

KARNATAKA STATE BEVERAGES CORPORATION LTD

SPIRIT SOURCING POLICY- 2013-14

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KARNATAKA STATE BEVERAGES CORPORATION LIMITED

Circular No. 218

Date: 31st December 2013**Sourcing policy for rectified spirit and denatured spirit for the year 2013-14**

A detailed procedure for sourcing of rectified spirit (RS) and denatured spirit (DS) has been prescribed in various circulars issued by the Corporation from time to time. This circular supercedes all previous procedures, so far as it pertains to sourcing of rectified spirit and denatured spirit. Suppliers are requested to take note of the procedure prescribed in this circular.

1. Submission of initial documents

1.01 All manufacturers of RS/DS shall submit the following initial documents.

- (i) Details of the organization of the manufacturer to be given in its letter head in the format in Annexure I, along with a copy of the certificate of incorporation, Memorandum and Articles of Association or partnership deed and registration from the Registrar of Firms as the case may be.
- (ii) A certified copy of the licence granted by the Excise Commissioner under rule 4 of the Karnataka Excise (Distillery and Warehouse) Rules, 1967.
- (iii) Registration details, if any, under the Karnataka Sales Tax Act and/or the tax index number under VAT/Central Sales Tax Act.
- (iv) Details of storage facility available for RS/DS as in format in Annexure-II with copies of calibration certificates issued by the Department of Legal Metrology.
- (v) A plan (sketch) of the storage yard/room and appurtenant facilities giving details of location of tanks, piping system, access doors, main gate and other gates used for movement of tankers etc., duly certified by the Distillery Officer as required under clause 3 of Form-1 and clause 3A of Form 1A of the Karnataka Excise (Distillery & Warehouse) Rules, 1967.
- (vi) Details of authorised signatories of the manufacturer, who would deal with the Corporation, to be given in its letter head as per the format in Annexure III.
- (vii) An undertaking in its letterhead as in Annexure-IV

1.02 A manufacturer who is a supplier of liquor to the Corporation and has submitted documents in accordance with the Liquor Sourcing Policy shall submit all other documents, except (i) of para 1.01.

1.03 All initial documents shall be signed by the Managing Director/Managing Partner/Proprietor, in case of a Company/Firm/Proprietary concern. In case the Company does not have a Managing Director, then the documents shall be signed by the Chief Executive Officer or any other person duly authorized by the Board of Directors of the Company/Power of Attorney

2. Declaration of stock available for delivery

2.01 As per the directive of the Excise Commissioner vide number ECE/138/RSA/ 2004 dated 31.08.2004 and 24.12.2004, manufacturers are required to declare details of molasses and spirit held by them in Form 01. A copy of Form 01 may be seen in Annexure-V. A copy of such declaration duly attested by the Distillery Officer shall be delivered to the depot, everyday.

2.02 Rule 25 of the Karnataka Excise (Distilleries and Warehouse) Rules, 1967 stipulates a limit of 1 per cent of wastage. Wastage in this context would imply quantity of spirit lost in process or during storage and issue. Such details would have to be declared by the distillery in the appropriate column in Form 01.

2.03 The declaration in Form 01 shall be received in the depot of the Corporation located in the distillery before 10 am everyday and the same will be signed by Depot Manager with time and date. Delay in giving the declaration may result in delay in transmission of details electronically to the head office and cause a consequent delay in the issue of Order for Supplies (OFS).

3. Basic Declared Price and Landed Cost

3.01 Manufacturers shall indicate the Basic Declared Price at which they are willing to deliver RS/DS to the Corporation. The Basic Declared Price so indicated by the manufacturer plus the applicable duties and taxes thereon shall be called the Landed Cost. The Corporation shall source RS/DS at the Landed Cost.

3.02 **Bulk Sales :** Manufacturers shall intimate their Basic Declared Price and the Landed Cost to the depot located in their premises in Annexure-VIA. Such declarations shall be made at least one day prior to the date on which they would like the prices to be made effective.

Retail Sales : Manufacturers shall intimate their Basic Declared Price and landed cost to the Depot located in their premises in Annexure-VIB, prior to delivery.

In both bulk sales and retail sales, manufacturers shall give a distinct cost sheet for each product to be issued by them.

