.9.10	07.9.10	28.12.10	57170	112
149	Abhishek Industries	75/28.10.10	03.10.10	28.12.10	94524	86
150	Abhishek Industries	74/28.10.10	03.10.10	28.12.10	96587	86
151	Abhishek Industries	73/28.10.10	03.10.10	28.12.10	96587	86
152	Khandelwal Enterprises	74/21.6.10	22.6.10	28.12.10	69348	189
153	Khandelwal Enterprises	53/15.6.10	16.6.10	28.12.10	49039	195
154	Khandelwal Enterprises	48/14.6.10	16.6.10	28.12.10	65054	195
155	Khandelwal Enterprises	56/15.6.10	16.6.10	28.12.10	35363	195
156	Khandelwal Enterprises	40/14.6.10	16.6.10	28.12.10	33192	195
157	Khandelwal Enterprises	51/15.6.10	16.6.10	28.12.10	2253	195
158	Khandelwal Enterprises	58/15.6.10	16.6.10	28.12.10	50573	195
159	Khandelwal Enterprises	122/29.6.10	30.6.10	28.12.10	33897	181
160	Khandelwal Enterprises	09/30.4.10	07.5.10	28.12.10	52370	235
161	Khandelwal Enterprises	205/4.9.10	06.9.10	28.12.10	61330	113
162	Khandelwal Enterprises	144/26.7.10	28.7.10	28.12.10	85466	153
163	Khandelwal Enterprises	145/26.7.10	28.7.10	28.12.10	64177	153
164	Khandelwal Enterprises	143/26.7.10	28.7.10	28.12.10	5936	153
165	Khandelwal Enterprises	62/15.6.10	15.8.10	28.12.10	64873	135
166	Khandelwal Enterprises	41/14.6.10	16.6.10	28.12.10	31214	195
167	Khandelwal Enterprises	70/21.5.10	24.6.10	28.12.10	64873	187
168	Khandelwal Enterprises	50/14.6.10	16.6.10	28.12.10	30644	195
169	Khandelwal Enterprises	44/14.6.10	16.6.10	28.12.10	113302	195
170	Khandelwal Enterprises	45/14.6.10	16.6.10	28.12.10	64231	195
171	Khandelwal Enterprises	59/15.6.10	16.6.10	29.12.10	154078	196
172	Khandelwal Enterprises	55/15.6.10	16.6.10	29.12.10	548479	196
173	Khandelwal Enterprises	49/14.6.10	16.6.10	29.12.10	20150	196
174	Khandelwal Enterprises	112/21.6.10	30.6.10	29.12.10	164971	182
175	Khandelwal Enterprises	114/26.6.10	30.6.10	29.12.10	134830	182
176	Khandelwal Enterprises	118/28.6.10	30.6.10	29.12.10	14659	182
177	Khandelwal Enterprises	38/14.6.10	16.6.10	29.12.10	150360	196
178	Khandelwal Enterprises	212/15.9.10	15.9.10	29.12.10	222564	105
179	Khandelwal Enterprises	117/28.6.10	30.6.10	29.12.10	247625	182
180	Khandelwal Enterprises	60/15.6.10	16.6.10	29.12.10	107683	196
181	Khandelwal Enterprises	72/21.6.10	22.6.10	29.12.10	125240	190
182	International Wire Products	15/27.10.10	03.11.10	29.12.10	262978	55
183	General Engg. Co.	18/27.10.10	03.11.10	29.12.10	262978	55
184	Laxmi Engg. Co.	11/27.10.10	03.11.10	29.12.10	263212	55
185	Govind Enterprises	30/28.10.10	28.10.10	29.12.10	215594	62
186	Mehta Plast Corporation	6816/27.10.10	28.10.10	29.12.10	215594	62
187	Ravi International	94/18.10.10	19.10.10	29.12.10	9513	71
188	A. K. Enterprises	44/01.9.10	06.9.10	29.12.10	5865	114
189	Khandelwal Enterprises	71/21.6.10	22.6.10	29.12.10	474240	190
190	Khandelwal Enterprises	128/30.6.10	13.7.10	04.01.11	1618494	175
191	Khandelwal Enterprises	264/8.11.10	09.11.10	06.01.11	273578	58
192	Khandelwal Enterprises	46/14.6.10	16.6.10	06.01.11	9819	204
193	Balaji Steels	1110/8.11.10	12.11.10	06.01.11	237578	55
194	S. S. Enterprises	47/22.3.10	22.3.10	14.02.11	386460	329
195	S. S. Enterprises	48/22.3.10	22.3.10	14.02.11	602878	329
196	A. K. Enterprises	07/21.4.10	21.4.10	21.02.11	6001	306
197	A. K. Enterprises	02/6.4.10	06.4.10	21.02.11	261145	321
198	S. S. Enterprises	02/8.4.10	08.4.10	23.02.11	48417	321
199	S. S. Enterprises	01/7.4.10	08.4.10	23.02.11	290502	321

