

# ODISHA STATE BEVERAGES CORPORATION LIMITED



## SUPPLY CHAIN MANAGEMENT POLICY 2020

## CONTENTS

SL. NO.	SUBJECT	PAGE NO.
1.	INTRODUCTION	1
2.	DEFINITION	2-11
3.	SUBMISSION OF INITIAL DOCUMENTS FOR REGISTRATION OF SUPPLIER	11-13
4.	APPROVAL OF OFFER PRICE	14-16
5.	PROCEDURE FOR SUPPLY OF STOCK	17-19
6.	PAYMENT OF IMPORT FEE / EXCISE DUTY/ COUNTERVAILING DUTY/ VEND FEE / PASS FEE	19-23
7.	PACKING	23-24
8.	CONTENTS OF INVOICE	24-25
9.	DISPATCH OF CONSIGNMENT ALONGWITH REQUIRED DOCUMENTS	26
10.	DELIVERY SCHEDULE	26-28
11.	RESPONSIBILITY OF SUPPLIER	29-33
12.	STOCK PROCUREMENT NORMS	33-34
13.	TERMS OF PAYMENT TO SUPPLIER	34-37
14.	QUALITY AND CONDITIONS OF SUPPLY	37-40
15.	E-PAYMENT/ONLINE PAYMENT BY THE RETAILERS FOR PURCHASE OF STOCK	40-41
16.	WORK PROCESS AT THE DEPOT	41-45
17.	INTER DEPOT STOCK TRANSFER	45
18.	ROLE OF AN EXCISE OFFICER-IN-CHARGE (OIC) POSTED BY THE EXCISE COMMISSIONER AT OSBCL DEPOT	45-49
19.	PHYSICAL VERIFICATION OF STOCK	49-51
20.	INSPECTION	51
21.	INSURANCE COVERAGE	52
22.	REPRESENTATIVE OF THE SUPPLIER/RETAILER	52
23.	PROFIT MARGIN OF CORPORATION AND THE RETAILER	52
24.	MANAGEMENT INFORMATION SYSTEM (MIS)	52-54
25.	ISSUE OF NOC FOR EXPORT OF IMFL/BEER TO OUTSIDE THE STATE	54-56
26.	WITHDRAWAL OF THE OFFER	56
27.	GENERAL	56
28.	NON-WAIVER	57
29.	PREJUDICIAL CONDUCT	57
30.	RIGHTS OF THE CORPORATION	58
31.	FORUM FOR LEGAL PROCEEDINGS	58
32.	REVIEW OF FEEDBACK	58

## **PREAMBLE**

The “**Supply Chain Management Policy**” deals with purchase, storage and sale of Foreign Made Foreign Liquor (FMFL), India Made Foreign Liquor (IMFL), Beer, RTD, Wine and Country Liquor (ENA based) by the Odisha State Beverages Corporation Ltd.

The Corporation is the sole wholesaler for all kinds of Foreign Made Foreign Liquor (FMFL), India Made Foreign Liquor (IMFL), Beer, RTD, Wine and Country Liquor (ENA based) in the State of Odisha. The “Supply Chain Management Policy” of the Corporation lays down the provisions that govern the wholesale trade of the above categories of liquor. The terms and conditions of purchase, storage, sale, import and transport of such liquor are prescribed in the Policy. The Supply Chain Management Policy, which was effective from 01.01.2019 has been suitably amended taking into account the changes made in Odisha Excise Act, 2008, Odisha Excise Rules, 2017, Excise Policy, 2020-21 and decisions made by the Board of Corporation in the meanwhile and the “**Supply Chain Management Policy, 2020**” incorporating these amendments is effective from 01.04.2020.

The suppliers (sellers) of the above categories of Liquor , who have already been registered or who intend to be registered to carry on their transactions with OSBCL, are to adhere to the procedure prescribed in the “Supply Chain Management Policy, 2020”. The licensed retail vendors who purchase the liquors from depots of the Corporation and sale to the consumers at their designated retail outlets within the State of Odisha shall also adhere to this Policy.

**Managing Director**

# ODISHA STATE BEVERAGES CORPORATION LIMITED

(A Government of Odisha Undertaking)

Notification No. 2358

Date: 26.8.2020

## **SUPPLY CHAIN MANAGEMENT POLICY, 2020**

---

### 1. INTRODUCTION

With the implementation of Odisha Excise Act, 2008 and Odisha Excise Rules, 2017 w.e.f. 01.04.2017 and introduction of GST w.e.f. 01.07.2017 subsuming several taxes & duties such as Central Excise Duty, VAT, Service Tax etc. and repealing of Entry Tax which have a bearing on Import and Transport of liquor, it was felt necessary to make certain changes in the "Liquor Sourcing Policy, 2016-17" and renamed the same as "**Supply Chain Management Policy**" of OSBCL keeping in view that the scope of the Policy covers different aspects of Supply Chain applicable to the Corporation. As provided under Section 19 of the Odisha Excise Act, 2008 the Odisha State Beverages Corporation Ltd., a Corporation wholly owned and controlled by the State Government, is vested with the exclusive right of purchasing Foreign Made Foreign Liquor (FMFL), India Made Foreign Liquor (IMFL), Beer, RTD, Wine and Country Liquor (CL) from the manufacturers/suppliers and selling the same to the licensed retailers in the whole of the State of Odisha on behalf of the State Government. Since its inception on 1<sup>st</sup> day of February 2001 vide Excise Department Notification No. 514/Ex dated 30.1.2001, it has been purchasing Foreign Made Foreign Liquor (FMFL), India Made Foreign Liquor (IMFL), Beer, RTD, Wine and Country Liquor (CL) and selling the same to the licensed retailers at its depots located across the State. The existing "Supply Chain Management Policy" replaced the Liquor Sourcing Policy, 2016-17, w.e.f - 01.01.2019. Further, the amendments required in the existing Supply Chain Management Policy, following the changes in the Odisha Excise Act, 2008, Excise Rules, 2017, Excise Policy, 2020-21 and considering the implementation of the latest online module and the decisions taken by the Board of the Corporation in the meanwhile, have been incorporated in to this Policy and the amended policy has been renamed as "**Supply Chain Management Policy, 2020**". It will come into effect from 1<sup>st</sup> April, 2020.

*hmi*



## Supply Chain Management Policy, 2020

### 2. DEFINITION

In this Policy, unless there is anything repugnant to the subject or context, the following shall mean as defined hereunder:

- 2.1 **Corporation:** The Odisha State Beverages Corporation Ltd., in short “OSBCL”, presently having its registered office at 2<sup>nd</sup> Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023 and its depots at different places in Odisha to facilitate the procurement, storage & sale of FMFL/IMFL/Wine/Beer/RTD/CL and sale of the same to the Licensed retailers.
- 2.2 **Depot:** The warehouses of OSBCL at various locations for storage and sale of FMFL/IMFL/Beer/RTD/Wine/CL (ENA based) to the licensed retailers of the State.
- 2.3 **Depot Manager/Branch Manager:** An officer as deputed/deployed by Govt. in Excise Department under Odisha Excise Service.
- 2.4 **GER (Gate Entry Register):** When the consignment arrives at the designated depot within the validity period of Import/Transport Pass, the concerned depot shall make online entry in the GER (Gate Entry Register) of the said consignment in the online portal of the Corporation. However, even after the expiry of the validity of Import/Transport Pass, depot will make online entry in the GER of the consignments arrived at the designated depot subject to extension of validity period of Import / Transport Pass for which a request will be made to Superintendent of Excise, Khurda through the Head Office of the Corporation based on the online request of the supplier as per the details of guidelines & fees prescribed at Para-6.11.1.



## Supply Chain Management Policy, 2020

- 2.5 GRN (Goods Receipt Note):** After unloading of consignment at depot, necessary item wise entries regarding receipt of good stock are to be made in the online portal of OSBC by the depot along with details of transit breakages and shortages found in the consignment. The online GRN details will be entered simultaneously in to the offline system of OSBC.
- 2.6 Supplier (Seller):** Person, Firm or Company or Corporation duly registered with the OSBCL those who sell their products i.e. FMFL/IMFL/Wine/Beer/RTD/CL to the Corporation as per the Price approved by the Price Fixation Committee (PFC).
- 2.7 Retailer:** Person or Firm or Company/Military or Para Military concern to whom the Excise Department has given license to sell FMFL/IMFL/Wine/Beer/RTD/CL at their respective designated retail outlets to the end customers.
- 2.8 Year:** Means year from 1<sup>st</sup> April to 31<sup>st</sup> March.
- 2.9 Country Liquor (ENA based CL):** Means all liquor produced or manufactured in India other than foreign liquor and India made foreign liquor and includes such other intoxicants as may be declared by the State Government from time to time to be country liquor.
- 2.10 Foreign Made Foreign Liquor (FMFL):** "Foreign Made Foreign Liquor" means alcoholic beverages manufactured outside the Country i.e. Bottle in Origin (BIO) products imported into India from other countries and briefly known as FMFL. It includes Foreign Made Foreign Beer (FMFB) & Foreign Made Foreign Wine (FMFW).
- 2.11 India Made Foreign Liquor (IMFL):** Liquor produced, manufactured or compounded in India and made in *colour* and *flavour* to resemble



## Supply Chain Management Policy, 2020

whisky, rum, vodka, gin and brandy imported from foreign countries into India and includes "milk punch" and other liquors consisting of or containing any such spirits (but does not include foreign made foreign liquor) and such other intoxicants as may be declared by the State Government to be India Made Foreign Liquor (IMFL), but does not include Foreign Made Foreign Liquor.

- 2.12 Beer:** Any fermented alcoholic beverages made from barley, malt or other malted grains, sometimes with added adjuncts like wheat, maize corn, rice or other cereal crops includes black beer, ale, stout, cereal crops, and with hops or hops extracts, porter and such other substance as may be specified by the State Government.

Depending upon the ethyl alcohol content, beer maybe classified as under:

- (i) Mild Beer–Abv (v/v) up to 5%.
- (ii) Strong Beer– Abv (v/v) more than 5% and up to 8%.

- 2.13 Ready to Drink (RTD):** It is a pre-mixed packed form of cocktail for direct consumption with low alcohol content (up to 8% V/V).

- 2.14 Wine:** It is the un-distilled alcoholic beverage produced by partial or complete alcoholic fermentation of juice of fresh sound ripe grapes, including grape juice concentrate, restored or un-restored pure condensed grape must and raisins.

- 2.15 Intoxicant:** Any liquor, which the State Government may, by notification, declares to be an intoxicant and includes Mohua flower and molasses.

- 2.16 Alcoholic Beverage:** Any beverage with alcohol content which is fit for human consumption.



## Supply Chain Management Policy, 2020

**2.17 Liquor:** It means an intoxicating liquor and includes-

Extra Neutral Alcohol (ENA), rectified spirits, wine, beer, tari, pochwai, fermented liquor made from Mohua or molasses, plain spirit made from materials recognized as country spirit base and every liquor consisting of or containing alcohol; and

Any other intoxicating substance which the State Government may, by notification, declare to be liquor for the purposes of the Odisha Excise Act, 2008.

**2.18 Brands:** Different types of FMFL/I MFL/ Wine/ Beer/ RTD/ CL manufactured in & outside the State of Odisha and outside the country sold to the Corporation by the registered suppliers under different names/labels which are duly approved by the Excise Commissioner of Odisha.

