

## **Excise Policy for the year 2007-2008**

### **1. PREAMBLE:**

Breaking with the past, the Excise Policy 2006-07 for Haryana heralded the emergence of fixed fee, restricted outlets (FFRO model) in order to mitigate the evils arising from cartelization, dominance of liquor mafia, unethical trade practices, price wars, poor quality and high price syndrome. Haryana Policy, enshrined minimization of consumption, removal of unreasonable restrictions on the individual freedom of choice, reduction in excise duty and maximization of revenue. The policy acknowledged that raising rates beyond threshold instead of generating higher revenue and discouraging consumption might result in evasion of taxes, smuggling, illicit distillation and therefore, the effort was to rationalize the tax and policy regimes to plug leakages, realize full revenue and regulate the ambience for legitimate and responsible drinking. Here, the policy of 2007-08 strives to consolidate the gains of the last year, facilitate conditions conducive to responsible drinking behaviour, make available liquor at affordable rates for those who drink, allow the trade to broad base and facilitate entry of new players, creation of more jobs and revenues for the State and to create an environment where boot legging, hooch and liquor mafia become a thing of past.

The philosophy of the policy 2007-2008 revolves around removing cartelisation, ending liquor mafia and opening the trade even for the new players with modest means. Therefore, the IMFL vends and C.L vends shall be treated as separate entities and also as, an economic activity facilitating more employment, generating more revenues and decentralizing the existing business.

### **2. RETAIL COUNTRY LIQUOR (L-14A) AND IMFL (L-2) OUTLETS**

#### **2.1 MANNER OF DISPOSAL:**

The Retail country liquor (L-14A) and IMFL (L-2) licenses shall be granted on application and in case of more than one application, through transparent draw of lot to be held after proper publicity and in the presence members of public. The retail outlet for country liquor and IMFL shall be allotted singly and separately. The application form shall be made available on payment of Rs. 5000/- in cash and alongwith a brochure containing the details of the liquor vends with their license fee, location, quota and command area for allotment. For allotment and making available the application form, a public notice in prominent newspapers shall be given. The draw of lot, if necessary shall be conducted by a committee consisting of Deputy Commissioner, a representative of Excise and Taxation Commissioner, Deputy Excise and Taxation Commissioner(Excise), Deputy Excise and Taxation Commissioner(ST) and Excise and Taxation Officer (Excise) or Assistant Excise and Taxation Officer (Excise) of the respective district. The license fee of the retail vend shall be determined depending on the location, profitability, command area, population and other factors. These applications shall be scrutinsed and a list of all the eligible applicants shall be published in the DETC(X) offices and on the website of the department. The draw of lot for those vends for which, there are more than one application, shall be conducted by

**Optimization of revenue and making liquor available at affordable price.**

**No to cartelization, liquor mafia and price wars. Yes to entry of new players, more jobs, reasonable price and responsible drinking.**

**List of eligible applicants on website**

**IMFL vends to be separate**

**Officials barred for allotment of vends**

the aforesaid committee. No official of the department directly or indirectly shall be permitted to apply for allotment of liquor vend in the existing policy.

## **2.2. APPLICATION FORM FOR ALLOTMENT OF RETAIL VENDS:**

For allotment of both C.L. and IMFL vends, the application form, which shall be priced Rs. 5000/- (non-refundable and non-adjustable) and shall be accompanied with a detailed brochure containing brief features of the policy and indicating the location, license fee, quota of vends etc, and shall be made available to the applicant in all the district excise offices of the state. The applicant shall be required to submit filled forms in the office of concerned Deputy Excise and Taxation commissioner along with Rs. 1 lac as earnest money to be adjusted towards payment of security in the case of successful allottees and to be refunded in the case of unsuccessful applicants.

## **2.3. PROCESS OF ALLOTMENT OF UN-ALLOTTED VEND AFTER THE DRAW OF LOT AND DURING THE CURRENCY OF THE POLICY:**

Those vends for which, there are no takers and could not be allotted at the time of draw of lot, shall again be advertised and after inviting applications and following the same procedure, shall be allotted at the earliest. The Excise and Taxation Commissioner may take appropriate measures to allot such vend but the procedure of allotment shall remain same i.e. through advertisement, inviting applications and draw of lot if needed. Even during currency of the policy, the same procedure shall be followed for re-allotment.

## **2.4. LOCATION OF VENDS AND COMMAND AREA:**

The policy introduces the concept of command area particularly for *country liquor vends* in rural areas and area/location of vends shall be indicated in other cases. The licensee shall locate his/her vend at any place within the stipulated location. The licensee shall make his own arrangement for opening of the retail outlet with prior approval of site plan by the Department. The location of business premises shall also have to conform to the provisions of Excise law as applicable and any other Act/rules. The licensee may shift a sub-vend with prior approval of the collector within his command area, in case the sub-vend has to be closed due to court orders, local resistance or any other reason beyond the control of the licensee.

