

**BY FAX / POST / E-MAIL**

**GOVERNMENT OF ODISHA  
EXCISE DEPARTMENT**

\*\*

**No. 1971 / Ex., dated 24.03.2017  
IIEx-261/2016**

From

Shri P.K.Panda,  
Additional Secretary to Government

To

The Excise Commissioner,  
Odisha, Cuttack.

Sub: Excise Policy (Excise Fee, Excise Duty and Margin Structure  
along with Regulatory Guidelines) for the year-2017-18

Sir,

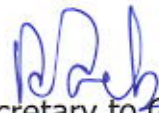
I am directed to invite the reference to your letter No.1547 dated 01.03.2017 and to say that Government, after careful consideration, have been pleased to approve the Excise Policy (Excise Fee, Excise Duty and Margin Structure along with Regulatory Guidelines) for the year-2017-18. The details of Excise Policy (Excise Fee, Excise Duty and Margin Structure along with Regulatory Guidelines) for the year-2017-18 is enclosed for necessary action.

Yours faithfully,

  
Additional Secretary to Government

**Memo No. 1972 / Ex Dated 24.03.2017**

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

  
Additional Secretary to Government

**Memo No. 1973 / Ex., dated 24.03.2017**

Copy forwarded to the Principal Secretary to Government, Finance Department for information and necessary action.

  
Additional Secretary to Government

**Memo No. 1974 / Ex., dated 24.03.2017**

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

Additional Secretary to Government

**Memo No. 1975 / Ex., dated 24.03.2017**

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

Additional Secretary to Government

**Memo No. 1976 / Ex., dated 24.03.2017**

Copy forwarded to the Head State Portal, IT Centre, Secretariat Building for information and necessary action.

Additional Secretary to Government

# **EXCISE POLICY**

## **EXCISE FEE, EXCISE DUTY AND MARGIN STRUCTURE ALONGWITH REGULATORY GUIDELINES FOR THE YEAR-2017-18**

*Mis. Comp. Dr. 10th  
24. 3-17*





## 1. INTRODUCTION

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

Although consumption of alcoholic drinks has been prevalent since time immemorial, it carries with it the danger of negative social and physiological impact. Since prohibition alone cannot decimate the demand or need for consumption of alcoholic drinks and beverages, the State has to ensure supply from legitimate quality sources to meet this demand. Being a demerit good, the Excise products have to be imposed with duties and levies to keep a check on easy accessibility while ensuring that the same is not too expensive which would tempt influx of illicit liquor. While doing so, a fine balance needs to be struck between ensuring Government revenue and at the same time plugging the infiltration of Excise products from outside. The Excise Policy 2017-18 also aims at facilitating ease of doing business and explores new avenues and markets while ensuring that a level playing field is created for the entrepreneurs of the State.

### 1.1 Salient features of 2017-18 Excise Duties, Levies and Fee Structure.

The Excise Policy 2017-18 has taken into the account feedback from various stakeholders in order to facilitate the ease of doing business while attaching due priority to the interests of the State and the consumers. Certain new features have been added keeping in pace with changing time as follows.

- 1) For providing freshly brewed/ crafted Beer in a nice set up to the discerning consumers, the concept of Micro Brewery has been elaborated further.
- 2) For diverting the young generation from strong alcoholic beverages, provision is made for sale of Draught Beer from cask or keg in suitable surroundings.
- 3) FMFL with offer price of RS. 8,000/- & above per case will be offered in 50 ml pack size for sale at IMFL ON shops. This shall be permitted for serving at the 'ON' shops to avoid adulteration/ dilution/ reduction in quality in pegs ordered by the consumers.
- 4) Pursuant to the order of Hon'ble Supreme Court for closure of liquor outlets within 500 meters from NH/SH, no OS shop operating within 500 meters from NH/ SH shall be allowed to sell any liquor manufactured or distilled at the point. The OS liquor so manufactured can only be sold at their branch shops beyond 500 meters from NH/ SH.

*Nishant*



- 5) ✓ To discourage unauthorized Kuchia sale, the MGQ structure has been rationalized.
- 6) Additional Bars are allowed in Hotels/ Clubs at reduced license fee to cater to the growing clientele and discourage unauthorised sale of liquor in the Hotel/ Club premises.
- 7) No increase in specific component and ad valorem component of the Excise Duty in case of Beer has been prescribed, so as to keep the MRP of light alcoholic drink within the reach of an average consumer to wean them away from consumption of strong alcoholic drinks.
- 8) The import fees on Beer as well as IMFL have been increased to encourage local production and employment.
- 9) To encourage local entrepreneurship, the Retailers shall have to lift a minimum quantity of 5% of their Beer requirement from each of the Breweries inside the State in a month.
- 10) No increase in Export fee has been prescribed to encourage export of IMFL/ Beer from the state for better utilization of the installed capacity of the manufacturing units.
- 11) Temporary license fee has been prescribed for consumption of liquor to discourage under the counter sale during special occasions.

## 1.2 Structure of Excise Policy 2017-18

The Excise Policy document has been divided into three parts for better appreciation.

- Part A:** Lists all the fees (Excise license fee/ application fee/ registration fee/ penalty etc.) covering production, wholesale and retail trade in alcoholic beverages.
- Part B:** Lists all the variables dealing with the Excise duties and administered profit margins and prices.
- Part C:** Lists all the regulatory measures.

*M. Srinivasan, 1-9-18*





## 2. PART- A

### 2.1 All Types of Application fees, Label Registration fees & Penalties

S1. No.	FEE TYPE (non-refundable)	Amount (in Rs.) 2017-18
1.	Application fee for grant of License (Brewery/ Winery/ Distillery/ Bottling Unit)	1,00,000
2.	Application fee for renewal of license (Brewery/ Winery/ Distillery/ Bottling Unit)	50600
3.	Application fee for grant of License of a Micro Brewery	25000
4.	Application fee in respect of licenses for trading of molasses	34500
5.	Application fee in respect of licenses for units using molasses for purposes other than trading	17850
6.	Application fee for label registration (BEER per brand for Civil)	28750
7.	Application fee for label registration (BEER per brand for Defence)	10000
8.	Application fee for label registration {IMFL (except wine)/ FMFL (except wine) per brand for Civil/ Defence}}	25300
9.	Application fee for label registration (Wine per brand for Civil/ Defence)	5000
10.	Application fee in respect of new 'ON' Shops	75900
11.	Application fee in respect of renewal of licenses of 'ON' Shops	75900
12.	Application fee in respect of new/renewal of Beer Parlors	69000
13.	Application fee wrt. new/ renewal of Military Canteen Licenses	8500
14.	Application fee wrt. new/ renewal Bhang, Tori, Pochwai shops	1500
15.	Application fee for new Out Still shops	44300
16.	Application fee for renewal of Out Still shop	38000
17.	Application fee for new IMFL OFF shop license	75900
18.	Application fee for renewal of IMFL OFF shops	75900
19.	Application fee for new license of Country Spirit shops	38000
20.	Application fee for renewal of Country Spirit shops	38000
21.	Composite Label registration fee per annum for Military Canteens	13200
22.	User registration fee for Military Canteens	6600
23.	Label registration fee of C.S. in Glass Bottles (per annum)	25300
24.	User charge per shop (IMFL/ FMFL/ CS/ OS) (per annum)	9800
25.	Composite label registration fee for retail licensees (per shop per annum) IMFL/ FMFL/BEER	19000
26.	Separate Label registration fee for export of IMFL / Beer (per Item/ Brand)	16500
27.	Application fee obtaining NOC/ Extension of NOC/ permission for establishment of Brewery/ Winery/ Distillery/ Bottling etc. Units	49500
28.	Penalty on a country spirit supplier if it fails to make timely delivery of CS supply	15,00,0000
29.	Penalty with fine for non - supply of cash memo/charging above MRP to the consumers on demand	20000
30.	Penalty on Supplier/Retailer for supplying/selling liquor without affixture of EAL	2,00,000

