

EXCISE POLICY — 2004 - 2005

I. Licence Fee for Distilleries, Breweries and Bottling Units - Compounding and Blending (one or more operations) : (Form No.FL-13)

Licences may be renewed for the year 2004-05 on payment of licence fee as follows :

Sl.No.	Production Capacity in Proof Litres	Annual Licence Fee (Rupees in lakh)
1.	Upto 5 lakh	Rs.3.00
2.	5,00,001 to 9,00,000 lakh	Rs.4.00
3.	9,00,001 to 15,00,000 lakh	Rs.6.00
4.	15,00,001 and above	Rs.10.00

II. Licence Fee for Bottling : (Form No.FL-14)

- (i) @ Rs.2.00 per BL of IMFL manufactured.
- (ii) @ Rs.1.00 per BL of Beer manufactured.

III. Annual Licence Fee for having Ena Columns : Rs.4.00 lakh

IV. Annual Licence Fee for Wine Producing Units : Rs.1.00 lakh

The Distilleries, Breweries and Bottling Units will pay the licence fee for items 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.

The licensees of Distilleries, Breweries and Bottling Units will now have option to renew the licences for three years at a time by paying the licence fee for a period of three years. A licensee who opts for renewal of the licence for a period of three years, will not be liable to pay the increased licence fee, if any, to be decided by the Government during the next two years.

V. Excise Duty on IMFL and Beer :

1. Beer made in India	<u>Excise Duty</u>
(a) Beer	Rs.14/- per Bl
(b) Beer mixed with any imported element	Rs.20/- per Bl
(c) Drought 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

	IMFL	Proof	Strength
2.	(i) Other India made Whisky, Gin, Rum, Brandy, Vodka (landing cost at OSBC less than Rs.600/- per case.)	75 ⁰	Rs.100/- per LPL
	(ii) Other India made Whisky, Rum, Gin, Brandy, Vodka (landing cost at OSBC Rs.600/- to Rs.850/- per case)	75 ⁰	Rs.110/- per LPL
	(iii) Other India made Whisky, Rum, Gin, Brandy, Vodka (landing cost at OSBC Rs.851/- to Rs.3500/- per case)	75 ⁰	Rs.120/- per LPL
	(iv) Premium India made Whisky, Rum, Gin, Brandy, Vodka (landing cost at OSBC Rs.3501/- or more per case)	75 ⁰	Rs.130/- per LPL
3.	Whisky, Brandy, Rum, Vodka made from imported element and bottled in India	70.1-78.9 ⁰	Rs.200/- per LPL
4.	Gin made with imported element	70.1-78.9 ⁰	Rs.150/- per LPL
5.	Liquor, Cordial made from imported element	60 ⁰	Rs.150/- per LPL
6.	Wine made in India with any imported element	12.2-36.8 ⁰	Rs.150/- per LPL
7.	India made wine	40 ⁰	Rs.40/- per LPL

(VI) Fees for Label, Registration, Import and Export of IMFL, Beer, Rectified Spirit, ENA and Denatured spirit, Franchise fee for IMFL, Privilege fee and Vend Fee etc.

1. (A) : Label Registration Fee per Annum :

(a)	Foreign Liquor (imported from beyond custom barrier.)	Rs.15,000/- per label per annum
(b)	Foreign Liquor imported in bulk and bottled in India.	Rs.50,000/- per label per annum

(B) IMFL / Beer Supplied to OSBC Per Annum (Jan. to Dec. each year)

(a)	Up to 10000 cases per annum or 65000 LPL per annum	Rs.25,000/-	"
(b)	From 10001 to 20000 cases per annum or 65001 to 130000 LPL per annum	Rs.40,000/-	"
(c)	From 20001 to 40000 cases per annum or 130001 to 260000 LPL per annum	Rs.50,000/-	"
(d)	From 40001 to 70000 cases per annum or 260001 to 455000 LPL per annum.	Rs.75,000/-	"
(e)	From 70001 to 1 lakh cases per annum or 455001 to 650000 LPL per annum	Rs.1,00,000/-	"
(f)	Above 1 lakh cases per annum or above 650000 LPL per annum.	Rs.1,50,000/-	"