## **2.5. SUB-VENDS:**

In the case of rural C.L. vends, on specific request from the licensees to avoid smuggling and possibility of illicit distillation or sale of spurious liquor into his command area, a maximum of two sub vends may be allowed by the Excise and Taxation Commissioner within the command area on payment of license fee equal to 5% of license fee of the vend for each sub vend subject to the condition that the said sub vend is located atleast One K.M. away from the vend/sub vend of other licensees in the adjoining area.

## **2.6. AHATAS:**

One ahata per retail outlet of liquor (L-14A/L-2 ) shall be allowed in urban areas and borders with other states to prevent rowdy and drunken behaviour in public. The license fee for Ahata shall be determined at the rate of 3% of the annual licence fee of the vend for vends, whose annual license fee is more than Rs. 75 lacs and above, 2% for those

**Application fee reduced to Rs 5000/- Earnest Money 1 lac**

**Process of allotment and re-allotment**

**Concept of command area introduced to mitigate locational conflicts in rural areas**

**Two sub vends in rural areas to curb mal practices**

**Ahata fee structure revised to make it more realistic**

vends, whose licence fee is more than 50 lacs and upto Rs. 75 lacs and 1% for those liquor vends, whose license fee is Rs. 50 lacs and less.

**Beer on CL vends in rural areas to promote healthy drinking habits**

## **2.7. ALLOWING BEER AT COUNTRY LIQUOR VENDS IN RURAL AREAS:**

In order to avoid smuggling and also to promote healthy drinking habits, beer shall be allowed to be sold at C.L. vends only in rural areas where there is no L-2 vend. It will broad base the availability of Beer, a low alcoholic drink and fetch higher revenue.

## **2.8. LIFTING OF QUOTA:**

To plug leakage of liquor and safeguard government revenue, lifting of basic quota is stipulated. The licensee shall lift basic quota allotted to his vend as per prescribed quarterly schedule failing which penal provisions are invoked. A licensee shall be required to lift entire basic quota allocated to his/her vend during the financial year 2007-08 in accordance with following schedule of lifting:

25% of annual basic quota	upto 30-6-2007
45% of annual basic quota	computed on cumulative basis upto 30-9-2007
75% of annual basic quota	computed on cumulative basis upto 31-12-2007
100% annual basic quota	computed on cumulative basis upto 20-3-2008

Non compliance of the provision shall attract penalty at the rate of Rs 20/- and Rs 65/- per PL for country liquor and IMFL respectively for the deficient quantity.

The licensee shall not be allowed to lift at the end of every month of the financial year basic quota in excess of a limit computed at the rate of 12.5% per month on cumulative basis after May onwards unless license fee in full has been paid. Additional and incentive quota shall be allowed only to the extent of basic quota lifted when due license fee has been paid in full.

## **2.9. GRANT OF ADDITIONAL GODOWNS:**

Additional godown may be granted in exceptional cases on extra fee of Rs. Fifty Thousands within One Hundred meters of an existing vend.

## **2.10. MINIMUM RETAIL SALE PRICE:**

In keeping with the objectives of the policy to facilitate conditions conducive to responsible drinking at reasonable rate for those, who drink, the minimum retail sale price is fixed as under:

S.No.	Liquor	Quart	Pint	Nip
<b>1</b>	<b>Country Liquor</b>	55	30	15
<b>2</b>	<b>IMFL</b>			
2.1	Scotch	1000	-	-
2.2	Super Deluxe Brands (Antiquity, Signature etc.)	400	225	125
2.3	Deluxe Brands (RC whisky, Smirnoff Vodka, Bacardi Rum, Peter Scot, Blenders Pride etc.)	300	160	90
2.4	Semi Deluxe Brands Royal Stag, Red Knight etc.	200	120	65
2.5	Premium Brands [MCD No. 1, AC Gold, White Hall ACP, Mughal Monarch, 8PM, Green Label, London Duet, Royal Arm, WMP Vodka,	160	90	55

**Lifting of basic quota mandated as per quarterly schedule. Upper limit on lifting of basic quota also prescribed**

	Blue Diamond Duet, WMP Gin, Old Smuggler Rum, Br Gin, BP Gold, 100 Times, AC Black, DS Black etc.)			
2.6.	Regular Brands	140	80	50
	(Aristocrat, Director's Special, Officer's Choice, Bagpiper, Old Monk Rum, White house, Royal Crest, Diplomat, Gold Riband, John-silver Rum White lace Gin, B.D. Gin, Silver Grand Gin etc)			
2.7.	Economic Brands	120	70	40
	( Bonny Scot, Hayward, Benson, etc.)			
2.8.	Cheap Brands	100	55	30
	(Goldy, Studd, Champion Whisky, Rum & Gin)			
<b>3</b>	<b>Beer</b> Minimum retail sale price of Beer shall be Rs 30/- per bottle of 650 ml.			

