EXCISE POLICY FOR THE YEAR 2008-09

The alcoholic beverages sector under the Constitution is a state subject and accordingly various States/ U.T's frame their own policies/taxation regime. The policy to tax and regulate the sale of liquor must meet the following objectives:

- Directive Principles of the State Policy as spelt out under Article 47 of the Constitution.
- Health and Safety concerns. The World Health Organization's Global Status Report on Alcohol has found that alcohol causes as much death and disability as measles and malaria and causes loss of far more years of life than tobacco or illegal drugs.[1] Hence the availability of liquor cannot be unfettered. However, at the same time a highly restricted access leads to sale of spurious liquor and endangers human life.
- Consumer's choice i.e. those who drink responsibly must be able to exercise their preference.
- To encourage responsible drinking habits and create an environment where consumption of alcohol is subject to regulation of domestic budget.
- To wean away people from hard liquor to low content alcohol such as wines and beer by making their availability relatively easier.
- Revenue maximization so that resources can be used to finance developmental activities.
- To have a decent and dignified premises for sale and consumption of liquor in the city.

In short, the Excise Policy must ensure that the objectives of "minimization of consumption and maximization of revenue are achieved without putting unreasonable

[1] W. H.O 2001, Management of Substance Dependence, Non Communicable Diseases, "Global Status Report on Alcohol" cited in the Report of Joint Working Group all Model Excise Policy/Taxation/Act/Rules of the Ministry of Food Processing Industries (2005).

restrictions on the individual's freedom of choice and unreasonably high taxation. Raising rates beyond the threshold, would lead to evasion of taxes, smuggling and illicit distillation. Therefore, efforts should be to rationalize tax and policy regimes so as to plug leakages and realize full revenue due to the State for genuine and responsible drinking." [2]

Excise revenues are collected in various names and forms, viz. Excise Duty, rental/license fee, sales tax or equivalent, Additional Excise Duty, import/export fee, vend fee etc. In Chandigarh, most of the Excise revenues are realized through rentals or license fee.

The manufacture and sale of liquor is accepted to be a privilege, which the government parts with at a price by way of a **license**. The rentals (or **license fee**) is normally fixed at the beginning of a licensing period and does not vary with the quantity of liquor sold. This **fixed amount** can be determined either **through a formula based on past experience or** by conducting a **public auction.** The present system in Chandigarh is to give licenses through allotment on applications as the number of IMFL and Country Liquor vends is fixed.

The next important component in excise revenue is **Excise Duty**. The government can impose Excise Duty on the liquor manufactured or consumed in a **state** in any one of the following manner:

1. Specific duty based on alcohol content (on a proof litre basis)
2. Ad valorem duty based on Ex-factory price
3. Ad valorem duty based on Minimum Retail Price.

[2] Report of Joint Working Group all Model Excise Policy/Taxation/Act/Rules of the Ministry of Food Processing Industries (2005), Page 6.

In Chandigarh, Excise duty is imposed on basis of alcohol content. The other constituents of Excise Revenue are Vend Fee and VAT.

Since the rentals are generally a fixed amount and normally unrelated to volume of sales, and Excise duty or VAT realization is variable depending on volume of transaction, the total revenue from Excise (E) can be expressed as:

$$E = R + (D+T)V$$

where R stands for rentals, D for rate of Excise Duty, T for rate of VAT and V for volume of sales. The **incidence of tax** can also be derived from the above expression. Since incidence of tax has to be arrived on per bottle or case, we have to divide the above expression with V which is a general term for number of bottles or cases. Doing so we get the following expression:

$$E/V = R/V + (D+T)$$

In states where R is low, it does not significantly impact on the quantum of "tax" per bottle/case, which really depends on D and T. In these states the term R/V is so small that it can be ignored and incidence of tax will be D+T. However, where R is very high and D and T are low, R affects the amount of "tax" per bottle/case. Since R, D and T are parametric constants, and V a variable; in the Rental system the incidence of tax depends on volume of sales and, therefore, cannot be quantified in advance.

It would be evident from above that the **core question is the proportion of excise revenue that is to be realized from fixed license fee and tax on per transaction basis.** Depending on the primacy given to fixed fee/rentals or tax there are two models that operate in different states:

(a) **Rentals/Auction Predominant System**

(b) **Tax Predominant System.**

The auction system has certain advantages and many disadvantages, which need to be weighed to assess the efficacy of the system. The **advantages** are:

1. It ensures maximum realization of revenue at the time of grant of a license, because of competition amongst operators.
2. It is also easy to manage and more suitable when proper monitoring and checking of unaccounted transactions is lacking.
3. The major portion of the revenue is determined and even realized at the beginning of the licensing or fixed period as the case be.

The **disadvantages** have been comprehensively listed in the **'**Report of Joint Working Group all Model Excise Policy/Taxation/Act/Rules of the Ministry of Food Processing Industries (2005).'

1. Process of determination of revenue by way of auction, because of very nature of the business is difficult, because only a few new operators can enter and as a result cartels are the norm. Because of this, the whole process is sometimes controlled and hijacked by what is called liquor mafia. This gives a very bad name to the whole system and transparency is the first casualty.
2. Determining rentals by auction goes against the avowed goal of the liquor policy to discourage and limit liquor consumption and realize maximum revenue from what is inevitably consumed by choice. After selling the privilege by public auction to the highest bidder, the Government cannot restrain such person from maximizing his revenue by undue means. This state of affairs, even while assuming absence of unaccounted sales, is highly obnoxious.
3. Whenever high rentals are fixed through auction, it generally leads to the licensees trying to make that money through unaccounted sales, thus saving on Excise Duty

and Sales Tax. This besides making a dent in the total excise revenue also generates Black Money in the system. A vicious circle is thus formed.

The Report has assessed the merits and demerits of both the systems and has found the Tax Predominant System superior to the Rental system. At page 19 of the Report, the Joint Working Group while making General Policy Prescriptions has made the following recommendation as the most appropriate:

"If the Government does not want to restrict number of outlets (except locational restrictions) and operators and also has the ability to control unaccounted transactions….the **prescription is unambiguously** for a **Tax Predominant System,** with reasonably low and uniform license fees for all those who may like to enter business and compete."

There can be no doubt that uniform and reasonably low license fee with no restriction on number of licenses (except locational) would enable good number of and new players to enter the business and thereby ensure competition and transparency and hence should be a preferred option.

From the above discussion it was felt that the system of grant of licenses through auction in Chandigarh has to be substituted by a fixed fee licensing system. However, before the above **goal of unrestricted number of licenses with low license fee could be achieved,** intermediate stage of high fixed fee with restricted licenses was adopted in the year 2006-07 and followed in the year 2007-08 also, given the peculiarities of Chandigarh and the trade practice.

