



GOVERNMENT OF KERALA

Abstract

Taxes Department - Excise - Abkari Policy for the year 2007- 08 - Orders issued.

Taxes (G) Department

G.O. (MS) No.34/07/TD. Dated, Thiruvananthapuram, 01-03 -2007.

ORDER

Government is fully committed to discourage alcohol consumption as it leads to serious social problems. Creation of awareness against liquor consumption is considered to be crucial to the overall achievement of this policy. Stringent action will be initiated against illicit liquor trade in the state. Enforcement will be strengthened with popular committees to have uninterrupted flow of information to check all liquor related menace. To have meaningful results in this direction, Government will reconstitute committees with inclusion of trade unions, political parties and other NGOs working in the field of prohibition.

Government is committed to ensure supply of quality toddy through toddy shops. All toddy shops will be maintained clean and hygienic. Production and distribution of sweet toddy is under active consideration.

Government consider it necessary to restore cancelled toddy shops as toddy sector is job oriented traditional industry. Government will give effect to the main recommendations of the committee which had gone in to the details of problems faced by Toddy Sector.

Government are pleased to announce the Abkari Policy for the Year 2007-08 as detailed below:-

1. Toddy shops will be disposed in groups consisting of 5 to 7 shops by licensing system. Unsold shops will be sold in Range/Taluk wise. Toddy shops as decided by the Government, will be entrusted to Co-operative societies as well.
2. Government will ensure that the licenced shop will have minimum hygienic conditions.

3. In order to provide infra-structural facilities in toddy shops, the prospects of formation of societies under the charitable societies Act with the representatives from workers Co-operative societies, Toddy Workers Welfare Fund Board and Government for the purpose of undertaking building construction will be considered. Funds required for this purpose may be made available from toddy Workers Welfare Fund Board .
4. Government is committed to provide quality toddy through toddy shops. Government will encourage co-operative societies in Toddy sector. Toddy being traditional Industry, individuals, individual groups, workers Committee and co-operatives will be given sufficient priority to run the Toddy shops. Formation of Apex Society will also be considered.
5. All the toddy shops which were cancelled during 2002 - 03 will be restored. The employees who were attached to the cancelled shops will be re-allotted in the restored toddy shops. Licence fee for the Toddy shops will be increased by 10% from the existing rate. The enhanced rate will apply to restored shops as well.
6. While selling the toddy shop, preference will be given to those licensees who have conducted toddy shops during the preceding three years. The licensees implicated in Abkari cases and subsequently exonerated by the courts will also be given preference. No one will be considered if Abkari offences other than under Section 56 of the Abkari Act is registered.
7. In order to ensure prompt payment of Government dues, welfare fund and wages of employees sufficient Bank guarantee/Solvency by way of Treasury Savings deposits will be insisted except co-operative societies and workers committees.
8. Minimum number of trees earmarked for tapping toddy for each shop will be as follows.

coconut trees -- 50

Palmyrah -- 100

Choonda Pana trees - 25

9. An expert committee will be set up, to study and report changes required in the Abkari Act. Committee will submit its report within 6 months to Government to take further action.
10. Excise Dept will be modernised and strengthened in a phased manner.
11. Government will explore the possibility of distribution of Sweet Toddy through Workers Co operative Societies.
12. All the 418 FL3 bar hotels which are not having 2 star status will be regularised.
13. Rule 24 of the Foreign Liquor Rules will be amended suitably so as to allow shifting of bar hotels to a new premises only if the proposed hotel is provided with 3 star classification and above issued by Department of Tourism, Government of India. Fee for such transfer of licence will be increased from Rs.10,000 to Rs. 2, 00,000.
14. As per Rule 19 of Kerala Foreign Liquor Rules, fee for Reconstitution of partnership deed will be increased from Rs.10,000 to Rs. 50,000. There will be a condition that reconstituting bar hotels will have minimum 2 star classification issued by the Tourism Department, Government of India.
15. The licence fee of FL3 bars will be enhanced from Rs. 18 lakhs to Rs.22 lakhs.
16. The rental of FL1 shops will be enhanced from Rs.51.27 lakhs to Rs.63 lakhs (Rupees sixty three lakhs).
17. The rental of FL11 shops will be enhanced from Rs. 3 lakhs to Rs. 4 lakhs.
18. The rental of FL4 A will be enhanced from Rs. 5 lakhs to Rs. 6 lakhs.
19. In order to ensure speedy disposal of pending Abkari cases and to enhance revenue to Government, Abkari Offences will be compounded by classifying them as major and minor offences. Abkari Offences involving arrack above 25 litres, wash above 100 litres and duty paid IMFL above 50 litres will be treated as major

