

10th Annual Report 2020-21



॥सर्वे सन्तु निरामयाः॥



**Enhancing Access to
Essential Medicines**

RMSC MOTTO

To Make Available :

**All Essential Medicines, Basic Diagnostic Tests, At All Public Health Care Institutions At All Time.
So that no human being dies for want of treatment.**

Rajasthan Medical Services Corporation Limited

(A Government of Rajasthan Undertaking)

Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur-302005



Inspecting of District Drugwhere House ,Pali By Managing Director



About Mukhya Mantri Nishulk Dava Yojna

- “Mukhya Mantri Nishulk Dava Yojna” was launched on 2nd Oct. 2011. The Scheme aims to benefit all the patients coming to government hospitals for treatment.
- Under the aegis of this ambitious scheme for health care sector of the state, essential medicines are provided free of costs to all patients visiting government hospitals. The entire population of state i.e. approximately 7 crores is entitled to avail benefits under the scheme. The objective of the scheme is that no human being is deprived of access to essential medicines.
- All outdoor and indoor patients visiting all levels of government hospitals like Medical college hospitals, District hospitals, Satellite hospitals, Sub-divisional hospitals, Community health centres, Primary health centres and sub centres are provided with commonly used essential medicines.
- The current Essential drug list comprises of 713 medicines, 181 surgical & 77 sutures items.
- Rajasthan Medical Services Corporation has been constituted as a central procurement agency for purchase, storage, supply and issue of medicines, surgical and sutures items, equipment and other hospitals supplies to the department of Medical and Health and Health Education. RMSC is supplying medicines etc. to all the government health institutions through 34 District Drug Warehouses (DDWs) and 6 Medical College Drug Warehouses (MCDWs) established in 33 districts of the state.
- The Scheme is being implemented through 56 Medical College Hospitals, 36 District Hospitals, 28 Sub-divisional hospitals, 7 Satellite hospitals, 693 CHCs, 190 Dispensaries, 2170 rural PHCs, 300 Urban PHCs, 12 CHC (NUHM), 60 Trauma Centres, 37 MCH Centres, 12 Janta clinics and 14423 Sub Centres, in total 17774 outlets. Distribution of medicines, surgical and sutures item to patients is ensured through Drug Distribution Centres (DDC) established at health care institutions (No. of DDC is based on patient load at the institutions)
- Repair and maintenance work of 147 types of equipment is being done on centralized basis through service provider selected in open bid. At present repair and maintenance work is being done by M/s Kirloskar Technology Pvt. Ltd. New Delhi.
- In order to ensure lodging of complaints, their disposal and monitoring e-Upkaran software has been developed and the same has been upgraded from time to time as per the need of stakeholders.
- Development of procurement modules in e-Upkaran software is also under process.
- Repair, Calibration, Training and Preventive maintenance.
- Lodging of Complaints through IVRS, E-Upkaran Software and E-Upkaran Mobile Application.
- There are 60061 equipment are register in e-Upkaran with approx value Rs. 434 Cr.



Financial year wise equipment complaint status

S. No.	Financial Year	Complaint Raised	Complaint Resolved
1	2020-21	13819	13811
Total		13819	13811

- Under the scheme, medicines for the treatment of critical and severe diseases are also available eg. 57 drugs of cancer, 61 drugs for heart diseases, 20 drugs for diabetes, 24 drugs for Ashtma and Respiratory diseases etc.

ESSENTIAL DRUG LIST- Provisioning of Medicines, Surgical

S.No.	Level of Health Care Institutions	Type of Health Care Institutions	Medicines	Surgicals	Sutures	Total
1	Tertiary Level Institutions	Medical College Hospitals	713	181	77	971
2	Secondary Level Institutions	District/Satellite/Sub Divisional Satellite	640	165	37	842
		Community Health Centre	496	124	12	632
3	Primary Level Institutions	Primary Health Centre	329	78	3	410
		Sub Centre	39	10	0	49

IMPACT

- After implantation of scheme, the number of outdoor and indoor patients has increased significantly at government hospitals.
- The Scheme has been a source for employment generation for several youth as no. of Pharmacist and informatics assistant have been recruited by the government for successful implementation of the scheme.
- There is huge amount of reduction in out of pocket expenditure by the common man towards treatment cost.



Rajasthan Medical Services Corporation Limited

CIN: U24232RJ2011SGC035067

Board of Directors

(As on 02nd February, 2022)

Shri Ashutosh Pednekar, IAS

Secretary Medical, Health and Family Welfare, Dept, Jaipur

Shri Vaibhav Galriya, IAS

Secretary, Medical Education Department

Smt. Vinita Srivastava, (IAS)

Secretary, Ayurved & Indian Medicine Department, Rajasthan, Jaipur

Dr. Jitendra Kumar Soni, IAS

Mission Director, NHM & Joint Secretary, MH&FW

Smt. Anupama Jorwal, IAS

Managing Director, RMSCL

Smt. Hempushpa Sharma, IAS

Joint Secretary (Exp-1), Finance Department, Jaipur

Shri Brijesh Kishore Sharma

Director (Budget), Finance Department, Jaipur

Dr. V.K. Mathur

Director (Public Health), Medical & Health Services, Jaipur

Dr. Ravi Prakash Sharma

Director (AIDS), Medical & Health Services, Jaipur

Dr. Kanhaiya Lal Meena

Director (RCH), Medical & Health Services, Jaipur

Shri Arvind Kumar Mishra

Financial Advisor, Medical and Health Dept., Jaipur

Shri Arvind Deewan

Director (Finance), National Health Mission, Jaipur

Shri Ajay Phatak

Drug Controller, Rajasthan

Dr. L.C. Sharma, Dr. Subhash Nepalia

Independent Directors, RMSCL

Shri Manoj Shandilya

Executive Director (Finance), RMSCL

Ms. Mamta Agarwal, Company Secretary, RMSCL

Statutory Auditor: M/s S L Gangwal & Co., Chartered Accountants, Jaipur

Secretarial Auditor: M/s C.M. Bindal & Company, Company Secretaries, Jaipur

Registered office:

Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur -302005

Tel: 0141-2228066 Fax:0141-2228065

E-mail: mdrmisc@nic.in Website: www.rmsc.health.rajasthan.gov.in



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Rajasthan Medical Services Corporation Limited

Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur-302005

Phone No: 0141-2228066, Fax No: 0141-2228065

CIN: U24232RJ2011SGC035067

Email: mdrmisc@nic.in

Website: www.health.rajasthan.gov.in

NOTICE

NOTICE is hereby given that Tenth Annual General Meeting of the members of Rajasthan Medical Services Corporation Limited will be held on **Friday, 31st December, 2021 at 01.00 PM** at the Registered Office of the Company at Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur-302005(Rajasthan) to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on 31st March, 2021 and the reports of the Directors and Auditors thereon and the comments of the Comptroller and Auditor General of India.
2. To confirm and approve the appointment and to fix remuneration of the Statutory Auditors of the company for the financial year 2021-22.

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the appointment of M/s S.L. Gangwal & Co., Chartered Accountants, Jaipur by the Comptroller and Auditor General of India, New Delhi vide their letter No./CA.V/COY/RAJASTHAN, RJMSCL(0)/736 dated 24.08.2021, as the Statutory Auditors of the Company for the Financial Year 2021-22 be and is hereby confirmed and approved.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to the Statutory Auditors of the company appointed by the Comptroller and Auditor General of India for the Financial Year 2021-22.”

Special Business

3. **Appointment of Dr. Laxmi Chand Sharma as an Independent Director on the Board of Directors**

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 161 read with Schedule IV and all other applicable provisions, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof,



for the time being in force], and other applicable provisions, if any, Dr. Laxmi Chand Sharma (DIN-08741786), who was appointed as an Additional Director (Non- executive & Independent) on the Board of Directors of Company w.e.f 07th April, 2021 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term up to two consecutive years from the date of initial appointment, i.e. 07th April, 2021 and that he shall not be liable to retire by rotation.

“RESOLVED FURTHER THAT Managing Director and Company Secretary of the Company be and are hereby authorized, severally and/ or jointly, to sign and file and do all or any necessary filings, compliances and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

4. Appointment of Dr. Subhash Nepalia as an Independent Director on the Board of Directors

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 161 read with Schedule IV and all other applicable provisions, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], and other applicable provisions, if any, Dr. Subhash Nepalia (DIN-08777380), who was appointed as an Additional Director (Non- executive & Independent) on the Board of Directors of Company w.e.f 07th April, 2021 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term up to two consecutive years from the date of initial appointment, i.e. 07th April, 2021 and that he shall not be liable to retire by rotation.

“RESOLVED FURTHER THAT Managing Director and Company Secretary of the Company be and are hereby authorized, severally and/ or jointly, to sign and file and do all or any necessary filings, compliances and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**By Order of the Board of Directors
for Rajasthan Medical Services Corporation Ltd.**

sd/-

**(Mamta Agarwal)
Company Secretary**

Dated: 27.12.2021
Registered Office
Swasthya Bhawan,
Tilak Marg, C-Scheme,
Jaipur-302005



Notes:

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy, to attend and vote instead of himself/ herself and the proxy need not be a member of the Company.
2. The proxy form, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting.
3. All documents referred in the notice are open for inspection at the registered office of the company during office hours till the date of AGM.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of item no. 3 and item no. 4 is annexed hereto.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3 and 4

In accordance with Section 149 of the Companies Act, 2013 read with applicable rules, Rajasthan Medical Services Corporation Limited falls under the category of prescribed class of companies, which need to appoint at least two Independent Directors on the board of Corporation.

Medical & Health Gr-5 Department, Government of Rajasthan has nominated the name of Dr. Laxmi Chand Sharma and Dr. Subhash Nepalia for appointment as an Independent Director on the Board of Directors of Corporation and gave instructions that their name be put up in general body Meeting after verifying their documents as per rules. Accordingly, Dr. Laxmi Chand Sharma and Dr. Subhash Nepalia were appointed by the Board as an Additional Director (Non-executive & Independent) w.e.f. 07th April, 2021, as per provisions of section 149, 152 and 161 of the Companies Act, 2013 read with Schedule IV and other applicable provisions.

Now, as per provisions of section 161 of the Companies Act, 2013 Dr. Laxmi Chand Sharma and Dr. Subhash Nepalia hold office as an additional Director only up to the date of this AGM but is eligible for appointment as Director of the company subject to approval of shareholders at this Annual General Meeting. Hence, the agenda for confirming the appointment of Dr. Laxmi Chand Sharma and Dr. Subhash Nepalia as Independent Director of the Company has been placed at item number 3 and 4.

Dr. Laxmi Chand Sharma (retired) is Sr. Nephrologist and has served as Superintendent & Prof. Head Department of Nephrology, SMS Hospital, Jaipur. Dr. Subhash Nepalia (retired) is Gastroenterologist and has served as Ex- Principal & Controller, SMS Medical College, Jaipur. They both have vast experienced and their association would be immense benefit for the company.



No Director, Key Managerial Personnel or their relatives, is concerned or interested in the said resolutions. The directors recommend passing of the resolution (s) as contained in item no. 3 & 4 as ordinary resolutions.

**By Order of the Board of Directors
for Rajasthan Medical Services Corporation Ltd.**

sd/-

Dated: 27.12.2021
Registered Office
Swasthya Bhawan,
Tilak Marg, C-Scheme,
Jaipur-302005

(Mamta Agarwal)
Company Secretary

Route map to the venue of AGM





Rajasthan Medical Services Corporation Limited

Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur-302005

Phone No: 0141-2228066, Fax No: 0141-2228065

CIN: U24232RJ2011SGC035067

Email: mdrmisc@nic.in

Website: www.health.rajasthan.gov.in

NOTICE OF THE ADJOURNED ANNUAL GENERAL MEETING

NOTICE is hereby given that (adjourned) tenth Annual General Meeting of the members of Rajasthan Medical Services Corporation Limited will be held on **Thursday, 28th April, 2022 at 12.00 noon** at the Registered Office of the Company, Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur-302005(Rajasthan) to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on 31st March, 2021 and the reports of the Directors and Auditors thereon and the comments of the Comptroller and Auditor General of India.

**By Order of the Board of Directors
for Rajasthan Medical Services Corporation Ltd.**

Dated: 21.04.2022

Registered Office

Swasthya Bhawan,

Tilak Marg, C-Scheme,

Jaipur-302005

(Mamta Agarwal)

Company Secretary

Notes:

1. The Financial Statement of Company for the year ended on March, 2021 could not be considered by the members at the 10th Annual General Meeting originally held on 31st December, 2022, as the Financial Statements was not prepared and approved by the Board of Directors of Company. At the said meeting after considering all other agenda items, the members resolved to adjourn the meeting sine die to be reconvened as and when financial statements are ready for adoption.

2. Now the adjourned 10th AGM is being re-convened to consider the agenda item regarding consideration and adoption of audited Financial Statements of the Company for the year ended on 31st March, 2021 and the report of the Directors and Auditors thereon and the comments of the Comptroller and Auditor General of India.
3. The Financial Statements for the year ended on 31st March, 2021 together with Independent Auditors Report and Directors report and its annexure are enclosed with the notice. The comments dated 11.04.2022 of the C&AG of India on the Audited Financial Statements for the year ended on 31st March, 2021 have also received which are being sent.
4. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy, to attend and vote instead of himself/ herself and the proxy need not be a member of the Company.
5. The proxy form, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting.
6. All documents referred in the notice are open for inspection at the registered office of the company during office hours till the date of AGM.
7. The Route Map of the venue of this Adjourned Annual General Meeting is placed below:-





Rajasthan Medical Services Corporation Limited

SwasthyaBhawan, TilakMarg, C-Scheme, Jaipur-302005

Phone No: 0141-2228066, Fax No: 0141-2228065

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Directors' Report

Dear Shareholders,

The Board of Directors have great pleasure in presenting the Tenth Annual Report on the business and operations of the company and Audited Financial Statements for the financial year ended on 31st March, 2021 together with Report of Independent Auditors.

Financial summary/ Highlights

The summary of financial results for the year ended on 31st March, 2021 are summarized below:

(Rs. in crore)

Particulars	For the Year ended on 31 st March, 2021	For the Year ended on 31 st March, 2020
Revenue from operations	833.41	840.28
Other income	31.15	28.60
Total Revenue	864.56	868.88
Total Expenses	838.13	856.57
Profit/ (Loss) before exceptional items and tax	26.43	12.31
Exceptional & prior period items	(5.51)	(0.77)
Profit/ (Loss) before tax	20.92	11.54
Tax Expenses	11.56	04.18
Profit / (Loss) from continuing operations	9.36	07.36



Reserves

The Company has not transferred any amount to reserves during the F.Y. ended on 31st March, 2021.

Dividend

The Board of Directors have not recommended any dividend for the Financial Year ended on 31st March, 2021.

Brief description of the Company's working during the year

Procurement of Drugs/ Medicines and Surgical & Sutures

- ❖ Corporation engaged in procurement of quality generic drugs, surgical and sutures and other hospital supplies for onward supply to public health institutions viz. Medical College Hospitals, District Hospitals, Sub-divisional Hospitals, Satellite Hospitals, CHCs and PHCs for further distribution free of cost to all patients visiting public health institutions of the State.
- ❖ As on 31st March, 2021, the Essential Drug List (EDL) of RMSCL comprises of 713 drugs and 181 surgical & 77 sutures.
- ❖ During the year, 03 new drugs namely Inj. IgM enriched IVIG, Tab Dasatinib 100 mg & Liquid Medical Oxygen (LMO) were added in Essential Drug List (EDL) of RMSCL. LMO was added with an aim to provide immediate relief towards prevailing shortage of oxygen for COVID -19 patients.
- ❖ During the year, Corporation has procured and supplied various covid-19 medicines and items like VTM Kit, PPE Kit, N-95 Mask, Sodium Hypochloride, Hand Rub (Sanitizer), Triple layer Mask, Nitrile gloves, Dead Body Bag, Air Tight goggles, Autoclaveable Poly bags, Infrared Thermometer, Shoe covers, PCR machines, Ultrashield, Vertical autoclave, water proof jump suit, Inj. Remdesivir, Inj. Tocilizumab, Lopinavir 200 mg+ Ritonavir 50mg tablet etc. related to prevention of spread of Coronavirus (Covid -19).
- ❖ Demand for all Covid-19 medicines like Inj. Remdesivir, Inj. Tocilizumab and items like N95, VTM Kit, Hand sanitizer, Nitrile Gloves, Sodium Hypochlorite, Triple Layer masks etc. was compiled from Medical & Health Department and Medical Education Department and accordingly procurement has been done.
- ❖ During the period under review, Inj. Remdesivir 100mg essential for treatment of coronavirus (Covid-19) was also provided to private hospitals. During the first wave of covid-19, there was adequate quantity of covid-19 drugs and items available with RMSCL.
- ❖ At the end of financial year, the corporation has rate contract of around 639 drugs and 75 surgical sutures out of 713 drugs and 258 surgical sutures included in EDL.

Quality Control

- ❖ The Company has its Quality Control Policy and procedures for ensuring quality of drugs, surgical



and sutures supplied by firms/ companies and has made guidelines for blacklisting/ debarring of products or company on various grounds.

- ❖ The drugs are issued to public health institutions, when it passes all the specified quality tests and are found as of standard quality. The rejected drugs even if it fails on account of minor reason, are returned to the manufacture.

During the year, test reports of 11857 drug samples were received from empanelled laboratories of RMSCL and out of them 179 batches have been rejected due to Not of Standard Quality (NOSQ) and physical defects. Percentage of failure of drugs during the year was 1.51%. During F.Y. 2020-21, 09 laboratories were empanelled by company for testing of drugs.

