

DETAIL GUIDELINES FOR OPERATION OF BIO WHOLESALE BONDS IN THE STATE OF RAJASTHAN

In compliance of clause, no. 2.16.14 of the Excise and Temperance Policy 2022-23 and 2023-24, RSBCL hereby issues the following guidelines for the operation of BIO wholesale bonds in Rajasthan:

1. Total no of BIO wholesale Bonds and their locations

District	Max no. of BIO wholesale Bonds allowed
Jaipur	04 (Four)
Jodhpur and Udaipur	02 (Two) in each district

2. Period of Franchisee Agreement –

- i. One entity shall be given only one Franchisee in one district. However, the same entity may have Franchisee in another district also.
- ii. The Franchisee Agreement shall be for a period of five financial years commencing with effect from the date of signing of agreement subject to payment of annual franchisee fee as prescribed by RSBCL and other dues payable to RSBCL/State Government.
- iii. The Franchisee agreement may be extended for a further period of two years with shall be exercisable at least three months prior to the expiry of the term. on mutual agreement subject to satisfactory performance of Franchisee and payment of Franchisee fees and other dues as prescribed by RSBCL and other dues payable to RSBCL/State Government.
- iv. Agreement may be cancelled / terminated immediately in case of any policy changes by the State Government and the orders/directions issued there under.
- v. Agreement may be cancelled/ Terminated in case of breach of terms and conditions of agreement, violation of any provisions of the Customs Act 1952 and Rules, Rajasthan Excise Act, 1950 and Rules, Excise and Temperance Policy of the Rajasthan State 2022-23 and 2023-24, Liquor Source Policy of RSBCL or any other related Act time being in force or any such undesirable act of Franchisee due to which losses occur to Govt. Revenue or RSBCL. The Franchisee would be given a notice period of one month for any such termination.

3. Fees and payments :

- i. Annual Franchisee fee for the year 2022-23 will be Rs. 18.00 Lacs (Rs. Eighteen Lacs only) plus applicable taxes if any on annual basis.
- ii. Annual Franchisee fee shall be increased by 10% annually.

- iii. Annual Franchisee fee as decided by the RSBCL has to be deposited by 15th March of each year for renewal / extension of Franchisee license for next financial year.
 - iv. The Franchise Fee shall be paid by the Franchisee to RSBCL's designated bank account on annual basis. Franchisee fee may be changed by the RSBCL at any point of time.
 - v. The wholesale vend fee as prescribed under Rule 68 (13) of Rajasthan Excise Rules would be paid by the RSBCL to the Excise Department. The Franchisee need not pay this fee to the Excise Department. The license fee as provisioned under Rule 68 (13C) shall not be applicable in Franchisee model with RSBCL.
 - vi. Any other supplies of BIO Brands routed through other than aforesaid Franchisee setup with RSBCL would attract all such fee as prescribed under Rule 68 (13) and 68 (13 C) of Rajasthan Excise Rules, 1956 as per earlier provisions and to be paid by the supplier directly to the Excise Department, Rajasthan.
- 4. Setting up Customs Bond and BIO Wholesale Bond:**
- i. The BIO Customs Bond and BIO Excise Wholesale Bond are to be established and made functional within a period of 3 months from the date of issuance of Franchisee Approval.
 - ii. The Franchisee shall get the locations for so established BIO Customs Bond and/or BIO wholesale Excise Bond approved from the Customs Department Government of India and Excise Department, Rajasthan respectively as per rules and provisions.
 - iii. RSBCL shall obtain BIO Wholesale Bond License from Excise Department, Government of Rajasthan, by following the due procedures as per prevailing rules and regulations of Rajasthan State Excise Act, 1950.
 - iv. The Franchisee would be a co-licensee of the BIO Wholesale Bond license issued in the name of RSBCL. All formalities for issuance of co-license from Excise Department, Rajasthan shall be carried out by the Franchisee appointed by the RSBCL.
 - v. Both Customs Bond and BIO Wholesale Bond shall be setup in the same premises.
 - vi. All the BIO liquors / brands in Rajasthan would be supplied/ routed as per the prevailing policies/ directions issued by the State Government.
 - vii. The Franchisee shall make available all sorts of office furniture and equipment like Computers, Printers, Track & Trace devices, scanner kiosk, Internet etc. required to carry out the office activities smoothly and flawlessly at Customs Bond and BIO Wholesale Bond.
 - viii. All measures related to security and safety i.e. web based CCTV surveillance with access to RSBCL HO, firefighting equipment, Track and trace equipment, scanner kiosk, security guard, insurance etc. of both the Bonds shall be arranged by Franchisee.