(C) Label Registration Fee for IMFL Supplied to Military Canteens	Rs.5,000/- per label per annum
2. (a) Import Fee on Rectified Spirit/ENA	Rs.3.00 per BL
(b) Export Fee on Rectified Spirit/ ENA	Rs.2.00 per BL
(c) Transport Fee on Rectified Spirit / ENA	Rs.2.50 per BL
(d) Import and Export fee on Denatured Spirit	Rs.3.00 per BL
3. Annual Licence Fee on Denatured Spirit	
(a) D.S.-I (Wholesale)	Rs.7,500/-
(b) D.S.-II (Retail)	Rs.3,000/-
(c) D.S.-III (Carpentry Works)	Rs.2,000/-
(d) Excise Duty on D.S. supplied to agencies other than Government organization within the State.	Rs.2/- per BL
4. Export fee on Beer	Rs.2/- per BL
5. Import Fee on Beer	Rs.5/- per BL
6. Export fee on IMFL	Re.1/- per LPL
7. Import Fee on IMFL	
(a) Landing cost per case upto Rs.850/-	Rs.16/- per LPL
(b) Landing cost per case above Rs.850/-	Rs.14/- per LPL
8 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
9. Franchise Fee	
(a) IMFL	Rs.2/- per LPL
(b) Beer	Rs.2/- per BL
10 Privilege Fee	
The OSBC will pay privilege fee for the year 2004-05 as would be levied by the Government.	
(VII) IMFL 'ON' and Beer Parlour 'ON' Shops	
(i) All the existing IMFL 'ON' and Beer Parlour 'ON' licences may be renewed for the year 2004-05 on payment of the annual licence fee indicated below provided they have fulfilled all the conditions.	

Category of the Hotel	Licence Fee
1. Three Star Hotels and above	Rs.3.00 lakhs per annum
2. Hotels in six major cities namely Cuttack, Bhubaneswar, Puri, Sambalpur, Rourkela and Berhampur	Rs.2.00 lakhs per annum
3. For other areas	Rs.1.50 lakhs per annum
(ii) 'On' licence may be granted to O.T.D.C. / I.T.D.C. hotels and hotels of the Tourism Department of the Government of Orissa at half the rate of 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 concession. A certificate for the purpose will be required from the Tourism Department before grant of licence.	
(iii) 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.	
(iv) Licence Fee for Beer Parlour 'On' for all other urban areas will be Rs.1.00 lakh per annum.	
(vi) Licence Fee for Beer Parlour 'On' for rural areas will be Rs.75,000/- per annum.	
All the new Beer Parlours 'On' and IMFL 'On' shops opened in rural areas will have to lift the MGQ from their nearest IMFL 'Off' shops only. For this purpose the MGQ of the IMFL 'Off' shop will be increased proportionate to the number of such 'On' shops attached to it.	
New IMFL 'On' shops and Beer Parlour 'On' may be opened according to the need subject to the restriction that the population of that area should not be less than 15,000.	
(vii) 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.	
(viii) The licence fee of 'On' Hotels and Restaurants may be realized in four instalments by 31.3.2004, 30.06.2004, 30.09.2004 and 31.12.2004.	
(ix) The existing MGQ of the 'On' shops will be reduced by 10% with effect from 01.04.2004.	

VIII. IMFL, 'ON' Clubs and Military Canteens.

- (a) The existing licences of 'On' Clubs shall be renewed with a licence fee of Rs.60,000/- per annum till 31.3.2005.
- (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 three affiliated Clubs.
 - (v) The Club must be having facility of outdoor games like Tennis, Badminton, Volley ball 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 norm of supply.

There shall be separate Label for each brand of IMFL supplied to Defence personnel through Military Canteens. Registration of labels shall be made at a nominal label registration fee of Rs.5000/- per label per annum. Before registering the labels, the Excise Commissioner will ensure that the labels to be affixed on each bottle of IMFL to be supplied to defence personnel have different colour and design from that of the same supplied to the Civilians.

IX. Licence Fee for M & T.P. Units.

The existing licence fee and policy will continue for 2004-05 by renewal of licences.

X. Licence Fee for Bonded Warehouse of Manufacturing Companies :

The licence fee of Rs.4.50 lakhs per annum will be payable by the Manufacturing Companies towards licence fee for the bonded warehouse for 2004-05 and the licences may be renewed thereafter.

If any Manufacturing Company takes the licence of the Ware House for three years by depositing the licence fee at a time for three years, subsequent changes in the policy regarding licence fee will not be applicable to the said company.

XI. Licence Fee on Wholesale Distribution :

The wholesale licence of Orissa State Beverages Corporation may be renewed for 2004-05 on payment of a licence fee of Rs.10.00 crores in quarterly instalments.

