



The Administration of Union Territory of Ladakh

Finance Department

Notification
(Under the J & K Excise Act, 1958)
Ladakh, the 31st of May, 2026

S.O. No. 198: The Excise Policy, as detailed herein, shall come into force with effect from 1st July, 2026 and shall remain in operation up to 30th of June 2027, unless modified earlier. Notwithstanding the above, the Administration of the Union Territory of Ladakh reserves the right to review, amend, modify, or withdraw any provision of this Policy at any time during its currency, in public interest or for administrative exigencies.

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

- 1.1. To curb the menace of drug abuse and give wider choice to public for consumption of low alcoholic content beverages in a regulated manner.
- 1.2. To promote social awareness regarding the harmful effects of alcohol and drug abuse.
- 1.3. To provide wider choice of quality liquor brands and adequate places for lawful consumption.
- 1.4. To optimize excise revenue through transparent, efficient, and accountable systems, including auction-based allocation of licenses.
- 1.5. To expand retail vends in a regulated manner and generate employment opportunities.
- 1.6. To curb bootlegging, smuggling of liquor, and narcotic substances, and ensure supply through legal channels only.
- 1.7. To ensure a level playing field for stakeholders and promote ease of doing business through deregulation and liberalization.
- 1.8. To facilitate tourism by ensuring availability of liquor in line with tourism potential of the Union Territory.
- 1.9. To establish an accountable, modern and efficient excise administration through digitization, e-governance, data-based monitoring and strict compliance mechanisms for effective regulation and service delivery across the Union Territory.

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. The nature and nomenclature of different types of licenses is as under:

Type	Form	Nature
Type A	LAEL-1	Wholesale vend of liquor (IMFL, Beer, Cider & RTD), imported liquor (BIO Brands) and Wine for sale to the retail only
	LAEL-1A	Wholesale vend of liquor to the manufacturer outside the Union Territory.
	LAEL-1B	Trade (Wholesale BIO/Imported foreign liquor).
	LAEL-1W	Trade (Wholesale wine-Indian/ BIO).
Type B	LAEL-2	Retail vend of liquor to the public only
Type C	LAEL-3	Retail vend of liquor in hotel
	LAEL-3A	Retail vend of liquor in Guest House/Homestay
	LAEL-4	Retail vend of liquor in a bar attached to a restaurant/club/Banquet Hall
	LAEL-4A	Permission to serve liquor on social occasion at private places
	LAEL-4B	Permission to serve liquor in banquet hall/ Party hall/ Marriage hall on specific occasion
Type D	LAEL-5	Retail vend of liquor in Military Canteen including Unit Run Military Canteen or those run regimentally by the Paramilitary Forces (PMF)
	LAEL-5A	Wholesale vend of liquor in Canteen Stores Department/ Paramilitary Forces and Master Canteen for PMF/Police.
Type E	LAEL-7	Officer's Mess
	LAEL-7A	Beer bar with Microbrewery
Type F	B-1	Bottling Plants
	B-2	Breweries
	D-2	Distilleries
Type G	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.

3. Issuance of Licenses: (Type A & Type C)

3.1. TYPE-A

3.1.1. The licenses for operating whole sale liquor vends (LAEL-1) shall be granted strictly in accordance with the provisions of the Jammu & Kashmir Excise Act, Svt. 1958 and Union Territory of Ladakh Liquor License and Sale Rules framed thereunder.

3.1.2. 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.

3.2. TYPE-C

3.2.1. The Excise Commissioner shall grant new licenses for retail sale of liquor (Type 'C') in accordance with the provisions of the Jammu & Kashmir Excise Act, Svt. 1958, the Union Territory of Ladakh Liquor License and Sale Rules framed there under, the Excise policy and such guidelines or procedures as may be issued from time to time. The grant of such licenses shall be made at locations deemed appropriate by the Excise Commissioner, having due regard to revenue potential, tourism activity, public convenience, and the need to provide regulated and legitimate outlets for consumption so as to discourage unauthorized and illicit consumption, particularly in unserved or underserved areas.