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## 2.2 License Fee - IMFL, wine & country spirit for Production and compounding and Blending.

The license fee for those distilleries that have supplied over 1,00,00,000 (1 Crore) LPL to the wholesale depots between January to December of the preceding year is fixed at (Rs 0.50/ LPL). For those distilleries that have supplied less than 1,00,00,000 (1 Crore) LPL, but more than 50,00,000 (Fifty Lakh) LPL to the wholesale depots between January to December of the preceding year, the license fee is fixed at Rs 1/ LPL. For those distilleries that have supplied less than 50,00,000 (Fifty Lakh) LPL to the wholesale depots between January to December of the preceding year, the license fee shall be fixed @ Rs.1.50 per LPL. However, the annual license fee for those distilleries and bottling units that have failed to utilize less than 10% of their installed capacity in the period between January to December of the previous year, shall remain the same as what was fixed in the preceding year 2016-17.

Sl. No.	Production Capacity (in LPL) (Non-refundable)	Category-wise amount (Lacs)
1.	Annual license fee for a new Distillery	20
2.	Annual license fee for a new Bottling unit	20
3.	Annual license fee for E.N.A. columns	9
4.	Annual license fee for wine producing units	2.5
5.	License fee for supply and manufacture of CS (M/s. ACSIL)	36

## 2.3 Breweries -License fee for Beer Production

The license fee for those breweries that have supplied over 1,00,00,000 (1 Crore) BL to the wholesale depots between January to December of preceding year is fixed at Rs.1.00/ BL. For those breweries that have supplied less than 1,00,00,000 (1 Crore) BL, but more than 50,00,000 BL to the wholesale depots between January to December of the preceding year, the license fee is fixed at Rs 1.50 per BL. Those licensees who have supplied up to 50,00,000 BL shall pay license fee @ Rs 2.50 per BL. The annual license fee for those breweries that have failed to utilize less than 10% of their installed capacity in the period between January to December of the previous year, shall remain the same as what was fixed in the preceding year 2016-17.

Sl. No.	Production Capacity (in BL) (Non-refundable)	Amount (Rs. in Lacs)
1.	Annual license fee for a new Brewery	25
2.	Annual license fee for Microbrewery (Maximum 1000 BL per day)	7.5

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**2.4 Other License Fees - Retail ON & OFF Shops, Country Spirit, Bhang, Tari and Pachwai shops, warehouses, Denatured Spirit etc.**

Sl. No.	Category (non-refundable)	Amount (Rs. in Lakh)
1.	Annual license fee for Three Star and above rated hotels.	8.0
2.	Annual license fee for hotels in six major cities - Cuttack, Bhubaneswar, Puri, Sambalpur, Rourkela & Berhampur with lodging.	8.6
3.	Annual license fee for other urban areas with lodging.	7.5
4.	Annual license fee for hotels and restaurant without lodging.	10.3
5.	"ON" license may be granted to O.T.D.C/ I.T.D.C. hotels at half the rates applicable as above for License fee, based on where the said hotels are located. No such concession is allowed for hotels leased to private individuals.	50% of above rates
6.	<b>Annual license fee For 'ON' Club</b>	
6.1	Annual license fee for 'ON' clubs - consumption upto 100 LPL per month	1.00
6.2	Annual license fee for 'ON' clubs - consumption from 101 LPL up to 500 LPL per month	4.6
6.3	Annual license fee for 'ON' clubs consumption from 501 LPL to 800 LPL per month	5.75
6.4	Annual license fee for 'ON' clubs - consumption above 801 LPL per month	6.9
7.	<b>Annual License Fees for BEER Parlors</b>	
7.1	License fee for ON Beer Parlor in six major cities namely Bhubaneswar, Cuttack, Puri, Sambalpur, Berhampur and Rourkela	4.6
7.2	License fee for ON Beer Parlor in all other urban areas	3.8
7.3	License fee for ON Beer Parlor for all rural area	3.2
8.	Annual License fee for bonded warehouse	12.0
9.	In case of distilleries, annual license fees to be paid for storage of spirit per annum	8.9
10.	Annual license fee for Model Premium Liquor Shops attached to Star Hotel/ Luxury Hotels/ Complex permitting sale of Premium brands of IMFL/ FMFL	1.2
11.	<b>Annual License Fees on Denatured Sprit/Methanol</b>	
11.1	Annual license fee on D.S- I	0.35
11.2	Annual license fee on D.S- II	0.28
11.3	Annual license fee on D.S- III (Carpentry)	0.21
11.4	Annual license fee on D.S- III (Industrial use)	0.36
12.	Annual license fee for Military Canteen (Superintendent of Excise will issue the permits only after obtaining the strength of the unit and norms of supply)	0.13
13.	Additional annual License fee for export of brands (IMFL/ BEER)	1.65
14.	Annual license fee for separate warehouse made for storing of export IMFL/ BEER brands	0.79
15.	Monthly License fee for branch Out Still shop	0.20
16.	Annual license Fee for M & TP Units	As decided by Central Govt.
17.	Annual License fee for additional Bars in Hotels/ Clubs	1.00
18.	Licenses of Bhang, Tari and Pachwai shops shall be Renewed in 2017-18 without increase in existing consideration money with necessary formalities	
19.	Licenses of Out-Still shops operating in 21 districts shall be renewed in 2017-18 with 15% increase in existing consideration money with necessary formalities	
20.	License fee for Country Spirit Shops shall be renewed in 2017-18 with 15% increase over the existing consideration money with necessary formalities	
21.	Licenses for IMFL OFF Shops shall be renewed in 2017-18 with 20% increase over the existing consideration money with necessary formalities	

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## 2.5 Bottling Fee, Label Registration Fee and EAL fee levied on a per unit basis