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200	A. K. Enterprises	26/21.5.10	21.5.10	23.02.11	98878	278
201	A. K. Enterprises	06/19.4.10	22.4.10	23.02.11	12628	307
202	A. K. Enterprises	05/19.4.10	22.4.10	23.02.11	371754	307
203	A. K. Enterprises	09/30.4.10	30.4.10	23.02.11	267378	299
204	A. K. Enterprises	12/30.4.10	30.4.10	23.02.11	3003	299
205	A. K. Enterprises	82/26.3.10	26.3.10	23.02.11	24681	335
206	A. K. Enterprises	81/26.3.10	26.3.10	23.02.11	77046	335
207	A. K. Enterprises	79/16.3.10	16.3.10	23.02.11	230850	345
208	S. S. Enterprises	16/14.5.10	17.5.10	07.03.11	22994	294
209	S. S. Enterprises	05/21.4.10	21.4.10	07.03.11	12612	320
210	A. K. Enterprises	36/02.7.10	02.7.10	07.03.11	57634	248
211	A. K. Enterprises	24/21.5.10	21.5.10	07.03.11	139142	290
212	A. K. Enterprises	18/10.5.10	10.5.10	07.03.11	25394	301
213	A. K. Enterprises	23/20.5.10	20.5.10	07.03.11	77204	291
214	A. K. Enterprises	29/02.6.10	07.6.10	07.03.11	81966	273
215	A. K. Enterprises	04/19.4.10	19.4.10	07.03.11	204776	322
216	A. K. Enterprises	08/29.4.10	29.4.10	07.03.11	163932	312
217	S. S. Enterprises	07/10.5.10	10.5.10	09.03.11	44705	303
218	S. S. Enterprises	18/21.5.10	21.5.10	09.03.11	42771	292
219	S. S. Enterprises	17/21.5.10	21.5.10	09.03.11	59909	292
220	S. S. Enterprises	06/10.5.10	10.5.10	09.03.11	1000482	303
221	A. K. Enterprises	54/28.6.10	28.6.10	09.03.11	70666	254
222	A. K. Enterprises	13/03.5.10	03.5.10	09.03.11	74699	310
223	A. K. Enterprises	14/03.5.10	03.5.10	09.03.11	94351	310
224	A. K. Enterprises	15/006.5.10	07.5.10	09.03.11	73489	306
225	A. K. Enterprises	25/21.5.10	21.5.10	09.03.11	111282	292
226	A. K. Enterprises	33/23.6.10	23.6.10	09.03.11	146633	259
227	A. K. Enterprises	28/02.6.10	07.6.10	09.03.11	152906	275
228	A. K. Enterprises	19/17.5.10	17.5.10	09.03.11	57033	296
229	A. K. Enterprises	20/17.5.10	17.5.10	09.03.11	4595	296
230	A. K. Enterprises	21/19.5.10	19.5.10	09.03.11	147311	294
231	A. K. Enterprises	22/19.5.10	19.5.10	09.03.11	17231	294
232	A. K. Enterprises	10/30.4.10	30.4.10	11.03.11	200403	315
233	A. K. Enterprises	11/30.4.10	30.4.10	11.03.11	4505	315
234	A. K. Enterprises	27/21.5.10	21.5.10	11.03.11	294453	294
235	A. K. Enterprises	31/8.6.10	08.6.10	18.03.11	2160624	283
236	A. K. Enterprises	32/8.6.10	08.6.10	18.03.11	574524	283
237	S. S. Enterprises	15/12.5.10	12.5.10	23.03.11	3446	315
238	S. S. Enterprises	14/12.5.10	12.5.10	23.03.11	419763	315
239	S. S. Enterprises	13/12.5.10	12.5.10	23.03.11	10338	315
240	S. S. Enterprises	12/12.5.10	12.5.10	23.03.11	1945983	315

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**THE RAJASTHAN SMALL INDUSTRIES CORPORATION LTD.
(A GOVERNMENT OF RAJASTHAN CONCERN)
JAIPUR**

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS 1118 State Code 17
Registration details no.
Balance Sheet
Dated 31.03.2011

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)
Public Issue NIL Rights Issue NIL
Bonus Issue NIL Private Placement NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)


Total Liabilities	2,20,602	Total Assets	2,20,602
Sources of Funds		Reserves and Surplus	80,918
Paid up capital	54,640	Unsecured Loans	70,044
Share Application Money	15,000	Secured Loan	
Secured Loans		Investments	181
Application of Funds		Misc. Expenditure	21,350
Net Fixed Assets	2,51,663	Deferred Tax Assets	
Net Current Assets	(3,11,992)		
Accumulated Losses	2,59,400		

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover/Income	4,21,399	Total Expenditure	5,05,166
Profit before tax (Loss)	(83,767)	Profit after Tax (Loss)	(83,767)
Earning per share in Rs.	(153.31)		

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY (As per monetary terms)

SUPPLY OF ITEM	CODE NO.
i. Raw Material and Marketing assistance to SSI Units	N.A.
ii. Development of handicrafts	N.A.
iii. Export Infrastructure Service	N.A.


Suresh Singhal
Financial Advisor


RAVI AGRAWAL
SECRETARY


Pankaj
CHAIRMAN & MANAGING
DIRECTOR


DIRECTOR

Place: Jaipur
Date: 17 OCT 2011



RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Consolidated Cash Flow Statement for the year ended Year 2010-11

