



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

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GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR
EXCISE DEPARTMENT

NOTIFICATION

The 6th May, 2017

No.EX.138/2015/Pt-I/32.- In exercise of the powers conferred by section 84 of the Assam Excise Act, 2000 (Assam Act No. XIV of 2000) the Governor of Assam is hereby pleased to make the following rules further to amend the Assam Excise Rules, 2016, hereinafter referred to as the principal Rules, namely :-

Short title and commencement.

1. (1) These rules may be called the Assam Excise (Amendment) Rules, 2017.

(2) They shall come into force on the date of their publication in the Official Gazette.

Amendment of rule 618.

2. In the principal Rules, in rule 618, the existing provision shall be renumbered as rule 640.

Insertion of rule 618 to rule 639.

2. In the principal Rules, after rule 617, the following new rules 618 to rule 639, under a new chapter namely "PART-IX", shall be inserted, namely:-

"PART-IX**HERITAGE ALCOHOLIC BEVERAGES**

618. Definitions. In the succeeding rules, unless there is anything repugnant in the subject or context,

- (a) **"Act"** means the Assam Excise Act, 2000(Assam Act No. XIV of 2000);
- (b) **"Starter cake"** means the cakes which serve as microbial culture for fermentation of substrate to produce heritage alcoholic beverages and made from grain, leaves, flower, seeds and other plant parts using traditional methods and processes;
- (c) **"Self-help groups"** means a village based registered group of micro-entrepreneurs having homogeneous social and economic backgrounds, all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help and usually composed of 5–20 local women or men;
- (d) **"Registered society"** means a co-operative society registered or deemed to have been registered under the 'Assam Co-operative Societies Act, 1949' and includes a society formed after amalgamation of such two or more societies or by division of such an existing society;
- (e) **"Joint Liability Group"** means a group of 4-10 people of same village/locality of homogenous nature and of same Socio Economic Background who mutually come together to form a group for the purpose of availing loan from a bank without any collateral;
- (f) **"Licensing authority"** means the Excise Commissioner for the manufactory licences and the Collector of the respective district for the wholesale, microbrewery and retail heritage alcoholic beverages licences subject to the previous sanction of the State Government;
- (g) **"Heritage alcoholic beverages"** means alcoholic beverage made from fermented grain or fruits by using traditional starter cake and contains not more than 12 percent alcohol volume by volume;
- (h) **"Heritage alcoholic beverages manufactory"** means the building alongwith the premises specified in the licence for the manufacture and storage of heritage alcoholic beverages ;
- (i) **"Heritage alcoholic beverages microbrewery"** means a small Heritage alcoholic beverages brewery situated in a place on the premises of IMFL/Beer retail 'ON'

hotel, irrespective of its star status, or IMFL/Beer 'ON' restaurant licences issued under these Rules, where heritage alcoholic beverage is manufactured and the same is served to their customers for consumption within the premises with an installed capacity of not more than one thousand liters per day.

619. Application for a heritage alcoholic beverages manufactory licence. Any person desiring to obtain a licence to establish a heritage alcoholic beverages manufactory shall apply to the Excise Commissioner stating therein and satisfying upon,

- (a) applicant's name, parentage and permanent address;
- (b) details of technology for the manufacture of heritage alcoholic beverages, such as:-
 - (i) method of manufacture;
 - (ii) raw materials to be used and proportion of yield there from;
 - (iii) starter cake to be procured, added and proportion thereof vis-à-vis other raw materials alongwith stages involved;
 - (iv) duration of fermentation alongwith process to be followed;
 - (v) details of bottling process, sealing and labelling; and
 - (vi) name of brands and their origin in terms of the communities or tribes involved traditionally in the manufacture of the particular brands;
- (c) product profile such as marketing capacity in and outside Assam and revenue prospects;
- (d) manufactory details such as systematic profile of the plant and it's working;
- (e) details regarding place of establishment of manufactory, such as ownership, commercial conversion;
- (f) copy of the document showing the applicant's right, title and interest on the proposed site or the land;
- (g) pollution and environmental factors, if any, clearance from the concerned department;
- (h) a registered deed of agreement with the ethnic self-help groups, registered societies and Joint Liability Groups who are the manufacturer of the starter cake, stating that at least 25% of the total requirement of starter cakes or any of the ingredients required will be procured from such groups;

(i) treasury Challan showing deposit of Application Fee of rupees twenty five thousand only;

(j) if the applicant is a firm, company or corporation, it shall submit the following particulars and documents in addition to the particulars and documents submitted above :—

(A) In case of a partnership firm :-

(i) two copies of the partnership deed, if any ;

(ii) a copy of the registration certificate duly notarized by a Notary showing the registration of the Partnership Deed;

(iii) complete biodata of partners including names and addresses ;

(iv) a photocopy of the PAN Card duly attested by a gazetted officer ;

(v) bank particulars of partners ;

(vi) copies of Income Tax Returns for the last three years along with acknowledgement certificates ;

(vii) the name and complete biodata of the person who shall deal with Excise matters.

