

RAJASTHAN STATE BEVERAGES CORPORATION LIMITED
(A Government of Rajasthan Undertaking)

Circular No. RSBCL/LSP/ 2019-20 / 7873

Dated : 08 March, 2019

Liquor Sourcing Policy for 2019-20

This circular pertains to sourcing of liquor. Manufacturers / Suppliers / Importers (henceforth called manufacturers) are requested to take note of the procedure prescribed in this circular which comes into effect immediately.

1. Submission of Initial Documents

1.1 Manufacturers desirous of supplying liquor FMFL, IMFL, Wine, Beer etc. to the Corporation (RSBCL) for subsequent delivery to buyers shall submit the following documents, before their offer can be considered and action is initiated.

- (i) Non interest bearing refundable Security Deposit of Rs. 10.00 lac for new Suppliers in the form of Demand Draft in favour of RSBCL, Jaipur
- (ii) Details of the organization of the manufacturer to be given in its letterhead in the format in Annexure 1.
- (iii) A certified copy of the last valid license granted by the concerned Excise Commissioner / competent authority of the concerned State.
- (iv) Details of executives and / or representatives to deal with the Corporation to be given in its letter head as per the format in Annexure 2.
- (v) An agreement as in the format in Annexure-3 duly executed by the authorized signatory of the manufacturer in a stamp paper of denomination of Rs.500/-.
- (vi) If the manufacturer is not the owner of the brands proposed to be supplied, then a copy of the agreement between the manufacturer and the owner of the brand.
- (vii) Certified copy of the latest audited accounts and annual report. If such accounts pertain to a period other than the recently concluded financial year, reasons for not submitting the certified accounts of such year may be explained and justified.
- (viii) An attested / notarized copy of the registered partnership deed / Memorandum and Article of Association (latest) of the manufacturer.
- (ix) In case IMFL / Beer is being supplied from the source outside the state of Rajasthan, Manufacture / Suppliers will be required to submit the documentary evidence regarding Export Fee charged by them in Cost Sheet.
- (x) Manufacture/ Suppliers shall have to submit copy of FSSAI certificate to the Corporation.

- 1.2 Suppliers desirous of supplying liquor imported from abroad to the Corporation for subsequent distribution to buyers shall submit the following documents, before their offer can be considered and action initiated.
- (i) Non interest bearing refundable Security Deposit of Rs. 10.00 lac for new Suppliers in the form of Demand Draft in favour of RSBCL, Jaipur.
 - (ii) Details of the organization of the supplier to be given in its letterhead in the format in Annexure 1.
 - (iii) Authorization of the manufacturer, if any, permitting the supplier to deal with the products proposed to be supplied to the Corporation.
 - (iv) Details of their executives and / or representatives authorized to deal with the Corporation to be given in its letterhead as per the format in Annexure 2
 - (v) An agreement as in the format in Annexure- 4, duly executed by the authorized signatory of the supplier in a stamp paper of denomination of Rs.500/-.
 - (vi) Certified copy of the latest audited accounts and annual report. If such accounts pertain to a period other than the recently concluded financial year, reasons for not submitting the certified accounts of such year may be indicated.
 - (vii) An attested copy of the registered partnership deed / Memorandum and Articles of Association (latest) of the manufacturer.
 - (viii) In case where BIO (FMFL/ Wine/Beer) is being supplied from the source outside the country, Manufacture/ Suppliers will be required to submit the documentary evidence regarding Customs Duty charged by them in Cost Sheet.
- 1.3 However, the approved Suppliers/manufacturers for 2019-20 are required to submit following necessary annexures:
- (i) Annexure-1 (ii) Annexure-2 (iii) Annexure-3 or 4
 - (iv) Annexure-5 (v) Annexure-6 (vi) Annexure-7/8/9/10 (As the case may be)
 - (vii) Approved labels along with competent sanction letter.
- 1.4 All initial documents shall be signed by the Managing Director or whole time Director or Chief Executive Officer or any other person duly authorized by the Board of Directors of the Company/ Secretary / any Partner /Proprietor, in case of a Company /Society/ Firm / Proprietary concern.



2. Registration of Labels

- 2.1 Labels of brands proposed to be supplied / marketed by a manufacturer located in or outside the state have to be approved by the Excise Commissioner, Rajasthan. Such an approval shall be obtained by the manufacturer and submitted to the Corporation.
- 2.2 Manufacturers located outside the state shall submit a copy of the permission for the manufacture of the brands proposed to be supplied, approval for labels as granted by the competent excise authorities of that state and the authorization for exporting from that state to Rajasthan.
- 2.3 In respect of brands imported from outside India, suppliers shall remit necessary fees for label approval to Excise Commissioner and obtain necessary registration approvals.
- 2.4 Where the change of brand name is apparently only a technical one and the basic brand name is same, then the manufacture will, apart from offering the brand of choosing to this state, will also compulsorily offer similar cheapest brand being sold by him elsewhere.