Manufacturer is free to alter prices as frequently as they may desire.

3.03 The Depot Manager in-charge of the depot shall obtain the declaration(s) in Annexure-VI, enter necessary particulars in the system and give a confirmation copy of the prices so entered.

3.04 The categories of Basic Declared Prices that manufacturers may declare shall be as follows.

- (i) Delivery of 3000 liters or more of RS/DS against one Order for Supplies (OFS) shall be called bulk delivery. They may indicate their Basic Declared Price for bulk delivery.
- (ii) Delivery of a quantity less than 3000 liters of RS/DS against one OFS shall be called retail delivery. They may indicate a distinct Basic Declared Price for retail delivery.

3.05 The Corporation is entitled to charge a margin on the Landed Cost as may be specified from time to time to arrive at the Sale Price. Manufacturers may note the margin and price their produce accordingly.

3.06 In case of change in duty / tax structure from prospective effect, no sales shall take place nor any fresh OFS shall be issued, unless the revised declaration of price in Annexure-VI is submitted by the manufacturer, for effecting revised landed cost and the sale price, from the effective date of change of duty / tax structure as per Government Notification. In case of change of duty / tax structure with retrospective effect, or with immediate effect, no fresh OFS shall be issued and sales shall be stopped unless the revised declaration of price is submitted in Annexure-VI, within 3 days of the Notification.

4. Captive consumption

4.01 The Manufacturer may, as allotted by the Excise Commissioner, draw spirit for any bona fide use including manufacture of potable or non-potable products by the manufacturer. Such issue (called captive consumption) shall also be canalized through the Corporation. The following procedure shall apply for drawing spirit for captive consumption.

4.02 Except in cases of captive consumption within the same premises, captive consumption quantity shall be subject to margin payable to the Corporation.

4.03 For drawing the requisite quantity, the manufacturer shall submit a request countersigned by the concerned distillery officer, duly signed in Annexure-VIIA and a copy of the allotment order of the competent authority to the depot. The Depot Manager shall maintain "Captive Consumption Register" in Annexure-VIIB and record the transactions therein with his initials. Entry in this register shall be made only if there is a bulk order by competent Excise Authority and drawal against such order is in phases.

4.04 The depot would supervise the drawal of spirit in the presence of distillery officer. Any margin payable to the Corporation for such quantity would be debited to the manufacturer and adjusted against payments due.

5. Forward contracts – supply against tenders

5.01 The Corporation would not participate in any tender inviting offers for supply of spirit, either within the country or outside. Manufacturers may respond to such solicitations, clearly indicating that the spirit would be issued through the Corporation and is subject to the extant policies of the government and the Corporation. If a manufacturer obtains an order for such supply, then it shall be specific to it.

5.02 Any agreement concluded between the manufacturer and the buyer shall contain the clauses indicated in Annexure VIII and a copy of the concluded agreement shall be submitted to the Corporation for record.

5.03 In such cases, the price accepted by the buyer through the tender process shall be deemed to be the Sale Price and the Landed Cost and the Basic Declared Price shall be computed taking due note of the margin of the Corporation and the duties and taxes applicable. Any OFS issued shall be at the computed Landed Cost.

5.04 The manufacturer shall be responsible for adhering to the conditions/commitments of the tender. He shall be liable for any consequence arising out of non-compliance of such conditions/commitments and shall keep the Corporation fully indemnified in this regard.

5.05 Except in cases of buyers of anhydrous ethanol, all other buyers shall be required to remit the sale consideration in advance as per the Sales Policy of the Corporation. In case of buyers of anhydrous ethanol, ordinarily, the credit period allowed would be 30 days from the date of delivery (please see para 9.11 below).

5.06 The buyer is at liberty to demand delivery at the destination. However, in such cases, the buyer, may either have an agent to transport the consignment or designate the manufacturer as its agent. The agent/manufacturer would have to bear all transit risks and ensure transportation without misuse/tampering enroute. Any dispute that may arise in course of the transportation would have to be separately dealt with by the buyer and the agent/manufacturer. The Corporation shall not be a party to such disputes, as the ownership of the consignment would have passed on to the buyer immediately upon delivery at the distillery.