Particulars	Figures as at 31st March 2011 (Rs)	Figures as at 31st March 2010 (Rs)
A. Cash Flow from Operating Activities		
Net Loss after tax and Extra Ordinary Items	(83,766,832)	(159,673,815)
Adjustment for :		
Depreciation	5,524,277	7,208,086
Prior period depreciation	-	515,298
Loss on Sale of Fixed Assets/ Assets W/o	11,286	15,683
Profit on Sale of Fixed Assets	(161,768)	(125,333)
Interest Received	(4,299,270)	(6,070,419)
Dividend Received	(9,000)	(9,000)
Provision for diminution in value of investments/ Doubt ful Debts	-	-
Interest Paid	8,105,803	6,404,079
Excess provision Written Back	(1,438,742)	113,130
Misc Exp W/o (VRS Expenditure)	7,116,723	-
Exp pertaining to prv year (Dep overcharge in previous year)	-	410,294
Income pertaining to prv year	(1,230,289)	2,272,189
Sundry Debtor W/b		
Deferred tax assets w/b	13,619,020.00	17,911,606
Operating profit before working capital changes	(70,147,812)	(130,028,203)
Adjustment for working capital:		
Increase /Decrease in inventory	15,323,273	9,892,160
Increase/Decrease in Sunday Debtors	9,871,603	(17,649,472)
Increase/Decrease in Loans & Advance	3,419,904	60,997,427
Increase/Decrease in other current assets	979,690	(1,528,659)
Increase/Decrease in current liabilities	26,180,427	83,988,334
Deferred Tax Assets	-	-
Misc Exp deferred	6,885,355	(28,235,556)
Capital Reserve	-	-
Net Cash flow from operating Activities	(7,487,560)	(22,765,969)
B. Cash flow from investing activities		
Interest Received	4,299,270	5,070,419
Dividend Received	9,000	9,000
Purchase of Fixed Assets	(1,488,508)	(1,410,975)
Sale of Fixed Assets	180,888	179,891
Net Cash Flow from investing activities	(4,486,910)	(18,917,634)
C. Cash Flow from Financing Activities		
Interest Paid	(5,838,726)	(6,404,079)
Long term loan taken	-	42,765,384
Repayment of long term loan taken	-	-
Share Application Money	15,000,000	-
Financing Activities	9,161,274	36,361,305
Net increase in cash & Cash Equivalent	4,674,364	17,443,671
Opening balance of cash & Cash Equivalent	56,584,311	38,520,065
Opening balance of FDR ranging more than 90 days	44,515,363	44,115,938
FDR more than 90 days	-	-
Cash & Cash Equivalent includes FDR ranging up to 90 days	42,966,107	56,584,311
FDR more than 90 days	62,787,931	44,515,363
Closing balance	105,754,038	101,079,674

Suresh Singhal
Financial Advisor

Ravi Agrawal
Secretary

Pankaj
Chairman & Managing Director

Director

Place: Jaipur

Date: 17 OCT 2011

In Terms of our Report of Even Date
For D.P.Khandelwal & Co.
Chartered Accountants

FRN 0001556

Deshnadi Gupta
Partner

MN 07856

RAJASTHAN SMALL INDUSTRIES CORPORATION LTD
(A Government of Rajasthan Concern)
Jaipur

Unit-Wise Comparative Statements of Turnover Profit & Loss for the year 2009-10 and 2010-11

	Name of Unit	Turnover						Profit & Loss after Appropriation	
		2009-10			2010-11			2009-10	2010-11
		Corpn.	Consign	Total	Corpn.	Consign	Total		
	A. Handicrafts								
1	Rajasthali New Delhi	108.00	199.73	307.73	92.07	369.25	461.32	(1.31)	48.32
2	Rajasthali Mumbai	0.18	0.08	0.26	0.18		0.18	(10.53)	(4.59)
3	Rajasthali Cal (Ch)	3.83	21.48	25.31	3.64	19.60	23.24	(4.27)	(5.92)
4	Rajasthali Cal (Gar)	11.59	9.65	21.24	7.91	11.13	19.04	(0.74)	1.32
5	Rajasthali Jaipur	259.26	156.45	415.71	255.12	331.96	587.08	(52.46)	14.46
6	Rajasthali Mt Abu	0.62	2.39	3.01	0.35	19.11	19.46	(4.53)	(2.27)
7	Rajasthali Agra	4.30	0.96	5.26	0.73	14.97	15.70	(11.22)	(2.69)
8	Rajasthali Udaipur	3.86	28.18	32.04	1.19	54.96	56.15	(16.30)	(2.27)
9	Rajasthali Jaisalmer	-	-	-				-	
10	D.D.R.C Jaipur	-	-	-				(22.18)	(25.26)
	Total (A)	391.64	418.92	810.56	361.19	820.98	1,182.17	(123.54)	21.00
	B. E.I.S								
11	Air Cargo Sanganer	176.44		176.44	119.43		119.43	115.30	59.46
12	I.C.D. Sanganer	448.90		448.90	212.17		212.17	(3.42)	(22.77)
13	I.C.D. Jodhpur	372.43		372.43	22.61		22.61	27.34	(81.23)
14	I.C.D. Bhiwadi	2.69		2.69				(68.12)	(75.06)
15	I.C.D Bhiwara	11.25		11.25				(26.17)	(41.82)
	Total (B)	1,011.71		1,011.71	354.21		354.21	44.93	(174.80)
	C. Other								
16	Distribution								
	(a) Raw Material	2,739.87	2,017.39	4,757.26	2,513.88	1,893.47	4,407.35	(5.64)	(125.27)
	(b) Marketing Division	1,271.86		1,271.86	516.14		516.14	26.40	5.00
17	Head Office(Exp.-Income)							(1,538.89)	(563.60)
	Total (C)	4,011.73	2,017.39	6,029.12	3,030.02	1,893.47	4,923.49	(1,518.13)	(683.87)
	Grant Total (A+B+C)	5,415.08	2,436.31	7,851.39	3,745.42	2,714.45	6,469.87	(1,596.74)	(837.67)
18	Headling Charges of Cargo/I.C.D Services								
	Grant Total	5,415.08	2,436.31	7,851.39	3,745.42	2,714.45	6,469.87	(1,596.74)	(837.67)

D.D.

