

KARNATAKA STATE BEVERAGES CORPORATION LIMITED

Circular No.139

Date: 19.06.2007

Export policy for rectified spirit and denatured spirit

A detailed procedure for sale of rectified spirit and denatured spirit 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 export of rectified spirit and denatured spirit. If any procedure is not explicitly mentioned herein, the procedure prescribed in the sourcing and sales policies for RS and DS would be followed. Suppliers and buyers are requested to take note of the procedure prescribed in this circular which would come into effect from 1.7.2007.

1. Export of spirit

1.01 The Corporation would not participate in any solicitations for supply of spirit to buyers outside the state (either within the country or outside). Manufacturers may respond to such solicitations, clearly indicating that the spirit would be issued only through the Corporation and is subject to the extant policies of the government and the Corporation.

1.02 Manufacturers may also export spirit to walk-in outside buyers with whom there is no obligation for regular supply subject to fulfillment of extant excise and other applicable laws, by the exporter. They may also export spirit to their units (which may be under the same legal entity) in other states.

1.03 The Corporation may, if it deems it necessary, refuse to export spirit, notwithstanding the commitment made by the supplier. In such cases, the Corporation would not be liable for any contractual obligation that may devolve upon the manufacturer.

2. Export price

2.01 The basic declared price or the forward contract rate, as applicable for bulk delivery as indicated by the manufacturer, including CST/VAT as applicable, plus the margin of the Corporation shall be the price at which export of spirit would be undertaken.

3. Request to the Corporation by buyers

3.01 The following documents shall be submitted to the head office of the Corporation.

- (i) The No Objection Certificate issued by the Excise Commissioner of the state to which the spirit is to be imported;
- (ii) Allotment order of the Excise Commissioner in Karnataka;
- (iii) Copies of the import permit issued by the competent authority;
- (iv) Quantity proposed to be imported;
- (v) A demand draft payable in Bangalore for the sale consideration or the confirmation portion of the prescribed challan for having remitted the amount.
- (vi) Request letter for escort in Form-VII of Sales Policy. This should be furnished at least 05 working days in advance.

4. Issue of Order for Supplies

4.01 The Corporation would place an Order for Supplies (OFS) to the manufacturer from whom the supply is preferred. The validity of the OFS, quantity for export, etc., shall be in accordance with the No Objection Certificate/Import Permit issued by the importing state.

4.02 The Corporation would also issue an authorisation for export (AFE) to the manufacturer to facilitate obtaining of export permit for the transportation of RS/DS.

4.03 The manufacturer shall arrange and ensure requisite delivery of samples / OTLs and Annexure-V by the importer to the Corporation through the security deployed by the Corporation

5. Delivery

5.01 Manufacturers shall, based on the AFE, apply for an export permit for the transport of the consignment to the destination. A copy of the same shall be produced to the depot concerned to facilitate delivery.

6. Sales Tax

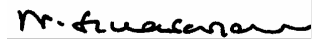
6.01 In respect of export of Spirit to a buyer outside the state of Karnataka, buyers of spirit, being registered dealers under the CST Act, 1957, are required to issue Form "C" prescribed under that Act.

7. Jurisdiction

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

8. Review of the policy

8.01 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 suppliers.



Managing Director

To

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