(B) In case of a company:-

(i) two copies each of certificate of incorporation issued by the Registrar of Companies and Memorandum of Articles of Association;

(ii) a copy of the latest audited financial statements such as the Balance Sheet and the Profit and Loss Accounts ;

(iii) location of the registered office ;

(iv) particulars of Directors ;

(v) proof of filing the documents with the Registrar of Companies ;

(vi) particulars of bank account of the company as well as the individual Directors ;

(vii) a photocopy of the PAN Card of the company as well as those of the individual Directors duly attested;

(viii) copies of Income Tax Returns filed by the company for the last three years along with acknowledgement of the Income Tax Returns as well as those for the individual Directors ;

(ix) a copy of the Board's resolution, if any, relevant to the application ;

(x) a copy of the Board's resolution stating the name and complete biodata of the person who shall deal with Excise matters.

Rule 588 of these Rules shall apply *mutatis mutandis* in the matter of application for heritage alcoholic beverages manufactory also.

620. Application Fee for grant of heritage alcoholic beverages manufactory, wholesale and retail licence or shifting of licensed premises. All applications for grant of heritage alcoholic beverages licence or shifting of licensed premises of any licence shall be made in prescribed form and shall be accompanied by a non-refundable and non-adjustable Application Fee at the following rates irrespective of sanction or grant of the applied licence:-

(a) For heritage alcoholic beverages manufactory licence: Rs.25,000.00

(b) For heritage alcoholic beverages wholesale licence: Rs.15,000.00.

(c) For heritage alcoholic beverages microbrewery licence: Rs.10,000.00

(d) For heritage alcoholic beverages retail licence: Rs.5,000.00 irrespective of sanction or grant of the applied licence.

621. Procedure for the grant of manufactory license.(1) On receipt of the application under rule 619, the Excise Commissioner shall cause to be examined the suitability of the site and the buildings on which the plant is proposed to be set up and verify the correctness of the particulars and documents enclosed along with the application through the concerned District Collector;

(2) The Collector shall, after examination and verification under sub-rule (1), forward the application with his opinion to the Excise Commissioner.

(3) The Excise Commissioner shall, after such further enquiry as he may think necessary, forward to the State Government with his opinion in this regard.

(4) The State Government shall consider the opinion of the Excise Commissioner under sub-rule (3) and may sanction the grant of license.

(5) Provided that when the application for manufactory licence of heritage alcoholic beverages is made by an existing IMFL manufactories, Country Spirit manufactories(granted under Part-VIII of these Rules), an existing brewery and for an existing IMFL or Country Spirit manufactory or brewery licensed premises, the procedure provided in rule 619 and sub-rule (1), (2), (3) and (4) of rule 621 above shall not be applicable.

622. Addition or alteration to buildings, still etc. requires previous sanction.(1) No addition or alteration to buildings or other permanent apparatus as shown in the

plans of the plant approved by the Excise Commissioner shall be made without the previous sanction of the Excise Commissioner.

(2) When any addition or alteration to the plan of the plant approved by the Excise Commissioner is required to be made, the licensee shall submit to the Excise Commissioner, through the Collector, a revised copy of the plan of the plant with a certificate from the Officer-in-Charge of the plant as to its correctness.

(3) The Excise Commissioner may, if he thinks it necessary, approve the revised plan submitted under sub-rule (2).

623. Excise Commissioner may verify description and plans at any time.(1) The Excise Commissioner may verify at any time the description and plans approved under rule 621 or rule 622 and if he finds any deviation from the approved plans, he may require the licensee to submit revised plan for approval.

(2) The Excise Commissioner may depute any officer for verification, as mentioned in sub-rule (1) and such officer shall be allowed full access to the premises. The manufacturer shall be bound to carry out any rectification as per direction of Commissioner within a reasonable time to be fixed by the Commissioner.

624. Licence fees.(a) For heritage alcoholic beverages manufactory licence: Rupees twenty five thousand only per annum.

(b) For heritage alcoholic beverages wholesale licence: Rupees fifteen thousand only per annum.

(c) For heritage alcoholic beverages microbrewery licence: Rupees ten thousand only per annum.

(d) For heritage alcoholic beverages retail licence: Rupees five thousand per annum.

