

GOVERNMENT OF ORISSA  
EXCISE DEPARTMENT.

NO.IEx-76/2001-2129/Ex. Dtd...22<sup>nd</sup> March,2002.

From

Shri J.P.Dash,IAS,  
Commissioner-cum-Secretary to Government.

To

The Excise Commissioner,  
Orissa, Cuttack.

Sub:- Excise Policy for the year 2002-2003.

Sir,

I am directed to invite a reference to your letter No.102 dtd. 5.1.2002 on the above subject and say that Government after careful consideration have been pleased to decide that the excise shops and establishments may be settled during the year 2002-2003 in the manner indicated below:-

I. LICENCE FEE FOR BREWERIES, DISTILLERIES  
AND BOTTLING UNITS.

Licences may be renewed for the year 2002-2003 on payment of licence fee as follows:

| Sl.No. | Production Capacity in<br>Proof Litres. | Annual Licence Fee for<br>Distillation, Brewing, bottling,<br>compounding and blending<br>(one or more operations ). |
|--------|---|--|
| 1      | 2                                       | 3  |
| 1.     | Upto 5 lakhs                            | 3.00 lakhs   |
| 2.     | 5,00,001 to 15 lakhs                    | 3.75 lakhs   |
| 3.     | 15,00,001 to 30 lakhs                   | 6.00 lakhs   |
| 4.     | 30,00,001 and above                     | 9.00 lakhs   |

## A. EXCISE DUTY ON IMFL AND BEER

|                       |  | <u>Excise Duty</u>               |
|-----------------------|--|----------------------------------|
| 1.                    | <u>Beer made in India.</u>   |                                  |
|                       | (a) Beer other than those made from imported base.   | Rs.14/- per BL                   |
|                       | (b) Beer made from imported base   | Rs.25/- per BL                   |
| <u>Proof strength</u> |  |                                  |
| 2.                    | (a) Premium India made Whisky<br>(Landing cost at OSBC -<br>Rs.800/- or more per case)                           | 75 <sup>0</sup> Rs.120/- per LPL |
|                       | (b) Other India made Whisky, Rum,<br>Gin, Brandy, Vodka.<br>(Landing cost at OSBC less<br>than Rs.800/-per case) | 75 <sup>0</sup> Rs.92/- Per LPL  |
| 3.                    | Gin made from imported base  | 70.1-78.9 Rs.150 per LPL         |
| 4.                    | Whisky, Rum, Brandy, Vodka<br>made from imported base  | 70.1-78.9 Rs.200 per LPL         |
| 5.                    | Liquor, Cordial made<br>from imported base   | 60 <sup>0</sup> Rs.150 per LPL   |
| 6.                    | Wine made from imported base<br>in India.  | 12.2-36.8 Rs.150 per LPL         |
| 7.                    | India made Wine  | 40 <sup>0</sup> Rs.40 per LPL    |

## III. FEES FOR LABEL REGISTRATION, IMPORT AND EXPORT OF IMFL/BEER, RECTIFIED SPIRIT AND DENATURED SPIRIT, FRANCHISE FEE FOR IMFL, PRIVILEGE FEE AND VEND FEE ETC.

|    |  |                                     |
|----|--|-------------------------------------|
| 1. | <b>Label Registration Fee:-</b>                        |                                     |
|    | (i) F.L. (imported from beyond the<br>custom barrier). | Rs.50,000/- per label<br>Per annum. |
|    | (ii) IMFL/ Beer  | Rs.15,000/- per label<br>per annum. |
| 2. | Import and Export Fee on Rectified<br>spirit per B.L.  | Rs.2.50                             |

|     |  |   |   |
|-----|--|---|---|
| 3.  | Import and Export Fee on Denatured Spirit.   | - | Rs.3.00   |
| 4.  | <u>Annual Licence Fee on Denatured spirit.</u>   | - |   |
|     | (a) D.S. I   | - | Rs.5000/-   |
|     | (b) D.S. II and DS. III  | - | Rs.2000/-   |
|     | (c) Excise Duty on D.S. supplied to agencies other than Government organization within the State.      | - | Rs.2/- per BL.  |
| 5.  | Export fee on Beer   | - | Rs.2.00 per BL  |
| 6.  | Import Fee on Beer   | - | Rs.4.00 per BL  |
| 7.  | Export Fee on IMFL   | - | Rs.2.00 per LPL   |
| 8.  | Import fee on IMFL   | - | Rs.10.00 per LPL  |
| 9.  | (a) Vend Fee in place of literage fee for foreign liquor imported into India from outside the country. | - | Rs.200/- per LPL  |
|     | (b) Vend fee for Beer imported into India from other countries   | - | Rs.20/- per BL  |
| 10. | Franchise Fee for IMFL   |   | Rs.2.00 per LPL   |
| 11. | Privilege Fee  | - | OSBC will pay privilege fee for the year 2002-2003 as will be levied by Government. |