D. P. KHANDELWAL & Co.
Chartered Accountants
1st Floor, Akul Chambers
H-4, Sahkar Marg
Opp. J.P. Phatak
JAIPUR 302015
Ph. No's: 2741056, 2741057



E MAIL: deshnidhi@gmail.com

AUDITORS REPORT

TO THE MEMBER'S OF THE RAJASTHAN SMALL INDUSTRIES CORPORATION LIMITED

We have audited the attached Balance Sheet of M/s **The Rajasthan Small Industries Corporation Limited** as at **31st March, 2011** and also the annexed Profit & Loss A/c and the Cash Flow Statement of the Company for the year ended on that date, annexure thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

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

1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act.1956 we enclose in the Annexure 2, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Subject to our observation in the annexure 1 and annexure 2 we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books

(c) The balance sheet and profit & loss account dealt with by this report are in agreement with the books of accounts.



(d) In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act 1956, **except**

		Particulars
	AS-15	Employee Benefits
	AS-28	Impairment of Assets
	AS-29	Provisions, Contingent Liabilities and Contingent Assets
	AS-03	Cash Flow Statement

(e) This being a Government Company is exempt from the applicability of the provisions of section 274(1) (g) of the Companies Act 1956 vide General Circular No. 8/2002 dated 22.03.2002 issued by the Department of Company Affairs.

(f) We further report that without considering observation mentioned in Para II of Annexure A of this report, the effect of which could not be ascertained on financial statements. Had the observations made by us in Part I of Annexure A of this report been considered position would be as under:-

Particulars	Amount as per Financial Statements	Rs. In Lacs
		Amount after Considering our Audit Report
Reserve & Surplus	809.18	760.64
Profit & Loss a/c (Loss)	837.67	843.39
Total Current Liabilities	5153.88	5202.42
CWIP	710.13	704.4

(g) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with notes thereon, and **subject to our comments given in Para (f) above and Annexure 1 & Annexure 2 to this report** give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(i) In so far as it relates to the Balance Sheet of the State of Affairs of the Company as at 31st March 2011.



(ii) In so far as it relates to the Profit and Loss Account of the loss of the Company for the year ended on that date.

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

Place: Jaipur
Dated: 17/10/2011

For D.P. Khandelwal & Co.
Chartered Accountants
FRN 000155C



[Signature]
Desh Nidhi Gupta F.C.A.
Partner
Membership No 078560

**ANNEXURE '1' TO THE AUDIT REPORT ON THE ACCOUNTS OF THE
RAJASTHAN SMALL INDUSTRIES CORPORATION LTD. FOR THE
YEAR ENDED 31ST MARCH 2011.**

**1. Observations the effect of which on Profit & Loss
Account and Balance Sheet is ascertainable**

- 1) The amount of Rs. 48.54, 000/- received on account of raw material assistance scheme from State Government and appearing under the head Reserve and Surplus – Revolving fund was to be returned to the Government after expiry of five years of the scheme from the financial year 1991-92. Accordingly this amount became refundable in the year 1996-97; however, the company is still showing this amount under the head Reserve and Surplus instead of Liabilities resulting into understatement of Liabilities and overstatement of Reserves & Surplus to this extent. Further concerned file of Revolving Fund is not available with the corporation and hence we are unable to verify whether any Interest is payable on such delay or not. This matter was reported in the audit reports of previous years also & no further details and explanations were provided to us in current year.

- 2) The Company had applied to the Ministry of Textiles vide CMD letter dated 24/02/2009 and sanction for Rs. 1046.13 Lacs (25% of total expenditure of Rs. 4184.51 Lacs) were sought for developing a sourcing hub at the premises of Rajasthali Ajmeri Gate Jaipur . Accordingly Ministry Of Textiles had had sanctioned Rs. 5.00 Crores to the Company and out of this Rs. 2.27 Crores were received by the Company during the year 2010-2011. However on going through the project report submitted by the Company it was observed that cost & estimation included cost of Land at current DLC rates & Construction at current market rates whereas it was informed to us that the land was already purchased years back in 1998 & some portion was allotted at free of cost & construction was already completed in 2006-07. Hence in our opinion the claim of the Company from Ministry of Textiles for meeting the cost of construction & land at market rates was not correct & misleading. Further the Company had submitted the Utilization Certificates of funds received Rs. 1.48 in 2009-10 & Rs. 2.27 Cores (2010-2011) totaling Rs. 3.75 Crores from Ministry of Textiles duly certified by CA whereas in fact the amount was not spent at all for this purpose & actual expenditure was incurred by the Company years back, hence the U.C. Submitted at current rates without expenditure for sourcing hub was incorrect. Also the project cost submitted by the Company in project report for Rajasthali Ajmeri Gate Jaipur was Rs. 41.85. Crores whereas the actual expenditure incurred at Rajasthali Jaipur including land & building was around Rs.15.44 Crores hence in our opinion excess expenditure was claimed. Also the amount



claimed for capital expenditure was utilized by the Company in meeting the revenue day to day expenses amounting to Rs. 37.12 Lacs in the year 2010-2011. ~~Para 1999~~
~~Construction 2009-10~~

- 3) The building of the Company situated at Ajmeri Gate is partially complete & the incomplete portion is shown under the head CWIP at Rs. 6.95 Crores a portion of this incomplete building was given on lease to M/s. TRIFED at a monthly lease rent of Rs. 82606/- per month from 3rd September 2010, in our opinion any income which arises from an asset lying in the CWIP must be adjusted against the cost of WIP. Here the Company had booked the same under income. Hence Income is overstated by Rs.5,72,735/- & CWIP is overstated by to that extent.

