



The Administration of Union Territory of Ladakh

Finance Department

NOTIFICATION Ladakh, 10th September, 2021

S.O-39 The Excise Policy 2021 -22 enunciated as hereunder will come into force w.e.f. 1st September, 2021 and will continue to remain in force till 31st March, 2022. However, the Administration of Union territory of Ladakh may revise the same at any point during the course of the year.

1. Policy Objectives: -The policy has the following underlined objectives:

- 1.1. To ease the licensing procedure for the new applicants in underserved /unserved areas.
- 1.2. To reduce the consumption of high alcohol level beverages in Union territory of Ladakh
- 1.3. To check bootlegging/smuggling of liquor in the Union territory of Ladakh from neighboring States/Union territories.
- 1.4. To provide choice of brands and places for consumption to its consumers and a level playing field to all the stake holders.
- 1.5. To bring about greater social consciousness about the harmful effects of consumption of liquor and alcoholic beverages.

2. Types of Licenses:

- 2.1. The Licenses shall be issued as per the provisions of J&K Excise Act, 1958 read with S.O.3775 (E) dated 23.10.2020, (herein after referred as "Excise act") and Union territory of Ladakh Liquor License and Sale Rules, 2021 framed there under and considering the existing criteria of 300 meter distance from religious places, educational institutions hospitals, nearest liquor shops/bars, public parks. The nature and nomenclature of different types of licenses is as under:

Type	Form	Nature
Type A	LAEL-1	Wholesale vend of foreign liquor (IMFL, beer, cider & RTD), imported liquor (BIO Brands) and Wine to the trade only.
	LAEL-1A	Wholesale vend of foreign liquor to the manufacturer outside the territory for sale to LAEL-1
	LAEL-1B	Trade (Wholesale BIO/Imported foreign liquor)
	LAEL-1W	Trade (Wholesale wine-Indian BIO)
Type B	LAEL-3	Retail vend of foreign liquor in hotel
	LAEL-3A	Bar with hotel with Banquet
	LAEL-4	Retail vend of foreign liquor in a bar attached to a restaurant or theater or Dak Bungalow.
	LAEL-4A	Bar with a Banquet Hall
	LAEL-4B	Permission to serve liquor on social occasion.
	LAEL-4C	Permission to serve liquor in banquet hall on specific occasion.
	LAEL-7	License for retail vend of foreign liquor at club
	LAEL-7A	License for retail vend of beer (bottled, tinned, draught beer) in bar
	LAEL-7B	Officer's Mess
	LAEL-7C	Beer bar with microbrewery
Type C	LAEL-2	Retail vend of foreign liquor to the public only
	LAEL-2A	Premium Retail vend of foreign liquor to the public only
Type D	LAEL-5	Wholesale and retail vend of foreign liquor in military canteen including unit run military canteen or those run regimentally by the paramilitary
	LAEL-5A	Master Canteen for PMF/Police
Type E	LAEL-12	Wholesale denatured spirit, wholesale and/or retail/possession and use of denatured spirit/special denatured spirit/methylated spirit or any other spirit/Alcohol as per the requirement as the Excise Commissioner may deem fit.
	LAEL-13	License for Possession and use of absolute Alcohol/rectified spirit/Denatured Spirit/Special Denatured Spirit/Methylated Spirit/Plain Spirit or any other spirit/Alcohol as per the requirement of the industrial unit as the Excise Commissioner may deem fit
	LAEL-14	License for Possession and use of absolute

		Alcohol/rectified spirit/Denatured Spirit/Special Denatured Spirit/Methylated Spirit/Plain Spirit or any other spirit/Alcohol as per the requirement of the institution/organization unit as the Excise Commissioner may deem fit.
	LAEL-15	Export, import, transportation, sale or possession of Molasses
Type F	LAEL-6	Bottling Plants
	B-I	Breweries
	D-2	Distilleries

2.2 Permissible quantity of possession/use of Alcohol/spirit in respect of LAEL-12, LAEL-13 and LAEL-14 shall be decided by Excise Commissioner on case to case basis.