Storage

The corporation has 34 District Drug Warehouses (DDWs) in every District of Rajasthan for storage as per norms and speedy movement of drugs/surgical /sutures to public health institutions and 06 Medical College Drug Warehouses (MCDWs) at Ajmer, Bikaner, Jodhpur, Kota, Udaipur and Jaipur to cater the need of hospitals attached to Medical Colleges. During the year, regular upkeep and maintenance of cold chain systems and infrastructure / equipments of the warehouses was undertaken.

Procurement and Maintenance of Equipment & Instruments

- ❖ Corporation procures equipment and other hospital supplies for Medical, Health and Family Welfare Department, Medical Education Department, NHM and other Public Health Institutions as per the demand received from them. Rate contracts are executed by Corporation with successful bidders through e-bidding in a very transparent manner for supply of equipment, instrument and other hospital supplies.
- ❖ During the year, Corporation has successfully monitored the work of repair and maintenance of 147 type of Bio-Medical Equipment through e-Upkaran software. These equipments have installed up to PHC and Sub Center level. This has helped in successful running of 'Mukhyamantri Nishulak Janch Yojana' programme of State Government.
- ❖ The Corporation is also using e-TMTS (electronic- tender management and tracking system) Software for monitoring and tracking of bids of equipment and instruments. This software is useful for generation of reports related to number of RC's, bids floated, current stage of bids, generation of demand, issue of proforma invoice and purchase orders, timely payment to the suppliers, reply to the letters of suppliers etc. This software has been upgraded and by up gradation of this software, status of all stages of procurement process i.e. receipt of A&F (initial state of procurement process) till the issue the Utilization Certificate to concerning department can be monitored through this software.

On line Transactions

The Corporation has been carrying out most of its activities especially relating to inventory management



through online web based e-Aushadhi software. This application has various modules like Annual demand generation, Rate Contract, Purchase Order generation, Challan process, Quality Control, Issue & Return, Supplier interface, Lab Interface and various kinds of reports, which facilitate management of drugs availability.

This software includes all the processes required for smooth operation of “MNDY”. The software also provides all the reports which are required for decision making for higher level management. Every year new modules are added in e-Aushadhi software as per requirement of the organization. During the year under review, following new modules/changes have been developed:

- **Supply schedule form for District Drug warehouse:** A new service is developed to insert supply schedule by district drug warehouse for issuance of drugs to sub store.
- **Auto Indent process for Sub store:** An automated indent process on specified schedule day (based on consumption) for indent drugs from sub store is developed.
- **Implementation of Auto Indent & Sub store:** Successfully Implemented auto indent facility to DDC and Sub stores.
- **Covid Information form:** An entry form is developed for getting information of covid patients.

Resources

The Corporation receives grant/ funds from Government of Rajasthan for procurement of drugs, surgical and sutures under 'Free Drug Distribution Scheme of Government of Rajasthan'. During the year under review, Company has received funds of Rs. 462.71 Crore from Government of Rajasthan. Funds of Rs. 527.05 Crore have been received from National Health Mission for procurement of drugs, surgical & sutures. Further, funds of Rs. 139.44 crore has been received for procurement of Covid-19 items (drugs and consumables).

Financial Performance

During the year, the Corporation purchased drugs, surgical, sutures and equipments worth Rs. 807.87 Crore as compared to that of Rs. 813.16 crore in previous year. Corporation procured drugs and consumables related to covid-19 (corona virus) worth Rs. 134.77 crore during the year. Drugs, surgical, sutures and equipment worth Rs. 833.41 Crore have been issued to the public health institutions of the State as against Rs. 840.28 Crore in previous year.

The Company has achieved profit before tax of Rs. 20.92 crore as compared to Rs. 11.54 Crore in previous year. The profit after tax for the year ended on 31st March, 2021 amounts to Rs. 9.36 Crore as against profit of Rs. 7.36 Crore for the previous year.

Change in the nature of business, if any

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



Material Changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial year relate and the date of the report.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Share Capital

There has been no change in the authorized and paid up share capital of the Company during Financial Year 2020-21. The Company has not done any buy back of shares during the year under review.

Directors

During the period under review, the following changes have taken place in the composition of the Board of Directors of the company:-

- The following were appointed as Directors on the Board of RMSCL:-

Sr. No.	Name of Directors	Designation	Date of Appointment
1	Shri Sharad Mehra	Director	07.05.2020
2	Shri Akhil Arora	Chairman	03.07.2020
3	Dr. Veena Pradhan	Director	03.07.2020
4	Smt. Hempushpa Sharma	Director	22.07.2020
5	Shri Siddharth Mahajan	Chairman	02.11.2020
6	Dr. Rajesh Sharma	Managing Director	04.11.2020
7	Dr. Laxman Singh Ola	Director	18.11.2020
8	Shri Alok Ranjan	Managing Director	01.12.2020
9	Shri Suresh Chand Gupta	Director	06.01.2021
10	Dr. Ravi Prakash Sharma	Director	06.01.2021

During the year, State Government has nominated Smt. Hempushpa Sharma, RAcS, Government of Rajasthan, Jaipur as Woman Director on the Board of Directors of Corporation w.e.f. 22.07.2020 vide Government of Rajasthan, Medical & Health (Gr-5) Department order dated 22.07.2020.

Shri Vaibhav Galriya (IAS), Director of the Company has been appointed as Chairman of RMSCL in place of Shri Siddharth Mahajan (IAS) w.e.f 20.09.2021. Smt. Anupama Jorwal (IAS) has been appointed as Managing Director of RMSCL in place of Shri Alok Ranjan (IAS) w.e.f 20.09.2021. Shri Ashutosh



Pednekar (IAS) has been appointed as Chairman of RMSCL in place of Shri Vaibhav Galriya (IAS) w.e.f. 17.01.2022. Further, Shri Sudhir Sharma (IAS), Shri Meghraj Singh Ratnoo (IAS), Shri Brijesh Kishore Sharma, Shri Arvind Kumar Mishra, Smt. Vinita Srivastava (IAS), Dr. Kanhaiya Lal Meena, Miss Aruna Rajoria (IAS), Shri Ajay Phatak, Dr. V.K. Mathur and Dr. Jitendra Kumar Soni (IAS), has also appointed as Director (s) on the Board of Directors of the Company after closure of financial year.

State Government has nominated the name of Dr. Laxmi Chand Sharma and Dr. Subhash Nepalia for appointment as Independent Director on the Board of Corporation. Dr. Laxmi Chand Sharma and Dr. Subhash Nepalia have been appointed as an Additional Director (Non-Executive & Independent) on the Board of Directors of the Company w.e.f. 07.04.2021 to hold office till the conclusion of the next Annual General Meeting.

- The following ceased to be Directors on the Board of the Company:-

Sr. No.	Name of Directors	Designation	Date of Cessation
1	Shri Vimal Kumar Gupta	Director	07.05.2020
2	Shri Pradeep K. Gawande	Director	03.07.2020
3	Shri Rohit Kumar Singh	Director	03.07.2020
4	Smt. Gayatri Rathore	Director	03.07.2020
5	Dr. Radhey Shyam Chhipi	Director	28.10.2020
6	Shri Akhil Arora	Chairman	02.11.2020
7	Dr. Veena Pradhan	Director	04.11.2020
8	Dr. Pritam B. Yashvant	Managing Director	04.11.2020
9	Shri Rajesh Sharma	Managing Director	01.12.2020
10	Dr. Rajendra Prasad Doria	Director	06.01.2021

However, Shri Naresh Kumar Thakral (IAS), Shri Sharad Mehra (IAS), Dr. Nopa Ram Pareek, Shri Suresh Chand Gupta (IAS), Dr. Laxman Singh Ola, Shri Sudhir Sharma (IAS), Miss Aruna Rajoria (IAS), Shri Rajaram Sharma, Dr. K.K. Sharma and Shri Meghraj Singh Ratnoo (IAS) Directors of the Company are ceased to be Director on the Board of Directors of the Company after closure of Financial Year.

The Board places on record its sincere appreciation for the valuable contribution made by the outgoing Chairman, Managing Director and Directors during their tenure as members of the Board.

Meetings of the Board of Directors

During the year under review, five meetings of the Board of Directors were held on



08.05.2020, 09.09.2020, 05.12.2020, 12.01.2021 and 04.02.2021. The attendance of Directors at the Board Meeting(s) is as follows:-

S.No.	Name of Director	Meeting (s) held	Meeting (s) attended
1.	Shri Rajaram Sharma	5	5
2.	Dr. Rajendra Prasad Doria	3	3
3.	Shri Rohit Kumar Singh	1	1
4.	Shri Vimal Kumar Gupta	1	0
5.	Dr. Nopa Ram Pareek	5	5
6.	Shri Naresh Kumar Thakral	5	4
7.	Smt. Gayatri Rathore	1	0
8.	Shri Vaibhav Galriya	5	1
9.	Dr. K.K. Sharma	5	1
10.	Dr. R.S. Chhipi	2	2
11.	Shri Pradeep K. Gawande	1	1
12.	Shri Arvind Deewan	5	4
13.	Dr. Pritam B. Yashvant	2	2
14.	Shri Sharad Mehra	5	3
15.	Shri Akhil Arora	1	1
16.	Dr. Veena Pradha	1	1
17.	Smt. Hempushpa Sharma	4	4
18.	Shri Siddharth Mahajan	3	3
19.	Dr. Rajesh Sharma	1	0
20.	Dr. Laxman Singh Ola	3	2
21.	Shri Alok Ranjan	3	3
22.	Shri Suresh Chand Gupta	3	0
23.	Dr. Ravi Prakash Sharma	2	0

Audit Committee

The company has an Audit Committee formed pursuant to section 177 of the Companies Act, 2013 and rules made there under. The composition of Audit Committee as on 31.03.2021 was as under:-

1. Shri Sharad Mehra, Director (Budget), Finance Department- Chairman
2. Dr. Nopa Ram Pareek, Financial Advisor, Medical & Health Department-Member



3. Shri Arvind Deewan, Director (Finance), NHM- Member

Further, due to appointment of Independent Directors on 07.04.2021, the Audit Committee was further re-constituted. Currently the Audit Committee consists of the following (re-constituted as such on 08th September, 2021):

1. Shri Brijesh Kishore Sharma, Director (Budget), Finance Department- Chairman
2. Shri Arvind Kumar Mishra, Financial Advisor, Medical & Health Department- Member
3. Dr. L.C Sharma, Independent Director- Member
4. Dr. Subhash Nepalia, Independent Director- Member

During the financial year 2020-21, two meetings of Audit Committee were held on 04.12.2020 and 12.01.2021, which were attended by the members as follows:-

S.No.	Name of Member	Meeting (s) held	Meeting (s) attended
1.	Shri Sharad Mehra	2	1
2.	Dr. Nopa Ram Pareek	2	2
3.	Shri Arvind Deewan	2	1

Nomination & Remuneration Committee

The company has constituted the Nomination and Remuneration Committee in pursuance of the provisions of section 178 of the Companies Act, 2013 and rules made there under. The composition of Nomination and Remuneration Committee as on 31.03.2021 was as under:-

1. Dr. Krishan Kant Sharma, Director (PH), M&H Services -Member
2. Dr. Nopa Ram Pareek, Financial Advisor, Medical & Health Department-Member
3. Dr. Rajendra Prasad Doria, Director (AIDS)- Member

However, due to appointment of Independent Directors on 07.04.2021, the Nomination and Remuneration Committee was further re-constituted. Currently it consists of the following (re-constituted as such on 17th May, 2021):

1. Dr. K.K. Sharma, Director (PH), M&H Services –Member
2. Dr. L.C Sharma, Independent Director - Member
3. Dr. Subhash Nepalia, Independent Director – Member

No meeting of the Nomination & Remuneration Committee was held during the year under review since the company is a Government Company and therefore, the provisions of Section 178(2) (3) & (4) of the Companies Act, 2013 are not applicable except with regard to appointment of senior management and other employees pursuant to Government of India, Ministry of Corporate Affairs notification No. GSR 463 (E)



dated 05.06.2015. In the case of the Company, all the appointments are made with the approval of the State Government.

Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility Committee (CSR) formed pursuant to provisions of section 135 of the Companies Act, 2013. The composition of Corporate Social Responsibility Committee as on 31.03.2021 was as under:-

1. Shri Naresh Kumar Thakral, MD, NHM-Chairman
2. Shri Alok Ranjan, Managing Director, RMSCL- Member
3. Dr. Krishan Kant Sharma, Director (PH), M&H Services -Member
4. Shri Arvind Deewan, Director (Finance), NHM- Member

Further, due to appointment of Independent Directors on 07.04.2021, the Corporate Social Responsibility Committee was further re-constituted. Currently it consists of the following (re-constituted as such on 17th May, 2021):

1. Shri Sudhir Kumar Sharma, MD, NHM- Chairman
2. Shri Alok Ranjan, MD, RMSCL- Member
3. Dr. K.K. Sharma, Director (PH), M&H Services -Member
4. Dr. L.C. Sharma- Independent Director - Member

During the financial year 2020-21, two meetings of CSR Committee were held on 05.06.2020 and 16.03.2021. An annual report on CSR activities is enclosed as Annexure –I to this report.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company report that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis; and



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

Particulars of Loans, Guarantees or Investments

The Company has not given loans and guarantees or made investments pursuant to section 186 of Companies Act, 2013.

Particulars of Contracts or Arrangements with Related Parties

There were no contracts or arrangements with related parties in the corporation referred to in sub-section (1) of section 188 of the Companies Act, 2013.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption is not applicable in view of nature of business of the Company. There are no foreign exchange earnings and outgo during the year under review.

Risk Management

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

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

The details of significant and material orders passed by the regulators or court impacting the going concern status and Company's operations in future is Nil. The contingent liability on account of pending court cases/appeal has been provided in note no. 28B of the notes of accounts.

Extract of Annual Return

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

Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s C.M. Bindal & Company, Practicing Company Secretaries, Jaipur were appointed to conduct the Secretarial Audit of Company for Financial Year 2020-21. The Secretarial Audit report is annexed hereto as Annexure- III and forms part of this Report. The explanation of an observation made by Secretarial Auditor in Secretarial Audit Report is as under:-



S.No.	Observation	Reply
01.	The company has failed to file the MSME returns related to year under review with the Registrar of Companies.	The information relating of MSME suppliers are being segregated by the company. After compilation of information, MSME returns will be filed as early as possible.

Statutory Auditors

The Comptroller and Auditor General of India, New Delhi vide letter dated 03.09.2020 appointed M/s S L Gangwal & Co., Chartered Accountants, Jaipur as the Statutory Auditor of the Company for audit the Company's Annual Accounts for the Financial Year ending on 31st March, 2021 pursuant to the provisions of Section 139(5) of the Companies Act, 2013. The report of Statutory Auditors is appended with the Balance Sheet. The replies of the management to the Independent Auditors' Report are enclosed which forms part of Board report.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of frauds during the year under review. Hence, information in this regard may be treated as "NIL".

Particulars of Employees

None of the employees of the company falls under the purview of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Personnel & Industrial Relations

Happy and pleasant relations continued throughout the year between the management and staff of the Corporation.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has duly constituted Internal Complaints Committee (ICC) for redressing the complaints relating to Sexual Harassment pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year, no complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Other disclosures

- The Company has neither accepted nor renewed any deposits under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of deposits) Rules, 2014.



- ii. There was no unpaid or unclaimed dividend declared and paid and therefore, no disclosure is required to be made pursuant to provisions of Section 125 of the Companies Act.
- iii. The Company has no subsidiary, joint venture or associate company.
- iv. During the year, the Company has complied with the applicable Secretarial Standard issued by the Institute of Company Secretaries of India.
- v. Pursuant to section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendments rules, 2014, the cost audit records maintenance is not applicable on the company, during the year under review.

Acknowledgements

The Directors express their sincere appreciation for the assistance and co-operation received from State Government, various departments of the State and Central Government and authorities, bankers and all the business constituents. The Directors also wish to place on record their deep sense of appreciation for the committed services of executives and staff of the Corporation in achieving the improved services during the year under review and confident that officers and staff will continue to strive hard to improve the performance of the Corporation in the years to come.

For and on behalf of the Board of Directors

sd/-

sd/-

(Anupama Jorwal)

(Dr. V.K. Mathur)

Place: Jaipur

Managing Director

Director

Date: 02.02.2022

DIN: 09331807

DIN: 07138460



ANNEXURE-I

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has framed the Corporate Social Responsibility (CSR) Policy in terms of the provisions of Section 135 (1) of the Companies Act, 2013. The Corporate Social Responsibility (CSR) Policy of the Company encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Dr. Pritam B. Yashvant ^{*1}	Managing Director	2	01
02	Shri Naresh Kumar Thakral	Director	2	02
03	Dr. Krishan Kant Sharma	Director	2	02
04.	Shri Arvind Deewan	Director	2	02

^{*1} ceased as Managing Director of Company w.e.f. 04.11.2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Web-link to CSR Policy:- <http://rmsc.health.rajasthan.gov.in/content/raj/medical/rajasthan-medical-services-corporation-ltd/en/library/policies---guidelines.html>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Since the average CSR obligation of the Company during the last three financial years does not cross the limit of Rs. 10 crores or more as prescribed in Rule 8(3) of Companies (Corporate Social responsibility Policy) Rules, 2014, therefore the requirement of undertaking impact assessment of CSR projects is not applicable on the Company.



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
---- Not Applicable as no amount is required to be set-off ---			

6. Average net profit of the company as per section 135(5): Rs. 18,18,66,476.00

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 36,37,330/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- Nil

© Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 36,37,330/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
Rs. 72,38,357/-*	-	-	-	-	-

*including the brought forward unspent amount of Rs. 19.48 Lacs for F.Y. 2019-20 and unspent amount of Rs. 16.53 Lacs, which is lying with Rajasthan State Health Society, Jaipur for F.Y. 2018-19.



