KARNATAKA STATE BEVERAGES CORPORATION LIMITED

Circular No.179

15.01.2010

Sub: Transportation of spirit

This is to inform that a case of theft during transportation of spirit has been reported on 8.01.2010. The facts of the reported case are as under:

"Two tankers of 20000 BLs each of ENA was transported from M/s Shree Chamundeshwari Sugars, KM Doddi to M/s Vorion Distilleries Inc., Bangalore, who have arranged their own transportation., escorted by one security personnel. During transit between Ramanagar and Bidadi at around 8 p.m. one of tanker was forcibly hijacked along with driver and cleaner by some unknown persons who reported to have followed in two vehicles. The driver and the cleaner of the said tanker who have been hijacked were left free at around 2 p.m. on 9.1.2010 near Sakaleshpur. The missing tanker was noticed by the excise officials at around 8 a.m. on 10.1.2010 near a Dabha on the highway in between Mandya and Mysore. On preliminary investigation by the excise officials around 12000 BLs of ENA is stolen. Meanwhile the owner of the tanker has lodged a complaint in Bidadi police station. The police officials are also investigating about the incident.".

It is brought to the notice of all the concerned including buyers and suppliers that, even though the Corporation is extending the security personnel for escorting the spirit consignment, the spirit tankers for transportation are engaged either by supplier / buyer and hence it is the primary responsibility of either of them to ensure that the trustworthiness of transport agency, driver and cleaner under proper instructions.

As per the Corporation's liquor sourcing and sales policy dt 19.06.2007:

Vide Circular No.135 (sourcing policy) under Clause No.9.10 – "Ownership of RS/DS delivered to buyers, other than oil Companies, shall pass on to them immediately after delivery at 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"

Vide Circular No.136 (sales policy) under Clause No.10.07 - "Ownership of RS/DS delivered to buyers, other than oil Companies, shall pass on to them immediately after delivery at depot. Buyers are therefore advised to verify the goods before accepting the delivery. No claims for damages shall be entertained after handing over".

Under the circumstances, it is advised to all the suppliers and buyers to take necessary precaution to avoid such incidents and to safeguard their spirit consignment while in transit and to ensure that:

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- a) They shall provide at least one security personnel per tanker from either buyer / supplier side with a proper communicating device/mobile etc.
- b) Proper instructions are given to the transport agency in turn to the driver / cleaner about the dos and don'ts and their responsibilities.
- c) To monitor the movements of Lorries and the drivers/cleaners while on duty.
- d) Transit Insurance for the stock is preferred.
- e) The GPRS enabled tankers are engaged for a better control and accessibility.
- f) Tankers arranged shall fulfill standard in terms of age with proper loading and unloading lids/openings and locking facilities
- g) The tankers shall move generally in the daylight in the route as prescribed in the transport permit.
- h) The tankers shall move in a convoy and shall not stop in forest and other human uninhibited places.
- i) Any other measures which helps in safe transit of stock.

Managing Director

To,

- 1) All Manufacturers & Suppliers
- 2) ED(O&F)
- 3) GM(O) / GM(F) / CS
- 4) DGM(O) / DGM(L)
- 5) All Managers
- 6) All Depot Managers
- 7) Distillery Officers
- 8) Circular Master File