

GOVERNMENT OF JAMMU & KASHMIR
OFFICE OF THE EXCISE COMMISSIONER, J&K
EXCISE AND TAXATION COMPLEX, RAIL HEAD, JAMMU
E-mail: excise.commr@jk.gov.in

Subject: Rationalization of Production and Sale of JK Special Whisky and JK Country Liquor.

Reference: 1. The J&K Excise Policy 2023-24 notified by the Finance Department vide S.O. 172 dated 28-03-2023.
2. Deputy Excise Commissioner (Distilleries), Jammu's letter No. DECDJ/3746 dated 31-03-2023.

ORDER No.: 23 - EC OF 2023

DATED: 10 - 04 - 2023

The Finance Department, Government of J&K, vide S.O. 172 dated 28-03-2023 notified the J&K Excise Policy 2023-24 with one of the Policy objectives at *para 1.2* dealing with the initiatives to be taken to encourage transition from high to low alcoholic content beverages and *para 1.7* calls for rationalization of production and sale of JK Special Whisky and JK Country Liquor to curb illicit distillation;

AND WHEREAS, *para 13.5* calls for introduction of low alcohol content country liquor by the name of 'JK Country Liquor' to prevent the illegal distillation and sale of illicit liquor. The relevant part of the *para 13.5*, is reproduced hereunder:

"To prevent the illegal distillation and sale of illicit liquor, the department shall introduce low alcohol content country liquor by the name of 'JK Country Liquor' having alcohol strength of 45-degree proof with all Duties/Fees as applicable to JK Special Whisky."

AND WHEREAS, *para 16* of the J&K Excise Policy 2023- indicates rationalization of Production and Sale of JK Special Whisky and JK Country Liquor reads as under. *Para 16* is reproduced as under:

Rationalization of Production and Sale of JK Special Whisky and JK Country Liquor:

"In order to have fair business practices and to discourage any kind of cartelization and monopolistic practices in the liquor Trade, the Excise Department shall rationalize the production, distribution and sale of JK Special Whisky/JK Country Liquor. A quota equivalent to 40% of the total production of JK Special Whisky in the year 2022-23, shall be equally distributed among the operational Distilleries/Bottling Plants during the year 2023-24 for production of JK Special Whisky and JK Country Liquor. An undertaking shall be submitted by the Distilleries/Bottling Plants about the timely production and supply of JK special whisky/JK Country Liquor. However, in case of any default the quota shall be withdrawn in respect of defaulting units and the Excise Department shall redistribute the quota

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equally among other compliant Distilleries/Bottling Plants. Lifting of the 40% quota of JK Special Whisky/JK Country Liquor by the JKEL-1 and JKEL-2 vends shall be notified separately by the Excise Commissioner."

AND WHEREAS, to implement the Excise Policy 2023-24, the department vide Order No. 363-EC of 2023 Dated 10.03.2023 constituted the following Committee to examine and recommend steps in the matter

1. Deputy Excise Commissioner (Distilleries) Jammu
2. Excise & Taxation Officer, Distilleries, Jammu
3. Excise & Taxation Officer, Trade, Jammu
4. Presenting Officer, (Law)
5. Departmental Chemist
6. Inspector Trade

AND WHEREAS, the designated Committee vide letter No. DECDJ/3746 dated 31-03-2023 submitted its recommendations regarding Rationalization of Production and Sale of JK Special Whisky and JK County Liquor;

NOW THEREFORE, in view of the above provisions of the J&K Excise Policy 2023-24, recommendations of the designated Committee and to end the monopolistic trade practices in Production and distribution of JK Special Whisky and JK County Liquor, following guidelines/actions at various levels viz. operational Distilleries & Bottling Plants, JKEL-1 and JKEL-2 licenses are hereby issued for immediate compliance:

(A). Action by Distilleries/Bottling Plants:

1. As provided for in the Excise Policy 2023-24, a quota equivalent to 40 % of production of JK Special Whisky during the year 2022-23 shall be distributed among operational D-2/JKEL-6 licensees in equal proportion for production of JK Special Whisky/JK Country Liquor during the year 2023-24.
2. All the D2/JKEL-6 licensees shall furnish an undertaking for timely production and supply of JK Special Whisky/JK Country Liquor. Units not furnishing such undertaking shall not be allowed to produce/supply JK Special Whisky/JK Country Liquor for the year 2023-24.
3. Fixed quota shall have to be supplied by the manufacturing units to the JKEL-1 Trades as per schedule prescribed at point No. 5.
4. Production of JK Special Whisky/JK Country Liquor beyond the fixed quota shall remain open for all the manufacturing units as per their capacity and demand in the market.
5. Quota allotted to a manufacturing unit shall have to be achieved on quarterly basis as per following schedule:-