The provisions contained in rule 129 and 130 of these Rules shall apply mutatis mutandis in the matter of renewal of all kinds of heritage alcoholic beverages licences.

625. Appointment of Excise Officer/ Staff and their cost. The appointment of excise officers and staff shall be governed by rule 461 of these Rules.

626. Accommodation for Officer-in-charge and establishment. The accommodation for Officer-in-charge and other establishment shall be governed by rule 462 of these Rules.

627. Office furniture. The manufacturer shall provide such office furniture as may be required for the use of the officers within the plant.

628. Notice of commencement and cessation of work. Every proprietor or manager of a licensed plant shall give at least fifteen days' notice in writing to the Collector of the date on which he proposes to commence the work of the plant and at least one month's notice before he desires to cease the work of it.

629. Power to withdraw the establishment. In case a manufacturer desires to cease the production of the plant for a period exceeding one month, he shall intimate the same in writing and request to withdraw the establishment to the Excise Commissioner. The Excise Commissioner shall withdraw the establishment stationed at the plant and prohibit further production of the heritage alcoholic beverages in the plant until the manufacturer has given him a fifteen days' notice in writing of the date on which he proposes to re-commence the production of heritage alcoholic beverages in the plant.

630. Fastenings for lock. The manufacturer shall provide and maintain suitable and secure fastenings, wherever the Excise Commissioner may deem necessary, to all vats and other receptacles, store-rooms, pipes etc. to the satisfaction of the Excise Commissioner for the attachment of locks. The keys of all such locks shall be retained by the Officer-in-Charge. The manufacturer shall also attach his locks to all rooms used for the manufacture or storage of spirit and he shall be bound to remove such locks when required by the Officer-in-Charge.

631. Quality.(1) The manufacturer shall ensure use of transparent white glass/ PET bottles and also ensure proper cleaning, washing, rinsing, sealing, labelling and packaging to the satisfaction of the Excise Commissioner:

Provided that the Excise Commissioner may require the manufactory to strictly adhere to such standards of cleaning, washing, rinsing, sealing, labelling and packaging, as may be directed by him from time to time.

(2) The Excise Commissioner may require any manufactory or wholesaler or retailer to affix security holograms or adhesive tapes or shrink sleeves or any other distinguishing mark on the cap of the bottle or neck of the bottle or on the label of the bottle or one or more combinations thereof or at any portion of the body of the bottle, as may be directed by him from time to time.

632. Chemical analysis of heritage alcoholic beverages. (1) The manufacturer shall provide two bottles of heritage alcoholic beverages measuring 600 ml. and 300 ml. from each batch at free of cost to the Officer-in-Charge of the manufactory for analysis and fitness for human consumption by the Chemical Examiner, Excise, Assam.

(2) In case of urgency, and on the requisition of the manufacturer of heritage alcoholic beverages, bottled beverages may be allowed to be issued on the basis of the report declared by the manufacturer's chemist in a certificate as regards to the fitness of that beverage for human consumption.

(3) The licensee of a heritage alcoholic beverages microbrewery shall arrange to check the quality of raw materials used and the heritage alcoholic beverage produced in the microbrewery by the Chemical Examiner, Excise, Assam. The samples shall be drawn once in every month and the report of the Chemical Examiner, Excise, Assam shall be displayed on the premises of the heritage alcoholic beverages microbrewery.

633. Issue of heritage alcoholic beverages only on payment of duty.(1) No heritage alcoholic beverages in labelled and capsuled bottles shall be issued without payment of *Ad-valorem* levy from a heritage alcoholic beverages manufactory.

(2) For the purpose of these rules, the *Ad-valorem* levy on heritage alcoholic beverages imposed under section 20 of the Act shall be charged on the basis of a duty multiplier as mentioned below, on the assessed value ascertained by applying an abatement of 65% on the declared MRP.

Prescribed *Ad-valorem* levy on heritage alcoholic beverages for sale in Assam: 0.4 times of the assessed value ascertained by applying an abatement of 65% on the declared MRP for a bottle of 600 ml or equivalent quantity.

For heritage alcoholic beverages produced in a microbrewery, the *Ad-valorem* levy shall be charged on the basis of its daily installed capacity @ Rs.4.00 per BL.

634. Procedure of issue of heritage alcoholic beverages. The provisions contained in rule 20, 21, 22 and 24 of these Rules shall apply *mutatis mutandis* to the procedure of issue of heritage alcoholic beverage also.

635. Establishment of duty paid heritage alcoholic beverages wholesale warehouse.(1) Persons desirous of obtaining wholesale licenses for the deposit and

storage of duty paid heritage alcoholic beverages shall apply to the District Collector, who shall grant the license with the previous sanction of the State Government.

