

**GOVERNMENT OF ODISHA
EXCISE DEPARTMENT**

**

**No. 1884 / Ex., Dated, the 19th March, 2016
IIEx-310/2015**

From

Shri S. P. Thakur, IAS,
Principal Secretary to Government

To

The Excise Commissioner,
Odisha, Cuttack.

Sub: Excise Policy: Excise Duty, Excise Fee and Margin Structure along with
Regulatory Guidelines for the year 2016-17.

Sir,

I am directed to invite the reference to your Department letter No.21
Dated 25.02.2016 and to say that Government after careful consideration have
been pleased to approve the Excise Policy: Excise Duty, Excise Fee and Margin
Structure along with Regulatory Guidelines for the year 2016-17 for settlement of
Excise Shops and Establishments for the year 2016-17. The details of Excise Policy:
Excise Duty, Excise Fee and Margin Structure along with Regulatory Guidelines for
the year 2016-17 is enclosed for necessary action.

Yours faithfully,

S. P. Thakur 19/3
Principal Secretary to Government

Memo No. 1885 / Ex Dated, the 19th March, 2016

Copy forwarded to the Secretary, Board of Revenue, Odisha, Cuttack/All
Collectors/All EDCs/ All Supdts. of Excise for information and necessary action.

Addeb
Additional Secretary to Government

Memo No. 1886 / Ex., Dated, the 19th March, 2016

Copy forwarded to the Additional Chief Secretary, Finance Department for
information and necessary action.

Addeb
Additional Secretary to Government

19/3/2016

Memo No. 1887 / Ex., Dated, the 19th March, 2016

Copy forwarded to the Private Secretary to Chief Minister/ P.S to Minister, Excise / OSD to Chief Secretary / PS to DC-Cum-ACS for kind information of Hon'ble Chief Minister, Hon'ble Minister, Excise, Chief Secretary to DC-Cum-ACS.


Additional Secretary to Government

Memo No. 1888 / Ex., Dated, the 19th March, 2016

Copy forwarded to the Managing Director, OSBC Ltd., Bhubaneswar for information and necessary action.


Additional Secretary to Government

Memo No. 1889 / Ex., Dated, the 19th March, 2016

Copy forwarded to the Head State Portal, IT Centre, Secretariat Building / Prasanta Senapati, DEO, Excise Department for information and necessary action.


Additional Secretary to Government

2016 - 17

DEPARTMENT OF EXCISE, GOVERNMENT OF ODISHA



**EXCISE POLICY: EXCISE FEE, EXCISE DUTY AND MARGIN STRUCTURE ALONG
WITH REGULATORY GUIDELINES FOR THE YEAR 2016 – 17**

A. Thakur



1. INTRODUCTION

The Constitution of India empowers the State to levy duties for all demerit goods that are produced in the State such as alcoholic beverages for human consumption and other hallucination inducing narcotic substances such as Opium, Hemp etc.

Although consumption of alcoholic drinks has been prevalent since time immemorial, it carries with it the danger of negative social and physiological impact. Since prohibition alone cannot decimate the demand or need for consumption of alcoholic drinks and beverages, the State has to ensure supply from legitimate quality sources to meet this demand. Being a demerit good, the Excise products have to be imposed with duties and levies to keep a check on easy accessibility while ensuring the same does not become too expensive which will leave scope for bootleggers to creep in. While doing so, a fine balance needs to be struck between ensuring Government revenue and at the same time plug the influx of Excise products from outside. The Excise Policy 2016 – 17 also aims at facilitating ease of doing business and explore new avenues and markets while ensuring a level playing field is created for the entrepreneurs of the State.

1.1 Salient features of 2016 – 17 Excise Duties, Levies and Fee Structure

The Excise Policy 2016 – 17 seeks to focus on the feedback from various stakeholders in order to facilitate the ease of doing business in the State. The key areas in which the Excise Policy 2016 – 17 differs from the 2015 – 16 policy, are as follows:

- I. Since the Excise Policy needs to be revised periodically, keeping in view the macro and micro economic changes, the fee structure has been streamlined and rationalized.
- II. The Excise Duty structure for the year 2016 – 17 follows the Specific duty per LPL/BL + Ad valorem which was used in 2015 – 16 with minor changes to the specific components and the ad valorem rates for both Civil and Defense forces, to stabilize the MRP of CS, Beer and IMFL.
- III. The license fees for Bottling plants/Breweries/Distilleries has been restructured by replacing the existing Production Capacity Slab based approach with a Production based approach.
- IV. In order to facilitate new breweries, distilleries and bottling units, a base fee structure has been prescribed to attract new investments inside the State.

(1/23)

[Signature]
19/2/16