XII. Bhang / Tari / Pochwai Shops :

All the existing Bhang, Tari and Pochwai shops will be renewed for a period of three months from 1.4.2004 to 30.6.2004. Steps may be taken to settle the shops by way of auction followed by tender followed by negotiation on or before 30.6.2004 after observing the formalities in this regard. In case licence of any such shop is not renewed, the Collectors may take immediate steps for resettlement of the said shops by auction followed by tender followed by negotiation.

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

XIII. Country Spirit Shops :

- (a) All the existing licences of Country Spirit Shops in the thirteen districts namely Balasore, Bhadrak, Jagatsinghpur, Kendrapara, Jajpur, Puri, Khurdha, Cuttack, Dhenkanal, Ganjam, Gajapati, Kandhmal and Nayagarh may be renewed for a period of six months from 1.4.2004 to 30.9.2004. Steps may be taken to settle the shops on or before 30.9.2004 by way of auction followed by tender followed by negotiation after observing the formalities in this regard.
- (b) The duty on Country Spirit will remain unchanged i.e. at the rate of Rs.15/- per LPL.
- (c) The Country Spirit shops which are not renewed with effect from 1.4.2004 may immediately be resettled after the election to the Lok Sabha and Assembly.
- (d) Proposal for new shops may be submitted to Government after observing all the formalities.
- (e) At present Country Spirit of 40° UP strength is being sold in poly packs containing 200 ml. It was decided earlier to convert poly packs to bottles of 200 ml. But the Aska Cooperative Sugar Industries 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 1.7.2004. No further extension of time will be allowed to Aska Co-operative Sugar Industries Ltd. thereafter. Distilleries and Bottling Plants not manufacturing IMFL, may supply Country Spirit in Bottles.

- (f) The licence fee for manufacture and supply of Country Spirit will be Rs.5.00 lakhs per annum.
- (g) Bottling fee at the rate of Re.0.25 per bottle will be charged with effect from the date of manufacture and supply of Country Spirit in Bottles.
- (h) Before supplying 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.
- (i) 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 source of spurious and non-duty paid liquor.

XIV. Out Still Shops :

- (a) The licences of all the existing Out Still shops operating in 17 districts namely Sambalpur, Bargarh, Jharsuguda, Deogarh, Sundargarh, Bolangir, Sonepur, Kalahandi, Nuapara, Boudh, Koraput, Rayagada, Malkanagiri, Nabarangpur, Angul, Keonjhar and Mayurbhanj may be renewed for the year 2004-05 by increasing the present Consideration Money by 5%.
- (b) In case licence of any O.S. shop is not renewed, the Collectors may take steps for resettlement of the same by way of auction followed by tender followed by negotiation immediately after the elections to the Lok Sabha and State Legislative Assembly.
- (c) 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.3000/- per branch shop.

XV. IMFL Off Shops :

All the existing IMFL 'Off' shops will be renewed for a period of six months with effect from 1.4.2004 by increasing the existing consideration money by 5% without any change in the ratio of MGQ.

Before 30.9.2004 all the IMFL, 'Off' shops will be settled in the manner indicated below :

The potential of all the existing IMFL, 'Off' shops will be reviewed afresh so as to introduce Uniform Licence Fee with effect from 1.10.2004. In order to introduce Uniform Licence Fee, different areas of each district will be divided into different zones having similar potential. The zones will be categorized in the following manner :

- Zone-A Highest potential areas of the district.
- Zone-B Peripheral areas of Cities / Towns / Growth Centres.
- Zone-C Block / Tahasil Headquarters / Large GP Headquarters.
- Zone-D Other areas.

The Superintendents of Excise will identify the location of the shops and categorize the same under a Zone indicating the category for their respective districts and place the same before the Collector for transmission to the Excise Commissioner. There shall be uniform licence fee for the IMFL 'Off' shops in a particular zone.

The principle of settlement of the shops and other relevant guidelines will be separately communicated to all concerned by amending / modifying the existing SRO.

Persons interested to bid have to deposit a sum of Rs.500/- towards non-refundable application fee.

At present IMFL is being sold in bottles of 750 ml., 375 ml., and 180 ml. with effect from 1.4.2004. IMFL bottles of 90 ml. will be introduced to be sold only in IMFL 'Off' shops.

The licensee of each IMFL, 'Off' shop may opt for one Permit Room (where the consumers can stand and drink) adjacent to the 'Off' shop duly approved by the Superintendent of Excise on payment of Rs.100000/- per annum. The amount is payable in one installment and the Permit Rooms will be allowed to the Licensees of IMFL, 'Off' shops only in six major cities namely Cuttack, Bhubaneswar, Puri, Sambalpur, Rourkela and Berhampur.

