



Government of Jammu and Kashmir
Finance Department

Notification

Srinagar, the 29th of May, 2018

SRO-240.—In exercise of the powers conferred by sections 16, 16-A and 17 of the J&K Excise Act, Samvat 1958, the Excise Policy 2018-19 enunciated as hereunder will come into force with immediate effect and will continue to remain in force till 31st March, 2019. However, the State Government may revisit and revise the same at any point during the course of the year, if the emergent situation warrants so.

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

- i. Simplification of the regulatory structure by rationalizing and reducing the number of taxes, duties and other levies;
- ii. Import substitution of liquor and alcoholic beverages in the State using tariff barriers;
- iii. Export incentivization through progressive tax and duty structure;
- iv. Maximizing revenue realization;
- v. Bringing about greater social consciousness about the harmful effects of consumption of liquor and alcoholic beverages.

2. Type and Forms of Licenses. — Five licenses in “sale license” categories, one “manufacture license” category and one “social occasion permit” category as detailed herein below shall remain in vogue:

Type A License: For wholesale trade in local liquor. This includes: JKEL-1B, JKEL-1W, JKEL-1 and JKEL-1A.

Type B License: For retail trade in bars with or within an associated facility which includes hotel, restaurant, cinema, banquet hall or club. This category includes: JKEL-3, JKEL-3A, JKEL-4, JKEL-4A, JKEL-4B, JKEL-4C, JKEL-7 and JKEL-7A.

Type C License: For retail trade in shops, vends and stores. This category includes JKEL-2.

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Type D license: For vends, bars and clubs with or withinan Army, Defence or Security Establishment. This category includes: JKEL-5, JKEL-5A, JKEL-7B, and W-2.

Type E License: For spirits and alcohol inputs and raw materials. This category includes: JKEL-12, JKEL-13, JKEL 14 and JKEL-15.

Type F License: For Bottling Plants, Distilleries and Breweries.


In addition to these, the Department shall continue to issue 'Permits' to serve liquor on social occasions at private places, banquet halls, party halls and restaurants etc.

3. Issuance of Licenses.—

3.1 Wholesale trade

The present Policy for grant of licenses in form JKEL-1, JKEL-1A, JKEL-1B, JKEL-1W, and inclusion of different sources of import in one license (JKEL-1A) shall continue, as per the procedure laid down in Para 5 of SRO - 157 dated; 30-03-2017.

3.2 Retail trade



3.2.1 The grant of licenses for operating liquor shops (JKEL-2) at identified unserved locations shall be undertaken by the Excise Department strictly in accordance with the provisions of the J&K Excise Act, Svt. 1958, J&K Liquor License and Sales Rules, 1984 and procedure outlined in Excise Policy for the year 2017-18, para 3.2.3 to 3.2.10, issued vide SRO 157 Dated 30th March 2017. However, in case of individual applications received for grant of JKEL-2 license at any particular un-served area, only such applications shall be entertained where the applicant satisfies the following conditions:-

- a. The applicant is owner of a shop which is at a minimum distance of 300 meters from the religious place, educational institution, hospital, public park and is in conformity with the provisions of the 'J&K Excise Act and Liquor License and Sales Rules 1984', and the application should be accompanied with a non-refundable fee of Rupees Fifty Thousand.

- b. The concerned District magistrate has furnished NoC in favour of the applicant for grant of JKEL-2 license.
- c. The Excise Department shall put the name of the applicant and place, where the demand for grant of JKEL-2 license has arisen, on its website seeking applications from other interested parties, fulfilling the aforementioned conditions, for grant of license within a period of one month. In case applications are received from other parties also, the license shall be granted as per the procedure outlined in Excise Policy for the year 2017-18, para 3.2.5 to 3.2.7, issued vide SRO 157 Dated 30th March 2017. In case no other application is received the license shall be granted after fulfilling all the required formalities as prescribed under the 'J&K Excise Act and Liquor License and Sales Rules 1984' on payment of an upfront fee Rs. 20 lacs.