3.2.2. All the applications for Type A, Type C & Type E licenses shall be submitted along with a non-refundable processing fee of ₹1,00,000.00. Deposition of processing fee shall not confer any right to claim the license.

3.2.3. A non-refundable processing fee of ₹20,000.00 shall be paid for processing requests for alteration of the licensed premises as per Union Territory of Ladakh Liquor License and Sale Rules for all type of A & B Licenses.

3.3. Micro-Brewery (LAEL-7A):

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 issued by Excise Commissioner vide order No. 99 of 2022 dated 09-11-2022.

3.4. Type D, F & G Licenses:

Type D,F&G Licenses shall be issued as per the provisions of Jammu & Kashmir Excise Act, Svt. 1958, Union Territory of Ladakh Liquor License and Sale Rules and the policy.

3.5. Transfer of Licenses:

Member(s) of the family of the licensee [LAEL-1, LAEL-3, LAEL-3A, LAEL-4, &LAEL-7A,] can be incorporated as partner(s) by the Excise Commissioner during the currency of a license on payment of non- refundable processing fee ₹1.00 Lakh, if the family member is otherwise eligible under these rules for grant of such License:

Provided that in respect of above licenses, the Excise Commissioner can add partner(s)

outside the family during the currency of a license on payment of non- refundable processing fee of ₹ equivalent to the annual license fee, if the proposed partner (s) are otherwise eligible for grant of license under these rules.

4. Type-B licenses

4.1. LAEL-2:

4.1.1. Retail vends (LAEL-2) shall be allotted in the form of individual unit for the financial year 2026-27 in different areas of Ladakh., The Excise Commissioner shall grant licenses for off-premises retail sale of liquor (LAEL-2) in the notified areas, through e-auction mode, in accordance with J&K Excise Act, Svt. 1958 and Union Territory of Ladakh Liquor License & Sale Rules.

4.1.2 Licences for the off-premises sale of liquor (LAEL-2) shall be granted by the Excise Department, UT Ladakh through e-auction, in the form of individual units, for the year 2026–27 at the locations specified in Annexure “A” appended to this Policy.

4.1.3. Mode of allotment:

The allotment of vends shall be made by e-auction through <https://eauction.gov.in> 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.

4.1.4. 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 not be convicted of any non-bailable offence by a criminal court.
- c) 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.
- d) 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.
- e) Should make his own arrangement for a shop/premises at the location (owned/ leased/ rented).

4.1.5. Number of vends that can be bid for:

A bidder can bid for multiple vends. He or she 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. Rest of the vends, for which he/she is the H1 bidder, shall be offered to the second highest bidder (s), subject to the payment of the bid amount quoted by the H1 bidder for that particular vend and so on. If no one is willing to accept the offer, that particular vend shall be put to re-auction in the manner as mentioned in para 4.1.3.

4.1.6. Participation/Registration fee:

Non-refundable / non-adjustable Participation /Registration Fee of ₹25,000.00 to be paid online through portal as per the link provided. In case of non-participation, the registration fee shall stand forfeited.

4.1.7. Earnest Money Deposit:

The Earnest Money Deposit (EMD) payable for each vend shall be as specified against the respective vend in Annexure–A appended to this Policy.

4.1.8. Reserve price for each vend:

The minimum reserve price to bid for each sale vend shall be as mentioned against each vend in the Annexure “A”

4.1.9. Action against licensees selling liquor above MRP fixed by the Department:

If any licensee sells liquor above the MRP fixed by the Excise Department, UT Ladakh, such licensee shall be imposed penalty by the Deputy Excise Commissioner, of ₹ 20000.00 for first such offence, ₹ 40000.00 for second offence and ₹ 60000.00 for third offence and the licence of such retailer shall be liable to be cancelled on fourth such offence and his EMD shall be forfeited.

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 mentioned in para, 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.