Any shop once settled and starts functioning shall not be shifted ordinarily within a given financial year.

XVI. Mohua Flower Utilisation, Storage, Transportation and Export Fee.

The licence fee/utilization fee for the following items will be collected at the following rates :

(i)	Utilisation fee per quintal of mohua flower	Rs.175/-
(ii)	Mohua flower storage fee up to 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/-
	Above 5000 quintals	Rs.15,000/-
(iii)	Mohua Export Fee	Rs.50/- per quintal
(iv)	Mohua Transportation Fee	Rs.10/- per quintal
(v)	Mohua Transportation Fee outside the state	Re.1/- per quintal

XVII. Utilisation Fee on Molasses :

The following fees are fixed as utilization of Molasses during the year 2004-05.

(i)	Molasses 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

XVIII. Excise Adhesive Label Fee :

Excise Adhesive Label Fee for each bottle of IMFL, Beer and Country Spirit pouch / bottle will be enhanced to Re.0.25 paise in place of Re.0.20 paise from the date to be notified later on. Affixing of Excise Adhesive Labels will be strictly followed.

XIX. 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.

XX. Advance Consideration Money :

Advance consideration money for three months may be collected from all the existing IMFL, Off / Beer parlours (Off) / Country Spirit / Out Still shop / Tari / Pochwai and Bhang licensees before 31.03.2004.

XXI. Lifting of MGQ of IMFL / Beer /Country Spirit :

The ratio of MGQ of the IMFL Off and Country Spirit Shops will remain unchanged for the renewed shops up to 30.9.2004.

XXII. Delegation to Collectors to Grant Licence :

The Collectors of the Districts 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 16.5.2001 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 is below the reserve price, the Collectors may record the reasons for settlement of the shop below the reserve price. The proposal for acceptance of the settlement below the reserve price should indicate the reasons convincingly.

XXIII. 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 1.4.2004.

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|-------|---|-----------------|
| (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 |

XXIV. Import of IMFL :

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

XXV. Label Registration Fee at the District Level :

The retail licensees have to register the labels of different brands of IMFL / Beer at the district level. The label registration charge per label is at present Rs.10/- per brand per annum. From 2004-05, each retail licensee shall deposit a composite label registration fee of Rs.3000/- per annum with the Collectors instead of paying Rs.10/- per brand towards label registration fee.

XXVI. Users' Charge :

Each existing 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 collected by the Excise Commissioner from each licensee and deposited in the Public Account under appropriate receipt head.

Government of Orissa
Excise Department

No.IEX-42/2003/5676

Date : 25.9.2004

NOTIFICATION

In exercise of the powers conferred by Section 27 of the Bihar and Orissa Excise Act, 1915 (Bihar and Orissa Act 2 of 1915), the State Government do hereby direct that with effect from the date of issue of this notification the following amendments shall be made to the notification of the Government of Orissa in the erst-while Revenue and Excise Department No.49731/R, dated the 24th July, 1965 published in the extra-ordinary issue No.1176 of the Orissa Gazette, dated the 7th August, 1965, as amended from time to time, namely :

AMENDMENT

In the said notification, in the Table appearing under paragraph (I) of Part IX, for Serial No. (ii) and the entries made against them, the following shall be substituted, namely :

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|---|--------------------------|------------------|
| (ii) 1. India made Whisky, Gin, Rum, Brandy,
Vodka (Landing cost at Orissa State Beverages
Corporation less than Rs.600/- per case) | 75 ⁰ | Rs.110/- per LPL |
| 2. India made Whisky, Rum, Gin, Brandy, Vodka
(Landing cost at Orissa State Beverages
Corporation Rs.600/- to Rs.850/- per case) | 75 ⁰ | Rs.125/- per LPL |
| 3. India made Whisky, Rum, Gin, Brandy, Vodka
(Landing cost at Orissa State Beverages
Corporation Rs.851/- to 2,500/- per case) | 75 ⁰ | Rs.150/- per LPL |
| 4. India made Whisky, Gin, Brandy, Rum,
Vodka (Landing cost at Orissa State
Beverages Corporation Rs.2501/- or more
per case) | 75 ⁰ | Rs.175/- per LPL |
| 5. Whisky, Brandy, Rum, Vodka imported in
bulk and bottled in India | (70.1-78.9) ⁰ | Rs.275/- per LPL |

By order of the Governor

Tarun Kanti Mishra
Principal Secretary to Government