2. Observations the effect of which could not be ascertained on Profit & Loss Account and Balance Sheet.

- 1) Refer Note No 8 of contingent liabilities regarding liability of Service Tax on commission on consignment Sale of Handicrafts items, in this regards it has been observed that the corporation has not made any provision for payment of Service Tax on commission on Consignment Sale of handicrafts item, in the absence of full information we are unable to quantify the effect of the same on P & L account of the corporation.
- 2) Internal control system & Internal Audit System continues to be extremely weak and there is a continuing failure on the part of RSIC management to correct the deficiencies in the Internal Control System & Internal Audit System. The impact of such deficiency on the Financial Statement cannot be ascertained and quantified. **During the course of audit following lapses of internal control lapses were noticed which were of serious nature:**
 - a) During the year 2009-10 company has not lifted coal quantity from SECL as per terms of Fuel Supply agreement due to which SECL imposed the penalty of Rs.86.02 lakhs on RSIC. The Coal quantity was not lifted in spite of the fact that the Company was having advance orders in hand for Coal supply. This amount was debited in the F.Y. 2010-11 to the P&L A/c under the head prior period expenses. Due to this act the Company had to bear a huge loss & its impact on the organization was too severe.
 - b) Work order for handling and transportation work at ICD Jodhpur and Jaipur was given to M/s. Max Logistics Pvt Ltd, Jodhpur up to 31.3.10 in the Board of Director Meeting held on 20.7.2009 the work order has been cancelled and decided

5



to retender. The corporation has demanded Rs. 182.00 Lacs as claimed (cost & Risk) from M/s. Max Logistics pvt Ltd vide letter no RSIC/EIS/2009-10/22569-74 dt 30.3.2010. The matter is still pending & during the year 2010-11, M/s. Max Logistics Pvt Ltd has counter claimed of Rs.400.46 lacks and the matter is under arbitration.

- c) Bonus was paid to employees of RSIC in the year 2009-10 who were not entitled for bonus as per Bonus Act 1965 ,hence whole amount was be recovered from them but amounted to Rs.111996/- was still not recovered due to retirement & VRS.
- d) During the test examination of expenditures made at head office of the Company log books we verified & it was observed that total Kms claimed in the log book were in excess from the actual distance from particular places. Further no signature of the user & driver was found on the log book in many cases. Instances of the same are annexed to annexure C
- e) During the year 2010-11 Silver made handicrafts articles were sold at Rs. 1, 67,788/- at Rajasthali , Jaipur. These articles were sold in the month of March 2011. The general pricing policy for the articles made of precious metals (which is a common policy for all) articles are priced at current market price of precious metal, cost of other material used , labour charges plus adequate margin. It was informed to us that the silver used in these articles was purchased long back as the Corporation had not purchased any new silver since last about 20 years. The market rate of silver in the month of March 2011 was avg around 55000/- per kg. The Company had sold these articles completely in the month of March 2011 when the prices of silver shot up suddenly & the price of silver was charged @ 24000/- per Kg instead of current prevailing price plus adequate mark up labour & margins. Hence this act had resulted an intentional loss to the Company in absence of the purchase price of silver & other items involved the amount of loss cannot be ascertained. In response to our memo the Company had replied that these items were very old & obsolete but the justification of selling old articles when the prices of silver were at peak & at the rate which was far lower than the prevalling rates was not provide to us. Also if the items were obsolete then proper approval for discarding the same was to be obtained from higher management. Also it goes to show the weakness in internal control of the Company.
- f) During the course of audit of balance sheet it was observed that some recovery was made under the head

6



recovery of shortage & on further verification it was informed to us some embezzlement have occurred during the year 2010-11 in the Kolkata & Mumbai Rajasthali, the details were asked from the company but same were not provided to us. However as per the office order issued by CMD of the Company dated 08/02/11 & 11/7/2011 (copy attached with the meeting notice of audit committee) states that as preliminary enquiry a sum of Rs. 18,04,972/- was recoverable from the employees of Rajasthali Kolkata as per names mentioned in CMD letter. Similarly it was noticed that some embezzlement has also occurred at Rajasthali Mumbai but the final amount is yet to be ascertained by the Company. It is further reported that as per balance sheet a sum of Rs. 4,45,851/- had been recovered from the employees of Rajasthali Kolkata & Rs. 226378/- has been recovered from the employees of Rajasthali Mumbai. However it was informed to us that final investigation is yet to be done.

- 3) Refer note no 1 M/s. Sadhu Ram Patel & Sons (erstwhile H & T Contractor of the Corporation) has raised a claim of Rs. 3596.96 lakhs against the company against which the District Magistrate, Jaipur city has awarded a claim of Rs. 314.21 lakhs (Including Interest of Rs. 108.04 lakhs) against the corporation. The corporation has filed an appeal in High Court, Jaipur against the judgment of the District Magistrate, Jaipur city and Hon'ble High Court has ordered to be stayed the execution proceedings, Honorable High has passed interim relief order dt 3.9.2008 that appellant shall deposit the amount of claim awarded by arbitrator and upheld by District Judge in favour of the respondent no. 1 one i.e Rs. 2,0,2,22,423/- Out of this amount a sum of Rs. 1,12,51,827/- will be paid to Syndicate Bank on furnishing usual undertaking by Bank for restitution of the amount with interest @ 9 % in case the appeal is allowed. The rest amount will be deposited in fixed deposit in any nationalized bank during the pendency of this appeal. In compliance of this order RSIC has deposited a sum of Rs. 2,0,2,22,423/- and same has been shown as advance against court order So far as amount of award relating to interest part is concerned, the same will remain stayed during the pendency of this appeal Therefore no liability has been provided against the same. Matter is sub judice and we are unable to express any opinion of its impact on the financial statements of the Corporation.
- 4) Refer Note No. 2 regarding claims of M/s Ganesh Container Movers Syndicate (Erstwhile H & T contractor of the corporation) of Rs. 522.82 lacs, the claim involves a number of disputes with the company. The corporation has not provided any liability against the same and the matter is under consideration of sole arbitrator. In view of this we are unable to express any opinion regarding its impact on the financial statements of the company.