(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes /No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.					Name	CSR Registration number
-----Not applicable-----											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State	District		Name	CSR Registration number
1.	Capital cost of civil Infra and IT establishment for one Janta Clinic	Healthcare	Yes	Rajasthan, Jaipur	20,00,000	No	Rajasthan State Health Society, Jaipur	
2.	Equipments for Janta Clinic 04 R.O., 05 A.C., 03 Refrigerator, 11 Wall mounted Fan and 01 Computer with printer and Scanner	Healthcare	Yes	Rajasthan, Jaipur	3,00,000	No	Rajasthan State Health Society, Jaipur	



3.	12 LED TV (50-55") in dedicated Covid Hospital, RUHS, Jaipur for Covid patients stress management	Healthcare	Yes	Rajasthan, Jaipur	6,00,000/-	No	Rajasthan State Health Society, Jaipur
4	04 R.O. for Swasthya Bhawan	Safe drinking water facility	Yes	Rajasthan, Jaipur	2,00,000/-	No.	Rajasthan State Health Society, Jaipur
5	10" tablets (100 Nos.) in High Delivery Labour room of Government CHC, for online monitoring under ASMAN	Healthcare	Yes	Rajasthan, Jaipur	20,00,000/-	No.	Rajasthan State Health Society, Jaipur
6	Construction of community toilets at District Hospital, Kekri	Sanitation	Yes	Rajasthan, Ajmer, Kekri	20,95,000/-	No.	Medicare Relief Society, Kekri, Ajmer
7	Plantation in the campus of Swasthya Bhawan, Jaipur	Ecological balance	Yes	Rajasthan, Jaipur	43,357/-	Yes	-
	Total				72,38,357/-		

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 72,38,357/-

(g) Excess amount for set off, if any: Nil



Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2019-20	-	19,48,110/-	-	-	-	-
2.	2018-19	-	16,52,917/-*	-	-	-	-
3.	2017-18	-	-	-	-	-	-
	TOTAL		36,01,027/-				

* unspent amount lying with Rajasthan State Health Society for F.Y. 2018-19.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
-----Not applicable-----								



10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Not applicable (asset-wise details).**
- (a) Date of creation or acquisition of the capital asset(s): Not applicable
 - (b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not applicable
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not applicable**

sd/-

sd/-

(Anupama Jorwal)
Managing Director
DIN: 09331807

(Dr. V.K. Mathur)
Director
DIN: 07138460



Annexure-II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U24232RJ2011SGC035067
ii)	Registration Date	04 th May, 2011
iii)	Name of the Company	RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED
iv)	Category / Sub-Category of the Company	Limited by Shares/ State Government Company
v)	Address of the Registered office and contact details	Swasthya Bhawan, Tilak Marg, C-Scheme, Jaipur-302004 Phone No: 0141-2228066, Fax No: 0141-2228065 Email: mdrmisc@nic.in Website: www.rmsc.health.rajasthan.gov.in
vi)	Whether listed company Yes / No	-No-
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	Pharmaceuticals and Medical goods	46497	89.45
2	Medical and Surgical Machinery & Equipments & Instruments	46596	10.55



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES *

S. No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1					
2					

* The Company has no Holding, Subsidiary or Associate Company.

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)									
Government of Rajasthan and nominees of Government of Rajasthan	-	500000	500000	100.00	-	500000	500000	100.00	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		500000	500000	100.00		500000	500000	100.00	
(2) Foreign-									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other.....	-	-	-	-	-	-	-	-	-



Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter (A)=(A)(1)+(A)(2)	-	500000	500000	100.00		500000	500000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-



Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	500000	500000	100.00		500000	500000	100.00	-

** Shares held as nominees of Government of Rajasthan*

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year.			Shareholding at the end of the year.			% change in shareholding during the year.
		No. of shares	% of the total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Governor of Rajasthan	495000	99.00		495000	99.00		-
2	Shri Naresh Kumar Thakral	800	0.16		800	0.16		-
3	Dr. Krishan Kant Sharma	400	0.08		400	0.08		-
4.	Dr. Radhey Shyam Chhipi	200	0.04		0	0		-
5.	Shri Vimal Kumar Gupta	400	0.08		0	0		-
6.	Shri Rajaram Sharma	400	0.08		400	0.08		-
7.	Dr. Nopa Ram Pareek	400	0.08		400	0.08		-
8.	Shri Vaibhav Galriya	400	0.08		400	0.08		-
9.	Shri Rohit Kumar Singh	400	0.08		0	0		-
10.	Dr. Rajendra Prasad Doria	400	0.08		0	0		-
11.	Shri Ushaspati Tripathi	400	0.08					-
12.	Smt. Gayatri Rathore	400	0.08		0	0		-
13.	Shri Suresh Chand Gupta	400	0.08		400	0.08		-
14.	Dr. Laxman Singh Ola	0	0		200	0.04		-
15.	Shri Arvind Deewan	0	0		400	0.08		-
16.	Shri Siddharth Mahajan	0	0		400	0.08		-
17.	Dr. Ravi Prakash Sharma	0	0		400	0.08		
18.	Shri Sharad Mehra	0	0		400	0.08		
19.	Shri Alok Ranjan	0	0		400	0.08		
	TOTAL	500000	100.00		500000	100.00		

** Shares held as nominees of Government of Rajasthan.*



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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	500000	100.00	500000	100.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
1	Shares transferred from Shri Suresh Chand Gupta to Shri Pradeep K. Gawande on 08.05.2020	400	0.08	400	0.08
2	Shares transferred from Shri Ushaspati Tripathi to Shri Vimal Kumar Gupta on 08.05.2020	400	0.08	400	0.08
3	Shares transferred from Shri Vimal Kumar Gupta to Shri Arvind Deewan on 08.05.2020	400	0.08	400	0.08
4	Shares transferred from Shri Vimal Kumar Gupta to Shri Sharad Mehra on 09.09.2020	400	0.08	400	0.08
5	Shares transferred from Shri Pradeep K. Gawande to Dr. Pritam B. Yashvant on 09.09.2020	400	0.08	400	0.08
6	Shares transferred from Shri Rohit Kumar Singh to Shri Akhil Arora on 09.09.2020	400	0.08	400	0.08
7	Shares transferred from Smt. Gayatri Rathore to Dr. Veena Pradhan on 09.09.2020	400	0.08	400	0.08
8	Shares transferred from Shri Akhil Arora to Shri Siddharth Mahajan on 05.12.2020	400	0.08	400	0.08
9	Shares transferred from Dr. Radhey Shyam Chhipi to Dr. Laxman Singh Ola on 05.12.2020	200	0.04	200	0.04
10	Shares transferred from Dr. Pritam B. Yashvant to Shri Alok Ranjan on 04.02.2021	400	0.08	400	0.08
11	Shares transferred from Dr. Rajendra Prasad Doria to Dr. Ravi Prakash Sharma on 04.02.2021	400	0.08	400	0.08
12	Shares transferred from Dr. Veena Pradhan to Shri Suresh Chand Gupta on 04.02.2021	400	0.08	400	0.08
	At the End of the year	500000	100.00	500000	100.00



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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g.allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
01.	Shri Rajaram Sharma				
	At the beginning of the year	400	0.08	400	0.08
	Increase/Decrease during the year	-	-	400	0.08
	At the end of the year	400	0.08	400	0.08
02.	Dr. Rajendra Prasad Doria				
	At the beginning of the year	400	0.08	400	0.08
	Decrease due to transfer on 04.02.2021	400	0.08	0	0
	At the end of the year	-	-	0	0
03.	Shri Rohit Kumar Singh				
	At the beginning of the year	400	0.08	400	0.08
	Decrease due to transfer on 09.09.2020	400	0.08	0	0
	At the end of the year	-	-	0	0
04.	Shri Vimal Kumar Gupta				
	At the beginning of the year	400	0.08	400	0.08
	Increase due to transfer on 08.05.2020	400	0.08	800	0.16
	Decrease due to transfer on 08.05.2020	400	0.08	400	0.08



	Decrease due to transfer on 09.09.2020	400	0.08	0	0
	At the end of the year	-	-	0	0
05.	Shri Nopa Ram Pareek				
	At the beginning of the year	400	0.08	400	0.08
	Increase/ decrease due to transfer	-	-	400	0.08
	At the end of the year	400	0.08	400	0.08
06.	Shri Naresh Kumar Thakral				
	At the beginning of the year	800	0.16	800	0.16
	Increase/ decrease due to transfer	-	-	800	0.16
	At the end of the year	800	0.16	800	0.16
07..	Smt. Gayatri Rathore				
	At the beginning of the year	400	0.08	400	0.08
	Decrease due to transfer on 09.09.2020	400	0.08	0	0
	At the end of the year	-	-	0	0
08.	Shri Vaibhav Galriya				
	At the beginning of the year	400	0.08	400	0.08
	Increase/ decrease due to transfer	-	-	400	0.08
	At the end of the year	400	0.08	400	0.08
09.	Dr. Krishan Kant Sharma				
	At the beginning of the year	400	0.08	400	0.08
	Increase/ decrease due to transfer	-	-	400	0.08
	At the end of the year	400	0.08	400	0.08
10.	Dr. Radhey Shyam Chhipi				
	At the beginning of the year	200	0.04	200	0.04
	Decrease due to transfer on 05.12.2020	200	0.04	0	0
	At the end of the year	-	-	0	0
11.	Shri Pradeep K. Gawande				
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 08.05.2020	400	0.08	400	0.08
	Decrease due to transfer on 09.09.2020	400	0.08	0	0
	At the end of the year	-	-	-	-
12.	Shri Arvind Deewan				
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 08.05.2020	400	0.08	400	0.08
	At the end of the year	400	0.08	400	0.08
13.	Dr. Pritam B. Yashvant				
	At the beginning of the year	-	-	-	-



	Increase due to transfer on 09.09.2020	400	0.08	400	0.08
	Decrease due to transfer on 04.02.2021	400	0.08	0	0
	At the end of the year	-	-	0	0
14.	Shri Sharad Mehra				
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 09.09.2020	400	0.08	400	0.08
	At the end of the year	400	0.08	400	0.08
15.	Shri Akhil Arora				
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 09.09.2020	400	0.08	400	0.08
	Decrease due to transfer on 05.12.2020	400	0.08	0	0
	At the end of the year	-	-	0	0
16.	Dr. Veena Pradhan			-	-
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 09.09.2020	400	0.08	400	0.08
	Decrease due to transfer on 04.02.2021	400	0.08	0	0
	At the end of the year	-	-	0	0
17.	Smt. Hempushpa Sharma			-	-
	At the beginning of the year	-	-	-	-
	Increase/ decrease due to transfer	-	-	-	-
	At the end of the year	-	-	-	-
18.	Shri Siddharth Mahajan				
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 05.12.2020	400	0.08	400	0.08
	At the end of the year	400	0.08	400	0.08
19.	Dr. Rajesh Sharma			-	-
	At the beginning of the year	-	-	-	-
	Increase/ decrease due to transfer	-	-	-	-
	At the end of the year	-	-	-	-
20.	Dr. Laxman Singh Ola		0.04	200	0.04
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 05.12.2020	200	0.04	200	0.04
	At the end of the year	200	0.04	200	0.04
21.	Shri Alok Ranjan		-	-	-
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 04.02.2021	400	0.08	400	0.08
	At the end of the year	400	0.08	400	0.08



22.	Shri Suresh Chand Gupta		-	-	-
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 04.02.2021	400	0.08	400	0.08
	At the end of the year	400	0.08	400	0.08
23.	Dr. Ravi Prakash Sharma		-	-	-
	At the beginning of the year	-	-	-	-
	Increase due to transfer on 04.02.2021	400	0.08	400	0.08
	At the end of the year	400	0.08	400	0.08

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	16,22,40,000	-	16,22,40,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	16,22,40,000	-	16,22,40,000
Change in Indebtedness during the financial year	-			
• Addition	-	-	-	-
• Reduction	-	4,95,60,000	-	4,95,60,000
Net Change		4,95,60,000	-	4,95,60,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	11,26,80,000	-	11,26,80,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		11,26,80,000		11,26,80,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTM/ Manager	Total Amount
		Shri Alok Ranjan Managing Director	
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,23,712	3,23,712



	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify		
	a. Medical Allowance		
	b. Pension Contribution	-	-
	c. Travelling Allowance	78,460	78,460
	Total (A)	4,02,172	4,02,172
	Ceiling as per the Act		

B. Remuneration to other directors:

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

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	11,98,578	-	-



	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission		-	-	-
	as % of profit	-	-	-	-
	Others specify...		-	-	-
5.	Others, please specify (Mediclaime Policy Premium)	-	7,530	-	-
	Total	-	12,06,108		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-

Sd/-

(Anupama Jorwal)
Managing Director
DIN: 09331807

(Dr. V.K. Mathur)
Director
DIN: 07138460

Place: Jaipur
Date: 02.02.2022



C.M. BINDAL & Co.

COMPANY SECRETARIES

F.NO.202, GANESH KRIPA, B-6 MOTI MARG, BAPU NAGAR, JAIPUR-302015

Phone No.- 0141-2707522 Email: bindalcm@yahoo.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

Form No. MR-3

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

To,

The Members,

Rajasthan Medical Services Corporation Limited

Swasthya Bhawan, Tilak Marg, C-Scheme Jaipur-302004, RJ

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rajasthan Medical Services Corporation Limited (CIN: U24232RJ2011SGC035067)** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (**Not Applicable to the Company as the company being an unlisted public company**)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (**Not Applicable to the Company as the company being an non listed public company**)
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the



extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(Not Applicable to the Company during the Audit Period)**

- (v) The regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992; **(Not Applicable to the Company as the company being an unlisted public company)**
- (vi) The company has identified the following laws as sector specific laws applicable to the company:-
 - (a) Drugs & Cosmetics Act, 1940 and Rules made thereunder;
 - (b) Bio-medical Waste Management Rules, 2016
 - (c) Narcotic Drugs and Psychotropic Substances Act, 1985;
 - (d) GoR NPS Rules, The General Provident Fund (Central Services) Rules, 1960 and The Employees' State Insurance (Central) Rules, 1950 Rules
 - (e) The Rajasthan Service Rules;
 - (f) Rajasthan Transparency in Public Procurement Act, 2012 and Rules thereunder;
 - (g) The General Financial and Accounts Rules;
 - (h) The Right to Information Act, 2005;
 - (i) The Sexual Harassment of Women at Workplace (prevention, Prohibition & Redressal) Act, 2013.
- (vii) We have also examined compliance with the applicable clauses/ regulations of the following:
 - (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (b) Govt. of Rajasthan Health policies and programmes as are applicable to it.

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

- i. *The company has failed to file the MSME returns related to year under review with the Registrar of Companies.*

We Further Report That:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except to the extent specified in Point i & ii above.
- (ii) Adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors/ Members of the Board/ Committees, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. All the decisions have been taken unanimously and no dissent



recorded in Board Meetings.

- (iv) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the above Laws Rules, Regulations and Guidelines has been adequately dealt with/ duly replied/ complied with.

We further report that during the audit period there were no specific events/ actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

for C. M. Bindal & Company
Company Secretaries

Date: December 16, 2021

Place: Jaipur

UDIN: F000103C001792366

Sd/-

(Chand Mal Bindal)

Partner

FCS No. 103; CP No. 176

Note: The report at Annexure-A which forms part of this Report, may be seen at company's website This report is to be read with our letter of even date which is annexed as 'Annexure –A' and form an integral part of this report.



C.M. BINDAL & Co.

COMPANY SECRETARIES

F.NO.202, GANESH KRIPA, B-6 MOTI MARG, BAPU NAGAR, JAIPUR-302015

Phone No.- 0141-2707522 Email: bindalcm@yahoo.com

ANNEXURE – A

**To,
The Members,
Rajasthan Medical Services Corporation Limited
Swasthya Bhawan, Tilak Marg, C-Scheme Jaipur-302004, RJ**

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for C. M. Bindal & Company
Company Secretaries

Date: December 16, 2021

Place: Jaipur

UDIN: F000103C001792366

Sd/-

(Chand Mal Bindal)
Partner

FCS No. 103; CP No. 176



S. L. Gangwal & Co.

Chartered Accountants

Office: “Arihant”, S-23, Mangal marg, Bapu Nagar, Jaipur-302015

Phone No.- 0141-2710720

Email: slgangwal@hotmail.com

Independent Auditor's Report

To the Members of

RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, [Except for the effects/possible effects of the matter described in the Basis for Qualified Opinion section of our report] the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters described in Annexure D, the effects/ possible effects of which and matters where we are unable to obtain appropriate audit evidences, individually or in aggregate, are material to the financial statements.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the “ICAI”) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to **Annexure E** of our report regarding matters referred in financial statements, which requires user's attention. Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon



The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexure and other company related information (hereinafter referred to as 'Other reports') but does not include financial statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or



error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A**, a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that, **except for the matter described in the Basis for Qualified Opinion paragraph above:**
 - a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) **Except for the matter described in the Basis for Qualified Opinion paragraph above**, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) As explained to us, being a Government Company, sub-section (2) of section 164 of The Companies Act, 2013 is not applicable as per Notification No. G.S.R. 463 (E) dated 05-06-2015 of Ministry of Corporate Affairs.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**, and
- g) As per Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Clause B of Note No. 28), however the company has not maintained proper records and details for compilation and ascertainment of the impact of the pending litigations. In the absence of such records and sufficient details, we are unable to verify/examine/satisfy ourselves that whether the impact of all the pending litigations has been properly disclosed in the financial statements or not. In the absence of possibility of such examination and verification, any consequential impact on the financial statements is not ascertainable.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate meaning and according to the information and explanations given to us, in the **Annexure C** on the directions and sub-directions issued by the Comptroller and Auditor General of India.