No maximum sale price is fixed.

### **2.11. SECURITY AND INSTALMENTS:**

Every successful allottee of retail licensed liquor outlet shall be required to deposit a security equal to 20% of the annual license fee of the licensed outlet, out of which, five percent of the license fee has to be deposited on the day of draw of lot, five percent of the license fee within seven days of the allotment/draw of lot or on or before 31<sup>st</sup> March, 2007; which ever is earlier, another ten percent of the license fee by 7<sup>th</sup> of April, 2007. A person to whom a liquor outlet has been allotted, shall pay by the 15<sup>th</sup> day of every month an installment equal to ten percent of the total annual license fee upto the month of November, 2007 failing which interest on late payment shall be charged from the first day of the month of default till the date of payment @ 1.5% per month. However, the allotment of license shall be deemed to be confirmed in case the allottee heard nothing adverse within 10 days of the draw of lots or the 31<sup>st</sup> of March 2007 which ever is earlier. If a allottee / licensee failed to make the full payment of security in time, his license shall be deemed to have been cancelled automatically and security deposited, if any, forfeited. In the case of companies, the total annual license fee shall be paid on the day of draw of lots.

### **2.12. QUOTA for CL and IMFL outlet:**

A basic quota for each retail sale liquor outlet of country liquor as well as IMFL shall be prescribed before inviting applications for its allotment. The licensee shall lift basic quota allotted to his vend as per quarterly schedule failing which penal provisions may be invoked.

To meet any unforeseen demand, a provision of 15% additional quota with same duty and another 15 % quota, called incentive quota, on payment of excise duty at a rate higher by Rs 15 per PL in order to discourage consumption, may be allowed in both the cases i.e. CL and IMFL.

### 3. LEVIES

#### 3.1 IMPORT DUTY:

Import duty shall remain same except in case of Ethanol/Denatured spirit used for automobile fuel wherein it has been abolished. The import duty shall be levied as under:

Sr No	Item	Import Duty
1	CL	Rs 0.5 per PL
2	Beer	Rs 3 per BL
3	RTB	Rs 3 per BL
4	Draught Beer	Rs0.5 per BL
5	Potable RS for CL	Rs0.5 per PL
6	Potable RS otherwise	Rs 5 per PL
7	Absolute Alcohol	Rs 5 per PL
8	Denatured Spirit except as at SrNo 9	Rs 2 per BL
9	Denatured Ethanol/Denatured spirit for Automobile fuel	nil
10	IMFS	Rs 7 per PL

#### 3.2. EXPORT DUTY:

In order to promote domestic industry, the export duty has been brought down. The rates of export duty are tabulated beneath:

Sr No	Item	Export Duty
1	CL	Rs0.25 per PL
2	Beer	Rs0.25 per Bottle 650 ml
3	RTB	Rs 0.25 per BL
4	Draught Beer	Rs0.25 per BL
5	Potable RS for CL	Rs0.25 per PL
6	Potable RS otherwise	Rs0.25 per PL
7	Absolute Alcohol	Rs0.25 per PL
8	Denatured Spirit except as at Sr No 9	Rs0.25 per PL
9	Ethanol/Denatured spirit for Automobile fuel	Rs0.25 per BL
10	IMFS	Rs0.25 per PL

#### 3.3. EXCISE DUTY and PERMIT FEE:

Permit fee has been reduced to Rs 1 per BL from Rs 3 per BL to facilitate uninterrupted movement of anhydrous Ethanol used for admixture with automobile fuel. Excise duty and permit fee on various categories of liquor shall be levied in the manner as tabulated below:

Sr No	Item	Rate of Duty in Rs	Permit Fee in Rs	
1	Country Liquor	5 Per PL	Nil	
2	IMFL	25 Per PL	Nil	
3	BEER	12 Per BL	Nil	
4	Ethanol For use in automobile fuel	Nil	1 Per BL	
5	Draught Beer	16 Per BL	Nil	
6	Cider	2.50 Per Bottle 350ml	Nil	
7	Sweet Wine	with spirit upto 25 degree with spirit more than 25 degree	3 Per BL 4 Per BL	Nil Nil
8	Ready to Drink Beverages(RTB)	1 Per BL	11 PBL	
9	Rectified Spirit	15 Per PL	Nil	
10	Denatured spirit/Ethanol Except for use in automobile fuel	Nil	3 PBL	

Import Duty on Denatured Ethanol for automobile use abolished

Export fee reduced to promote domestic manufacturer

Excise duty and Import fee shall be paid by L-1B and L-1B-1 in respect of IMFS and Beer respectively.

Excise duty for country liquor shall be paid by L-13.