The Union Territory of Chandigarh is only 114 square kms, nestled as it is between the states of Punjab and Haryana and in close proximity to Himachal Pradesh. The Excise regime in Chandigarh cannot be very differently aligned from these states. If Chandigarh were to have a high Tax and low rental system, there would be smuggling of liquor from other states. Furthermore, the trade being familiar with a high rental system, a high fixed fee with low tax and fixed number of licenses was recommended in the transition stage during the year 2006-07 and again followed in the year 2007-08. This system had the additional advantage, as stated above, of upfront revenue realization while at the same time acting as a security for good conduct by the licensees. The Report of the Joint Working Group at page 24 made a similar recommendation. The relevant extract is reproduced below:

"Fixed Fee, Restricted Outlets (FFRO):- Under this system the government fixes the number of outlets, their locations (or general limits of the area where an outlet is to be located) and the fees depending on the sale and profit potential of that area. This system can smoothly substitute the auction system, where different outlets (or ranges of outlets) were being auctioned at different prices. These historical prices can help in determining of license fee for each such outlet or area. General criteria for eligibility for grant of a license (minimum standards of financial resourcefulness, availability and capability of organizing the infra-structure, preferences for education qualification, social and economic backwardness, etc.), could be formulated and offers invited at the notified fees. If more than one equally qualified person applies for any outlet or range, the winner can be decided by lots. The general response to the invitation for offers can be used for further fine-tuning the license fee when offers are invited for the next licensing period. UP for instance has done it successfully in 2002-2003.

The advantage of this system (FFRO) is that it is more in line with the current practices in most of the states and is therefore more likely to be acceptable. The problems again lies in determining the license fee. Even when fixed on the basis of past auction data, there may be areas with no takers at those historical rates. Similarly, the historical rates may have been too low for some shops (due to collusion in the last tender or due to the contractor having made abnormal profits from that shop to make up for the losses in some other shop captured in auction by him). Despite all these, it is not very difficult to arrive at rates that will more or less reflect the earning potential of a particular outlet or area. The situation is expected to be remedied based on experience soon enough."

As a first step in migration to the low license fee high tax regime, the policy 2006-2007 recommended enhancement of Excise duty, Imposition of Assessed fee on bottles sold through retail vends and reduction in license fee of retail vends.

The City State of Chandigarh has a very high per capita realization of revenue from Excise. Since the license fee (rental) had abnormally increased during auctions in the year 2004-05 and 2005-06, the same could not be derived from fixed rentals (license fee). Accordingly at the time of switch over from auction system to the grant of licenses on application (licensing system) in the year 2006-07, the Excise duty was increased from Rs. 11/- to Rs. 15/- per PL on IMFL, from Re. 1/- to Rs. 5/- per PL on Country Liquor and Rs. 2/- to Rs. 3/- per bottle on light beer and Rs. 4/- to Rs. 6/- per bottle on strong beer and assessed fee @ Rs.5/- per BL on IMFL and Re.1/- per bottle on beer was imposed to cover up revenue loss due to low rentals. It was also ensured that landing cost of liquor should not jump in U.T., Chandigarh which may result in the inflow of liquor from the neighboring states. Hence, an effort was made to strike a balance while fixing the license fee of the vends and Excise Duty rates. Thus, it was proposed to have 150 IMFL vends of two categories at different locations and 65 vends of country liquor again of two categories. In order to curb the tendency of cartelization and to improve the quality of the vends and services and to bring about greater accountability and responsive trade practices, preference was given to companies which were registered prior to 31.12.2002 with the Registrar of Companies under the Companies Act, 1956 and they were required to deposit the full amount of the license fee within 24 hours from the grant of license. Only those companies were allotted licenses who had positive net-worth in the last 3 years ending with 2004-05. The net-worth was to be positive for every year during these 3 years. The introduction of preference for the companies was done with the objective to bring greater discipline in the trade. An applicant was only to be allotted a maximum of four vends in total. This included a maximum of a two vends of IMFL (L-2) and two vends of Country Liquor (L-14 A). In case of an applicant company, it was mandatory to furnish the names of the Directors on the Board of Directors of the applicant company. If it was to be found that there is commonality among the Board of Directors of two or more companies, it was presumed to be one company for the purpose of grant of a liquor license. In case there was an application by the company for a particular vend the license for the same was granted to that company on preference over other individual applicants. However, in case more than one company applied for a particular vend, the license for the same was granted after a draw of lots amongst the applicant companies only. One applicant was kept in the waiting list wherever there were more than two applicants for a particular vend. The Chandigarh Administration reserved the right to increase or decrease the total number of licenses if the situation so warranted and need for the same if felt by the Administration. An individual or a company could apply for more than one vend. All these vends had the choice to have a separate attached drinking place. It was expected that the switchover from auction system to licensing system would result in a slight dip in the total revenue which may go up to a maximum of Rs.10 Crores. However, during the year 2006-07 the Excise revenue increased by around Rs.15 corers instead of a dip. This was because the sales had shown an upward trend and the statistics available with the department for the year 2006-07 established that there was an increase of 253.83% for IMFL and 385.89% for Beer.

During the year 2006-07 for the disposal /grant of retail licenses, applications (locality wise) were invited. All applicants were required to submit alongwith application an affidavit that he was not barred to hold a license as per the provisions of order 7 of the Punjab Intoxicants Licenses and Sale Orders, 1956. Further he was required to furnish a copy of PAN No. prior to 31-03-2005 and solvency certificate equivalent to the amount of license fee, alongwith a demand draft of Rs.10, 000/- (non-refundable). The companies applying for vends were also required to submit a copy of the registration certificate issued by the Registrar of Companies with the application. In addition to the above, the applicant was to furnish bank draft of Rs.1 lac in the name of Assistant Excise & Taxation Commissioner, U.T., Chandigarh as earnest money in case the applicant furnishes a proof of ownership/lease/rental of the premises. In case of non-furnishing of above proof, of ownership etc., of premises earnest money by way of Bank Draft of Rs. 5 lac was to be furnished. The earnest money was kept as security in case of successful persons and was returned to the unsuccessful persons. Rs. 4 lacs out of Rs. 5 lacs of the earnest money was refunded to the successful person on the expiry of the month when he furnished the proof of ownership/lease/rental of the premises. The successful individual allottees were required to pay 15% of license fee at the time of draw of lots, 15% by 31st March, 40% by 30th June and balance 30% by 30th September.

Since it is the duty of the state to take care of the health of citizens, therefore, it was the endeavor of Chandigarh Administration to wean away the consumers from hard drinks towards low alcohol content drinks. Therefore, in order to bring in more brands of Beer and wine in U.T., Chandigarh, the license fee and brand registration fee of beer and wine were kept low. Same was applicable to beer and wine pubs in order to make them more popular relatively to high alcohol drinks.

The number and location of the liquor vends were fixed keeping in view the availability of shops for vends in a particular sector/locality, sales potential and viability and disposal of the vends. The quota of County Liquor vends was also fixed keeping in view the location, potential and sale prospects. The majority of IMFL (L-2) vends were located in the sectoral grid and Country Liquor vends in the periphery near colonies and villages.

Whole sale license of IMFL, Beer and Wine etc. were granted only to manufacturing distilleries/breweries/wineries etc. No private L-1 was granted in order to cut down the landing cost at the L-2 stage as the L-1 licensees add up their margin in the sale price. All the levies on the liquor like duty, permit fees, VAT etc were levied at the first stage. Only assessed fee on IMFL & Beer was to be paid by the retailer i.e.L-2/L-14A licenses.

