




**The Administration of Union Territory of Ladakh.
OFFICE OF THE DEPUTY EXCISE COMMISSIONER
Union Territory of Ladakh.**

C I R C U L A R

The draft Excise Policy 2024-25 has been uploaded on the website of the Administration of Union Territory of Ladakh, i.e. ladakh.gov.in. The suggestions/ feedback/comments by the stakeholders/ general public may be communicated on the following email id by or before 19-03-2024 up-to 11:00 AM.

eto-ladakh@jk.gov.in

In case any stakeholder intends to submit suggestions/feedback in person, he/she may submit the same by or before 19-03-2024 up-to 11:00 AM in the office of Excise & Taxation Officer, Excise Range, Leh-Kargil.

**Deputy Excise Commissioner
UT of Ladakh** 
12/03/2024

No: DEC/UTL/2023-24/761-67

Dated: 12-03-2024

Copy to the:

1. Advisor/ Finance Secretary, UT Ladakh for information.
2. Excise Commissioner, UT of Ladakh.
3. Excise & Taxation Officer, Excise Range, Leh-Kargil.
4. Assistant Director Information, Leh/ Kargil for wider publicity.
5. OSD with Honorable Lieutenant Governor of Ladakh for information of HLG.
6. I/c website, NIC Ladakh for uploading on NIC website.
7. All stakeholders for information.



The Administration of Union Territory of Ladakh

Finance Department

Draft Excise Policy 2024-25

The Draft Excise Policy 2024-25 enunciated as hereunder will come into force w.e.f. 1st April, 2024 and will continue to remain in force till 31st March, 2025. 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 encourage transition from high to low alcoholic content beverages;
- 1.2. To check bootlegging/smuggling of liquor and narcotic drugs in the Union Territory of Ladakh from neighbouring States/Union Territories;
- 1.3. To provide choice of liquor brands and places for consumption to its consumers and a level playing field to all the stakeholders;
- 1.4. To enable effective, efficient, and equitable revenue collection through transparency and accountability in tax administration and detection of tax evasion by ensuring all liquor available in the Union Territory of Ladakh is sourced and sold through legal channels.
- 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, Svt. 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 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 for sale to the retail only
	LAEL-1A	Wholesale vend of foreign liquor to the manufacturer outside the Union Territory for sale to LAEL-1
	LAEL-1B	Trade (Wholesale BIO/Imported foreign liquor) for sale to LAEL-1.
	LAEL-1W	Trade (Wholesale wine-Indian/ BIO) for sale to LAEL-1.
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 in 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 in a 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	Retail vend of foreign liquor in Military Canteen including Unit Run Military Canteen or those run regimentally by the Paramilitary Forces (PMF)
	LAEL-5A	Wholesale vend of foreign liquor in Canteen Stores Department/ Paramilitary Forces and 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.
	LAEL-16	License for possession and use of ethanol for blending with Motor Spirit as per the requirement as the Excise Commissioner may deem fit.
Type F	LAEL-6	Bottling Plants
	B-1	Breweries
	D-2	Distilleries

3. Issuance of Licenses except LAEL-2:

- 3.1. 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-acordance with the provisions of the Jammu & Kashmir Excise Act, Svt. 1958 and Union Territory of Ladakh Liquor License and Sale Rules framed thereunder. The fire safety certificate from the concerned authority is mandatory for LAEL-1/LAEL-1A/LAEL-1B/LAEL-1W licenses. In case of new licenses, it is mandatory to submit the same while applying for LAEL-1/LAEL-1A/LAEL-1B/LAEL-1W licenses.

