

# **Brief note on Telangana State Beverages Corporation Limited**

## **INTRODUCTION**

- The Corporation was incorporated just before bifurcation of the AP State.
- The Corporation was named as Telangana State Beverages Corporation Limited (TSBCL).
- TSBCL was incorporated on 30-05-2014 under Companies Act-2013.
- Board of Directors were appointed on 23-06-2014 by the TS Govt.
- TSBCL was entrusted to conduct wholesale vending in Telangana area.
- Retail vending also in exigencies.
- Procurement of IMFL on rate contract basis.
- Supply of IMFL to all retailers.
- Continuance of old rate contracts till fresh rate contracts are entered.

## Objectives and Vision

### IMFL Wholesale & Retail Trade:

- To procure IMFL on a rate contract basis through All India Tender.
- Formulae for fixing supply prices and procurement shall be :
  1. Rational
  2. Transparent
  3. Full proof
  4. No un due advantage to any supplier or group of suppliers.
- To implement orders passed in W.P.No.10820/93 on wholesale trading.
- To implement the Act-15/93 of TS Excise Act-1968.
- To open TSBCL Retail Outlets in exigencies.
- To open wholesale Depots as per requirements.
- To maintain supply and demand chain.
- To analyze areas for Revenue increases.
- To remit Govt. levies in time into the Treasury.



## **Procurement – Guidelines - Status**

- Liquor stocks shall be procured on a rate contract basis.
- System of All India tender notification be followed.
- A Committee appointed by the Govt. shall hold negotiations with suppliers.
- The Committee shall recommend to the Board Final Negotiated Rates.
- The Board of Directors are competent to take Final Decisions.
- The Corporation is answerable to the Government on all the above aspects.
- Initially commenced trading as per the rates finalised in united A.P.

## Corporate Office – Number of IML Depots

- Corporate office in 1<sup>st</sup> & 2<sup>nd</sup> Floor at Proh.& Excise Complex, Nampally
- 33 Revenue Districts – 19 IMFL Depots

<b>Name of the District</b>	<b>Number of Depots</b>
Ranga Reddy	4
Warangal Urban	2
Adilabad	1
Nalgonda	1
Medak	1
Siddipet	1
Mahaboobnagar	1
Wanaparthy	1
Karimnagar	1
Nizamabad	1
Khammam	1
Medchal	3
Mancherial	1
Total	19



## **CLASIFICATION OF DEPOTS**

- Depots categorised based on business volumes.
- Category-I depots – Chief Managers/ Assistant Commissioners
- Category-II Depots – Managers/ District Prohibition & Excise Officer
- Details are

<b>Category</b>	<b>Number of Cases Handled per year</b>	<b>Number of Depots</b>
<b>I</b>	<b>More than 15 lakhs cases</b>	<b>13</b>
<b>II</b>	<b>Less than 15 lakhs cases</b>	<b>6</b>

# Organization Chart

	Sanctioned strength	Working	Vacancies
Corporate Office	29	24	5
Depots	228	73	155
<b>Total</b>	<b>257</b>	<b>99</b>	<b>160</b>

Sl. No.	Name of the Post	Group	Sanctioned Strength			Existing Employees			No. of Total Vacancies
			C.O.	Depots	Total	C.O.	Depots	Total	
1	Managing Director		Cadre post						
2	Chief General Managers	A	1	0	1	0	0	<b>0</b>	1
3	General Managers	A	2	0	2	1	0	<b>1</b>	1
4	Chief Managers	A	0	13	13	0	2	<b>2</b>	11
5	Manager	A	0	4	4	0	6	<b>6</b>	(+)2
6	Manager(F&A)	A	1	0	1	1	0	<b>1</b>	0
7	Assistant Managers (Ops)	A	1	23	24	2	11	<b>13</b>	11
8	Assistant Managers (F&A)	A	4	0	4	2	1	<b>3</b>	1
9	Data Base Administrators	A	2	0	2	2	0	<b>2</b>	0
10	Allwyn Redeployed employees	A	1	0	1	0	1	<b>1</b>	0
11	Store Officers	B	0	37	37	0	30	<b>30</b>	7
12	Assistant Stores Officer Gr.I	B	0	36	36	0	5	<b>5</b>	31