3. Declaration of Prices and Landed Cost

- 3.1 Manufacturers located within the State or outside are required to declare the price of liquor in prescribed proforma (Annexure - 5). Names of and supply details to all the states and Union Territories shall be included and a certificate to that effect appended. The manufacture shall also submit details in prescribed proformas for all such variants of brands having similar key word, whether registered in Rajasthan or not and sold anywhere within last two years. These details shall be made available to the Corporation at least one week prior to the date on which the manufacturer desires to have the first Order for Supplies (OFS) in respect of these brands.

- 3.2 The manufacturer / supplier shall declare Ex-Distillery Price / Ex-Brewery Price and will provide information relating to minimum EDP / EBP declared in all other states for the same brand and shall also provide the MRP / MSP of the same brands of other states.

If the Ex-Distillery Price / Ex-Brewery Price of the same brands are not approved in other states, Ex-Distillery Price / Ex-Brewery Price and MRP / MSP of the similar brands approved in other states shall be provided by the suppliers; in case of non approval of same / similar brands in other states, the supplier shall submit a declaration for such equivalent level brands. Suppliers shall mention the names of such similar brands.

- 3.3 A statement for each brand of IMFL /FMFL/ Beer indicating information for label registration of a brand of IMFL /FMFL/Beer shall be submitted in the prescribed proforma (Annexure-6).
- 3.4 While doing so, manufacturers may ensure that the description of the item in Annexure 5 and 6 is exactly the same as the label approval accorded by the Excise Commissioner. In case of any difference, the Corporation would not act on the details submitted by the manufacturer.



- 3.5 In respect of brands manufactured in Rajasthan or imported from outside the State, the Corporation is required to declare the price for sale to retailer and the Maximum Retail Selling Price of such products. They shall submit a cost sheet, containing details of basic price and duties in the form as in Annexure 7 or 8.
- 3.6 Suppliers desirous of supplying liquor imported from abroad shall submit a cost sheet containing details of basic price and duties in the form as in Annexure 9 for stocks imported after payment of Customs Duty and as per the form in Annexure 10 for stocks imported duty free. The price shall be indicated in Indian rupees and shall not be contingent upon any fluctuation in foreign exchange rates.
- 3.7 Suppliers may please note that they are required to work out the Landed cost, the sale price and the Maximum Retail Selling Price taking due note of the provisions of the different notifications with respect to duties / fees issued by Government of Rajasthan (Excise Department) / Excise Commissioner under Rajasthan Excise Act and rules framed there under. The Corporation reserves the right to decide the extent of differential cost to be allowed to supplier's for Rajasthan.
- 3.8 The term Landed Cost to the Corporation shall mean: EDP of the manufacturer + ED + Additional Excise Duty. The EDP of case box of Quart, Pint and Nip would be considered individually for determination of MRP. The selling price by RSBCL to the retail seller and maximum retail price will be as per Annexures 7, 8, 9 and 10.
- 3.9 **The Corporation shall charge a margin of 0.50% on the Landed cost. The retailers are allowed a margin as below:**

Margin on Items	Retailer Margin @
Beer (All pack sizes)	22%
IMFL (in Nip size only)	
All other liquor / sizes	20%

Above to be incorporated in Annexure 7, 8, 9 and 10.

- 3.10 The MRP in all capacities of bottles will be rounded off as follows:
- Rounding Up of MRP in all capacities of bottles of IMFL and Beer will be done to the next Re.1.
 - Additional Margin due to rounding up the MPR will be retained by RSBCL as Additional RSBCL Margin.
- 3.11 The Corporation would permit revision in EDP / EBP declared by the manufacturer with effect from Next day from date of rates approval. Manufacturers who want to revise their price shall submit revised declaration to the Corporation at least 10 days prior to the day on which they desire the revision. The MRP of stock lying with Corporation shall also be revised accordingly. The revision of MRP will be permissible only after submission of full justification along with documentary evidence i.e. production cost sheet etc.

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- 3.12 In case of any change in the fee and duty structure, new prices shall become effective from the date of notification issued by the Government. The Corporation would compute the new prices and make necessary changes in prices.
- 3.13 Manufacturers shall submit a revised Maximum Retail Selling Price in respect of their products, after justifying such MRP. Till such time they submit the revised MRP, no fresh OFS shall be issued.
- 3.14 In all such cases, if the rates at which the OFSs would be issued would be revised, all pending OFSs would be cancelled by the Corporation and manufacturers shall surrender all outstanding OFSs and collect revised OFSs immediately.
- 3.15 Any price reduction on account of a revision due to a change in the Declared Price or due to a change in duties shall be borne by the manufacturer. The Corporation would, in respect of the stocks held, debit their accounts with the difference on the day such revision comes into effect.
- 3.16 Manufacturers shall, before introducing any sales promotion or discount scheme communicate to the Corporation, the details of such scheme and its impact on the maximum retail-selling price.
- 3.17 The Suppliers may file online application for the MRP. The procedure will be effective from the date of issuance of detailed circular / guidelines by RSBCL for the purpose.