**2.19 Offer Price:** Price at which the Supplier (Seller) offers to sell FMFL/IMFL/Wine/Beer/RTD/CL to the Corporation. It includes all cost components incurred by the Supplier (Seller) up to the point of destination i.e. at the designated depot of the Corporation or any other location within Odisha as specified in the Import/Transport Pass including packaging, freight, insurance, EAL fee, export fee, unloading and stacking in the godown and such other taxes & duties as applicable other than State Excise Duty/Countervailing Duty/Vend Fee, Import Fee and AROED. Such Offer Price once approved by the Price Fixation Committee (PFC) becomes valid till its next revision.

**2.20 Import Fee:** The fee prescribed from time to time by the State Govt. for import of liquor to Odisha from other states inside India.

*hewi*





## Supply Chain Management Policy, 2020

- 2.21 Landing Cost:** The sum of Offer Price and Import Fee. The Offer Price is the Landing Cost if Import Fee is not applicable.
- 2.22 “Excise Duty” and “Countervailing Duty”:** It means duty leviable under the Excise Act as Excise Duty or Countervailing Duty, as the case may be, which the State Govt. is empowered to levy under the law enacted under Entry 51 of List-II of the Seventh Schedule of the Constitution of India. Excise Duty is leviable on liquor manufactured inside the State and Countervailing Duty” is the duty on similar goods manufactured or produced elsewhere in India and imported to Odisha.
- 2.23 Vend Fee:** It is the Excise levy on Bottle in Origin (BIO) products like Foreign Made Foreign Liquor (FMFL), Foreign Made Foreign Beer (FMFB) & Foreign Made Foreign Wine (FMFW) manufactured outside the country and imported into India and supplied from the licensed Custom Bonded warehouses inside India for sale in the State of Odisha.
- 2.24 Additional Rounding Off Excise Duty (AROED):** As per the Excise Policy, 2020-21, the liquor MRP (per unit / pack) in the State would be rounded off to next ₹10 in order to make cash transactions convenient at the retail outlets. The Excise department would charge the Additional Rounding Off Excise Duty (AROED) where required at such a rate to ensure that the liquor prices (per unit) are rounded off to next ₹10.

The Additional Rounding Off Excise Duty (AROED) shall be a part of MRP build-up just like Excise Duty and would be included in total Excise Duty payable while issuing the Permits. It shall be applicable at such value and in such a manner that after application of VAT and



## Supply Chain Management Policy, 2020

retailer's margin on wholesale issue price, the MRP arrived is exactly a multiple of ₹10.

### ILLUSTRATION:

- A) Suppose MRP of any item before rounding off is Rs.107.00  
B) and, MRP of the said item after rounding off is Rs.110.00  
C) Hence, Rounding Off difference of the item is Rs. 3.00  
D) Let, AROED amount be 'Y'  
E) Then, VAT (assuming 35%) i.e. 35% of AROED = 0.35Y  
F) and Retailer's Margin (assuming 12%) = 12% of (AROED + VAT)  
or, 12% of (D+E) = 0.12 (Y + 0.35Y)  
= 0.12Y + 0.042Y  
= Y (0.12 + 0.042)  
= 0.162Y

As per above data, AROED = Y, VAT= 0.35Y & Retailer's Margin = 0.162Y  
As per C, the Rounding off Difference amount is Rs 3.00 which is the sum of D+E+F i.e. Y+0.35Y+0.162Y = Rs 3.00  
or, Y (1+0.35+0.162) = Rs 3.00  
or, 1.512Y = Rs 3.00  
or, 'Y' i.e. AROED = 3/1.512 = **Rs 1.9841**  
Now, the share of VAT = 0.35Y = 0.35 X 1.9841 = **Rs 0.6944**  
And the share of Retailer's Margin = 0.162Y = 0.162 X 1.9841 = **Rs 0.3215**

**2.25 Purchase Price:** The sum of Landing Cost, Excise Duty/ Countervailing Duty/Vend Fee and Additional Rounding Off Excise Duty (AROED) as per the extant Excise Policy is called as Purchase Price to the Corporation.

**2.26 Corporation's Profit Margin:** The profit margin is retained by the Corporation for its sustenance in the course of wholesale trading of alcoholic beverages in the State. The Board of Directors of the



## Supply Chain Management Policy, 2020

Corporation fixes the profit margin of the Corporation from time to time. The present margin of the Corporation is 1.0% (One Percent) of Landing Cost across all Items.

- 2.27 Wholesale Issue Price:** The price at which the Corporation sells FMFL/IMFL/Wine/Beer/RTD/CL to the licensed retailers which excludes VAT and TCS. Thus, Issue Price is the sum of Purchase Price & Corporation's Profit Margin.
- 2.28 VAT:** It is the Value Added Tax (VAT) levied by the State Govt. under Odisha VAT Act, 2005. At present the rate of VAT is 35% of issue price (Sale Price) for all categories of Alcoholic Beverages, except Country Liquor for which it is 20% of Issue Price.
- 2.29 TCS (Tax Collected at Source):** As per the provisions U/S 206C of Income Tax Act, 1961, Corporation shall collect 1% of Sales Consideration. It doesn't take part in the process of MRP build-up.
- 2.30 Retailer's Margin:** The Retailer Margin is fixed by the State Govt. and the details of margin structure is prescribed in the extant Excise Policy.
- 2.31 MRP:** It is the Maximum Retail Price at which an alcoholic beverage item in packaged form (bottle/can/tetra) is to be sold to the consumers inclusive of all applicable levies (taxes /duties/ fees etc). The same is printed on the Packaging (bottle/can/tetra) of the item as illustrated at 4.8 of the Policy.
- 2.32 Item:** Each SKU/pack size of a brand is called an item.
- 2.33 Case:** A carton containing 09 bottles of 1000 ml each or 12 bottles of 700 ml / 750 ml. each (a Quart) or 24 bottles of 375 ml each (a Pint) or 48 bottles of 180 ml / 200 ml each (a Nip) or 96 bottles of 90 ml



## Supply Chain Management Policy, 2020

each (a Dip) or 150 bottles of 60 ml each in case of IMFL or 120 bottles of 50 ml each in case of FMFL and 12 bottles of 650 ml each or 24 cans of 500 ml each or 24 bottles of 330 ml / 355 ml each in case of Beer / FMFB and 15 bottles of 600 ml. each or 30 bottles of 300 ml each or 25 bottles of 200 ml each in case of Country Liquor or any other pack size(s) and case description as duly approved by the Excise Commissioner, Odisha.

- 2.34 Import:** To bring into the State of Odisha from any other State.
- 2.35 Import into India:** To bring in to the State of Odisha from any place outside India through customs bonded warehouse situated inside India (all BIO Products).
- 2.36 Export:** To supply from the State of Odisha to any other State within India.
- 2.37 Export out of India:** To Supply from the State of Odisha to any place outside India.
- 2.38 Transport:** To remove from one place to another within the State, whether or not the intervening area lies wholly within the State and includes movement from a place outside the State to any other place outside it through the intervening area lying within the State.
- 2.39 Act:** The Odisha Excise Act, 2008 as amended from time to time.
- 2.40 Rule:** The Odisha Excise Rules, 2017 as amended from time to time.
- 2.41 Price Fixation Committee (PFC):** A Committee constituted and notified by the Govt. in Excise Department for approval of offer price proposed by suppliers and fixation of price of the items of FMFL/ IMFL/ Wine/ Beer/ RTD/CL from time to time.



## Supply Chain Management Policy, 2020

- 2.42 Inter Depot Stock Transfer:** In respect of new brands/items or slow moving brands/items, the Corporation will consider the depot-wise/item-wise demand to meet the requirements. The Corporation, on the basis of its own assessment or on the basis of the request of the supplier, can transfer the stock from one depot to another with the logistic support and cost to the account of the concerned Supplier. The minimum quantity of stock to be considered for transfer is mentioned at Para-17. The OIC (Excise) of the source depot shall sign and issue the dispatch pass for movement of stock to the destination depot on the basis of Trade-Off Pass (Transport Pass) issued by the Superintendent of Excise, Khurda. The OIC (Excise) of destination depot shall acknowledge the receipt of the stock and then sign & issue the Excise Verification Certificate (EVC) to the OIC (Excise) of source depot.
- 2.43 Trade-Off Pass:** The Transit Pass issued by the Superintendent of Excise, Khurda in the name of OSBCL for transfer of stock from one OSBCL depot to another OSBCL depot.
- 2.44 Purchase Order (PO):** The indent raised by supplier when accepted by the OSBCL becomes a Purchase Order. The Purchase Order (PO) is a request made by the Corporation to the supplier along with Import/Transport Pass for supply of goods as mentioned in the said order.
- 2.45 Pass Fee:** The fee prescribed by Govt. for issue of Import/Transport Pass.
- 2.46 Excise Verification Certificate (EVC):** The Excise Verification Certificate is the official Excise acknowledgement of quantity received & stored of stock by designated / destination depot against each Permit/Pass (Import/Transport/Export). The concerned Excise Officer/Superintendent of Excise / OIC (Excise) of the depot issues



## Supply Chain Management Policy, 2020

EVC to OIC / Supervising Officer of the concerned manufacturing unit or Custom Bonded warehouse.

### 3. SUBMISSION OF INITIAL DOCUMENTS FOR REGISTRATION AS SUPPLIER OF OSBC.

Manufacturers/Suppliers desirous of selling liquor (FMFL/IMFL/Wine/Beer/RTD/CL) to the Corporation are required to be registered with the Corporation as its Supplier after submitting the following documents:

- 3.1 In case of a Company, copy of the certificate of incorporation under the Companies Act along with Memorandum of Association and Article of Association.
- 3.2 In case of a Partnership Firm, copy of the Partnership deed duly registered.
- 3.3 In case of Limited Liability Partnership Firm, copy of the LLP agreement along with the incorporation / registration certificate.

**In case of individual / proprietorship concern, all the following set of documents shall be required except as mentioned at 3.9 & 3.15.**

- 3.4 Copy of the Financial Statement of the last financial year duly attested by the Chartered Accountant.
- 3.5 Copy of the GST/VAT Registration Certificate.
- 3.6 Notarised copy of the Label Registration Certificate as issued by the Excise Commissioner, Odisha along with its corresponding approved labels.
- 3.7 Notarised copy of the valid License issued by the competent Excise Authority to manufacture/bottle/sell.



## Supply Chain Management Policy, 2020

- 3.8 Copy of valid license of Brewery/Distillery/Bottling Units proposed to be its source of supply.
- 3.9 Original Power of Attorney in non-judicial Stamp paper backed by Board resolution authorizing the person to act on behalf of the company to deal with the Corporation.
- 3.10 Identity and residential proof of authorized officer/person of the Company along with the mobile no and e-mail id.
- 3.11 One recent passport size photograph of Authorized Officer/Person.
- 3.12 One time refundable interest free Security deposit of ₹ 10,00,000/- (Rupees Ten Lakh) only in shape of A/c Payee Demand Draft drawn in favour of "OSBC Ltd." payable at Bhubaneswar.
- 3.13 Annual non-refundable Registration Fee of ₹1,00,000 (Rupees One Lakh) only through e-payment or in shape of A/c Payee Demand Draft drawn in favour of "OSBC Ltd." payable at Bhubaneswar. The amount is payable every year at the time of renewal of registration.
- 3.14 Copy of PAN Card of the applicant company.
- 3.15 Form No.32 accompanied with list of Directors/DIR-12 under the Companies Act, 1956 / 2013 and list of partners / office bearers in case of any partnership firm.
- 3.16 An undertaking in the form of affidavit to the effect that in the event of any taxes, fees, penalties, statutory duty/duties etc. either leviable but not levied or to be levied in future by any statutory authority, including the State Government the same shall be honoured for payment by the supplier (seller).