Place: Jaipur
Date: 2/02/2022
UDIN : 22070644AATVBS3920

For S. L. Gangwal & Co.
Chartered Accountants
FRN: 004649C

Sd/-

(S. L. Gangwal)
Partner
M. No.070644



Annexure A to the Independent Auditor's Report-

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the members of the Rajasthan Medical Services Corporation Limited (RMSCL) on the financial statements for the year ended 31st March 2021)

- i. In respect of the Company's property plant and equipments:
 - (a) The Company is maintaining assets register showing particulars including quantitative details and situation of fixed assets at each District Drugs Warehouses (DDWs) / Medical College Drugs Warehouses (MCDWs). The entries in above registers also include some of the movable assets viz. furniture & fixture etc. which have been transferred by Medical, health & family welfare departments without charge to RMSCL, however, the same have been entered at Nil value. As per the information and explanation given to us, accounting entries have not been made in financial books of account for these movable assets due to insignificant value involved in such transfer or the value cannot be ascertained reasonably. Further asset registers do not contain details of year wise depreciation/WDV and further, no reconciliation of above is made with the financial books of account, as such as it can't be ascertained whether all assets are actually entered or not in the above assets registers.
 - (b) Fixed assets have been physically verified by the management at reasonable intervals i.e. at the end of financial year. According to the information and explanations given to us, the discrepancies noticed on such physical verification are not considered material, as most of unusable assets belong to furniture & fixture etc. transferred without charge to RMSCL as mentioned in para (a) above, which appears at Nil value in the financial books of account. As explained to us necessary adjustment, required, if any, for the cost of impaired assets will be made in the books of account after detailed scrutiny is done of the discrepancies observed on physical verification.
 - (c) Head office building has been constructed by NRHM which is allotted to the Company vide office order No. F(10)IPHS/civil/2011-12/3070 dated 30.05.2011 and the same has been recorded at a nominal value of Rs.1/- in books of account. However no title deed of any property has been produced before us and in absence of such title deeds vis-à-vis completes details of immovable properties, we are unable to comment under this clause.
- ii. According to the information and explanations given to us, physical verification of inventory has been conducted every month at all MCWs/DDWs by the internal auditors of the Company, except March, 2021 in which no physical verification was carried out. As explained to us discrepancies noticed on such physical verification are not material.
- iii. According to the information and explanations given to us and based on audit procedures performed, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of clause 3(a), 3(b) & 3(c) are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, investment, guarantees and securities to which the provision of section 185 and 186 of The Companies Act 2013, are applicable and therefore we have no comment under this clause.



- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of provisions of section 73 to 76 or any other relevant provisions of The Companies Act 2013.
- vi. As per the information given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of Companies Act, 2013 for the activities carried out by the company.
- vii. According to the information and explanations given to us in respect of statutory dues:
- (a) As explained to us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, Value added tax, goods and services tax, cess and other material statutory dues applicable to it. Further, according to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues, which were in arrear as at 31-03-2021 for a period of more than six months from the date they became payable except following:

Nature of Dues	Amount (Rs)
Patrakar Kalyan Kosh	61,964/-
Goods & Service Tax	1,04,16,791/-
HFR	32,321/-
TDS	9,17,385/-

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, service Tax, duty of customs, duty of excise, Value added tax and goods and services tax which have not been deposited on account of any dispute except an appeal under Income Tax Act, 1961 is pending before Hon'ble CIT (Appeals) – 2, Jaipur against order of assessing officer for demand of Income Tax of Rs. 1,41,24,949/- for the assessment year 2016-17. Out of total demand of Rs. 1,41,24,949/-, Company has deposited Rs. 28,24,985/- at the time of submitting the appeal at balance demand of Rs 1,12,99,964/- has been adjusted from the refunds of subsequent years.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions, government or due to bond holders.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. As per the information and explanations given to us, there is no case of fraud by the company or any fraud on the company by its officer or employee has come into the notice or reported during the year.
- xi. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Govt. of India, section 197 read with schedule V to The Companies Act 2013, is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.



- xii. The Company is not a Nidhi Company, hence the provisions of clause 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us, the company has not appointed independent director in the Audit Committee as required u/s 177 of Companies Act, 2013. Except the non-appointment of independent directors all the transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to information and explanations given to us, the company has not made any preferential allotment, private placement of shares and fully or partly convertible debentures during the year.
- xv. The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

For S. L. Gangwal & Co.
Chartered Accountants
FRN – 004649C

Place: Jaipur

Date: 2/02/2022

UDIN : 22070644AATVBS3920

Sd/-
(S.L. Gangwal)
Partner
M.No: 070644



Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the members of the Rajasthan Medical Services Corporation Limited (RMSCL) on the financial statements for the year ended 31st March 2021)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Rajasthan Medical Services Corporation Limited (“the Company”) as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143 (10) , of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

Based on our audit of financial statements and according to the information and explanations given to us the following material weaknesses have been identified as at March 31, 2021:

- a) The Company's internal financial control system over trade receivables and short term loans and advances is not operating effectively as these balances are pending for adjustment. This material weakness could potentially result in material misstatement in current assets, grants/earmark funds and expenses of the company. (Refer clause G and sub-clause (i) of clause H of Note No. 28).
- b) Certain drugs were directly acquired from medical stores without processing/entering the transactions through e-Aushadhi Software. Proper records are not maintained in respect of these acquired medicines. Further accounting of these purchases is on payment basis and corresponding accounting for income of surcharge against these purchases is also as and when bills are paid to the suppliers. Therefore the Company's internal financial control system over these purchases and corresponding income is not operating effectively. This material weaknesses could potentially result in material misstatement in Company's liability, inventory and income. (Refer sub-clause (xiii) of Clause A of Note No. 28).
- c) The Company sometimes received payment directly in its bank account for which there is no information as to who have paid the same. In absence of proper information such receipts is credited to suspense account. Suspense credit as at 31st March, 2021 has increased to Rs. 17,69,729/- as against Rs. 15,53,744/- as at 31st March, 2020. Therefore the Company's internal financial control system over these receipts is not operating effectively. In absence of details impact of same is unascertainable. (Refer sub-clause ii of Clause J of Note No. 28).



- d) There is a debit balance of Rs. 93,99,133/- as on 31st March, 2021 in 34 suppliers (creditors) account due to either excess payment to suppliers or pending adjustments. Therefore the Company's internal financial control system over payment to suppliers is not operating effectively. . This material weaknesses could potentially result in material misstatement in current assets, current liability and income of the company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as of 31st March, 2021 based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2021 financial statements of the Company and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For S. L. Gangwal & Co.

Chartered Accountants

FRN – 004649C

Place: Jaipur

Date: 2/02/2022

UDIN : 22070644AATVBS3920

Sd/-

(S.L. Gangwal)

Partner

M.No: 070644



Annexure C to the Independent Auditor's Report

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the members of the Rajasthan Medical Services Corporation Limited on the financial statements for the year ended 31st March 2021).

S.R. NO.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per our understanding of this direction, we state that Company does not have system in place to process all the financial transactions through IT System. Company does not have any central ERP System. However, financial accounts are maintained by the company in computer system using the separate standalone software for accounting and inventory. Further many transactions are processed manually. • Company uses software “eAushadhi” for inventory management. All the purchase orders, purchases, sales, stocks, expiry stocks, etc. are maintained in eAushadhi. • Company is using another software for accounting named “Tally”. A consolidated monthly entry for purchases and sales are entered manually in Tally from the reports generated from eAushadhi. • Cash Book is prepared manually. From manually prepared cash book, the data is being further entered in the accounting software Tally. • Allocation vouchers for salary and journal vouchers for various adjustments like capitalization, depreciation and other year-end adjustment etc. is being done manually.	No Comment

		Fixed assets register is also maintained manually. As company has maintained its books of accounts partially through IT system and partially through manual system and hence we have carried out our audit accordingly from the books generated from IT system as well as prepared manually.	
2	Whether there is any restructuring of an existing loan Or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company during the year 2020-21 due to the company's inability to repay the loan.	Nil
3	Whether funds (Grants/subsidy etc.) received / receivable for specific schemes from Central/State Government agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per the system of accounting followed by the company there is no separate identifiable accounting and bifurcation of the amounts received for all the specific schemes from the state governments/state agencies as a result of which we are unable to match the utilization against the amount received for specific schemes. Consequently, we are unable to list the cases of deviation if any. However company has confirmed us that all the funds (Grants/subsidy etc.) received / receivable for specific schemes from Central/State Government agencies were properly accounted for/ utilized as per its term and conditions. Further company has levied a surcharge/margin of 5% on cost of drugs/equipment etc, and 3.5% on service contracts for its operational expenses and	Nil



		same is recovered against the funds/grants received for specific schemes from Central/State Government or its agencies. (Refer clause G of Note No. 1)	
4	Has the company carried out activities relating to health promotion, prevention of epidemics, community health and sanitation activities?	As explained to us, the company has not carried out any activity relating to health promotion, prevention of epidemics, community health and sanitation activities during the year.	Nil
5	Whether the cost accounting system of the company ensure correct accounting of costs for each category of medicines/ equipments and machinery.	As explained to us, Company is not a manufacturing company and does not have any cost accounting system for each category of medicine/equipment. Further Company purchases drugs, equipments, surgical and sutures, etc. and distribute/ supply them to government hospitals including Primary Health Centers (PHCs) & Community Health Centers (CHCs) for onward free distribution to patients. Company levy a surcharge/margin of 5% on cost of drugs/equipment etc, 3.5% on service contacts and 1.5% on testing & handling charges for its operational expenses. (Refer Clause G of Note No. 1 of Financial Statements.)	Nil
6	Whether the system for valuation and accounting of medicine inventory is adequate and in accordance with the standard practices of the industry?	Yes, the system for valuation and accounting of medicine inventory is adequate and in accordance with the standard practices of the industry. However in Covid-19 Pandemic.	Nil

For S. L. Gangwal & Co.

Chartered Accountants

FRN – 004649

Sd/-

(S.L. Gangwal)

Partner

M.No: 070644

DATE: 02/02/2022

PLACE: Jaipur

UDIN: 22070644AA7VBS3920



Annexure D to the Independent Auditor's Report

(Referred to in “Basis for Qualified Opinion” paragraph of our Independent Auditor's Report of even date to the members of the Rajasthan Medical Services Corporation Limited (RMSCL) on the financial statements for the year ended 31st March 2021)

1. Refer Clause F of Note No.28 regarding non bifurcation of assets and liabilities into current and non-current which is not in accordance with Schedule III of the Companies Act, 2013.
2. The Company has not followed accrual basis of accounting as required by Companies Act, 2013 for following items:
 - (i) accounting of purchase of equipment procured and supplied to other user departments/institutions as (Refer clause A of Note No.1)
 - (ii) accounting of income from surcharge on supply of medical equipment (Refer sub-clause (iii) of clause G of Note No.1)
 - (iii) Certain drugs were directly acquired from medical stores without processing/entering the transactions through e-Aushadhi Software. Proper records are not maintained in respect of these acquired medicines. Further accounting of these purchases is on payment basis and corresponding accounting for income of surcharge against these purchases is also as and when bills are paid to the suppliers. (Refer sub-clause (xiii) of Clause A of Note No. 28).

The impact of the above on financial statement is undetermined.
3. Company has not recorded the assets at nominal value mainly consisting of furniture & fixtures transferred from Medical, Health & Family Welfare Departments at various District Drug Warehouses (DDW's) without any Charge to RMSCL which is not in accordance with Accounting Standard-12 “Accounting for Government Grants” (Refer sub-clause (iv) of clause D of Note No.1). The amount involved is undetermined.
4. The Company has not provided for the retirement benefits in respect of one Employee on its payroll in terms of Accounting Standard-15 “Employee benefits”. (Refer sub-clause (ii) of clause H of Note No.1). The amount involved is undetermined.
5. The Company has not undertaken impairment testing of assets in terms of AS-28 “Accounting for impairment of assets”. Physical verification of fixed assets has revealed certain discrepancies / impairment of assets, however, further detailed reconciliation / scrutiny has not been done. Therefore in absence of techno-economic assessment and detailed reconciliation/scrutiny, we are unable to comment whether any impairment loss, remained un-assessed and unprovided in accordance with Accounting Standard-28 “Impairment of Assets”
6. The Company has Trade Receivables of Rs.87,72,027 and Short Term Loans and Advances of Rs.174,70,147, which are pending for adjustment (Refer clause G and H of Note No.28). In absence of details for arriving at exact nature of adjustment required, we are unable to comment upon its impact on the financial statements.



7. The Company is accounting purchase bills of equipment only at the time of making payment. Further company does not have proper records and system to quantify the exact amount of outstanding dues of parties covered under Micro, Small and Medium Enterprises Development Act, 2006 . Thus in the absence of comprehensive details we are unable to verify the correctness of disclosure given in clause L of Note No.28 and also to identify the quantum of default and interest payable as per Micro, Small and Medium Enterprises Development Act, 2006.
8. There is a debit balance of Rs. 93,99,133/- as on 31st March, 2021 in 34 suppliers (creditors) account due to either excess payment released to suppliers or pending adjustments. In absence of details and reconciliations we are unable to comment on the effect of the same on the financial statements of the company.
9. Rs. 1,37,81,062/- is payable to Jakson Laboratories Pvt. Ltd. for purchase of medicines. Goods purchased were treated as NOSQ. However some of the medicines have already been sold by the company before declaring the medicine NOSQ. Later on some goods were also expired. Company was supposed to account for the medicines that had been utilized and that had been expired. However has provided any liability in respect of same. In absence of complete details we are unable to quantify the impact of the same on the financial statements.

For S.L. Gangwal & Co.
Chartered Accountants
FRN – 004649C

DATE : 02/02/2022

PLACE : Jaipur

UDIN : 22070644AATVBS3920

Sd/-

(S. L. Gangwal)
Partner
M.No: 070644



Annexure E to the Independent Auditor's Report

(Referred to in “Emphasis of Matter” paragraph of our Independent Auditor's Report of even date to the members of the Rajasthan Medical Services Corporation Limited (RMSCL) on the financial statements for the year ended 31st March 2021)

1. The Company has 6 Medical College Drug Warehouses (MCDWs) and 34 District Drug Warehouses (DDWs) all over Rajasthan for which it has appointed division wise Chartered Accountants as Internal Auditors who are verifying inward and outward supplies, stocks, expiring drugs and expenses incurred against imprest payment system etc. All these internal auditors are submitting monthly reports to the management who is reviewing/appraising these monthly reports on a regular basis. We have relied upon the reports of these Internal Auditors. (Refer sub-clause (xi) of Clause A of Note No. 28).
2. The Company receives Earmarked Funds in advance from other government departments for procurement of specified drugs, surgical, sutures and equipment etc. There is a unutilised balance of such funds with RMSCL amounting to Rs. 3,18,70,03,338 as at 31st March, 2021 which is shown under the head Current Liabilities. (Refer sub-clause (i) of Clause J of Note No. 28).
3. The Company receives grant from government for procurement of specified drugs, surgical, sutures and equipment. There is a unutilized balance of such grant amounting to Rs. 4,20,83,36,270 as at 31st March, 2021 which is shown as Deferred Government Grant under the head Current Liabilities. (Refer Note No. 9 & clause M of Note No. 28).
4. As per the Government of Rajasthan Notification and Cabinet Order 49/2011 dated 04.04.2011, RMSCL is entitled for administrative cost by levy a surcharge/margin @ 5% on cost of drugs/surgical/suture/equipment etc. distributed/supplied to government hospitals including Primary Health Centers (PHCs) & Community Health Centres (CHCs). Company is recovering this surcharge/margin from allotted Earmarked Funds/Government Grants. (Refer sub-clause (ii) of Clause G of Note No. 1)
5. The Company sometimes received payment directly in its bank account for which there is no information as to who have paid the same. In absence of proper information such receipts is credited to suspense account. Suspense credit as at 31st March, 2021 has increased to Rs. 17,69,729 as against Rs. 15,53,744 as at 31st March, 2020. (Refer sub-clause (ii) of Clause J of Note No. 28).

For S. L. Gangwal & Co.

Chartered Accountants

FRN – 004649C

Sd/-

(S.L. Gangwal)

Partner

M.No: 070644

DATE: 02nd February 2022

PLACE: Jaipur

UDIN: 22070644AATVBS3920



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR

CIN - U24232RJ2011SGC035067

Balance Sheet As at 31st March, 2021



Particulars		Note No.	As at 31st March, 2021	As at 31st March, 2020
			₹	₹
A	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	2	50,000,000	50,000,000
	(b) Reserves And Surplus	3	610,852,952	517,255,614
	(c) Money Received Against Share Warrants		-	-
			660,852,952	567,255,614
2	Share Application Money Pending Allotment		-	-
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	4	63,120,000	112,680,000
	(b) Deferred Tax Liabilities (Net)		-	-
	(c) Other Long-Term Liabilities	5	498,088,301	449,141,512
	(d) Long-Term Provisions		-	-
			561,208,301	561,821,512
4	Current Liabilities			
	(a) Short-Term Borrowings		-	-
	(b) Trade Payables	6	3,100,185,232	1,938,608,390
	(c) Other Current Liabilities	7	3,508,510,638	1,554,003,167
	(d) Short-Term Provisions	8	162,395,301	174,980,207
	(e) Deferred Government Grants	9	4,215,645,534	930,106,884
			10,986,736,705	4,597,698,649
	TOTAL		12,208,797,959	5,726,775,775
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets			
	(i) Property, Plant and Equipment	10.A	110,049,579	121,086,409
	(ii) Intangible Assets	10.B	6,793	6,793
	(iii) Capital Work-in-Progress	11	1,951,782	1,699,516
	(iv) Intangible Assets Under Development		-	-
			112,008,154	122,792,718
	(b) Non-Current Investments		-	-
	(c) Deferred Tax Assets (Net)	26	3,760,601	27,982,605
	(d) Long-Term Loans And Advances		-	-
	(e) Other Non-Current Assets	12	361,413	361,413
			116,130,167	151,136,736
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	13	2,705,904,101	2,643,468,063
	(c) Trade Receivables		8,772,027	15,500,262
	(d) Cash And Cash Equivalents	14	8,738,738,004	2,284,903,714
	(e) Short-Term Loans And Advances	15	273,963,750	348,454,530
	(f) Other Current Assets	16	365,289,910	283,312,470
			12,092,667,791	5,575,639,039
	TOTAL		12,208,797,959	5,726,775,775
	Significant Accounting Policies and Notes to Accounts	1 & 28		

In terms of our report of even date

For S L GANGWAL & CO.