At the time of deciding the price, Corporation will consider the EBP / EDP and MRP / MSP of the same brand(s) or similar type of brand(s) approved in neighboring states or in other states. The impact on collection of Excise Duty would also be considered while deciding the price.

- 3.18 It shall be the responsibility of the supplier to deposit difference of Excise Duty / Additional Excise Duty on stock lying with RSBCL depots & in transit on the date of approval or revision in MRP. A copy of the challan of such deposited additional ED / AED is required to be submitted to corporation & Excise Department immediately after revision / approval of rates by RSBCL.
- 3.19 After approval of new MRP for the year 2019-20, the supplier concerned has to affix revised MRP on existing stock lying in RSBCL depots / in transit. If any legal liability arises due to non compliance of the above, the supplier will be held responsible for that.
4. Orders for Supplies (OFS)
 - 4.1 Supplies to the Corporation shall be based on the OFS issued by it. The Corporation shall issue OFS based on the stock requirement of depots after duly considering the quantity held, the sales trend and requests of the manufacturer, if any. To facilitate the process, the supplier may indicate the requirement of its brands and packs in various depots. However, the Corporation reserves its right to decide the quantity for which OFS can be issued. Special requests or difficulties faced by manufacturers regarding issue of OFS may be addressed to the General Manager (Operations).



- 4.2 Two copies of the OFS will be issued for the exact quantity that the supplier proposes to transport. It is, therefore, imperative that manufacturers indicate their dispatch plan for issue of OFS. The OFS shall be signed by either of the authorized signatories of the Corporation, whose specimen signatures may be seen in Annexure 11.
- 4.3 The OFS would indicate the validity date within which the manufacturer should complete the delivery. If a manufacturer does not honour the quantity indicated in the OFS within the validity period, then the order for the remaining quantity shall lapse automatically. The Corporation may, at its discretion, extend the validity of the OFS and the manufacturer shall honour the OFS within the extended validity period without fail. However Corporation shall charge a fee for extending validity of each OFS as under:

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|------|--|---|---------------------|
| (i) | For first 4 days or part thereof | - | Rs. 1,000/- per OFS |
| (ii) | For every next 4 days or part there of | - | Rs. 2,000/- per OFS |

However, these rates may be revised by the MD from time to time.

In exceptional circumstances, where the delay is on accounts of factors beyond the control of Manufacturer like natural calamity, accident of the vehicle carrying quantities under said OFS and contingencies alike, MD RSBCL may condone the extension charges.

- 4.4 Repeated lapse of supplies against OFS without valid reasons may result in reduction of quantity sourced and may also attract other penalties that the Corporation may specify from time to time.
- 4.5 In respect of supplies from within State / outside the State or from outside India, the manufacturer or their authorized representatives shall, after the issue of OFS, deposit the Import Fee, Excise Duty and other applicable duties / fees for their respective brands with the Excise Department or through the Corporation. Manufacturers may please take note that they are responsible for remitting / depositing the correct quantum of duties / fees and that they are liable for any short payment of duties (The Corporation shall be entitled to recover any short payment of duty from them, should such instances occur).
- 4.6 In case the supplies are not affected against any OFS and the same is submitted to Corporation for cancellation, the same shall be cancelled on payment of a fee of Rs.5,000/- per OFS. If the cancellation request is submitted after the validity date, the fee mentioned in clause 4.3 shall be charged from the supplier in addition to the cancellation charges. However, these rates may be revised by the MD, RSBCL from time to time.
- 4.7 If any supplier violates the provisions of LSP or Agreement made thereunder, the action may be initiated against such defaulter supplier as per the provisions of LSP / Agreement.
- 4.8 RSBCL may ask supplier to make OFS of a particular brand / brands. In case the supplier does not make OFS then penalty of Rs. 10,000/- per order shall be imposed on the supplier. In case of repetitive non- compliances penalty may be imposed as per clause no. 14.1 of Annexure-3 & 13.1 of Annexure-4.



5. Duty Free Imports

5.1 The Foreign Trade Policy provides duty credit entitlement to specified Hotels and Restaurants in reference to foreign exchange earned by them (eligible importer) in the preceding year. The procedure detailed below shall be applicable for import of liquor into the state under this provision.

5.1.1 The eligible importer shall declare the brands and the quantity proposed to be imported under this provision. The eligible importer shall also declare the source of import, which shall be a supplier who has submitted initial documents to the Corporation.

5.1.2 The supplier as declared by the importer shall be responsible to complete customs and other formalities so that the goods can be transported to the state.

5.1.3 The eligible importer shall be permitted to import only registered labels approved for consumption in Rajasthan for the relevant excise year. The eligible importer shall produce a copy of eligibility certificate, if any, issued by the Director General of Foreign Trade for duty free import of such stocks.

5.1.4 The Corporation shall be the intender of stocks on behalf of the eligible importer. The Corporation shall issue an order for supplies to the supplier. The rate of supply of the item shall be as indicated by the supplier in the cost sheet for duty free import.

