

**GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT
FINANCE DEPARTMENT**

Notification Srinagar.
Dated: 31st August, 2020

S.O. 275;- The Excise Policy 2020-21 enunciated as hereunder will come into force on 1st September, 2020 and will continue to remain in force till 31st March, 2021. However, the Government of the Union Territory of Jammu and Kashmir may revisit and revise the same at any point during the course of the year.

1. Policy Objectives.—In supersession of the earlier Policy and with a view to providing equal rights to the existing license and sub-license holders, the Excise Policy 2020-21 is announced with the following objectives:

- i. To rationalize the number of taxes, duties and other levies to optimize revenues for common good;
- ii. To bring about greater social consciousness about the harmful effects of consumption of liquor and alcoholic beverages ;
- iii. To Encourage transition from high to low alcoholic content beverages;
- iv. To check bootlegging/smuggling of Bottled in Origin (BIO) brands in the Union Territory of Jammu and Kashmir from neighboring states/union territories ;
- v. To provide choice of brands and adequate places for consumption to its consumers and a level playing field to those in this business.

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2 Type and Forms of Licenses. —

Type	Form	Nature
Type A	JKEL-1	Wholesale vend of foreign liquor, imported liquor and wine to the trade only
	JKEL-1A	Wholesale vend of foreign liquor to the manufacturer outside the State for sale to JKEL-1
	JKEL-1B	Trade (Wholesale BIO /Imported foreign liquor)
	JKEL-1W	Trade (Wholesale Wine-Indian BIO)
Type B	JKEL-3	Retail vend of foreign liquor in hotel
	JKEL-3A	Bar with Hotel and Banquet
	JKEL-4	Retail vend of foreign liquor in a bar attached to a restaurant or cinema or theater or Dak Bungalow
	JKEL-4C	Bar with Banquet Hall
	JKEL-7	License for the retail vend of foreign liquor at a club
	JKEL-7A	License for the retail vend of beer (bottled, tinned, drought beer in a bar)
	JKEL-7B	Officer's Mess
	JKEL-7D	Beer Bar with Microbrewery
Type C	JKEL-2	Retail vend of foreign liquor to the public only
Type D	JKEL-5	Wholesale and retail vend of foreign liquor in military canteen including unit run military canteen or those run regimentally by the paramilitary forces.
	JKEL-5A	Master Canteen for (PMF/Police)
	W-2	CSD Bond
Type E	JKEL-12	Wholesale denatured spirit, wholesale and/or retail/possession and use of denatured spirit
	JKEL-13	Possession and use of rectified Spirit

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	JKEL-14	Possession and use of rectified alcohol
	JKEL-15	Export, import, transportation, sale or possession of Molasses
Type F	JKEL-6	Bottling Plants
	D-2	Distilleries
	B-1	Breweries

In addition to these, the Department shall continue to issue 'Permits' to serve liquor on social occasions at private places, banquet halls, party halls and restaurants etc on payment of fee prescribed in para 13.

3. Issuance of Licenses

3.1 Wholesale trade

The licenses for wholesale trade shall be issued as per the provisions of J&K Excise Act, Svt, 1958, and rules framed thereunder.

The licensee holding JKEL-1A license shall be allowed to import liquor from any of its own distilleries or the distilleries with which it has a valid agreement to produce or bottle liquor on its behalf, located outside the state, subject to the condition that fee of Rs. 5.00 lac or as revised from time to time is paid in full for each source.

3.2. Retail trade

3.2.1. The grant of licenses for operating liquor vends shall be strictly in accordance with the provisions of the 'J&K Excise Act, Svt.1958 and rules framed there under.

3.2.2. The Excise Commissioner shall grant new licenses for retail sale of liquor on the premises viz; JKEL-3, JKEL-3A, JKEL-4, JKEL-4C-JKEL-5, JKEL-5A, JKEL-7, JKEL-7A, JKEL-7B, JKEL-7C, JKEL-7D etc. as per the provisions of 'J&K Excise Act, Svt. 1958', and 'J&K Liquor License and Sale Rules, 1984' at the locations as he/she may deem fit keeping in view the demand potential of the area and to provide adequate places for consumption to its consumers. Objective and transparent procedures relating to renewal/transfer/cancellation of licenses shall be adopted /followed by the Excise Department. Similarly, the penal provisions as stipulated in the relevant Act/rules shall be objectively and transparently

followed by the department in the event of deviations by the licensees from the laid down framework.