## Organization Chart

Sl. No.	Name of the Post	Group	Sanctioned Strength			Existing Employees			No. of Total Vacancies
			C.O.	Depots	Total	C.O.	Depots	Total	
13	Assistant Stores Officer Gr.II	B	0	59	59	0	4	4	55
14	Accounts Officer	B	3	17	20	6	9	15	5
15	Data Processing Officers	B	2	6	8	2	3	5	3
16	Assistant Accounts officers Gr.I	B	2	4	6	0	0	0	6
17	Assistant Accounts Officers Gr-II	B	0	9	9	0	0	0	9
18	Assistant Cum Typist	B	2	0	2	1	0	1	1
19	Data Processing Assistant Gr.I	B	1	2	3	0	0	0	3
20	Data Processing Assistant Gr.II	B	0	9	9	1	0	1	8
21	Stenographer	B	1	0	1	0	0	0	1
22	Driver	B	2	0	2	0	0	0	2
23	Jamedar Sweeper/SCH	C	0	9	9	0	4	4	5
24	Attender/OS	C	3	0	3	3	0	3	0
<b>Total</b>			<b>28</b>	<b>228</b>	<b>256</b>	<b>22</b>	<b>77</b>	<b>97</b>	<b>160</b>



## **Un-Skilled workers etc. - filling of Vacancies**

- 52 employees are also under deputation as ASO Gr-II from Housing Corp. Ltd.
- 160 un-skilled workers also deployed for watch and ward duties etc., at depots.
- Govt., permitted to fill 77 vacant posts through TSPSC.
- TSPSC issued notification.
- Written examination held on 07-10-2018.
- Certificates verification completed, Results clubbed with Group-IV, and are awaited.

## **Wholesale Vending by TSBCL**

- No investment by the Corporation / Government.
- Distilleries/ Breweries enter into rate contracts with TSBCL for fixed rates.
- Orders for supply – online – specified quantities as per requirements.
- Distilleries/ Breweries – remits Excise Duty - stock delivery at depots at their own cost.
- Sale of IMFL & FL to the licensed Shops, Bars, Clubs etc., strictly on cash and carry basis.
- Remittances by Retailers - e-Challans into specified Treasury account.
- Retailers – online indents with the depots – delivery at their own cost.



## Procurement of IML(Other than Beer & FL)-2017-18/ 2018-19

- The TS Govt. permitted TSBCL to float new tenders for Liquor for the year 2015-16.
- TSBCL floated an all India notification for supply of liquor on 16-09-2015
- Govt. appointed a Committees with the following Composition:
  - Chairman - Retd. High Court Judge.
  - Member - Cost Consultant
  - Member - Retd. I.A.S., Officer.

### Methodologies adopted by the Committee:

- Offered brands split into three types.
  - 1) Existing Brands – Available only in the State as on Tender.
  - 2) New Brands – Offered for the first time to the State.
  - 3) Brand Variants – Similar Sounding / Similar Description.



# Tender Committee - Methodologies

- Collections of invoices from the suppliers for the past years.
  - 1) Major Raw Materials - Cost of ENA, Malt etc.,
  - 2) Major packing materials – Cost of Bottles, Carton boxes
  - 3) Miscellaneous – Freight, Labour charges direct and indirect.
- Negotiations Individually and Collectively.
- Preparation of model cost cards.
- Analysis on cost increases.
- Interstate Comparison.
- Observations and Conclusions.
- Recommendations.
- The committee submitted 17-10-2015 and same was forwarded to the Govt.
- The Govt. accepted the committee report on price revision in Dec-2017.
- Rate contracts with IML suppliers entered accordingly with its validity up to 30-06-2018 – Orders for further extension awaited from the Govt.

## CLASSIFICATION OF LIQUOR – BASIC PRICE (SUPPLY PRICE)

- Liquor is classified into Five categories for commercial convenience:

<b>Tender Category</b>	<b>Basic Price Range In Rs. per Case</b>
<b>A</b>	<b>Upto Rs.450/-</b>
<b>B</b>	<b>Above Rs.450/- and upto Rs.700/-</b>
<b>C</b>	<b>Above Rs.700/- and upto Rs.1000/-</b>
<b>D</b>	<b>Above Rs.1000/- and upto Rs.2000/-</b>
<b>E</b>	<b>Above Rs.2000/-</b>

### Basic price :

**Local : Cost price + Cost of Excise Adhesive Labels (EAL) / Hologram + Freight + Insurance + Handling charges for loading and unloading etc.,**

**Non-Local: Cost price + Cost of Excise Adhesive Labels (EAL) / Hologram+ Freight + Insurance+ Handling charges for loading and unloading + CST (Central sales Tax) + Export Duty levied by the State where the IMFL is manufactured + Import Fee levied by Commr. of Proh. & Excise, Govt. of Telangana etc.,**



## **Procurement of Beer & FL – 2018-19**

- Govt. permitted to float tenders for supply of Beer & FL.
- Notification for Beer & FL were issued in Jan-2018 & Apr-2018 respectively.
- Govt. permitted to continue the same Tender Committee for fixation of supply/basic prices.
- The committee gave reports by following same procedure as followed for liquor.
- Beer committee report was accepted by the Govt. in May-2018.
- Revised rates for Beer were implemented w.e.f. 22-05-2018.
- FL committee report is yet to be finalized.



