



KERALA STATE BEVERAGES
(MANUFACTURING AND MARKETING) CORPORATION LTD.
(A GOVERNMENT OF KERALA UNDERTAKING)
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**GUIDELINES FOR REFUND OF EARNEST MONEY DEPOSIT
(EMD)**

**Applicable to IMFL, BEER, WINE, FMFL & FMW Suppliers
under Rate Contracts with KSBC**

1. Introduction

These guidelines detail the procedure for the refund of Earnest Money Deposit (EMD) collected at the time of entering into a Rate Contract with Kerala State Beverages (M & M) Corporation Ltd (hereinafter referred to as **Corporation**). The refund process applies to suppliers dealing in IMFL, BEER, WINE, FMFL, and FMW, and is categorized based on whether the supplier is currently on the rolls of the Corporation or not. The intent is to ensure transparency, accountability, and timely settlement of EMD claims.

2. Standard EMD Structure

At the time of entering into a Rate Contract, EMD is collected based on the supplier type and projected supply volume. The details are as follows:

- **IMFL & BEER Suppliers:** Initial deposit of ₹12,00,000, up to a maximum of ₹1,00,00,000 based on supply volume.
- **WINE Suppliers:** Initial deposit of ₹50,000, up to a maximum of ₹10,00,000.
- **FMFL Suppliers:** Initial deposit of ₹5,00,000, up to a maximum of ₹1,00,00,000.
- **FMW Suppliers:** Initial deposit of ₹1,00,000, up to a maximum of ₹10,00,000.

The maximum EMD amount is determined in accordance with the supply volume and Rate Contract clause 3(a).

Security Deposit on Excise duty: As per clause 5(h) of the Rate contract agreement, the Corporation may recover in advance the excise duty payable on the supply of liquor and refund it only on receipt of liquor stock at the destination warehouse. For this purpose, the suppliers remit Security Deposit for excise duty which will form part of the EMD of the supplier and refundable when the consignment reaches the warehouse.

3. Situations Eligible for EMD Refund

The refund of EMD may be considered in the following situations:

(a) Refund of Previous EMD

Suppliers may request refund of the EMD remitted or any additional EMD deducted during previous rate contract period.

(b) Refund of Security Deposit remitted for Excise Duty

The suppliers may request for refund of Security Deposit remitted for the purpose of excise duty.

(c) Withdrawal or Rejection of Rate Contract

If a Rate Contract is withdrawn by the supplier or rejected by KSBC, the EMD may be refunded.

(d) Full Refund of EMD for a Specific Unit

When a supplier supplying from multiple units, seek a full refund of the EMD pertaining to a particular unit from which they are not effecting any supply, the same may be refunded.

4. Procedure for processing EMD refund

(a) Refund of Previous EMD

i) For suppliers presently in the rolls of the Corporation (Current Suppliers)

The present and previous EMD balance including Security Deposit for excise duty may be ascertained from the EMD statement. The EMD balance available after adjustment of excise duty may be obtained from permit section. The details of any pending dues of the supplier may be obtained from ledger/payment seat and in case there is sufficient EMD balance after adjustment of excise duty and pending dues, the EMD amount may be refunded.

ii) Refund of Previous EMD for suppliers not in the rolls of the Corporation (Former Suppliers)

After identifying the total EMD as per register, the details of any pending dues of the supplier may be obtained from ledger/payment seat and adjusted against the EMD. The value and corresponding duties (excise duty/import fee/special fee) of dead stock and saleable stock may be obtained. EMD may be refunded after keeping sufficient balance to cover the duty value of dead and saleable stock and after keeping aside some

percentage for dead stock destruction/any other deductions such as demurrage charges, godown breakage etc.

(b) Refund of Security Deposit remitted for Excise Duty

In this case, the amount remitted as security deposit for excise duty should be identified. The EMD balance available after adjustment of excise duty may be obtained from permit section. The details of any pending dues of the supplier may be obtained from ledger/payment seat and in case there is sufficient security deposit balance after adjustment of excise duty and pending dues, the amount may be refunded.

(c) Withdrawal or Rejection of Rate Contract

In case of voluntary withdrawal by the supplier, a penalty of Rs.25,000/- shall be imposed and deducted before refunding the EMD. In case of rejection of rate contract by the Corporation, the entire EMD may be refunded to the supplier.

However, in both cases, if the supplier is formerly in the rolls of the Corporation, the refund guidelines applicable for refund of previous EMD of former supplier should be followed.

(d) Full Refund of EMD for a Specific Unit

When a supplier supplying from multiple units, seek a full refund of the EMD pertaining to a particular unit from which they are not effecting any supply, the details of any pending dues of the supplier may be obtained from ledger/payment seat and EMD balance after adjustment of excise duty and pending dues may be refunded. In such case, the supplier should also furnish a written undertaking in stamp paper attested by a notary confirming that any liabilities that may arise for the unit for which refund is requested may be deducted from EMD or payments due to remaining units.

5. Approvals and Authority

General Manager (Finance) may be authorized to approve EMD refunds in accordance with the above guidelines.

CHAIRPERSON & MANAGING
DIRECTOR

Issued By :