

GOVERNMENT OF ORISSA
EXCISE DEPARTMENT

No. I Ex-520/2004/ 1410 /Ex., dated 28.02.05

From
Shri Tarun Kanti Mishra, I.A.S,
Principal Secretary to Government.

To
The Excise Commissioner, Orissa,
Cuttack.

Sub: Excise Policy for the year 2005-06

Sir,

I am directed to invite a reference to your Letter. No. 9174 dated. 04.12.2004 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 2005-06 in the manner indicated below: -

**(I) LICENCE FEES FOR BREWERIES, DISTILLERIES AND BOTTLING UNITS. –
COMPOUNDING AND BLENDING (ONE OR MORE OPERATIONS – Form No.
F.L. – 13)**

Licence may be renewed for the year 2005-2006 on payment of licence fee as follows:

Sl.No.	Production capacity (In Proof Litres)	Annual Licence Fee (Rs. In Lakhs)
1	Up to 5 lakh	Rs. 3.50
2	5,00,001 to 9 lakh	Rs. 4.50
3	9,00,001 to 15.00 lakh	Rs. 7.00
4	15,00,001 to 30.00 lakh	Rs. 12.00
5	30,00,001 to 60.00 lakh	Rs. 15.00
6	60,00,001 and above	Rs. 18.00

(II) LICENCE FEE FOR BOTTLING: - (FORM NO. F.L 14)

- i) @ Rs. 3.00 per BL of IMFL manufactured
- ii) @ Rs. 3.00 per BL of Beer manufactured

(III) ANNUAL LICENCE FEE - Rs. 5.00 lakh.
(For having ENA columns.)

**(IV) ANNUAL LICENCE FEE FOR WINE
PRODUCING UNITS. - Rs. 1.00 Lakh.**

- The Distilleries, Breweries and Bottling units will pay the licence fee for Item-1 above.

- The Breweries, Bottling units and Distilleries having Bottling units will pay the licence fee for bottling according to Item-II above.
- The Distilleries and Bottling units having ENA Columns will pay the licence fee for having ENA Columns according to Item-III above.

(V) The MGQ for lifting of molasses by the Distilleries shall be fixed on the basis of highest quantity of molasses lifted in the last three years.

(VI) EXCISE DUTY ON IMFL AND BEER.

1	Beer	Strength	Excise Duty.
a)	Beer made in India	Up to 5%vv	Rs.14/- per BL
		Above 5% & Up to 7% vv	Rs.15/- per BL
		Above 7%vv	Rs.16/- per BL
b)	Beer mixed with any imported element		Rs.20/- per BL
c)	Draught Beer		Rs.10/- per BL
d)	Diet Beer	Up to 3.5% v/v	Rs.10/- per BL
e)	Canned Beer	Up to 5% v/v	Rs.10/- per BL
2	IMFL		
	<ul style="list-style-type: none"> • India made Whisky, Gin, Rum, Brandy, Vodka (Landing cost at Orissa State Beverages Corporation less than Rs. 600/- per case) 	75°	Rs. 110/-per LPL
	<ul style="list-style-type: none"> • India made Whisky, Rum, Gin, Brandy, Vodka (Landing cost at Orissa State Beverages Corporation Rs. 600/- to Rs. 850/- per case) 	75°	Rs. 125/- per LPL
	<ul style="list-style-type: none"> • India made Whisky, Rum, Gin, Brandy, Vodka (Landing cost at Orissa State Beverages Corporation Rs.851/- to 2,500/- per case. 	75°	Rs.150/- per LPL
	<ul style="list-style-type: none"> • India made Whisky, Gin Brandy Rum Vodka (Landing cost at Orissa State Beverages Corporation Rs. 2501/- or more per case) • Whisky, Brandy, Rum, Vodka, Scotch imported in bulk and bottled in India 	75°	Rs 175/- per LPL
		70.1°-78.9°	Rs.275/- per LPL
3	Gin imported in bulk and bottled in India.	70.1°-78.9°	Rs. 175/- per LPL
4	Liquor, Cordial imported in bulk and bottled in India.	60°	Rs. 175/- per LPL