### **Supply Chain Management Policy, 2020**

- 3.17** The Supplier shall give a declaration of the list of brands of liquor which will be manufactured by him and the brand(s) which he will supply but manufactured/bottled by others (clearly indicating the name of the manufacturer/bottling unit who will manufacture the said brand(s) for him by virtue of a valid agreement between the licensed manufacturer/ bottling unit of the said brands of liquor and the supplier of the said brands of liquor for its supply to the Corporation).

As a matter of rule, the supplier only shall raise the invoice to the Corporation. But in case the manufacturer / bottling unit, who is not the supplier, raises invoice, the invoice shall clearly specify the following:

- 3.17.1** "The invoice is raised for and on behalf of the supplier (name of the supplier to be mentioned) only" and
- 3.17.2** "The payment of the invoiced amount shall be made to the supplier (name of the supplier to be mentioned) only".

The supplier has to countersign the said invoice under his Company seal and signature.

- 3.18** The copy of the proforma invoice is to be submitted by the supplier in advance along with the tie-up agreement with the manufacturer/ bottling unit.
- 3.19** One cancelled cheque with the name of the applicant as the account holder printed on it along with the details of bank account pertaining to the said cancelled cheque to which the applicant intends to get payments remitted by the Corporation if it becomes a registered supplier of the Corporation.
- 3.20** Any other document(s)/information as may be required by the Corporation during processing of the application for registration.





## Supply Chain Management Policy, 2020

### 4. APPROVAL OF OFFER PRICE

The suppliers shall submit their offer price(s) for each item of alcoholic beverages whether new or existing to the Corporation along with following declarations mentioned at Sl. No. 4.1 to 4.3 for consideration and approval by the Price Fixation Committee - the new brand (for first time approval) or the existing brand for revision of offer price.

- 4.1 The offer prices so submitted shall be approved by the Price Fixation Committee (PFC) on the basis of the prevailing offer prices of its competitor brands of other suppliers in Odisha as well as the price build-up (offer price to MRP) of the same brands prevailing in the neighbouring states/major cities. The approved price shall remain valid till its next revision.
- 4.2 In case of any proposal for approval of offer price of a new item or revision of offer price of an existing item, the suppliers are required to declare the price build-up (from offer price to MRP) of the said items prevailing in the neighbouring States of Odisha as well as in major cities of India (viz: Delhi, Mumbai, Kolkata, Hyderabad & Bengaluru) through affidavit.
- 4.3 The concerned supplier shall submit in the form of affidavit the item wise offer price and MRP of the competing brand or brands of other suppliers in Odisha both in case of proposal for approval of offer price of a new brand and revision of offer price of an existing brand.
- 4.4 After approval of the offer price by PFC, the Corporation will fix the wholesale Issue Price (sale price) to retailers taking into consideration Import Fee (if applicable), Excise Duty/Countervailing Duty/Vend Fee, Additional Rounding Off Excise Duty (AROED) and Profit Margin of the Corporation. VAT, TCS and any other applicable



## Supply Chain Management Policy, 2020

taxes will be added to the Issue Price to Retailers to arrive at the Invoice value/amount to retailer. The TCS component although a part of invoice amount is outside the price build-up. The Corporation will remit Import Fee, Excise Duty/Countervailing Duty/Vend Fee, Additional Rounding Off Excise Duty (AROED), VAT, TCS and other applicable taxes to the respective authorities.

- 4.5 The suppliers have to pay Rs.10,000/- (Rupees Ten thousand) only per brand for approval of offer price of new brand or revision of offer price of existing brand as processing fee through e-payment or in the shape of Demand Draft in favour of the Corporation.
- 4.6 The offer price quoted shall be uniform across the State irrespective of the location of the Corporation's depots.
- 4.7 The offer price quoted by the supplier has to be rounded off to the nearest rupee.
- 4.8 The step by step procedure adopted for arriving at Final MRP starting with offer price is as under:



## Supply Chain Management Policy, 2020

### CALCULATION OF MRP

Offer Price	A	Offer price submitted by the supplier when accepted by the Price Fixation Committee becomes the approved offer price for the Corporation.
Import Fee	B	Import Fee on the stock imported from outside the State, but inside India as per the State Excise Policy for the relevant year.
Landing Cost	C	(A+B)
Applicable State Excise Duty / Countervailing Duty / Vend Fee	D	As per the State Excise Policy for the relevant year.
Additional Rounding Off Excise Duty (AROED)	E	As per the extant Excise Policy, the liquor MRP (per unit / pack) in the State would be rounded off to next ₹10 in order to make cash transactions convenient at the retail outlets. The Excise department would charge the Additional Rounding Off Excise Duty (AROED) where required at such a rate to ensure that the liquor prices (per unit / pack) are rounded off to next ₹10. It shall be applicable at such value and in such a manner that after application of VAT and retailer's margin on wholesale issue price, the MRP arrived is exactly a multiple of ₹10.
Purchase Price	F	(C+D+E)
OSBCL Profit Margin	G	OSBCL Profit Margin as fixed from time to time by the Board of Directors of OSBCL (See Para 23(a). At present it is 1% of Landing Cost (C).
Issue Price (Sale Price) to Retailer	H	(F+G)
VAT	I	As per the Government Notification. Now it is @ 35% of 'H' for all Category of Alcoholic Beverages (except for Country Liquor which is @ 20% of 'H').
Sub Total	J	(H+I)
Tax Collected at Source (TCS)	K	1 % of 'J' as per provisions U/S 206C of Income Tax Act, 1961.
Invoice Amount / Cost to Retailer	L	(J+K) (i.e. the total invoice amount raised on the retailer).
Retailer's Margin	M	Percentage of 'J' as fixed by Govt. in the Excise Policy.
MRP per Case	N	J+M (TCS is not part of MRP build-up).
MRP per Unit / pack	O	"N" divided by the number of units in a Case.
<b>N.B: Notwithstanding anything mentioned above, any other new levy in form of Tax/Fee/ /Duty/Cess may be levied by the Government on alcoholic beverages from time to time.</b>		



## Supply Chain Management Policy, 2020

### 5. PROCEDURE FOR SUPPLY OF STOCK

5.1 The transaction between the registered supplier of alcoholic beverages as “seller” on one hand and the Corporation as “purchaser” on other hand in respect of the supply made to the Corporation shall be governed by Sale of Goods Act, 1930 and rules there under and amendments there to. Unless otherwise repugnant to the context, the term and conditions of online Purchase Order (PO) placed by the Corporation on the supplier (seller) shall be governed by Sale of Goods Act, 1930.

5.2 In respect of the supplies from inside and outside the State of Odisha, the consignments have to be dispatched by supplier strictly as per the Purchase Order (PO) and valid Import/Transport Pass issued in the name of M/s. Odisha State Beverages Corporation Ltd. by the Superintendent of Excise, Khurda and handed over to the Supplier / Supplier’s authorized representative.

5.2.1 The supplier shall pay the penalty at the following rates for dispatching the stock in deviation to the quantities, pack sizes and brands as indicated in the Import/Transport Passes.

SI. No	Quantity (in Cases)	Penalty Amount (Rs)
1	Up to 100	Rs. 30,000/-
2	101 - 200	Rs. 60,000/-
3	More than 200	Rs. 1,20,000/-

5.3 Supply from within the State involves payment of Excise Duty, AROED and Pass fee. Import from outside the State of Odisha but inside India involves payment of Import Fee, Countervailing Duty, AROED and pass fee, whereas supply of Foreign Made Foreign Liquor (FMFL), Foreign Made Foreign Beer (FMFB) & Foreign Made



## Supply Chain Management Policy, 2020

Foreign Wine (FMFW) i.e. BIO products manufactured outside the Country involves payment of Vend Fee, AROED and pass fee to the Government of Odisha at the prevailing rates before issue of Transport Pass/Import Pass.

- 5.4** Before the Transport/Import Pass is issued by the Superintendent of Excise, Khurda, the suppliers have to pay in advance the applicable amount of Import Fee, Excise Duty/ Countervailing Duty/Vend Fee and AROED along with non-refundable pass fee at Government prescribed rates to the Corporation as a temporary security deposit to enable the Corporation to obtain the Import/Transport Pass, as the case may be, for transportation of the alcoholic beverages from the source points to its designated depots. The Corporation will adjust the advance amount paid (except pass fee) by the supplier as temporary security deposit against their supply, only after the sales are made, either in whole or in part. Any amount, if held to be due towards fee/ duty/tax or towards past transactions will be recovered from the supplier or adjusted from the payments to be made to the supplier.
- 5.5** In respect of all stocks of FMFL/IMFL/Wine/Beer/RTD/CL whether imported from outside the State or supplied from within the State, all the bottles/cans/tetra packs are invariably to be affixed with Hologram called Excise Adhesive Labels (EAL) supplied by the Excise Commissioner, Odisha, failing which the matter shall be reported to the Government for taking action against the supplier as deemed appropriate.
- 5.6** It shall be the responsibility of the suppliers for unloading & stacking and of the retailers for de-stacking & loading the stock at the depots. The Corporation shall select an Agency which will provide required numbers of labourers to be utilised by the Supplier for unloading and



## Supply Chain Management Policy, 2020

stacking of their supplied products and the Licensed Retailers for de-stacking and loading of their purchased goods from the depots by paying them the charges fixed by the Corporation and following the terms and conditions to be determined by the Corporation from time to time.

6. **PAYMENT OF IMPORT FEE, EXCISE DUTY/ COUNTERVAILING DUTY/ VEND FEE, AROED & PASS FEE.**
  - 6.1 The Superintendent of Excise, Khurda issues Transport/Import Passes in favour of the Corporation for all its depots situated in the State.
  - 6.2 The Superintendent of Excise, Khurda issues passes on the request of the Corporation on pre-payment of Pass Fee, Import Fee (if applicable), Excise Duty/Countervailing Duty/Vend Fee and AROED at the rates prescribed by the Govt. from time to time.
    - 6.2.1 In case of supply from inside the State, the prescribed Excise Duty & AROED along with non-refundable pass fee shall have to be deposited before issue of Transport Pass.
    - 6.2.2 In case of import from outside the State, the prescribed Import Fee shall have to be deposited along with the non-refundable pass fee, Countervailing Duty and AROED before issue of Import Pass.
    - 6.2.3 In case of procurement of Foreign Made Foreign Liquor (FMFL) / Foreign Made Foreign Beer (FMFB) / Foreign made Foreign wine (FMFW) i.e. BIO products from the Customs bonded warehouse of the concerned supplier situated inside India, the prescribed Vend Fee & AROED



## Supply Chain Management Policy, 2020

along with non-refundable pass fee shall have to be deposited before issue of Import /Transport Pass.