(2) The applications shall contain the following particulars and documents:-

(i) the name or names and the address or addresses of the person or persons applying ;

(ii) the purpose for which the wholesale warehouse is proposed to be opened, specifying in detail the nature of the business which the applicant desires to carry on therein and the expected volume of transaction ;

(iii) the name of the place at which, the site on which and the building in which the warehouse is to be constructed or worked ;

(iv) copy of the document showing the applicant's right, title and interest on the proposed site or the land.

(v) the date from which in the event of a license being granted to him, the applicant proposes to commence working the wholesale warehouse;

(vi) 4 (four) copies of the approved plan of the buildings which he intends to use for his warehouse and a layout plan showing the position of store-rooms, warehouses etc.;

(vii) whether the applicant or any of his partners holds on the date of application or, held at any time in the past, individually or in partnership with others, any license for the sale of heritage alcoholic beverage and if so, the details ;

(viii) proof of solvency of the applicant ;

(ix) receipted original challan showing the deposit of application fee.

(x) whether the applicant/ applicants is/ are liable to pay any dues to Government, such as arrears of Excise Duty or fees, Sales Tax, Income Tax etc. in respect of any other license held by him.

(3) (i) On receipt of the application for license, the District Collector shall, examine the suitability of the site, the building and with regard to any other matter and thereafter send the application along with his opinion to the Excise Commissioner.

(ii) The Excise Commissioner shall, after such further enquiry as he may think necessary, forward to the State Government with his opinion in this regard.

(iii) The State Government shall consider the application and the opinion of the Excise Commissioner and may sanction the grant of license;

(iv) after the State Government has sanctioned the grant of license the applicant shall be called upon to make arrangements for the construction of the warehouse within six months of such communication. Upon completion of the building, he shall deposit two fresh copies of the plan with the Collector, who shall cause them to be verified and then submit one copy to the Commissioner for examination and comparison with the plan first submitted and for further verification that he may think necessary.

The applicant shall be bound to conform to the instruction of the Commissioner within a reasonable time, to be fixed by him, regarding any addition or alteration to the building which he considers necessary, whether before or after the final plans are submitted;

(v) After the applicant has complied with the instruction as aforesaid, the Excise Commissioner shall approve the plans with such modifications as are necessary and shall send the same to the District Collector for grant of the license to the applicant.

(vi) No addition or alteration to the building as shown in the plans finally approved by the Commissioner shall be made without the previous sanction of the Commissioner. When any addition or alteration is made with the previous sanction of the Commissioner, fresh plans shall be submitted to the Commissioner through the Collector where the warehouse is located.

(vii) It shall be open to the Commissioner to verify at any time any of the descriptions and plans mentioned hereinbefore, and on proof of error, to require fresh ones to be submitted for sanction. Such verifications may be made by any officer deputed for the purpose and such officer shall be allowed full access to the premises. Sanction to the plan may be withheld in respect of which it differs from plan, already sanctioned, and unless it has been rectified to the satisfaction of the Commissioner. The wholesaler shall

be bound to carry out such rectification within a reasonable time to be fixed by the Commissioner.

(4) Provided that when the application for wholesale warehouse licence of heritage alcoholic beverages is made by an existing IMFL wholesale warehouse licensee, Country Spirit wholesale warehouse licensee (granted under Part-VIII of these Rules) and for an existing IMFL or Country spirit wholesale warehouse premises, the procedure provided in sub-rule (1), (2) and (3) of rule 635 above shall not be applicable.

(5) Before the license to the warehouse is granted by the District Collector, the applicant shall pay:—

(a) the prescribed security deposit which shall be equivalent to the licence fee;

(b) the licence fee of rupees fifteen thousand only.

636. Establishment of heritage alcoholic beverages microbrewery and retail shops.(1)(i) The license for the microbrewery and retail sale of heritage alcoholic beverages may be granted by the Collector with the previous sanction of the Excise Commissioner.

(ii) Application for the grant of microbrewery and retail licenses may be submitted to the Collector along with receipted challan showing deposit of application fee.

(iii) The collector shall conduct such enquiry as he may think necessary and if he is satisfied with the suitability of the proposal in all respect including that of the site, the proposal shall be sent to the Excise Commissioner with his specific comments.

(iv) The Excise Commissioner shall examine the proposal so sent by the Collector concerned and if he is satisfied, shall sanction the grant of licence.

(v) Licences for the microbrewery and retail sale of heritage alcoholic beverages shall be granted by the District Collector with the previous sanction of the Excise Commissioner.