Micro-brewery (JKEL-7D):

To encourage transition from high to low alcohol content beverages, the department shall issue License for Bar with Micro Brewery at the locations permitted by the Excise Commissioner. Detailed guidelines in this regard shall be issued separately by the Excise Commissioner with the approval of the Government.

3.2.3

JKEL-2.: In order to arrest bootlegging, illicit distillation of liquor and to ensure availability of safe drinks, the Excise Department may grant new licenses for sale of liquor off the premises (JKEL-2; wine shops), as per the Excise Act Svt., 1958 and the rules framed there under, in un-served and under-served areas for which the Excise department shall conduct a survey and prepare a list of such areas. Locations for new vends shall be properly identified in consultation with all the stakeholders and in due deference to the rules prescribed such as distance from religious places etc. The allotment of vends in these areas shall be made through e-tendering process in a secure and transparent manner as per GFRs. Provided that while granting new Licenses, the department shall earmark fixed number of Licenses or the Licensed zones, as the case may be, for Ex-Servicemen, Specially abled SC/ST/OBC and economically weaker sections. The criteria of allotment of liquor vends to each of the above category shall be as under:

- (i) 12% of the total liquor vends (JKEL-2) to be auctioned at any time in future is proposed to be earmarked /set aside for these categories. Within the overall ceiling of 12% quota, each of these six categories may be assigned 2% quota of auctionable liquor vends.
- (ii) In the proposed arrangement, auction of liquor vends shall be held exclusively for each of these categories. In case the number of auctionable liquor vends is less than 50, there shall be no category-wise auctions for allotment of vends and each category shall participate in a composite auction to be held for 12% quota set aside for these categories.
- (iii) Further, in case where the number of auctionable vends is such that they can't be assigned in equal numbers/uniformly to each

category, then too the extent the no. of auctionable vends can be equally distributed amongst each category, such vends shall be put to auction category-wise and for any surplus vends (s), a composite auction shall be held for all the reserve categories. For instance, if the total no. of auctionable vends is 50 and 12% of quota for these categories works out to 6, then one vend each shall be put to auction category-wise. However, if number of auctionable vends is 51, then one vend each out of 6 allotable vends shall be put to category-wise auction and for the reminder vend, there shall be a composite auction held for all the reserve categories. Further, in composite auction for reserved categories, roster shall be maintained to ensure equity across the categories. Similar process shall be followed in the allotment of earmarked/reserve zones to these categories.

4 Grant of license to Manufacturing/Bottling plant

Grant of License for Distilleries, Breweries and Bottling Plants shall as per the provisions of J&K Excise Act, Svt, 1958 and rules framed thereunder.

A non-refundable sum of Rs. 25.00 Lacs shall be charged for issuance of Letter of Intent (LoI) for setting up Distilleries, Breweries and Bottling Plants.

5 Fixation of Maximum Retail Price

The Maximum Retail Price (MRP) of all types of Liquor including JK Special whisky and Beer shall continue to be fixed by the Excise Commissioner for the year 2020-21 on recommendations of the Price Fixation Committee, after factoring in all the applicable duties on the EDP/EBP.

Any increase in the EDP/EBP over the previous year should be fully justified with cost breakup. However, no increase in EDP shall be allowed for BIO Brands of IFL and Wine.

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6. All liquors to be ENA based.

IMFL manufactured locally or imported from outside the State (other than Foreign Liquor Bottled In Origin (BIO), Bottled in India or Malt Whisky) shall be ENA based only. The use of rectified spirit as a base in manufacture/ sale of Liquor for consumption in civil market and CSD/PMF shall remain banned.

7. Restriction on import of brands to protect the local industry:

There shall be a ban on import of IMFL brands having MRP upto Rs 600/- per bottle into the union territory of J&K to protect the local industry.