#### IV. IMFL 'ON' SHOPS AND BEER PARLOURS.

(i) All the existing IMFL "On" and Beer Parlours (On) licences may be renewed provided they have fulfilled all the conditions for the year 2002-2003 on payment of the licence fee indicated below:

| <u>Category of the Hotel</u>  | <u>Licence fee</u> |
|---|--------------------|
| 1. Three Stars Hotels and above   | 3.00 lakhs         |
| 2. Hotels in six major cities namely Cuttack, Bhubaneswar, Puri, Sambalpur, Rourkela and Berhampur. | 2.00 lakhs         |
| 3. For other areas  | 1.50 lakhs         |

(ii) New IMFL 'On' shops/Beer Parlours (On) may be opened according to the need in Municipal/N.A.C. areas and Sub-Divisional headquarters.

(iii) 'On' licence may be granted to O.T.D.C./I.T.D.C. hotels at half the above licence fee where the said hotels are located. A certificate from the concerned Department has to be obtained for this.

(iv) Licence fee for Beer Parlours (On) has to be collected at the rate of 75% of the rate of IMFL on shop.

(v) While recommending the proposals for grant of licence for 'On' shops, the locality, the habit of the people living, sensitivity to law and order situation etc. should be taken care of.

(vi) New Beer Parlours may be opened wherever the condition so demands. Even selected "Dhabas" on the road side may be granted licence for Beer Parlour to sell Beer containing below 5% V/V alcohol. But no 'On' licence for IMFL shall be granted to 'Dhabas'. All conditions for 'On' shop will be applicable to Dhabas. Licence can only be granted by the Government subject to satisfaction of the Excise Commissioner.

#### V. IMFL 'ON' CLUBS AND MILITARY CANTEEN.

(a) The existing licences of 'On Clubs' shall be renewed with a licence fee of Rs.50,000/- per annum till 31.3.2003.

(b) New licences to 'On Clubs' may be granted on fulfillment of the following conditions.

- (i) The Club must be a registered club under the Societies Registration Act.
- (ii) The Club must be registered at least for a period of 10 years and there must be at least 100 permanent members.
- (iii) It must have its own land and building.
- (iv) There must be at least 3 affiliated Clubs.
- (v) The Club must be having facility of outdoor games like Tennis, Badminton, Volleyball, etc. and at least one indoor games.
- (vi) There must be adequate facilities for food and drinks.

(c) Licence for Military Canteen may be renewed upto 31.3.2003 on payment of annual licence fee of Rs.1,400.00. The Excise Duty for such canteens shall remain unchanged. Supply to the military canteen may be made after ascertaining the requirement for such canteens.

VI. LICENCE FEE FOR M & T.P. UNITS.

The existing policy will continue by way of renewal of the licences upto 31.3.2003.

VII. LICENCE FEE FOR BONDED WAREHOUSE OF MANUFACTURING COMPANIES.

Licence of Bonded Warehouses of the manufacturing companies will be renewed with a licence fee of Rs.4.00 lakhs per annum.

VIII. LICENCE FEE ON WHOLESALE DISTRIBUTION.

The wholesale licence of Orissa State Beverages Corporation Ltd. will be renewed for the year 2002-2003 with a licence fee of Rs.5.00 crores per annum. The above licence fee may be paid in lump sum or in four installments by the OSBC. Government may impose any other fee subject to volume of transaction.

IX. BHANG/TARI/POCHWAI.

The Policy on Bhang, Tari and Pochwai shops will be the same as that of 2001-2002. All the existing licences may be renewed upto 31.3.2003. In case licence of any such shop is not renewed, the Collectors may take immediate steps for settlement of the said shops by auction followed by tender followed by negotiation.

The Excise Duty on Bhang shall be Rs.200/- per kg.

X. COUNTRY SPIRIT SHOPS.

(a) All the existing licences of the Country Spirit shops may be renewed for the year 2002-2003 without any change in the licence fee and MGQ. The duty on country spirit liquor will remain unchanged i.e. at the rate of Rs.15/- per LPL.

(b) The Country Spirit shops which could not be settled by auction followed by tender followed by negotiation during 2001-2002 may be settled in the same process during 2002-2003. In case licence of any C.S. shop is not renewed, the Collectors may take steps for resettlement of the same by auction followed by tender followed by negotiation.

(c) Proposal for new shops may be submitted to Government after observing all the formalities.

(f) The Collectors of the Districts are authorized to allow the exclusive privilege holders of Country Spirit shops to open maximum of three branch shops for each Country Spirit shop on payment of monthly licence fee for such branch shops.

(g) At present Country Spirit of 40° UP strength is being sold in poly pack containing 200 ml. Poly packs will be converted to bottles of 200 ml manner will be decided by the Government.