5	Wine imported in bulk and bottled in India	12 ^o 2- 36.8 ^o	Rs. 150/- per LPL
6	India made Wine	40 ^o	Rs. 40/- per LPL

VII) 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	LABLE REGISTRATION FEE		
	i.	Foreign Liquor/ Wine/Beer (Imported from beyond Custom barrier)	Rs.15,000/- per label per annum
	ii.	Foreign Liquor imported in bulk and bottled in India.	Rs.50, 000/-per label per annum.
	iii.	IMFL / BEER supplied to OSBC per annum (January to December each year)	
	a	Up to 10000 cases per annum or 65000 LPL per annum	Rs.35,000/-per label per annum
	b	From 10001 to 20000 cases per annum or 65001 to 130000 LPL per annum	Rs.50,000/- per label per annum
	c	From 20001 to 40000 cases per annum or 130001 to 260000 LPL per annum	Rs.60,000/- per label per annum
	d	From 40001 to 70000 cases per annum or 260001 to 455000 LPL per annum	Rs.90,000/-per label per annum
	e	From 70001 to 1 Lakh cases per annum or 455001 to 650000 LPL per annum	Rs.1,30,000/-per label per annum
	f	Above 1 Lakh cases per annum or Above 650000 LPL per annum	Rs.1,80,000/-per label per annum
	Label Registration for Military Canteens.		Rs. 10,000/- per label.
2	Import Fee on Rectified Spirit/ENA		Rs. 3.00 per BL.
	Export Fee on Rectified Spirit/ENA		Rs. 5.00 per BL.
	Transport Fee on Rectified Spirit/ENA for preparation of IMFL or CS		Rs. 2.50/- Per BL
	Transport Fee on Rectified Spirit/ENA for purposes other than preparation of IMFL or CS		Rs. 4.00 per BL
3	Import and Export fee on Denatured Spirit		Rs. 3.00 per BL.
4.	LICENCE FEE ON DENATURED SPIRIT.		
	A	D.S-I	Rs.10,000/-per annum
	B	D.S-II	Rs. 5,000/-per annum
		D.S-III	Rs. 4,000/- per annum
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.5.00 per BL.
7	Export fee on IMFL		Rs. 1/- per LPL
8	Import fee on IMFL		
	A	Landing cost for one case up to Rs.850/-	Rs.16/- per LPL
B	Landing cost for one case from Rs.851 & above		Rs.14/-per LPL
9	Vend fee		
	A	Vend fee on foreign liquor imported into India from outside the Country (Not bottled in India)	Rs.200/- per LPL.

	B	Vend fee on Beer imported into India from outside the country	Rs.10/-per BL
10	FRANCHISE FEE		
	A	IMFL	Rs.4/- per LPL
	B	BEER	Rs.4/- per BL
11	PRIVILEGE FEE.		
	The OSBC will pay privilege fee for the year 2005-06 as would be levied by the Government		

All the depots established by the OSBC will pay an amount of Rs. 4 lakhs each per annum towards depot licence fee. The Commissioner of Excise will issue depot Licences.

VIII) IMFL 'ON' SHOPS AND BEER PARLOURS.

- a) All the existing IMFL "ON" and Beer Parlours (ON) licences may be renewed for the year 2005-2006 on payment of the annual licence fee indicated below provided they fulfil all the stipulated conditions.

	CATEGORY OF THE HOTEL.	LICENCE FEE
1	Three Star Hotels and above Hotels in Six major cities namely Cuttack, Bhubaneswar, Puri,	Rs. 3.50 lakhs
2	Sambalpur, Rourkela and Berhampur	Rs. 3.00 lakhs.
3	For other areas	Rs. 2.00 lakhs.

- b) New IMFL "ON" shops/ Beer parlour (ON) may be opened according to the need.
- c) 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. The hotels of OTDC/ITDC and tourism Department leased out to private individuals will also be allowed such concessions. A certificate for this purpose will be required from the Tourism Department before grant of licence.
- d) Licence fee for Beer Parlour (ON) has to be collected at the rate of 75% of the Rate of IMFL ON shops in six major cities namely Cuttack, Puri, Bhubaneswar, Sambalpur, Rourkela and Berhampur.
- e) Licence fee for Beer Parlour 'ON' for all other urban areas will be Rs.1.00 (ONE) Lakh Per Annum.
- f) Licence fee for Beer Parlour 'ON' for all other rural areas will be Rs. 75,000/- Per Annum
- g) All the new Beer Parlours 'ON' and IMFL 'ON' shops to be opened in rural areas will have to lift the MGQ from their nearest IMFL 'OFF' shop only. For this purpose the MGQ of the IMFL 'Off' shop will be increased proportionate to the number of such 'ON' shop attached to it.