Quarter	Months	Month-wise Percentage	Quarterly Percentage
1 st Quarter	April	7%	24%
	May	9%	
	June	8%	
2 nd Quarter	July	9%	25%

	August	8%	
	September	8%	
3 rd Quarter	October	8%	27%
	November	10%	
	December	9%	
4 th Quarter	January	8%	24%
	February	8%	
	March	8%	

[*Licensee should preferably lift quota month wise, but failing to meet monthly requirement shall not invite any penalty against the licensee if prescribed quarterly schedule is adhered to.]

6. In case of failure of manufacturing unit to supply full quantity of quarterly fixed quota as per the prescribed schedule, the shortfall shall be added to the quota of the concerned unit for the next quarter. The licensee shall also furnish an undertaking to the effect that production and supply of the remaining quota will be achieved in the next quarter.
7. If any distillery/bottling plant expresses inability to supply the allotted quota at any point of time or fails to supply its cumulative quota by the end of 3rd quarter, no further production of JK Special Whisky/JK Country Liquor shall be allowed to the defaulting unit and remaining quota allotted to the unit in question shall be transferred to all the other compliant manufacturing units in equal proportion. Defaulting unit shall have to pay Rs 12.00 per case of JK Special Whisky/JK Country Liquor as Quota Transfer Fee.
8. The Excise Officers of manufacturing units shall closely monitor and ensure that the quota allotted to the concerned unit is produced and supplied to each JKEL-1 Trade on monthly basis and that the quarterly quota of the licensee is exhausted as per the prescribed schedule. Proper record of the quota produced and supplied shall be maintained in the unit.
9. Excise Officers of manufacturing units shall also ensure that quota fixed for each JKEL-1 Trade is exhausted before processing any requisition for open sale of JK Special Whisky/JK Country Liquor.
10. In case of failure of distillery/ Bottling plant to supply the fixed quota by the end of 3rd quarter, Excise Officer concerned shall issue notice to the defaulting unit alongwith intimation to concerned Excise & Taxation Officer. The concerned Excise & Taxation officer shall recommend the course of action prescribed at point No. 7 above, to the higher authorities.
11. Excise & Taxation Officer Distilleries shall ensure that monopolistic practices are not adopted by the Manufacturing units and JK Special Whisky/JK Country Liquor is supplied equitably to all the JKEL-1 Trades till the fixed quota is exhausted.
12. Quota of JK Special Whisky/JK Country Liquor fixed for production by the distilleries/bottling plants for the year 2023-24 shall also be distributed equally among the operational JKEL-1 Trades.
13. In case of any Distillery/Bottling Plant indulging into production of JK Special/Country liquor below the prescribed strength and volume, that

unit shall be blacklisted for providing the JK Special Whisky and JK Country Liquor during the year, besides imposing of penalty as under rules.

14. The Format of the Quota Register at Distillery level shall be issued by DEC (Distilleries).

(B). Action by JKEL-1 Trades:

1. Quota allotted to a JKEL-1 Trade shall have to be lifted by the Trade and further issued to retail vends on quarterly basis as per schedule prescribed at Point No. 5 above.
2. While placing requisition for JK Special Whisky/JK Country Liquor, the JKEL-1 licensee shall mention on the requisition whether the requisition is for fixed quota or for open sale.
3. Requisition for JK Special Whisky/JK Country Liquor from JKEL-1 Trade shall not be entertained by the concerned Excise Officer unless the fixed quota to be lifted from all the manufacturing units has been exhausted by the concerned Trade.
4. Lifting of JK Special Whisky/JK Country Liquor by JKEL-1 Trades over and above the fixed quota shall remain open and they shall be at liberty to lift JK Special Whisky/JK Country Liquor as per their choice of distillery/bottling plant.
5. In case of failure of JKEL-1 Trade to lift its full quantity of quarterly fixed quota of JK Special Whisky/JK Country Liquor as per the prescribed schedule, the shortfall shall be added to the quota of the next quarter. The licensee shall also furnish an undertaking to the effect that the remaining quota will be lifted in the next quarter.
6. If any JKEL-1 Trade expresses inability to lift the allotted quota at any point of time or fails to lift its cumulative quota by the end of 3rd quarter, no further lifting of JK Special Whisky/JK Country Liquor shall be allowed and remaining quota allotted to the Trade in question shall be transferred to all the other compliant JKEL-1 Trades in equal proportion. Defaulting JKEL-1 Trade shall have to pay Re 1.00 per 750 ml bottle of JK Special Whisky/JK Country Liquor as Quota Transfer Fee.
7. If any JKEL-1 Trade by the end of 3rd Quarter, fails to sell the quota lifted from the manufacturing units, the same shall be allowed to be transferred to any of the JKEL-1 Trade on production of consent letter from transferee JKEL-1 Trade and on payment of transfer fee amounting to Re 1.00 per 750 ml bottle of JK Special Whisky/JK Country Liquor by the transferor.
8. The Excise Officers of JKEL-1 Trade shall ensure that the quota fixed to be lifted from each distillery/bottling plant, is lifted by each JKEL-1 Trade on monthly basis and that the quarterly quota allotted to the Trade is exhausted as per the prescribed schedule. Proper record of the quota lifted shall be maintained in the Trade.
9. The concerned Excise Officers of JKEL-1 Trades shall also ensure that the quota lifted from all manufacturing units is issued to each retail vend




placing requisition with the Trade, on monthly basis and that the quarterly quota for supply to the retail vends is exhausted as per the prescribed schedule. Proper record of the quota issued to retail vends shall be maintained in the Trade.

10. Incharge Trade/ Excise & Taxation Officer Range shall ensure that no monopolistic practices are adopted by the licensees and JK Special Whisky/JK Country Liquor is lifted equitably from all the manufacturing units by all the JKEL-1 Trades till the fixed quota is exhausted.
11. The format of Quota Register to be maintained at Trade level shall be issued by DEC (Executive).

(C). Action by JKEL-2 Retailers:

1. All the JKEL-2 vends shall be required to lift 40% of the MGQ out of the Quota stock of JK Special Whisky/JK Country Liquor lying with the JKEL-1 Trades as per the above prescribed schedule, failing which the defaulting JKEL-2 Licensee shall have to pay Rs. 2.00 per 750 ml bottle as penalty for short lifting by the end of 3rd quarter.
2. While placing requisition for JK Special Whisky/JK Country Liquor, the JKEL-2 licensee shall mention on the requisition whether the requisition is for fixed quota or for open sale.
3. The Excise & Taxation Officer Range shall discourage any kind of cartelization by the retail vends and shall ensure that the stock of JK Special Whisky/JK Country Liquor of all the manufacturing units is procured from all JKEL-1 Trades.
4. All the JKEL-2 vends shall maintain month-wise record of stock of quota of JK Special Whisky/JK Country Liquor as per the Quota Register (**Annexure-'A'**) which shall regularly be verified by the Excise Officer concerned.

Encl: Annexure-'A'.


(Pankaj Kumar Sharma), JKAS,
Excise Commissioner, J&K

No.: EC/Exc/Misc/F-126/430-48

Dated: 10-04-2023

Copy to:

1. Administrative Secretary to Govt., Finance Department, J&K Civil Secretariat, Jammu.
2. Deputy Excise Commissioner (Executive), Jammu/Kashmir.
3. Deputy Excise Commissioner (Distilleries), Jammu
4. Deputy Excise Commissioner (Accounts), Jammu.
5. Excise and Taxation Officer, City Excise Range, (North/South), Jammu, Excise Range Udhampur-Reasi, Doda-Kishtwar-Ramban, Kathua, Samba, Rajouri-Poonch, Srinagar-Budgam-Ganderbal, Distilleries, Eradication Wing Jammu, Accounts Kashmir, Anantnag-Pulwama-Kulgam-Shopian, Baramulla-Kupwara-Bandipora, Distilleries.
7. Sr. Programmer Excise Department.
8. All concerned licensees.
9. Order file/concerned file.

I/201691/2023

Annexure – 'A'

QUOTA REGISTER

(JK Special Whisky/JK Country Liquor)

Name of Distillery/Bottling Plant: _____

Month: _____

S. No.	Particulars of JKEL-1 (Trade)	T.P. No. & Date	Receipt (JKSW/JKCL)				Issue				Balance			
			750 ml	375 ml	250 ml	180 ml	750 ml	375 ml	250 ml	180 ml	750 ml	375 ml	250 ml	180 ml
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Verified
Excise Officer