- ix. The Franchisee shall make available manpower at Customs Bond required for carrying out day to day operations of the customs bond e.g. Customs Bond In-charge, Customs Handling Agents, Supervisors, Computer Operators, Accountant, Clerks, Labour etc.
- x. An Officer In-charge (Depot Manager) at Wholesale Bond shall be appointed / posted by RSBCL.
- xi. The Franchisee shall establish Cold Storages of adequate capacity for storing BIO wines in the Customs Bond and BIO Wholesale Bond as per requirement at his own expenses.
- xii. The Franchisee shall bear recurring expenses like salary to men power deputed by Franchisee, rent of buildings, electricity, drinking water, loading & unloading charges to Labour etc. pertaining to the customs and excise bonds.
- xiii. The Franchisee shall ensure that online system for itemized Billing is in place before the commencement of commercial operations and RSBCL shall be provided access to the retail billing reports as generated therefrom.
- xiv. The Franchisee shall carry out its business as per the provisions of Rajasthan Excise Act 1950 & Rules made their under, prevailing Excise and Temperance Policy issued by the Excise Department and the prevailing Liquor Sourcing Policy (Liquor Source Policy) of RSBCL and orders made their under.
- xv. The Franchisee shall ensure that at all times prompt, courteous and efficient service is accorded. The Franchisee shall in all dealings adhere to the highest standards of honesty, integrity, fair dealings and ethical conduct.
- xvi. The Franchisee shall devote full time and attention to the establishment, development and operation of the Franchised Business and services rendered.
- xvii. If the Franchisee does not establish the Customs Bond and/or wholesale Bond within the stipulated time period i.e. 3 (Three) months and one month from the date of issuing Letter of Intent (LoI) and letter of Acceptance (LoA) respectively from RSBCL, the LoA and/or LoI shall be treated as CANCELLED and it shall not be entitled to any rebates /refund of Franchisee Fee. Other suitable action if deemed necessary shall be initiated as per agreement.

5 Execution of Business Plan:

- i. The Value of Business for Financial Year 2022-23 shall be as per the proposed business plan submitted by the Franchisee at the time of bidding and for all operational and calculation purposes, the Value of the Business for the year 2022-23 shall be proportionated for the remaining quarters of the year 2022-23 from the date of operating of the BIO Wholesale Bond.

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- ii. For every subsequent year after 2022-23, minimum 20% increase in annual actual sale value or value proposed by the Franchisee for previous year for proposed brands whichever is higher shall have to be ensured by Franchisee.
- iii. The quarter-wise business plan as proposed above has to be adhered strictly by the Franchisee; however, any shortfall in first two quarters shall have to be compensated in the third quarter.
- iv. In case, Franchisee fails to execute business plan upto the end of third quarter and supplies committed for fourth quarter, he shall be liable to pay penalty equal to sum of Wholesale License Fee, RSBCL Margins, VAT & Surcharge, Permit & Vend Fee as applicable on the short supplied BIO brands / shortfall in Business plan. Any taxes payable on such penalty will be charged extra as per prevailing rates.
- v. Sale amount for actual purpose of the business plan would be amount of Invoices issued from the Wholesale Excise Bond on the BIO stocks issued for sale in Rajasthan

6 Margin to Franchisee-

- i. Franchisee will be given a Margin @3% on Basic Price quoted for the BIO Brand in the cost sheet for MRP Calculation of the BIO brand. However, the basic price would be accepted subject to comparison of basic price offered in neighbouring states i.e. Delhi, Haryana, Chandigarh, Punjab, MP, UP etc. RSBCL shall accept the minimum basic price quoted in any of the neighbouring states.
- ii. In case, supplier wishes some hike in basic price he has to submit reasons with full justification for any such hike. It would be sole discretion of the RSBCL to accept or reject the proposal of change in basic price.

