

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 1st & 2nd Floor at Proh.& Excise Complex, Nampally
- 33 Revenue Districts – 19 IMFL Depots

Name of the District	Number of Depots
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

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

Organization Chart

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

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	0	1
3	General Managers	A	2	0	2	1	0	1	1
4	Chief Managers	A	0	13	13	0	2	2	11
5	Manager	A	0	4	4	0	6	6	(+)2
6	Manager(F&A)	A	1	0	1	1	0	1	0
7	Assistant Managers (Ops)	A	1	23	24	2	11	13	11
8	Assistant Managers (F&A)	A	4	0	4	2	1	3	1
9	Data Base Administrators	A	2	0	2	2	0	2	0
10	Allwyn Redeployed employees	A	1	0	1	0	1	1	0
11	Store Officers	B	0	37	37	0	30	30	7
12	Assistant Stores Officer Gr.I	B	0	36	36	0	5	5	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
Total			28	228	256	22	77	97	160

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:

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

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 :

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

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:

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

IMFL & FL Sale Value and Volumes

Year wise Sales as under:

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

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

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SALE VOLUMES AND INTERSTATE PER CAPITA CONSUMPTION

IML – 2018-19

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

Note:- One IML case is taken as 8.88 litres

BEER -2018-19

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

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:

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

- 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
STATUTORY AUDIT	Completed	Completed	Completed	Under progress
AG AUDIT	Completed- comments received	Completed- comments received	Completed- comments received	—
AGM	Completed	Completed	Completed	—
ANNUAL REPORT	Placed in Assembly	To be placed in ensuing Assembly	Quotations called for Printing	—



THANK YOU