# Suppliers & Brands

- Supplier is the one to whom order for supply is addressed.

## SUPPLIERS

Category	Located Within the State	Located Outside the State	Total
Liquor	78	106	184
Beer	6	17	23
F L	0	57	57

## BRANDS

Category	By Local Units	By Non-Local Units	Total
Liquor	199	281	480
Beer	32	20	52
FL	0	624	624

## **Issue Price (Selling Price by TSBCL)**

- Selling price by TSBCL to Retailers consists of:
  - a. Basic Price
  - b. Excise Duty - (Rs.930/- to Rs.3340/- per case)
  - c. TS VAT – 70% on (a+b)
  - d. Issue Price Rounding Off - Next higher Rupee
  - e. MRP Rounding Off - Next higher to Rs. 5/- and 10/-
- Selling price by Retailers to consumers consists of:
  - a. TSBCL Selling price
  - b. Margin ( 20% to 27%)



## **Sales to Retailers**

- The TSBCL operations are completely computerised.
- The approved brands will be allotted computer codes.
- The brand codes will contain size and all rates.
- Suppliers will place indents online.
- Orders for supply will be released accordingly .
- Stocks will be despatched from manufactories on remitting notified duties.
- Suppliers will deliver the goods at designated depots at their own cost.
- Sales by TSBCL to Retailers is on Cash and carry basis.
- Retailers will remit required amount online through cyber treasury.
- Retailers will place indents online to the allotted depots.
- Depots will raise Bills and permits through computer as per indents.
- Retailers will lift the stocks from the depots at their own cost.



## Retail Vending by TSBCL

- TSBCL also conducts Retail vending through its own outlets on CPE orders to:
  - a. Cover the Un-disposed notified Retail shops
  - b. Stabilise the MRP violation
  - c. Control the illicit liquor

Retail sale value and volumes are :

<b>Year</b>	<b>Number Retail outlets operated</b>	<b>Value (In lakhs)</b>	<b>Margin realised Rs.in Lakhs</b>
<b>2015-16</b>	<b>8</b>	<b>290.44</b>	<b>60.63</b>
<b>2016-17</b>	<b>8</b>	<b>2138.59</b>	<b>417.53</b>
<b>2017-18</b>	<b>8</b>	<b>1506.09</b>	<b>304.09</b>
<b>2018-19</b>	<b>2</b>	<b>688.62</b>	<b>140.01</b>
<b>2019-20 (Upto Jul-19)</b>	<b>2</b>	<b>217.58</b>	<b>55.92</b>

TSBCL Retail outlets (1) One each in Mahaboobnagar & Mancherial districts is under operation to control illicit liquor circulation.

## Foreign Liquor & Sale Volumes

- The year wise Foreign Liquor sale value and volumes are:

<b>Financial Year</b>	<b>Number of cases Sold in lakhs</b>	<b>Value of sale (in cr)</b>
<b>2015-16</b>	<b>0.57</b>	<b>98.12</b>
<b>2016 -17</b>	<b>0.86</b>	<b>135.51</b>
<b>2017-18</b>	<b>0.97</b>	<b>195.66</b>
<b>2018-19</b>	<b>1.33</b>	<b>249.34</b>
<b>2019-20 (Upto Jul19)</b>	<b>0.43</b>	<b>66.31</b>



## IMFL & FL Sale Value and Volumes

Year wise Sales as under:

<b>Financial Year</b>	<b>IML Sale (in lakh cases)</b>	<b>Beer Sale (in lakh cases)</b>	<b>Value Rs. in Crores</b>
<b>2015-16</b>	<b>238.26</b>	<b>334.39</b>	<b>12706.30</b>
<b>2016-17</b>	<b>271.59</b>	<b>336.12</b>	<b>14184.67</b>
<b>% Growth</b>	<b>13.99</b>	<b>0.52</b>	<b>11.63</b>
<b>2017-18</b>	<b>310.99</b>	<b>442.06</b>	<b>17597.75</b>
<b>% Growth</b>	<b>14.51</b>	<b>31.52</b>	<b>24.06</b>
<b>2017-18</b>	<b>310.99</b>	<b>442.06</b>	<b>17597.75</b>
<b>2018-19</b>	<b>344.58</b>	<b>496.57</b>	<b>20859.26</b>
<b>% Growth</b>	<b>10.80</b>	<b>12.33</b>	<b>18.53</b>
<b>2018-19 (Upto July)</b>	<b>105.56</b>	<b>191.46</b>	<b>6661.36</b>
<b>2019-20 (Apr Upto July)</b>	<b>114.86</b>	<b>209.12</b>	<b>7485.36</b>
<b>% Growth</b>	<b>8.81</b>	<b>9.23</b>	<b>12.37</b>