7 Registration and approval of Brands –

- i. The registration and approval of the brands or labels shall be the responsibility of the Franchisee and / or the supplier who is willing to supply BIO brands through Franchisee Bond and would be subject to the brand fulfilling all conditions of the Rajasthan Excise Act, 1950 and the rules made thereunder.
- ii. One brand shall be supplied by the one Franchisee only however, one brand may be supplied from more than one source.
- iii. The registration of brands and approval of labels shall remain open throughout each financial year on payment of label and brand registration fees as specified under Rule 69(3) of Rajasthan Excise Rules 1956 and notified in Excise Policy each year.
- iv. There shall be no restriction of maximum number of brands to be allowed. The Franchisee shall fulfil the condition of maintaining the requisite stock as per demand of the market / RSBCL and all Customs Duty Free BIO brands approved by the Excise Department for direct procurement by the eligible retail-on licensees.

- v. The Franchisee shall analyse and identify the demand of various BIO brands in the market of Rajasthan and shall further introduce/launch all such brands thereupon.
 - vi. The Franchisee shall produce the authorization letter from either foreign liquor brand owning company or from the authorized importer in India for the purpose of registration of any BIO brand. The authorization letter must contain the following information:-
 - (i) Period of validity
 - (ii) Name of Brands
 - (iii) Area / State permitted
 - (iv) Name and address of authorized company
 - vii. If, the Franchisee produces the authorization letter from the authorized importer in India then the Franchisee shall also have to produce the certified copies of authorization of that particular importer in India from the manufacturer or brand owning company of that particular BIO brand.
 - viii. Franchisee shall be bound to introduce / launch / supply the BIO brands identified and informed by Excise Department, Rajasthan and RSBCL.
 - ix. The Franchisee shall abide by the instructions / directions of the Excise Department to affix any additional label containing such information as required.
- 8. Rate Approval-**
- i. After brand / label approval, Franchisee shall submit proposals of Rate / MRP approval of all approved brands to RSBCL and / or Excise Department as per provisions of the Rajasthan Excise Act, 1950 and the rules made there under and Liquor Source Policy of RSBCL for every financial year before its sale.
 - ii. RSBCL shall approve rates / MRP of the BIO brands both Customs Duty Paid and Customs Duty Free (only those which are to be routed through RSBCL Depots) as per provisions of its Liquor Source Policy and orders made there under.
 - iii. Detailed procedure of rate approval and cost sheets has been provided in the Liquor Source Policy of RSBCL. In case of change in basic price of BIO brands and / or rates / amount of customs duty, Agriculture Infrastructure Development Cess (AIDC) at any point of time during the year, the Franchisee shall have to intimate RSBCL of all such changes immediately as per the provisions of the prevailing Liquor Source Policy of RSBCL, failing which it shall be treated as breach of terms and conditions of agreement. Any loss of Government revenue arising out of breach of terms and conditions shall be recovered from the Franchisee besides other proceedings, which are liable to be initiated against the Franchisee as provided under the Rajasthan Excise Act 1950 and rules made there under and Liquor Source Policy of RSBCL.
 - iv. The Franchisee shall abide by the provisions of Value Added Tax (Vat) Act.