- 6.3** Newly registered supplier, after approval of the offer price of the registered brands by PFC and agreement with the Corporation, is entitled to get login ID & Password from the Corporation. Thereafter, he will request through online Portal of the Corporation to issue Purchase Order (PO) and Import/Transport Pass against which the supplier has to deposit the required amount of Import Fee, Excise Duty/ Countervailing Duty/Vend Fee, AROED and non-refundable pass fee as applicable with the Corporation in advance as a temporary security deposit and the same shall be adjusted with him after sale of the items except pass fee.
- 6.4** The existing supplier will request the Corporation for issue of Import/ Transport Pass backed by Purchase Order (PO) against which the Supplier has to deposit in advance as a temporary security deposit or may also request for adjustment from his sale proceeds account, the required amount for payment of Import Fee (if applicable), Excise Duty/Countervailing Duty/Vend Fee, AROED and non-refundable pass fee as applicable, with the Corporation and the same shall be adjusted with him after sale of the items except pass fee.
- 6.5** For making advance temporary security deposit of the amount for payment of Import Fee (if applicable), Excise Duty/Countervailing Duty/Vend Fee, AROED and pass fee, the supplier will remit the amount through RTGS/NEFT in favour of the Corporation. After receiving the amount, the Corporation will forthwith deposit the said amount with Govt. Treasury as advance Import Fee, Excise Duty / Vend Fee / Countervailing Duty, AROED and Pass Fee.



## Supply Chain Management Policy, 2020

- 6.6 The Supplier can also make advance temporary security deposit by requesting the Corporation to deduct the said amount from the amount payable to him by the Corporation at the time of payment. The Corporation will forthwith deposit the amount so deducted from the amount payable to it with Govt. Treasury as advance Import Fee, Excise Duty/Countervailing Duty/ Vend Fee, AROED and pass fee etc.
- 6.7 After deposit of advance Import Fee, Excise Duty/ Countervailing Duty/ Vend Fee, AROED and Pass Fee by the Corporation with Govt. Treasury, the wallets of both Corporation and concerned supplier which are maintained in the online system of the Corporation get refilled with the amount so deposited and with generation of online Import/Transport passes, the amount of applicable Import Fee, Excise Duty/Countervailing Duty/ Vend Fee, AROED and Pass Fee corresponding to the Import / transport passes so generated are debited from the online wallets of the Corporation as well as the concerned suppliers.
- 6.8 The generation of online Import/Transport passes is done by the Superintendent of Excise, Khurda. The authorized representative of the supplier collects the hard copy of such Import/Transport passes on behalf of the Corporation for supply of the stock to the Corporation's depots against the approved Purchase Orders (PO) of the Corporation.
- 6.9 The Import/Transport pass entitles the supplier to dispatch the consignment of the permitted item and quantity from the designated source unit to the designated depots of the Corporation within the validity period of the pass(es). When the consignment arrives at designated depot, the concerned depot, after verification of all documents accompanied with vehicle, shall make entry in the online





## Supply Chain Management Policy, 2020

GER (Gate Entry Register) of the said consignment in the online portal of the Corporation. The consignment will be allowed to be unloaded in the presence of the authorized representative of the concerned supplier. After receipt and acceptance of the good stock, the concerned depot will hand over one copy of Goods Receipt Note (GRN) to the concerned Supplier and forward one copy of the same to the Corporation Head Office showing actual quantity of good stock received and stored in the depot along with quantity of breakages & shortages against the quantity of stock (item wise) dispatched by the supplier as per the Dispatch Note along with a copy of the Invoice received from the supplier.

- 6.10** For inter depot transfer of stock, Trade-Off Pass will be obtained from the Superintendent of Excise, Khurda and for that the prescribed non-refundable pass fee is also required to be deposited by the supplier with Superintendent of Excise, Khurda before issue of trade-off pass.
- 6.11** The request for revalidation or extension or cancellation of Import/Transport Pass issued by Superintendent of Excise, Khurda may be processed under the following circumstances within the time line and on payment of processing fee by concerned supplier to OSBC as prescribed below,
- 6.11.1** If the Pass is executed and consignment has been dispatched from the source unit within the validity period but the validity of Import/Transport pass expires by the time the vehicle carrying the consignment reaches the designated depot, the supplier may request to the Suptd. Of Excise, Khurda through Corporation for extension of validity of executed Import/Transport pass(es) along with the original pass(es), request letter mentioning the reason of non-arrival



## Supply Chain Management Policy, 2020

of consignment at depot within validity period of pass(es), copy of the GER, copy of the dispatch note and recommendation letter of the Branch Manager concerned depot for extension of validity of pass(es).

Further, the supplier will make e-payment or deposit of Rs.5000/- per pass in shape of Demand Draft with Corporation towards processing fee for extension of validity of executed pass(es). But in case of Trade-off pass, no processing fee shall be charged by the Corporation for extension of the validity of executed Trade-off pass(es).

**6.11.2** If the Import/Transport Pass is not executed within the validity period then the supplier has to request for extension of validity of Pass. The Pass should be endorsed by the Excise Supervisory Officer-in-Charge/OIC of the concerned source unit mentioning the reason of such non-execution. The details of timeline and payment of processing fees is as prescribed under **Clause-11.4**.

**6.11.3** Similarly suppliers may raise their request for cancellation of Import/Transport Pass(es) issued by the Superintendent of Excise, Khurda which should be based on valid reason and accompanied by necessary certification of the Excise Supervisory Officer-in-Charge/OIC of the concerned source unit to the effect that the pass under request for cancellation has not been executed. The details of timeline and payment of processing fees is as prescribed under **Clause-11.5**.

## 7. PACKING

**7.1** The supplier shall ensure adequate and proper packing of the goods to prevent any loss, damage or deterioration of the contents during transit, unloading, stacking, storing and loading.



## Supply Chain Management Policy, 2020

- 7.2 Any loss on account of damage and breakage of the goods supplied to the Corporation due to defective and improper packing and also due to the manufacturing defects or deterioration of quality during storing shall be borne by the supplier and adjusted from the dues to the supplier and the Corporation shall in no way be responsible for any such loss.
- 7.3 The Maximum Retail Price (MRP) is required to be printed on the label of FMFL/ IMFL/ Wine/ Beer/ RTD/ CL bottles/cans clearly as per rule prescribed by the Govt. of India.
- 7.4 Affixture of approved Excise Adhesive Label (EAL) on each bottle/can of FMFL/IMFL/Wine/Beer/RTD/CL by the supplier before dispatch of the consignment from the source unit is mandatory as and in the manner prescribed by the Government from time to time.
- 8. CONTENTS OF INVOICE**
- The invoice raised by supplier must contain the following.
- i. Supplier's Name, address, e-mail id and other contact details.
  - ii. TIN No.
  - iii. PAN.
  - iv. CST No & date, GSTIN & date.
  - v. Purchase Order (PO) No. & date.
  - vi. Import Pass /Transport Pass No & date.
  - vii. Export Pass No. & date (In case of supply from outside the State).
  - viii. Vehicle Type & Vehicle No.
  - ix. Transporter details.
  - x. Description of goods and the items supplied including quantity.



### Supply Chain Management Policy, 2020

- xi. The approved offer prices, ED/CVD/VF, AROED and Import Fee etc
- xii. The Corporation H.O. Address & contact details, etc.
- xiii. Complete address of the destination depot and contacts details of depot, etc.
- xiv. If a supplier does not manufacture/bottle his brand(s) but gets it manufactured/bottled for him by another unit/company, he shall clearly specify that a valid agreement between the licensed manufacturer/bottling unit of the said brand of liquor and the supplier exists for manufacture/bottling of the said brands by the manufacturer/bottling unit and for its supply by the supplier to the Corporation. As a general principle the supplier only should raise the invoice to OSBCL. But in case the manufacturer/bottling unit, who is not the supplier, raises the invoice, the invoice shall clearly specify that the same is raised for and on behalf of the supplier only and the supplier shall countersign the said invoices under his seal and signature. The payment for all supply shall be made to the supplier only and not to the manufacturer/bottling unit. The Corporation will in no way be responsible or be a party to any dispute arising inter-se between the supplier and the manufacturer, legal or commercial in connection with payment/non-payment/outstanding payment etc., nor the Corporation will be liable to make any payment to the manufacturer under any circumstances. The Corporation will not entertain any claim from the manufacturer. On the other hand, the supplier shall indemnify the Corporation for any loss that the Corporation will have to incur on account of such dispute.
- xv. Any other information as required.



## Supply Chain Management Policy, 2020

### 9. DISPATCH OF CONSIGNMENT ALONG WITH REQUIRED DOCUMENTS

The consignment dispatched to the concerned destination of OSBCL depot shall accompany the following documents.

- i. The original copy of Import /Transport Pass.
- ii. The original copy of Export Pass (in case of supply from outside State).
- iii. Dispatch Permit generated from online system of OSBCL to be signed and issued by the Excise Supervising Officer / OIC of the concerned manufacturing unit / Custom bonded warehouse.
- iv. Dispatch Note of the concerned consignment generated from online portal of OSBCL.
- v. 2 copies of the invoice (The third copy of the invoice to be dispatched directly to OSBCL Head Office at Bhubaneswar through reputed Courier Agency/Speed Post/Registered Post on the day of dispatch of goods and the scanned copy of the same be sent by e-mail: [osbcl-od@nic.in](mailto:osbcl-od@nic.in) ).
- vi. Chemical Examination Report of concerned State Govt. laboratory of the concerned source unit.
- vii. In case of supply of FMFL products, the Chemical Examination Certificate of country of origin along with No Objection certificate issued by Food Safety & Standards Authority of India (FSSAI).
- viii. Lorry Receipt / Transporter Details.
- ix. E-way bill if required (In case of supply from outside State).
- x. Any other document as required.

### 10. DELIVERY SCHEDULE

10.1 The supplies should be made in strict conformity to the delivery schedule as indicated on the body of Import/Transport Pass backed by the Purchase Order (PO). The stock should be delivered on the working days and during the working hours of the depots. The



## Supply Chain Management Policy, 2020

address of the location mentioned on the body of Import / Transport Pass may undergo change with the approval of Superintendent of Excise, Khurda with advance information by the Corporation to concerned supplier and the Corporation may open additional depots and include the same in the list mentioned at Para-18.4.7

- 10.2 The Corporation will receive stocks at the depots during working days and working hours only. In case the consignments arrive at the depots on a non-working day then the supplier shall have to wait till the next working day for unloading. The responsibility for safe custody of the stock till acceptance of the consignment at the concerned depot shall be that of the supplier.
- 10.3 The Corporation reserves the right to raise Purchase Order (PO) for any quantity for any depot which it considers appropriate.
- 10.4 The Supplier shall attach two copies of the Invoice, Import/Transport Pass, online dispatch note, online dispatch permit, Export Pass, lorry receipt (transporter's details), chemical examination report along with the other documents and send them along with the consignment to the destination depot and simultaneously send the third copy of the Invoice directly to the Head Office of the Corporation through Courier service/Speed Post. He can also send the scan copy of the same to Head Office of the corporation by e-mail.
- 10.5 Transshipment of consignment en-route (transfer of stock from one container/vehicle to another during transit for further transport) is not permissible.
- 10.6 In case any **Accident / Breakdown** happens with the consignment vehicle on road while in transit, the supplier will take action as mentioned below;



## Supply Chain Management Policy, 2020

**10.6.1 In case of accident of the consignment carrying vehicle *en route*** – The concerned supplier will lodge FIR at local police station and at the same time he will inform the matter to the local Excise Officer. After obtaining the copy of the FIR and permission from the local Excise Officer allowing transshipment of consignment to another vehicle, the concerned supplier shall make necessary entries in the online application of the Corporation through his login.

Thereafter, the authorized person of the supplier shall ensure that the copy of the FIR / Station Diary Entry duly self-attested by him and the original copy of the permission order of the local Excise Officer allowing transshipment accompany the consignment to the destination depot for necessary verification by the Branch Manager of the Depot and making of GER.

**10.6.2 In case of breakdown of the consignment carrying vehicle *en route*** – The concerned supplier will inform the matter to the local Excise Officer and obtain his permission for transshipment of consignment to another vehicle. After obtaining the permission from the local Excise Officer allowing transshipment of consignment to another vehicle, the concerned supplier shall make necessary entries in the online application of the Corporation through his login.