Sl. No.	Category (Non-refundable)	Category-wise Amount (in Rs.)
<b>1.</b>	<b>IMFL (Rs Per LPL)</b>	
1.1	Bottling Fee - Own Brand	13
1.2	Bottling Fee - Other than own brand	16
1.3	Bottling fee for export of IMFL	3
1.4	<b>Label registration fee on all IMFL/ FMFL brands (except Wine) received at wholesale depots (January to December of preceding Year) per label per annum for Civil &amp; Defence</b>	
	up to 2000 Cases Per annum	24200
	From 2001 Cases to 5000 Cases Per annum	48400
	From 5001 Cases to 10000 Cases Per annum	72600
	From 10001 Cases to 20000 Cases Per annum	87200
	From 20001 Cases to 40000 Cases Per annum	115000
	From 40001 Cases to 70000 Cases Per annum	174300
	From 70001 Cases to 100000 Cases Per annum	232300
	From 100001 Cases to 500000 Cases Per annum	319400
	From 500001 Cases to 1000000 per annum	500000
	From 1000001 Cases & above per annum	700000
1.5	<b>Label registration fee on all Wine brands received at wholesale depots (January to December of preceding Year) per label per annum for Civil &amp; Defence</b>	
	Up to 500 Cases Per annum	5000
	From 501 Cases to 1000 Cases Per annum	7500
	From 1001 Cases to 1500 Cases Per annum	10000
	From 1501 Cases to 2000 Cases Per annum	15000
	From 2001 Cases to 2500 Cases Per annum	18000
	From 2501 Cases & above per annum	20000
<b>2.</b>	<b>Beer (Rs. Per BL)</b>	
2.1	Bottling Fee - Own Brand	10
2.2	Bottling Fee - Other than own brand	11
2.3	Bottling fee for exports of BEER	3

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2.4	Label registration fee on all BEER brands received at wholesale depots (January to December of Preceding year) per label per annum for Civil	
	Up to 2000 cases Per annum	22000
	From 2001 Cases to 5000 Cases Per annum	44000
	From 5001 Cases to 10000 cases Per annum	66000
	From 10001 Cases to 20000 Cases Per annum	79200
	From 20001 Cases to 40000 cases Per annum	104500
	From 40001 Cases to 70000 cases Per annum	158400
	From 70001 Cases to 100000 Cases per annum	211200
	From 100001 Cases & above per annum	290400
2.5	Label registration fee on all BEER brands received at wholesale depots (January to December of preceding year) per label per annum for Defense.	
	Up to 500 Cases Per annum	5000
	From 501 Cases to 1000 Cases Per annum	7500
	From 1001 Cases to 1500 Cases Per annum	10000
	From 1501 Cases to 2000 Cases Per annum	15000
	From 2001 Cases to 2500 Cases Per annum	18000
	From 2501 Cases & above per annum	20000
3.	<b>Bottling fee on C.S. in Glass bottle (Rs. Per bottle)</b>	0.40
4.	<b>EAL fee for each bottle/Can of IMFL / BEER/ CS (Rs)</b>	1.00

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## 2.6 Import, Export, Transport and Vend Fee

Sl. No.	Category (Non-refundable)	Category-wise Amount (in Rs.)
1.	Import fee on RS/ ENA procured from outside the state (per BL)*	8.50
2.	Import fee on Ethanol/ Power spirit for blending in Petrol (per BL)	0.39
3.	Export fee on Rectified Spirit/ ENA (per BL)	5.30
4.	Transport fee on Rectified Spirit/ ENA for preparation of IMFL/ CS (Per BL) (procured within the state)*	7.30
5.	Transport fee on Rectified Spirit/ ENA for purposes other than preparation of IMFL/ CS (per BL)	9.70
6.	Import / Export and Transport PASS fee on IMFL, Beer and CS per transport pass	120
7.	Import, Export and Transport fee Denatured Spirit (per BL)	8.50
8.	Import, Export and Transport fee for Methanol for industrial use (per BL)	5.85
9.	Export fee on Beer (per BL)	3
10.	Import Fee on Beer (per BL)	15
11.	Vend Fee on Beer imported into India from outside the country (per BL)	27.5
12.	Export Fee on IMFL (per LPL)	3
13.	Import Fee on IMFL (per LPL)	30
14.	Vend Fee on foreign Wine imported into India from outside the country (not bottled in India) Per LPL	100 Per LPL
15.	Vend fee on FMFL except wine imported into India from outside the country (not bottled in India) Per LPL	250 Per LPL + 40% of landed Cost

\* Import fee to be paid on the RS/ ENA procured from outside the state for liquor Production, whereas transport fee is to be paid only on RS/ ENA procured from within the state.

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## 2.7 License Fee for Lifting and Use of Molasses

Sl. No.	Category: Units using Molasses for purposes indicated below (non-refundable)	Category-wise Amount (in Rs.)
1.	For other than distilleries, i.e., industrial uses	185000
2.	Cattle feed	34500
3.	Gudakhu and similar small scale purposes	53000
4.	Trading for industrial purposes	926000
5.	Storage, possession and sale by sugar industry	132000

## 2.8 Utilization Fee for Molasses

Sl. No.	Category (non-refundable)	Category-wise Amount (Rs. per-tonne)
1.	For Distillery	232
2.	For Industrial and other purposes	265
3.	Import fee (procured from outside the state)**	133
4.	Export fee	90
5.	Transport fee (procured from inside the state)**	36
6.	Grains of any kind used for production of spirit & ENA	310

\*\* Import Fee to be paid on the Molasses procured from outside the state, whereas transport fee is to be paid only on Molasses procured from within state

## 2.9 Mohua Flower Storage

Sl. No.	Storage in quintals (Non-refundable)	Category-wise Amount (Rs. per-quintal)
1.	Up to 500 quintals	8730
2.	501 to 1000	17460
3.	1001 to 2001	35000
4.	2001 to 5000	69300
5.	More than 5000	87290

Mishra, S. M.





## 2.10 Mohua Flower Storage fee for M.F traders

Sl. No.	Storage in quintals (Non-refundable)	Category-wise Amount (Rs. per-quintal)
1.	Up to 500 quintals	15,000
2.	501 to 1000	25,000
3.	1001 to 2001	50,000
4.	2001 to 5000	85,000
5.	More than 5000	1,20,000

## 2.11 Mohua Flower: Utilization, Export, Import and Transportation

Sl. No.	Category (non-refundable)	Category-wise Amount (Rs. per-quintal)
1.	Utilization fee per quintal of Mohua Flower	570
2.	Mohua export fee	178
3.	Mohua transportation fee (procured from inside the state)*	27
4.	Mohua transportation fee outside state	18
5.	Mohua import fee (procured from outside the state)*	27

\* Import fee to be paid on the Mohua flower procured from outside the state, whereas transport fee is to be paid only on Mohua flower procured from within the state.

## 2.12 Mohua Flower: Export, Import and Transportation fee for M.F traders.

Sl. No.	Category (non-refundable)	Category-wise Amount (Rs per-quintal)
1.	Mohua export fee	300
2.	Mohua transportation fee (procured from inside the state)*	50
3.	Mohua transportation fee outside state	35
4.	Mohua import fee (procured from outside the state)*	45

## 2.13 Wholesale License fee:

Wholesaler has to pay an annual non-refundable fee of Rs 1 Crore towards wholesale license fee.