Provided for the words and figures "**100 meters**" appearing in SRO-157 dated 30-03-2017 shall be substituted with the words and figures "**300 meters**" for the purpose of Para 3.2.1 of this SRO.

3.2.2 The regularization or otherwise of sixty one vends involved in LPA titled Sandhya Devi V/s State of J&K & others will be in accordance with the final outcome of the writ petition.

3.2.3 The Policy in vogue for the grant of licenses for retail sale of liquor viz; Bar with Hotel (JKEL-3), Bar with Banquet (JKEL-3A), Bar with Restaurant or Cinema Theatre or Dak Bungalow (JKEL-4), (JKEL-4A), (JKEL-4B) & (JKEL-4C), Unit Run Canteen by Army Paramilitary Forces (JKEL-5), Master Canteen (JKEL-5A) and Club (JKEL-7), (JKEL-7A), (JKEL-7B) & (JKEL-7C) etc. shall continue, subject to the fulfillment of the requirements of the orders of Hon'ble High Court and Hon'ble Supreme Court on the subject and payment of a non-refundable processing fee of ₹ 50,000/- (except for grant of license requested by the Army/Para Military and Government entities).

3.2.4 Validity of all types of licenses will be for a period of five years.

3.2.5 The liquor licenses shall be granted to the State subjects of Jammu and Kashmir only. Those already having any type of license under the J&K Excise Act shall not be eligible for having same type of license. However, any licensee can apply for or have a license of any other type.



3.2.6 New Liquor outlets of all types shall be at a minimum distance of 300 meters from the religious places, educational institutions, hospitals, nearest liquor shops/ bars, public parks and in conformity with the provisions of the 'J&K Excise Act and Liquor License and Sales Rules 1984'.

4. Grant of license to Manufacturing/Bottling plant.—

The existing Policy for issuance of licenses for Distilleries, Breweries and Bottling Plants in the State as laid down vide Government Order No. 99-F of 2003 dated 07.04.2003, read with Government Order No. 156-F of 2003 dated 22.07.2003, shall continue. A non-refundable sum of ₹ 25.00 lacs shall be charged for issuance of Letter of Intent (LoI) for setting up Distilleries, Breweries and Bottling Plants.

5. Fixation of Maximum Retail Price.—

(a) The Maximum Retail Price (MRP) of all types of Liquor including JK Special Whisky and Beer shall continue to be fixed by the Excise Commissioner for the year 2018-19.

(b) Freight charges shall be added to MRP at the rate of one per cent for Kashmir Division, Poonch and Kishtwar Districts of Jammu Division and three per cent for Leh and Kargil Districts.

6. All liquors to be ENA based.—

IMFL manufactured locally or imported from outside the State (other than Foreign Liquor Bottled in Origin (BIO), Bottled in India or Malt Whisky) shall be 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.

7. Restriction on import of economy brands to protect the local industry.—

There shall be a ban on import of brands having MRP of Rs. 500/- per bottle or below into the State.

8. Affixation of security hologram on IMFL, JK Special Whisky, Beer and Ready to Drink (RTD) Beverages.—

In order to check Excise duty evasion, the manufacturers of IMFL, JK Special Whisky, Beer & RTD as well as importers of IMFL/Wine/Beer etc.

shall continue to affix Security Hologram with advanced features as approved by the Excise Department. However, in order to ensure fool proof security against Excise duty evasion, the process shall be revisited and the enforcement wing shall be further strengthened.

9.- Advertisement and Promotion of Liquor.- Advertisement directly or indirectly in any media soliciting the use of any liquor, shall be punishable as per J&K Excise Act, Svt 1958. However, inside the Bars, the licensee will be free to use promotional posters, utensils, glasses etc unless found obscene.

10. Revalidation of permits.—

The permit issuing authority after charging revalidation/cancellation duty of ₹ 5000/-, may revalidate a permit which remains unexecuted or becomes time barred.

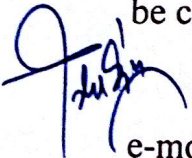
11. Renewal of licenses.—

The renewal of license will be automatic for a period of 5 years from issue of this policy, subject to the conditions laid down in Government Order No-311-FD of 2017 Dated 20-10-2017.