Chartered Accountants

FRN : 004649C

For and on behalf of Board of Directors

Sd/-

(S L GANGWAL)

PARTNER

M.NO.-070644

PLACE: JAIPUR

DATE :02.02.2022

UDIN:22070644AA7VBS3920

Sd/-

(MAMTA AGARWAL)

COMPANY SECRETARY

M.NO.-A23444

Sd/-

(MANOJ SHANDILYA)

EXECUTIVE DIRECTOR (FINANCE)

Sd/-

(V.K MATHUR)

DIRECTOR

DIN-07138460

Sd/-

(ANUPAMA JORWAL)

MANAGING DIRECTOR

DIN- 09331807



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR
CIN - U24232RJ2011SGC035067

Statement of Profit and Loss for the year ended 31st March, 2021



Particulars		Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
			₹	₹
1	Revenue From Operations (Gross)	17	8,334,083,306	8,402,826,429
2	Other Income	18	311,525,571	285,971,177
3	Total Revenue (1+2)		8,645,608,877	8,688,797,606
4	Expenses			
	(a) Cost Of Materials Consumed		-	-
	(b) Purchases Of Stock-in-Trade	19	8,078,719,835	8,131,569,763
	(c) Changes in inventories	20	(62,436,038)	30,844,043
	(d) Employee Benefits Expense	21	224,082,368	208,611,781
	(e) Finance Costs	22	8,724,000	14,461,421
	(f) Depreciation And Amortisation Expense	10A	13,626,739	14,151,872
	(g) Other Expenses	23	118,629,299	166,083,140
	Total Expenses		8,381,346,204	8,565,722,018
5	Profit / (Loss) Before Exceptional And Extraordinary Items And Tax (3 - 4)		264,262,673	123,075,587
6	Prior Period Items	24	(55,091,778)	(7,711,794)
7	Exceptional Items	25	-	-
8	Profit / (Loss) Before Extraordinary Items And Tax (5 ± 6+7)		209,170,896	115,363,793
9	Extraordinary Items		-	-
10	Profit / (Loss) Before Tax (8 ± 9)		209,170,896	115,363,793
11	Tax Expense:			
	(a) Current Tax Expense		93,521,000	65,483,000
	(c) Tax Expense Relating To Prior Years		(2,169,448)	(298,625)
	(d) Net Current Tax Expense		91,351,552	65,184,375
	(e) Deferred Tax	26	24,222,005	(23,404,476)
			115,573,557	41,779,899
12	Profit / (Loss) From Continuing Operations (10 ± 11)		93,597,339	73,583,894
13	Profit / (Loss) From Discontinuing Operations		-	-
14	Profit / (Loss) For The Year (12 ± 13)		93,597,339	73,583,894
15	Earnings Per Share (of ₹100/- each):			
	(a) Basic	27	187.19	147.17
	(b) Diluted		187.19	147.17
Significant Accounting Policies and Notes to Accounts		1 & 28		

In terms of our report of even date

For S L GANGWAL & CO.

Chartered Accountants

FRN : 004649C

For and on behalf of Board of Directors

Sd/-

(S L GANGWAL)

PARTNER

M.NO.-070644

PLACE: JAIPUR

DATE : 02.02.2022

UDIN:22070644AA7VBS3920

Sd/-

(MAMTA AGARWAL)

COMPANY SECRETARY

M.NO.-A23444

Sd/-

(MANOJ SHANDILYA)

EXECUTIVE DIRECTOR (FINANCE)

Sd/-

(V.K MATHUR)

DIRECTOR

DIN-07138460

Sd/-

(ANUPAMA JORWAL)

MANAGING DIRECTOR

DIN- 09331807



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR
CIN - U24232RJ2011SGC035067

Cash Flow Statement for the year ended 31st March, 2021



Particulars	For the year ended		For the year ended	
	31st March, 2021		31st March, 2020	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		209,170,896		115,363,793
<u>Adjustments for:</u>				
Provision for Tax	(93,521,000)		(65,483,000)	
Depreciation and amortisation	13,626,739		14,151,872	
Finance costs	8,724,000		14,461,421	
Interest income	(73,992,921)		(108,203,689)	
Prior period depreciation exp.	-		869,856	
	(145,163,182)		(144,203,540)	
Operating profit / (loss) before working capital changes		64,007,714		(28,839,747)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(62,436,038)		30,844,042	
Trade Receivables	6,728,235		-	
Short-term loans and advances	74,490,780		(255,418,093)	
Other current assets	(81,977,440)		(10,228,647)	
Other non current assets	-		-	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	1,161,576,842		(127,270,675)	
Other current liabilities	1,954,507,470		-162,039,990	
Other long-term liabilities	48,946,789		103,588,062	
Short-term provisions	(12,584,906)		71,670,627	
Deferred Govt Grants	3,285,538,650		(627,243,558)	
Long-term provisions	-		-	
	6,374,790,382		-976,098,232	
Cash flow from extraordinary items				
Cash generated from operations		6,438,798,096		-1,004,937,979
Net income tax (paid) / refunds		-		-
Tax Expenses Relating To Previous Years		(2,169,448)		(298,625)
Net cash flow from / (used in) operating activities (A)		6,440,967,544		-1,004,639,354
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(2,842,175)		(6,921,959)	
Interest received	73,992,921		108,203,689	
Net cash flow from / (used in) investing activities (B)		71,150,746		101,281,730
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		-	
Corpus fund received	-		-	
Redemption / buy back of preference / equity shares	-		-	
Proceeds from issue of share warrants	-		-	
Share application money received / (refunded)	-		-	
Proceeds from long-term borrowings	(49,560,000)		(49,560,000)	
Finance cost	(8,724,000)		(14,461,421)	
	(58,284,000)		(64,021,421)	
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		(58,284,000)		(64,021,421)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		6,453,834,290		(967,379,045)
Cash and cash equivalents at the beginning of the year		2,284,903,714		3,252,282,757
Effect of exchange differences on restatement of foreign currency Cash and cash		-		-
Cash and cash equivalents at the end of the year		8,738,738,004		2,284,903,714

In terms of our report of even date

For S L GANGWAL & CO.

Chartered Accountants

FRN : 004649C

For and on behalf of Board of Directors

Sd/-

(S L GANGWAL)

PARTNER

M.NO.-070644

PLACE: JAIPUR

DATE :02.02.2022

UDIN:22070644AA7VBS3920

Sd/-

(MAMTA AGARWAL)

COMPANY SECRETARY

M.NO.-A23444

Sd/-

(MANOJ SHANDILYA)

EXECUTIVE DIRECTOR (FINANCE)

Sd/-

(V.K MATHUR)

DIRECTOR

DIN-07138460

Sd/-

(ANUPAMA JORWAL)

MANAGING DIRECTOR

DIN- 09331807



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED (RMSCL)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING :

The financial statements of RMSCL have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

RMSCL purchases drugs, surgical, sutures and equipment etc. The accounting of purchase of drugs, surgical, sutures is done in books of account on accrual basis but after receipt of successful testing report of quality of the purchased items. In case of purchase of equipment procured and supplied to the other user departments / institutions, accounting is done in books of account on payment basis i.e. at the time of making payment after receipt of payment sanction from the Equipment Procurement Section of RMSCL, who approves payment only after receipt of User Certificate from the concerned institution / department on whose behalf equipment has been purchased.

B. USE OF ESTIMATES :

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialized.

C. BORROWING COST :

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs incurred during the period are charged to profit and loss statement.

D. PROPERTY, PLANT AND EQUIPMENT & DEPRECIATION :

- i. Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation.
- ii. Cost of acquisition comprise of all cost incurred to bring the assets to their location and working condition up to the date, the assets are put to use. Cost of construction comprise of those costs that relate directly to specific assets and those are attributable to the construction activity in general and can be allocated to specific assets up to the date, the assets are put to use. Any Liquidated Damages recovered is reduced from the cost of the asset.
- iii. Building of RMSCL (head office) has been constructed by National Rural Health Mission (NRHM). The said building has been allotted to RMSCL vide Office Order No.



F(10)IPHS/civil/2011-12/3070 dated 30.05.2011. Accordingly it has been recorded at a nominal value of ₹ 1 in accordance with Para- 7.1 of AS-12 “Accounting for Government Grants”.

- iv. Assets mainly consisting of furniture and fixtures etc. transferred by Medical, Health & Family Welfare Departments at various District Drug Warehouses (DDW's) without any Charge to RMSCL, have not been accounted for in the books of account at a nominal value, due to insignificant value involved in such transfers or the value cannot be reasonably ascertained. The details of these assets and quantity etc. have been entered in the fixed assets register under “other assets”.
- v. Depreciation has been provided, pro-rata for the period of use on the written down value method as per the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.
- vi. The balance of Written Down Value in excess of residual value, on termination of life of any asset is charged to retained earnings
- vii. Fixed Assets ceasing to exist, is reduced at their WDV value in books of account and any gain/ loss on ceasing is adjusted to profit & loss account.

E. INVESTMENTS :

- i. Investments are classified as current & long term in accordance with AS-13 “Accounting for Investments”.
- ii. Current investments are stated at lower of cost & fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit and loss account.
- iii. Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

F. INVENTORIES :

Inventories of drugs/surgical/sutures are valued at lower of the actual cost and net realizable value, in accordance with Para 5 of AS-2 “Valuation of Inventories”. Cost in general is ascertained using the Batch Wise Method of cost formula instead of FIFO or Weighted Average Method.

G. REVENUE RECOGNITION :

- i. Revenue is recognized when it is earned and / or there is no significant uncertainty exists as to its realization or collection.
- ii. As per the Government of Rajasthan Notification and Cabinet Order 49/2011 dated 04.04.2011, RMSCL is entitled for administrative cost by levy a surcharge/margin @ 5% on cost of drugs/surgical/suture/equipment etc. distributed/supplied to government hospitals including Primary Health Centers (PHCs) & Community Health Centres (CHCs). Bill wise and Health Centre wise details of drugs/surgical/suture distributed are maintained in the e-Aushadhi software and a consolidated monthly entry of dispatch is passed in the books of account. In case of equipment, especially pertaining to procurement for the items on DGS&D rate contracts, Board of Director in its 21st meeting held on 19.07.2012 decided to charge surcharge @ 1% of the cost instead of 5%. RMSCL also issue drugs to NGOs, Trusts and various other Central Govt. Units etc. on which also a



surcharge @5% on cost of such supply is charged, uniformly. The Income of surcharge recovered on cost of medicine by using batch wise method of cost formula is accounted for on accrual basis. As per the guidelines of the above- mentioned notification RMSCL is supplying medicines and equipment to the various user departments after adding its margin/surcharge allowed by the State Government, accordingly recovering its margin/surcharge out of allotted Earmarked Funds / State Grants.

- iii. In respect of supply of medical equipment to the concerned department / institution on whose behalf equipment has been purchased, RMSCL is accounting for income of surcharge on payment basis i.e. accounting for income of surcharge as and when bills are paid to the suppliers.
- iv. As per the Order No. F/02(08)/5/2013 dated 12 June, 2013 issued by Medical Health & Family Welfare Department, Government. of Rajasthan, Liquidated Damages recovered by RMSCL from suppliers has not been considered income of RMSCL from F.Y. 2012-13 onwards but the same is credited to Grant for Medicines thereby, reducing the net grant utilized by RMSCL.
- v. Penalties levied by RMSCL on suppliers are accounted for as and when recovered. Payment of penalties on RMSCL, if any, are accounted for as and when paid.
- vi. RMSCL is deducting testing and handling charges @ 1.50% from the bills of suppliers in terms of e-Bid condition towards the cost of testing from different empanelled laboratories, of the samples out of supplies from each batch, at the time of supply or during self-life period of the medicines. Till Financial year 2017-18, actual expenses incurred by RMSCL for testing were only deducted from aforesaid testing and handling charges received and balance was shown as "Income from testing charges" under the head of "Other Income". From financial year 2018-19, handling, transportation and other charges actually incurred were also identified which related to testing and handling of samples and thus, deducted from aforesaid testing and handling charges received and balance is shown as "Income from testing charges" under the head of "Other Income".

H. EMPLOYEE BENEFITS :

- i. Employee benefits such as salaries, allowances, non-monetary benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.
- ii. All staff of RMSCL except one employee are on deputation from different government departments and accordingly retirement benefits are payable / paid by the parent department as per the State Government service rules, as such, no provision is made by RMSCL in its books of account for the retirement benefits of these staff. For the aforesaid one person who is on the Payroll of RMSCL, pension contribution is borne by RMSCL under New Pension Scheme and the same is remitted to Director Pension department, however, for other retirement benefits payable, if any, necessary accounting shall be done as and when relevant rules are formulated by the State Government.
- iii. In respect of staff on deputation from different government departments, all pay and allowances in accordance with State Government service rules are paid by RMSCL.



I. SOFTWARE EXPENDITURE :

Software system and development expenses and user's license fees are accounted for as expenses in the year in which it is incurred.

J. TAXATION :

- i. Income taxes are accounted for in accordance with AS-22 "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.
- ii. Current Tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent of amount of credit that will be available for discharge of future normal tax liability.
- iii. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward of business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.
- iv. RMSCL was exempted from payment of tax, if any, under the erstwhile RVAT Act on the sale or purchase of medicines and medical equipment within the state vide notification No. 54 dated 30.09.2011. RMSCL has also been exempted from payment of tax payable under Rajasthan Tax on Entry of Goods into Local Areas, 1999 on the medicines and medical equipment brought into local areas vide Notification No. 55 dated 30.09.2011.
- v. RMSCL is availing input credit of GST against purchases of medicines and equipment, expenses etc. and charging GST on these supplies to various departments / institutions as per the provision of the GST Act.

K. ACCOUNTING FOR GOVERNMENT GRANTS :

RMSCL receives grant from the Government of Rajasthan for the procurement and distribution of medicines. Further, as per Notification of the Government of Rajasthan and Cabinet Order 49/2011 dated 04.04.2011, RMSCL is levying a surcharge / margin @ 5% on cost of drugs / surgical/ suture/ equipment etc. distributed / supplied by it. Therefore, the amount of Government Grant utilized is for the cost of



medicines etc. distributed during the year plus surcharge @ 5% and the same is shown in the profit and loss statement as Government Grant utilized during the year and the balance of unutilized grant is separately disclosed in the Balance Sheet.

L. EARNING PER SHARE :

RMSCL reports basic and diluted earnings per share (EPS) in accordance with AS-20 “Earnings per Share”. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

M. CONTINGENT LIABILITIES :

Contingent liabilities as defined in AS-29 “Provisions, Contingent Liabilities and Contingent Assets” are disclosed by way of notes to the accounts. The disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle an obligation.

N. CASH FLOW STATEMENT :

RMSCL prepares Cash Flow Statement in accordance with AS-3 “Cash Flow Statements” and as per “Indirect Method” as prescribed in Para 18(b) of AS-3.

O. SEGMENT REPORTING :

RMSCL has neither any Business Segment nor it has any Geographical Segment as defined in Para 5.1 & 5.2 of AS-17 “Segment Reporting”, hence it is not required to make any disclosure under AS-17.

P. LOAN RECEIVED FOR COMPUTERISATION OF DDCs :

The State Government granted a loan of ₹ 25 Crore as loan to RMSCL for the computerization of sub-stores and DDCs. Since, such capital and revenue expenditures of computerization has neither any direct bearing on the working of RMSCL nor any direct future benefit shall arise to RMSCL hence, the same cannot be capitalised. Therefore, RMSCL has written off such expenses in past and further, any such expenses incurred in future shall also be written off in the year in which it is incurred.

Q. FUNDS FROM NRHM / RSHS :

RMSCL receives funds in advance from National Rural Health Mission (NRHM)/ Rajasthan State Health Society (RSHS) for procurement and supply of specified medical equipment and other items under their various schemes. In case of balance unutilized funds are refunded to them, interest @ 4 % p.a. is paid if the funds were received through bank account, however, no interest is paid, if the funds were received through Government PD Account.