Thereafter, the authorized person of the supplier will ensure that the original copy of the permission order of the local Excise Officer allowing transshipment accompanies the consignment to the destination depot for necessary verification by the Branch Manager of the Depot and making of GER.



## Supply Chain Management Policy, 2020

### 11. RESPONSIBILITY OF SUPPLIER

The responsibility for all legal and financial implication arising out of the delay in dispatch of the consignment or delay in arrival of the consignment at the destination depot or deviation from the terms and conditions of the Import/Transport Passes issued by the competent authority shall rest on the supplier. Accordingly, the supplier shall ensure the following at his risk and responsibility:

- 11.1 The consignment shall be dispatched from the Bottling unit/ Distillery/ Brewery sufficiently in advance before the expiry of the Import Pass/Transport Pass issued by the Competent Authority.
- 11.2 The consignment should reach the destination depot and delivery made before the expiry of the validity of the Import/Transport Pass.
- 11.3 The consignment should move exactly along the route prescribed in the Import / Transport Pass and there shall be no deviation there from. The Corporation shall not be held responsible for any action that may be taken by the excise authorities for any violation of the terms and conditions of the Import/Transport Pass or other relevant rules. The entire responsibility shall rest with the supplier in this regard. The Corporation shall not be responsible for any consequences on account of the default of the supplier in this regard. Further, the Corporation shall take no responsibility for delays in the arrival of the shipment and delays in unloading the stock at the destination depot. The Corporation shall not be responsible to adjust the advance paid to the Corporation for payment of Import Fee or Excise Duty/ Countervailing Duty/Vend Fee or AROED on consignments, which are ordered to be confiscated by the Excise Commissioner or Government of Odisha or any other Competent Authority as a consequence of deviation from the terms and conditions of the Import/ Transport pass.





## Supply Chain Management Policy, 2020

**11.4** In case the Supplier is not in a position to dispatch the goods sufficiently in advance of the expiry of Import/Transport Pass, he shall report the matter to the "Chief Operating Officer" of OSBCL before the expiry of the Import/Transport Pass(es) and may request the Corporation for extension of the validity of pass or passes along with the original pass or passes and certificate of non-execution issued by the Excise Supervisory Officer in charge/OIC of the concerned Bottling Unit/ Distillery/ Brewery/Customs bonded warehouse with valid reasons mentioned by the supplier for non-execution of the Pass. The Corporation may thereupon seek extension of validity of the pass or passes before the pass issuing authority subject to payment of requisite processing fee by the concerned supplier to the Corporation as prescribed hereunder:

**11.4.1** Rs. 5,000/- (Rupees Five Thousand) only per Pass, if the request for extension of validity is made along with return of original pass or passes within 90 days from the date of issue of the Import/Transport pass,

**11.4.2** Rs. 10,000/- (Rupees Ten Thousand) only per Pass, if the request for extension of validity is made along with return of original pass or passes after 90 days and within 180 days from the date of issue of the Import/Transport pass,

**11.4.3** Rs. 20,000/- (Rupees Twenty Thousand) only per Pass, if the request for extension of validity is made after 180 days from the date of issue of the Import/Transport pass but within the same financial year,

**11.4.4** In case of Trade-Off pass, no processing fee shall be charged for extension of validity of pass(es).



## Supply Chain Management Policy, 2020

- 11.5** If the Supplier fails to execute the Import/Transport Pass, he may request the Corporation for cancellation of the pass or passes along with return of the original pass or passes and certificate of non-execution issued by the Excise Supervisory Officer in charge/OIC of the concerned Bottling Unit/ Distillery/ Brewery/ customs bonded warehouse from where the dispatch was supposed to be made. The Corporation may thereupon seek for cancellation of the same before the pass issuing authority subject to payment of requisite processing fee by the concerned supplier to the Corporation as prescribed hereunder:
- 11.5.1** Rs.50,000/- (Rupees Fifty Thousand) only per pass, if request for cancellation of pass(es) is made along with return of the original pass or passes within 90 days from the date of issue of the said Import/ Transport pass,
- 11.5.2** Rs. 75,000/- (Rupees Seventy Five Thousand) only per pass, if request for cancellation of pass or passes is made along with return of the original pass or passes after 90 days and within 180 days from the date of issue of the Import/Transport pass,
- 11.5.3** Rs.1,00,000/- (Rupees One Lakh) only per pass, if request for cancellation of pass or passes is made after 180 days from the date of issue of the said Import/Transport pass,
- 11.5.4** In case of Trade-Off pass, no processing fee shall be charged for cancellation of pass (es).
- 11.6** It shall be the responsibility of the supplier to ensure due compliance of all laws, rules, regulations, circulars and instructions issued including, in particular, the provisions of Odisha Excise Act, 2008



## Supply Chain Management Policy, 2020

and Rules made there under or the Excise Law in force. The Supplier shall indemnify the Corporation against all losses and inconvenience caused to the Corporation in the context of any violation of laws, rules and regulations and instructions or accident caused to the goods in transit.

- 11.7** The supplier shall make adequate arrangements for transport and delivery of consignment at the designated depots. In the event of any accident en-route, the supplier should immediately lodge a complaint at the police station having jurisdiction under intimation to the local Excise Officer. Simultaneously, the Corporation shall be informed of accident immediately by the quickest mode of communication. Similarly, in case of any breakdown of the consignment carrying vehicle en-route, the supplier shall intimate the local Excise Officer and get permission for transfer/shifting of consignment to other vehicle. The supplier shall submit all relevant documents at destination depot as proof of the accident / breakdown of vehicle and any other legal formalities which are required to be complied with applicable Laws.
- 11.8** It shall be the responsibility of the supplier to get the brand and its items (label) approved from the Excise Commissioner and ensure its validity throughout the period of the agreement. The supplier will obtain the label registration of the brand and its items (label) from the Excise Commissioner, Odisha as per the prescribed rules of the Government.
- 11.9** Since the validity period of each approved label expires at the end of each financial year on 31<sup>st</sup> March, it shall be the responsibility of the supplier to obtain fresh label registration certificate along with the set of approved labels from Excise Commissioner and produce the same at the Corporation Head Office on or before 25th March in order to



## Supply Chain Management Policy, 2020

enable the Corporation to continue sale of the concerned brands to the retailers after 31<sup>st</sup> March without interruption.

- 11.10** The Supplier shall remain liable to furnish standard information as may be required by the Corporation from time to time, failing which it shall be treated as non-submission of the information, against which the Corporation shall be at liberty to take suitable action.
- 11.11** The supplier shall abide by the provisions of Orissa Excise Act, 2008 and Odisha Excise Rules, 2017 or the Excise Law in force and Rules made there under and in force from time to time and any other relevant Enactments including, *inter alia*, the Standards of Weights & Measures Act, 1976 (Enf) Act 1986, Packaged Commodities Regulations, 1975, FSSAI Act, 2006 and subsequent regulations etc. The supplier is solely and individually responsible for all the consequences arising out of the violations in this regard. Any legal complications arising out of failure to comply with various rules shall be the sole responsibility of the supplier. Any losses/damages suffered by the Corporation due to lapses on the part of the supplier for not complying with any of the rules shall be made good by the supplier.

## 12. STOCK PROCUREMENT NORMS

- 12.1** The Corporation will be under no obligation to procure any specified minimum quantities of any brand of FMFL/IMFL/Wine/Beer/RTD/CL during the period of currency of the contract. The quantity to be procured from time to time shall depend upon the demand for the product. Further, the Corporation shall not be under any legal obligation to procure all or any particular brand or brands supplied by a particular supplier simply because they have signed the Agreement and have made an offer.



## Supply Chain Management Policy, 2020

The Corporation reserves the right to place purchase order (PO) for any quantity for any depot which it considers appropriate.

- 12.2 The Corporation will deliver the Import/Transport Passes to the Supplier backed by Purchase Order (PO) basing on the past sales volume of the brands/items during a specific period, lead time for supply, seasonality of the product / brand / item, closing stock at the depot, the stock in transit and pending Import/Transport Passes not executed for which an algorithm shall be developed by the Corporation.

### 13. TERMS OF PAYMENT TO SUPPLIER

- 13.1 The supplier shall raise the Invoice strictly as per the description of the goods specified in the Import/Transport Pass backed by Purchase Order (PO) of the Corporation and as per the latest offer price approved by the Price Fixation Committee.
- 13.2 Stocks received in good and perfect condition shall be accepted. The cost of breakages and shortages in transit/ unloading/ stacking/ storage/ loading shall be borne by the supplier. Stock which is found defective in packing or in quality or in any other respect during verification at the time of receipt at depot or during storage shall be rejected summarily and these rejected stocks shall be destroyed following due procedure at the cost of the supplier.
- 13.3 Payments shall be made to the extent of sale only. The procedure normally adhered to for release of the payments to the suppliers is as under:
- a) Offer Price + {(Import fee + Excise Duty/Countervailing Duty/Vend Fee + AROED) paid together at the time of supply} with respect to the quantity sold,
  - b) Less: Cash Discount as applicable



## Supply Chain Management Policy, 2020

- c) Less: Other deductions (i.e. Stock holding charges, processing fee for extension/revalidation/cancellation of IP/TP if not paid earlier & any other charges as and when applicable)
- 13.4** Payments will be made to the supplier normally after the 45<sup>th</sup> day from the date of sale of the stocks to the retailers.
- 13.5** The Corporation may make payments to the supplier earlier than 45<sup>th</sup> day of sales to the retailers availing the following cash discount on Landing Cost.
- a) 1.5 percent for payment made within 15 days from the date of sale to the retailers.
- b) 1.0 percent for payment made between the 16<sup>th</sup> and 30<sup>th</sup> day from the date of sale to the retailers.
- c) 0.5 percent for payment made between 31<sup>st</sup> and 45<sup>th</sup> day from the date of sale to the retailers.
- 13.6** As per the extant Excise Policy, if there is any increase in the rate of Excise duty/Countervailing Duty/Vend Fee/Import Fee, the enhanced duty/fee will be realised from the retailers on sales and the differential Excise duty/Countervailing Duty/Vend Fee, Import Fee and AROED amount will be deposited with Government as Differential Duty/fee.
- 13.7** As per the extant Excise Policy, if there is any reduction in the rate of Excise duty/Countervailing Duty/Vend Fee/Import Fee made by the Government, the reduced duty/fee will be realised from the retailers on sales and the same shall be adjusted with the supplier(s) and not the amount which the concerned supplier had deposited prior to reduction in the rate of duty as the said amount is



## Supply Chain Management Policy, 2020

already deposited with the Government prior to such reduction and not realized from the retailer on sales after the reduction.

- 13.8** In case of any downward revision of offer price of any item approved by the PFC, the amount of Excise duty/Countervailing Duty/Vend Fee and AROED of the concerned item may be consequently reduced leading to realization of reduced amount of duty/AROED/fee from the retailers at the time of sale along with Landing Cost and the said reduced amount shall be adjusted with the supplier and not the amount which the concerned supplier had deposited prior to downward revision of offer price as the said amount is already deposited with the Government prior to downward revision of offer price and not realized from the retailer on sales after the downward revision of offer price.
- 13.9** The Corporation shall collect stock holding charges @ ₹1/- (Rupee one) only per case (cartoon) per day for those stocks which remain in the Corporation godown for more than 120 days from the date of receipt from the supplier. The charge will be collectible from the day following the day on which the stock completes 120 days from the date of receipt from the supplier till it is sold. However, the Corporation shall not collect any stock holding charge from the day following expiry dates of the stock as mentioned below.
- 13.10** The Corporation will take steps for destruction of the stock of IMFL (including wine) and Country Liquor which are more than 3 (three) years old and FMFL (including FMFW) which are more than 5 (five) years old from the date of their manufacture or the best before period as approved by the Excise Commissioner, Odisha on the label of the brand, by following the due procedure. The said stocks shall not be returned to the suppliers nor any compensation shall be



## Supply Chain Management Policy, 2020

payable to him for the quantity destroyed. Further, the supplier shall bear the cost of such destruction.