- 5.4.** No licensee shall employ to assist him in his business in any capacity whatsoever :-
- (i) any person under the age of 21 years
 - (ii) without prior approval of the Deputy Excise Commissioner.
 - (iii) any person whom he knows or has reason to believe to have been convicted of any non-bailable offence under the Jammu & Kashmir Excise Act, 1958.

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 each year, 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. No separate administrative/ handling/freight cost shall be considered for fixation of MRP.
- 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.
- 6.3.** The following formats shall be used for calculations of MRP.

S. No	For brands manufactured outside UT Ladakh
1	EBP/EDP including CST, Export fee, bottling fee (if any)
2	Excise Duty
3 (1+2)	Landing cost of LAEL-1
4	Profit margin to LAEL-1 on landing cost
5 (3+4)	Ex wholesale price of LAEL-1
6	Profit margin to LAEL-2 on Ex-LAEL-1 price
7	MRP (retailer)
8	Assesment Duty on MRP (retailer)
9 (7+8)	MRP on bottle
10	Rounding Fee if any

Differential amount if any, on account of rounding-off/fixation of MRP shall be recoverable as rounding fee that shall accrue to the Excise Department UT Ladakh.

- 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)	10% of Ex-LAEL-1 price

- 6.5. All the duties applicable to Type-B licenses shall be remitted in advance before dispatch of material from the wholesale trade (LAEL-1). All the duties applicable to Type A licensees (except LAEL-1) and LAEL-5A licensees shall be remitted by or before 5th day of each succeeding month. Excise Duty shall be remitted at the time of applying for the import permit.
- 6.6. For the purpose of classification, the brands shall be classified on the following parameters:

S. No.	Type	Segment
1.	IMFL	All brands
2.	Wine	All brands
3.	Beer/ Cider/RTD	All brands

The classification approved for civil sales shall be applicable in CSD/PMF also irrespective of the Tendered rates etc.

In case of brands not classified for civil sales, EDP (civil) of the adjoining states/UTs or the state where the brand is sold, shall form the basis for classification in the appropriate segment as detailed above.

7. All liquors to be ENA based.

Liquor 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 approved by the Excise Department. In addition to the cost of holograms, the manufacturer shall pay a processing fee of ₹ 0.52 per hologram to the Excise Department, Union Territory of Ladakh at the time of procurement/ issuance of holograms. This amount will be used by the Excise Department, UT Ladakh to promote social awareness regarding the harmful effects of alcohol and drug abuse.

9. Revalidation of permits:

The permit issuing authority after charging revalidation/cancellation fee of ₹20000.00,

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. In case a permit is cancelled on account of non-execution, the Excise duty paid shall be adjusted against a new permit.

10. Renewal of licenses: -

Renewal of licenses for trade in liquor LAEL-2 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. However, Excise Commissioner in his discretion may provide relaxations in case of non-habitual offenders for renewal of license. License in form LAEL-2 shall be non-renewable.

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 2026-27 shall be approved by the Excise Commissioner subject to payment of Label fee at the rate of ₹75,000.00 per brand in case of Civil/ Canteen Stores Department CSD/ Paramilitary 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 ₹25,000.00 for each brand.

Provided further that renewal of label/brand registration in subsequent years shall be allowed on payment of ₹30,000 per brand, provided no change is made in the label approved during the year 2026–27 and thereafter.

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	LAEL-1	LAEL-1A	LAEL-1B	LAEL-1W
	₹5.00 Lakh	₹5.0 Lakh	₹5.0 lakh	₹5.0 lakh
Type B	(LAEL-2)	As per bid received in e-Auction.		