- 3.2. If LAEL-1A/LAEL-1B/LAEL-1W licenses are granted to any manufacturer/ importer, the import permit for the same manufacturer/ importer shall not be issued to LAEL-1 license.
- 3.3. A licensee holding LAEL-1A, LAEL-1B and LAEL-1W license shall be allowed to import liquor from any of its own distilleries or the distilleries/ Bottling Plants/ Wineries/ Breweries located outside UT Ladakh and importers with which it has a valid agreement to produce or bottle liquor on its behalf after paying a fee of ₹ 2.00 lakh for each source.
- 3.4. 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 Jammu & Kashmir Excise Act, Svt. 1958 and Union Territory of Ladakh Liquor License and Sale Rules framed thereunder and the guidelines & procedure issued by the Excise Commissioner.
- 3.5. All the applications for Type A & Type B licenses shall be submitted along with a non-refundable processing fee of ₹ 75000.00. Deposition of processing fee shall not confer any right to claim the license.
- 3.6. A non-refundable processing fee of ₹ 20,000.00 shall be paid for processing requests for alteration of licensed premises and addition or removal of partners as per the Union Territory of Ladakh Liquor License & Sale Rules for all type of A & B Licenses.
- 3.7. **Micro-Brewery (LAEL-7C).**
To encourage transition from high to low alcoholic content beverages, the department shall issue Micro-Brewery licenses at the locations permitted by the Excise Commissioner. The applicant shall comply the guidelines on procedure and conditions for beer bar with Micro-Brewery (LAEL-7C) issued by Excise Commissioner vide order No. 99 of 2022 dated 09-11-2022.
- 3.8. **Type D and Type E Licenses.**
Type D & E Licenses shall be issued as per the provisions of Jammu & Kashmir Excise Act, Svt. 1958 and Union Territory of Ladakh Liquor License and Sale Rules.

4. **Type-C licenses (LAEL-2 & LAEL-2A)**

- 4.1. 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 2024-25 on different areas in Ladakh. Tehsil and Municipality area shall be the basis for the distribution. Deputy Commissioner of respective district shall identify the areas 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, Svt. 1958 and Union Territory of Ladakh Liquor License and Sale Rules.
- 4.2. Retail vends (LAEL-2) shall be allotted in the form of individual units for the year 2024-25 on the existing areas in the Union Territory of Ladakh.

No. of Vends	Name of the areas
01	Ward No. 6, Municipal Committee, Leh
01	Ward No. 4, Municipal Committee, Leh

4.2.1. **Mode of allotment:**

The allotment of vends shall be made by e-auction in a completely secure and transparent manner. The detailed procedure for e-auction/ bidding instructions to the bidders shall be notified by Excise Commissioner, UT of Ladakh, separately.

4.2.2. Eligibility criteria: - The bidder should fulfill the following criteria:

- a) Should not be below the age of 21 years on the 1st Jan of the year in which the auction is being held.
- b) Should be a resident of UT of Ladakh and should be holding Ladakh Resident Certificate.
- c) Should have immovable property in UT of Ladakh worth up to 100% of the bid value or not less than 50% of the bid value with remainder of bid value (not more than 50%) as Bank Guarantee (BG). Bidder shall produce a property certificate and BG as the case may be to this effect from the competent Revenue/Bank Authority.
- d) Should not be convicted of any non-bailable offence by a criminal court.
- e) Should not be convicted, or reasonably suspected of committing or conniving at the commission of any non-bailable offence under the J&K Excise Act, Svt. 1958 or the Opium Act or the Dangerous Drugs Act, 1930 and shall produce a character certificate issued by the concerned District Superintendent of Police.
- f) Should not be a defaulter of State Taxes Department under the J & K General Sales Tax Act 1962, Central Sales Tax Act, 1956, J & K VAT Act, 2005, GST Act, 2017 and J & K Excise Act Svt. 1958.

4.2.3. Number of vends that can be bid for:

A bidder shall have to pay EMD/ Bid Fee separately for each bid. However, to obviate the possibility of cartelization and monopolistic practices, only one vend shall be allotted to a bidder for which his/her bid is the highest.

4.2.4. The retail sale licensees will make adequate fire safety arrangements.

4.2.5. Participation/Registration fee:

Non-refundable / non-adjustable Participation /Registration Fee of ₹ 20,000.00 to be paid online through portal as per the link provided. In case of non-participation, the registration fee shall stand forfeited.

4.2.6. Earnest Money Deposit:

Earnest Money Deposit shall be ₹ 5.00 lakh for each vend.

4.2.7. Reserve price for each vend:

The minimum reserve price to bid for each vend shall be ₹ 75.00 lakh.

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

- 5.1. 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.
- 5.2. A non-refundable processing fee of ₹ 1.00 Lakh shall be charged for processing applications for setting up Distilleries, Breweries and Bottling Plants.
- 5.3. At the time of grant of Letter of Intent, a sum of ₹ 5.00 lakh 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.