**13.11** The India made Beer which is more than 6 months old or Foreign Made Foreign Beer (FMFB) which is more than 9 months / 12 months old from the date of manufacture or the best before period as approved by the Excise Commissioner, Odisha on the label of the brand, shall be destroyed following due procedure. The said stocks shall not be returned to the suppliers nor any compensation shall be payable to him for the quantity destroyed. Further, the supplier shall bear the cost of such destruction.

**13.12** The India made RTD which is more than 1 year old or the best before period as approved by the Excise Commissioner, Odisha on the label of the brand shall be destroyed following due procedure. The said stocks shall not be returned to the suppliers nor any compensation shall be payable to him for the quantity destroyed. Further, the supplier shall bear the cost of such destruction.

**13.13** In case a registered supplier is found to be not doing business with OSBCL for more than a year, the Corporation shall issue a show cause notice to the concerned supplier for de-listing him from the list of registered suppliers of the Corporation and if the show cause submitted by the supplier is not found satisfactory the Corporation will forthwith de-list such supplier from its registered suppliers' list and forfeit the security deposit made by him with the Corporation.

## 14. QUALITY AND CONDITIONS OF SUPPLY

The suppliers shall ensure that the FMFL/IMFL/Wine/Beer/ RTD/CL supplied against the Purchase Order (PO) and the Import/Transport Passes shall fulfill the following requirements.





## Supply Chain Management Policy, 2020

- 14.1** Consignment of India made Beer when arrives (GER) at the destination depot of the Corporation shall be within 60 days of manufacture when sourced from within the State and 75 days of manufacture when sourced from outside the State. Similarly, consignment of Foreign Made Foreign Beer (FMFB) when arrives (GER) at the destination depot of the Corporation shall be within 150 days from its date of manufacture. The supplier who violates this condition shall be imposed penalty @ 50% of the offer prices of the items so dispatched.
- 14.2** FMFL/IMFL/Wine/Beer/RTD/CL shall be supplied in new bottles.
- 14.3** Bottles used for bottling of FMFL/IMFL/Wine/Beer/RTD/CL shall be sealed with caps of reputed manufacturers. The short filled bottles supplied will not be sold by the Corporation. They will be destroyed following due procedure.
- 14.4** All the FMFL/IMFL/Wine/Beer/RTD/CL shall be clear and transparent liquids free from sediments and other particles.
- 14.5** All FMFL/IMFL/Wine/Beer/RTD/CL shall be free from harmful ingredients.
- 14.6** All Foreign Liquor and Beer shall be free from added colouring material except caramel. Rum without colouring material shall be called White Rum, Vodka & Gin shall be clear and free from added colour and shall not develop any turbidity after diluting with water.
- 14.7** All kinds of FMFL/IMFL/Wine/Beer/RTD/CL shall possess their characteristic aroma, flavour and taste.



## Supply Chain Management Policy, 2020

- 14.8** Liquor brands of Rum and Whisky, when labeled as 'Matured', shall be blend of sprits matured for not less than 3 months in suitable containers.
- 14.9** The quality of products of IMFL/Beer/Wine/RTD/CL shall conform to the specification of the Bureau of Indian Standards as per the latest revision and Food Safety & Standards Authority of India (FSSAI). The bottled or canned Beer shall be effectively pasteurized as per the standard specified by Govt.
- 14.10** The quality of the FMFL/FMFB/FMFW products shall conform to the standards specified by the country of origin or accepted international standards subject to no objection certificate issued by Food Safety & Standards Authority of India (FSSAI) for sale in India.
- 14.11** The Chemical Examination Report in respect of each batch supplied to OSBCL shall accompany the consignment. The stock supplied from inside the State shall accompany the Chemical Examination Report issued by State Drugs Testing & Research Laboratory, Odisha Bhubaneswar / Sambalpur. The stock supplied from outside the State shall accompany the Chemical Examination Report issued by the State Govt. Laboratory of the concerned source unit. In case of FMFL products supplied to OSBCL from custom bonded warehouses inside India, the chemical examination certificate of country of origin along with No Objection Certificate issued by Food Safety & Standards Authority of India (FSSAI) shall accompany the consignments. The Corporation also reserves the right to check chemical composition of the supplies periodically for verification of standards. If it is found during such examination that the stock supplied do not conform to the prescribed standards, the Corporation will forthwith stop sale of such stock to retailers. Further, the supplier shall comply with the orders of the competent authority on quality



## Supply Chain Management Policy, 2020

issued / passed from time to time. In respect of supplies which are found to be below the prescribed standards, the supplier shall indemnify the Corporation from all loss or damages sustained by the Corporation. For the supplies not conforming to the standards, the supplier alone is responsible for all consequences due to subsequent supply of the goods by the Corporation to the retailers and others under the laws of the State Govt. The Corporation reserves the rights not to place any further Purchase Order (PO) with such supplier.

**14.12** The Supplier shall make all necessary and required arrangements for prevention of large scale breakage / shortage / damage during transit by incorporating suitable terms & conditions in their contract with their transporters for supply to OSBCL.

**14.13** The transit breakages and shortages in the consignments will be borne by the concerned supplier. Further, the warehouse breakages will also be wholly borne by the concerned supplier who will participate in joint verification once in every quarter. If he fails to attend the joint verification it would be deemed that he has accepted the joint verification report.

It is the responsibility of the Branch Manager / Asst. Manager of the Depot to instruct the laborers to handle beverages stock properly at the time of unloading, stacking and loading at depot in order to prevent the breakage. In case of any abnormal godown breakages or shortage found, the Branch Manager, Assistant Manager and concerned godown personnel of the depot will be held responsible.

### **15. E-PAYMENT BY THE RETAILERS FOR PURCHASE OF STOCK**

Those retailers who have valid Excise licenses for the year are entitled to purchase alcoholic beverages stock from their tagged depot (as mentioned at para-18.4.7) during that year only as per availability of brands / pack sizes at the



## Supply Chain Management Policy, 2020

depot after making e-payment through OSBCL Portal (<https://osbc.co.in>) to the Corporation and money receipt of the e-payment amount can be generated from online portal by him.

Due to any technical problem at any point of time if any retailer fails to make e-payment, the chances of which are remote, the concerned retailer can make payment in shape of demand draft/banker's cheque in favour of "OSBC Ltd." payable at Bhubaneswar provided he gives sufficient evidence of such technical problem to the concerned depot manager. However, the depot manager will have the discretion to allow payment through above mentioned instruments. At every such instance where the depot manager allows any retailer to pay through such instruments, he shall report to the OSBCL management and shall submit a daily statement of Demand Drafts / Banker's cheques submitted by the retailers which should be reconciled at Corporate Office and any discrepancy should be brought to the notice of higher management.

### 16. WORK PROCESS AT THE DEPOT

- 16.1** The Head Office of the Corporation is located at 2<sup>nd</sup> Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023. It now transacts through 9 (Nine) depots located at Khurda, Nirgundi (Cuttack), Balasore, Sambalpur, Rayagada, Berhampur, Angul, Chandikhol (Jajpur) & Bolangir. Opening/closing/re-alignment of depots may take place at any time in future. Each Depot is headed by a Depot Manager/Branch Manager who is posted by the Government in Excise Department on deputation to the Corporation. He is assisted by Asst. Manager/Jr. Manager/Superintendent of depot deployed by the Corporation. The work processes at depot level are indicated hereunder.
- 16.2** The generation of online Import/Transport passes is done by the Superintendent of Excise, Khurda. The authorized representative of



## Supply Chain Management Policy, 2020

the supplier collects the hard copy of such Import/Transport passes on behalf of the Corporation for supply of the stock to the Corporation's depots against the approved Purchase Orders (PO) of the Corporation. The supplier then dispatches the stock as per the Purchase Order (PO) along with Import/Transport Pass and other relevant documents to the designated depot for delivery. The following documents accompany the consignment :-

- i. The original copy of Import/Transport Pass.
- ii. The original copy of Export Pass (Issued by the Excise authority of Exporting State for supply to OSBCL in case of supply from outside the State).
- iii. The original copy of dispatch permit signed by OIC/ Supervising officer of concerned manufacturing unit/Custom bonded warehouse.
- iv. Dispatch Note of the concerned consignment generated from online system of OSBCL.
- v. Two copies of the invoice (The third copy of invoice to be dispatched directly to OSBCL Head Office at Bhubaneswar through reputed courier agency/Speed Post and also send the scan copy by e-mail on the day of dispatch of goods).
- vi. Chemical Examination Report of concerned State Govt. laboratory of the concerned source unit.
- vii. In case of supply of FMFL products, the Chemical Examination Certificate of country of origin along with No Objection certificate issued by Food Safety & Standards Authority of India (FSSAI) to be dispatched.
- viii. A copy of e-way bill (If required, In case of supply from outside State).
- ix. Lorry Receipt (Transporter Copy).
- x. Any other documents as required.



## Supply Chain Management Policy, 2020

**16.3** After the stock arrives at the Depot, the Depot Manager/Asst. Manager/Superintendent shall make online entry in the Gate Entry Register (GER) of the vehicle as an acknowledgement of the arrival of the consignment and verifies the validity of the documents as mentioned above. When satisfied that the documents are in order, the Depot Manager/ Asst. Manager/Superintendent allows the truck to be unloaded. After unloading, online Goods Receipt Note (GRN) is prepared and the same is entered in the offline system database. After completion of GRN, the stock received in good condition only becomes a part of inventory and is ready for sale to the licensed retailers.

**16.4** At the day end, the depot shall send the accounts statement containing the details of transactions (value of invoices raised to retailers) made along with the payment received online and offline. (demand draft/banker's cheque etc) from retailers.

Further, the depot shall submit the computer generated GRN summary statement from Offline system and online system supported with copies of the GRNs made during the day along with supplier Invoice copy, copy of the Import/Transport Pass, copy of the Export Pass (in case of supply from outside the State), copy of the dispatch note and copy of the dispatch permit to Head Office.

**16.5** Those retailers who have valid Excise licenses for the year are entitled to purchase the stock as per availability of brands/ items in the depot mentioned at Para-18.4.7 after making e-payment through the Corporation Portal (<https://osbc.co.in>) to Corporation. Due to any technical problem at any point of time if any retailer fails to make e-payment, the chances of which are remote, the concerned retailer can make payment in shape of demand draft/banker's cheque in favour of "OSBC Ltd." payable at Bhubaneswar provided he gives



## Supply Chain Management Policy, 2020

sufficient evidence of such technical problem to the depot manager. However, the depot manager will have the discretion to allow payment through above mentioned instruments. At every such instance where the depot manager allows any retailer to pay through such instruments, he shall report to the Corporation management giving reasons thereof and shall submit the Demand Drafts/Banker's cheques submitted by the retailers which should be reconciled at Corporate Office and any discrepancy should be brought to the notice of higher management.