For the above purpose, State Taxes Department and Excise Department shall upload the list of all defaulters on the Department website by 1st of February, 2019.

12. Approval of Labels.—

The labels for different brands of liquor for the financial year 2018-19 shall be approved (if not technically deficient) within two weeks of receipt of application in the respective categories. Label Approval Duty at the rate of ₹ 30,000/- per label in case of civil and ₹ 20,000/- per label in case of CSD shall be charged.



The Department shall receive applications for approval of Labels through e-mode only and approval conveyed in the same mode. The Labels of previous year, where no change except of maximum retail price (MRP) is required to be carried out, shall be treated as approved on payment of prescribed duty. Use of paper for approval of labels is done away with.

The Excise Commissioner shall ensure printing of revised MRP on the old stock for sale at production, wholesale & retail level.

The process of approval of labels shall be conducted in the month of March and August only.

13. Packing Material. - From 1st July 2018, liquor can't be sold in plastic pouches which is against the environment protection norms. Therefore all kind of liquor will be sold in glass bottles/ pet bottles and tin cans only.

14. License Fee.—

Form of License	Amount
Type A	Rs. 1.50 Lacs Per Annum
Type B	Rs. 3.00 Lacs Per Annum Rs. 1.50 Lacs Per Annum for Beer Bars
Type C	Rs. 4.00 Lacs per Annum for Sale upto 25,000 bottles of Liquor Rs.6.00 Lacs per Annum for Sale above 25,000 bottles of Liquor upto 50,000 bottles Rs.8.00 Lacs per Annum for Sale above 50,000 bottles of Liquor
Type D	Rs. 0.12 Lacs Per Annum Rs. 1.00 Lac Per Annum in case of Master Canteen Rs. 3.50 Lacs Per Annum in case of CSD Bond
Type E	Rs. 0.12 Lacs Per Annum
Type F	Rs. 06.00 Lacs Per Annum
Miscellaneous. Permit to serve liquor on Social Occasions at private places, Banquet Halls, Party Halls and Restaurants etc.	Rs. 0.12 Lacs Per occasion

Provided that the Bars located in district Leh shall pay half the amount of prescribed license fee.

15. Excise Duty: Civil

A. IMFL, JK-Special Whisky, Beer, Cider and RTD

I)

Kind	Brand	Amount (per BL)
IMFL	Super Deluxe/Deluxe	₹ 240.00
IMFL	Premium/Medium	₹ 170.00
IMFL	Economy	₹ 135.00
Country Liquor	JK Special Whisky	₹ 135.00

II)

Kind	Brand	Amount (per BL)
Wine	All Brands	₹ 100.00
Beer	All Brands	₹ 25.00
Cider	All Brands	₹ 25.00
RTD Beverages	All Brands	₹ 25.00

B. Molasses

Type	Rate
Molasses	₹ 20.00 per Quintal

16. Import Duty: Civil

I)

Kind	Brand	Amount (Per BL)
IMFL including Foreign Liquor	Super Deluxe/Deluxe	₹ 40.00
IMFL including Foreign Liquor	Premium/Medium	₹ 40.00

II)

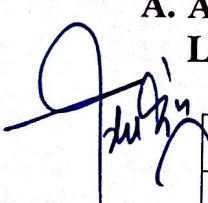
Kind	Brand	Amount (Per BL)
Beer	All Brands	₹ 40.00
Wine	All Brands	₹ 40.00
Cider	All Brands	₹ 40.00
RTD	All Brands	₹ 40.00

17. Tax and Duties on CSD.—

Excise duty and Import duty on CSD shall be 25% less than that on Civil for all types of Brands.