*Lishnappa J.P.*



## 2.14 Depot License fee for Wholesale trade

Sl. No.	Category (non-refundable)	Category-wise Amount (RS. in Lakh per Annum)
1.	Wholesale Depots with IMFL & BEER storage facility only (without country spirit)	15
2.	Wholesale Depots with IMFL, BEER & Country Spirit storage facility	25

## 3. PART- B

### 3.1 EXCISE DUTY

Excise duties on various products will be as mentioned below for the year 2017-18.

#### 3.1.1 BEER- CIVIL

Sl. No.	Category of BEER	Strength	Excise Duty=Specific Component*BL+Ad Valorem	
			Specific Component (RS. per BL)	Ad valorem Component (RS. as % on landing Cost)
1.	Beer (Bottled & Canned)	Up to 5% v/v	20	50%
		Above 5%v/v, but below 8% v/v	20	50%
2.	Beer (Draught/ Bulk)	Up to 5% v/	20	50%
		Above 5%v/v, but below 8% v/v	20	50%
3.	Draught Beer for sale in a Micro Brewery	Up to 5% v/v	20	50%
4.	Draught Beer supplied through OSBC in Cask/Keg for sale in Beer Parlor & IMFL ON shops	Up to 5% v/v	20	50%
		Above 5%v/v, but below 8% v/v	20	50%

*Mishra ref.*





### 3.1.1 Low Alcoholic Beverages (LAB)

Sl. No.	Category	Strength	Excise Duty=Specific Component*BL+Ad Valorem	
			Specific Component (Rs Per BL)	Ad valorem Component (Rs as % on landing Cost)
1.	Low Alcoholic Beverages like Breezer etc.	Up to 5% v/v	20	50%
2.	Low Alcoholic Beverages like Electra etc.	Above 5%v/v, but below 8% v/v	20	50%

### 3.1.2 IMFL (Including FMFL & WINE) – CIVIL

SL	Category of IMFL	Strength	Excise Duty=Specific Component*LPL+Ad valorem	
			Specific Component (Rs. per LPL)	Ad valorem Component (Rs. as % on landing Cost)
1.	India made Whisky, Gin, Rum, Brandy & Vodka	75°	280	50%
2.	Whisky Gin, Rum, Brandy and Vodka imported in bulk & bottled in India	75° to 80°	280	50%
3.	Wine Imported in bulk and bottled in India	12° to 36°	150	40%
4.	India Made Wine	12° to 36°	50	40%

### 3.1.3 IMFL/ FMFL/Wine/Beer Supplies to Troops and Military Bodies

Sl. No.	Category of IMFL	Strength	Excise Duty=Specific Component*LPL/BL+Ad valorem	
			Specific Component (Rs. Per LPL/BL)	Ad valorem Component (Rs. as % on landing Cost)
1.	India made Whisky, Gin, Brandy & Vodka	75°	150	50%
2.	FMFL	75°	200	40%
3.	India made Rum	75°	120	50%
4.	India made Wine	12° to 36°	30	20%
5.	India made Beer	Up to 5% v/v	10	40%
		Above 5%v/v, but below 8% v/v	20	50%

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- (a) Vend fee on Foreign wine imported into India from outside the country (not bottled in India) RS. 75/- Per LPL.
- (b) Vend Fee on Foreign Beer imported into India from outside the country Rs. 25/- per BL.

IMFL/ FMFL/ Wine/ Beer brand labels registered for supply to Troops and Military bodies (i.e., Defense sale) shall be exempted from VAT and TCS.

### 3.1.4 Excise Duty on Country Spirit

Sl. No.	Category of IMFL	Strength	Excise Duty=Specific Component*LPL+Ad	
			Specific Component (Rs. Per BL)	Ad valorem Component (Rs. as % on landing Cost)
1.	Country Spirit	40° UP	10	50%

### 3.1.5 Excise Duty on Others

Sl. No.	Category of IMFL	Strength	Excise Duty=Specific Component*BL+Ad	
			Specific Component (Rs. Per BL)	Ad valorem Component (Rs. as % on landing Cost)
1.	Bhang		440 (per Kg)	NIL
2.	DS supplied to agencies other than Government Organization within the state		7.70	NIL
3.	Liquor Cordial imported in bulk and bottled in India	60°	250	NIL

### 3.2 Additional Excise Duty

As was the case in the previous Excise Policy, the liquor prices in the State would be rounded off to the next Rs. 5 in order to make cash transactions convenient at the retail outlets. The Excise Department would charge the Additional Rounding-off Excise Duty only where required in order to ensure that the liquor prices are rounded off to next Rs.5. This additional license fee shall be a part of MRP build-up and would be included in wholesale issue price at which lifting from wholesale depot is made. The wholesaler would transfer this amount periodically to the Excise Department.

*Mishra*





### 3.3 Profit Margins

- I. The offer price for any brand/ pack size (IMFL, FMFL, Beer and Wine) shall not be changed without the prior approval of the Price Fixation Committee.
- II. The wholesaler margin would be decided by the Board of the OSBC from time to time when a change in margin is needed.
- III. The Retailer margin would remain as follows -

Items	Wholesale margin on (% of Landing Cost)	Retailers' margin on (Issue Price + VAT)
BEER (All Brands)	1%	20%
IMFL (All Brands)	1%	18%
FMFL (All Brands)	1%	15%

## 4. PART- C

### 4.1 MGQ ON RETAIL SHOPS

The MGQ structure has been rationalized in order to encourage retailers to avoid short fall in spite of the increase in annual license fee by 20% & 15% on IMFL "OFF" shops & CS shops respectively over and above the prevailing rates. The MGQ for the IMFL "OFF" shops and CS shops are detailed below.

#### 4.1.1 MGQ OF IMFL OFF SHOPS & CS OFF SHOPS

IMFL "OFF" SHOP		
Area Type	BEER MGQ-BL per Rs 1000 CM	IMFL MGQ-LPL per Rs 1000 CM
<b>URBAN</b>	<b>26</b>	<b>17.5</b>
<b>RURAL</b>	<b>22</b>	<b>14.5</b>

COUNTRY SPIRIT "OFF" SHOP	
Area Type	CS MGQ-LPL per Rs 1000 CM
<b>URBAN &amp; RURAL</b>	<b>45</b>

*Mishra* *SP*



#### **4.1.2 MGQ OF ON SHOP, CLUB & HOTEL**

There is no change in MGQ for all 'ON' shops and hence MGQ for 'ON' shops/ restaurants will remain same as fixed in 2016-17. However, MGQ will not be applicable for all 'ON' Shops in hotels with lodging facility.

The 'ON' shops are allowed to lift FMFL of Rs.8,000/- offer price & above per case in 50 ml pack size for service to the consumers on demand to avoid dilution in the pegs ordered for consumption.