- 16.6 After successful e-payment by retailer, the concerned retailer's wallet in the online portal of the Corporation gets refilled automatically which the concerned depot can view.
- 16.7 The concerned depot of OSBCL will raise invoice in the name of the retailer as per brands available in the depot against the payment made / available balance in the retailer's account reflecting the details of the goods sold and value thereof along with the value of VAT & TCS. The invoice bearing signature and stamp of the authorized Depot Manager/ Asst. Manager/ superintendent of the concerned depot is collected by the retailer and then the same is presented at the godown for lifting the invoiced stock on the same day. The person in charge of the godown delivers the stock as per the sales invoice raised by the Corporation on the same day.
- 16.8 Against the invoice in favour of the concerned licensee (retailer), the Excise Officer-in-charge (OIC) posted by the Excise Commissioner at each depot issues Transport Pass and hands over the same to the licensee on the same day to carry the stock to his designated retail counter along with the invoice.



## Supply Chain Management Policy, 2020

**16.9** After all the formalities are over, the gate pass is prepared mentioning the vehicle no, retailer name, retailer code no, invoice no and total invoice quantity and Transport Pass no. The security personnel at the gate will verify the gate pass, physical stock loaded in the vehicle, Transport Pass and other documents at the exit point before allowing the retailer's vehicle to move out with the stock.

### **17. INTER DEPOT STOCK TRANSFER**

In respect of new brands or slow moving brands / items, the Corporation will consider the depot-wise / brand wise / item-wise demand to meet the requirements. The Corporation, on the basis of its own assessment or on the basis of the request of the supplier, can transfer the stock from one depot to another with the logistic support and cost to the account of the concerned supplier. The stock considered to be transferred from one depot to other shall not be less than the quantity as mentioned below:

- a) 10 cases in case of FMFL/FMFB/Scotch (Imported in bulk & bottled in India),
- b) 50 cases in case of IMFL/India Made Beer/RTD,
- c) 05 cases in case of Wine (including Foreign Made Foreign Wine).

The OIC (Excise) of the source depot shall sign and issue the dispatch note and dispatch Permit for movement of stock to the destination depot on the basis of Trade-Off Pass (Transport Pass) issued by the Superintendent of Excise, Khurda. The OIC (Excise) of destination depot shall acknowledge the receipt of the stock and issue the Excise Verification Certificate (EVC) to the OIC (Excise) of the source depot.

### **18. ROLE OF AN EXCISE OFFICER-IN-CHARGE (OIC) POSTED BY THE EXCISE COMMISSIONER AT OSBCL DEPOT.**

**18.1** The Excise Officer not below the rank of Sub-Inspector of Excise is posted exclusively to the Depots by the Excise Commissioner,





## Supply Chain Management Policy, 2020

Odisha designated as Officer-in-Charge (OIC), Excise, OSBC Depot. He is required to play the following role.

- 18.2** He shall collect the Transport Pass fee either online or offline from the retailers against issue (online/offline) of each Transport Pass as prescribed by the Govt. and deposit the same (if collected offline) with the Govt. Exchequer and send the challan copy of deposit to his Superintendent of Excise along with the duplicate copy of Transport Pass(es) and an abstract of the same. The OIC posted to Depot shall not remain / proceed on leave without prior sanction of the Superintendent Excise of the concerned district. The Superintendent of Excise concerned will deploy an officer to the Depot for the days of leave applied for by the OIC.
- 18.3** He will ensure the affixture of approved EAL on each bottle that is received at the depot and issued to the retailers (licensees) from the depot.
- 18.4** He will receive requisition from the concerned Depot Manager/ Branch Manager of OSBCL regarding issue of quantity of FMFL/ IMFL/ Wine/ Beer/RTD/CL and ensure proper realization of transport pass fee from retailers before issue of transport pass to him.
- 18.4.1** After being satisfied, the transport pass shall be issued. He will also ensure that requisite quantities of stock of FMFL/IMFL/Wine/Beer/RTD/CL have been released by the Depot Manager against the transport pass.
- 18.4.2** Before releasing the stock by the Depot Manager, he will ensure that proper care has been taken to mention the Batch No. and date of manufacture of the items of each



## Supply Chain Management Policy, 2020

consignment. Any FMFL/IMFL/Wine/Beer/RTD/CL item which does not carry the Batch No. and date of manufacture shall not be released.

- 18.4.3** The OIC will send duplicate copy of the transport pass (Form No.III) to the concerned District Excise Office on the next day of issue with an abstract of the same, so that the Excise Superintendent can keep a track of lifting of Minimum Guaranteed Quota (MGQ) by each licensee of his District.
- 18.4.4** The OIC shall acknowledge receipt of the stock and issue Excise Verification Certificate (EVC) to the Excise Supervising Officer/OIC of the concerned source unit against each consignment received at the depots irrespective of supplies made from inside or outside the State.
- 18.4.5** In respect of all brands and particularly for new brands or slow moving brands / items, the Corporation, on the basis of its own assessment or on the basis of the request of the supplier, can transfer the stock from one depot to another to meet the requirements of retailers with the logistic support and cost to the account of the supplier as per the quantity prescribed at Para-17. The OIC of source depot shall issue online dispatch note on the basis of Trade-Off Pass (Transit Pass) issued by Superintendent of Excise, Khurda and the OIC of destination depot shall acknowledge the receipt of stock and issue the Excise Verification Certificate (EVC) to the OIC of source depot.
- 18.4.6** The concerned licensee shall pay the Consideration Money (i.e. the License Fee) to Govt. in due time and show the



## Supply Chain Management Policy, 2020

copy of challan in support of credit of the consideration money, failing which no stock shall be issued by the concerned depot and such matter shall be reported by OIC to the concerned district Superintendent of Excise/ Excise Commissioner.

**18.4.7** For facilitating smooth transactions of depot and proper supply of stock from depot to licensed retailer's location, the OIC of the following depots shall issue Transport Passes for FMFL/IMFL/Wine/Beer/RTD/CL stock to the retailers (licensees) of the tagged districts as mentioned below.

<u>SL. No.</u>	<u>Name of the Depot</u>	<u>Districts attached to the Depot</u>
1.	Khurda	Khurda, Puri, Nayagarh
2.	Nirgundi (Cuttack)	Cuttack, Jagatsinghpur, Kendrapara
3.	Berhampur (Ganjam)	Ganjam, Kandhamal, Part of Gajapati
4.	Balasore	Balasore, Bhadrak, Mayurbhanj, Keonjhar
5.	Sambalpur	Sambalpur, Deogarh, Baragarh, Jharasguda, Sundargarh, Boudh, Sonapur
6.	Rayagada	Rayagada, Malkangiri, Koraput, Nabarangpur, Kalahandi, part of Gajapati
7.	Angul	Angul, Dhenkanal
8.	Chandikhol	Jajpur
9.	Balangir	Balangir, Nuapada

**(N.B. – The number / name of depots may change depending upon the requirements from time to time)**

However, it is the prerogative of Excise Commissioner to tag retailer with any depot by considering convenience and the distance between depot location



## Supply Chain Management Policy, 2020

and licensed retailer's location. Sometimes, due to close down of any particular depot for any reason, the licensed retailers may be re-tagged to other depots also.

### 19. PHYSICAL VERIFICATION OF STOCK

**19.1 Quarterly Physical Verification of Stock:** The Corporation will conduct physical verification of stock lying in its various godowns of all depots in each quarter by a team comprising of the following members:

- i. Superintendent of Excise of the concerned district where depot is located..... **(Team Leader)**
- ii. Internal Auditor of OSBCL.
- iii. Officer-in-Charge (Excise) of depot.
- iv. One Officer from Head Office not below the rank of Asst. Manager.
- v. Representative of Suppliers.

Apart from giving the physical verification report of saleable stock & non saleable (sediment / expired / leaky can beer) stock, the team shall separately furnish a report on the quantity of godown breakage stock (supplier wise, item wise and batch wise) during the last quarter.

**19.2 Annual Stock Audit:** Annual Stock Audit including physical verification of the depots shall also be conducted by OSBCL in the presence of following members.

- i. Internal Auditor of OSBCL..... **(Team Leader)**
- ii. Superintendent of Excise of the concerned district where depot is located.
- iii. Officer-in-Charge (Excise) of depot
- iv. One Officer from Head Office not below the rank of Asst. Manager.
- v. Representative of Suppliers.



## Supply Chain Management Policy, 2020

In their stock audit report, apart from saleable stock verification report they will submit a separate report jointly signed by them mentioning the quantity of sediment / expired stock (supplier wise, item wise & batch wise) and godown breakage report (supplier wise, item wise & batch wise) occurred during last quarter of financial year for necessary action at the Corporate Office level.

Both during quarterly physical stock verification and annual stock audit, the representatives of the concerned suppliers will remain present and sign on the report prepared and submitted by the quarterly physical stock verification team or annual stock audit team. If the representative of any supplier fails to be present during the quarterly physical stock verification and annual stock audit, it will be deemed that the supplier has accepted the physical verification report.

The Internal Auditor will provide the manpower as per the requirements at depot to complete the Physical Verification within a short span. The quarterly verification report and annual audit report will be placed before the Operation Committee as well as Audit Committee for perusal after verification by Internal Auditor along with their observations.

The depots shall adhere to the following guidelines in order to strengthen the system of Physical Stock verification at depot.

- i. All the pack sizes of one brand shall be stored batch wise/pack size wise under one roof of the godown,
- ii. The physical stock verification shall be done within a short span as per the scheduled date in each quarter.
- iii. The physical stock verification shall be done godown wise, brand wise, pack size wise and batch wise.
- iv. The saleable stock, expired/sediment stock/leaky can beer stock and godown breakage stock shall be kept separately and immediate steps shall be taken by depot for destruction of the expired/sediment/leaky can beer stock after following due procedure.



## Supply Chain Management Policy, 2020

- v. The report on Physical Verification of Saleable stock, non-saleable (expired / sediment / leaky can beer) stock and godown breakage stock shall be furnished to Head Office separately by the team in the format prescribed by Head Office.
- vi. The verification report shall be signed by all the members who are present during the verification and submit the same to Head Office immediately after the verification work is over.
- vii. Each godown of depot shall maintain and update following 4 (four) Registers
  - a) Stock Receipt Register.
  - b) Stock Issue Register.
  - c) Sediment/expired/leaky can beer stock Register.
  - d) Godown Breakage Register.

The above 4 (four) registers shall be maintained & updated by the godown Assistant(s) and verified by the Branch Manager/Assistant Manager/ Superintendent/ Junior Manager of the concerned depot in regular interval.

### **19.3 Surprise verification of physical stock by Enforcement Squad:**

In addition to quarterly and annual physical verification of stock, the Managing Director can form an Enforcement Squad with required logistic support for surprise physical stock verification at depots by deputing officers not below the rank of Assistant Manager of Head Office.

## **20. INSPECTION**

The Corporation or its authorized representative shall have the right to inspect, test and expedite supply or get inspected, tested and expedited the supply of goods at works of the supplier or at any other place as decided by the Corporation.



## Supply Chain Management Policy, 2020

### 21. INSURANCE COVERAGE

All the beverages stocks of FMFL/IMFL/Wine/Beer/RTD/CL lying in the depots of the OSBCL are to be covered under insurance on yearly basis by the Corporation and the cost of insurance premium will be borne by the Corporation.

