

KARNATAKA STATE BEVERAGES CORPORATION LIMITED

Circular No.146

Date : 17th Sept.2007

Sub: Insurance of stock in the Depot and stock in transit

The successive Sourcing Policies of KSBCL which forms the basis of agreement between KSBCL and manufacturers for supply and purchase of liquor, stipulate that all risks during transit of liquor, including transit insurance shall be borne by the manufacturer / supplier.

The Company has paid the following amounts towards transit insurance.

<u>Year</u>	<u>Transit insurance paid</u>
	Rs.
2003-04	1,78,222-00
2004-05	2,10,602-00
2005-06	74,991-00
2006-07	1-00

Total	4,63,816-00

Since the transit insurance charges need to be borne by the manufacturers / suppliers, an amount of Rs.4,63,816-00 as indicated above shall be recovered in proportion to the quantity of goods delivered by each manufacturer / supplier in the respective years.

The Liquor Sourcing Policy issued under Circular No.133 dated 19.06.07, para 6.02 specifically states that transit insurance shall be the responsibility of the supplier / manufacturer. The implication of the statement as in the earlier Sourcing Policy is that the insurance towards depot stock shall be the responsibility of the KSBCL. Therefore, at the end of para 6.02 of the Liquor Sourcing Policy issued under Circular No.133 dated 19.06.2007, the following words is to be added :

“However, insurance charges towards stock in the KSBCL depots shall be borne by KSBCL”.

Thus, the amended para 6.02 referred to above shall read as follows :

“6.02 All risks during transit of liquor, (like broken bottles, short receipts, etc.) from the premises of the supplier till the stocks are unloaded and stacked in the depot shall be borne by the manufacturer/supplier alone and the Corporation shall not be responsible for the same. Transit insurance shall be the responsibility of the supplier/manufacturer. However, insurance charges towards stock in the KSBCL depots shall be borne by KSBCL.”

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It is once-again made abundantly clear that transit risk including transit insurance charges shall be borne by the manufacturer / supplier only and the Corporation shall not be responsible for the same.


MANAGING DIRECTOR

To

- i) All Manufacturers & Suppliers
- ii) All Primary & Composite Distilleries
- iii) OSDF/Executive Directors
- iv) GM(O)/ C.S.
- v) DGM(O)/ AGM(O)/AGM(F)/A.A.O./Managers
- vi) All IML Depot Managers
- vii) All Spirit Depot Managers
- viii) Circular – Master File & Spare copies