5.07 In case of supply of ethanol to oil companies, delivery of the consignment shall be made by manufacturers at the premises of the oil companies. During transportation from the premises of manufacturer to the oil company, the manufacturer would be acting as an agent of the Corporation and shall bear all transit risks and ensure transportation without misuse/tampering enroute. Any dispute that may arise in course of transportation and the subsequent delivery of the consignment shall be the responsibility of manufacturers. Accordingly, manufacturers shall furnish a letter of indemnity as in Annexure-IX to the Corporation.

5.08 Sale is said to take place only if the quality and quantity of the product is as per terms and conditions of the tender for ethanol floated by oil companies. The certificate issued by the oil company in Annexure-V of the spirit sales policy shall be final, based on which payment shall be made to manufacturers, notwithstanding the quantity contained in the invoice raised by them while delivering ethanol to the Corporation against an OFS. Such certificate in Annexure-V of Spirit Sales Policy, shall be in the buyer's letter-head only. Any dispute as regards to the quantity and/or quality of delivery shall be mutually settled by manufacturers and oil companies and the Corporation shall not be a party to such disputes.

6. Forward contracts – negotiated supplies

6.01 Apart from responding to tenders, manufacturers may contact prospective customers and conclude contracts for issue of RS/DS at a predetermined price. In such cases, the validity and quantity of the contract shall be in accordance with the allotment order of the Excise Commissioner. A copy of the concluded contract shall be submitted to the Corporation for record.

6.02 The stipulations in paras 5.02 to 5.05 above shall apply to negotiated forward contracts.

7. Forward contracts – obligations of the manufacturer

7.01 The manufacturer shall be obliged to comply with the terms of the forward contract, including delivering RS/DS at the price contracted. In case of any breach of the contract, he shall be responsible for all consequences, including compensating the buyer, and shall keep the Corporation fully indemnified in this regard. In case of any breach by the buyer, the manufacturer shall have no claim against the Corporation.

8. Issue of Order for Supplies

8.01 The head office of the Corporation in case of bulk delivery and the depot in case of retail delivery, shall place an Order for Supplies (OFS) to the manufacturer. A copy of the OFS (whether issued by the head office or the depot) shall be signed by the depot manager and delivered to the manufacturer while taking delivery.

8.02 The OFS would indicate the validity date within which the buyer shall take delivery of the item and the manufacturer is obliged to deliver the quantity indicated in the OFS to the buyer as indicated therein.

8.03 If any manufacturer fails to give delivery against an OFS issued by the Corporation, after the latter has made all arrangements to obtain delivery, delivery default charges of Rs.10,000/- per day would be recovered. Manufacturers are therefore advised to inform well in advance about any likely delay/inability in honouring the OFS issued.

8.04 The Corporation shall have the discretion to foreclose/cancel any OFS issued. The Corporation may terminate any or all Orders for Supplies placed, if the manufacturer or any of his representatives, workers, employees, agents etc.

- (a) indulge in any unfair trade practice; or
- (b) indulge in any activity which is directly or indirectly prejudicial to the interests of the Corporation; or,
- (c) indulge in forgery, falsification, fabrication of any document, bill, voucher or delivery challan or commit any offence in connection with the manufacture and supply of spirit, which offence is punishable under law.

8.05 All losses incurred by the Corporation on account of the manufacturer, his agents, workmen, employees etc., committing the above said acts shall be recovered from the manufacturer.

8.06 In case of revision in Landed Cost due to change in duties / taxes applicable, pending OFS would be revised or cancelled and fresh OFS issued. Manufacturers may note that such revised OFS issued by the Corporation shall be honoured by them at the basic declared price as mentioned in the original OFS.

8.07 The Corporation is only a canalizing agency and is not involved in the marketing of the produce. It would issue OFS to a manufacturer, as per the allotment order of the Excise Commissioner. Accumulation of RS/DS in the premises of the Manufacturer / supplier shall not be the ground for issue of OFS, without there being an allotment order of the Excise Commissioner.

9. Delivery

9.01 Manufacturers shall deliver RS/DS as per the OFS issued by the Corporation. It shall be their responsibility to remit duties / taxes applicable to government.