The results of this system proved to be very encouraging and the desired objective was achieved as envisaged. The Policy was successful in dismantling the cartel, bringing down retail rates, improving ambience of vends, expanding the range of brands on shelf, etc. Since the policy of 2006-07 was framed as a transit measure and to carry forward its effective and complete implementation the following changes were made in the policy of 2007-08: -

1. **Number of Vends: -** 65 of Country Liquor (L-14A) and 150 vends of IMFL (L-2) were fixed for the year 2007-08 same as during the year 2006-07. However it was also decided that the number of licenses would be carefully monitored. In case the number of vends exceeds the last year's figure of 65 and 150 it will trigger a review and an appropriate decision will be taken to limit the number of vends as the principle of public health and public order is to be followed and faithfully observed. No new vend was proposed in the temporary structures with a view to curb disorderly development of commercial activity in the periphery of the city and also to prevent mushrooming of vends on roads, crossings and open spaces.

2. **Mode of Grant: -** All the existing licensees were given the option to get their licenses renewed for the year for which they were to apply in the prescribed proforma. However, for those vends functioning from temporary structures, the licenses were renewed subject to the condition that the licensee shall convert their existing structures as per the design approved by the Chief Architect UT,

Chandigarh and shall install a pre-fabricated structure by 30-04-2007. It was also decided that there shall be no temporary structures w.e.f. 01-04-2008 as these are proposed to be done away with completely.

For the grant of new licenses of retail sale vends for both Country Liquor and IMFL, it was decided that there shall be no time limit and any eligible applicant may apply for grant of license within the commercial areas of Sectors, Industrial Areas and Rehabilitation Colonies at any time of the year for allocation provided he qualifies all the requisite requirements and he furnishes proof as an owner, tenant or lessee of a commercial premises, where he intends to have retail vend. The license fee as applicable for the whole of the year was to be paid.

In case of an applicant company only those companies which are registered prior to 31-12-2002 with the Registrar of Companies under the Companies Act, 1956 were eligible to apply for an L-2/L-14A license. An applicant whether a company or an individual was allowed a maximum of four vends in total. This would include a maximum of a two vends of IMFL (L-2) and two vends of Country Liquor (L-14 A). No new temporary structure was allowed in the Sectors, Industrial Areas and Rehabilitation Colonies. In compliance to the above provisions all vends functioning from temporary structures were converted as per the approved design of Chief Architect, U.T. Chandigarh by installing pre-fabricated structures.

3. **Mode of Recovery of License Fee: -** In case of renewal and grant of new retail licenses of IMFL and Country Liquor to a company, the entire license fee was payable in lump sum within 24 hours from the grant/renewal of license. The individual allottee of the vend were required to pay 40% of the license fee within 24 hours of the grant/renewal of license, 30% by 30th June and remaining 30% by 30th September. All existing licensees who wish to get their licenses renewed for the

year 2007-08 were required to submit applications on prescribed proforma for renewal of their license before 28th of February 2007.

4. **Category of vends: -** In the year 2007-08 the categorization of vends as 'A' and 'B' was done away with. The entire area of UT Chandigarh was treated as a single zone having a uniform license fee of Rs.25 lacs for both IMFL and Country Liquor retail vends. This was done as the locations of the vends were not being fixed.

5 **Bar-Coding: -** In order to encourage responsible drinking habits and to create an environment where consumption of alcohol is subject to regulation, a bar-code was to be encouraged on all brands of IMFL, Wine, Beer, RTD and Country Liquor.

6. **Sale of IMFL, Beer and Wine in Departmental Stores: -** The retail sale licenses (L-2) were allowed to be granted to departmental stores also with freedom to stock and sell non-alcohol items also.

7. **Tavern (Ahata): -** It has been the endeavor of the Chandigarh Administration to further improve the ambience and functioning of the drinking places. These places has been termed as **'Tavern'** instead of **Ahata** and has to comply with all conditions as laid down under Punjab Restaurant (Consumption of Liquor) Rules 1955**.** Additional conditions such as compulsory metered electric and water supply, proper system of garbage collection and disposal, separate kitchen, tiled flooring in kitchen, seating hall and toilets, clean and modern toilets, temperature control system within the premises and family enclosures and provision of 'Dal-Roti (Dal + 4 Chpatis)' for Rs.25/-were made mandatory. The existing drinking places were converted from Ahatas to Taverns with the requisite alteration and requirements as detailed above.

8. **Dress Code for salesmen: -** It has been observed that persons conducting sales at the liquor shops are not properly and neatly dressed. It is therefore recommended

that each licensee may ensure that the staff engaged for the conduct of sales is properly and decently dressed.

9. **Annual Quota: -** The annual basic quota was kept unchanged at 27 lac proof litres. The licensee was given the option to lift 60% additional quota by paying the same rate of duty. However, in case any licensee lifts any quantity over and above the basic and additional quota, he was required to pay additional license fee at the rate of Rs. 10/- per PL + Excise Duty.

10. **Retail Sale Price: -** To curb illegal sale of liquor in villages and colonies and to bring uniformity of retail rates with the neighboring states, the minimum retail sale rates of Country Liquor, IMFL (Economy, Medium and Premium brands) was slashed by Rs. 10/- per bottle. The various brands of IMFL were put in three segments of Economy, Medium and Premium as against four under the policy of 2006-07. However, Administration reserved the right to intervene, regulate and control the retail sale price in certain situations of grave economic distortion, gross overpricing etc.

11. **Import and Export Fee on Country Liquor: -** The import fee on country liquor was be enhanced from Re. 1.50 to Re. 1.75 per PL and export fee slashed from Re. 0.15 to Re. 0.10 per PL in order to protect the domestic/local industry.

12. **Approval of Labels: -** The brand registration fee of imported brands (B.O.I.) of Scotch and Beer was reduced from Rs. 10,000/- to Rs. 5,000/- per brand so as to facilitate availability of more brands and improve variety. However, every wholesale licensee (L-1F/L-1DF) was required to pay the registration fee of each brand he desires to market in UT, Chandigarh.

13. **Control over wholesale rates of IMFL, Beer and Wine: -** As regards the fixation of wholesale rates it was decided that the department will not fix the rates but will intervene in case of abnormal increase in price by any wholesale licensee.

14. **License fee of liquor Bars/Pubs in Hotels/Restaurant and Clubs: -** The license fee of Pubs (L-10A), (Retail vend of Bottled/Draught Beer and Wine for consumption on the premises) was slashed from Rs. 50,000/- to Rs. 10,000/- to promote consumption of low alcoholic content drinks such as Beer and Wine. A new license in form L-10 AA (Retail vend of wine only for consumption on the premises) was introduced at a license fee of Rs. 4500/- per annum.

15. **Assessed fee on Beer and Wine sold in Bars and Departmental Stores: -** The assessed fee on Beer and Wine sold in Bars and at Departmental Stores was slashed from Rs. 15/- to Rs. 10/- per BL to bring down the prices of these products.

16. **Dry Days: -** To follow Punjab the dry days of 15th August and 26th January to be observed upto 05:00 PM and 2nd October whole day and the days notified by the Election Commission of India/State Election Commission were to be observed as Dry Days.

17. **License fee and permit fee on Denatured Spirit: -** The license fee of wholesale and retail licenses of Denatured Spirit (L-17) was fixed at Rs. 10,000/- for wholesale and Rs. 2,000/- for retail license so as to curb smuggling in to UT, Chandigarh.