3. Issuance of Licenses:

- 3.1.1. The licenses for operating liquor vends classified as Type A in above table shall be granted only to residents of Union territory of Ladakh, strictly in-accordance with the provisions of the Excise Act and Union Territory of Ladakh Liquor License and Sale Rules, 2021 framed there under.
- 3.1.2. The Excise Commissioner shall grant new licenses for retail sale of liquor on the premises viz. Type B only to residents of Union territory of Ladakh as per the provisions of Excise Act, and Union territory of Ladakh Liquor License and Sale Rules, 2021 framed there under, after ascertaining the infrastructural requirement and law compliance status of applicant in last five years in respect of Excise, GST/Sale Tax. Regarding Infrastructural requirement like separate space for families and children, maintenance of social order, Hygiene, a report shall be submitted by Excise and Taxation Officer.
- 3.1.3 To encourage transition from high to low alcohol content beverages, the department shall issue Micro-brewery Licenses only to the residents of Union territory of Ladakh at the locations permitted by the Excise Commissioner.
- 3.1.4 A non-refundable processing fee of Rs. 50000/- shall be charged for processing requests for grant of Type A and B licenses.

3.2. Type D and Type E Licenses.

Type D & E Licenses shall be issued as per the provisions of Excise Act, and

3.3. Type-C licenses (LAEL-2 and LAEL-2A)

- 3.3.1. Retail vends and Premium Retail vends shall be allotted only to the residents of Union territory of Ladakh in the form of individual unit for the financial year 2021-22 on different locations in Ladakh. Tehsil and Municipality area shall be the basis for the distribution. Deputy Commissioner of respective Districts shall identify the locations in respective Tehsils/Municipal areas on the recommendations of committee of Sub Divisional Magistrate, Executive Officer, Municipality Committee/Tehsildar of respective Tehsil and a reputed Local representative. Deputy Commissioner shall notify and publish list of these areas and submit a copy to Excise Commissioner. The Excise Department shall grant licenses for off-premises retail sale of liquor (LAEL-2 and LAEL-2A) in these areas, through e-auction in accordance with Excise Act, and Union Territory of Ladakh Liquor License and Sale Rules, 2021. Procedure for allotment of Retail sale vends (LAEL-2 and LAEL-2A) in the Union territory of Ladakh shall be notified separately by the Excise Department. The existing shops shall continue to run their business till process of fresh tender for grant of liquor licenses is completed.

4. Grant of license to Manufacturing/Bottling plant:-

- 4.1. Application for Manufacturing/Bottling plant shall be determined on the basis of availability of Land, NOC from relevant agencies (FSSAI, Civic Authority, Pollution Control Board, Department of Industries, Deputy Commissioner of respective district) after due scrutiny of Detailed project report and water Analytic Report. Excise Commissioner in respect of scrutiny of above reports may seek any other information/documents from the applicant as he deems fit.
- 4.2. A non-refundable processing fee of Rs. 1.00 Lac shall be charged for processing applications for setting up Distilleries, Breweries and Bottling Plants.
- 4.3. At the time of grant of Letter of Intent, a sum of Rs. 5 Lacs shall be charged. Validity period of Letter of Intent shall be three years which shall be extendable for another period of three years subject to satisfaction of Excise Commissioner on payment of renewal fee as may be prescribed.

5. Fixation of Maximum Retail Price:-

The Maximum Retail Price (MRP) of all types of Liquor including Beer shall continue to be fixed by the Excise Commissioner for the year 2021-22.

6. All liquors to be ENA based.

IMFL manufactured locally or imported from outside the Union territory (other than Foreign Liquor Bottled-in-Origin (BIO), Bottled in India shall be Extra Neutral Alcohol 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. Affixation of security hologram on IMFL, Beer and Ready-to-Drink (RTD) Beverages.

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

8. Revalidation of permits:-

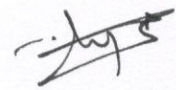
The permit issuing authority after charging revalidation/cancellation fee of Rs. 10000/-, may revalidate/cancel a permit which remains unexecuted or becomes time barred provided that the revalidation shall be permissible only once within a period of six months from the date of issue.

9. Renewal of licenses:-

For the purpose of renewal of Licenses for trade in Liquor except LAEL-2 and LAEL-2A licenses, if permissible in Law, the conditions applicable for grant of new license shall also be applicable in accordance with the normative practices.