### 3.4 Franchise Fee and Brand Registration fee:

A Brand Registration fee of Rs. Five lakh for bottling of each brand on franchise basis in the State of Haryana shall be charged. In addition, franchise fee shall also be charged from the bottling units as given below:-

Country Liquor	Re. 0.50 per P.L.
IMFS	Rs. 7.00 per P.L.
Beer	Rs. 3.00 per B.L.

### 3.5. LEVIES ON SUPPLIES TO DEFENCE PERSONNEL:

The excise duty applicable on supply of IMFS to defense personnel has been reduced to Rs 22.5/- PPL from Rs 32.25/- PPL. The rate of Excise Duty and Assessment Fee leviable in case of supplies to defense personnel shall be as under:

Sr No	Item	Excise Duty in Rs	Assessment Fee in Rs
1	IMFS	22.5/- Per PL	30/- per BL
2	Rum	22.5/- Per PL	15 per BL
3	BEER	12/- Per BL	2/- per bottle of 650 ml
4	Draught Beer	16/- Per BL	2/- per bottle of 650 ml
5	Cider	2.50 Per Bottle 350ml	2/- per BL
6	Sweet Wine	with spirit upto 25 degree	3 Per BL
		with spirit more than 25 degree	4 Per BL
7	Ready to Drink Beverages(RTB)	12 Per BL	2/- per bottle of 650 ml

Rate of Import Duty and Export Duty on liquor imported or exported by L-9 licensees shall be as under:

Item	Import	Export
IMFL/Rum/Wine/Cider/etc	Rs. 7/- per PL	Rs. 2/- per BL
Beer	Rs. 3/- per BL	Rs.0.50 per bottle of 650 ml

### 3.6 BRAND-LABEL FEE:

The brands of liquor of various types shall have to be approved by the Excise and Taxation Commissioner, Haryana, on payment of brand-label fee except as provided otherwise in case of L-1AB before marketing in the State at the rate specified beneath:-

1 Country Liquor	Rs. 0.50 lakh per brand
2 Whisky/Scotch	Rs. 0.50 lakh per brand
3 Beer	Rs. 0.40 lakh per brand
4. Ready to Drink Beverages (R.T.B.)	Rs. 0.40 lakh per brand

- |    |                               |   |
|----|-------------------------------|---|
| 4  | Rum                           | Rs. 0.40 lakh per brand                             |
| 5. | Gin                           | Rs. 0.25 lakh per brand                             |
| 6  | Vodka/Wine/Brandy             | Rs. 0.10 lakh per brand                             |
| 7. | Cider/Champagne.              |   |
| 8. | Wine, when Supplied to C.S.D. | Rs. 0.01 lakh per label. i.e. (Rs. 1000/ per brand) |

Labels shall be treated separate in case liquor is sourced from more than one source and additional brand fee shall be charged.

#### 4. FIXED FEE LICENSES:

##### 4.1 L-1B Licenses:

A distiller of repute willing to market its brands in the State of Haryana shall have to obtain a license in the form of L-1B except as provided under the provision of L-1AB license. The brands of distillers having dubious reputation and known/suspected for indulging in malpractices shall not be permitted. For this purpose, a Committee of Officers shall be constituted to examine the request of new entrants wanting to market their products in Haryana. This Committee shall look into the facilities at the distillery and reputation and quality of their produce and the opinion of the licensees and public about the produce of these distilleries. Fresh L-1B licenses will be granted on the recommendations of this Committee.

L-1-B shall make its supplies to L-1s of the State. L-1-B licensee shall ensure to meet the requirement of liquor both in terms of brand and quantity through L-1 licensees. Failure on this account shall make him liable for cancellation of his L-1-B license. The fee structure is prescribed below:

For sale volumes below 10000 cases in the financial year	Rs 4 lac per annum
For sale volumes from 10000 to 25000 cases in the financial year	Rs 8 lac per annum
For sale volumes above 25000 cases in the financial year	Rs 18 lac per annum

Excise and Taxation Commissioner may determine the reasonability of rates to be charged by L-1B licensees by way of fixing sale price of their products or profit margin/value addition keeping in view, all relevant factors including the rates for such products in other states.

Provided that owner of brands having sales below Ten Thousand cases per annum shall have the option not to take L-1-B license but he shall have to operate under license in the form of L-1AB. He shall pay **double the normal rate of excise duty in case of IMFL**. They shall be required to get the brand labels approved but no brand label fee shall be charged. In case the cumulative sale of various brands of a company exceeds the above limit, L-1B license and L-1C license (label fee) shall be required to be taken but no refund/adjustment would be allowed for the double excise duty paid prior to the license.

Provided further that in case the sale of a L-1-B licensee exceeds the quantum for which he has taken the license, then he shall pay the differential license fee of the next higher slab.

##### 4.2 L-1B-1 License, whole sale of Beer/Wine:

A brewer shall obtain a license in the form of L-1B1 to market its products in the state of Haryana. Supplies to L-1 shall be made only

through L-1B1 which will be granted and renewed at a fixed fee of Rs. Two Lakh Fifty Thousand per annum.