7



- 5) Deductions from H&T contractor are subject to confirmation, therefore, any disagreement or dispute in this regard is not known and, therefore, its impact on financial statement cannot be ascertained.
- 6) Refer note No 4 - No details / confirmations are available in respect of a liability amounting to Rs.7.32lacs created on account of rent payable of Rajasthali Showroom situated at Cannought Place, Delhi. This amount is being credited @ Rs. 60,000/- p.a. on yearly basis since 1993-94

Further PWD had demanded Rs. 72.60 lacs as rent @7,20,000/- p.a. for the period 1993 to January 2003 in respect of Bikaner House, Delhi the corporation has not accepted this demand on the plea that no office of the corporation is situated at Bikaner House, Delhi and has treated Rs. 106.43lacs as contingent liability. In view of this, we are unable to express our opinion in respect of actual liability for rent.

- 7) Refer Note No. 9 regarding confirmation and reconciliation of the Balance of Sundry Creditors, Outstanding Liabilities, Sundry Debtors loans and advances and others, and not reconciliation of debtors/Creditors ledger of RM and ICD Jodhpur with main ledger whose final confirmation/ reconciliation may affect our disclosure.
- 8) Refer Note No. 10 regarding non-reconciliation of Advance Income Tax & Income Tax Deducted at Source of Rs. 126.14 lacs (Debit) classified under Current Assets and Provision for Income Tax of Rs. 40.01 lacs (Credit) classified under Current Liabilities. In the absence of complete details and reconciliation we cannot comment on the same and its effect on financial statement is unascertainable
- 9) Refer Note No. 12 regarding advance of Rs. 3.20 lacs to M/S CMC Limited for software development and other work, as per representation of M/S CMC Limited they have already completed the work in Feb 2002 and M/s CMC Ltd is demanding the payment of full contract amount, however the RSIC has disputed the same. In view of this we are unable to express any opinion regarding its financial impact against the Company. Moreover no decision is being taken on this from several years.
- 10) Refer Note No. 14 regarding non – settlement of account of M/S RSRDCC Ltd, M/S RSRDCC Ltd has done several construction works for the corporation several years ago, however the corporation has failed to properly reconcile the account and even the liabilities accepted by the RSIC have not been properly accounted for. In the absence of final reconciliation and complete details we cannot verify the same and therefore its impact on financial statement is unascertainable.

8




- 11) Refer Note No. 15 regarding Non – availability of information regarding Rs. 3, 99,854/- lying in old interest payable account under the head of "Unsecured Loans", in the absence of details we cannot verify the same and therefore its impact on financial statements is unascertainable. Further no efforts are being made to reconcile the same.
- 12) Refer Note No. 32 regarding deduction of Rs. 3,25,851/- by SAIL out of SSI rebate for the quarter ended June 2000, the corporation has taken up the issue with SAIL for its recovery the matter is under dispute, hence we are unable to comment on recoverability of the same and its effect on financial statements is unascertainable. No correspondence, if any, after 2000 was produced before us in this regard further no provision has been made against the same.
- 13) Unutilized Grant- in Aid lying with the Company amounting to Rs 53, 91,585 to be returned as per the terms and condition has not yet been returned.
- 14) The Corporation has not made any provision against LBT demand of Rs. 50.74 lacs pertaining to Rajasthan Pavilion, Delhi, LBT demand of Rs. 93.32 lacs pertaining to Rajasthali, Jaipur LBT demand of Rs. 1.76 lacs pertaining to ICD Bhiwara and House Tax demand of Rs. 4.00 lacs pertaining to Udyog Bhawan, Jaipur. These demands have not been accepted by the corporation and it has represented the concerned department for waiver of the same. However in the absence of confirmation from concerned department for waiver of liability we cannot comment on the same. Further it has been observed that complete information regarding LBT/House Tax demand is not available with the corporation hence we cannot comment on the corporation liability in this regard.
- 15) As per AS 28: Impairment of Assets "An enterprise should assess at each balance sheet date whether there is any indication that an asset may be impaired Accordingly impairment test was to be conducted by management during the year 2010-11. However, it was informed to us no impairment test was conducted during the year. Physical verification reports of Fixed Assets were not produced before us. Few items have been marked as "Damaged" however no company has violated the provision of AS 28.
- 16) **Audit committee constituted as per section 292A of the Companies Act 1956 has met only twice during the year under review and has not reviewed the half yearly financial statements which is contravention of Section 292 A (6) of the Companies Act 1956.**



- 17) During the year 2010-11 for providing consultancy for Bikaner ICD project a firm Kamtech Associates was nominated but after providing consultancy for the mentioned work in the agreement except **evaluation of Bid & recommendation of contractor**, firm was terminated hence payment to the firm should have been only for the proportionate work done after deducting the a penalty for work delayed but in spite of the fact payment amounted to Rs.893430/- was released to the Firm by the Company
- 18) Cash flow statement was not in accordance with AS-3, also under the head Misc Exp written off Rs. 57935/- were added & Rs 600/- were shown under the head increase/decrease in other current assets for which no reasons were provided to us.
- 19) During the course of audit it was observed that a number of old debit & credit balances are appearing in the balance sheet of the Units as well as head office of the Company. There were no transactions noticed under these heads. In our opinion these must be either written off or settled.
- 20) Refer Note no 6 regarding accounting on cash basis for the income mentioned in the para but it was noticed that company actually had booked income for amounts received up to June 2011 hence it cannot be said as either cash or accrual basis of accounting. However the details of Income booked after 31 March 2011 was not provided to us hence not quantified.