	LAEL-3	No. of Rooms		
		Up-to 25	26 to 50	51 & above
		₹ 2.50 lakh	₹3.00 lakh	₹3.50 lakh
		Four star and above (irrespective of number of rooms)		₹ 4.00 lakh
Type C	LAEL-3A	₹ 0.50 lakh		
	LAEL-4	₹ 3.00 lakh		
	LAEL-4A	₹ 2,000.00 per occasion at private places for 05 cases of liquor. ₹ 1,000 per case shall be charged over and above 05 cases. Note: The applicant shall not sell/ serve liquor for commercial purpose		
	LAEL-4B	₹ 10,000.00 per occasion at banquet hall/marriage hall/party hall for 10 cases of liquor. ₹ 1,000.00 per case shall be charged over and above 10 cases. Note: The applicant shall not sell/ serve liquor for commercial purpose		
Type D	LAEL-5	₹ 25,000.00		
	LAEL-5A	₹ 1.50 Lakh		
Type E	LAEL-7	₹ 1.00 Lakh		
	LAEL-7A	₹ 1.50 Lakh		
Type F	B-1/B-2/ D-2	₹ 6.00 Lakh per annum		
Type- G	LAEL-16	₹ 12,000.00 per annum		

14. Excise Duty: - CIVIL

A. IMFL, Beer and RTD

Kind	Brand	Amount
IMFL	All Brands	₹ 500.00/LPL
Wine	All Brands	₹ 100.00/BL
Beer/Cider/RTD beverage	All Brands	₹ 20.00/BL

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 other than in manufacturing of liquor and blending with Motor Sprits.	₹ 13.00 per litre

15. Bottling Fee:

Kind	Amount
IMFL including 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

16. **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 15% less than that on Civil for all types of liquor.

18. **Assessment Duty 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.	50% of MRP. Illustration: For MRP of ₹ 500/-, AD shall be calculated as under : $(500 \times 50) / (100 + 50)$

Provided further that:

- a. In case of CSD, the 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 Assessment Duty shall be charged at listed rates duly certified by the Inspector General or equivalent rank Officer.
- c. The Assessment Duty of CSD/PMF shall be calculated as per Formula given at Para 18. 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.

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.

20. Failure to deposit the dues:

Non-payment of duties on the due date shall lead to suspension of sale by the concerned Excise & Taxation Officer of the Range. 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 J & K Excise ActSvt., 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.
22. 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.
 - 22.1. All the licensees will display the health warning, “Consumption of alcohol is injurious to health. Be Safe-Don’t Drink and Drive.”, on the signboard of their licensed premises and at conspicuous place inside the licensed premises.
23. The retail vends (type B & C) shall provide facility like PoS machine wherever possible, for payments through Credit card/UPI payments and facility of payments through mobile applications on their vends for the customers and shall provide invoices of sale on their

demand. In case of violation of this provision, penalty of ₹ 10,000.00 per incident shall be imposed on the licensee.

24. 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 01-07-2026.

Sd/-
(Ashish Kundra), IAS
Chief Secretary & Finance Secretary

No: M/380/2023-EXCISE AND TAXATION SECTION (FINANCE)/

Dated: 31.05.2026

Copy to:

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

(Amir Suhail, JKAS)
Under Secretary to the Administration

Annexure “A” to S.O 198, dated 31.05.2026

S. No	District/ Municipality	Location	No. of vends	EMD (₹ in Lakh)	Minimum Reserve Price (₹ in Lakh)
1.	Municipal Committee, Leh	Ward No. 4	01	5.00	60.00
2.		Ward No. 6	01	5.00	60.00
3.		Ward No. 7	01	5.00	60.00
4.		Ward No. 14	01	5.00	60.00
5.		Ward No. 19	01	5.00	60.00
6.		Ward No 21	01	5.00	60.00
7.	Leh	Phyang	01	5.00	60.00
8.		Kharu	01	5.00	60.00
9.	Sham	Khaltsi	01	2.50	30.00
10.		Saspol	01	2.50	30.00
11.		Darchiks/ Garkhone	01	2.50	30.00
12.	Nubra	Skampuk	01	2.50	30.00
13.		Hunder	01	2.50	30.00
14.		Panamik	01	2.50	30.00
15.		Diskit	01	2.50	30.00
16.	Changthang	Nyoma	01	2.50	30.00
17.		Durbuk/Tangtse	01	2.50	30.00
18.		Spangmik/Man/ Merak	01	2.50	30.00
19.	Zanskar	Padum	01	2.50	30.00
20.			01	2.50	30.00