10. Approval of Labels:-

As provided under section 16-A of the Excise Act, labels for different brands of liquor for the financial year 2021-22 shall be approved by the Excise Commissioner. Label fee at the rate of Rs. 20000/- per label in case of civil and Rs. 10000/- per label in case of CSD shall be charged, at the time of applying for classification/submission of EDP/EBP.



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

Labels approved in FY 2021-22 till 31st August shall remain valid for rest of the financial year, if they are not in contravention to any provision of this policy.

11. 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 manufacturer shall comply with FSSAI standards. 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.

12 .License fee

12.1. License fee (per annum):-

Type A	1. LAEL-1/1A/1B/1-W Rs. 2 Lac
Type B	1. LAEL-3 : Rs 2.5 Lac 2. LAEL-3A: Rs 2.5 Lac 3. LAEL-4: Rs 1.5 Lac 4. LAEL-4A: Rs 1.5 Lac 5. LAEL-7/7A/7B/7C/7D: Rs 0.70 Lac
Type C(LAEL-2)	As per bid received in e-Auction. Existing type C Licensee shall pay @ Rs 7/bottle for IMFL (750 ml) and @ Rs 1/bottle of beer/RTD/Cider per month till they continue to function.
Type D	Rs 0.25 Lac per Annum in case of URC Rs 1.5 Lac per annum in case of Master Canteen
Type E	Rs 0.12 Lac per annum
Type F	Rs. 6 Lac per annum
Type 4B/4C (Maximum 10 Cases)	Rs. 0.05 Lac per occasion at banquets/restaurants Rs. 0.02 per occasion at private places. Rs. 1000 per case shall be charged over and above the 10 cases.

13. Excise Duty:- CIVIL

A. IMFL, Beer and RTD

Kind	Brand	Amount
IMFL	Super Deluxe/Deluxe	Rs. 300.00/LPL
IMFL	Premium/Medium	Rs. 230.00/LPL
IMFL	Economy	Rs 200.00/LPL
IMFL	Low cost	RS 180.00/LPL
Wine	All Brands	Rs 100.00/BL
Beer/Cider/RTD beverage	All Brands	Rs 20.00/BL

Provided that for BIO liquor and wine, the excise duty will be 10% less.

B. Molasses/Rectified spirit

Type	Rate
Molasses	Rs. 20 per quintal
Rectified spirit/absolute alcohol/Extra neutral alcohol (excluding Denatured Alcohol/Spirit) for use other than in manufacturing of liquor	Rs. 10/litre

14. Import Duty:- CIVIL

Kind	Amount
IMFL including foreign liquor	Rs25/750ml
Beer	Rs 10/650 ml
Wine,Cider,RTD Beverages	Rs 10/650ml
ENA/Malt Spirit for manufacture of Liquor	Rs. 03/BL

15. Bottling Fee

Kind	Amount
IMFL including foreign liquor	For all brands meant for local sales- 1. Own Brand Rs. 10/750 ml. 2. Franchisee Brand up to economy segment Rs. 10/750 ml. 3. Franchisee Brands above economy segment Rs. 12/750 ml.
Beer	Rs. 10/BL for own brands and Rs. 12/BL for Franchisee brands all meant for local sales
Wine, Cider, RTD Beverages	Rs 15/BL

Debonding Fee @ Rs. 3/BL shall be levied on spirits where bottling fee is not levied. Bottling/Debonding Fee shall be payable on the last day of the month. There shall be no bottling fee on the liquor/Beer meant for export purpose.

16. 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, subject to implementation of Track and Trace system by them by 15th October, 2021 . By Track and Trace system they will ensure the identity of the Customer to whom a bottle containing a particular serial number is sold. For this unique bar code mechanism shall be adopted by them and till the implementation of bar code mechanism they will maintain the identity of customer in respect of bottle, manually. In case of non implementation of Track and Trace System by due date, the provision for 25% discount shall stand withdrawn and arrear for 1st September to 15th October shall be recovered.