- h) 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. New Beer Parlours may be opened wherever the condition so demands.
- i) **The licence fee of "ON" shops may be realized in three equal instalments.**
- j) **Model Wine 'Off' and 'On' shops will be allowed in 6 major cities of the state namely, Cuttack, Puri, Bhubaneswar, Sambalpur, Rourkela and Berhampur on payment of requisite charges / fees to be prescribed by the Government which should not be less than Rs 1.50 lakh.**

IX) IMFL ON CLUBS AND MILITARY CANTEENS

- a) **The existing licences of ON Clubs shall be renewed with a licence fee on the basis of consumption during the year 2004-05 as follows.**

<u>Consumption</u>	<u>Licence fee</u>
i. Upto 500 LPL per month	– Rs. 60,000/- per annum
ii. 501 LPL to 800 LPL per month	– Rs. 80,000/- per annum
iii. 801 LPL and above per month	– Rs. 1.00 lakh per annum

- b) New licences to 'ON' Clubs may be granted on fulfilment 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 three affiliated Clubs.
 - v. The Club must be having facility of outdoor games like Tennis, Badminton, Volleyball etc and at least one indoor game.
 - vi. There must be adequate facilities for food and drinks.
- c) Licence fee for Military Canteens may be renewed on payment of annual licence fee of Rs. 5000/-. The Superintendents of Excise will issue the permits only after obtaining the strength of the Unit/Cantonment and the norms of supply.

X) LICENCE FEE FOR M & T P UNITS.

The existing licence fee and policy will continue for 2005-2006 by way of renewal of licences.

XI) LICENCE FEE FOR BONDED WAREHOUSE OF MANUFACTURING COMPANIES.

Licence fee for Bonded Ware house will be Rs. 4.50 lakhs per annum.

XII) LICENCE FEE ON WHOLESALE DISTRIBUTION.

The wholesale licence of Orissa State Beverages Corporation may be renewed for 2005-2006 on payment of a licence fee of Rs. 12.00 crores.

XIII) BHANG / TARI / POCHWAI SHOPS

All the existing licences of Bhang, Tari & Pochwai shops shall be renewed for the year 2005-06 with 10% increase over the highest consideration money of the preceding three years of the shops after observing the formalities in this regard.

In case of any existing Bhang, Tari and Pochwai shops remain unsettled, the Collector may take steps for settlement of the same at the fixed price i.e 10% increase over the highest consideration money of the preceding three years of the shops by way of inviting applications. In case of more than one applications are received the shops will be settled by way of draw of lottery.

New Bhang and Tari shops may be opened wherever there is feasibility and demand. The new Bhang, Tari and pochwai shops will be settled by inviting applications. In case of more than one application are received, the shops will be settled by way of draw of lottery.

The Excise Duty on Bhang shall be Rs. 220/- per Kg.

XIV) COUNTRY SPIRIT SHOPS: -

- All the existing Country Spirit shops will be renewed for the year 2005-2006 with 10% increase over the highest consideration money of the preceding 3 years of the shop after observing all formalities in this regard.
- The duty on Country Spirit will remain un-changed. It will be charged at the rate of Rs.15/- per LPL.
- In case any existing Country Spirit shops remain unsettled the Collectors may take immediate steps for settlement of the same at the fixed price (i.e. 10 % increase over the highest consideration money of the preceding 3 years) by way of inviting applications. In case of more than one applications are received the shops will be settled by way of draw of lottery.
- The procedure of settlement of new C.S shops will be the same as in case of settlement of new IMFL 'OFF'shops.
- **Unsettled Country Spirit shops in 13 districts may be given to Aska Co-operative Sugar Industries Ltd. (ACSI) / Orissa Small Scale Industries Corporation (OSIC) and other State Government Under Takings and Co-operative Organisations at the reserve price fixed by the Govt., if the same is not settled by the prescribed process during the year 2005-06. However, they will operate these shops under their own management. They will not be allowed to sub-lease these shops under any circumstances.**
- **Persons/ Organisations interested to bid/apply have to deposit a sum of Rs. 750/- towards non-refundable application fee.**
- At present, Country Spirit of 40⁰ UP strength is being sold in poly packs containing 200ml. It was decided earlier to convert poly packs to bottles of 200 ml. But the Aska Cooperative Sugar Industries (**ASCI**) could not supply Country

Spirit in bottles. Supply of Country Spirit will be made in Bottles of 200 ml of 40 UP variety only, with effect from 1.4.2005.