## Remittances to Govt.

- **The amounts remitted by the Retailers will be apportioned as:**
  - a. Basic Price + Excise Duty to Suppliers through RTGS via Finance portal to the extent of quantity sold
  - b. TS VAT @ 70% by way of book adjustment
  - c. Rs.30 Cr/M towards CMRF by way of book adjustment
  - d. Rs.1 Cr/M towards Sports by way of book adjustment
  - e. Balance towards Priv. Fee by way of book adjustment

### Year wise details are:

Year	VAT	CMRF	Sports Fee	Privilege Fee	Total
2015-16	8169.00	222.71	10.42	372.07	8774.20
2016-17	8320.00	225.00	10.42	680.74	9236.16
2017-18	8010.56	243.75	10.42	783.38	9048.11
2018-19	9473.00	336.58	11.82	1093.20	10914.60
2019-20 (Upto July)	3280.00	120.00	4.00	450.00	3854.00

## PAYMENTS TO SUPPLIERS - PENALTIES

- Releases once in every week.
- Restricted to the extent of quantity sold.
- Releases after 45 days from the date of its sale.
- Releases earlier to 45 days by collecting amounts as “Early Payment Discount” (EPD).
- Specified EPD rates based on duration of payment period.
- Trading Fee at specified rate will collected on every sold case.
- Penalties will be levied for slow moving IML stocks.
- Brands with less than 25% sale during 6 & 10 months will attract penalties:
  - a. 1.50% of Basic Price p/m per case for (90) days old stock.
  - b. 6% of Basic Price p/m per case for (180) days old stock.
  - c. 12% of Basic Price p/m per case for (300) days old stock.
- For Beer & FL slow moving stock different penalties are specified.
- Six months old Beer will be drained out after analysis report.

## IMFL Sales & Revenue - Interstate Comparison

### IML sale in lakh cases

Sl. No.	STATE	2017-2018	2018-2019	Growth %	2018-2019 (upto July)	2019-2020 (upto July)	Growth %
1	TELANGANA	310.66	344.22	10.80	105.55	114.86	8.82
2	ANDHRA PRADESH	360.85	384.36	6.52	125.22	113.23	-9.58
3	TAMILNADU ■	549.28	586.66	6.81	193.56	201.51	4.11
4	KARNATAKA	564.86	569.92	0.90	184.63	201.53	9.15
5	KERALA ■	208.51	216.34	3.76	71.50	75.23	5.22

■ in Tamilnadu & Kerala the wholesale & Retail sale is by Govt. Corporation.



## IMFL Sales & Revenue - Interstate Comparison

### BEER sale in lakh cases

Sl. No.	STATE	2017-2018	2018-2019	Growth %	2018-2019 (upto July)	2019-2020 (upto July)	Growth %
1	TELANGANA	441.94	496.31	12.30	191.46	209.12	9.22
2	ANDHRA PRADESH	227.25	277.16	21.96	103.15	122.84	19.09
3	TAMILNADU ■	232.52	320.20	37.71	117.28	141.25	20.44
4	KARNATAKA	265.77	300.85	13.20	98.85	107.09	8.34
5	KERALA ■	115.42	121.12	4.94	37.43	42.58	13.76

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## IMFL Sales & Revenue - Interstate Comparison

### Revenue on all heads Rs. in Crores

Sl. No.	STATE	2017-2018	2018-2019	Growth %	2018-2019 (upto July)	2019-2020 (upto July)	Growth %
1	TELANGANA	17683.76	20433.58	15.55	5614.22	6637.21	18.22
2	ANDHRA PRADESH	15379.94	17340.30	12.75	6135.16	6600.00	7.58
3	TAMILNADU ■	26771.83	31114.96	16.22	8878.26	9493.99	6.94
4	KARNATAKA	17805.61	19851.47	11.49	6498.50	7411.24	14.05
5	KERALA ■	11026.78	12427.82	12.71	3965.44	4259.61	7.42

■ in Tamilnadu & Kerala the wholesale & Retail sale is by Govt. Corporation.