#### **4.1.3 MGQ OF MOLASSES**

The MGQ for lifting and use of molasses by the distilleries shall be fixed as per the formula at par with last year. In case of short lifting, the unit has to pay utilization fee as fixed by the Government from time to time.

#### **4.2 Other Regulatory guidelines**

The following regulatory guidelines shall be followed under each regulatory head

##### **4.2.1 LICENCE FEE FOR WHOLESALE DEPOT**

- I. All the depots established by the Wholesaler will pay an amount as specified in PART B, per annum towards annual depot license fee for storage of IMFL/ Beer. The Collector of concerned Districts will issue depot licenses.
- II. In addition to the above, Wholesaler will pay separate license fee as specified in PART B, per annum towards annual depot license fee for storage of C.S where Country Spirit is marketed.
- III. Additionally, wholesaler should:
  - a) Ensure availability of at least 10% free space in all their depots all the time.
  - b) Ensure computerization.
  - c) Ensure lifting of assortment of brands by retailers i.e., Beer and IMFL brands.
  - d) Ensure that the Retailers shall lift a minimum quantity of 5% of their Beer requirement from each of the Breweries inside the State in a month.

It will be the Wholesalers' responsibility to implement the above points.

*M. S. K. S. - Set*





#### **4.2.2 IMFL 'ON' SHOPS AND BEER PARLOR**

- I. New 'ON' Beer Parlors, 'ON' license for Star Hotels with or without lodging may be allowed with the license fee as specified in Part A.
- II. The License fee of 'ON' shops may be realized in four equal installments. New licenses to 'ON' clubs may be granted on fulfillment of the following conditions:
  - a) The Club must be a registered club under the Societies Registration Act/ any other law for the time being in force.
  - b) The Club must have facilities for at least 50 members.
  - c) There must be adequate facilities for food and drinks.
- III. License fee for Military canteens may be renewed on payment of annual license fee as specified. The Superintendents of Excise shall issue the permits only after obtaining the information on the strength of the Unit/ Cantonment and the norms of supply.

#### **4.2.3 LICENSE FEE FOR M& T.P (Medicine & Toilet preparation) UNITS**

The existing license fee and policy will continue for 2017-18 by way of renewal of licenses or as may be decided by the Central Government

#### **4.2.4 BHANG /TARI/POCHWAI SHOPS.**

In case any existing Bhang, Tari and Pochwai shops remains unsettled, the concerned District Collector may take steps for settlement of the same by way of inviting fresh applications. In case, more than one application is received, the shop will be settled by draw of lottery

#### **4.2.5 COUNTRY SPIRIT SHOPS.**

In case any existing Country Spirit shop remains unsettled, the concerned District Collector may take immediate steps for settlement in a manner prescribed by the Government. However,

- I. Unsettled Country Spirit shops in the relevant districts may be given to Aska Co-Operative Sugar Industries Ltd (ACSIL), Odisha Tourism Development Corporation (OTDC) and other State Government Undertakings and Co-operative organization at the reserve price fixed by the Govt., if the same is not settled by the prescribed process during the year. However they will

*Aska Co-Op. Sugar Ind.*



operate these shops under their own management. They will not be allowed to sub-lease these shops under any circumstance.

- II. Country Spirit of 40<sup>0</sup> UP strength of 200 ml be supplied and sold in glass or pet bottle.
- III. ACSIL shall ensure at least 300 (3 lakh cases) full truck load supply of Country Spirit per month to wholesale depots for sale to retailers. Failure to supply the same would attract penalty as specified in PART A.
- IV. The pet bottle must conform to Food Grade Plastic specified in Rule 49 (5) (v) of the Prevention of Food Adulteration Rules, 1955.
- V. Before supplying the Country Spirit in Glass Bottles, the manufacturer will have to get the labels registered and the label registration fee as specified per annum per label will be charged.
- VI. In each district where Country Sprit 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 Convener- cum-Secretary. The Committee will review from time to time 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.

#### 4.2.6 OUT STILL SHOPS

The license of all existing Out Still Shops operating in 21 districts namely, Sambalpur, Bargarh, Jharsuguda, Deogarh, Sundergarh, Bolangir, Sonepur, Kalahandi, Nuapada, Boudh, Koraput, Rayagada, Malkangiri, Nabarangpur, Angul, Keonjhar, Mayurbhanj, Ganjam, Behampur, Gajapati and Dhenkanal shall be renewed for a period of one year w.e.f. 1<sup>st</sup> April 2017 with 15% increase over and above the existing consideration money.

- I. No Trade license shall be granted in areas outside the availability of Mohua flower.
- II. It is mandatory to produce VAT registration certificate for obtaining a Mohua flower trading license.
- III. No Mohua flower storage and sale license shall be granted by the Superintendent of Excise in areas where illicit distillation is prevalent. Also, the Superintendent of Excise shall keep a close watch on all Mohua flower storage and transport license holders to stop any kind of supplies being permitted for illicit distilleries

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- IV. License holders of OS shops shall only be charged a transport fee for Mohua flower quantity used for distillation. Transport fee shall not be charged for any unutilized quantity of Mohua flower. However, fines and non-utilization fee shall be collected from any OS license holder failing to utilize the MGQ of Mohua flower
- V. The Collectors may allow up to 15 (fifteen) branch shops to be operated by each Exclusive Privilege license holder with a monthly license fee of Rs.20,000 per branch shop.
- VI. Any shop once settled and started operating shall not be shifted ordinarily within a given financial year.
- VII. Any Mohua flower transaction beyond the limits of possession should be accompanied by a transport pass.
- VIII. In case any existing O.S. shop remains unsettled, the Collector may take steps to settle the same in the manner to be decided by the Government.
- IX. Additional guidelines for OS Shop requiring them to print on the product package:
- a) Name of the shop.
  - b) Date/ Month/ Year of manufacturing of liquor.
  - c) Net content.
  - d) Code number along with identification mark of the shop approved by the Superintendent of Excise.
  - e) MRP.
- X. All OS shops must ensure cleanliness and hygiene in their compound.
- XI. The EPH of O.S. shop may offer the O.S. liquor for sale in 200 ml pet bottle as well conforming to food grade plastic specified in Rule-49 (5)(v) of the Prevention of Food Adulteration Rules, 1955.
- XII. No O.S shop should use Gur in place of Mohua. Use of Gur or any substitute is strictly prohibited. The EPHs found to be using any substance in place of Mohua for making OS shall be held guilty of violation of legal provisions and shall invite penalty.

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#### 4.2.7 IMFL OFF SHOPS

It will be mandatory for an 'OFF' shop to display prominently the following:

- I. Up to date rate chart
- II. Opening/ Closing Time.
- III. Age group not allowed to buy.
- IV. Issue of cash memo for all purchases.
- V. Price does not exceed MRP.
- VI. Statutory warning.

No 'OFF' / 'ON' Shop should bear a name which may offend religious sentiments, or display any hoarding promoting liquor of any brand/ company.