- No further extension of time will be allowed to Aska Cooperative Sugar Industries Ltd, thereafter. Distilleries and Bottling Plants manufacturing RS/IMFL may be considered to supply Country Spirit in Bottles as per the guidelines formulated by the Excise Department.
- The Licence fee for manufacture and supply of Country Spirit will be Rs. 5.00 lakhs per annum.
- Bottling Fee at the rate of Rs. 0.25 per bottle will be charged with effect from the date of manufacture and supply of Country Spirit in Bottles.
- Before supplying the Country Spirit in Bottles, the manufacturer will have to get the labels registered and the label registration fee of Rs.15,000/- per annum per label will be charged.
- The authorised supplier of CS will be penalised to the extent of Rs. 10.00 lakhs, if he fails to make timely delivery of CS supply.
- In each District where Country Spirit is prevalent, a Committee for prevention of illicit liquor should be formed with Collector as Chairman, Superintendent of Police as the Vigilance Officer and the Superintendent of Excise as the Convenor-cum- Secretary. The Committee will review from time to time regarding the functioning of the Country Spirit shops and formulate strategies to prevent illicit distillation of liquor and detect the sources of spurious and non-duty paid liquor.
- More number of C.S shops may be opened considering potentiality of the area, after observing of all formalities.

XV) OUT STILL SHOPS.

- a) The licenses of all the existing Out Still shops operating in 17 Districts namely Sambalpur, Bargarh, Jharsuguda, Deogarh, Sundargarh, Bolangir, Sonapur, Kalahandi, Nuapara, Boudh, Koraput, Rayagada, Malkanagiri, Nabarangpur, Angul, Keonjhar, and Mayurbhanj shall be renewed for the year 2005-06 with 10 % increase over the highest consideration money of the preceding 3 years of the shops.
- b) The procedure of settlement of un-settled / new O.S shops will be the same as in case of IMFL 'OFF' shops.
- c) New O.S shops may be opened where ever the conditions so demand. Proposal for opening of new Out Still shops may be submitted to Government for sanction after observing all formalities.
- d) The Collectors may allow five branch shops to be opened by each exclusive privilege holder with a monthly licence fee of Rs. 5000/- per branch shop.
- e) **Persons interested to apply/bid have to deposit a sum of Rs.750/- towards non-refundable application fee.**
- f) Any shop once settled and starts functioning shall not be shifted ordinarily within a given financial year.

XVI) IMFL OFF SHOPS:

All the existing IMFL 'OFF' shops will be renewed for the year 2005-06 with 10 % increase over the highest consideration money of the preceding 3 years of the shops.

Incase any existing IMFL 'Off' shops remain unsettled the Collectors may take immediate steps for settlement of the same at the fixed price (i.e. 10 % increase over the highest consideration money of the preceding 3 years) by way of inviting applications. Incase of more than one applications are received the shops will be settled by way of draw of lottery.

- New IMFL "Off" shops may be opened wherever conditions so demand. The new IMFL "Off" shops shall be settled by inviting application. In case of more than one application are received, the shop will be settled by way of draw of Lottery.
- **Persons interested to apply / bid have to deposit a sum of Rs. 750/- towards non-refundable application fee.**
- Any shop once settled and starts functioning shall not be shifted ordinarily within a given financial year.

(XVII) Foreign Made Foreign liquor / Imported Wine / BEER

- Importers or authorised representatives of foreign distilleries / company will register themselves with OSBC under intimation to Excise Commissioner, Orissa.
- They will be required to pay necessary registration fees to OSBC.
- For each label registration of Foreign Made foreign Liquor, wine / beer made from imported base, Rs. 15,000 /- will be the label registration charges per label per annum. This will be done at the level of Excise Commissioner.
- For sale of Foreign Made foreign Liquor, wine / beer made from imported base, OSBC will import the same, on request of authorised Representative / Importer, for supply to authorised vendors, who have made necessary registration of such labels. For this purpose the composite label registration fee at district level would be Rs. 10,000/-.
- Authorised vendors will lift the material from OSBC depots. They will maintain a separate account of the sale and proceed of these products.
- Any Hotel / On shop having valid licence, may lift the Foreign Made Foreign Liquor, imported Wine or Beer from authorised Vendor, after paying composite registration charges of Rs.10,000/- to the concerned district collector.
- All other rules and procedures applicable to IMFL will also be applicable to FMFL.

(XVIII) MOHUA FLOWER UTILISATION, STORAGE, TRANSPORTATION AND EXPORT FEE.

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

i.	Utilisation fee per quintal of mohua flower	Rs. 175/-
ii.	Mohua flower storage fee Upto 200 quintals	Rs. 1000/-
	201 to 500 quintals	Rs. 2000/-
	501 to 1000 quintals	Rs. 5000/-

	1001 to 2000 quintals	Rs. 7500/-
	2001 to 5000 quintals	Rs. 10000/-
	More than 5000 quintals	Rs. 15,000/-
iii.	Mohua Export Fee	Rs. 60/- per quintal.
iv.	Mohua Transportation Fee	Rs. 10/- per quintal.
v.	Mohua Transportation fee Outside the State	Rs. 1/- per quintal

(XIX) UTILIZATION FEE ON MOLASSES:

The following fees are fixed as utilization of molasses during the year 2005-2006.