offences. Abkari offences involving lesser quantities will be treated as minor offences. All offences involving spirit and illicit Foreign Liquor will not be compounded. All offences registered under section 56 of Abkari Act also will be compounded. Minor offences will be compounded by realisation of Rs. 10,000 from each accused.

20. The fine imposed for violation, by way of reconstitution/alteration/ modification without permission of Excise Commissioner of any deed on the strength of which any licence is granted will be enhanced from Rs. 25,000 to Rs. 5 lakhs.

21. Excise duty is revised as follows:-

1) Rs.235 and above but below Rs. 250 -	14.5% of the value of a case of liquor per proof litre subject to the minimum of Rs.34.5
2) Rs.250 and above but below Rs. 300 -	15.5% of the value of a case of liquor per proof litre subject to the minimum of Rs.40.
3) Rs.300 and above but below Rs. 400 -	16% of the value of a case of liquor per proof litre subject to the minimum of Rs.53.
4) Rs.400 and above but below Rs.500	16% of the value of a case of liquor per proof litre subject to the minimum of Rs.66.
5) Rs.500 and above but below Rs.1000	16% of the value of a case of liquor per proof litre subject to the minimum of Rs.80.
6) Rs.1000 and above	16% of the value of a case of liquor per proof litre subject to the maximum of Rs.165.

22. Heritage Hotels classified by Ministry of Tourism, Government of India will be eligible for FL 11 licences. Single and two Star hotels functioning at Tourist Centres approved by Taxes Department will

also be eligible for FL 11 licences. In addition to the existing 8 tourist centres, Cherai in Ernakulam and Athirappilly in Thrissur will also be included in the list of tourist centres for issuing FL11 licence.

23. The distance rule for Heritage Hotels classified by Ministry of Tourism, Government of India will be 50 meters as in the case of 4 star and 5 star hotels.

24. The fee for various licences issued under the distillery and Warehouse Rules, Foreign Liquor compounding, Blending and Bottling Rules and Brewery Rules will be enhanced as detailed below.

Distillery and Warehouse Rules	<u>Form I, II & III From Rs. 1 lakh to Rs.2 lakhs.</u> <u>Form IV From Rs.25000 to Rs. 50000.</u>
Foreign Liquor Compounding, Blending and Bottling Rules	<u>Form I Rs. 1 lakh to Rs. 2 lakhs</u> <u>Form II From Rs.50000 to Rs. 2 laks</u> <u>Form IV From Rs.50000 to Rs. 1 lakh</u>
Brewery Rules	<u>Form BI From Rs,1 lakh to Rs. 2 lakhs</u> <u>Form B1 A From Rs. 50000 to Rs. 1 lakh</u>

25. The power to issue FL 6 licence will be delegated to the Excise Commissioner. The fee for the same will be enhanced from Rs.10000 to Rs. 15000.

26. Government will take steps for the Production of Foreign liquor in the Public Sector, and its sale through Kerala State Beverages Corporation outlets .

By order of the Governor,

P. MARA PANDIYAN
Secretary to Government

To

The Commissioner of Excise, Thiruvananthapuram.
The Managing Director, Kerala State Beverages Corporation.
The General Administration (SC) Department - vide item No. 827

dated, 28-02-07

The Taxes (A) & (F) Department.

✓ The Director of Public Relations Dept. (For giving publicity.)

The AG(A&E/Audit), Kerala, Thiruvananthapuram

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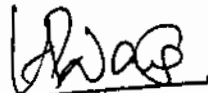
Copy to:-

The Private Secretary to Chief Minister.

The Private Secretary to Minister (Labour & Excise)

The Personal Assistant to Secretary (Taxes).

Forwarded/By Order



Section Officer.