5.1.5 The supplier shall thereafter remit state levies as may be applicable through the Corporation or to the Excise Department. The supplier may note that they are responsible for remitting the correct quantum of duties and that they are liable for any short payment of duties. The Corporation shall be entitled to recover any short payment of duty from them, should such instances occur.

6. Delivery

6.1 As indicated above, manufacturers shall affect supplies within the time period mentioned in the OFS. The stocks shall be delivered at the concerned depot of the Corporation at the cost and risk of the manufacturer and shall conform to the brand, quantity and pack sizes as indicated in the OFS. **Any delivery of Stock that deviates from the OFS shall be sold out / drained out as per directions of Excise Department. The stock shall be drained out in the presence of Excise officials and Company representative after adopting following procedure:-**

1. Information is to be given to supplier and H.O.RSBCL immediately.
2. Detailed report along with copy of panchnama be sent to Head Office / DEO concerned.
3. MIS be finalized by keeping such stock in 'Off Line Stock' category.
4. After getting approval of Excise Department, this stock will be drained out as per procedure laid down in Excise department circular no. E.C. 107 dt. 01.05.2014 No refund of Excise Duty shall be made to suppliers for such drained out stocks.



- 6.2 An exclusive invoice shall be raised for every OFS issued. At the time of effecting delivery, the manufacturers shall invariably quote in their invoice the reference number and date of the OFS issued by the Corporation and surrender the OFS in original to the receiving depot.
- 6.3 In cases of all supplies from manufacturers in the State and in respect of imported brands (both from outside the state and the country), the invoice rate shall be as indicated in the OFS.
- 6.4 The invoice of the Manufacturer / Supplier shall be accompanied by the following documents and shall be submitted to the receiving depot.
- (i) The original OFS issued by the Corporation. If the supplies made are in pursuance of more than one order so issued, all such orders shall be attached;
 - (ii) Copy of the permits issued by the Excise Department;
 - (iii) Lorry Receipt;
 - (iv) Copy of the challans for having remitted / deposited duties and
 - (v) If applicable, a statement of the excise adhesive labels / holograms with details of unique identifying numbers (for each bottle) of the carton boxes delivered, segregated item wise in case of manufacturers in the state.
 - (vi) Batch wise details of quantity of dispatch conforming to FL-6.
 - (vii) Fit for human consumption certificate will be issued by Unit In-charge of Excise Department and Lab Chemist of distillery/ brewery concerned before issue of supply to RSBCL depots.
 - (viii) The supplier shall mention batch number and Manufacturing date / month in the invoice.
 - (ix) In case of any discrepancy between the data shown in software and documents physically received, the data in software will be got corrected after taking penalty of Rs. 1,000/- (Rupees one Thousands) per OFS / Invoice. The proposal of supplier for correction should be supported by competent approval / revised sanction of the Excise Department, if needed.
- 6.5 If applicable, all manufacturers / importers are required to mention the excise adhesive label / holograms identifying numbers on all the liquor carton boxes supplied to the Corporation as required by Excise Department from time to time. Such details may be furnished in each carton box as per the format given below, as a sticker / rubber stamp pasted / affixed on the box.

Supplies to the RSBCL	
Name and Address of the Distillery/Brewery	

Excise adhesive / hologram numbers	
From	To

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- 6.6 Manufacturers may please note that the consignment would not be unloaded in the receiving depot if the requirements indicated in paragraphs 6.4 and 6.5 above are not met.
- 6.7 Manufacturers shall ensure that the carton boxes used by them conform to the specifications of the Bureau of Indian Standards and that the boxes do not become a cause for excessive transit and / or depot damages. The Corporation may, if it so warrants, issue necessary guidelines in case of manufacturers who do not use standard boxes, which shall be followed by them.
- 6.8 Manufacturers shall also ensure that they do not overload the lorries transporting their goods. Needless to mention, such overloading is a major cause of excessive transit and depot damages. Any instance of overloading noticed by the Corporation may result in appropriate action as may be necessary.

7. Adherence to Quality

- 7.1 The manufacturer is expected to ensure that the items delivered to the Corporation are fit for human consumption and adheres to the quality as stipulated by the relevant standards of the Bureau of Indian Standards and/or other standards as may be applicable or as desired by Government of Rajasthan. Government of Rajasthan has decided that IMFL, only with ENA as base raw material, would be allowed in Rajasthan.

1. **Indian made Beer when delivered to the Corporation shall be within 120 days of date / month of bottling. In exceptional cases, Beer supplied after 120 days may be accepted with charges of Rs 10/- per carton box per day for next 15 days i.e. upto 135 days and thereafter, from 136 days to 150 days may also be accepted after recording reasons subject to minimum charges of Rs 20/- per carton box per day.**
2. The BIO Beer which is imported from outside India having expiry period from 9 months to one year can be accepted by RSBCL depots up to 180 days from the date of manufacturing. In exceptional cases, Beer supplied after 180 days may be accepted with charges of Rs 10/- per carton box per day for next 30 days i.e. upto 210 days and thereafter, from 211 days to 225 days may also be accepted after recording reasons, subject to minimum charges of Rs 20/- per carton box per day.