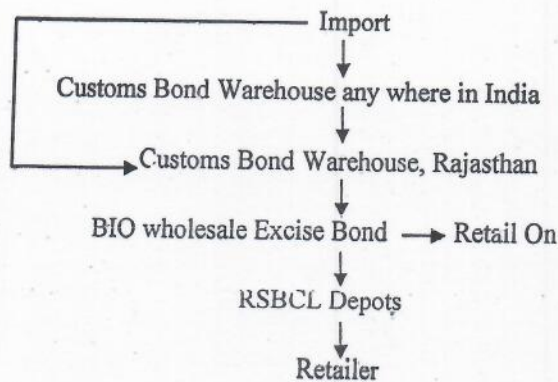
- v. The Franchisee shall not sell any liquor not conforming to the specification prescribed by the Excise Commissioner, Rajasthan.

9. Supply of Stock-

- i. The Franchisee shall procure and sale BIO brands after the payment of wholesale license fees payable under Rule 69 (1) of Rajasthan Excise Rules 1956. Franchisee shall pay VAT as per the provisions of prevailing VAT Act of Rajasthan.
- ii. All levies of Excise Department of Rajasthan shall be payable before the grant of permit for procurement of BIO foreign liquor.
- iii. The Government reserves the right to review the manner of levying duties / fee and amount of duties / fee etc. to be paid / payable. In case there is any amendment / change in law related to liquor or bonded warehouse in Rajasthan during the period of license. The changes, if any, shall be binding upon the Franchisee.
- iv. Customs Duty Free BIO brands shall also be supplied to eligible licensees i.e. Hotels through the public customs bond and wholesale Excise Bond so established.
- v. When the stock lying at Excise Wholesale Bond is transferred to Depots of RSBCL through TOO, the charges applicable as per clause No 10.3 of the Liquor Source Policy 2022-23 will not be applicable.
- vi. Supplies from BIO Wholesale Bond to RSBCL depots shall be executed through OFS. The charges applicable as per clause No 4.3 and 4.6 of the Liquor Source Policy 2022-23 will not be applicable.
- vii. All charges for loading and unloading of BIO brands in Customs Bond and transferring the stocks from Customs Bond to BIO Wholesale Bond shall be borne by Franchisee.
- viii. On sale from BIO Wholesale Bond to Licensees, Loading Charges shall be recovered as per provisions of RSBCL from licensees and to be paid to Franchisee.
- ix. Loading charges for transporting stocks from BIO Wholesale Bond to RSBCL depots and unloading and stacking of the stocks at RSBCL depots shall be borne by the Franchisee.
- x. The Franchisee shall maintain sufficient stocks of all approved brands so that the State does not suffer any revenue loss and customers' choice is not compromised. In case of insufficient stock, Franchisee shall be liable for penalty as per the provisions of prevailing Liquor Source Policy.
- xi. Complete movement of BIO liquor through the setup so established i.e. Inward of stocks in Customs Bond, Inventory of Customs Bond, Detail of Customs Clearance of BIO Brands, Transfer of stocks from Customs Bond to BIO Wholesale Bond and BIO Wholesale Bond to RSBCL Depots, Sale to Licensees, Inventory of BIO Wholesale

Bond etc. shall be managed and controlled through Excise Department's Online Software i.e. Integrated Excise Management System (IEMS) only.

- xii. The Franchisee will be permitted to trade wholesale of Bottled in Origin Foreign Liquor, Beer, Wine etc.
- xiii. The Franchisee shall procure Bottled in Origin Foreign Liquor, Beer and Wine from manufactures/authorized importers/authorized suppliers/ licensed customs bonds or BIO Wholesale Bond of other states.
- xiv. Franchisee shall have to ensure availability and timely delivery of all types of approved BIO Brands to licensees in Rajasthan through RSBCL.
- xv. Route to Market (RTM) of BIO Liquor would be as under:-



xv. BIO brands that have been approved for sourcing from the Franchisee so appointed shall not be allowed from any other sources outside Rajasthan after establishment of BIO Wholesale Bond in the state.

10. Payment Terms:

- i. Payment to the Franchisee shall be made as per provisions of the prevailing Liquor Source Policy of RSBCL and orders issued there under against sold stocks of BIO brands supplied to RSBCL depots.