    The permit fee on Denatured Spirit was also reduced to Re.0.50 from Re.1/- per BL

The Excise Policy of the year 2007-08 has worked well till date. The excise revenue collection upto December, 07 is up by 13.13%. As almost all the retail licensees of IMFL (L-2) (149 out of 150) were allotted upto the month of April, 07 and as it is was laid down in the Excise Policy that in case the number of vends exceeds the last year's figure it will trigger a review and an appropriate decision will be taken to limit the number of vends. Accordingly a review was triggered and meetings under the Chairmanship of Advisor to the Administrator, U.T. Chandigarh were held in the month of May and September, 07. In the meeting held on 06.09.07, the following recommendations were made for incorporation in the Excise Policy of 2008-09 which were finally approved by the Administrator on 19.09.07.

1) The annual increase in the number of vends should not be more than the increase in the population, that is to say, no more than 4 percent per annum.

2) To ensure flexibility in addressing fluctuations in demand, the excise department could interchange Country Liquor and IMFL vends keeping the total number of vends constant.

3) The objective of the new policy to encourage low content alcohol drinks having been achieved, as in the first year of the new policy the sale of Beer increased by around 400% and Wine by 260% and the same trend having followed in the second year also. The process is to be further carried out. Therefore, a new license of retail sale vend for Beer and Wine (both imported and domestic) only for consumption off the premises should be introduced by permitting existing establishments to stock such beverages or through other means.

The feedback from the field regarding the working of the Excise Policy during the year 2007-08, the representations of various persons/organizations and the above recommendations of the review committee have been considered. The first two recommendations are being accepted/incorporated in the Excise Policy of the year 2008-09. As the new policy is at the nascent stage of its working/implementation and the retail vends granted under the new policy have not yet fully established in the trade, the third recommendation regarding introduction of retail license of Wine & Beer (for consumption off the premises) may be deferred to the next year.

<u>The details of the Excise Policy for the year 2008-09 has been worked out as under: -</u>

COUNTRY LIQUOR

1. **No. of Shops: -** To be fixed at 65 same as during the year 2007-08. In case this figure is reached, the matter for increase in number would be reviewed in the light of the recommendations of the review committee on the vend population ratio. The maximum number after review to be fixed at 68.To ensure flexibility in addressing fluctuations in demand, the excise department may interchange Country Liquor (L-14A) and IMFL (L-2) vends keeping the total number of vends constant. No new Country Liquor (L-14A) vends are allowed to be opened in the temporary structures with a view to curb disorderly development of commercial activity in the periphery of the city and also to prevent mushrooming of vends on roads, crossings and open spaces.

2. **Annual Quota: -** The annual basic quota is proposed to be kept unchanged at 27 lac proof litres. The licensee would have the option to lift 60% additional quota by paying the same rate of duty. However, in case any licensee lifts any quantity over and above the basic and additional quota he shall be required to pay additional license fee at the rate of Rs. 10/- per PL + Excise Duty. The retail County Liquor Licensee (L-14A) shall have to lift the basic quota fixed for his vend, in case of non-lifting of basic quota he shall have to deposit the duty payable on the un-lifted quota. No ratio of quarts, pints and nips is fixed. As there would be only single category of vends, the basic quota of all the vends is proposed to be fixed in a single slab.

3. **Strength of Country Liquor: -**The strength shall be kept at 50 degree of Country Liquor and 60 degree of IMFL and the licensees will be allowed to lift the quota in ratio of their choice of both the degrees. The packing of Country Liquor shall be in glass/pet bottles.

4. **Fixation of Retail Sale Price: -** It is proposed that Nip of 150 ml size of both Country liquor 50 degree and IMFL 60 degree may be introduced to counter/curb the illegal sale of liquor in colonies/villages at a minimum retail sale price of Rs.10/- and Rs.12/- respectively. The minimum retail sale price of Quart (750ml), Pint (375ml) and Nip (180ml) to remain unchanged as under: -

	Country Liquor (50 degree)	**IMFL (60 degree)**
Quart (750 ML)	Rs. 50	Rs. 55
Pint (375 ML)	Rs. 25	Rs. 28
Nip (180ML)	Rs. 13	Rs. 15
Nip (150ML)	Rs.10	Rs.12

However, Administration reserves the right to intervene, regulate and control the retail sale price in certain situations of economic distortion, overpricing etc.

5. **Ex. Distillery Issue Price: -** The Ex- distillery issue price of country liquor 50 degree and IMFL (Rum-Gin-Whisky) of 60 degree be fixed by inviting tenders for these supplies from various distilleries/bottling plants. Only those distilleries/bottling plants whose rates are approved by the Chandigarh Administration will be allowed to sell their products in U.T., Chandigarh. Only distillers and bottlers having their plants located within a distance of 200 kms from the boundary of U.T., Chandigarh shall be eligible for the supply of country liquor.

6. **Duty on Country Liquor: -** The Excise Duty on Country Liquor 50 degree and IMFL 60 degree be retained and fixed at Rs. 5/- per PL both for the basic and the additional quota.

7. **Grant of L-13 (Wholesale) license of Country Liquor: -** The L-13 licenses be granted only to the approved suppliers of Country Liquor having their manufacturing units of liquor to market their products in Chandigarh at an annual license fee of Rs. One lac.

8. **Import and Export fee: -** To protect the local/domestic industry and to bring uniformity of rate of import fee on IMFL 75 degree and Country liquor 50 degree/ IMFL 60 degree, the import fee on Country liquor is proposed to be marginally increased from Re. 1.75/- per PL to Rs.2/- per PL. However, export fee on Country liquor to remain unchanged at Re.0.10/- per PL.

INDIAN MADE FOREIGN LIQUOR (IMFL) AND BEER

1. **No. of Shops: -** To be increased by 4% and to be fixed at 156 as against 150 fixed for the year 2007-08. To ensure flexibility in addressing fluctuations in demand, the excise department may interchange Country Liquor (L-14A) and IMFL (L-2) vends keeping the total number of vends constant. No new IMFL (L-2) vends are proposed to be allowed in the temporary structures with a view to curb disorderly development of commercial activity in the periphery of the city and also to prevent mushrooming of vends on roads, crossings and open spaces.

2. **Duty on IMFL: -** It is proposed that Excise Duty on IMFL 75 degree be kept unchanged @ Rs. 15/- per PL in order to bring rationalization in its structure, keeping in view the policies of the neighboring states.

3. **Duty on Beer:-** The Duty on Beer be kept unchanged and fixed as under: -

		Bottled Beer	Draught Beer
1	Beer containing alcoholic contents not exceeding 5.25%	Rs. 3/- per bottle of 650ML	Rs. 5/- per BL
2	Beer containing alcoholic contents from 5.25% to 8.25	Rs. 6/- per bottle of 650ML	Rs. 10/- per BL

4. **Duty on Wines, Champagne, Cider, RTD and Liqueurs: -** Duty on Wine, Champagne, Cider, RTD and Liqueurs be fixed at Rs. 4/- per BL.