9.02 Delivery shall ordinarily be between 10 am and 4 pm on working days. Delivery shall be given on the same day, on all working days, in all cases where the buyers report to the Depot before 4 pm, with valid documents viz. valid request letter for escort, OFS , Invoice, Excise permit and the vehicle for taking delivery.

9.03 In case of delivery of DS, the manufacturer shall use the denaturant as indicated by the buyer in accordance with rule 2(c) of the Karnataka Excise (Denatured Spirit and Denatured Spirituous Preparations) Rules, 1967.

9.04 Every vehicle coming for taking delivery shall be inspected by the manufacturer for its fitness for transportation of spirit including OTL compatibility. After confirming that the vehicle is fit for delivery, the vehicle shall be weighed before loading (the tare weight) and after loading (the gross weight). Copies of the weights recorded shall be produced to the depot, only after which documents for sale would be released.

9.05 An exclusive invoice shall be raised by the manufacturer for every consignment against OFS issued and they shall invariably quote the reference number and date of the OFS issued by the Corporation in their invoice. The invoice rate shall be as indicated in the OFS. No revision in price, either contemplated or actually made effective, shall be reckoned for deliveries made for pending OFS.

9.06 Manufacturers shall note that while raising invoice for DS, the name and address of the end user as in the OFS, shall be captured. The second copy of the invoice shall be forwarded to the end user for reference and record. Corporation shall raise purchase voucher on the manufacturer and sales voucher on the end user.

9.07 Delivery of the quantity indicated in an OFS may be through single invoice or more than one invoice.

9.08 The following documents shall be submitted while giving delivery.

- (i) Sales invoices for the quantity delivered;
- (ii) Copies of weights recorded as per para 9.04; and
- (iii) "Sample Test Certificate of the RS/DS Delivered" in Annexure-X.

9.09 In any case, the quantity of spirit drawn shall not be in excess of OFS issued by the Corporation. Drawal of such excess i.e. more than OFS / EC allotment quantity shall be reported to the Distillery officer as violation. However, in case, the excess drawn is more than the invoice quantity, but, within the limit of OFS, for the excess drawn, a supplementary invoice and all other requisite documents shall be raised. Such excess shall not be termed as waste. Each such supplementary invoice shall carry an additional supplementary invoice charge of Rs.1000/- per such invoice.

9.10 Ownership of RS/DS delivered to buyers, other than oil companies, shall pass on to them immediately after delivery at the depot. The buyer shall be responsible for transporting the delivered spirit to its premises of use. All risks during the transit would therefore be borne by the buyer.

9.11 In case of oil companies, where the manufacturer transports ethanol as an agent of the Corporation (as per para 5.07 above), transport risk shall be borne by the manufacturer and the ownership of the ethanol shall be transferred immediately after delivery at the premises of the oil company.

10. Adherence to quality

10.01 The manufacturer is expected to ensure that the items delivered to the Corporation adhere to the quality as stipulated by the relevant standards of the Bureau of Indian Standards and/or other standards as may be applicable.

10.02 Manufacturers shall be liable for any action that may arise due to non adherence to quality parameters. Any dispute/claim arising from the delivery of the spirit to the buyer shall be settled by the manufacturer. They shall keep the Corporation indemnified at all times in this regard.

10.03 Every consignment delivered by the manufacturer shall be subjected to joint sampling by the Depot Manager and manufacturer at the distillery before filling to the delivery vehicle. Two samples of 375 ml each shall be jointly drawn from each storage tank/vat from which the delivery is effected. If more than one tank/vat is used for delivery, then samples from each such tank/vat shall be drawn. These bottles shall be sealed, the identification label provided by the Corporation affixed, signed by the representative of the manufacturer and the depot manager and handed over to the depot.

10.04 After delivery of the consignment to the tanker, three samples of 375 ml each shall be jointly drawn from the delivered consignment by drawing samples from all the sub-tanks of the tanker, mixed and filled to bottle at the distillery. This shall be done at the distillery. Two of the samples shall be sealed, the identification label provided by the Corporation affixed, signed by the representative of the manufacturer and the depot manager and handed over to the depot. The third sample shall be tested by the manufacturer and a certificate as in Annexure-X given to the depot before dispatch.