Place: Jaipur
Dated: 17/10/2011

For D.P. Khandelwal & Co.
Chartered Accountants
FRN 000155C

Desh Nidhi Gupta
F.C.A. Partner

Membership No 078560

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF THE RAJASTHAN SMALL
INDUSTRIES CORPORATION LIMITED**

- (i) (a) The company has not maintained complete records in respect of fixed assets in some units records are maintained but these records are improper and incomplete as the value in such records are not reconciled with the books of accounts.
- (b) All the assets have not been physically verified by the management during the year and also have not been duly reconciled with the fixed assets records to properly ascertain the discrepancies further physical verification report of assets was not provided to us.
- (c) In our opinion, the company has not disposed off any substantial / major part of the fixed assets during the year and therefore the going concern status of the company is not affected.
- (ii) (a) The management has conducted physical verification in respect of Finished goods, stores and spares parts only and no verification was conducted for raw materials, also no verification has been undertaken in respect of materials in transit and with others, in our opinion the frequency of physical verification needs to be increased.
- (b) In our opinion and according to the information and explanation given to us the procedure of physical verification of inventory followed by the management needs augmentation
- (c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts except non-adjustment of Rs. 2.30 lacs pertaining to shortages detected during the year 1972-73 to 1998-99, Further no confirmation is available for goods lying with others of Rs. 0.16 lacs and goods in transit of Rs. 0.21 lacs from many years. Looking to age factor the realisability of goods in transit is doubtful for which no provision has been made in accounts.
- (iii) (a) According to the Information & Explanation given to us, the company has not granted or taken any loan to / from the parties listed in the register maintained under Section 301 of the Companies Act, 1956.



- (b) Since the company has not taken or granted any loan to / from the parties listed in the register maintained under Section 301 of the Companies Act 1956 hence Clause (iii) - (b),(c),(d),(e),(f) & (g) of the order is not applicable to the corporation.
- (iv) In our opinion and according to the information and explanations given to us, the corporation does not have adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. Please refer to point no 2 (d) (f) & (g) of annexure I of our report.
- (v) (a) According to the information and explanation given to us, we are of the opinion that the company has not entered into any transaction that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanation given to us, we are of the opinion that the company has not entered into any transaction that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 , hence question of reasonability of prices does not arises.
- (vi) The company has not accepted any deposits from the public within the meaning of Section 58A & 58AA or any other relevant provisions of the Companies Act 1956.
- (vii) In our opinion, the company's internal audit system is grossly deficient looking to the size and nature of its business. No internal audit report was produced during the year.
- (viii) According to the information & explanation given to us the Central Government has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 in respect of the products manufactured by the company.
- (ix) (a) To the best of our knowledge and information obtained and verifications made, we report that the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Further according to the information & explanation given to us, no undisputed amounts payable in respect of aforesaid dues were



outstanding as at 31st March 2011 for a period of more than six months from the date they become payable except :

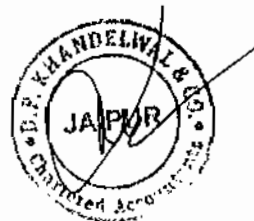
1. Service Tax on commission on consignment Sale of Handicrafts items- Amount unascertainable
2. Old Provident fund amounting to Rs.49332.81/- for which no information is available.
3. Old Sales Tax amounting to Rs.51, 841/- & CST of Rs. 2531/- for which no information is available.
4. The company is not regular in payment of LBT demand, Lease rent tax, House Tax, as per the corporation following undisputed amount is payable as on 31.3.2011 (Including interest and penalty as per demand)

Name of Statue	Nature of dues	Amount	Period to which the amount relates
(Undisputed) Lease rent tax (including int.) ((A) ICD Bhiwadi	224.94	April 1999 to Mar-11
	(B) Rajasthali Jaipur	54.87	25.10.97 to March-11
House Tax and U.D Tax	(A) RSIC, HO, Jaipur	4.00	April-74 to March-03
		283.81	

Further it has been observed that complete information regarding LBT/House Tax demand is not available with the corporation hence we cannot comment on the same.

5. Income Tax accounts of the Corporation are under reconciliation and exact information about the demands raised by the Income Tax department for various years and its reconciliation with books of the Corporation is not available with the corporation hence we are unable to comment on the same.
- (b) According to the information and explanation given to us, there are no pending statutory dues regarding Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which are not deposited on account of any dispute, except in respect of sales tax dues the corporation has not deposited following disputed amounts :-

13



Name of dues	Amount (in Rs)	Period to which the amt. related	Form where dispute is pending
RST	17,313	1998-99	Dy. Com. (Appeals) II, Commercial Taxes, Jaipur
CST	36,87,038	1998-99	
CST	1915714	1998-99	
CST	24411	2004-05	
RST	76335	2005-06	
RST	68513	2006-07	
CST	4261245	2007-08	
RST	60132	2007-08	
CST	566400	2008-09	
RST	9497048	2008-09	
LBT (Disputed)	A) Rajasthan pavilion new Delhi	50.74 lacs	April 96 to March 04
	B) Rajasthali jaipur & ICD Bhilwara	95.08 Lacs	April 82 to March 03

Income Tax accounts of the corporation are under reconciliation and exact information about the demands raised by the Income Tax department for various years and its adjustment in books of accounts of the corporation is not available with the corporation hence we are unable to comment on the same.

- (x) The company has accumulated losses exceeding 50 % of its net worth as at the end of the financial year also the company had incurred Cash losses during the current and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders however the Corporation has defaulted in repayment of Rs. 26,66,333/- received from State Government which was due for repayment in July 2002.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, the question of maintenance of records or reporting on deficiencies does not arise.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore. The provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.