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR

CIN - U24232RJ2011SGC035067

Notes forming part of the financial statements for the year ended 31st March, 2021



Note 2: SHARE CAPITAL

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount ₹	Number of shares	Amount ₹
(A) Authorised : Equity shares of ₹100 each	500,000	50,000,000	500,000	50,000,000
(B) Issued : Equity shares of ₹ 100 each	500,000	50,000,000	500,000	50,000,000
(C) Subscribed and fully paid up : Equity shares of ₹ 100 each	500,000	50,000,000	500,000	50,000,000
	500,000	50,000,000	500,000	50,000,000

Note 2.1: Reconciliation of number of shares

Particulars	Number of shares as at 31st March, 2021	Number of shares as at 31st March, 2020
Opening number of Shares	500,000	500,000
Add: Shares issued during the year	-	-
Closing number of shares	500,000	500,000

Note 2.2: The Corporation has issued only one class of shares viz. Equity Shares with voting rights

Note 2.3: Shares held by each shareholder holding more than 5 percent of number of shares

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
H.E. Governor of Rajasthan and It's Nominees	500,000	100.00	500,000	100.00
Total	500,000	100.00	500,000	100.00

Note 3: RESERVES AND SURPLUS

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
(A) Capital Reserve		
Opening Balance	50,000,001	50,000,001
Add : Addition during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	50,000,001	50,000,001
(B) Profit & Loss Account		
Opening Balance	467,255,613	393,671,719
Add: Net Profit for the year	93,597,339	73,583,894
Closing Balance	560,852,951	467,255,613
(C) Total Reserves and Surplus		
Opening Balance	517,255,614	443,671,720
Add: Net Profit for the year	93,597,339	73,583,894
Closing Balance	610,852,953	517,255,614
Total	610,852,952	517,255,614



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR

CIN - U24232RJ2011SGC035067

Notes forming part of the financial statements for the year ended 31st March, 2021

Note 4: LONG TERM BORROWINGS

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
(A) Term Loans		
A.1 Secured	-	-
A.2 Unsecured - Loan From Government of Rajasthan		
(i) Loan for WIC	10,000,000	15,000,000
Less: Current maturities of Long Term Debt	5,000,000	5,000,000
	5,000,000	10,000,000
<i>(Loan is repayable in 10 equal installments starting from 31-Mar-2014 bearing a interest rate of 10% p.a.)</i>		
(ii) Loan for strengthening and modernisation of DDW	22,000,000	33,000,000
Less: Current maturities of Long Term Debt	11,000,000	11,000,000
	11,000,000	22,000,000
<i>(Loan is repayable in 10 equal installments starting from 31-Mar-2014 bearing a interest rate of 10% p.a.)</i>		
(iii) Loan for Computerisation	50,000,000	75,000,000
Less: Current maturities of Long Term Debt	25,000,000	25,000,000
	25,000,000	50,000,000
<i>(Loan is repayable in 10 equal installments starting from 31-Mar-2014. It is a non-interest bearing loan.)</i>		
(iv) Loan for strengthening and modernisation of DDW	10,680,000	14,240,000
Less: Current maturities of Long Term Debt	3,560,000	3,560,000
	7,120,000	10,680,000
<i>(Loan is repayable in 10 equal installments starting from 31-Mar-2015 bearing a interest rate of 10% p.a.)</i>		
(iv) Loan for furnishing and strengthening of DDW	20,000,000	25,000,000
Less: Current maturities of Long Term Debt	5,000,000	5,000,000
	15,000,000	20,000,000
<i>(Loan is repayable in 10 equal installments starting from 31-Mar-2016 bearing a interest rate of 10% p.a.)</i>		
Total	63,120,000	112,680,000

Note 5: OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
(A) Security Deposit	498,088,301	449,141,512
Total	498,088,301	449,141,512

Note 6: TRADE PAYABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
(A) Creditors For Supply Of Medicines	2,966,146,626	1,871,664,110
(B) Creditors For Supply Of Equipments	107,338,405	57,659,541
(C) Creditors For Exp.	26,700,201	9,284,739
Total	3,100,185,232	1,938,608,390



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR
CIN - U24232RJ2011SGC035067



Notes forming part of the financial statements for the year ended 31st March, 2021

Note 7: OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) Statutory Dues	2,834,279	8,306,571
(B) Outstanding Expenses	25,453,431	24,964,710
(C) Earnest Money	201,829,164	189,250,575
(D) Earmarked Funds Received	3,187,003,338	1,269,192,499
(E) RISL Processing Fees	167,380	133,980
(F) Short Term Maturities (Loan from Government of Rajasthan)		
F.1 Loan For WIC	5,000,000	5,000,000
F.2 Loan For Strengthening and Modernisation Of DDW	11,000,000	11,000,000
F.3 Loan For Computerisation	25,000,000	25,000,000
F.4 Loan For Strengthening and Modernisation Of DDW	3,560,000	3,560,000
F.5 Loan For Furnishing and Strengthening Of DDW	5,000,000	5,000,000
	49,560,000	49,560,000
(G) Prize Liabilities	-	125,200
(H) Funds Received for CSR	-	50,497
(I) Other Payables	3,799,861	51,858
(J) Deduction Risk and Cost Maint.	-	26,551
(K) Suspense Account	1,769,729	1,553,744
(L) GST TDS	25,463,801	9,365,930
(M) CMHO jaisalmer, local purchases	-	10,899
(N) CM Relief Fund	27,193	1,300,218
(O) GST Payable FY 2019-20	10,416,791	-
(P) RCM GST Payable	185,672	109,936
Total	3,508,510,638	1,554,003,167

Note 8: SHORT TERM PROVISIONS:

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
A. Provision for Income Tax	93,521,000	65,483,000
B. Provision for Auditors Remuneration	306,000	170,000
C. Provisions For Exp. (Fire Loss)	1,297,219	4,755,918
D. Other Provisions	-	37,300,207
E. Provisions For Doubtful Debit Balances of Suppliers	67,271,082	67,271,082
Total	162,395,301	174,980,207

Note 9: DEFERRED GOVERNMENT GRANTS

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) Grant For Medicines		
Opening Balance	922,797,620	1,550,041,178
Add: Grant Recieved During The Year	4,627,102,000	5,045,344,000
Less: Grant Utilized During The Year	1,341,563,350	5,672,587,558
Closing Balance	4,208,336,270	922,797,620
(B) Grant For Running Of DDC		
Opening Balance	7,309,264	7,309,264
Add: Grant Recieved During The Year	-	-
Less: Grant Utilized During The Year	-	-
Closing Balance	7,309,264	7,309,264
(C) Grant For SC and ST		
Opening Balance	-	-
Add: Grant Recieved During The Year	-	-
Less: Grant Utilized During The Year	-	-
Closing Balance	-	-
Total	4,215,645,534	930,106,884



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED														
SWASTHYA BHAWAN, TILAK MARG, C-SHEME, JAIPUR														
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Notes forming part of the financial statements for the year ended 31st March, 2021														
Note 10.A. PROPERTY, PLANT AND EQUIPMENTS														
S.No	Gross Block				Depreciation And Amortisation						Net Block			
	Balance as at 1st April, 2020	Additions	Disposals	Loss By Fire	Balance as on 31st March, 2021	Depreciation charged upto 1st April, 2020	Adjustments	Prior Period Depreciation charged	Depreciation charged during the year FY 20-21	Disposals	Depreciation upto 31st March, 2021	Balance as at 31st March, 2021	Balance as at 31st March, 2020	
1	7,094,337	832,469	₹	-	7,926,806	6,413,589	₹	-	199,274	₹	6,612,863	1,313,943	₹	
2	Air Conditioner			-				-						
3	Building	1	-	-	1	32,571,519	-	-	4,075,587	-	-	78,100,536	1	
4	Building DDW	114,747,642	-	-	114,747,642	8,918	-	-	8,918	-	36,647,106	82,176,123	182	
5	Camera	9,100	-	-	9,100	1,302,405	-	-	65,635	-	1,368,040	173,706	239,341	
6	Car	1,541,746	-	-	1,541,746	1,422,483	-	-	175,055	-	1,597,548	2,217,151	2,392,206	
7	DO Set	3,814,699	-	-	3,814,699	410,855	-	-	12,152	-	423,007	26,550	38,702	
8	EXBIX	449,557	-	-	449,557	717,976	-	-	82,436	-	800,412	1,086,874	1,169,310	
9	Electric Substation	1,887,286	-	-	1,887,286	25,678	-	-	16,809	-	1,068,705	66,626	83,435	
10	Fire Machine	27,030	-	-	27,030	1,051,896	-	-	256,654	-	1,192,506	62,764	62,764	
11	Information Kiosk	1,135,331	-	-	1,135,331	21,120	-	-	41,504	-	26,633	47,017	47,017	
12	LAN System	270,162	-	-	270,162	262,075	-	-	23,409	-	285,484	28,065	51,474	
13	LAN Switch	1,255,270	-	-	1,255,270	1,809,499	-	-	64,925	-	1,874,424	162,693	227,618	
14	LAN Work	313,549	-	-	313,549	46,546	-	-	50,253	-	6,000,720	304,776	304,776	
15	Lift	2,037,117	-	-	2,037,117	6,000,720	-	-	37,810	-	12,18,470	242,030	330,638	
16	Mobile Phone	56,068	-	-	56,068	1,045,931	-	-	172,539	-	74,391	3,916	3,916	
17	Photo Copier	6,305,496	-	-	6,305,496	733,780	-	-	12,547	-	746,327	50,329	62,876	
18	Plasma TV	39,800	-	-	39,800	733,780	-	-	21,729	-	1,144	1,144	1,144	
19	Printer & Scanner	1,376,569	83,931	-	1,460,500	21,729	-	-	157,994	-	6,810	6,810	6,810	
20	Refrigerator	78,307	-	-	78,307	157,994	-	-	150,329	-	11,258	16,150	16,150	
21	UPS	796,656	-	-	796,656	145,437	-	-	4,892	-	152,809	3,050	3,050	
22	Vending Machine	22,873	-	-	22,873	167,404	-	-	15,405	-	182,809	141,705	157,110	
23	Water Cooler	164,804	-	-	164,804	69,540	-	-	-	-	69,540	3,050	3,050	
24	Water purifier	161,587	-	-	161,587	31,808	-	-	6,981	-	38,789	8,211	15,192	
25	Water Tank	324,514	-	-	324,514	133,817	-	-	8,211	-	8,211	15,192	15,192	
26	Vacuum Cleaner	72,590	-	-	72,590	63,540	-	-	9,661	-	143,478	40,794	50,455	
27	Desert Cooler	47,000	-	-	47,000	31,808	-	-	2,157,567	-	8,519,638	1,015,992	3,173,579	
28	BME Toolkit	184,272	-	-	184,272	133,817	-	-	2,045,542	-	12,375,652	14,421,194	14,421,194	
29	Computer	9,535,630	-	-	9,535,630	30,969,377	-	-	3,808,562	-	88,136,494	10,241,643	14,015,615	
30	Walk in Cooler	45,390,571	-	-	45,390,571	84,327,932	-	-	558,439	-	1,637,048	537,366	1,095,805	
31	Furniture & Fixture	98,343,547	34,590	-	98,378,137	1,078,609	-	-	24,303	-	2,270	4,471	4,471	
32	CCTV Camera	2,174,414	-	-	2,174,414	22,102	-	-	12,706	-	334,147	14,287	26,993	
33	Ladder	26,573	-	-	26,573	321,441	-	-	4,243	-	6,931	20,089	2,976	
34	Real Time Biometric	348,434	-	-	348,434	2,688	-	-	1,684	-	9,332	4,588	6,282	
35	Revolving Chair	5,664	21,356	-	27,020	7,638	-	-	2,846	-	10,241	7,631	10,477	
36	Wall Fans	13,920	-	-	13,920	7,395	-	-	9,009	-	20,607	24,128	33,137	
37	Water Motor	17,872	-	-	17,872	11,598	-	-	415	-	2,854	534	949	
38	battery Charger	44,735	-	-	44,735	2,439	-	-	513	-	4,029	471	984	
39	Dongal	3,388	-	-	3,388	157,169	-	-	22,135	-	179,304	20,696	42,831	
40	Smart Charger	4,500	-	-	4,500	3,516	-	-	116	-	1,155	124	240	
41	Water Harvesting System	200,000	-	-	200,000	1,039	-	-	907	-	2,408	3,315	3,315	
42	Stethoscope	1,279	-	-	1,279	434	-	-	19,410	-	21,167	49,633	69,043	
43	Telephone	3,749	-	-	3,749	1,757	-	-	1,402	-	4,613	1,287	2,689	
44	Plastic Pallets	70,800	-	-	70,800	3,211	-	-	476	-	1,569	83	559	
45	Cctv Dvr	5,900	-	-	5,900	1,093	-	-	1,857	-	5,298	16,702	9,559	
46	Keyboard	1,652	-	-	1,652	3,441	-	-	8,254	-	38,463	8,841	17,095	
47	Weight Machine	13,000	9,000	-	22,000	30,209	-	-	6,383	-	1,602,180	1,602,180	-	
48	Cold Box Large	47,304	-	-	47,304	1,234	-	-	644	-	1,878	561	1,205	
49	Video Conferencing Set Up	-	1,608,563	-	1,608,563	-	-	-	-	-	-	-	-	
50	Router	2,439	-	-	2,439	-	-	-	-	-	-	-	-	
Total					300,536,872	2,589,909	-	-	303,126,781	179,450,464	-	193,077,203	110,049,579	121,086,409
Previous Year					296,009,322	5,988,578	8,650	1,452,378	300,536,871	165,808,494	1,379,759	179,450,464	121,086,409	130,200,828



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

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Notes forming part of the financial statements for the year ended 31st March, 2021



Note 12: OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) Security Deposit For Electricity Connection	361,413	361,413
Total	361,413	361,413

Note 13: INVENTORIES

(At lower of cost or net realisable value)

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) Stock at DDW (See Appendix A)	2,674,462,844	2,626,184,771
(B) Stock at Head Office	9,136,192	6,806,989
(C) Stock in Transit	20,756,187	9,169,853
(D) Stock in Transit (Head Office)	1,548,878	1,306,451
Total	2,705,904,101	2,643,468,063

Note 14: CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) Cash on Hand		
A.2 Imprest Cash Head Office	5,000	15,000
A.3 Imprest Cash DDW/MCDW	1,320,779	1,339,820
(B) Balances with Banks		
B.1 PNB	1,329,506,188	1,331,427,112
B.2 SBI	29,369,846	47,245,445
(C) Balance in PD Account	7,185,516,055	700,124,182
(D) Fixed Deposit	193,020,136	204,752,154
Total	8,738,738,004	2,284,903,712

Note 15: SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) Local Purchase Advance	152,751	152,751
(B) Running of DDC Advance	2,075,000	2,075,000
(C) Advance for Training of Pharmacists	87,873	87,873
(D) Advances for Expenditure	4,006,586	4,177,607
(E) Sundry Advances	1,142,093	1,142,093
(F) Computerisation of Substore Advance	8,021,099	8,025,036
(G) Advance for Registration of RMRS	70,000	70,000
(H) Other Advances	1,902,622	424,555
(I) Receivable from Suppliers	73,170,221	80,092,247
(J) Earnest Money Receivables	560,000	-
(K) Security Deposit receivable	-	400,000
(L) Earmarked fund receivable	182,775,505	251,807,368
Total	273,963,750	348,454,530

Note 16: OTHER CURRENT ASSETS

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
(A) TDS Receiveable	5,654,049	10,694,112
(B) GST Receiveable	197,527,538	169,684,186
(C) Prepaid Expenses	5,230,560	5,221,439
(D) Advance Tax	109,140,000	63,600,000
(E) Sundry Receivables	720	17,720
(F) Accrued interest	10,946,974	12,163,229
(G) Refund for AY 2013-14	17,380,150	17,380,150
(H) Demand Adjusted for AY 2016-17	14,169,907	-
(I) TCS Receivables for AY 2021-22	688,379	-
(J) Refund for AY 2016-17	3,181,795	3,181,795
(K) Insurance Claimed Receivable	1,369,838	1,369,838
Total	365,289,910	283,312,470



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

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Notes forming part of the financial statements for the year ended 31st March, 2021



Note 17: REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Dispatch Of Goods (Net of adjustments)	7,454,388,809.78	7,614,204,478
(B) Dispatch Of Equipments	879,694,496	788,621,951
Total	8,334,083,306	8,402,826,429

Note 18: OTHER INCOME

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Interest from Banks	73,992,921	108,203,689
(B) Income From Tender Fees	2,560,280	1,588,800
(C) EMD Forfeiture	850,000	600,000
(D) Liquidated Damages	138,432	710,366
(E) Penalty	127,335,923	134,967,955
(F) Security Deposit Forfeiture	-	1,194,414
(G) Income From Testing Charges	17,447,204	34,048,736
(H) Miscellaneous Income	3,842,557	1
(I) Demurrage Charges	3,417,749	3,334,455
(J) Empanelment Charges	80,000	145,000
(K) Discount Received	-	19,120
(L) Recovery Against Expired Stock	-	902,289
Recovererd Against Risk Cost Purchase	-	162,727
Recovery Against NOSQ Under Audit	-	93,625
Recovery due to Drug NOSQ in Retesting	80,703,006	-
(M) Stock Appreciation Income	49,670	-
(N) Interest on Income Tax Refund	1,107,830	-
Total	311,525,571	285,971,177

Note 19: PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Purchase Medicines	5,946,510,704	7,411,881,141
(B) Stock Utilised At Head Office	2,236,747	2,289,250
	5,948,747,451	7,414,170,391
Less Purchase Return	4,752,156,00	-
Less Not Of Standard Quality	54,017,529.76	68,233,280.74
(C) Covid -19 Purchases	1,347,689,552.14	31,560,000.00
(D) Purchase Of Equipments(Net of adjustments)	841,052,517.43	754,072,652.35
Total	8,078,719,835	8,131,569,763

Note 20: CHANGES IN INVENTORIES

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Opening Inventory		
1) Stock At DDW	2,626,184,771	2,662,635,067
2) Stock At Head Office	6,806,989	7,570,996
3) Stock In Transit	9,169,853	2,195,561
4) Stock In Transit(Head Office)	1,306,451	1,910,482
	2,643,468,063	2,674,312,106
(B) Closing Inventory		
1) Stock At DDW	2,674,462,844	2,626,184,771
2) Stock At Head Office	9,136,192	6,806,989
3) Stock In Transit	20,756,187	9,169,853
4) Stock In Transit(Head Office)	1,548,878	1,306,451
	2,705,904,101	2,643,468,063
Net Change	(62,436,038)	30,844,043