10.05 The Corporation may, in case of dispute, test the sample in its custody to confirm the declared test results. If the test result varies substantially, the third sample would be tested in a reputed laboratory and if such testing confirms the variation in quality, the Corporation may initiate such action as may be appropriate in the circumstances.

11. Payment for stocks sold

11.01 The amount payable to a manufacturer/supplier for the sales provisionally recorded during a certain period (called the payment cycle) shall be computed and paid on the pay out day. The payment cycle and the pay out day may be suitably modified to reckon intervening holidays.

11.02 However, sales which have been made on credit basis shall be excluded for reckoning payment. Such amounts will be released on pay out day succeeding the day on which the payment is received from the buyer and accounted in the books of Corporation. Notwithstanding the quantity indicated in the sales invoice, the quantity as received by the oil company as per the certificate in the format in Annexure V of the sales policy and to the extent paid for by the buyer shall alone qualify for payment to the manufacturer.

11.03 Any amounts to be recovered from the manufacturer shall be recovered out of the amounts payable. Any missing data due to delays/failures in electronic transfer of data shall be reckoned in the succeeding week and adjusted.

11.04 Payment by the Corporation would only be through a transfer directly to the bank account of the manufacturer. To facilitate such transfer, manufacturers/suppliers shall open an account with any one of the bankers to the Corporation or maintain an account with a bank having RTGS / NEFT facility. No payment by any other mode is allowed. Details of the banks where the Corporation has its accounts may be seen in Annexure- XI.

11.05 In case of any revision in duties / taxes by the Government, the same shall be recoverable from the manufacturer / supplier out of the amount payable to them.

12. Facilities to be offered

12.01 The manufacturer shall offer all facilities to the Corporation at the respective depots established at their premises to supervise the activities relating to issue of spirit. More particularly, the Corporation shall have unhindered access to all manufacturing and appurtenant facilities for recording details as per the administrative instructions of the Excise Commissioner issued from time to time.

13. Compliance with laws

13.01 The manufacturer/supplier shall comply with the requirements of all laws, which are applicable, including timely remittance of tax dues and filing of returns.

14. Force Majeure

14.01 The manufacturer/supplier shall without delay notify the Corporation about any event of force majeure.

14.02 In the event of any failure in performance due to any force majeure condition, such as war, strike, fire, natural disaster, or any other cause whatsoever beyond the control of the manufacturer/supplier or the Corporation, the party so affected shall be exempted from performance during the period of such occurrence.

15. Arbitration

15.01 Any dispute that may arise between the manufacturer/supplier and the Corporation may be submitted to arbitration by a sole arbitrator to be selected by the Corporation from amongst any retired judge of the Supreme Court of India or the High Court of Karnataka. The arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 as amended or substituted from time to time. The venue for arbitration shall be Bangalore. The arbitral award shall be conclusive, final and binding on both the parties.

16. Indemnity

16.01 The Manufacturer/Supplier shall keep the Corporation harmless and indemnified in all matters arising from supply spirit to the Corporation and its subsequent disposal. Any third party claims arising from any buyer shall be settled by the Manufacturer/Supplier at his cost.

16.02 More specifically, the Manufacturer/Supplier shall indemnify the Corporation and keep it harmless with respect to:-

- (i) Non-compliance with the policy of the Corporation / regulatory authorities

- (ii) Non-compliance with the standard specified by the regulatory authorities
- (iii) Non-conformation to the provisions of various laws in force and consequences, losses or claims (including claims of additional duty / taxes raised by the Government of Karnataka) more specifically, the non-remittance and short remittance towards the duties / taxes statutorily payable.
- (iv) Quality claims that may be raised by any user or the ultimate consumer of spirit.
- (v) Claims for damages that may be raised by any user or the ultimate consumer due to delay in delivery of spirit by the manufacturer.

17. Accounts

17.01 The Corporation would provide details of transactions to a manufacturer. They may verify the same and indicate variations, if any. Any adjustment necessary would be made after such verification. However, no such difference shall be entertained by the Corporation after lapse of two weeks from the date of payment to the manufacturer / supplier.

18. Margin

18.01 The Corporation would charge a margin of **Re.0.15** per bulk litre of spirit handled, except in cases of captive consumption within the same premises.