6. Fixation of Maximum Retail Price: -

- 6.1. The Maximum Retail Price (MRP) of all types of liquor including Beer shall continue to be notified by the Excise Commissioner for the year 2024-25 on the recommendation of the MRP Fixation Committee. MRP shall be calculated as per the table A&B given below under Para 6.3. An affidavit shall be submitted by the manufacturer/ importer /brand owner declaring the EDP/EBP prevailing in the adjoining states/UTs. In case the brands are not sold in these adjoining states/ UTs, the manufacturer/ importer /brand owner shall declare the EDP/EBP in the state/UT where brands are sold/exported.
- 6.2. Differential amount if any, on account of rounding-off to next multiple of ₹ 5.00 shall be recoverable as rounding fee at the time of remittance of assessment duty and additional assessment duty.
- 6.3. The following formats shall be used for calculations of MRP.

A : For LAEL-1 license holder		B: For LAEL-1A License holder	
1	EBP/EDP	1	EBP/EDP including CST, Export fee, bottling fee, freight charge, or if any
2	CST, Export fee, Bottling fee, if any	2	Excise Duty
3	Excise Duty	3 (1+2)	Landing cost of LAEL-1A
4	Freight charge	4	Assessment Duty of LAEL-1A
5 (1+2+3+4)	Landing cost of LAEL-1	5 (3+4)	Ex wholesale price of LAEL-1A (Landing cost of LAEL-1)
6	Profit margin to LAEL-1 on landing cost	6	Profit margin to LAEL-1 on landing cost
7	Assessment Duty + Additional License fee of LAEL-1	7	Assessment Duty of LAEL-1
8 (5+6+7)	Ex wholesale price of LAEL-1	8 (5+6+7)	Ex wholesale price of LAEL-1
9	Profit margin to LAEL-2 on Ex-LAEL-1 price	9	Profit margin to LAEL-2 on Ex-LAEL-1 price
10	Assessment Duty of LAEL-2	10	Assessment Duty of LAEL-2
11	MRP (retailer)	11	MRP (retailer)
12	Additional Assessment Duty on MRP (retailer)	12	Additional Assessment Duty on MRP (retailer)
13 (11+12)	MRP on bottle	13(11+12)	MRP on bottle
14	Rounding Fee if any	14	Rounding Fee if any

- 6.4. Profit margin of wholesaler and retail licensees shall be as detailed below on their purchase price (landing cost):

Type	IFL/IMFL/ Beer/Wine/RTD
Type A (LAEL-1)	5% of landing cost
Type C (LAEL-2)	12% of Ex-LAEL-1 price

- 6.5. All the duties applicable to Type-C licenses shall be remitted in advance before dispatch of material from the wholesale trade (LAEL-1). All the duties (except Additional Assessment Duty) applicable to Type-B licenses except LAEL-7C shall be remitted in advance before lifting material from LAEL-1. Assessment Duty applicable to type A & LAEL-7C and Additional Assessment Duty applicable to type B and LAEL-5A shall be remitted by or before 5th day of the next month.
- 6.6. For the purpose of classification, the brands shall be classified on the following parameters:

S. No.	EDP/case in ₹	Segment
1	Upto 700	Low cost
2	701 upto 900	Economy
3	901 upto 1200	Medium
4	1201 upto 2500	Premium
5	Above 2500	Deluxe/Super Deluxe

7. 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 (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.

8. 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 affix Security Hologram/QR Code/Bar Code or any other security features as approved by the Excise Department.

9. Revalidation of permits: -

The permit issuing authority after charging revalidation/ cancellation fee of ₹10000.00, 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.

10. 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 non-violation of Jammu & Kashmir Excise Act, 1958/GST Act, 2017 in the previous financial year 2023-24.

Provided that the Excise Commissioner in his discretion may provide relaxations in case of non-habitual offenders for renewal of license.

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 the financial year 2024-25 shall be approved by the Excise Commissioner subject to payment of Label fee at the rate of ₹20000.00 per brand in case of civil and Label fee of ₹10000.00 per brand in case of Canteen Stores Department (CSD)/Para Military Forces (PMFs) to be charged, at the time of submission of EDP/EBP.

Provided that for BIO liquor and wine, label approval fee shall be ₹ 5000.00 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, 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.