### 22. REPRESENTATIVE OF THE SUPPLIER / RETAILER

The Corporation will allow only the duly authorized person / representative of the Supplier to enter into the premises of the Corporation head office, depots and office of the Superintendent of Excise, Khurda relating to day to day work of supplier. The authorized representative will remain present inside depot at the time of unloading of consignments, receipt of Excise Verification Certificates (EVC) from OIC, quarterly stock verification, annual stock audit and destruction of stock in respect of the supplier whom he represents.

Only the person duly authorized by the concerned Superintendent of Excise in respect of a retailer is allowed to enter the premises of the depot for lifting of stock on behalf of the said licensed retailer.

### 23. PROFIT MARGIN OF CORPORATION AND RETAILER

- a. The Board of Directors of the Corporation will fix the profit margin of the Corporation from time to time. The present margin of the Corporation is 1.0% (One Percent) of Landing Cost across all Items.
- b. The retailer's margin is determined by the Government in its Excise Policy.

### 24. MANAGEMENT INFORMATION SYSTEM (MIS)

Management Information Systems (MIS) available in the online application is designed and developed for helping the Corporation in decision making and thereby minimizing the manual intervention in the Supply Chain Management of



## Supply Chain Management Policy, 2020

the Corporation. The online portal of OSBC is now being used by the Corporation, all District Excise Offices, OIC of all manufacturing units, OIC of depots, licensed retailers and registered suppliers of OSBC. The information available in the online application is now being used by the Corporation for the following purpose:

- i. Online deposit of advance duty/fee with Govt. through Treasury Portal by OSBC and auto refilling of supplier's wallet and OSBC's wallet.
- ii. Online Approval of Purchase Order (PO).
- iii. Facilitate accounting of advance Import Fee, ED/CVD/VF, AROED and pass fee paid and adjustment thereof from Supplier's wallet maintained with OSBC and the OSBC's Wallet maintained with the Superintendent of Excise, Khurda towards issue of Import/Transport Passes.
- iv. Online cancellation of Purchase Order (PO) and Import/Transport Pass.
- v. Real time tracking of non-executed Import/Transport passes, goods in transit including consignments waiting at depot for unloading and goods received at Depots.
- vi. Online preparation and generation of dispatch note and dispatch permit by OIC / Excise Supervising Officer of manufacturing unit.
- vii. Online preparation and generation of Goods Receipt Note (GRN) by depot along with generation of GRN summary statement at the day end.
- viii. Supplier wise and Item wise real time tracking of stock and sales position at each Depot.
- ix. Depot wise / supplier wise / brand wise / item wise real time tracking of demand and supply of stock.
- x. Category wise and segment wise real time sales tracking.
- xi. Payment to be made to the supplier as per the scheduled timeline.





## Supply Chain Management Policy, 2020

- xii. Calculation & processing of stock holding charges of each item centrally from Head Office.
- xiii. Product wise blocking of stock for invoicing after date of its expiry.
- xiv. Real time Payment Received from the Retailers of each Depot and adjustment thereof against sales invoice value from the Retailer's Wallet maintained with concerned depot.
- xv. Online generation of money receipt from OSBC portal after e-payment to OSBC by concerned retailers.
- xvi. Real time tracking of retailer wise lifting status against their MGQ.
- xvii. Online issue of Transport Passes to licensed retailers by OIC of depot.
- xviii. Online issue of Excise Verification Certificate (EVC) to concerned supplier by OIC of depot.
- xix. Online issue of NOC (No Objection Certificate) by OSBC for Export of IMFL/Beer to outside the State of Odisha.

In due course of time the Corporation will extend availability of MIS to all concerned.

### **25. ISSUE OF NOC FOR EXPORT OF IMFL/BEER TO OUTSIDE THE STATE**

- 25.1** The IMFL or Beer may be exported to outside the states of Odisha by the manufacturers or suppliers directly after obtaining "No Objection Certificate" in Form V from the Corporation.
- 25.2** Before obtaining No Objection Certificate (NOC) in Form V from the Corporation, the Manufacturers/Suppliers shall furnish an affidavit duly sworn in before an Executive Magistrate or Notary to the Corporation stating therein that the items which it intends to export are being exported only after meeting the local requirements



## Supply Chain Management Policy, 2020

determined by the Corporation taking the following factors into account –

- 25.2.1 Sale of the concerned brands during the preceding two years,
  - 25.2.2 The demand/sales of the brands during the current year, and
  - 25.2.3 Stock of the brand available in the Corporation go-down at the time when the manufacturer / supplier submits application to the Corporation for No Objection Certificate (NOC).
- 25.3 After obtaining “No Objection Certificate” in Form V from the Corporation, the concerned manufacturer or supplier shall obtain Purchase Order (PO), import pass and way bill in the name of the manufacturer / supplier from the State to which export is intended to be made.
- 25.4 The manufacturer / supplier, after obtaining all relevant documents for export and submitting the same to the Corporation, shall deposit one percent of basic price (invoiced price) as processing fee or the percent as decided by Govt. from time to time along with such relevant documents and there after the Corporation shall forward the same to the concerned Collector for issue of Export pass against the Purchase Order (PO) and Import pass and the exporting manufacturer/supplier shall provide authentic documents to the Collector regarding the basic price of the brand(s) to be exported to the concerned State Excise Authorities or the Corporation of the concerned State, as the case may be.
- 25.5 It shall be the responsibility of the manufacturer/supplier to obtain acknowledgement receipt of stock in shape of Excise Verification



## Supply Chain Management Policy, 2020

Certificate (EVC) from the concerned Excise Authority of the Importer's State and submit the same to the Officer-in-Charge (OIC) of the concerned export unit in Odisha.

- 25.6 On receipt of the EVC, the Officer-in-Charge (OIC) shall send attested copies of the same to the Commissioner, Collector of the concerned District, Deputy Commissioner and the Corporation.
- 25.7 The manufacturer / supplier shall submit the copy of the EVC & Export pass(es) of the previous exported consignment(s) attested by the OIC of the concerned bottling unit/brewery/distillery..
- 25.8 It is mandatory to submit the copy of the Label Registration Certificate in respect of the items for Export purpose along with approved label of the brand(s) issued by the Excise Commissioner, Odisha and Importing State.
- 25.9 In addition to above, the supplier will abide by the guidelines of the "Odisha Excise Rules, 2017, Part-II(B) of Chapter-II for Export of IMFL/Beer to outside the State".

### 26. WITHDRAWAL OF THE OFFER

If the offer is withdrawn by the supplier of alcoholic beverages within one year of the contract, the Corporation shall be at liberty to cancel the contract, forfeit the security deposit and also recover from the supplier any loss incurred on account of breach of contract on the part of the supplier.

### 27. GENERAL

- a. The Corporation shall not be responsible for any postal delays.
- b. The contract is not assignable by either party.
- c. Furnishing of incorrect information shall entitle the Corporation to forfeit the security deposit and blacklist the supplier.



## Supply Chain Management Policy, 2020

### 28. NON – WAIVER

Failure of the Corporation to insist upon strict performance of any of the terms and conditions of the contract with the supplier or failure or delay to exercise any rights or remedies provided herein or by law or the acceptance of payments for any goods, shall not release the supplier from any of the warranties or obligations of the contract and shall not be deemed to be a waiver of any rights of Corporation.

### 29. PREJUDICIAL CONDUCT

The following will constitute prejudicial conduct:

- a. If during the currency of the contract, the supplier or any of his representatives, workers or agents are found indulging in any activity, which directly or indirectly is prejudicial to the interest of the Corporation or the Odisha State Government or found guilty of offering illegal gratification of any kind including a bribe, reward or advantage etc. pecuniary or otherwise to any officer or employee of the Corporation.
- b. Indulging in any malpractice such as forgery, falsification or fabrication of any documents, bills, vouchers, delivery challans etc. or introduction of any liability in connection with the supply of FMFL/IMFL/ Wine/Beer/RTD/CL which amounts to an offence punishable under Indian Penal Code (IPC) or any other Enactment. The Corporation, without prejudice to others' legal rights, shall have the right to terminate the contract forthwith, ban the supplier for some years or permanently, forfeit the security deposit and such other amounts as may be lying with the Corporation besides initiating several other actions as deemed appropriate. All losses that may be incurred by the Corporation in this regard shall be recoverable from the supplier.



## Supply Chain Management Policy, 2020

### 30. RIGHTS OF THE CORPORATION

The Corporation reserves the right to terminate the contract with one month notice without assigning any reason thereto.

### 31. FORUM FOR LEGAL PROCEEDINGS

Any suit or other legal proceedings arising from or relating to the contract shall be within the jurisdiction of Bhubaneswar.

### 32. REVIEW OF FEEDBACK

This Policy shall be widely circulated among the suppliers, retailers, Depot Managers/Branch Managers, and the Auditors who shall take actions as required under various paragraphs wherever action points are there and furnish on quarterly basis the feedback to the Corporate Office of which review will be made and further instruction issued to be followed by all concerned. The contracts with the suppliers and the retailers shall be guided by relevant clauses of this policy.

The words and expression used but not defined in this Policy shall have the same meaning as respectively assigned to them in the Excise Act or Rules there under or in the Excise Policy and in the event of any omission or commission in this Policy, the Excise Act or Rules there under or the Excise Policy shall supersede this Policy. A copy of the Policy will also be submitted to the Govt. in Excise Department for information and necessary action.

**This “Supply Chain Management Policy, 2020” supersedes the Previous “Supply Chain Management Policy” and shall be effective from 1<sup>st</sup> April, 2020.**



## Supply Chain Management Policy, 2020

This "Supply Chain Management Policy, 2020" is valid till further amendment.

By the approval of the Board of Directors

Place: Bhubaneswar

Date:

Memo No.

2369/OSBC

Copy submitted to the Principal Secretary to Government, Excise Department for favour of information with a request to kindly order for uploading of this Policy of OSBC Ltd. in the public domain of the official website of the Department.

*Sanjay*  
26.08.2020  
Managing Director

Dt. 26.8.2020

Memo No.

2370/OSBC

Copy forwarded to the Excise Commissioner, Odisha for kind information and necessary action.

*Sanjay*  
26.08.2020  
Managing Director

Dt. 26.8.2020

Memo No.

2371/OSBC

Copy forwarded to the OSD to Chief Secretary, Odisha for kind information of the Chief Secretary, Odisha.

*Sanjay*  
26.08.2020  
Managing Director

Dt. 26.8.2020

Memo No.

2372/OSBC

Copy forwarded to the Private Secretary to Principal Secretary to Govt., Finance Department for kind information of the Principal Secretary.

*Sanjay*  
26.08.2020  
Managing Director

Dt. 26.8.2020

Memo No.

2373/OSBC

Copy forwarded to all Collectors / all Excise Deputy Commissioners / all Superintends of Excise for information and necessary action and with a request to circulate this Policy among all retailers under their respective jurisdiction.

*Sanjay*  
26.08.2020  
Managing Director

Dt. 26.8.2020

*Sanjay*  
26.08.2020  
Managing Director



**Supply Chain Management Policy, 2020**

**Memo No.** 2374/OSBC

**Dt.** 26.8.2020

Copy forwarded to General Manager (Admn.) / Chief Operating Officer / Chief Manager (Finance) / General Manager (Tech.) / Manager (IT) / Asst. Managers / Superintendent of Head Office of OSBC Ltd.

**Memo No.** 2375<sup>(9)</sup>/OSBC

**Managing Director**  
**Dt.** 26.8.2020

Copy forwarded to the Branch Managers of all depots of OSBC Ltd. for information and necessary action.

**Managing Director**

*Handwritten signature and date: 26.08.2020*

*Handwritten signature and date: 26.08.2020*