#### 4.2.8 ENA BASED CHEAP LIQUOR

1. ENA Based cheap liquor may be manufactured and supplied by Manufacturing/ Bottling Units operating inside the State.
2. This may be supplied in proof strength of 50° UP.
3. The introductory pack sizes shall be of 300 ml. & 600 ml. only.
4. This may be supplied in glass as well as pet bottles conforming to requisite standards.
5. The excise duty for ENA based cheap liquor shall be as follows:

Sl. No.	Category of liquor	Strength	Excise Duty=Specific Component*LPL+Ad valorem	
			Specific Component (Rs. Per LPL)	Ad valorem Component (Rs. as % on landing Cost)
2	ENA based cheap liquor	50° UP	100	50%

6. The license fee for production and bottling of ENA based cheap liquor shall be Rs.20.00 lakh.
7. The bottling fee shall be Rs.13/- & Rs.16/- for own brand and other than own brand respectively.

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8. The Wholesaler & Retailer margin shall be 0.1% of the landing cost & 18% of the Wholesale issue price & VAT respectively.
9. All the Wholesale Depots currently operational in the State, which cater to IMFL/ Beer/ CS may procure and store ENA based cheap liquor for sale to the Retailer.
10. All the CS 'OFF' shops and all the IMFL 'OFF' shops inside the State are allowed to sell ENA based cheap liquor.
11. The licensees of IMFL 'OFF' shops are free to fulfill the MGQ quota in LPL by lifting IMFL/ FMFL/ ENA Based cheap liquor as per the market demand.
12. The licensees of CS 'OFF' shops are free to fulfill the MGQ quota in LPL by lifting CS/ ENA Based cheap liquor as per the market demand.
13. The Manufacturer shall get the label registered with Label Registration Fee and Application Fee for label registration as prescribed for IMFL brands.
14. The Excise Department shall prescribe separate EAL for affixure on bottles containing ENA based cheap liquor before supply of the same to OSBCL by the Manufacturers.
15. The EAL fee shall be charged @ Re.1/- per bottle.

#### 4.2.9 MAXIMUM RETAIL PRICE

Maximum Retail Price (MRP) will be displayed on each bottle of IMFL/ Beer/ Country Spirit/ OS and sold accordingly. The vendors are required to issue cash memo on demand to all consumers and not charge above MRP, failing which the vendors shall be penalized with fine specified in PART A. All IMFL 'OFF' shops are required to display up to date MRP chart.

- The MRP shall be decided on the principle of landing cost + all taxes/ duties/ Other Fees + wholesale margin + retailer margin.
- Any modification request on offer price of the brands will be decided by the Price Fixation Committee, provided that no request for revision of price shall be entertained more than once in a financial year.

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#### 4.2.10 FOREIGN MADE FOREIGN LIQUOR / IMPORTED WINE / BEER

Importers or authorized representatives of foreign distilleries/ firm (s) will register themselves with Wholesaler under intimation to Excise Commissioner, Odisha

- I. They will be required to pay necessary registration fees to Wholesaler as may be specified.
- II. For sale of Foreign Made Foreign Liquor, Wine/ Beer made from imported base, wholesaler will import the same, on request of authorized representatives/ Importer, for supply to authorized vendors, who have made necessary registration of such labels.
- III. Authorized vendors will lift the material from Wholesale depots. They will maintain a separate account of the sale and proceed of these products.
- IV. All the IMFL shops having valid license and permit may lift the Foreign Made Foreign Liquor, imported wine or imported beer from wholesale depots, after paying composite registration charges as specified to the concerned District Collector.
- V. All the rules and procedures applicable to IMFL will also be applicable to Foreign Made Foreign Liquor.

#### 4.2.11 MODEL PREMIUM LIQUOR SHOP

It is proposed to allow Model Premium Liquor Shops attached to 3 Star Hotels & above/ Shopping Malls/ Airports with license fee as specified in Part A. These shops would be permitted to sell Premium IMFL\*/ FMFL/ Wine\*\* only.

\* Premium IMFL means all IMFL (except Beer) with Offer Price of Rs. 4000/- and above per case.

\*\* Wine means all type of Wines (both Indian and Foreign).

Specification – Such shops must have a minimum carpet area of 500 Sq.ft. for separate display and vend of all the category of Liquor as above and must be located in malls without any residential apartments/quarters.

#### 4.2.12 MICRO BREWERY

In order to facilitate innovative variety of low strength liquor, 'ON' license may be granted for the retail sale of freshly crafted Draught Beer to be produced and consumed locally within the premises of the Microbreweries with an installed capacity not

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exceeding 1,000 BL per day. The license fees, duties and other statutory levies are as explained in Part A and Part B.

- 1) It is aimed to establish Micro Brewery to manufacture Draught Beer for consumption of the Customers within the premises with an installed capacity 1,000 Liters/ day.
- 2) These can be established in 3 Star and above rated hotels in six major cities i.e., Bhubaneswar, Cuttack, Puri, Rourkela, Sambalpur and Berhampur.
- 3) In case of independent licenses, the licensed premises must have 10,000 Sqft area with a functioning restaurant and required parking facilities.
- 4) The licensee shall arrange to check the quality of raw materials used and the liquor produced in the micro brewery in all days by a certified chemist.
- 5) The beer so produced in the micro brewery shall be released for sale only after the Chemist certifies that such beer is fit for human consumption.
- 6) The licensee shall arrange to draw the beer samples once in every week and forward the same to laboratory for analysis.
- 7) The report so obtained shall be displayed along with the rate chart & statutory warning in the premises of the micro brewery.
- 8) The alcohol content of the product consumed shall not exceed 8% v/v.
- 9) The PH, temperature and gravities of the Brews up to maturation stage should be recorded and subject to inspection as and when called for by competent authority.
- 10) The premises must be maintained neat and clean with proper ventilation, lighting and to meet all safety and emergency standards.
- 11) The beer dispensing system including glasses and serving table must be maintained to ensure proper hygiene.
- 12) Periodic fumigation by certifying person of the storage facility and as well as the premises to be done regularly and the records maintained thereof.
- 13) The licensee shall issue beer to the visitors only at the licensed premises.
- 14) While applying for license of Micro Brewery, appropriate clearance certificate must be obtained from the following Board/Department like.
  - (I) Pollution Control Board.
  - (II) Fire Safety Certificate.
  - (III) Water testing/ use certificate from competent authorities etc.

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- 15) The rate of Duty shall be the 50% of the annual installed capacity @ Rs 15.00/BL which shall be paid with the license fee.
- 16) The Micro Brewery licensee must have a valid bar license.
- 17) All general provisions contained in the prevalent Excise Act & Rules as applicable to establishment of Breweries shall apply to Micro Breweries as necessary.