11. Audit:

- i. RSBCL shall reserve right to conduct an internal audit of Franchisee including but not limited to system audit, stock audit, accounting audit etc. through its authorized team of professionals without any prior intimation or notice thereof.

12. Role of RSBCL:

- i. RSBCL shall depute / post one officer-in-charge as Depot Manager at BIO Wholesale Excise Bond for supervision and shall carry out its responsibilities as Depot Manager.
- ii. Salary and allowances of Depot Manager so deputed / posted shall be paid by the RSBCL.

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- iii. It shall be the responsibility of Depot Manager to supervise and manage all activities at BIO wholesale Excise Bond for flawless and smooth functioning and uninterrupted supplies of BIO brands.
- iv. It is binding upon the Franchisee to comply with the instructions of Depot Manager related to functioning of BIO wholesale Excise Bond.
- v. RSBCL shall approve Rate / MRP considering Customs Duty Paid and Customs Duty Free BIO brands (which intends to be routed through RSBCL depots) as per provisions of its Liquor Sourcing Policy and prevailing practices.
- vi. RSBCL shall develop and implement suitable software module(s) under its online application i.e. Integrated Excise Management System (IEMS) for complete management and maintenance of both the Customs Bond and Wholesale Bond. The RSBCL shall facilitate access to the software processes on IEMS to Franchisee and to the staff responsible for both Customs Bonds and Wholesale Bond.
- vii. Overall operations of Wholesale Bond i.e purchase, inventory, sale, issuance to RSBCL depots, request and issuance of Supply Orders, Excise Permits, Excise Fee/Duty Deposition etc., shall be executed online through Integrated Excise Management System (IEMS) only. Each transaction with regard to Wholesale Bond shall be carried out online through IEMS only.
- viii. RSBCL may from time to time hereafter modify or otherwise change the system, including, without-limitation, the adoption and use of new or modified trade-marks or trade names, new products or services and new techniques in connection therewith, and the Franchisee shall at its own cost, promptly accept, implement, use and display all such alterations, modifications and changes.
- ix. RSBCL and / or its authorized representatives shall have the right at all times to inspect the premises and the furnishings, equipment and fixtures thereon and the products, to take inventory of such products, and otherwise to examine the manner in which the Franchisee is conducting its business; in the event of any such inspection, the Franchisee and its staff shall co-operate fully.
- x. Misuse of access of IEMS by Franchisee and for any of the staff working in Customs Bond and Wholesale Bond shall lead to suitable legal actions under prevailing laws and rules against the offender.

13. Statutory Obligations-

- i. The RSBCL shall be entitled to deduct Income Tax, GST, VAT and such other taxes, at source from the bills of the Franchisee as may be required by any department of State/Central Government or any other Statutory Body.

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- ii. The Franchisee, in addition to the above, shall be wholly responsible and liable to comply with the provisions of the various Acts like Customs Act 1962 and Rules, Rajasthan Excise Act, 1950 and Rules, Excise and Temperance Policy of the Rajasthan State 2022-23 and 2023-24, Liquor Source Policy of RSBCL or any other related Act, statutes, Rules, Regulations, Instructions, Judgments, decisions, as existing and/or may be applicable, during the period of the contract.
- iii. If Franchisee fails to comply with any or all its obligations stipulated herein or elsewhere in these guidelines OR any liability devolves on the RSBCL, then the Franchisee shall be liable to meet and pay such liability and all costs, expenses, charges, risks etc., shall be recovered immediately from the bills/security money, etc., of the Franchisee.
- iv. Non-compliance of this by the Franchisee will also constitute a breach of agreement on the part of the Franchisee

14. Assignment & Additional Contracts:

- i. The franchisee shall not, at any time, transfer, assign or sublet the contract or any part thereof to any other agency

15. RSBCL not liable to pay Compensation:

- i. The Franchisee shall not claim for any business loss, idle charges compensation upon failure, delay, omission etc. on the part of the Company to carry out any or all the provisions of the contract for any reason whatsoever. The RSBCL's decision in the matter shall be final and binding on the Franchisee.

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