However, the supply of Beer, which is more than 150 days old in case of Indian & 225 days old in case of BIO Beer from the date of manufacture, would not be accepted by the Corporation.

- 7.2 The Corporation may periodically test samples of such items as it may decide, to ensure that quality standards are adhered to. If an item does not adhere to the quality standards expected of it, sale in respect of that particular batch of the item (if in stock) would be suspended immediately. A communication would be sent to the manufacturer along with the results of tests carried out with a request to withdraw stocks of the particular batch from the depots at his cost. The manufacturer would also be advised to improve the quality to conform to specifications.
- 7.3 All other brands of such manufacturer will also be subjected to examination and the cost of testing these samples would be debited to the manufacturer. If any of these

products does not conform to specifications, then such products (brands) would be black listed and the Corporation would stop transacting in the same.

8. Transit Risk and Losses

8.1 In case of Labour contract by RSBCL, the stocks from the vehicles of manufactures /supplier shall be unloaded by the contract labour at RSBCL depots. This includes stacking of the liquor in the Depot. The labours will be provided by the labour contractors by RSBCL. The unloading charges shall be recovered from the weekly payments of the suppliers along with GST amount as per applicable rates. An appropriate invoice for the same shall be issued to such supplier for unloading charges. Any damages arising during handling of goods at this stage shall be their (Labour contractor) responsibility. Any risk during the transit of liquor from the premises of the supplier till the stocks are arrived at the depot shall be borne by the manufacturer, who may, if necessary, seek an insurance cover

Note:- Loading into inter-depot transfers desired by manufactures shall be done by contract labour as per approved rates.

8.1.1 In the absence of Labour contract, it shall be responsibility of the manufacturer / supplier to Loading / Unloading stocks at the depots of the Corporation. This includes stacking of the liquor in the depot. Any risk during the transit of liquor from the premises of the supplier till the stocks are unloaded and stacked in the depot shall be borne by the manufacturer, who may, if necessary, seek an insurance cover.

8.2 Transit losses would fall in one of the categories described below. Such losses shall be to the account of the manufacturer.

Short Receipt – Receipt of lesser number of items than what is mentioned in the invoice of the manufacturer and/or mentioned in the transport permit would be categorized under this head. Such short receipt would generally be in the nature of missing bottles in carton boxes, though missing of whole carton boxes cannot be ruled out.

Broken Items – Items that are received in broken condition or detected during delivery by RSBCL for further sales or detected during affixation of excise adhesive labels in case of imported items (both from outside the State and from outside the country) would be categorized under this head.

8.3 If without having any specific reason, shortage in the stock is found during unloading at the Depot, an amount equivalent to the RSBCL Landed Cost of such shortage shall be deducted from the payment of the supplier. The supplier will also be responsible for any liability arising under Rajasthan Excise Act for such shortage.

9. Stocks held for sale

9.1 The Corporation would take necessary care of the stored stock as is reasonably possible and expected of it.

9.2 Damage to stock held for sale as a result of any negligence of the manufacturer or the transporter, it would be to the account of the manufacturer. More particularly, instances of bottles having hairline cracks resulting in steady evaporation of the contents, quantity filled being less than the declared quantity damage due to weak carton boxes, etc., which are controllable by the manufacturer cannot be treated as storage losses attributable to the Corporation. Such or other similar losses whenever detected shall be treated as transit losses and the concerned supplier debited accordingly. Any decision of the Corporation as regards the nature and quantum of such losses shall be final. Manufacturers may, if they so desire, depute their representatives to verify such bottles and satisfy themselves.

- 9.3 Manufacturers may appreciate that storage space as a resource has to be optimally utilized and slow moving / non-moving stocks of one manufacturer should not result in limiting market access of others. It is therefore necessary that stocks move regularly and non-moving stocks are weeded out. The stocks held by the Corporation would therefore be categorized as under.

Active stocks – Stocks that are up to 60 days old in case of Beer, up to 120 days in case of IMFL and up to 180 days for FMFL (BIO), Wine, Cider and Brandy only would be treated as active stocks.

Inactive stock – Stocks that are more than 60 and 120 days old in case of Beer and IMFL, more than 180 days for FMFL (BIO), Wine, Cider and Brandy respectively would be treated as inactive or non-moving stocks.

- 9.4 Inactive stocks shall be charged a Inactive Stock Penalty of Rs.3/- per carton box per day. The Inactive Stock Penalty shall be computed on the basis of carton box days (i.e. one carton box of an inactive item stored for one day is termed as a carton box day and would attract a Inactive Stock Penalty charges of Rs.3/- and adjusted against the payments due to the manufacturer. Any tax / levy (e.g. Service Tax) chargeable on inactive stock penalty with surcharge thereon, if any, will also be recoverable from the manufacturer as per provision in this regard. This penalty will be charged proportionately in case of loose bottle also on the same pattern.