#### **4.2.13 DRAUGHT BEER TO BE SOLD FROM KEGS/ CASKS**

Draught beer may be imported/ supplied in Kegs/ Cask through OSBC in containers of 30/ 50 BL conforming to FSSAI standards to be sold in Beer Parlours, IMFL 'ON' Hotels/ Clubs/ Restaurants in 6 major cities i.e., Bhubaneswar, Cuttack, Rourkela, Sambalpur, Puri & Berhampur by mounting on standardized vending machines with tamper proof unidirectional flow system duly certified and installed by the concerned Beer supplier. The Beer Parlours proposing to sell such Draught beer must have suitable sitting/ lounge facilities. All such Beer shall be sold within 6 months from the date of manufacture.

#### **4.2.14 EXCISE ADHESIVE LABEL FEE HOLOGRAM APPROVED BY GOVERNMENT**

Affixing polyester/ paper based hologram Excise Adhesive Label (EAL) shall be compulsory on IMFL, Beer, and CS bottles/ cans. Non affixture of polyester/ paper based hologram Excise Adhesive Label by any company will invite penalty as specified in PART A. Any retailer found selling any IMFL, Beer, CS without affixture of polyester/ paper based hologram Excise Adhesive Label supplied by the Excise Administration shall invite penalty as specified. The above fine will be in addition to other legal action as per law.

#### **4.2.15 PROVISION FOR REGISTRATION/ AGREEMENTS**

Since registration of agreement on premises for vending of liquor under Section-17 of the Indian Registration Act, 1908 is posing a major bottleneck for finding suitable sites for operation of liquor shops, the licensees are given the option for submitting agreements without registration with the land owner to avoid closure of shop under compelling circumstances. However in such circumstances, the licensees/ EPH shall have to pay Rs. 25,000/- for exercising this option.

*M. Shrivastava*  
*SEP*





#### **4.2.16 NO EXCISE DUTY ON SAMPLE LIQUOR MEANT FOR CHEMICAL EXAMINATION**

Keeping in view the objection raised by the stake holders, it is decided that no excise duty shall be charged on the sample of liquor drawn for chemical examination since the sample is not used for consumption itself.

#### **4.2.17 TEMPORARY LICENSE**

Temporary license for consumption of liquor in the premises shall be granted by the District Collectors after prior approval of Excise Commissioner with fee as prescribed below.

- |                                     |              |
|-------------------------------------|--------------|
| i. Up to 500 persons per day –      | Rs. 10,000/- |
| ii. 501 to 1000 persons per day-    | Rs. 20,000/- |
| iii. 1001 to above persons per day- | Rs. 30,000/- |

#### **4.2.18 EXCISE POLICY FOR TRIBAL AREA**

Concessions granted in tribal areas to brew liquor for personal consumption and not for sale will continue. The Provisions under Section 27 of the Odisha Excise Act, 2008 requiring approval of Gram Sabha in the scheduled areas shall be strictly followed.

#### **4.2.19 DELEGATION TO COLLECTOR TO GRANT LICENSE**

The Collector of the District would continue to exercise the powers to grant license for exclusive privilege for Out Still shop as per the delegation made vide this Department Notification No. 3308 dated 16.05.2001.

The Collectors of the Districts will also issue license for IMFL 'OFF', CS, OS Shops, ON shop, Bhang, Tari and Pachwai shops where the consideration money is paid after observing all formalities. In case of the unsettled IMFL 'Off', Country Spirit, Out Still, Bhang, Tari and Pachawai shops, the Collectors may record the reasons for non settlement of these shops and furnish alternative proposals to Government through the Excise Commissioner for appropriate orders for settlement of these shops.

*Mishra* *5/11*



#### 4.2.20 IMPORT AND TIE UP OF IMFL/ BEER

All liquor brands will be sold in bottles of 1000 ml, 750 ml, 700 ml, 375 ml, 330 ml, 275 ml, 180 ml, 90 ml, 60 ml, 50 ml or any other suitable higher size prevalent in International market (for imported brands) after label registration of the brand by the Excise Commissioner, Odisha

Provided that Label Registration of 50 ml pack size shall only be approved in case of FMFL with offer price of Rs 8,000/- and above per case.

Also label registration of Draught beer in 30 BL/ 50 BL Keg/ Cask may be approved for sale by mounting on standardized tamper proof vending machines at licensed premises.

IMFL having proof strength up to 85 degree may be allowed for import and manufacture. A provision for higher duty for IMFL up to 85 degree proof strength shall be made and for the purpose additional duty of 10 % over and above the prescribed Excise duty shall be levied/ charged.

- I. Any unit may be allowed to enter tie up arrangement with the manufacturing units in Odisha.
- II. In addition to glass bottles, introduction of Draught Beer in Kegs (capacity of 30/ 50 BL) and IMFL in PET bottles may be accepted in capacity of 1000 ml, 750 ml, 375 ml, 180 ml & 90 ml subject to confirmation of CFTRI and ISI standards
- III. The strength of IMFL in PET bottles shall not exceed 42.8% (v/v). PET bottles must conform to Food Grade Plastic specified in Rule 49(5) (v) of the Prevention of Food Adulteration Rules, 1955.

#### 4.2.21 USER CHARGES

Each licensee of IMFL/ CS/ OS shops will pay a non refundable user charge as specified per annum per shop. The amount will be remitted to the consolidated fund of the State and such amount as and when required shall be released on recommendation of the Excise Commissioner for Infrastructure and other welfare measures of the Excise administration.

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#### **4.2.22 LABEL REGISTRATION**

The retail licensees have to register the label of different brands of IMFL/FMFL/BEER at the district label. Each retail licensee will deposit a composite label registration fee as specified (for each shop) per annum with the concerned District Collector.

#### **4.2.23 ADVANCE CONSIDERATION MONEY**

Advance consideration money of 3 (three) months for the existing IMFL OFF/ CS/ Out-Still /Tari / Pochwai and Bhang licensees shall be collected by 31.03.2017 from those EP holders who have applied for renewal of their license. No license shall be issued if this is not complied with.

In addition to above advanced consideration money, each licensee has to pay interest free security deposit equivalent to one time of monthly consideration money in case of renewal of their license in the year 2017-18.

Provided that one month consideration money should be treated as interest free security deposit instead of advance consideration money to be refunded to the license if he is in default or else his default amount shall be realized or adjusted from the security deposit.

#### **4.2.24 EXCLUSIVE PRIVILEGE (E.P) AREA**

The exclusive privilege area of all IMFL OFF shops shall be the specified location of the shop itself. The location of IMFL OFF shop can be shifted to another place within the same charge area on the approval of the District Collector.

#### **4.2.25 EXPORT POLICY FOR IMFL/BEER**

The export of IMFL/ Beer shall be in accordance with the new Odisha Excise Rules, 2017.

#### **4.2.26 LOCATION OF LIQUOR SHOP**

- I. IMFL (Both OFF and ON shops including Beer Parlours / CS/ OS shops should be located/ shifted to 500 meter away from the Highways. Highway means National Highway and State Highway. However OS manufacturing units operating within 500 meters of NH/ SH may continue so long as they do not sell any product at the manufacturing point. Further, no new shops shall be recommended within 500 meter of National Highway and State Highway.
- II. This policy/ provision is subject to change if any, due to Court directions.