- (xiv) In our opinion, during the year under audit, the company did not engage in dealing or trading in shares, securities, debentures. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
- (xvi) According to the information & explanation given to us, during the year under review the company has not availed any Term Loan from any Bank or Financial Institute.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long-term investment **but the funds received for long term investments have been used for short term use.**
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) According to the information and explanations given to us, the company has not issued any debentures.
- (xx) According to the information and explanation given to us the company has not raised any money from Public Issue during the year hence the question of disclosure and verification of end use of such money does not arise
- (xxi) According to the information and explanations given to us, fraud on or by the company has been noticed or reported during the course of our audit. (Pls refer point No. 2(g) of annexure I of our report annexed hereto.

15

Place: Jaipur
Dated: 17/10/11

For D.P. Khandelwal & Co.
Chartered Accountants
FRN 000155C
Desh Nirmal Gupta F.C.A.
Partner
Membership No 078560



Annexure C to our Audit Report

Case 1

06-04-2010	Details of Journey (From.....to)	Total KM claimed	User
	Head Office to secretariat then secretariat to H.O then Vidhansabha & back to H.O then H.O to Secretariat	42 Km	P.A to CMD
16-06-2010	H.O to Emporium then Sanganer & back to H.O	69 KM	OSD (H.O)

Case 2 RJ-8C-8889

During the course of test examination of Log book it was observed that total fuel purchased from 12/04/10 to 27/05/10 was 66.16 liter (16(opening balance) +30(Purchase) +28(purchase)-34.42(Fuel Consumed) +28(Purchase)-3.42(Fuel Consumed) +30(Purchase)) whereas maximum capacity of fuel tank is 46 liter (app.). This itself shows that taxi is being used for personal purpose.

Case 3 RJ-2C- 1885 Tata Sumo

Date of Fuel Filling (1)	Diesel Fill (In liter.) (2)	After filling fuel total vehicle ran (Km) (3)	As per standard, vehicle should run (on the basis of Fuel filled, Taking Mileage 7.5 per liter) (4) 7.5*(2)	Balance in Kms (5)	Accumulated balance in Kms (6)
28/07/2010	12.63	41	95	54	54
02/08/2010	15.16	70	114	44	98
03/08/2010	12.63	75	95	20	118
04/08/2010	-	75	-	-	43
05/08/2010	12.63	75	95	20	63
07/08/2010	-	45	-	-	18
09/08/2010	-	95	-	-	-77
10/08/2010	45	55	338	283	206(283-77)
18/08/2010	-	27	-	179	179
18/08/ to 20/08/2010	-	231	-	-	-55
21/08/ to 24/08/2010	44.70	352	335	-	-69



km claimed was excess from actual distance of the particular places (Refer Case1). It depicts that car was being used for other purpose & sign of driver and user were not found in many places. Moreover negative figure in the above calculation (Refer case 3) shows that diesel in the beginning in car was app.17 liter (subject to further calculation) & after that petrol filled on 10/08/2010 was 45 liter whereas total capacity of fuel tank is 55 liter. Hence in our opinion log book maintenance of the Company & internal control thereof was very weak.

Place: Jaipur
Dated:17/10/11

For D.P. Khandelwal & Co.
Chartered Accountants
ERN 000155C


Desh Nihar Gupta F.C.A.
Partner
Membership No 078560

Addendum to the Directors Explanatory note on the Auditor's Report to the Share Holders
(a) (b) (c) (d) (e) (g) Needs no Comments (f) as explained in the addendum to Annexure 'A'

Annexure "A" to the Audit Report on the accounts of The Rajasthan Small Industries Corporation Ltd. for the year ended 31st March 2011

- I. 1. Noted
2. Noted
3. Noted

II

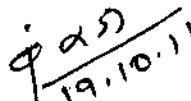
1. Note has given in Schedule "E" (C) (8)
2. 2 a) Matter submitted before BOD in its 320th meeting held on 7-10-2011, explanation has given in note in schedule "E"(C) (33) efforts will be made to get refund of security amt forfeited by SECL and necessary action will be taken against defaulters
b) Noted
c) Noted, efforts will be taken for recovery
d) Noted, necessary action will be taken
e) Noted, necessary action will be taken
f) Note has given in schedule "E" (C) (41)
 3. Explanation has given in note in schedule "E" (C) (1)
 4. Explanation has given in note in schedule "E" (C) (2)
 5. Explanation has given in note in schedule "E" (C) (9)
 6. Explanation has given in note in schedule "E" (C) (4)
 7. Explanation has given in note in schedule "E" (C) (9)
 8. Explanation has given in note in schedule "E" (C) (10)
 9. Explanation has given in note in schedule "E" (C) (12)
 10. Explanation has given in note in schedule "E" (C) (14)
 11. Explanation has given in note in schedule "E" (C) (15)
 12. Explanation has given in note in schedule "E" (C) (32)
13. Noted
14. Noted

19.10.11

15. Noted
16. Noted
17. Noted
18. Noted
19. Noted
20. Noted

Annexure I

- I. Needs no comments
- II. Noted no comments
- III. Noted no comments
- IV. Noted no comments
- V. Noted
- VI. Noted no comments
- VII. Noted no comments
- VIII. Noted no comments
- IX. Noted no comments
- X. Noted no comments
- XI. Noted no comments
- XII. Noted no comments
- XIII. Noted no comments
- XIV. Noted no comments
- XV. Noted no comments
- XVI. Noted no comments
- XVII. Noted no comments
- XVIII. Noted no comments
- XIX. Noted no comments
- XX. Noted no comments


19.10.11
PANKAJ IAS
CHAIRMAN & MANAGING DIRECTOR


VINOD PANDYA IAS
DIRECTOR