17. 17.1. Assessment Duty :-

A. Type “B” & Type “C” licensees

Kind	Amount
IMFL including foreign liquor	Rs 35 per 750 ml

Beer/Wine/Cider/RTD Beverages.	Rs 3per 650 ml .
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B. Type “A” Licensees

Type of Liquor	Assessment Duty
IMFL/IFL	Rs 5.00 per bottles of 750 ml
Beer/Wine/RTD/ Cider etc	Rs. 3.00 per bottles of 650 ml

17.2 Additional Assessment Duty (AAD) on sale of IMFL/ BEER/ RTD/ CIDER/ WINE by Licensee Type B,C and Type D;-

Kind	Amount
IMFL including foreign liquor/Beer/Wine/Cider/RTD Beverages.	35% of MRP. Illustration: For MRP of Rs 500/-, AAD shall be calculated as under :(500X35)/(100+35)

Provided further that:

- In case of CSD, the additional assessment duty shall be charged at the time of sale to URCs, at ex-depot prices duly certified by Regional Manager, CSD and it shall not be charged at the level of URCs.
- In case of PMFs, the additional assessment duty shall be charged at listed rates duly certified by the Inspector General or equivalent rank Officer.
- The AAD of CSD/PMF shall be calculated as per Formula given at Para 17.2.

18. Draught beer:

Assessment Duty on draught Beer supplied directly from the Brewery to the bars in kegs shall be levied at Breweries @ Rs.4 per 650 ml. In case of import, assessment duty shall be levied at LAEL-1A /LAEL-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 all the duties applicable to Type B license, in advance at the time of applying for permit.

19. Import of liquor:-

Up-to two litres of liquor accompanied with proper invoice shall be allowed to be carried into UT of Ladakh by any bona fide person without payment of any duty in Ladakh. The import to be declared to the Excise office within 24 hours.

20. Failure to deposit the dues:

Non-payment of duties on the due date shall lead to suspension of sale by the concerned Range ETO. Besides, the licensee shall also be liable to pay 2% penalties/month as provided in the Excise Act, from the date next following the day on which any payment recoverable from him becomes due to the Administration of UT of Ladakh until the date on which such payment is actually made or recovered whatever may be the reason of lapse of time.

21. To prevent illicit import of liquor in UT of Ladakh, Licensee shall follow all the provisions of the Excise Act and rules framed there under including rules regarding opening and closing of shop. No licensee should close the shop or remain the shop out of stock continuously for more than 7 days without any valid reason and permission of the excise department. If any such activity is observed which is in contravention to Excise Act and rules framed there under, penal action against licensee shall be taken as per law.

22. Social Responsibility Corpus Fund

The long term objective of the Government is to discourage the consumption of Liquor primarily through educating the masses regarding 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 programs. 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 (LAEL-2)	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 utilized 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/programmers and using various modes of publicity.
- b) Providing Ambulance service, equipment, amenities and other healthcare facilities to Hospitals.
- c) Organizing youth outreach programmers 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/Gymnasiums/multipurpose halls/community halls/ Libraries/open air gymnasiums in Parks and other public places/providing support to sports clubs/teams to encourage sports/rural sports for encouraging the community in general & youth in particular towards positive activities.

23. 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.

Sd/-
Umang Narula, IAS
Advisor & Finance Secretary
Dated: 10/09/2021

No. M-17023/5/2021-OFFICE OF ETO(FINANCE)/202-212

Copy to the:-

1. Joint Secretary, Jammu Kashmir and Ladakh, Affairs, Ministry of Home Affairs, Govt. of India.
2. Secretary, Law & Justice, UT Ladakh
3. Additional Director General of Police, UT Ladakh
4. Divisional Commissioner, UT Ladakh
5. Deputy Commissioner/CEO LAHDC,Leh/Kargil
6. Director, Airport Authority of India, Leh.
7. OSD to Hon'ble Lieutenant Governor for kind information of the Hon'ble Lieutenant Governor UT Ladakh
8. OSD to Divisional Commissioner/ Secretary, UT Ladakh for information of the Divisional Commissioner/ Secretary.
9. District Information Officer, Leh/ Kargil with the direction to publish the above Excise Policy for information for general public.
10. In-charge website,NIC for upload on NIC website.
11. Stock file.



Amit Singh Chandel, IRS
Deputy Excise Commissioner