The above provision will not be applicable upon Rajasthan Government Undertakings e.g. Rajasthan State Ganganagar Sugar Mills Limited.

- 9.5 In the beginning of the month, the Corporation would give details of inactive items as at the end of the previous month, with a request to liquidate them within thirty days. If the manufacturer does not take necessary action to liquidate such stocks within the period aforesaid, the Corporation would dispose off the inactive stocks in any manner as may be appropriate and the difference between the price of delivery of liquor and the amount realized shall be borne by the manufacturer. The manufacturer shall not have any further claim against the Corporation in respect of such stocks. In case of any failure of the manufacturer to deposit any RSBCL dues to be recovered from the manufacturer, the stock of manufacturer may also be disposed off in the same manner to recover the dues after giving notice of 15 days.

- 9.5.1 In case manufacturers / suppliers / distilleries make a written request to the Corporation about their intention to withdraw stocks of IMFL from depots for re-processing in view of non-movement, deterioration in quality and packing etc., RSBCL will recommend to the Excise Commissioner to permit the distilleries to take back the stocks for re-processing in the manner to be prescribed by the Excise Department. Corporation margin @ 0.50% plus Inactive Stock Penalty shall be recovered from the supplier in case stock is taken back for reprocessing, just like other stock.

- 9.5.2 Procedure regarding unapproved stock

- 9.5.2.1

Suppliers will be intimated up to 15th April every year regarding the closing stock of their various unapproved brands of IMFL / FMFL / Beer lying at RSBCL Depots on 31st March. The suppliers will confirm the balance of the stock up to 30th April.

The closing stock of the unapproved brands will be deemed to be confirmed in case the required confirmation is not received from the suppliers within the specified time.

9.5.2.2

After receiving confirmation from the suppliers regarding position of the closing stock of their unapproved brands lying in RSBCL Depots on 31st March, the suppliers will be served with a registered notice up to 15th May every year regarding either to get the brands & labels of such stock approved or take permission for such unapproved stock back to distillery / brewery within specific period.

9.5.2.3

- (a) The suppliers will be required to get the brands and labels approved from Excise Department or obtaining permission from Excise Department for taking the unapproved stock back to the distillery / brewery within 3 months i.e. up to 30th June every year.
- (b) The onus of providing information to Corporation in time regarding approval of brands & labels or permission of taking back of such stock to distillery would be solely upon the suppliers. The above information shall be provided to the Corporation either by Registered post or through e-mail on the authorized e-mail IDs of the Corporation.

Corporation will not be liable for any loss caused to the supplier due to non /inadequate communication from the supplier's side.

9.5.2.4

- (a) If neither the brands and labels are got approved nor permission for taking such stock back to distillery is taken from the Excise Department, procedure of destruction of such unapproved stock would be initiated by Corporation just after expiry of the stipulated period of three months i.e. from 1st July every year. It will be deemed and considered that the supplier has given his consent to drain it out and for that no further communication in any manner will be required from the Corporation.
- (b) The following actions for disposal of such stock will be taken by the corporation:-

1. Beer & Ready to Drink beverages (IMFL) – It Shall be drained out at the depots within 2 months after expiry.
2. IMFL / FMFL –

The Corporation will drain out such stock in the presence of the representatives of Excise Department as per procedure laid down or allow the supplier to take back such stock provided competent approval is obtained for the same.

- (c) No refund of Excise Duty, Additional Excise Duty or any other Duties / Levies will be payable to suppliers against such drained out stock.

