



**The Administration of Union Territory of Ladakh  
Finance Department**

**Notification  
Ladakh, 23<sup>rd</sup> day of March, 2022**

**S.O.- 36** The Excise Policy 2022-23 enunciated as hereunder will come into force w.e.f. 1<sup>st</sup> April, 2022 and will continue to remain in force till 31<sup>st</sup> March, 2023. 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 stakeholders.
- 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, 1984 framed thereunder and considering the criteria of 100 meter distance from religious places, educational institutions, hospitals, public parks and the guidelines issued by Government of India in this regard.
- 2.2.** 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

- 2.3** Permissible quantity of possession/use of Alcohol/spirit in respect of LAEL-12, LAEL-13 and LAEL-14 shall be decided by the 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 the residents of Union territory of Ladakh, strictly in-accordance with the provisions of the Jammu & Kashmir Excise Act, 1958 and Union Territory of Ladakh Liquor License and Sale Rules, 1984 framed thereunder.
- 3.1.2. The Excise Commissioner shall grant new licenses for retail sale of liquor on the premises viz. Type B only to the residents of Union territory of Ladakh as per the provisions of Excise Act, and Union territory of Ladakh Liquor License and Sale Rules, 1984 framed thereunder, after ascertaining the infrastructural requirements and law compliance status of applicant in last five years in respect of Excise, GST/Sale Tax. Regarding Infrastructural requirements like separate space for families and children, maintenance of social order, hygiene, and minimum seating capacity of 20 persons at a time in case of Bar, a report shall be submitted by the Excise and Taxation Officer.
- 3.1.3. All the applications for Type A & Type B except LAEL-7C licenses shall be submitted along with a non-refundable processing fee of Rs. 50000/-. Deposition of processing fee shall not confer any right to claim the license.

#### **3.2. Type D and Type E Licenses.**

Type D & E Licenses shall be issued as per the provisions of Excise Act, and Union territory of Ladakh Liquor License and Sale Rules, 1984.

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

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 2022-23 on different locations in Ladakh. Tehsil and Municipality area shall be the basis for the distribution. Deputy Commissioner of respective District 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 the list of these areas and submit a copy to the 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 J&K Excise Act, and Union Territory of Ladakh Liquor License and Sale Rules, 1984. 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 the 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. The 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 the 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 2022-23.

Differential amount if any, on account of rounding-off of next multiple of Rs 5 shall be recoverable as rounding fee at the time of remittance of assessment fee.

**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:-**

Renewal of licenses for trade in liquor except LAEL-2 and LAEL-2A licenses shall be subject to the deposition of prescribed license fee by the licensee and NOC of the department regarding violation of Jammu & Kashmir Excise Act, 1958/GST Act in the previous financial year 2021-22.

#### **10. Approval of Labels:-**

As provided under section 16-A of the Excise Act, labels for different brands of liquor for the financial year 2022-23 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 Canteen Stores Department (CSD)/Para Military Forces (PMF's) 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.

Provided that labels for distilleries shall be approved subject to the submission of undertaking that the distilleries will supply minimum 100 cases within three months from the date of approval, failing which their approval shall be cancelled.

#### **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 (per annum):-**

Type A	1. LAEL-1/1A/1B/1W: 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/7D: Rs 0.70 Lac 6. LAEL-7C: Rs. 1 Lac
Type C (LAEL-2)	<b>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.</b>
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. 345.00/LPL
IMFL	Premium/Medium	Rs. 275.00/LPL
IMFL	Economy	Rs 245.00/LPL
IMFL	Low cost	Rs 225/LPL
Wine	All Brands	Rs 115.00/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. 13/litre

**14. Import Duty: Omitted**

**15. Bottling Fee**

Kind	Amount
IMFL including foreign liquor	For all brands meant for local sales- 1. Own Brands Rs. 10/750 ml. 2. Franchisee Brands 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 Canteen Store Department (CSD)/ Para Military Forces (PMF's):

Excise Duty and Import Duty on Canteen Stores Department/Para Military Forces shall be 25% less than that on Civil for all types of liquor, however license holder on behalf of Canteen Stores Department (CSD), Unit Run Canteen's (URC's) and Para Military Forces (PMF's), will ensure the identity of the customer to whom a bottle containing a particular identifier is sold. For this, track and trace system with unique bar code mechanism or any other suitable mechanism may be adopted by them.

### 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 3 per 650 ml

#### B. Type "A" Licensees

Type of Liquor	Assessment Duty
IMFL/IFL	Rs 5.00 per bottle of 750 ml
Beer/Wine/RTD/ Cider etc	Rs. 3.00 per bottle 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 : $(500 \times 35) / (100 + 35)$

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.



- b. In case of PMFs, the additional assessment duty shall be charged at listed rates duly certified by the Inspector General or equivalent rank Officer.
- c. The AAD of CSD/PMF shall be calculated as per Formula given at Para 17.2.

**18. Draught beer and Craft beer:**

Assessment Duty on draught Beer and Craft beer supplied directly from the Brewery/Microbrewery to the bars shall be levied @ Rs.4 per 650 ml in accordance with Jammu & Kashmir Brewery Rules, 2003. In case of Import of draught beer assessment duty shall be levied at LAEL-1A /LAEL-1B/ LAEL-1 as the case may be. Licensee holder of LAEL-7C shall comply with all the provision of Jammu and Kashmir Brewery Rules, 2003.

**19. Import of liquor:-**

The liquor upto two litres accompanied with proper invoice shall be allowed to be carried into UT of Ladakh by any bonafide person without payment of any duty in Ladakh and the import of liquor is 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 J&K Excise Act, 1958 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, the licensee shall follow all the provisions of the Excise Act and rules framed thereunder 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 J&K Excise Act and rules framed thereunder, penal action shall be taken as per law.

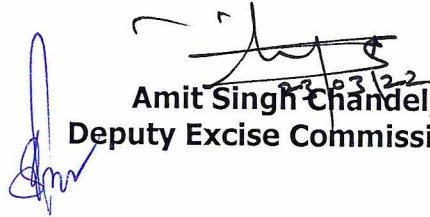
- 22.** Typographical error(s) and inconsistencies in this document, if any shall be clarified by Excise Department/Excise Commissioner in consonance with the Act & Rules. Further, in case of any difficulty arising in giving effect to the provisions of this policy, the Department with the approval

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**

**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**