13. License fee (per annum): -

Type A	1. LAEL-1: ₹ 2.50 lakh 2. LAEL-1A: ₹ 2.50 lakh 3. LAEL-1B: ₹ 2.50 lakh 4. LAEL-1W: ₹ 2.50 Lakh
Type B	1. LAEL-3: ₹ 3.00 Lakh 2. LAEL-3A: ₹3.00 Lakh 3. LAEL-4: ₹ 2.00 Lakh 4. LAEL-4A: ₹ 2.00 Lakh 5. LAEL-7/7A/7B/7C: ₹ 1.00 Lakh
Type C (LAEL-2)	As per bid received in e-Auction.
Type D	₹ 0.25 Lakh per annum in case of LAEL-5 ₹ 1.50 Lakh per annum in case of LAEL-5A
Type E	₹ 0.12 Lakh per annum
Type F	₹ 6.00 Lakh per annum

Type 4B/4C	₹ 0.02 Lakh per occasion at private places. ₹ 0.05 Lakh per occasion at banquets/Marriage hall/ Party hall/ Restaurants. ₹ 1000 per case shall be charged over and above the 10 cases. <u>Note:</u> The applicant shall not sell/serve the liquors for commercial purposes.
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14. Additional License Fee:

Types of licenses	Amount
LAEL-1	₹ 5.00 per bottle of 750 ml on IMFL/IFL and ₹ 3.00 per bottle of 650 ml on Beer//Wine/RTD/Cider etc.

15. Excise Duty: - CIVIL

A. IMFL, Beer and RTD

Kind	Brand	Amount
IMFL	Super Deluxe/Deluxe	₹ 345.00/LPL
IMFL	Premium	₹ 310.00 LPL
IMFL	Medium	₹ 275.00/LPL
IMFL	Economy	₹ 245.00/LPL
IMFL	Low cost	₹ 225.00/LPL
Wine	All Brands	₹ 115.00/BL
Beer/Cider/RTD beverage	All Brands	₹ 30.00/BL

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

Note:LPL stands for London Proof Litre and BL stands for Bulk Litre

B. Molasses/Rectified spirit/ethanol

Type	Rate
Molasses	₹ 20.00 per quintal
Rectified spirit/absolute alcohol/ Ethanol/Extra neutral alcohol (excluding Denatured Alcohol/Spirit) for use	₹ 13.00 per litre

other than in manufacturing of liquor and blending with Motor Sprits	
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16. Bottling Fee

Kind	Amount
IMFL including foreign liquor	For all brands meant for local sales- 1. Own Brands ₹ 10.00/750 ml. 2. Franchisee Brands up to economy segment ₹ 10.00/750 ml. 3. Franchisee Brands above economy segment ₹ 12.00/750 ml.
Beer	₹ 10.00/BL for own brands and ₹ 12.00/BL for Franchisee brands all meant for local sales
Wine, Cider, RTD Beverages	₹ 15.00/BL

Debonding Fee @ ₹ 3.00/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.

17. Tax and Duties on Canteen Store Department (CSD)/ Para Military Forces (PMF):

Excise Duty on Canteen Stores Department/Para Military Forces shall be 25% less than that on Civil for all types of liquor.

18. Assessment Duty

18.1. Type "B" & Type "C" licensees

Kind	Amount
IMFL including foreign liquor	₹ 35.00 per 750 ml
Beer/Wine/Cider/RTD Beverages	₹ 10.00 per BL

18.2. Type "A" Licensees

Type of Liquor	Assessment Duty
IMFL/IFL	₹ 5.00 per bottle of 750 ml
Beer/Wine/RTD/ Cider etc	₹ 3.00 per bottle of 650 ml

19. 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.	40% of MRP. Illustration: For MRP of ₹ 500/-, AAD shall be calculated as under : $(500 \times 40) / (100 + 40)$

Provided further that:

- a. 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 Additional Assessment Duty of CSD/PMF shall be calculated as per Formula given at Para 19. The rates notified by the Regional Manager CSD as ex-depot price and Inspector General or equivalent rank officer in case of PMF shall be substituted in place of MRP.

20. Draught beer :

Assessment Duty on Draught Beer supplied directly from the Brewery to the bars shall be levied @ ₹ 7.00 per BL 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.

21. 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.

22. 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.

23. To prevent illicit import of liquor in UT of Ladakh, the licensee shall follow all the provisions of the J & K Excise Act Svt., 1958 and rules framed thereunder including rules regarding

opening and closing of shop. No licensee should close the shop or keep 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.

24. In order to promote "Swatch Bharat Abhiyan", the retail licensees shall maintain cleanliness and hygiene in and around the shop. Adequate number of dustbins shall be placed inside and outside the vend. Non-compliance of this provision will attract a penalty of ₹ 10,000.00 for the first time and for subsequent non-compliance, a penalty of ₹ 20,000.00 shall be imposed by the Deputy Excise Commissioner.
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.

The procedural provisions of this notification shall come into force with immediate effect. However, the rates of taxes, duties and fees in this notification shall be effective from 01-04-2024.