19. Jurisdiction

19.01 All transactions of the Corporation with the Manufacturer shall be subject to the exclusive jurisdiction of Bangalore.

20. Review of the policy

20.01 The above policy is subject to periodic review. If the circumstances so warrant, the Corporation may, at its sole discretion amend this policy and the same shall be binding on all manufacturers.


Managing Director

To

1. All Manufacturers & Suppliers
2. Executive Directors
3. General Managers
4. CLO
5. CS
6. C(A)
7. All Managers in Head Office
8. All IML Depot Managers
9. All Spirit Depot Managers
10. PA to MD
11. Circular – Master File & Spare copies

Annexure I**Details of the Organization of the manufacturer/supplier****(To be given in the letter head of the Organization)**

Name of the Organization:				
Type of the Organization:	Company/Partnership/Sole Proprietorship			
PAN No.				
Documents enclosed	Certificate of incorporation and Memorandum and Articles of Association/Partnership deed and registration from the registrar of firms			
Particulars of the Chief Executive/Managing Partner/Owner	Name	Address	Telephone number	Fax number
Particulars of the other Directors/ Partners	Name	Address	Telephone number	Fax number
	(1)			
	(2)			
	(3)			
	(4)			
	(5)			
Address for correspondence				
E mail id				
Particulars of the bank (with RTGS/NEFT facility) where payments are to be credited				
a) Name of the bank				
b) Branch				
c) Account number				

Place:

Date:

Sd/-

Chief Executive/Managing Partner/Owner
(Name)

Annexure II

Details of RS/DS storage details
(to be given in the letter head of the organization)

Sl. No.	Description of the product	Storage tank identity	Locking Enclosures Yes/No	Capacity (in liters)	Calibrated on
1.					
2.					
3.					
4.					

Place:

Date:

Sd/-

Chief Executive/Managing Partner/Owner
(Name)

Annexure III**Details of authorised signatories to deal with the Corporation on behalf of the manufacturer****(To be given in the letter head of the organization)**

Name of the signatory		
Designation		
Address		
Telephone number		
Mobile number		
E mail id		
Specimen signature	(1)	(1)
	(2)	(2)

We certify that the action of the signatory/ies is binding on the manufacturer.

Place:

Date:

Sd/-

Chief Executive/Managing Partner/Owner
(Name)

Annexure IV

Undertaking to be given by manufacturers/suppliers

(To be given in the letter head of the organization)

To

The General Manager (Operations),
Karnataka State Beverages Corporation Limited,
78, Seethalakshmi Towers,
Mission road,
Bangalore 560 027.

Dear Sir,

Sub: Supply of spirit – reg.

Ref: Sourcing policy of the Corporation for the excise year 2007-08

Please refer to the above.

We are in receipt of the Corporation's sourcing policy for spirit relating to the excise year 2007-08 and have gone through the same in detail.

In this connection, we hereby undertake to supply spirit to the Corporation in accordance with the Corporation's sourcing policy and the Government rules and regulations as applicable.

Thanking you,

Yours faithfully,
for

(Authorised Signatory)

Annexure V**Format for declaration of stock available****Form 01**

Distillery Name

Date

Sl. No.	Item	On the day of report	From 1 st of the month	From 1 st July to date of report
I	MOLASSES			
1	Opening balance			
2	Receipt from sugar factory attached to the distillery			
3	Receipt from other sugar factories and Khandsari units			
4	Total 1+2+3			
5	Issues for distillation			
	Grade A			
	Grade B			
	Grade C			
	Total			
6	Closing Balance			
	Grade A			
	Grade B			
7	Total			
8	Storage losses			
II	RECTIFIED SPIRIT (Above 66 op)			
1	Opening balance			
2	Production			
	Redistilled			
3	Total			
4	Issues (details given below)			
	Sl. No.	Name of licensee	Allotment order no.	Purpose
				Redistillation
				IML
				Chemical/Manufacture of DS
				Others
				Export
5	Total			
6	Closing Balance			
7	Storage Losses			