Provided that the applicants shall have the option not to take L-1-B-1 license subject to the condition that he shall have to pay **one and a half times of the normal rate of excise duty**. They may be required to get the brand labels approved but no brand label fee shall be charged. In case the cumulative sale of various brands of a company exceeds the above limit, L-1B1 license and L-1C license (label fee) shall be required to be taken but no refund/adjustment would be allowed for the one and a half times of excise duty paid prior to the license. Excise and Taxation Commissioner may determine the reasonability of rates to be charged by L-1B-1 licensee by way of fixing sale price of his products or profit margin/value addition keeping in view, all relevant factors including the rates for such products in other states.

#### **4.3 L1-B1-A License of Whole Sale of READY TO DRINK BEVERAGES (RTB):**

L-1B1 A license may be granted and renewed at a fixed fee of Rs. Two Lakh Fifty Thousand per annum.

#### **4.4 L-1AB LICENSE FOR NON DISTILLERS BRANDS:**

To allow other brands of repute with low sale volumes or reputed brands owned by non distillers, a new license for whole sale of IMFL is introduced in the form of L-1AB to be granted by Excise and Taxation Commissioner under the provisions of excise law. No brand fee may be charged from L-1AB licensees. The following fee and duty structure is fixed:

Fee	Duty	Condition
Nil	Rs 50 per PL	Sale volumes upto 10000 cases
4 lac	Rs 35 per PL	When sale exceeds 10000 cases a year for non distillers upto 25000 cases
8 Lac	Rs 40 per PL	When sale exceeds 25000 cases a year for non distillers

Excise and Taxation Commissioner may determine the reasonability of rates of liquor as in case of L-1B licensees.

#### **4.5 L-1BF License for IFL:**

The consumption of liquor imported from outside the country is growing particularly in NCR region. To facilitate greater consumer choice for quality liquor and to regulate distribution of foreign liquor imported from outside the country, a new wholesale license in the form of L-1BF for such liquor is introduced. The license shall be granted to firms/companies or persons having import license by Excise and Taxation Commissioner subject to the provisions of excise law. The licensee shall be authorized to import IFL including Beer from other countries and supply it to L-1s, L-4&L-5s and L-12Cs of the State. The licensee shall be required to get the brands registered as in case of IMFL and Beer. The fee structure is fixed as under:

For sale volumes below 10,000 cases in the financial year	Rs 5 Lac per annum.
For Every subsequent slab of 10,000 cases in the financial year	Rs 5 Lac per annum.

**New  
license for  
non  
distiller  
brands**

**A new  
whole sale  
license of  
imported  
liquor  
introduced**



#### 4.6 L-10B License for Promotion of Wine:

In order to promote healthy drinking habit of liquor with low alcoholic content, a new license in form L-10B is introduced for retail sale of wines to be given to the departmental stores located in shopping malls in the cities on an experimental basis having a turnover of more than Rs.50 lacs per annum on an annual license fee of Rs. 25000/-.

#### 4.7 D-2, B-1, BWH-2, L-12, L-17, L-11 and L-15 Licenses

The licenses as described under column 2 of the table beneath shall be granted or renewed on the payment of license fee per annum as specified there against under column 4.

SR NO	Name of License	Abbreviation	Fee per annum
1	Distillery License	D-2	Rs 20 lac
2	Brewery License	B-1	Rs 20 lac
3	Bonded Ware House	BWH-2	Rs 8 lac
4	Bottling Of IMFL	L-11	Rs 10 lac
5	Bottling Of CL	L-15	Rs 10 lac
6	Bottling of IMFL + CL	L-11 + L-15	Rs 12 lac
7	Medicated wine outlet	L-12	Rs 100/-
8	Denatured Spirit outlet	L-17	Rs 10000/-

#### 4.8. L-4/L-5/L-12C Bar Licenses

The license fee for grant or renewal of L-4/L-5/L-12C licensees shall be Rs. Six Lakhs per annum.

L-4/L-5/L-12C licenses shall be granted to the tourist complexes run by Haryana Tourism Corporation, hotels/clubs and restaurants of repute situated in and around the big cities having infrastructure and level of facilities required to meet the parameters and conditions prescribed by the District Level Committee Constituted for this purpose. A district level committee consisting of three members i.e. Deputy Commissioner, Deputy Excise and Taxation Commissioner (Excise) and Excise and Taxation Officer(Excise)/ Assistant Excise and Taxation Officer(Excise) of the respective districts shall be constituted. Dy. Excise and Taxation Commissioner (Excise) will head the Committee. This committee shall assess the eligibility of an applicant for the grant of a Bar/a Club License (L-4/L-5/L-12C). The aforesaid committee shall make recommendation to the Excise Commissioner for grant of L-4/L-5/L-12C license.