- (d) Any dues, pertaining to demurrage charges against unapproved stock or otherwise expenses incurred by the Corporation in draining out such stock, will be recovered from the supplier. Such amount will be recovered from the amount payable to the supplier. Subsequently the balance amount, if any, will be recovered from the security deposit of the supplier.
 - (e) In case the supplier does not make payment of due amount to Corporation, the action for the recovery of the amount will be initiated under prevailing Acts and Rules. The recoverable amount will include the due amount and interest @ 1.5% per month from the due month and part there off.
- 9.6 However, any stock of beer & Ready to Drink beverages (IMFL) lying unsold & expired and declared unfit for human consumption at the depot shall be drained out by the Corporation. Any expenditure incurred by the Corporation towards this shall be recovered from the manufacturer. No compensation shall be payable in respect of such stock. Corporation margin @ 0.50% plus Inactive Stock Penalty (subject to the maximum period of six months from the date / month of bottling in case of drain out) shall be recovered from the supplier in case of such stocks also, just like other stock.
- 9.6.1 In case where such beer is not drained out in the Depot itself, it is further provided that the breweries are allowed to take the old stock of beer back to their factories, which is over six months from the date / month of bottling, and lying with the RSBCL depot, where the same will be drained out under the supervision of Excise Department. The decision with regard to refund / adjustment of Excise Duty on such stocks (taken back to factory) shall be taken by Excise Department as per the provision of Rajasthan Excise Act / Rules. Corporation margin @ 0.50% plus Inactive Stock Penalty shall be recovered from the supplier in case of such stocks also, just like other stock.
- 9.7 (a) Where the labels of the brands of IMFL / Beer / BIO (FMFL / Beer) have been approved by the Excise Commissioner, Rajasthan for Financial year 2019-20 but the MRP's of such brands have not been got approved by the suppliers concerned for F.Y. 2019-20 and the stock of all or any of such brands was lying in RSBCL Depots on 31st March 2019, RSBCL will be authorized to sell such stock in 2019-20 on the same EDP / EBP / Basic Price which was effective in F.Y. 2018-19 up to that date on which the changed EDP / EBP / Basic Price are approved by RSBCL for the brand(s) concerned.
- (b) The MRPs of such brands will be ascertained by RSBCL as per prevalent rates of Excise Duty, Additional Excise Duty, VAT and other applicable taxes / fees.
 - (c)
 - (i) The suppliers of IMFL / Beer / BIO brands may apply fresh OFS in F.Y. 2019-20 if the brands and labels are approved by Excise Department for 2019-20.
 - (ii) OFS will be applied on the same EDP / EBP / Basic Price approved in 2018-19 till the new proposals, if any, are approved.
 - (iii) MRP in such case, will be ascertained by RSBCL considering change in excise or other levies.



- (d) If the EBP / EDP / Basic Price and MRP of any brand(s) are approved by RSBCL on the basis of proposals submitted by the suppliers for 2019-20, the suppliers will apply OFS on such approved EBP /EDP / Basic Price and MRP for 2019-20 from the next working day of the date of such approval.
- (e) If the EBP / EDP / Basic Price submitted by the suppliers for approval is not found justifiable, the suppliers may be asked to submit revised proposal or the Production Cost Sheet of the brand(s). RSBCL will analyse revised proposal / Production Cost Sheet, as the case may be, before approval of EDP / EBP / Basic Price.

10. Inter Depot Transfers

- 10.1 The Corporation shall have the liberty to effect inter depot transfer of stocks for quick and easy disposal. Manufacturers may also request for such transfers, if in their opinion, such transfers would facilitate disposal of stocks. However, the decision of the Corporation in this regard shall be final.
- 10.2 Manufacturers shall bear all expenses towards inter depot transfers. If for any reason, the Corporation expends any amount towards the transfer, like permit fees, such amounts shall be immediately debited to the account of the manufacturer. Transit losses due to the transfer shall be borne by them.
- 10.3 Where any application is presented for issue of Inter Depot Transfer Order the supplier shall be required to deposit fee @ Rs. 3/- per CB subject to minimum of Rs. 200/_ per T.O.O. or as decided by MD, RSBCL from time to time. However as regards extension and cancellation of T.O.O., the fees prescribed for extension / cancellation of OFS, as mentioned in relevant clauses shall be applicable.

11. Payment for stocks sold

- 11.1 The Corporation shall pay the manufacturer only for the stocks sold. Unsold stock shall not be eligible for any payment, except to the extent mentioned in clauses 12 and 13 below.
- 11.2 The amount payable to a manufacturer for the sales provisionally recorded within the week ending every Wednesday shall be computed and credited through RTGS on the following Monday. Any amounts to be recovered from the manufacturer due to Inactive Stock Penalty, interest, etc. shall be recovered out of the amounts payable. The Corporation would provide a statement of provisional sales recorded to facilitate reconciliation. Any missing data due to delays / failures in electronic transfer of data shall be reckoned in the succeeding week and adjusted.
- 11.3 The Corporation prefers to transfer the amounts due to the manufacturer directly to their bank account. To facilitate such transfer, manufacturers may open an account with any one of the bankers to the Corporation.
- 11.4 The Corporation would not be a party to any bill discounting arrangement that the manufacturer may enter into with his bank.
- 11.5 Once in three months, the Corporation would verify unaudited sales data and rework the payment due to the manufacturer. Any adjustment necessary would be made after such verification.