8. Affixation of security hologram on IMFL, JK Special Whisky, Beer and Ready to Drink (RTD) Beverages.

In order to check Excise duty evasion, the manufacturers of IMFL, JK Special Whisky, Beer & RTD as well as Importers of IMFL/Wine/Beer etc. shall continue to affix Security Hologram as approved by the Excise Department.

9. Revalidation of permits: The permit issuing authority after charging revalidation/cancellation fee of Rs. 10,000/-, may revalidate a permit which remains unexecuted or becomes time barred provided that revalidation shall be permissible only once within a period of three months from the date of issue.

10. Renewal of licenses: The renewal of new licenses issued by the Excise Department shall be as per the provisions of the J&K Excise Act, Smvt.,1958 & the rules framed there under.

11. Approval of Labels: As provided under section 16-A of the J&K Excise Act, Samvat 1958, labels for different brands of liquor for civil/CSD/PMF for the financial year 2020-21 shall be approved within two weeks of receipt of application in the respective categories. Label fee at the rate

of Rs. 50,000/- per label in case of civil and Rs. 30,000/- per label in case of CSD/PMF shall be charged at the time of applying for brand classification/MRP calculation. Labels in respect of brands which are not sold in the Union Territory of J&K and meant for export only; shall be approved without mentioning MRP subject to payment of label fee as applicable.

Provided that for BIO liquor and wine, label approval fee shall be Rs.5000/- for each brand.

- 12. Packing material:** Liquor shall not be sold in plastic bottles being against the environment protection laws. All kinds of liquor will be sold in glass bottles/PET bottles and tin cans only. To ensure quality of PET bottles FSSAI standards shall be enforced. In addition to the packing sizes/liquor strength presently in vogue, the Excise Commissioner may allow Excise Bottle of any packing size & liquor of any strength as he/she may deem fit.

13. License fee (per annum).

Form of License	Amount
Type A	2.5 lacs
Type B	JKEL-3 : Rs 2.5 lacs, JKEL-3A :Rs 4.0 lacs For Beer Bar/Microbrewery - Rs. 1.0 lacs JKEL-4 : Rs 1.5 lacs, Others: Rs. 0.5 Lacs. -However, a onetime upfront fee of Rs 7.00 lac for new JKEL-3/ JKEL-3A/JKEL-4 over and above the annual fee shall be levied. For new startups, established by availing Loan under any of the Self employment schemes of the Government, upfront fee shall be Rs. 5.0 lacs. -For new beer bars and JKEL-4C (Bar with Banquet hall) upfront fee shall be Rs. 2.0 Lacs over and above annual fee.
Type C	Rs 2.0 lacs upto 50,000 bottles of IMFL (excluding JKSW). Rs 4.0 lacs for sale above 50,000 bottles of IMFL (excluding JKSW).
Type D	Rs 0.20 lac per annum Rs 1.50 lac per annum in case of Master Canteen Rs 4.00 lac per annum in case of CSD Bond
Type E	Rs 0.12 lac per annum
Type F	Rs 8,00,000 upto bottling of 1,00,000 BL & Rs 12,00,000 for bottling more than 1,00,000 BL.

Miscellaneous	<p>a) For private places:-</p> <p>(i) For events/occasions:- Rs 0.05 lac per occasion.</p> <p>(ii) Permanent basis: for commercial properties meant for tourist accommodation located in the water bodies in tourist areas, Permits shall be issued on charging fee of Rs 1.0 lac for serving liquor subject to storage of maximum 24 bottle of IMFL and 24 bottles of Beer</p> <p>b) For registered banquets/party halls/restaurants: Rs 0.05 lac per occasion.</p>
	<p>c) For unregistered/banquet/party halls/restaurants - Rs 0.10 lac per occasion. These unregistered premises shall be allowed a maximum of four permits per month only.</p> <p>A Non refundable fee of Rs 50000 per annum shall be charged for registration as per the procedure to be prescribed by the Excise Commissioner.</p> <p>In case of any violation of the norms/license/permit conditions, action as per J&K Excise Act and rules shall be taken and registration may also be suspended/cancelled and registration fee forfeited.</p>

Provided that the Bars located at Tourist places of Sonamarg, Gulmarg, Pahalgam and areas falling under various Tourism Development Authorities shall pay half the amount of prescribed annual license fee subject to review on yearly basis by the concerned/ competent authority.