The annual license fee for a bar/a club (L-4/L-5/ L-12C) license shall be paid in four equal quarterly installments, payable in the beginning of 1st week of each quarter, failing which the license shall be cancelled and the entire license fee for the year shall be recovered.

For every additional point in an enclosed, demarcated, approved area or open space (except on the poolside) where liquor is served within the premises of a Hotel/ restaurant, with rating of three star and above, a fixed fee of Rs. 1,00,000 per additional point per annum has been fixed, subject to a maximum of five additional points.

A maximum of three additional points can be allowed on payment of additional annual license fee of Rs. 25000/- per additional point to a Hotel/ Restaurant, rated below three stars, within the premises of a Hotel and

Restaurant in an enclosed, demarcated, approved area or open space (except the pool side).

L-3 Licence with a fixed fee of Rs. 25,000 per annum is allowed to the Hotels of three star rating and above and H.T.C complexes intending to serve liquor in the rooms. However no liquor is to be served in any open areas including poolside etc. HTC complexes are allowed to **take supply of liquor from their own L-1**. HTC complexes has been allowed to pay a fixed license fee of Rs. **1.25 crore** in four equal quarterly installments for opening bars in such of the tourists complexes as they feel necessary after obtaining due permission from the Excise & Taxation Commissioner subject to payment of application fee of Rs. 1000/- per application.

L-4/L-5/L-12C, bar licensees would get their supplies **from any two nearest retail outlets of IMFL (L-2) of the district** in which L-4/L-5/L-12C license(s) are located. The collector may fix rates whenever necessary. In case costly brands above Rs. 500 per bottle or wines are not made available to L-4/L-5/L-12C by L-2 licensee of the district then licensee would be allowed to take their supply from other L-2 licensee(s) within the State.

The liquor brands like, Royal Stag, Red Knight/Bacardi Rum/ Old Monk Rum/Smirnoff Vodka RANGE and brands falling in RANGE above, including Ready to Drink Beverages (R.T.B.) shall be allowed for sale in pegs through all L-4/L-5/L-12C, bar licensees in the state.

The bars will be allowed to serve imported foreign liquor (Whisky/ Wine/Beer/Cider etc.) covered within the meaning of imported foreign liquor alongwith other brands of liquor allowed for sale ( in pegs) through L-4/L-5/L-12C licenses issued to bars and clubs. Such bars and clubs may be allowed to import foreign imported liquor directly from outside the State with the permission of Collector.

**Sale of liquor including Imported foreign liquor made through L-4/L-5/L-12C outlets (bars & clubs) shall attract VAT @ 20%.**

L-4/L-5/L-12C, bar license shall remain open upto 12:00 hours (midnight).

L-4/L-5/L-12C licenses operative in 2006-2007 and fulfilling the criteria laid down under the new excise policy may be renewed for the year 2007-2008 without referring their cases to the district level approval committee.

Any new license obtained in Form L-4/L-5/L-12C during the year 2007-2008 shall not be required to pay license fee for the quarter(s) already elapsed, but he shall have to pay license fee in full for the quarter in which the license is granted and for the succeeding quarters till the quarter ending 31<sup>st</sup> March 2008.

L-12C licenses which are effectively and substantially managed by the Government or through their instrumentalities shall get their supplies of liquor from the wholesale outlet of IMFL (L-1) of Haryana Tourism Corporation Ltd.

#### 4.9 Temporary License in Form – L-12A

Licenses in form L-12-A may be granted by DETC (Excise) of the respective district, without any restriction on the number of days but the applicant shall be required to disclose the quantity of liquor (CL and IMFL separately) which would be consumed during the period of grant of license on the payment of fee as described below:-

At all premises other than Individual's own house/private premises: Rs.1500/- per day per function.

The fee and license required for Individual's own house/private premises has been abolished.

**An individual does not need to seek any permission for serving liquor in his own house within the possession limit. However, beyond the possession limit, he shall give prior intimation to the department.**

No provisional license in form L-12A shall be granted to clubs, hotels and restaurants.

#### 4.10 L-50 License

(Permit for the purchase, Transport, and Possession of Foreign Liquor exceeding the limit for retail sale and private possession.)

The license in form L-50 shall be granted by DETC(X) of the respective district to a bonafide consumer of IMFL for the purchase, possession and transportation for a period of 10 years on payment of Rs. 5000/- and for a period of one year on payment of Rs. 500/- as license fee. L-50 licensee shall be authorized to keep a stock of liquor given below:-

- |    |      |  |
|----|------|--|
| 1. | IMFL | 24 bottles each of 750 ml or equivalent quantity |
| 2. | Beer | 24 bottles each of 650 ml or equivalent quantity |
| 3. | Wine | 24 bottles each of 750 ml or equivalent quantity |

#### 4.11 L-13 License, Whole sale of Country Liquor

All distilleries located in the State may apply for the supply of doubled distilled, spiced, pot, country liquor, of 50 degrees proof strength, in bottled form, as per the conditions prescribed.