5. **Duty on Rum/IMFL, Beer and Wine etc. supplied to Troops: -** The duty on Rum/IMFL, Beer and Wine etc. supplied to troops shall be fixed as under: -

1	Rum/IMFL	**:** -	Rs. 15/- per PL
2.	Beer containing alcohol upto 5.25%	: -	Rs. 3/- per bottle of 650 ML
3.	Beer containing alcohol upto 8.25%	: -	Rs. 6/- per bottle of 650 ML
4.	Wine, Cider, Champagne and RTD	: -	Rs. 4/- per BL

6. **Assessed Fee on Liquor Supplied to Troops/Military Canteens: - Assessed fee on liquor supplied to Troops/Military Canteens be fixed as under: -**

1.	IMFL & IFL	: -	Rs. 30/- per BL.
2.	Rum	: -	Rs. 10.50/- per BL
3.	Beer	: -	Rs. 1/- per BL
4.	Wine, Cider, Liqueurs & RTD	:	Re. 1/- per BL

7. **Additional License fee on Imported Foreign Liquor, Beer, Wines, Cider, Liqueurs etc. (BOI): -** Additional license fee at the following rates be charged on Imported Foreign Liquor, Beer and Wines, Cider. Liqueurs, etc.

1. Imported Foreign Liquor : - Rs. 15/- per PL.
2. Imported Beer upto 5.25% alcoholic contents : - Rs. 3/- per Bottle of 650 ML

3. Imported Beer alcoholic contents exceeding 5.25% : - Rs. 6/- per Bottle of 650 ML
4. Imported Wine, Cider & Liqueurs etc. : - Rs. 4/- per BL

8. **Franchise Fee: -** Franchise fee is not leviable in the state of Punjab hence we may abolish the Franchise fee on IMFL which is leviable on brands of other distilleries bottled in the bottling plants of U.T., Chandigarh.

9. **Wholesale license of IMFL, Beer and Wine etc: -** Wholesale license of IMFL, Beer and Wine manufactured/bottled in India be granted to only those companies having their manufacturing distilleries/bottling plants, breweries and wineries. The wholesale license of Imported Wine (L-1DF) and Imported Spirit (Scotch, etc) and Beer (L-1F) to be granted to only those firms/persons who are holding a custom approved Bonded Ware House license (or having space allocated in the Custom approved Bonded Ware House or any other BWH license) any where in India. The license fee of wholesale licenses is proposed to be fixed as under: -

1	Wholesale License of IMFL (L-1B)	: -	Rs. 3 lacs + Re. 1 lac per brand for those brands having sale volume of 2,000 cases or above and Rs. 20,000/- for sale volume below 2,000 cases in UT, Chandigarh during the year 2007-08.
2	Wholesale License of Beer (L-1C)	: -	Rs. 50,000/- per brand
3	Wholesale License of RTD (L-1C-I)	: -	Rs. 35,000/- per brand (All flavors to be treated as single brand)
4	Wholesale License of Indian Wines (L-1D)	: -	Rs. 5,000/- per brand

5 Wholesale License of Imported Wines (L-1DF) : - Rs. 5,000/- per brand

6 Wholesale License of Imported Liquor/spirits (Scotch, etc & Beer) (L-1F) : - Rs. 1 lac

10. **Permit Fee: -** Permit fee at the following rates be charged on the permits issued to L-1B /L-1C licenses.

1. IMFL & IFL 75 degree @ Re. 1/- per PL
2. Beer @ Rs. 5/- per case of 7.8 BL

No permit fee be charged on any other permit.

11. **Import Fee: -** The Import fee on IMFL/IFL of 75 degree be enhanced by Re.1/- per PL to protect local/domestic industry in parity with Country liquor and fixed as under: -

1. IMFL & IFL @ Re. 2/- per PL
2. Beer @ Rs. 2/- per case of 7.8 BL
3. Draught Beer @ 25 paise per BL
4. Wines, Cider, Liqueur & RTD @ Rs. 3/- per case of 9 BL.

12. **Approval of Labels: -**The registration fee of brands be kept unchanged and be charged as under for approval/registration of labels of liquor brands for sale in U.T., Chandigarh keeping in view the sale figures of the brands sold during the year 2007-08.

IMFL (Whisky/Scotch/rum/gin/beer/brandy) having sale above 20 thousand cases in U.T., Chandigarh : - Rs.1 lac.

IMFL (Whisky/Scotch/rum/gin/beer/brandy) having sale upto 20 thousand cases in U.T., Chandigarh: - Rs. 50,000/-

IMFL (Whisky/Scotch/rum/gin/beer/brandy) having sale upto 10 thousand cases in U.T., Chandigarh: - Rs. 10,000/-

IMFL (Whisky/Scotch/rum/gin/beer/brandy) having sale less than 1 thousand cases in U.T., Chandigarh : - Rs. 5,000/-

Imported liquor/Beer: - Rs. 5,000/- per brand

Wine, Cider, Champagne, Liqueur & RTD: -1,000/- per brand.

The L-1F/L-1DF licenses will have to pay the brand registration fee in respect of each brand he desires to market in UT Chandigarh. They will also be required to submit authorization letter from either brand owning company or from authorized importer in India of the brand owning company for registration of brand.

The wholesale licensees would require to maintain a reasonable price line. Any abnormal increase in prices would invite the intervention of the Excise Commissioner.

13. **Bar-Coding: -** In order to encourage responsible drinking habits and to create an environment where consumption of alcohol is subject to regulation a bar-code will be encouraged on all brands of IMFL, Wine, Beer, RTD and Country Liquor. Since some of the wholesalers are already introduced a Bar-code on their products, it is, therefore, proposed to encourage the system of Bar-Coding.

14. **Minimum Retail Sale price of IMFL & Beer: -** The minimum retail sale price of IMFL 75 degree during the year 2007-08 was fixed in 3 segments as against 4 in the year 2006-07. This decision adversely affected the economy of the retail sale vends/trade. The Punjab state has classified IMFL 75 degree in 5 segments and Haryana in 8 segments for the purpose of fixation of minimum retail sale price. It is proposed that we may fix the minimum retail sale price of IMFL 75 degree brands in following 6 segments: -

IMFL

	Quart (in Rs.)	Pint (in Rs.)	Nip (in Rs.)
Cheap Brand	90	45	25
Economy Brand	100	50	30
Medium Brand	120	65	35
Premium Brand	140	75	40
Semi-Deluxe Brand	160	85	45
Deluxe Brand	260	135	70

. **BEER**

Beer Containing alcoholic contents upto 5.25%	Rs. 30/- per bottle of 650 ML
Beer Containing alcoholic contents upto 8.25%	Rs. 40/- per bottle of 650 ML

The categorization of the brands of IMFL is proposed as under: -

1. All IMFL 75 degree liquor brands which cost less than or equal to Rs. 500/- per case of quarts and are bottled in the bottling plants of U.T. Chandigarh (self owned brands only), inclusive of all the levies except license fee/assessed fee to L-2 licenses will fall under the category of Cheap Brand.
2. All IMFL 75 degree liquor brands which cost less than or equal to Rs. 500/- per case of quarts and are not bottled in bottling plants of U.T. Chandigarh, inclusive of all the levies except license fee/assessed fee to L-2 licenses will fall under the category of Economy Brand.
3. All IMFL 75 degree liquor brands which cost more than Rs.500/- and less than or equal to Rs.900/- per case of quarts inclusive of all the levies except

license fee/assessed fee to L-2 licenses will fall under the category of Medium Brands.

4. All IMFL 75 degree liquor brands which cost more than Rs. 900/- and less than or equal to Rs.1100/- per case of quarts inclusive of all the levies except license fee/assessed fee to L-2 licenses will fall under the category of Premium Brands.
5. All IMFL 75 degree liquor brands which cost more than Rs. 1100/- and less than or equal to Rs.1800/- per case of quarts inclusive of all the levies except license fee/assessed fee to L-2 licenses will fall under the category of Semi-Deluxe Brands.
6. All IMFL 75 degree liquor brands which cost more than Rs. 1800/- per case of quarts inclusive of all the levies except license fee/assessed fee to L-2 licenses will fall under the category of Deluxe Brands.