## **SALE VOLUMES AND INTERSTATE PER CAPITA CONSUMPTION**

### **IML – 2018-19**

<b>S. NO</b>	<b>STATE</b>	<b>POPULATION AS PER 2011 CENSUS in lakhs</b>	<b>Sale in Lakh cases</b>	<b>Sale in lakh Bulk liters</b>	<b>PER CAPITA CONSUMPTION</b>
<b>1</b>	<b>TELANGANA</b>	<b>352.89</b>	<b>342.11</b>	<b>3037.94</b>	<b>8.61</b>
<b>2</b>	<b>ANDHRA PRADESH</b>	<b>493.77</b>	<b>384.36</b>	<b>3413.12</b>	<b>6.91</b>
<b>3</b>	<b>TAMILNADU</b>	<b>721.39</b>	<b>586.66</b>	<b>5209.54</b>	<b>7.22</b>
<b>4</b>	<b>KARNATAKA</b>	<b>611.31</b>	<b>569.92</b>	<b>5060.89</b>	<b>8.28</b>
<b>5</b>	<b>KERALA</b>	<b>333.88</b>	<b>216.34</b>	<b>1921.10</b>	<b>5.75</b>

**Note:- One IML case is taken as 8.88 litres**



## **BEER -2018-19**

<b>S. NO</b>	<b>STATE</b>	<b>POPULATION AS PER 2011 CENSUS in lakhs</b>	<b>Sale in Lakh cases</b>	<b>Sale in lakh Bulk liters</b>	<b>PER CAPITA CONSUMPTION</b>
<b>1</b>	<b>TELANGANA</b>	<b>352.89</b>	<b>495.83</b>	<b>3912.10</b>	<b>11.09</b>
<b>2</b>	<b>ANDHRA PRADESH</b>	<b>493.77</b>	<b>277.16</b>	<b>2186.79</b>	<b>4.43</b>
<b>3</b>	<b>TAMILNADU</b>	<b>721.39</b>	<b>320.20</b>	<b>2526.38</b>	<b>3.50</b>
<b>4</b>	<b>KARNATAKA</b>	<b>611.31</b>	<b>300.85</b>	<b>2373.71</b>	<b>3.88</b>
<b>5</b>	<b>KERALA</b>	<b>333.88</b>	<b>121.12</b>	<b>955.64</b>	<b>2.86</b>

**Note:- One Beer case is taken as 7.89 litres**

## **INCOME AND EXPENDITURE OF THE CORPORATION**

- No specified income to the Corporation
- TSBCL meets its expenses through Govt. sanctioned "Grants in Aid"
- Rs.48.00 crores per annum is required towards all its expenses
- The Details of "Grants in Aid" head wise and Year Wise are as follows:

<b>S · N o</b>	<b>Name of the Head</b>	<b>Amount Rs. in Crores 2016 – 2017</b>	<b>Amount Rs. in Crores 2017 – 2018</b>	<b>Amount Rs. in Crores 2018 – 2019</b>	<b>Amount Rs. in Crores 2019 – 2020 (upto Jul-19)</b>
<b>1</b>	<b>Early payment discount &amp; Trading Fee etc.</b>	<b>35.44</b>	<b>32.21</b>	<b>56.81</b>	<b>13.15</b>
<b>2</b>	<b>Penalties on slow moving stocks etc.,</b>	<b>0.00</b>	<b>6.65</b>	<b>1.90</b>	<b>1.85</b>
<b>3</b>	<b>Margins on Retail Vending</b>	<b>4.17</b>	<b>3.04</b>	<b>1.40</b>	<b>0.56</b>
<b>4</b>	<b>Penalty on IMFL Export</b>	<b>4.68</b>	<b>5.96</b>	<b>5.14</b>	<b>1.48</b>
<b>5</b>	<b>Miscellaneous</b>	<b>0.44</b>	<b>0.82</b>	<b>1.49</b>	<b>0.11</b>
	<b>Total</b>	<b>44.73</b>	<b>48.68</b>	<b>66.74</b>	<b>17.15</b>

- Balance amount will be remitted to the Govt. as Privilege Fee.

## STATUS ON FINALISATION OF ACCOUNTS

DESCRIPTION	2014-15	2015-16	2016-17	2017-18
<b>STATUTORY AUDIT</b>	Completed	Completed	Completed	Under progress
<b>AG AUDIT</b>	Completed- comments received	Completed- comments received	Completed- comments received	—
<b>AGM</b>	Completed	Completed	Completed	—
<b>ANNUAL REPORT</b>	Placed in Assembly	To be placed in ensuing Assembly	Quotations called for Printing	—





THANK YOU