Sl. No.	Item				On the day of report	From 1 st of the month	From 1 st July to date of report
III	RECTIFIED SPIRIT (Below 65 op)						
1	Opening Balance						
2	Production in distillery						
3	Total						
4	Issues (details given below)						
	Sl. No.	Name of licensee	Allotment order no.	Purpose			
				Arrack			
				Redistilled			
				IML			
				Chemical/Manufacture of DS			
				Others			
				Export			
5	Closing Balance						
6	Storage Losses						
IV	DENATURED SPIRIT						
1	Opening balance						
2	Quantity of RS below/above 65 UP received for DS						
3	Absolute alcohol received for DS						
4	Quantity of DS manufactured						
	Total						
5	Issues (details given below)						
	Sl. No.	Name of licensee	Allotment order no.	Purpose			
6	Closing Balance						
7	Losses						
V	NEUTRAL SPIRIT						
1	Opening balance						
2	Quantity of RS received from distillery for distillation						
3	Quantity of Neutral spirit manufactured						
4	Quantity of RS below 65 op manufactured						
5	Quantity of NS received from distillery and other distilleries						
6	Total						

Sl. No.	Item				On the day of report	From 1 st of the month	From 1 st July to date of report
7	Issues (details to be given)						
	Sl. No.	Name of licence	Allotment order no.	Purpose			
				Others			
				Export			
8	Total						
9	Closing balance						
10	Losses						
VI	ABSOLUTE ALCOHOL						
1	Opening balance						
2	Production in the distillery						
3	Total						
4	Issues (details to be given)						
	Sl. No.	Name of licence	Allotment order no.	Purpose			
	Total						
5	Closing balance						
6	Storage Losses						
VII	MALT SPIRIT						
1	Opening balance						
2	Production in the distillery						
3	Total						
4	Issues (details to be given)						
	Sl. No.	Name of licence	Allotment order no.	Purpose			
	Total						
5	Closing balance						
6	Storage losses						

Signature of the Distillery Officer

Signature of the Licencee

Annexure VIA**Declaration of Basic Declared Price of RS/DS by the manufacturer
(Bulk Quantity)****(To be given in the letter head of the manufacturer)****(i) Basic Declared Price of RS and other spirits**

Particulars	Category of delivery
	Bulk
(i) Basic Declared Price of the manufacturer	
(ii) Duty / tax as applicable	
(iii) Landed Cost to KSBCL [(i)+(ii)]	

(ii) Basic Declared Price of DS

Particulars	Category of delivery
	Bulk
(i) Basic Declared Price of the manufacturer inclusive of cost of denaturant	
(ii) Duty as applicable	
(a) CED (at 16%)(12%)	
(b) Cess on CED (at 2%)	
(c) SED on CED at 1%	
(iii) Total (i) and (ii) above	
(iv) 20% (5.5%) VAT on (iii) above	
(v) Landed cost to KSBCL (iii+iv)	

Place:

Sd/-

Date:

Chief Executive/Managing Partner/Owner
(Name)

Necessary particulars are entered in the system and confirmation copy given to the Distillery.

Depot Manager
(Seal)

Annexure VIB

**Declaration of Basic Declared Price of RS/DS by the manufacturer
(Retail Quantity)
(To be given in the letter head of the manufacturer)**

(i) Basic Declared Price of RS and other spirits

Particulars	Category of delivery
	Retail
(i) Basic Declared Price of the manufacturer	
(ii) Duty / tax as applicable	
(iii) Landed Cost to KSBCL [(i)+(ii)]	

(ii) Basic Declared Price of DS

Particulars	Category of delivery
	Retail
(i) Basic Declared Price of the manufacturer inclusive of cost of denaturant	
(ii) Duty as applicable (d) CED (at 16%)(12%) (e) Cess on CED (at 2%) (f) SED on CED at 1%	
(iii) Total (i) and (ii) above	
(iv) 20% (5.5%)VAT on (iii) above	
(v) Landed cost to KSBCL (iii+iv)	

Place:

Sd/-

Date:

Chief Executive/Managing Partner/Owner
(Name)

Necessary particulars are entered in the system and confirmation copy given to the Distillery.