Note 21: EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Salaries and Wages	217,038,945	207,299,424
(B) Pension Contributions	6,407,885	1,244,354
(C) Medical Expenses	635,538	68,003
Total	224,082,368	208,611,781

Note 22: FINANCE COSTS

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Interest Expenses	8,724,000	14,461,421
Total	8,724,000	14,461,421



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

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Note 23: OTHER EXPENSES

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Advertisement Expenses	3,446,766	1,360,533
(B) Legal And Professional Charges	8,588,710	9,468,444
(C) Office Expenses	5,066,700	4,995,653
(D) Telephone And Internet Expenses	1,773,142	1,671,290
(E) Breakage & Spoilage	24,071	66,723
(F) Hiring of Machine with Man	5,088,175	5,435,645
(G) Hiring Of Vechile	13,722,010	10,910,726
(H) Miscellaneous Expenses	394,100	14,827
(I) Postage & Courier Charges	1,133,958	1,630,596
(J) Printing And Stationery	1,467,648	1,228,905
(K) Repair And Maintainence	2,546,450	2,580,650
(L) Security Services	10,344,165	8,440,704
(M) Supply of OPD Slips	22,353,320	21,559,200
(N) Travelling Expenses	288,298	638,935
(O) Vechile Running And Maintainence	58,720	87,350
(P) Electricity Expenses	18,266,431	16,550,229
(Q) Entertainment & Hospitality Expenses	143,171	180,239
(R) Bank Charges	4,607	15,895
(S) Books And Modules	13,001	48,814
(T) Diesel Expenses	289,782	289,437
(U) Insurance Expenses	5,419,343	1,316,102
(V) Interest on TDS	370,966	164,317
(W) Interest on GST	194,691	-
(X) Expired Goods	7,344,907	4,752,810
(Y) CSR	5,542,083	2,611,000
(Z) Software Expenses	4,120,890	1,062,000
(AA) Stock Shortage Expenses	-	1,912
(AB) Auditors Remunation		
As Statutory Auditor	130,000	130,000
As Tax Auditor	40,000	40,000
(AC) Medicine Disposal Expenditure	151,518	429,177
(AD) Other Exp.	234,877	94,547
(AE) E Filling exp.	66,800	35,400
(AF) Testing Charges	-	-
(AG)Contribution to State Renewal Fund	-	1,000,000
(AH) Provision for Doubtful Debit Balances of Suppliers	-	67,271,082
Total	118,629,299	166,083,140



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

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Notes forming part of the financial statements for the year ended 31st March, 2021



Note 24: PRIOR PERIOD ITEMS

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
(A) Depreciation	-	869,856
(B) Contribution to State Renewal Fund	-	3,000,000
(C) Advertisement Exp.	-	51,423
(D) Other Expenses	7,161,467	(44,507)
(E) Prior Period Interest	-	376,323
(F) Prior Period VAT Expenses	-	3,458,699
(G) Prior Period GST Expenses	10,416,793	-
(H) Prior Period Purchases	37,513,517	-
Total	55,091,778	7,711,794

Note 25: EXCEPTIONAL ITEMS

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
	-	-
Total	-	-

Note 26: DEFERRED TAX ASSET / (LIABILITY)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Deferred tax Asset/(Liability)		
WDV of Fixed Assets as per Income Tax	120,818,164	133,900,546
WDV of Fixed Assets as Company Act	110,056,372	121,093,202
<u>Items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed assets	10,761,792	12,807,344
On Provision for doubtful debit balances of suppliers	-	67,271,082
Loss as per IT Act 1961	-	-
Items constituting deferred tax assets	10,761,792	80,078,426
Net deferred tax Assets/ (Liability) carried to Balance Sheet	3,760,601	27,982,605
Deferred Tax Assets/ (liability) in previous year Balance Sheet	27,982,605	4,578,129
Net deferred tax Assets/ (Liability) Transferred to Profit & Loss A/c	24,222,005	-23,404,476



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED

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Notes forming part of the financial statements for the year ended 31st March, 2021



Note 27: Earning Per Share (EPS)- Basic and Diluted

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Net Profit after tax	93,597,339	73,583,894
Weighted Average Number of Equity Shares (Basic and Diluted)	500,000	500,000
Earning per Share :-		
Basic	187.19	147.17
Diluted	187.19	147.17
Face value per share	100	100



RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED (RMSCL)

NOTE 28: NOTES TO ACCOUNTS

A. GENERAL NATURE OF OPERATION:

- (I) Rajasthan Medical Services Corporation Limited (RMSCL) has been formed as per order No. F.20(3)MH/2/2011 Dated 31.03.2011 of Rajasthan Medical Health and Family Welfare Department, Government of Rajasthan, in order to procure and store quality Generic Drugs, surgical, sutures and equipment etc. and to distribute/sell these to the Government Hospitals and hospitals attached to the Medical Colleges in Rajasthan for onward free distribution to patients.
- (ii) The RMSCL has been incorporated under the Companies Act, 1956 on 04th May, 2011 with Authorized Share Capital of ₹ 5.00 Crore. The 100% Equity Share Capital of RMSCL is owned by the Government of Rajasthan. As per Clause XII of Cabinet Memo, RMSCL was to be incorporated with Authorized Capital of ₹10.00 Crore in which State Govt. will contribute ₹ 5.00 Crore as Share Capital and remaining ₹ 5.00 Crore shall be contributed by NRHM. However the NRHM has transferred the funds of ₹ 5.00 Crore to RMSCL as Corpus Fund and not as a part of Equity Share Capital as communicated on 19th December, 2012 by NRHM, therefore, it is considered as Capital Reserve in accordance with para 10 of AS-12 Accounting for Government Grants.
- (iii) Purchase orders (PO) are issued centrally from Head Office, Jaipur to get supply at District Drug Warehouses (DDWs) located in every district of the State of Rajasthan. Drugs so received at DDWs are issued to Public Health institutes viz. District Hospital/SDH/SH/CHC/PHC etc. as per the demand /indent submitted by user medical Institutes, keeping availability of drugs in view at DDW for onward free distribution to patients visiting public medical institutions. All these receipts and issues of drugs are chronologically maintained through web based software application named “e-Aushadhi” software.
- (iv) Incase of equipment, Purchase Order too are issued centrally from Head Office however directing the suppliers to deliver consignments directly to Stores of medical institutes and user departments.
- (v) Each medical institute viz. Hospitals attached to Medical College, District Hospitals (DHs), Community Health Centers (CHCs), Primary Health Centers (PHCs) directly interface with DDW to receive drugs/surgical/sutures. The value of Drugs issued from DDW to each of these medical Institutes is chronologically maintained through “e-Aushadhi” software. The indicative budget required is decided keeping in view the patient load & bed strength etc. of the respective institute.
- (vi) All transactions such as receiving/issuing of drugs, inter Depot transfer of drugs etc. are carried out with the help of “e-Aushadhi” software through various software modules thereby immensely improving the system of inventory management .
- (vii) Each batch supplied by manufacturer is kept in quarantine area at DDWs till the batch is tested by the empanelled labs and declared of standard quality. If the batch is found to be Not of Standard Quality (NOSQ), the whole of NOSQ drugs supplied stands rejected and placed in prohibited area which eventually is to be recalled by the supplier.
- (viii) Drugs/surgicals/sutures worth ₹ 7,20,521,96 were declared NOSQ during the year under review (Previous Year ₹ 8,18,42,213). Out of above, Drugs/surgicals/sutures worth of ₹ 1,08,08,433 were



subsequently declared as of standard quality in second testing (reverse NOSQ) (Previous Year ₹ 1,36,08,932). The necessary entries have been made for above NOSQ transactions in purchase value and accordingly treated in the valuation of stock.

- (ix) RMSCL is providing carbonless double prescription slips to all medical institution, cost of which is borne by RMSCL. In past, approval of such expenses was taken from Board of Directors/AGM of the company. The main object clauses of the memorandum of association of the company has been altered now by special resolution passed in the extra ordinary General Meeting of the company held on 27th Aug. 2018 to include printing and supply of carbon less double prescription slips in main objects. The said alteration of the memorandum of association of the company is register by the registrar of companies, Jaipur on 13th Sep. 2018.
- (x) In respect of refund of unutilized funds to NRHM /RSHS during the year, RMSCL has paid / provided for interest payable to NRHM / RSHS amounting to ₹ Nil.(Calculated @ 4% per annum Previous Year ₹ 32,81,421).
- (xi) The Company has six (6) Medical College Drug Warehouses (MCDWs) and thirty-four (34) District Drug Warehouses (DDWs) all over Rajasthan for which it has appointed division wise Chartered Accountants as Internal Auditors who are verifying inward and outward supplies, stocks, expiring drugs and expenses incurred against imprest payment system etc. All these internal auditors are submitting monthly reports to the management who is reviewing/appraising these monthly reports on regular basis.
- (xii) The Company uses computer software at the Head Office for centralised monitoring of all the MCDWs and DDWs. While Inventory Management i.e. purchase, sales, stocks etc. is monitored through eAushadhi software, financial accounting is centralised at Head Office which is maintained by Tally accounting software.
- (xiii) In Covid-19 pandemic emergency situations, certain drugs were directly acquired from medical stores without entering the transactions through e-Aushadi Software. Accounting of these purchase is on payment basis. Further corresponding accounting for income for surcharge against these purchases is also as and when bills are paid to the suppliers.

B. CONTINGENT LIABILITIES:

(I) Income Tax Appeal

RMSCL has filed an Appeal before the Commissioner of Income Tax (Appeal)-2, Jaipur on 17.11.2018 against the assessment order of DCIT Circle-6, Jaipur for the assessment year 2016-17 raising a demand of income tax of ₹ 1,41,24,919 by adding liquidated damages recovered from the suppliers during the year amounting to ₹ 5,83,64,598 for delayed supplies etc. as taxable income, as against RMSCL crediting it to the Government Grants in terms of State Government policy and it's order. RMSCL has also filed an application with DCIT, Circle-6, Jaipur for stay of aforesaid Income Tax demand till the disposal of the appeal by the CIT (Appeals)-2, Jaipur and there against deposited a sum of ₹ 28,24,985 being 20% of the Income Tax demand. The Income Tax department has further adjusted refunds of subsequent assessment years amounting to ₹ 1,41,69,907 against aforesaid outstanding Income Tax demand.



(ii) **Legal cases**

There are certain legal cases filed against RMSCL by the suppliers of medicines and equipment etc. and in some of the cases, RMSCL has preferred appeal against the orders passed by the competent judiciary on various matters viz. NOSQ medicines, rate difference, penalty, risk and cost purchases, liquidated damages, EMD forfeiture etc. These cases are pending before the Hon'ble High Court / NCLT etc. and the disputed total amount involved is ₹ 19.68 Crores (including the amount recovered from Shivek Labs Limited up to ₹ 2.61 Crores) which is considered as contingent liability.

(iii) **Guarantees:** Nil

(iv) **Other money** for which the company is contingently liable: Nil

(v) **Estimated amount of contracts** remaining to be executed on capital account: Nil.

In respect of building under construction shown in Note no.11 Capital Work in Progress amounting to ₹19,51,782 as at 31.03.2021 (Previous Year ₹ 16,99,516) since there is no contract as such remaining amount which may be incurred for the same is unascertained.

C. INVENTORIES :

- (i) Inventory details are maintained in e-Aushadhi software. Entries in Books of account for Purchases & Dispatches are made for consolidated amount on monthly basis based upon reports of e-Aushadhi Software. Cost in general is ascertained using the batch wise method of cost formula instead of FIFO or Weighted Average Method. Difference in cost arising due to such method is un-ascertainable.
- (a) There is difference (Shortage) of ₹ 49,669 in the inventory as per books of accounts and physical verification as on 31.03.2021 which has been debited to Profit and Loss under Other Expenses by way of "Stock Shortage Expenses". [Previous Year ₹ 1912 (excess) shown in Other Income by way of "Stock Appreciation Income".]
- (b) As the DDWs earlier were under the control of Medical Health and Family Welfare Department and thereafter transferred to RMSCL hence, drugs/surgical/sutures continue to be received at these DDWs under various special programs from other agencies viz Government of India also. So in few cases, possibilities of mixing up of some drugs received from the suppliers of RMSCL cannot be ruled out altogether despite of RMSCL drugs received kept separately and record thereof has also been maintained distinctly by RMSCL.
- (c) In spite of sustained effort for highly efficient inventory management, some percentage of drugs is likely to expire/waste, so keeping this in view and in lines with similar guidelines prevalent in some of the Govt. of India programs, Board of Directors have approved policy for the same in its 30th Meeting held on 30.01.2013.
- (ii) Inter Depot transfer of drugs of ₹ 207,56,187 (Previous Year ₹ 91,69,852) & transfer of drugs from head office to DDWs of ₹ 15,48,878 (Previous Year ₹ 13,06,451) has been considered stock-in-transit which is subject to verification/confirmation by respective DDWs.
- (D) The balances of trade payable, other current liabilities, trade receivables, short term loans and advances and other current assets as on 31st March, 2021 are subject to confirmation and / or reconciliation.



E. In the opinion of the Board, current assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Provision for all known and determined liabilities is adequately made in the books of account and the same is not in excess of the amount reasonably required. All loans and advances and other current assets are unsecured and considered good by the management except specifically stated otherwise.

F. Assets and Liabilities have not been bifurcated into current & non-current assets and liabilities since almost all transactions are of regular nature and funds are received on account, therefore, it is not practicable to do so. Almost all accounts are classified as current assets and current liabilities.

G. TRADE RECEIVABLES :

Trade receivables shown at ₹ 87,72,027 (Previous Year ₹1,55,00,262) as at 31.03.2021 are related to equipment supplied to various medical institutions but the amount is still to be debited against respective funds already received.

(₹)

- Trade receivables outstanding for a period exceeding six months from the date they are due for payment 87,72,027

- Others Nil

Classification of Trade Receivables :

Trade Receivables considered good – Secured : Nil

Trade Receivables considered good – Unsecured : 87,72,027

Trade Receivables which have significant increase in Credit Risk : Nil

Trade Receivables - credit impaired : Nil

H. SHORT TERM LOANS AND ADVANCES:

(i) Against Advances of ₹ 174,70,147 (Previous Year ₹ 1,61,54,915) expenditures have been incurred in most of the cases but necessary adjustments are pending for want of user confirmation / bills etc. No provision has been made in absence of details of expenses incurred:.

(₹)

Outstanding upto one year : 18,59,949

Outstanding for more than one year – upto two years 30,04,775

Outstanding for more than two years – upto three years 10,52,182

Outstanding for more than three years 1,15,53,241

(ii) Suppliers Debit balances

Against Receivable from Suppliers of ₹ 7,31,70,221 (Previous Year ₹ 8,00,92,247) details of outstanding is as under :-

(₹)

Outstanding upto one year : 25,14,017



Outstanding for more than one year– upto two years	38,939
Outstanding for more than two years – upto three years	6,57,31,543
Outstanding for more than three years	48,85,722

These accounts are being rechecked for any pending adjustments / credit of security deposit / EMD etc. and after ascertaining exact position, necessary action shall be initiated for recovery.

I. OTHER CURRENT ASSETS

(I) GST Receivable

GST Receivable amounting to ₹ 19,75,27,538 (Previous Year ₹ 16,96,84,186) is subject to reconciliation and GST audit. The difference, if any, shall be adjusted once GST audit is completed.

(ii) Insurance Claim Receivable

Insurance Claim Receivable amounting to ₹ 13,69,838 is against loss due to fire on first floor of the RMSCL head office building on 28.11.2019. The claim submitted to Insurance Company is not yet settled. Difference, if any, in the claim amount and amount realised, shall be adjusted on receiving final settlement.

J. OTHER CURRENT LIABILITIES

(I) Earmarked Funds received

RMSCL receive funds in advance from Government Medical Institutions and other departments for procurement of medicines, surgical, sutures and equipment etc. There is credit balance of such funds with RMSCL amounting to ₹ 321,92,62,570 as at 31st March, 2021 (Previous Year ₹ 126,91,92,499) which is kept in Earmarked Fund Account.

(ii) Suspense Account

There are certain credits received directly in RMSCL Bank Account for which there is no information as to who have paid the same. In absence of proper information about the payer, amount of ₹ 17,69,729 including ₹ 15,53,744 received in earlier years, has been credited to Suspense Account under the head of Current Liabilities and the same shall be reversed upon receiving the correct information about payer.

K. DISCLOSURE

Under Micro, Small And Medium Enterprises Development Act, 2006 :

Trade Payables :-

- (A) Total outstanding dues of micro enterprises and small enterprises : ₹ 36,35,31,433 (Previous Year ₹ 23,92,61,216)
- (B) Total outstanding dues of creditors other than micro enterprises and small enterprises : ₹ 2,73,66,53,799 (Previous Year ₹ 169,93,47,174)



(Amount in ₹)

Sl. No	Particulars	As at	
		31.03.2021	31.03.2020
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	36,35,31,432	23,92,61,216
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	0
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0	0
4	Interest paid , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0	0
5	Interest paid , under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0	0
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0	0
7	Further interest remaining due and payable for earlier years	0	0

RMSCL has ascertained details of Sundry Creditors, whether they are covered under MSMED Act, on the basis of evidences submitted by the suppliers. The payments delayed, if any, are due to pendency of installation report /original bills not received / quality complaints / COVID -19 etc. for which period of delay, no interest is payable to supplier.