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#### 4.3 OTHER EXCISE OBJECTIVES AND ENFORCEMENT GUIDELINES

- I. Provisions have been made in the Excise Policy to encourage new Distilleries, Breweries, Winery and Bottling units by continuing the 'production based license structure'.
- II. Before the grant of renewal of license for Exclusive Privilege, the provisions of Section 20 and 27 of the Odisha Excise Act, 2008 and relevant Rules framed there under will be complied with by way of public notice and approval of the Gram Panchayat respectively.
- III. No person shall have a right of renewal of license or exclusive privilege. Such renewal shall be subject to the fulfillment of terms and conditions and the provisions of law to the satisfaction of the competent authorities under the Act.
- IV. At the time of renewal, the Collector will consider and recommend the change of location of shops where serious objections have been received after due enquiry.
- V. New Excise shops, specifically those shops on Government land whose license has been cancelled, will be opened in private land to cover vacuum areas as recommended by the concerned District Collectors.
- VI. The Excise Commissioner/ all Collectors/ all Excise Deputy Commissioners should take up regular checks and raids to detect illicit distillation or manufacturing of spurious liquors and collection of Excise revenue and action should be taken against the offenders under Excise law.
- VII. The Collector shall consider opening of new 'OFF' (IMFL/ CS/ OS) shops to counter ID liquor menace/ Kuchia system as per Government policy.
- VIII. Each District Collector should submit a monthly Excise Revenue and Performance Report to Excise commissioner at the end of each month in the format prescribed by the Excise Department.
- IX. The Excise Department should enhance the intelligence system in place, in order to prohibit illicit sale of liquor and other malpractices,

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- X. All vehicles leaving wholesale depots should be verified by concerned excise person on its arrival at specified retail shop.
- XI. Appropriate budget to be allocated towards critical enforcement related activities.
- XII. Multi-Disciplinary Squads (MDS) shall operate in each district. The District Collector shall submit a report with details on the enforcement activities undertaken by the squad at the end of each month to the Excise commissioner and the Government. The Excise Commissioner shall take review on the activities of district MDS and shall submit quarterly report to the Government,
- XIII. Retailers should ensure availability of all liquor brands in the shop, with stock quantity as per sales. Taking market demand into consideration, as far as possible, retailer shall ensure lifting of all brands for making available wide choice of liquor brands to the consumers.
- XIV. **Identification and Destruction of Illegal Cultivation of Cannabis (ICC)**  
The State Government through Excise Policy has launched a special drive for last 5 years for destruction of illegally grown Hemp plants. The Excise Department/ Police Department/ Forest Department/ NCB (Gol) and District Administration shall ensure that for effective result, the following steps are taken during the year:
- (a) Identify the Illegal Cultivation of Cannabis (ICC) areas through ORSAC or NCB with satellite imaging.
  - (b) Publicize provision of Sec. 46/47 of NDPS Act 1985.
  - (c) Resolution by Panchayat Raj Institutions against ICC.
  - (d) Information by Revenue/ Forest Departments on ICC within the jurisdiction of DFO.
- XV. Superintendent Excise, Khurda should ensure timely and accurate accounting of Excise Adhesive Labels (EAL). A monthly report on the same should be sent to Excise Commissioner's office. A quarterly report on EAL

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accounting should be submitted to the Excise Secretary from Excise Commissioner.

- XVI. The rule prohibiting engagement of children to encourage sale of liquor must be followed strictly. Any EP holder found involved in same shall face punitive action including cancellation of license
- XVII. PROHIBITION: A separate budgetary provision may be made by the Government to fund this activity. The Wholesaler is also required to make provision in the CSR budget for promotion of prohibition/ De-addiction in the State.
- XVIII. The Excise Department will endeavor to
- a) Promote road safety campaign.
  - b) Create awareness against addiction i.e., liquor/ Narcotic Substances.
  - c) Promote De-addiction measures.
  - d) Intensify enforcement measures against liquor /substance abuse/ICC etc.

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**GOVERNMENT OF ODISHA  
EXCISE DEPARTMENT**

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**CORRIGENDUM**

No. 4417 / Ex., dated the 19/7/17  
**IIEx-261/2016**

In partial modification of this Department Letter No. 1971 dated 24.03.2017 in new Excise Policy (Excise Fee, Excise Duty and Margin Structure along with Regulatory Guidelines) for the year 2017-18, the Ad-valorem components in the Excise Policy for the year 2017-18 have been amended in the following manner.

<b>Item</b>	<b>Existing % of Ad Valorem</b>	<b>Revised % of Ad Valorem</b>
Beer	50%	52.5%
IMFL	50%	54.5%
Wine	40%	42%
FMFL	40%	42%
FMFL (Wine)	From Rs.100/- vend Fee per LPL to Rs.150/- per LPL	
FMFL (Imported in bulk and bottled in India)	50%	52.5%
Low Alcoholic Beverages (LAB)	50%	52.5%

**DEFENCE:**

<b>Item</b>	<b>Existing % of Ad Valorem</b>	<b>Revised % Ad Valorem</b>
IMFL	50%	54%
IMFL (Imported in bulk and bottled in India)	50%	52.5%
FMFL	40%	42.5%
Wine	20%	21%

By order of Governor

Commissioner-cum-Secretary to Government

*(Handwritten signature and date)*  
19/7/17

**Memo No.** 4418 / **Ex., Dated** 19/7/17  
Copy forwarded to the Excise Commissioner, Odisha, Cuttack for information and necessary action.

**Memo No.** 4419 / **Ex Dated** 19/7/17 19/7/2017  
Additional Secretary to Government  
Copy forwarded to the Secretary, Board of Revenue, Odisha, Cuttack/All Collectors/All EDCs/All Supdts. of Excise for information and necessary action.

**Memo No.** 4420 / **Ex., dated** 19/7/17 19/7/2017  
Additional Secretary to Government  
Copy forwarded to the Principal Secretary to Government, Finance Department for information and necessary action.

**Memo No.** 4421 / **Ex., dated** 19/7/17 19/7/2017  
Additional Secretary to Government  
Copy forwarded to the Private Secretary to Chief Minister/ P.S to Minister, Excise / OSD to Chief Secretary / PS to DC-Cum-ACS for kind information of Hon'ble Chief Minister/ Hon'ble Minister, Excise / Chief Secretary, Odisha / DC-Cum-ACS, Odisha.

**Memo No.** 4422 / **Ex., dated** 19/7/17 19/7/2017  
Additional Secretary to Government  
Copy forwarded to the Managing Director, OSBC Ltd., Bhubaneswar for information and necessary action.

**Memo No.** 4423 / **Ex., dated** 19/7/17 19/7/2017  
Additional Secretary to Government  
Copy forwarded to the Head State Portal, IT Centre, Secretariat Building for information and necessary action.

Additional Secretary to Government  
19/7/2017