**DISTRIBUTION OF C.L. QUOTA: 75% of the free quota shall be distributed among all the distilleries operating from Haryana in equal measure. However, the next 25% quota of the free quota shall be open and shall be supplied as per the market demand.**

#### INTRODUCTION OF GLASS BOTTLES:

**To introduce glass bottles for country liquor as an institutional measure, the distilleries are required to provide at least 30% of the fixed quota allocated individually on account of proportional distribution of the 75% quota of C.L. into new glass bottles i.e. 30% of 75% = 22.5% of the total quota is to be supplied in new glass bottles. This 22.5% shall be equally spread over all the distilleries, who shall be allotted quota equally and all of them shall introduce this new measure.**

Percentage of free quota increased to 25% to improve quality and encourage competition

A minimum percentage of glass bottles mandated

The approval to the distilleries shall be granted by the Excise & Taxation Commissioner. Thereafter these distilleries shall be granted licenses for wholesale outlets of country liquor (L-13) under the Haryana Liquor License Rules, 1970, as per the following conditions:-

**a). The L-13 License shall be operated by the distilleries themselves (through employees) and not through agents.**

**b). The approved distilleries shall be required to open wholesale outlets of country liquor (L-13) in every district headquarter of the State to maintain regular and ready supply of country liquor to the retail liquor outlets of country liquor (L-14A).**

c). The supplies to the retail outlets of country liquor (L-14A) shall be made from the wholesale outlets of country liquor (L-13) located in the district on permits/passes issued by the respective Deputy Excise & Taxation Commissioners (Excise) of the districts.

(d) The stock of country liquor at the stage of L-13 shall be duty paid.

**(e) The wholesale outlets of country liquor (L-13) shall maintain a ready stock equal to the five percent of the fixed annual quota of the respective district.**

(f) The wholesale outlets of country liquor (L-13) shall obtain permits / passes issued by the respective Deputy Excise & Taxation Commissioners (Excise) of the districts.

(g) The annual license fee for the wholesale outlets of country liquor (L-13) shall be Rs. Twenty Five Thousand per outlet per district to be paid in cash or by bank draft in the name of Dy. Excise and Taxation Commissioner (Excise) of the district.

**(h). The approved distilleries shall be required to deposit a security amount of Rs. 1 lakh per L-13 outlet per district, in the form of bank draft in the name of Dy. Excise and Taxation Commissioner, (Excise) of the respective district, for the performance of contract of supply of double distilled, spiced, pot, country liquor, of 50 degrees proof strength, in bottled form.**

(i) The proof of having declared an approved distillery by the Excise and Taxation Commissioner, Haryana.

(j) The licenses for the wholesale outlet of the country liquor (L-13) shall be granted by the Excise & Taxation Commissioner.

(k) The approved distilleries shall be bound to abide by the rules and provisions laid down in the Punjab Excise Act, 1914 and rules framed there under.

(l) The approved distillery shall, in addition to maintaining the required records and furnishing of statements given in the rules ibid shall in addition be required to e-mail via the internet to the Excise and Taxation Commissioner, Haryana at haryanatax.com, daily figure showing the production and dispatch of country liquor.

#### **4.12 L-1 License, Whole sale of IMFL**

The wholesale outlets of IMFL (L-1) shall be open to public, on payment of application fee of Rs. Five thousand and security of Rs. One Lakh and annual license fee of Rs. Ten Lakhs, as per the following conditions.

(a) The applicant shall not be a proprietor/partner in any licensed retail outlet of IMFL(L-2), licensed bar and or club (L-4/L-5 and or L-12C).

(b) The applicant shall not be a defaulter of any dues under the Punjab Excise Act, 1914, Haryana General Sales Tax Act, 1973, CST Act, 1956, Haryana Value Added Tax Act, 2003, Haryana Local Area Development Tax Act, 2000.

**(c) The applicant shall furnish authorization certificates from at least three distilleries and breweries for selling their products in wholesale.**

(d) The applicant shall be an income tax payee and shall furnish the income tax returns for the last three years.

(e) The applicant shall furnish proof of ownership, lease, rental of the premises at which the wholesale outlet of IMFL (L-1) is proposed to be opened.

(f) The applicant shall furnish no objection certificates from the municipal committee, chief medical officer, fire officer of the respective district.

**(g) The applicant shall deposit an annual license fee of Rs. 10 lakhs by means of bank draft in favour of the Deputy Excise and Taxation Commissioner (Excise) of the respective district and shall furnish the requisite proof along with the application.**

(h) The supplies to the retail outlets of IMFL (L-2) shall be made from the wholesale outlet of IMFL (L-1) located in the district on permits / passes issued by the respective Deputy Excise & Taxation Commissioners (Excise) of the district.