#### VI. OUT-STILL SHOPS.

(a) The licences of all the existing Out-Still shops operating in 10 districts may be renewed without any increase in the licence fee and MGQ. In case licence of any O.S. shop is not renewed, the Collectors may take steps for immediate re-settlement of the same by auction followed by tender followed by negotiation.

(b) Out-Still shops in the remaining four districts namely Koraput, Malkangiri, Malkangiri and Rayachota may be settled during 2002-2003 by way of auction followed by tender followed by negotiation.

(c) Proposal for opening of new Out-still shops may be submitted to Government for sanction after observing all the formalities.

(d) Collectors may allow five branch shops to be opened by each exclusive privilege holder.

#### XII. MOHUA FLOWER UTILIZATION, STORAGE, TRANSPORTATION AND EXPORT FEE.

The licence fee for the following items are levied at the following rates:-

|   |                        |
|---|------------------------|
| (i) Utilisation fee per quintal of mohua flower | - Rs.175.00            |
| (ii) Mohua flower storage fee upto 200 quintals | - Rs.1,000/-           |
| 201 to 500 quintals                             | - Rs.2,000/-           |
| 501 to 1000 quintals                            | - Rs.5,000/-           |
| 1001 to 2000 quintals                           | - Rs.7,500/-           |
| 2001 to 5000 quintals                           | - Rs.10,000/-          |
| above 5000 quintals                             | - Rs.15,000/-          |
| (iii) Mohua Export fee                          | - Rs.60/- per quintal. |
| (iv) Mohua Transportation Fee                   | - Rs.10/- per quintal. |

### XIII. UTILISATION FEE ON MOLASSES.

The following fees are fixed as utilisation of Molasses during the year 2002-2003.

|                                       |   |                     |
|---------------------------------------|---|---------------------|
| (i) Malasses utilized by Distillery   | - | Rs.100/- per tonne. |
| (ii) Molasses used for other purposes | - | Rs.100/- per tonne  |
| (iii) Import Fee                      | - | Rs. 60/- per tonne  |
| (iv) Export Fee                       | - | Rs. 60/- per tonne. |

### XIV. EXCISE ADHESIVE LABEL FEE.

Excise Adhesive Label Fee for each bottle of IMFL, Beer and Country Spirit pouch/bottle will be Re. 0.20 paise. Affixing of Excise Adhesive Label will be strictly followed.

### XV. EXCISE POLICY FOR TRIBAL AREA.

Concessions granted in tribal areas to brew liquor for personal consumption and not for sale will continue. The provisions of Section 26-A of the Bihar and Orissa Excise Act, 1915 requiring approval of Gram Sasan in the scheduled areas may be strictly followed.

### XVI. ADVANCE CONSIDERATION MONEY.

Advance consideration money for two months may be collected from all the existing IMFL 'Off'/Beer Parlours (Off)/ Country Spirit, Out-Still shop, Tari, Pochwai and Bhang licensees for the year 2002-2003 by the end of March, 2002.

Similarly, licence fee from all the 'On' shops and Beer Parlour (On) may be collected in four instalments. The first instalment for the year 2002-2003 may be collected by the last week of March, 2002. Similarly, the other three instalments will be collected by the first week of June, September and December, 2002.

### XVII. LICENCE FEE ON BRANCH SHOPS.

The licence fee of the Branch shops of Out-Still and Country Spirit shops will be Rs.3,000/- per month.

The MGQ of the IMFL 'Off' shops will remain unchanged. Any extra quantity sold by a licensee over and above the MGQ will not be taken into account for fixing the MGQ during the next year. MGQ is not introduced in 'On' shops, Beer Parlours (On), Hotels and Restaurants.

XX. BEER LICENSING

Bottling fee on IMFL and Beer is abolished with effect from 1.4.2002.

XXI. IMFL 'OFF' SHOPS

All the existing IMFL 'Off' shops will be renewed without any change in the licence fee and MGQ.

However, the IMFL 'Off' shops and Beer Parlour (On) remaining vacant should be sold without change in the licence fee and MGQ to the eligible persons among the applicants after due notice. The proposals for new shops should be sent to the Government and licence fee will be fixed taking various factors into consideration. Applications should be invited and the number of eligible persons should be sorted out. If the number of eligible persons becomes more than the number of shops, then it will be decided by lot to provide transparency to the system.

Licence in whose favour more than one shop was sanctioned by lot will be considered eligible only if they have succeeded in selling the MGQ for all the shops.. Success in one and failure in any other will disqualify the licensee.

XXI. DELEGATION TO COLLECTORS  
TO GRANT LICENCE.

The Collector of the District would continue to exercise the powers to grant licence for exclusive privilege for retail sale of IMFL, Out-Still and Country Spirit where the consideration money achieved is equal to or more than the reserve price.

Yours faithfully,

*N. M. H.*  
22/03/02

Commissioner-cum-Secretary to Government.