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- 11.6 The Corporation would provide an extract of all transactions of manufacturer before the 10th of the succeeding month on the RSBCL site. Manufacturers may verify the statement and point out instances of differences, if any, within the next two months. The Corporation would, after confirmation, initiate corrective action. However, the Corporation shall entertain no such difference after two months of the close of the financial year.
- 11.7 Payment will be released in the manner prescribed below:
- (a) Corporation will release payment preferably to the brand owner who has got the brand registered in its name by Excise Department and only he will issue sale / VAT invoice of the IMFL / Beer supplied to the corporation.
 - (b) If, in certain exceptional cases where it is not feasible for him to issue sale / VAT invoice, he will have to produce a mutual agreement (as per Annexure- 13) with his supply source(s) specifically authorizing him to receive payment on behalf of his supply source(s) also.
 - (c) Additional supply source(s) shall be added only after producing such mutual agreement as per Annexure - 13.
12. Advances towards Duties Paid for Stocks Delivered
- 12.1 The Corporation may advance the Excise Duty and other fees / duties remitted by manufacturers in respect of stocks delivered. The scale of reimbursement would be as per the norms structure of such duties / fees payable to Government of Rajasthan (Excise Department) / the Corporation.
- 12.2 Manufacturers shall specifically express their willingness ten days prior to the date from which they desire the advance and conclude an agreement as may be prescribed and required before the advance can be paid. Any manufacturer who has opted for obtaining the advance may opt out after giving ten days notice. In such a case, the outstanding advance would be recovered as may be decided by the Corporation.
- 12.3 Stocks that have an inventory turnover ratio (the ratio computed as the total sales for the last three months divided by the average stock held during that period, called eligible stock) of 2.5 or above shall alone be eligible for the advance.
- 12.4 The Corporation shall have the first charge on the eligible stocks for which an advance has been paid. The manufacturer shall be obliged to inform this position to the bank with which it has banking arrangements and inform the Corporation accordingly.
- 12.5 Manufacturers may ensure that the value of eligible stocks held by the Corporation is 1.75 times the advance outstanding against them. In the event the value of eligible stock falls below 1.75 times the advance outstanding, proportionate recovery would be made out of the amounts due to the manufacturer on the next payment day.



- 12.6 The advance shall be paid on every Saturday along with the payment for stocks disposed off by the Corporation. The advance shall carry interest at 12 per cent per annum. The advance in respect of the stock sold and the interest payable on the amount outstanding shall be computed every week and adjusted against the payment to be received by the manufacturer.
13. Advance payment of duties for supply of stocks
- 13.1 Manufacturers, who have adequate stocks and/or have sufficient raw material and work in progress and other facilities to supply stock against the OFS issued by the Corporation within three days of drawing the advance, are eligible to avail an advance for payment of Excise duty and other fees / duties as payable to Government of Rajasthan (Excise Department).
- 13.2 Only eligible stock (as defined in para 12.3) shall qualify for the advance. The quantum of advance shall not exceed 30 per cent of the purchase value of the monthly sale quantity of the eligible stock.
- 13.3 Manufacturers intending to avail an advance as aforesaid shall make a written request to the Corporation and conclude an agreement as prescribed by the Corporation before the Corporation considers their request. They shall indicate the amount of advance that they seek, giving details of the brands, sizes and quantities that they intend to supply against the advance requested.
- 13.4 The Corporation shall scrutinize such applications and may make inquiries and call for a confirmation from the Distillery Officer regarding availability of stocks for delivery and/or such other evidence as may be necessary to ascertain the stock position and the capability of the manufacturer to supply against OFS issued and arrive at the actual amount of advance required for payment of ED and other fees / duties applicable by the manufacturer.
- 13.5 The Corporation reserves the right to reject an application completely or partially and make such changes in quantities and brands as it deems fit. The Corporation may, in order to safeguard its interest, attach such additional conditions as may be necessary.
- 13.6 A deposit of 12% of the advance sought / sanctioned shall be retained by the Corporation out of the amount payable before any disbursement of advance is made. Then the Corporation shall provide a demand draft in favour of Excise Commissioner and the distillery officer of the concerned manufacturer shall acknowledge the DD.
- 13.7 Manufacturers shall supply the ordered quantity, against which the advance has been availed as above, within three days from the date of payment of duty. The Corporation may at its sole discretion, extend the time for supply of stock by the manufacturer, but in no case shall it extend beyond seven days from the date of payment of duty.
- 13.8 Manufacturers shall ensure that the goods so delivered are liquidated within ten days from the date of delivery at the depots of the Corporation.



14. Representatives of the Manufacturers

14.1 The Corporation would allow collection of OFS and other documents only by authorized representatives of manufacturers. Such representatives (not exceeding three) may be authorized as in the format in Annexure 12, a copy of which shall be delivered to the Corporation for its record. Authorized representatives shall produce another copy before the OFS or documents are handed over.

15. Jurisdiction

15.1 All transactions of the Corporation with the Manufacturer shall be subject to the jurisdiction of Jaipur.

16. Review of the Policy

16.1 The above policy is subject to periodic review. The Corporation is at liberty to amend it, if the circumstances so warrant.



Managing Director

Copy for information / necessary action: / 7874

Dt. - 08-03-2019

- (i) Additional Chief Secretary, Finance, Govt. of Rajasthan, Jaipur.
- (ii) Finance Secretary (R), Govt. of Rajasthan, Jaipur.
- (iii) Excise Commissioner, Rajasthan, Udaipur.
- (iv) Executive Director, RSBCL / All GMs
- (v) GM, RSGSM, Jaipur
- (vi) All Additional Commissioners, Excise / DEOs
- (vii) All Depot Managers / Managers RSBCL.
- (viii) All Manufactures / Suppliers.
- (ix) Circular - Master File



Managing Director