14 **Additional License fee:**

Form of License	Amount
Type A/Type B/Type C	Rs10/bottle for IMFL (750 ml), Rs 6/bottle (750 ml) of JK Special Whisky and Rs 5/BL for Beer /wine /RTD / Cider.

15 **Excise Duty: -CIVIL**

A. IMFL, JK Special Whisky, Beer and RTD

Kind	Brand	Amount
IMFL	Super Deluxe/Deluxe	Rs 260.00/LPL
IMFL	Premium/Medium	Rs 260.00/LPL
IMFL	Economy	Rs 230.00/LPL
IMFL	Low Cost	Rs 210.00/LPL
Country liquor	JK Special Whisky	Rs 225.00/LPL
Wine	All Brands	Rs 110.00/BL

Beer/Cider/RTD beverages	All Brands	Rs 30.00/BL
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Note : LPL stands for London Proof Litre & BL stands for Bulk Litre

B. Excise duty on Molasses/Rectified spirit

Type	Rate
Molasses	Rs. 20 per quintal
Rectified spirit/Extra neutral alcohol for use other than in manufacturing of alcohol	Rs. 10/liter

16. Import Duty: - CIVIL

Kind	Amount
IMFL including foreign liquor	Rs 45/750 ml
Beer	Rs 40/BL
Wine, Cider, RTD Beverages	Rs 20/BL
ENA/Malt Spirits for manufacture of Liquor	Rs 03/BL

17. Bottling Fee

Kind	Amount
IMFL	Rs 10.00/750 ml for own brands and Rs 12.00/750 ml for franchisee brands.
JKSW	Rs 08.00/750 ml
Beer	Rs 10.00/BL for own brands and Rs 12.00/BL for franchisee brands.
Wine/Cider/RTD Beverages	Rs 10.00/BL

Debonding Fee @ Rs. 3/BL shall be levied on spirits where bottling fee is not levied.

18. Tax and Duties on CSD: Excise Duty and Import Duty on CSD shall be 25% less than that on Civil for all types of liquor.

19. Assessment/ Additional Assessment Duty:

A. Assessment Duty on sale of IMFL/BEER/RTD/JK Special Whisky by licensees having 'Type C'.

Kind	Amount
IMFL including foreign liquor	Rs. 37 per 750 ml
JK Special Whisky	Rs. 17 per 750 ml

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Beer ,Wine, Cider, RTD Beverages.	Rs. 20 per BL
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B. Assessment Duty on sale of IMFL/BEER/RTD/JK Special Whisky by licensees having 'Type B' .

Kind	Amount
IMFL including foreign liquor	Rs. 40 per 750 ml
JK Special Whisky	Rs. 20 per 750 ml
Beer/ Wine/ Cider/ RTD Beverages.	Rs. 20 per BL

C. Assessment Duty on sale of IMFL/BEER/RTD/JK Special Whisky by licensees having Type A'

Assessment Duty @ Rs. 5.00 per bottle of 750 ml shall be charged for all kinds of IMFL, JK Special Whisky and @ Rs. 7.00 per BL for Beer/Wine/RTD in case of wholesale trades i.e TYPE A License holders.

Assessment fee shall be payable on monthly basis in accordance with the prescribed procedure.

D. Additional Assessment Duty on sale of IMFL/BEER/RTD/JK Special Whisky by licensees having 'Type B, C and D' .

Kind	Amount
IMFL including foreign liquor	40% of MRP
JK Special Whisky	40% of MRP
Beer (all types including imported beer).	40% of MRP

Provided that for BIO liquor and Wine/Cider/RTD, additional assessment duty shall be charged @ 20% of MRP.

20. Draught Beer: Assessment Duty on Draught Beer, to be supplied directly from the Brewery to the bars in kegs shall be levied at Breweries @ Rs.10.00 per BL. In case of import, assessment duty shall be levied at JKEL-1A/JKEL-1B as the case may be. Draught Beer in Kegs shall also be allowed to be served in parties/ gatherings/social occasions for which a permit shall be issued by the competent Authority on payment of an amount equivalent to the duties applicable to Type B license, in advance at the time of applying for permit.