However, Administration reserves the right to intervene, regulate and control the retail sale price in certain situations of economic distortion, overpricing etc

15. Liquor Bars/ Pubs to Hotels/ Restaurants and Clubs (L-3/L-4/L-5, L-10A, L-10AA): - The license fee of different categories of bars to remain unchanged and fixed as under: -

L-3/L-4/L-5 license

1.	5 Star Hotels & above category	: -	Rs. 5 lacs p.a.
2.	Below 5 Star Hotels & Restaurant	: -	Rs. 2.25 lacs p.a.

L-10 A (Retail vend for Beer & Wine for consumption on the premises)

1.	Independent	: -	Rs. 10,000/-
2.	For a Hotel/Restaurant having L-3/L-4/L-5 license and club Having L-12 C license	: -	Rs. 10,000/-

L-10AA (Retail vend of Wine for consumption on the premises): -Rs. 4500/-

The bar license of L-3/L-4/L-5 and L-12-C be allowed to sell IMFL having landing cost of Rs. 1,000/- and above per case and Rum, Gin, Vodka of Rs. 500/- and above per case.

The L-3/L-4/L-5 licensees of 5 star hotels and above category may be allowed to procure their requirements of Imported liquor (BOI Brands) also from authorized sources out side U.T. Chandigarh on payment of additional license fee/permit fee/import fee as payable by the L-1DF/L-1F licensees.

The bar license to be allowed to have (i) an additional bar in the establishment at 50% of the license fee of the bar, and (ii) for additional place to serve liquor from the bar on the payment of 10% of the license fee of the bar.

16. **Bar License to Clubs: -** The bar license to clubs be granted on the payment of license fee as given below: -

Clubs having upto 1500 members	: -	Rs. 90,000/- p.a.
Clubs having members from 1501 to 2500	: -	Rs. 1.8 lac p.a.
Clubs having member from 2501 to 3500	: -	Rs. 3.6 lacs p.a.
Clubs having members in above 3500	: -	Rs. 7.2 lacs p.a.

For the purpose of calculating the number of members all categories of members would be taken into account.

17. **Bar Timings: -** From 11:00 hours to 24:00 hours throughout the year.

18. **Assessed fee on liquor sold in Bars: -** The assessed fee on liquor sold through bars (L-3/L-4/L-5/L-10A/L-10AA and L-12C) be fixed as under: -

IMFL/IFL	: -	Rs. 105/- per BL
Wines/Cider. Liqueur, RTD etc. (domestic & imported)	: -	Rs. 10/- per BL
Beer (domestic & Imported)	: -	Rs. 10 per BL

19. **Assessed fee on liquor at IMFL (L-2)/ Country liquor (L-14A) vends:** Assessed fee @ Rs.5/- per B.L. & Re. 1/- per bottle of 650 ml shall be levied on IMFL / IFL 75 degree and Beer respectively sold at L-2/L-14A vends.

20. **Wine and Liqueur Stores (L-10B): -** The L-10B licensees to sell only Beer, Wine and Scotch Imported from outside India. However if any of the L-10B licensee desires to seek a L-2 license in place of L-10B license he would be granted the same if otherwise eligible. The condition for grant of L-10B would be to have a of turnover of Rs. 10 lac. However, the license fee is proposed to be increased and fixed at Rs.1,00,000/- per annum keeping in view the increased volume of sale at these stores due to introduction of more brands of imported liquor in the city. The assessed fee on liquor sold at these stores to remain unchanged and fixed as under: -

Sr. No.	Particulars	Rate
01.	Imported Foreign Liquor (Scotch)	Rs.105/- per B.L.
02.	Imported Beer.	Rs.10/- per B.L.
03.	Imported Wines, Cider, Liqueur.	Rs.10/- per B.L.

These licensees are eligible to hold L-2 (retail sale vend of foreign liquor) license alongwith this license.

21. **Cash Memo: -**The retail sale IMFL licenses (L-2) to issue cash memo for the sale transaction at their vends**.**

GENERAL

1. **Mode of Grant: -** It is proposed that all the existing licensees including those functioning from temporary structures would have the option to get their licenses if they so desired, renewed for the year 2008-09 for which they will have to apply in the prescribed proforma by the fixed date.

For the grant of new licenses of retail sale vends for both Country Liquor and IMFL, it is proposed that these shall be granted on first come first served basis. Any eligible applicant may apply for grant of new license within the Sectors, Industrial Areas, Rehabilitation Colonies and already existing Pucca structures in the areas where such structures are allowed by the Administration in the villages at any time of the year for allocation, provided he qualifies all the requisite requirements and he furnishes proof as an owner, tenant or lessee of the commercial premises, where he intends to have retail vend. The license fee as applicable for the whole of the year will however be realized.

In case of an applicant is a company only those companies which are registered prior to 31-03-2005 with the Registrar of Companies under the Companies Act, 1956 shall be eligible to apply for an L-2/L-14A license. An applicant whether a company or an individual shall be allowed a maximum of four vends in total. This would include a maximum of a two vends of IMFL (L-2) and two vends of Country Liquor (L-14 A). In case of an applicant company, it shall be mandatory to furnish the names of the Directors on the Board of Directors of the applicant company. If it is found that there is commonality among the Board of Directors of two or more companies, it shall be presumed to be one company for the purpose of grant of a liquor license. The companies applying for vends shall also submit a copy of the Registration Certificate issued by the Registrar of Companies with the application

Applications on the prescribed proforma for the renewal of licenses may be invited by 31st January, 2008. An individual applicant shall submit alongwith application on affidavit that he is not barred to hold a license under order 7 of the Punjab Intoxicants License and Sale Orders 1956, a copy of PAN no. issued before 31-03-2007, Solvency Certificate of the amount of license fee of the vend applied for and a demand draft/pay order (both for grant and renewal) of Rs. 10,000/- (non-refundable). In addition to the above, the applicant for grant for new license will have to furnish a bank draft of the amount of Rs. 1 lac as earnest money which shall be retained by the Excise Department till the validity of the license of the allottee. The applications for renewal will be required to be submitted in the prescribed proforma duly signed by the licensee in case of licenses held by individuals and by the duly authorized person on behalf of the companies.

If the applications are incomplete or the person is not eligible to hold the license or the premises are not suitable as per Excise Law, the same shall be rejected. No new temporary structure would be allowed.

2. **Categorization of Retail Vends (L-2/L-14A)**: - The categorization of retail vends to remain unchanged as single category of fixed license fee of Rs.25 lac per annum.

3. **Mode of Recovery of License Fee: -** The financial resources of a company are comparatively sound and varied. As per company law in the case of any default in payment, the recovery can be made from the share holders only and that too to the extent of the share. The share holders may be residing at different and far off places making recovery difficult, whereas in case of individual, property is indicated in the Solvency Certificate and the recovery of any arrears can be made easily. Therefore, in case of renewal and grant of new retail licenses of IMFL and Country Liquor to a company, the entire license fee shall be payable in lump sum within 24 hours from the grant/renewal of license. The individual allottee of the vend shall pay 50% of the license fee within 24 hours of the grant/renewal of license and remaining 50% by 31st July.