1	Molasses Used for Distillery	Rs. 100/- per Tonne.
2	Molasses Used for other purposes	Rs. 100/- per Tonne.
3	Import Fee	Rs. 60/- per Tonne.
4	Export Fee	Rs. 60/- per Tonne.

XX) EXCISE ADHESIVE LABEL FEE.

Excise Adhesive Label Fee for each bottle of IMFL, Beer and Country Spirit pouch / bottle will be Rs.0.25 Paise. Affixing of Excise Adhesive Label will be strictly followed.

Non-affixing of EAL by any company or retailer will invite penalty up to Rs. 10,000/-.

(XXI) 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.

(XXII) LIFTING OF MGQ OF IMFL / BEER.

The ratio of MGQ of the IMFL Off shops will remain unchanged for the year 2005-2006.

(XXIII) 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 and Country Liquor as per the delegation made vide this Department Notification No.3308 dated 16.05.2001 where the consideration money achieved is equal to or more than the reserve price. The Collector of the Districts will also issue licence for Bhang, Tari & Pochwai shops where the consideration money achieved is equal to or more than the reserve price.

- There should be an attempt always to achieve the maximum consideration money in course of settlement of a shop.

Where the settlement of IMFL "Off", Country Spirit, Out Still, Bhang, Tari and Pochwai shops is below the reserve price, the Collectors may record the reasons for settlement of the shop/s below the reserve price and furnish such proposal/(s) to Government through the Excise Commissioner for appropriate orders on acceptance of such settlement.

(XXIV) EXCISE DUTY ON IMFL TO BE SUPPLIED TO TROOPS AND MILITARY BODIES

Excise Duty on IMFL supplied to troops and military bodies will be levied at the following rates with effect from 01.04.2005.

- i) IMFL (Premium Rum) issued from the Depots of OSBC to troops and military bodies in Orissa Rs. 70/- per LPL.
- ii) IMFL (Other than Premium Rum) issued from the Depots of OSBC to troops and military bodies in Orissa. Rs. 50/- per LPL
- iii) IMFL other than Rum and Premium Rum issued from the Depots of OSBC to Troops and Military bodies in Orissa. Rs.90/- per LPL

(XXV) IMPORT OF IMFL

There will be no purchase / import of brands of the manufacturers from outside Orissa who are having their tie-up and franchise with local units in Orissa.

At present, IMFL is being sold in bottles of 750ml, 375 ml, 180ml and 90 ml.
With effect from 01.04.2005 IMFL bottles of 60ml and 1000 ml will be introduced for selling only in IMFL 'OFF' shops.

(XXVI) USER CHARGES:

Each licensee and successful bidder /auction holder of IMFL/CS/OS shops will pay a non-refundable user charge of Rs. 5000/- per annum per shop. **The amount will be remitted to the consolidated fund of the state.**

(XXVII) Label Registration:

The retail licensees have to register the label of different brands of IMFL/BEER at the district level. Each retail licensee will deposit a composite label registration fee of **Rs. 4000/- per annum** with the concerned Collector.

(XXVIII) ADVANCE CONSIDERATION MONEY:

Advance consideration money for three months shall be collected from the existing IMFL 'Off' / Country Spirit / Out- Still/ Tari/ Pochwai and Bhang licensees before 31.3. 2005.

In case of new IMFL 'Off'/C.S/ O.S/ Tari / Pochwai and bhang shops, the licensees shall pay advance consideration money of three months.

(XXIX) EXCLUSIVE PRIVILEGE (E.P) AREA OF IMFL 'OFF' AND COUNTRY SPIRIT SHOPS.

The exclusive privilege area of all IMFL 'Off' shops and Country Spirit shops shall be the location of the shop itself and the E.P area shall be re-fixed accordingly by the Collectors.

Yours faithfully,
(T. K. Mishra)

Principal Secretary to Government.

Memo No. 1411 / Ex., dated 28.02.2005

Copy forwarded to All Collectors/All Deputy Commissioners of Excise for information and necessary action.

(L.D.Sarangi)
Deputy Secretary to Government.

Memo No. 1412 / Ex., dated 28.02.2005

Copy forwarded to the Managing Director, Orissa State Beverages Corporation Ltd., Bhubaneswar/ all Superintendents of Excise for information and necessary action.

(L.D.Sarangi)
Deputy Secretary to Government.