21. Import of Liquor: Upto two bottles of imported 'Duty Free' liquor accompanied with proper invoice shall be allowed to be carried into the UT of J&K by any bonafide person.

22. Failure to deposit the dues: The licensee shall pay simple interest @ 12% per annum in addition to 2% penalties/month as per the J&K Excise Act from the date next following the day on which any payment recoverable from him becomes due to the Government until the date on which such payment is actually made or recovered whatever may be the reason of lapse of time. The non payment will also attract action as per the provisions of J&K Excise Act and J&K Liquor License and Sale Rules.

23. Cases of fraud/violations: In order to ensure strict compliance of the Act and Rules, if any case/cases of breach of rules, provision of Act are noticed, the Excise Commissioner shall be competent to suspend/cancel the License as per the provisions of J&K Excise Act, Svt, 1958 and rules framed thereunder.

24. Social Responsibility Corpus Fund: The long term objective of the UT is to eliminate or reduce the consumption of liquor primarily through educating the masses regarding the harmful effects of consumption of liquor.

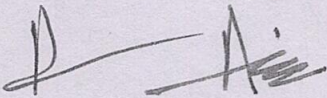
Towards this end, the department shall spend money on educating people through activities like awareness campaigns, engagement with local youth and communities through sports/cultural & other co-curricular activities and drug de-addiction programmes. Accordingly, the Department will exhort its stakeholders, in particular liquor license holders in Type A,B ,C and F Licenses to contribute a minimum amount as detailed below towards the Corpus Fund established by the Department to be collected on quarterly basis:-



Type A	Rs 1500 per month
Type B	Rs 1000 per month
Type C	Rs 2500 per month
Type F	Rs 3000 per month

The amount shall be deposited on monthly basis and the Department itself will contribute a matching amount and the Corpus so created shall be utilised for the following philanthropic activities:

- a) Imparting awareness to the public about the ill-effects and hazards of drug addiction/liquor abuse and drunken driving through organizing various events/ programmes and using various modes of publicity.
- b) Providing Ambulance service, equipment, amenities and other healthcare facilities to Hospitals.
- c) Organizing youth outreach programmes including sports/cultural/ adventure and other activities.
- d) Rehabilitation of families involved in illicit liquor trade by enabling them to take up alternate means of livelihood and their skill development.
- e) Creation of sports infrastructure/multipurpose halls/ community halls/ Libraries for encouraging the community in general & youth in particular towards positive activities.



25. Typographical error(s) and inconsistencies in this document, if any shall be clarified by Excise Department/Excise Commissioner in consonance with the Act & Rules. Further, in case of any difficulty arising in giving effect to the provisions of this Policy, the Department with the approval of competent Authority may by order make such provisions including any adaptations/modifications of provisions of this Policy.

This notification will come into force with effect from 01-09-2020

Sd/
(Dr. Arun Kumar Mehta) IAS,
Financial Commissioner,
Finance Department

Dated: 31 – 08 - 2020

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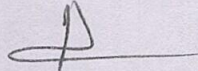
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1. Ld. Advocate General, J&K, Jammu/Srinagar.
2. Principal Secretary to the Hon'ble Governor.
3. All Principal Secretaries to the Government.
4. Principal Resident Commissioner, J&K, Prithvi Raj Road, New Delhi.
5. All Commissioner/Secretaries to the Government.
6. Joint Secretary, J&K Affairs, MHA, GoI.
7. Divisional Commissioner Kashmir/Jammu
8. Registrar General, J&K High Court, Jammu
9. Excise Commissioner, J&K.
10. Commissioner, State Taxes, J&K.
11. All Deputy Commissioners.
12. Director Information, J&K.
13. General Manager, Government Press Jammu/Srinagar.
14. Private Secretary to the Chief Secretary, J&K.
15. Private Secretary to the Financial Commissioner, Finance Department.
16. Government Order file/Stock file/Incharge Website Finance.
17. I/C Website, General Administrative Department (www.jkgad.nic.in).

(Mohammad Amir)

Under Secretary to Government
Finance Department



31/08/2020