4. **Security: -** Security of Rs. 1 lac in shape of Bank Draft/Pay Order.

5. **Possession limit: -** Quantity of purchase and possession of liquor by an individual from L-2/L-14-A for Country liquor, IMFL, Beer and Wine be fixed as under:

1.	Country Liquor	: -	2 Bottles of 750 ML
2.	IMFL/IFL	: -	18 Bottles of 750 ML
3.	Beer	: -	36 Bottles of 650 ML
4.	Wine	: -	18 Bottles of 750 ML

6. **Private Possession permit (L-50): -** The possession of liquor by L-50 permit fee alongwith fee be fixed as under: -

1.	IMFL/IFL	: -	36 Quarts of 750 ML	Rs. 200/- for a year or part there of
2.	Beer	: -	72 Bottles of 650 ML	
3.	Wine	: -	36 Bottles of 750 ML	Rs. 2000/- for life time.

7. **Dry Days: -** The dry days of 15th August and 26th January to be observed upto 05:00 PM and 2nd October whole day and the days notified by the Election Commission of India/State Election Commission are to be observed as Dry Days.

8. **Working Hours: -** 10 AM to 11 PM throughout the year.

9. **Permit fee on Denatured Spirit: -** The permit fee on denatured spirit to remain unchanged as Re.0.50 per BL.

10. **Fee of Permit on Functions/Celebration (L-42): -** Permit fee @ Rs. 1,000/- per day per function shall be charged on the permit

11. **Location of Liquor vends: -** No liquor vend shall be permitted to be opened near (not less than 50-meters from main gate of any) place of worship, educational institution and place of public entertainment. The liquor vend on the National Highway/ State Highway are required to be located strictly as per the provisions stipulated in the Punjab Scheduled Roads & Controlled Area (Restriction of

Unregulated Development) Act, 1963. No liquor vend shall be allowed to be opened at a distance of less than 150 meters of National Highway (except within Municipal Corporation) limits. The distance shall be measured from the main entrance of the liquor vend. Administration reserves the right to refuse permission for a particular location for the reasons of public morality, public health and public order

12. **Checking by Health Department: -** No officer of any other department to take action or check the quality of liquor produced and sold in U.T., Chandigarh except alongwith the Excise Officer not below the rank of Excise Inspector.

13. **VAT on IMFL/ Beer: -**VAT on Country Liquor, IMFL and Beer to be charged @ 4%.

14. **Tavern: -** Tavern to continue both with Country Liquor (L-14A) and IMFL (L-2) vends at an annual fee of Rs. 50,000/- and Rs. 1 lac respectively. The Tavern would be located in separate premises from the vend by metes and bounds. Tavern attached to L-2 vend to have eight tables (minimum) with seating capacity of 40 persons, to have temperature control system within the premises, clean and modern toilets and cutlery and crockery of good standard. Tavern attached to country liquor vends located in the sectoral grid to have attached toilets, neat & clean premises and cutlery and crockery of good standard. In order to further improve the ambience and functioning of Tavern attached to L-2 vends the following conditions are proposed to be added and made mandatory for grant of the license.

    i) To have provision for metered electric and water supply.

    ii) To have proper system of garbage collection and disposal.

    iii) To have a separate kitchen.

    iv) To have tiled flooring in kitchen, seating hall and toilets.

    v) To have family enclosures

vi) To provide meal (Dal + 4 Chapatis for Rs.25/-)

The Collector may refuse to grant a license for Tavern in exercise of the powers conferred under section 35 of the Punjab Excise Act, 1914 as applicable to UT, Chandigarh.

15. Grouping and clubbing of vends: - No grouping and clubbing of vends /licenses to be allowed.

16. Strength of liquor to be sold: - Standard strength of IMFL to be sold in U.T. Chandigarh shall be 75 degree. However Excise Commissioner is empowered to allow sale of IMFL of any strength other than the standard strength to facilitate opening up market to all reputed/popular brands of low alcohol content.

17. Checking of vends by Police Officer: - Gazetted officers of the rank of DSP and above to check the excise vends after taking with him an excise officer not below the rank of Excise Inspector.

18. Revalidation Fee of Permits: - Revalidation fee @ of Re.0.50/- per B.L. be charged for the revalidation of the Permits whose validity has expired.

19. Size of Excise Bottles: - The size of bottles to be as given below

1	750 ML: -	All type of liquor except beer.
2	375 ML: -	All type of liquor except beer.
3	180 ML: -	All type of liquor except beer.
4	90 ML: -	All type of liquor except beer.
5	1000 ML: -	IMFL/IFL.
6	1.25 L: -	IFL.
7	2.25 L: -	IFL.
8	4.5 L: -	IFL.
9	650 ML: -	Beer.

10	325/330 ML: -	Beer.
11	500 ML: -	Beer.
12	275 ML: -	RTD & Wine.
13	60 ML: -	IMFL/IFL
14	150 ML: -	Country Liquor of 50 degree and IMFL 60 degree

The Excise & Taxation Commissioner to allow any other size in case of imported liquor and reputed/popular IMFL brands.

20. **Bottling Plants: -**The bottling plant licenses (BWH-2) be granted D-2 license to redistill the rectified spirit to improve the quality of there products on the payment of license fee of Rs. 50,000/-.

21. **License fee of Wholesale and Retail sale license of denatured spirit (L-17): -**

1.	Wholesale	:	Rs.10,000/- per annum
2.	Retail sale	:	Rs.2000/-. per annum

The various levies i.e. License Fee, Duty, Assessed Fee, Import/Export fee, Permit fee as per the new proposal is given in the chart:-

FEES

S. No.	Name of License	Annual License fee (in Rs.)
1.	BWH (Bottling Plant for bottling of Country Liquor/ IMFL)	1.00 Lac
2.	L-1 B (Wholesale license of IMFL, Whisky, Rum, Gin)	3.00 Lac + 1 Lac per brand for those brands having sale volume of 2,000 cases or above during the year 2007-08 and Rs. 20,000/- for sale volume below

		2,000 case
3.	L-1 C (Wholesale license of Beer)	50,000 per brand
4.	L-1 C I (Wholesale license of RTD)	35,000/- per brand
5.	L-1 D (Wholesale license of Wine)	5,000/- per brand
6.	L-1 D F (Wholesale license of imported wine)	5,000/- per brand
7.	L-1 F (Wholesale license of Imported Liquor)	1.00 Lac
8.	L-2 (Retail vend of foreign liquor for consumption off the premises).	25 lacs p.a.
9.	L-3/L-4/L-5 (Retail vend of foreign liquor in a hotel/restaurant/in a bar attached with restaurant). a) Five Star and above category hotel. b) Below Five Star hotel and restaurant.	 5 Lac 2 .25 Lac
10.	L-9 (Retail vend of foreign liquor in a Military Canteen)	No License Fee
11.	L-10 A (Retail vend of draught beer in a restaurant)	10,000/-
12.	L-10 A clubbed with L-3/L-4/L-5/L-12 C (Retail vend of draught beer in a restaurant having hard liquor Bar & Club Bar).	10,000/-
13.	L-10 AA (Retail vend of Wine for consumption on the premises)	Rs. 4500/-
14.	L-10 B (Retail vend of imported Beer, Wine and Scotch in a Departmental Store)	1,00,000/-
15.	L-11 (Bottling of Foreign Liquor)	25,000/-
16.	L-12 C (License for the retail vend of foreign liquor at a club)	Rs. 90,000/- upto 1500 members Rs. 1.80 Lac 1501 to 2500