L. TESTING CHARGES

Income from Testing Charges shown in Note No.18 Other Income is net of expenses incurred related to testing of samples as under:

(Amount in ₹)

Particulars	FY 2020-21	FY 2019-20
Testing Charges received from Suppliers	9,82,50,269	10,29,73,215
Less : Testing Charges Paid	5,30,38,504	4,93,84,144
Less : Transportation Charges Paid	65,27,621	25,10,977
Less : Packers Charges Paid	2,12,36,941	1,70,29,358
Net Income from Testing Charges	1,74,47,203	3,40,48,736



M. DISCLOSURES AS REQUIRED BY AS – 12 “ACCOUNTING OF GOVERNMENT GRANTS: EXTENT OF GRANT RECOGNISED

Particulars	2020-2021	2019-2020		
	Grant for Medicines (₹)	Grant for running of DDC (₹)	Grant for Medicines (₹)	Grant for running of DDC (₹)
Opening balance of Grant	92,27,97,620	73,09,264	155,00,41,178	73,09,264
Amount of Grant Received	462,71,02,000	Nil	504,53,44,000	Nil
Amount of Grant Utilized	134,15,63,350	Nil	567,25,87,558	Nil
Closing balance of Grant	420,83,36,270	73,09,264	92,27,97,620	73,09,264

Total Grant of ₹ 4,90,00,000 was received by RMSCL on 19.09.2011 for running of DDC, out of which ₹ 4,16,90,736 was utilised till 03.11.2016 and balance available for utilisation is ₹ 73,09,264.

N. DISCLOSURES AS REQUIRED BY AS – 18 “RELATED PARTY DISCLOSURES”:

Related party disclosures are given below :

(i) The name of transacting related party/entities :

Key managerial personnel:

- Dr. Pritam B. Yashwant
- Dr. Rajesh Sharma
- Shri Alok Ranjan
- Mrs. Mamta Agarwal

(ii) A description of the relationship between the party/entities :

Key managerial personnel:

- Dr. Pritam B. Yashwant (from 29.03.2020 to 04.11.2020)
- Dr. Rajesh Sharma (from 04.11.2020 to 01.12.2020)
- Shri Alok Ranjan (from 01.12.2020 to 20.09.2021)
- Mrs. Mamta Agarwal (from 01.04.2020 to 31.03.2021)

(iii) A description of the nature of transactions: Remuneration

(iv) Volume of transactions: (Amount in ₹)



S.No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Pradeep Keshaorao Gawande, Managing Director :			
1	Salary	Nil	1,45,106
2	Medical Allowances	Nil	Nil
3	Travelling Allowances	78,460	Nil
Alok Ranjan, Managing Director:			
1	Salary	3,23,712	Nil
2	Medical Allowances	Nil	Nil
3	Travelling Allowances	Nil	Nil
Mamta Agarwal, Company Secretary:			
1	Salary	11,98,578	11,30,858
2	Mediclaime Exp	7,530	7,530
3	Travelling Allowances	Nil	Nil
	Grand Total	16,08,280	12,83,494

- (v) Any other elements of the related party transactions necessary for an understanding of the financial statement: Nil
- (vi) The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date: Nil
- (vii) Amounts written off or written back in the period in respect of debts due from or to related parties : Nil
- (iv) Salary payment accounting is done on accrual basis in books of account, however, annual salary certificates in government prescribed Form GA-55 and Income Tax Form 16 are issued to all the employees considering salary payments on cash basis i.e. salary payments from March to February, as per the system followed in government departments. Above related party details are for remuneration taken from April to March and accordingly previous year figures have been corrected, so as to make them comparable with current year figures.

O. PAYMENT TO AUDITORS :

Particulars	FY 2020-21 (₹)	FY 2019-20 (₹)
As Auditor :		
Statutory Audit Fees	1,30,000.00	1,30,000.00
Tax Audit Fees	40,000.00	40,000.00
In any other matter	-	-
Total	1,70,000.00	1,70,000.00



- P.** Compliance of Accounting Standard – 22 “Accounting for Taxes on Income” with regard to calculation of provision for current tax liability is subject to Tax Audit Report.
- Q.** Assets purchased by District Drug Ware Houses (DDWs) on account of prize liabilities have been accounted for at the value, which is borne by the head office itself.
- R.** Figures have been rounded off to the nearest of rupee.
- S.** Previous year figures have been regrouped/re-arranged, wherever considered necessary.

**RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED**

SWASTHYA BHAWAN, TILAK MARG, C-SCHEME, JAIPUR

**APPENDIX : A****DETAILS OF CLOSING STOCK**

Particulars	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Closing Stock Lying at DDW	2,692,940,788	2,640,403,396
Less: Expired Stock	113,201,420	108,132,237
Add : Stock Disposed off	94,723,476	93,913,611
Net Expired Stock Lying at DDW	18,477,944	14,218,625
Stock Shown In Books	2,674,462,844	2,626,184,771



सं./AMG-II/S-II/I-13011/K-139/P-258/2021-22/प्रे-77

भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय प्रधान महालेखाकार (लेखापरीक्षा- I) राजस्थान

जनपथ, जयपुर-302005

INDIAN AUDIT AND ACCOUNTS DEPARTMENT

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) RAJASTHAN

Janpath, Jaipur-302005

दिनांक / Date 11.04.2022

प्रबंध निदेशक,

राजस्थान मेडिकल सर्विसेज कॉर्पोरेशन लिमिटेड,

गाँधी ब्लॉक, स्वास्थ्य भवन, तिलक मार्ग, सी-स्कीम,

जयपुर।

विषय : राजस्थान मेडिकल सर्विसेज कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च, 2021 को समाप्त वर्ष के संशोधित लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणी।

महोदय,

मुझे इस पत्र के साथ कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत राजस्थान मेडिकल सर्विसेज कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च, 2021 को समाप्त वर्ष के संशोधित वित्तीय विवरणों पर भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ वार्षिक आम सभा के समक्ष कंपनी अधिनियम 2013 की धारा 143(6) के अंतर्गत प्रस्तुत करने हेतु जारी करने का निर्देश हुआ है।

उपरोक्त अवधि के संशोधित वार्षिक लेखे एवं लेखापरीक्षकों का प्रतिवेदन की सात प्रतियाँ जैसी की साधारण सभा में रखी जाए तथा स्वीकृत की जाए, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

भवदीय

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उपमहालेखाकार

(ए.एम.जी.- I I)

संलग्न : उपरोक्तानुसार



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED, JAIPUR FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of RAJASTHAN MEDICAL SERVICES CORPORATION LIMITED, JAIPUR for the year ended 31 March 2021 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 2nd February 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Rajasthan Medical Services Corporation Limited, Jaipur for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. The financial statements of the Company have been revised by the management, as indicated in Note No. S of Notes to Accounts (Note-28) of the financial statement, to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comment on Profitability

1. Profit and Loss Statement

Expenses

Other Expenses (Note No. 18): ₹31,15,25,571

Recovery due to drug nosq in retesting: ₹ 8,07,03,006

The above is overstated by ₹ 2,33,67,037 as the 'recovery due to drug nosq in retesting' was taken in excess under other income. This has resulted in understatement of trade payables and overstatement of Profit ₹ 2,33,67,037

B. Comments on financial position

1 balance sheet

Equity and liabilities

Current liabilities

Short tern provision (Note-8): ₹16,23,95,301



The above does not include ₹ 65,87,059 on account of value added tax (vat) liability. This has resulted in understatement of short term provisions and overstatement of Profit ₹ 65,87,059.

2. **balance sheet**

Assets

Non-Current Assets

Fixed Assets

Capital work-in-progress (Note-11): ₹ 19,51,782

the company did not adjust the utilization amount of ₹11,63,981 against advance despite receipt of the utilization certificate. This has resulted in understatement of capital work-in-progress and overstatement of short term loans and advances by ₹ 11,63,981

A. Comments on disclosure

1 Significant accounting policies and notes to accounts

notes to accounts (Note-28)

above note states that RMSCL has been formed to procure and store medical drugs and equipments for is distribution to government hospital medical colleges in Rajasthan for onward free distribution to patients. However, medicines amounting to ₹ 4,25,69,576 were supplied (March 2021) free of cost to mission director, NHM, Chandigarh Panjab Government (Outside Rajasthan). This fact has not been disclosed in the notes to accounts.

For and on the behalf of
the Comptroller and Auditor General of India

Place : Jaipur

Date : 11.04.2022

Sd/-

(Anadi Misra)

Accountant General (Audit-I)

Rajasthan, Jaipur



Replies/Clarification on observation by Statutory Auditor in Auditors Reports for year 2020-21

S. NO.	Qualification Matters from Statutory Auditors	RMSCL Reply
	Annexure-“B”	
01	(a) The Company's internal financial control system over trade receivables and short term loans advances is not operating effectively as these balances are pending for adjustment. This material weakness could potentially result in material misstatement in current assets, grants/earmark funds and expenses of the company.(Refer Clause G and sub-clause (i) of clause H of Note no. 28).	Trade receivables shown at Rs. 87,72,027 (Previous Year Rs. 1,55,00,262) as at 31.03.2021 trade receivables:- These are related to equipment supplied to various medical institutions but the amount is still to be debited against respective funds already received. These accounts are being rechecked and after ascertaining exact position, necessary action shall be initiated.
02	(b) Certain drugs were directly acquired from medical stores without processing/entering the transactions through e-Aushadhi Software. Proper records are not maintained in respect of these acquired medicines. Further accounting of these purchases on payment basis and corresponding accounting for income of surcharge against these purchases is also as and when bills are paid to the suppliers. Therefore the Company's internal financial control system over these corresponding income is not operating effectively. These material weaknesses could potentially result in material misstatement in Company's liability, inventory and income (Refer sub-clause (xiii) of Clause A of Note No. 28).	Accounting of Income from Surcharge on supply of medical Equipment: we are following AS -9 (Revenue Reco.) And Adherence with the same also. We are trying to change the System of accounting of the same by process to process through e-aushadhi software
03	(c)The company something received payment directly in its bank account for which there is no information as to who have paid the same. In absence of proper in information such receipts is credited to suspense account.Suspense credit as at 31st March, 2021 has increased to Rs.17,69,729 as against Rs. 15,53,744 as at 31st March, 2020. Therefore the Company's internal financial control system over these receipts is not operating effectively. In absence of details impact of same is unascertainable. (Refer sub-clause (ii)of Clause J of Note No. 28)	RMSCL will on it and take necessary action in the current financial year.



04	(d) There is a debit balance of Rs. 93,99,133/- as on 31st March, 2021 in 34 suppliers (creditors) account due to either excess payment to suppliers or pending adjustment. Therefore the Company's internal financial control system over payment to suppliers is not operating effectively. These material misstatement in current assets, current liability and income/expenses of the company.	In most the cases these debit balances are due to nosq recovery, risk & costly recovery, other penalty recovery, non supply penalty. If there is a recovery then this penalty will be recovered by next payment/SD/EMD/BG in current financial year. Letters for depositing the recovery amount. Some of accounts are being rechecked for any? And after aseertaining exact position. Necessary action shall be initiated.
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Annexure-"D"

5.	Para-1 Refer clause F of Note No.28 regarding non bifurcation of assets and liability into current and non-current which is not in accordance with schedule III of the Companies Act,2013	Almost all transactions are of regular nature and funds are received on account, therefore, it is not practicable to do so. Almost all accounts are classified as current. We already bifurcated which was possible to do.
6	Para-2 The company has not followed accrual basis of accounting as required by companies act, fo following items: (i) Accounting of purchase of equipment procured and supplied to other user departments/ institutions (Refer clause A of Note No. 1) (ii) Accounting of income from surcharge on supply of medical equipment (refer sub-clause (iii) of clause G of note no. 1) (iii) Cerraidn drugs were directly acquired from medical stores without processing/entering the transaction through e- aushadhi are not maintained in respect of these acquired medicines. Further accounting of these purchases is on payment basis and corresponding accounting for income of surcharge against these purchases is also as and when bills are paid to the suppliers. (Refer sub-clause (viii)of clause A of Note No. 28) The impact of the above on financial statement is undetermined.	RMSCL is working on accrual basis of accounting during current financial year. RMSCL will make arrangement to follow accrual basis of accounting mandated by section 128 (1) of the Companies Act, 2013. (i) For accounting of purchase of Equipment : we are trying to follow the GAAP as per IFRS. In financial year 2021-22 , we will be completely adhering to accrual basis of accounting (ii) Accounting of income from surcharge on supply of medical equipment : we are following as - 9 (revenue reco.). and adherence with the same also. (iii) We are trying to change the system of accounting of the same by process to process through e-aushadhi software.
7	Para-3 Company has not recorded the assets at nominal value mainly consisting of furniture & fixtures transferred from medical, health & family welfare departments at various district drug warehouse (DDW's) without any charge to rmscl which is not in accordance with accounting standard-12 "Accounting for Government Grants" (Refer sub-clause (iv) of clause D of Note No.1).The amount involved is undetermined.	RMSCL will work on it an it and take necessary action in the current financial year. RMSCL will follow the AS -12 where it is necessary to do in capital grant or Operational Grant.

8	Para-4 The Company has not provided for the retirement benefits in respect of one Employee on it's payroll in terms of accounting standard-15 "Employee benefits". (refer sub-clause (II) of clause H of Note No.1). The amount involved is undetermined.	The employee, company secretary was appointed on dated 02.07.2013 The employee appointed on and after 01.01.2004 are under new pension system. Under this scheme nps@10% of basic+DA is deducted and the same is deducted by the employer. There is no such retirement benefits as such for the employee appointed on and after
		01.02.2004
9	Para-5 The company has not undertaken impairment testing of assets in terms of AS-28 "accounting for impairment of assets". Physical verification of fixed assets has revealed certain discrepancies / impairment of assets, however, further detailed reconciliation / scrutiny has not been done . therefore in absence of techno-economic assessment and detailed reconciliation/scrutiny, we are unable to comment whether any impairment loss, remained un-assessed and unprovided in accordance with accounting standard-28 "impairment of Assets"	RMSCL will ensure to have detailed physical verification of assets and ensure to Comply all the parameters of impairment of assets. Further all the necessary accounting treatment will be incorporated in the books of accounts accordingly, if required. RMSCL will also conduct techno-economic assessment of each old where it is possible.
10	Para-6 The company has not trade receivables of Rs.87,72,027/- and Short Term Loans and Advance of Rs.174,70,147/- which are pending for adjustment (refer clause G and H of Note No.28). In absence of details for arriving at exact nature of adjustment required, we are unable to comment upon its impact on the financial statements.	Trade receivables shown at Rs. 87,72,027 (Previous Year Rs.1,55,00,262) as at trade receivables:- these are related to equipment supplied to various medical institutions but the amount is still to be debited against respective funds already received. These accounts are being rechecked and after ascertaining exact position, necessary action shall be initiated. Short term loans and advances of Rs.174,70,147 In most of the cases necessary adjustments are pending for want of utilization Certificate/ bills etc.

11	Para-7 The company is accounting purchase bills of equipment only at the time of making payment. Further company does not have proper records and system to quantify the exact amount of outstanding dues of parties covered under micro, small and medium enterprises development act, 2006. Thus, in the absence of comprehensive details we are unable to verify the correctness of disclosure given in clause K of Note No. 28 and also to identify the quantum of default and interest payable as per micro, Small And Medium Enterprises Development Act, 2006.	Proper accounting records for MSME suppliers will be maintained to avoid any legal consequences and for timely payment to MSME suppliers as per MSME act 2006.
12	Para-8 There is a debit balance of Rs. 93,99,133/- on 31st March, 2021 in 34 Suppliers creditors account due to either either excess payment released to suppliers or pending adjustments. In absence of details and reconciliations we are unable to comment on the effect of the same on the financial statements of the company.	In most of the cases these debit balances are due to NOSQ recovery, Risk & Cost Recovery, Other penalty recovery, Non Supply penalty. If there is a recovery then this penalty will be recovered by next payment/SD/EMD/BG in current financial year. Letter for the same have been issued to firms for depositing the recovery amount. Some of accounts are being rechecked for any? And after ascertaining exact position, necessary action shall be initiated.
13	Para-9 Sunday creditors for supply of Medicines includes Rs.1,37,81,062/- payable to M/S Jackson Laboratories pvt. Ltd., Amritsar for purchase of medicines. Product of m/s Jackson Laboratories pvt. Ltd was banned due to not of standard quality (NOSQ). OUT OF these purchases, few medicines were utilized and balance were expired. In view of order director (public health), medical and health services, Rajasthan Jaipur (08-09-2015), order of Hon'ble high court (30-08-2016) and subsequent order of director (public health), medical and health services, Rajasthan Jaipur (22-03-2018), company was supposed to clearly account for the medicines that had been utilized and that had been expired, however company has not done the same and even not disclosed the facts. In absence of complete details we are unable to quantify the impact of the same on the financial statements.	The required provisions are already created in the books of accounts in the previous years. The matter is still under consideration, further action will be taken once the matter is settled at all the levels of concerned authorities/judiciary.



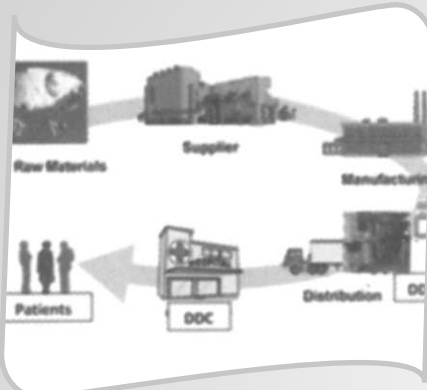




Procurement Cell



EPM Cell



Supply Cell



॥सर्वे सन्तु निरामयाः॥



IT Cell



Quality Control Cell



Finance Cell



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