**(i) The stock of IMFL at the stage of L-1 shall be duty paid.**

**(j) The wholesale outlets of IMFL (L-1) shall receive supplies of liquor from the L-1B and L-1B1 licenses.**

(k) The wholesale outlets of IMFL (L-1) shall obtain permits/ passes issued by the respective Deputy Excise & Taxation Commissioners (Excise) of the district for receiving supplies from the L-1B licensees.

**(l) The licenses for the wholesale outlets of IMFL (L-1) shall be granted by the Excise & Taxation Commissioner on recommendation of the Dy. Excise and Taxation Commissioners (Excise) of the respective district.**

### **5. MISCELLANEOUS**

#### **5.1. STRENGTH OF COUNTRY LIQUOR AND IMFL:**

Country Liquor of the strength of 50\* proof and IMFL of 75\* proof shall be allowed. However, in case of IMFL, with the permission of Excise Commissioner, IMFL below 75\* proof may also be allowed.

**5.2. VAT:**

VAT shall be charged only on liquor sold by L-4/L-5 or L-12 C licensees and on sale of imported foreign liquor @20%. Sale of CL & IMFL will be exempted from VAT unless sold by L-4/L-5 or L-12 C licensees.

**5.3. DRY DAYS:**

Dry days shall be observed when licensees shall be required to keep his/her vend closed as per the schedule given below: -

- i) On Republic Day (26th January), Independence Day (15th August), Mahatma Gandhi ji's Birthday (2nd October)
- ii) Dry days on account of any direction of Election Commission of India or State Election Commission in the eventuality of any election in Haryana or in the adjoining States, where polling is held for State Assembly or Parliament as per the directions of the Election Commission of India.

No compensation of any kind or relief in license fee on such account shall be given.

**5.4. HOURS OF SALE:**

The sale hours for the liquor outlets shall be observed from 8.00 a.m. to 12.00 (Mid night).

**5.5. EXCISE ARRANGEMENTS:**

Excise and Taxation Commissioner is authorised to take all necessary steps for smooth conduct of allotment and opening of licensed outlets keeping in view the recommendations of District officers.

**5.6. CLOSURE OF LIQUOR VENDS IN THE TOWN OF KURUKSHETRA, THANESAR AND PEHOWA:**

No liquor vend shall be allowed in Kurukeshtra, Thanesar (except Pipli along side G.T.Road) and Pehowa.

**5.7. COMPENSATION:**

No compensation of any kind or relief in license fee on account of natural calamity, such as fire, floods, drought, earthquake, riots etc. or as a result of any remission by a court order beyond the specific relief given, is admissible to the licensee.

**5.8. PAYMENT TO LOCAL BODIES IN LIEU OF THE TAXES/LEVIES IMPOSED BY THEM :**

Municipal bodies shall be paid @ Re. 1.5/- per bottle of C.L of 750 ml. or equivalent, Rs. 2/- per bottle of IMFS of 750 ml. or equivalent and Rs.1.00/- per bottle of beer of 650 ml. capacity or equivalent. A similar provision has been made for payment to Panchayats and Panchayat Samitis on sale of C.L, IMFL in their respective jurisdiction. This payment is subject to the condition that the local bodies would not impose any tax/octroi or levy on C.L, IMFL within their jurisdiction. This payment shall be made from the State exchequer. Zila Parishads to get 10% of the payment on this account to be made to the Panchayati Raj Institutions. The ratio for sharing the said payment between Gram Panchayats, Panchayat Samitis and Zila Parishads shall be 70:20:10.

**5.9. SAMPLE BY HEALTH DEPARTMENT.**

Sampling by Health Department has to be done jointly with Excise and Taxation Department and officers, not below the designated level are to be authorised to take sample of liquor.

**5.10. TRANSIT SLIPS:**

To keep control over the vehicles carrying liquor for other States/Union Territory through the State of Haryana, transit slips have to be carried in such cases so that liquor meant for other States may not be unloaded in the State of Haryana.

**5.11 POSSESSION/TRANSPORTATION LIMIT FOR CL & IMFL:**

The possession limit will be as indicated in the table:

<b>Name of liquor</b>	<b>Present Possession limit</b>	<b>Proposed Possession limit</b>
<i>Country liquor</i>	<i>4 bottles-750 ml. or 8 bottles- 375 ml or 12 bottles-180 ml.</i>	<b>6 bottles of 750 ml - For different sizes, total quantity not exceeding 6 X 750 ml= 4500 ml.</b>
<i>IMFL  Beer</i>	<i>6 bottles  12 bottles of 650 ml.</i>	<b>IFL- 6 bottles of 750 ml IMFS- 12 bottles of 750 ml. Beer-12 bottles of 650 ml Rum-6 bottles of 750 ml Wine-12 bottles of 750 ml Vodka/gin/CIDER- 6 bottles of 750 ml.</b>

**For defense personnel, the possession limit shall be as per Army orders.**