		members Rs. 3.60 Lac 2501 to 3500 members Rs. 7.20 Lac above 3500 members
17.	L-13 (Whole Sale vend of Country Spirit)	1,00,000/-
18.	L-14 A (Retail vend of County Liquor off premises).	25 Lacs.
19.	L-15 (Bottling of Country Spirit)	5,000/-
20.	L-16 (Reduction of Country Spirit)	Nil
21.	L-17 (Vend of denatured spirit) Wholesale Retail	 10,000/- 2,000/-
22.	L-42 (Permit for liquor consumption and possession on Special Occasions)	1000/- per day.
23.	L-42 A (Special possession on permit for denatured spirit)	No License fee
24.	L-50 (One Year Possession Permit)	200/-
25.	L-50 (Life Time Possession Permit)	2000/-
26.	L-52 (Tavern). a). CL vend (L-14 A). b). IMFL Vend (L-2).	 50,000/- 1 Lac.
27.	D-2 (license to redistill rectified spirit to BWH-2)	Rs. 50,000/-

DUTY

Sr. No.	Particulars	Rate
01.	IMFL 75 degree.	Rs.15/- per P.L.
02.	County Liquor 50 degree	Rs.5/- per P.L.
03.	County Liquor 60 degree	Rs.5/- per P.L.
04.	Beer Alcoholic contents upto 5.25 %.	Rs.3/- per bottle of 650 ml.
05.	Beer Alcoholic contents upto 8.25 %.	Rs.6/- per bottle of 650 ml.
06.	Wine, Cider, Champagne & RTD.	Rs.4/- per B.L.
07.	Drought Beer Alcoholic contents upto 5.25 %.	Rs.5/- per B.L.
08.	Draught Beer Alcoholic contents upto 8.25 %.	Rs.10/- per B.L.

IMPORT FEE

Sr. No.	Particulars	Rate
01.	IMFL 75 degree.	Rs.2/- per P.L.
02.	County Liquor 50 degree	Re.2/- per P.L.
03.	County Liquor 60 degree	Re.2/- per P.L.
04.	Beer Alcoholic contents upto 5.25 %.	Rs.2/- per case.
05.	Beer Alcoholic contents upto 8.25 %.	Rs.2/- per case.
06.	Wine, Cider, Champagne & RTD.	Rs.3/- per case.
07.	Drought Beer Alcoholic contents upto 5.25 %.	Re.0.25/- per B.L.
08.	Draught Beer Alcoholic contents upto 8.25 %.	Re.0.25/- per B.L.
09.	Imported Foreign Liquor.	Re.2/- per P.L.

EXPORT FEE

Sr. No.	Particulars	Rate
01.	County Liquor 50 degree	Re.0.10/- per P.L.
02.	County Liquor 60 degree	Re.0.10/- per P.L.

ASSESSED FEE

1. L-2(Retail vend of Foreign Liquor/L14-A of country liquor for consumption off the premises).

Sr. No.	Particulars	Rate
01.	IMFL	Rs.5/- per B.L.
02.	IFL	Rs.5/- per B.L.
03	Beer	Re. 1/- per bottle of 650 ML

2. L-3/L-4/L-5/L-10-A/L-10 AA/L-12C. (Bars in Hotel/Restaurant/Club).

Sr. No.	Particulars	Rate
01.	IMFL	Rs.105/- per B.L.
02.	IFL	Rs.105/- per B.L.
03.	Beer.	Rs.10/- per B.L.
04.	Wine, Cider, Champagne & RTD.	Rs.10/- per B.L.

3. L-9 (Military Canteen).

Sr. No.	Particulars	Rate
01.	IMFL	Rs.30/- per B.L.
02.	Rum.	Rs.10.50/- per B.L.
03.	Beer.	Re.1/- per B.L.
04.	Wine, Cider, Champagne & RTD.	Re.1/- per B.L.

4. L-10 B (Departmental Store).

Sr. No.	Particulars	Rate
01.	Imported Foreign Liquor (Scotch)	Rs.105/- per B.L.
02.	Imported Beer.	Rs.10/- per B.L.
03.	Imported Wines, Cider, Liqueur.	Rs.10/- per B.L.

PERMIT FEE

Sr. No.	Particulars	Rate
01.	IMFL/IFL (L-1B/L-1 F Licenses)	Re.1/- per P.L.
02.	Beer (L-1C/ L-1 F Licenses).	Rs.5/- per case.
03.	Denatured Spirit	Re. 0.50 per BL

BRAND REGISTRATION FEE

Sr. No.	Particulars	Rate
01.	IMFL/Beer/Rum/Vodka/Gin/ Scotch & Brandy.	Rs.1 lacs per brand if sale is above 20 thousand cases during the year 2007-08.
02.	IMFL/Beer/Rum/Vodka/Gin/ Scotch & Brandy.	Rs.50,000/- per brand if sale upto 20 thousand cases during the year 2007-08.
03.	IMFL/Beer/Rum/Vodka/Gin/ Scotch & Brandy.	Rs.10,000/- per brand if sale upto 10,000 cases during the year 2007-08.
04.	IMFL/Beer/Rum/Vodka/Gin/ Scotch & Brandy.	Rs.5,000/- per brand if sale less than 1,000 cases during the year 2007-08.
05.	Wine, Cider, Liquor, Champagne & RTD.	Rs.1,000/- per brand.
06.	IFL/Imported Beer	Rs. 5,000/- per brand.

ADDITIONAL FEE

Sr. No.	Particulars	Rate
01.	IFL.	Rs.15/- per P.L.
02.	Imported Beer upto 5.25 %.	Rs.3/- per bottle of 650 ml.
03.	Imported Beer upto 8.25 %.	Rs.6/- per bottle of 650 ml.
04.	Imported Wine, Cider, Champagne & Liquor.	Rs.4/- per B.L.

REVALIDATION FEE

1.	All types of Liquor	Re.0.50/- per B.L.

VAT

1.	All types of Liquor	4%

The calculation chart of revenue likely to be derived from the policy is annexure “A”.

ANNEXURE "A"

Calculation chart of Excise revenue likely to be derived during 2008-09.

Sr.No.	**Head of Revenue**	**Calculation of Revenue.**	**(Revenue in crores)**
01.	Duty on Country Liquor.	2700000 PL x Rs.10/- per PL.	02.70
02.	License fee of Country Liquor Vends.	25 x 65	16.25
03.	Duty on IMFL.	20500000 x Rs.15/- Per PL.	30.75
04.	Duty on Beer (Light)	4800000 Bottle x Rs.3/- Per Bottle.	01.44
05.	Duty on Beer (Strong)	7200000 Bottle x Rs.6/- Per Bottle.	04.32
06.	Assessed Fee on IMFL.	27500000 BL x Rs.5/- per BL	13.75
07.	License Fee IMFL Vends.	25 x 156	39.00
08.	Assessment fee on Beer	12000000 bottles x Re. 1/- per bottle	01.20
		Misc.	08.00
		Total	**117.41**