Depot Manager
(Seal)

Annexure VII (A)

(To be given in the letterhead of the manufacturer)

REQUEST FOR DRAWING RS/DS FOR CAPTIVE CONSUMPTIONRequest Number :
(to be serially numbered for the year)

Request date :

Allotment Order of Excise Commissioner :

Quantity Allotted (bulk liters) :

Description of the Product :

Quantity already drawn :

Balance available for drawal :

Quantity proposed (bulk liters) to be drawn :

Sl. No.	Purpose	Quantity proposed to be drawn	Proposed Date of drawal
	Total		

Place:

Date :

Sd/-

Chief Executive/Managing Partner/Owner
(Name)

Annexure VII (B)

(To be maintained at the Depot)

CAPTIVE CONSUMPTION REGISTER*

(Allotment-wise Quantity drawn)

Allotment Order of Excise Commissioner :

Reference No.	Date	Validity
---------------	------	----------

Quantity allotted (bulk liters) :

Description of the Product :

Details of Quantity drawn (bulk liters) against Allotment Order :

[illegible]

*Entry in this Register shall be made only if there is a bulk order by competent Excise Authority and drawal against such order is in phases.

Depot Manager

Annexure VIII

Clauses to be incorporated in the agreement between the buyer and the manufacturer selected through a tender/negotiation process

- 1) The parties hereby agree that the seller shall issue and the buyer shall purchase rectified spirit/denatured spirit as the case may be only through the Karnataka State Beverages Corporation Limited, the distributor licensee under the Karnataka Excise Act and the Rules made there under and shall be subject to the policies prevailing from time to time.
- 2) The seller shall be liable for any consequences arising out of non-compliance of such conditions/commitments of the contract and he shall keep the Corporation fully indemnified for any consequences that would arise due to breach of contract by either of the parties.
- 3) More specifically, the Corporation shall not be liable and shall be kept indemnified by the seller at all times against any claims for losses/damages due to non-delivery of spirit by the seller or default in payment of contracted price by the buyer.

Annexure IX

**Letter of indemnity
(To be given on the letterhead of the seller)**

To:

The General Manager (Operations),
KSBCL,
Bangalore.

Dear Sir,

Sub: Letter of indemnity

Under NOC No. _____ dated _____
issued by the Excise Commissioner, Government of Karnataka, we are transporting
_____ bulk liters of ethanol from our premises to
M/s. _____.

As per Clause 5.07 of your Circular on sourcing policy, we are acting as the agent for transporting the above consignment. We shall make arrangements for transportation and insurance in respect of the above consignment at our cost and risk.

We hereby agree to indemnify and keep the Corporation indemnified from any and all claims that may arise in respect of transportation of ----- bulk liters of ethanol by us. We further undertake to pay all losses, damages, costs, charges and expenses which the Corporation may suffer and keep the Corporation indemnified in all other respects on account thereof.

Thanking you,

Yours faithfully,
for (Name of the company)

Annexure X**Sample Test Certificate of RS/DS delivered
(To be given on the letter head of the manufacturer)**

Date & time of dispatch	
Vehicle number	
Fitness of the vehicle	Satisfactory / Poor
KSBCL OFS No.	
Manufacturers invoice number and date	
Serial No. of the security seals in the vehicle	
Type of spirit	
Quantity delivered	
Temperature of the delivery	
Strength of spirit (in ° OP)	
Specific gravity of spirit delivered	
Tare weight of the vehicle (in kgs)	
Gross weight of the vehicle (in kgs)	
Weight of the spirit delivered (in kgs)	

Place:

Date:

Sd/-

(Authorised signatory)

Annexure XI**Details of banks where the Corporation has its accounts**

Sl.No.	Name of the bank	Name of the branch
1	State Bank of India,	No.22, Bangalore City Branch, J.C.Road, Bangalore-560 002 A/c No.*
2	ICICI Bank	Government Banking, No.1, Commissionerate Road, Bangalore. A/c No.:
3	SBM	Wilson Garden Branch, 10 th Cross, Bangalore-27 A/c No.:
4	UTI Bank	M.G.Road, Bangalore A/c No.CA-009010200013226
5	UTI Bank	Jayanagar, Bangalore A/c No.CA-052010200010706
6	Syndicate Bank	BWSSB Branch, Avenue Road, Entrance, Bangalore – 560 009 A/c No.:
7	ING Vysya Bank Limited	K.H.Road, Shanthinagar, Bangalore-560 027 A/c No.CA-216011001186

* A/c No. being intimated separately