18. Assessment / Additional Assessment Duty:

A. Assessment Duty on sale of IMFL/BEER/JK Special Whisky by Licensees having 'Type C' License:-



Kind	Brand	Amount
IMFL including Foreign Liquors (Bottled in Origin)	All Brands	₹ 35 per 750 ML
Beer all types including imported Beer		₹ 15 per 650 ML
Wine, Cider		

RTD Beverages		
JK SPL Whisky		₹ 15 per 750 ML

B. Assessment Duty on sale of IMFL/BEER/RTD/JK Special Whisky by Licensees having Type B, License :

Kind	Brand	Amount
IMFL including Foreign Liquors (Bottled in Origin)	All Brands	₹ 35 per 750 ml bottle
Beer all types including imported Beer		₹ 15 per 650 ML
Wine, Cider		₹ 15 per 650 ML
RTD Beverages		₹ 15 per 650 ML
JK SPL Whisky		₹ 15 per 750 ML

C. Additional Assessment Duty on sale of IMFL/BEER/RTD/JK Special Whisky by Licensees having Type B, C and DLicense :

Kind	Brand	Amount
IMFL including Foreign Liquors (Bottled in Origin)	All Brands	42% of MRP
Beer all types including imported Beer		
Wine, Cider		
RTD Beverages		
JK SPL Whisky		

D. Assessment Duty on sale of IMFL/ BEER/ RTD/ JK Special Whisky by Licensees having Type A License:

Assessment Duty @ Rs. 5.00 per Bottle of 750 ML shall be charged for all kinds of IMFL, JK Special Whisky and @ Rs 5.00 per bottle of 650 ML for Beer and RTD in case of Wholesale Trades i.e. **TYPE A** license holders.

Assessment/ Additional Assessment Duty shall be payable on monthly basis in accordance with the prescribed procedure.

19. Draught Beer.—The Draught Beer is allowed to be supplied directly from the Brewery to the Bars in kegs on payment of applicable duties.

20. Duty free import of liquor.—Up to two litres of imported duty free liquor accompanied with proper invoice shall be allowed to be carried into the State of J&K by any bonafide person.

21. Social Responsibility Corpus Fund.—The long term objective of the State is to eliminate or reduce the consumption of liquor primarily through educating the masses regarding the harmful effects of consumption of liquor.

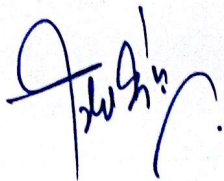
Towards this end, the Department shall spend money on educating people through activities like awareness campaigns, engagement with local youth and communities and drug de-addiction programmes.

Accordingly, the Department will exhort all its stakeholders, in particular all licensees, to contribute a minimum of 2% of their annual profit towards CSR Fund established by the Department.

The Department itself will contribute a matching amount and the corpus so created will be used for education of masses against drug addiction, reduction of instances of drunken driving, de-addiction activities and providing health support by way of providing ambulance services on the National Highway.

This notification shall come in force with immediate effect.

By order of the Government of Jammu and Kashmir.



Sd/-
(Navin K. Choudhary), IAS
Principal Secretary to Government,
Finance Department.

No. ET/Estt/2017/77

Dated : 29.05.2018

Copy to :—

1. Ld. Advocate General, J&K.
2. All Financial Commissioners.
3. Principal Secretary to Hon'ble Chief Minister.
4. Principal Resident Commissioner, J&K, 5-Prithvi Raj Road, New Delhi.
5. Principal Secretary to Hon'ble Governor.
6. All Principal Secretaries to Government.
7. Chief Electoral Officer, J&K.

8. Principal Accountant General, J&K.
9. All Commissioners/Secretaries to Government.
10. Divisional Commissioner Kashmir/Jammu.
11. Registrar General, J&K High Court.
12. Excise Commissioner, J&K.
13. Commissioner Commercial Taxes, J&K.
14. Director Information, J&K.
15. All District Development Commissioners.
16. Secretary, J&K Legislative Assembly/Legislative Council.
17. General Manager, Ranbir Government Press for publication in Government Gazette.
18. Private Secretary to Chief Secretary.
19. Private Secretary to Hon'ble Ministers/Hon'ble Ministers of State for information of the Hon'ble Ministers.
20. I/C Website, Finance Department (www.jakfinance.nic.in).
21. I/C Website, General Administration Department (www.jkgad.nic.in).
22. Government order file/Stock file (W2scs).


(Aadil Fareed)

Under Secretary to Government
Finance Department