(vi) Before grant of such licence, a licence fee as specified in rule 624 above and a security deposit equivalent to the licence fee shall be realized from the applicant.

(2) Provided that when the application for retail sale licence of heritage alcoholic beverages is made by an existing Country Spirit retail sale licence holder (granted under Part-VIII of these Rules), an IMFL retail sale licensee and for an existing Country

Spirit retail or IMFL retail sale licensed premises, the procedure provided in sub-rule (i), (iii), (iv) and (v) of sub-rule (1) of rule 636 above shall not be applicable.

(3) No license shall be renewed if the licensee is in arrear of any Excise revenue or fee payable for the license unless otherwise directed by the Excise Commissioner.

(4) All existing IMFL manufactories, country spirit manufactories (granted under chapter-VIII of these Rules), IMFL and Country Spirit wholesale warehouses (granted under Part-VIII of these Rules), Breweries and IMFL and Country spirit retail sale licensees having a valid licence shall be eligible to apply for heritage alcoholic beverages manufactory, wholesale and retail licence respectively in terms of these Rules.

(5) All shopping malls, grocery shops, shops selling food items shall be eligible to apply for heritage alcoholic beverages retail licence in terms of these Rules.

637. Label, batch number, maximum retail price and holograms.(1) The capsuled or sealed(ROPP) bottles shall be labelled. A distinct serial number, to be known as the batch number, shall be allotted to each bottle and this number along with the date of manufacture is to be printed on the label at the time of bottling. The label shall also contain printed instructions showing:-

- (a) description of the guaranteed fluid contents in litres and/or millilitres ;
- (b) alcoholic strength of the contents ;
- (c) brand name ;
- (d) description of the product with the name of the community or tribe who traditionally manufactures the product;
- (e) place of manufacture ;
- (f) full name and address of the manufacturer and the date of manufacture ;
- (g) in case of products meant for sale in Assam, the legend "For sale in Assam only";
- (h) in case of products meant for sale in Assam, the maximum retail price (MRP) inclusive of all taxes of the product.

(2) No label shall be used unless the same has been duly registered under these rules. No heritage alcoholic beverages shall be manufactured or sold or offered for

sale in bottles by the manufacturer or wholesaler in Assam unless the brand names under which and the label and measure in litre with which it is to be manufactured or sold, have been registered with the Excise Commissioner and a certificate authorizing manufacture and sale under such brand name and with such label for each measure has been granted by him.

(3) The registration shall be for a period not exceeding one year from the first day of April to the thirty first day of March.

A fee of rupees five thousand shall be payable by the licensee for the certificate under sub-rule (2) and rupees five thousand for renewal thereof.

(4) Application for registration of a brand and label of heritage alcoholic beverages under sub-rule (2) shall be made to the Excise Commissioner at least two months prior to its manufacture or sale or offer for sale:

Provided that the application for renewal of the existing brands and labels shall be submitted to the Excise Commissioner by the month of February every year.

(5) Application submitted under sub-rule (4) shall be accompanied with the following particulars :-

(a) the brand name under which and the measure in litres or millilitres in which the heritage alcoholic beverage is proposed to be manufactured or sold ;

(b) the description of the product with the name of the community or tribe who traditionally manufactures the product;

(c) the name and address of the manufacturer ;

(d) specimen copies of the labels, authenticated by the applicant with his signature in full and date showing:-

(i) the particulars mentioned in clause (a), (b) and (c), and

(ii) in case of products meant for sale in Assam, the printed inscription "For sale in Assam only" :

(e) a copy of the challan showing the payment of fee for registration :

Provided that in case of renewal of certificate for the existing brands and labels, the challan showing the payment of renewal fee shall be dated prior to the date of expiry of the existing registration.

(6) The registration fee payable shall be half of the prescribed registration fees as may be applicable in case registration is necessitated by any change in the particular(s) of the label already registered excepting changes in one or more of the following particulars when the prescribed registration fee in full shall be payable:-

- (i) brand name;
- (ii) name of the manufacturer;
- (iii) registered address of manufacturer;
- (iv) measures in litres/millilitres;
- (v) strength of heritage alcoholic beverage; and
- (vi) description of content.

(7) A correct and up-to-date record of all brands and labels, which are registered for manufacture or sale of heritage alcoholic beverages or whose registration is renewed from time to time, shall be maintained separately by the Excise Commissioner.

(8) The labels on the bottles of the heritage alcoholic beverages intended to be manufactured or sold by a permit granted under sub-rule (2) shall conform to the labels registered by the Excise Commissioner and shall contain particulars under sub-rule (5) and/or such other particulars as may be required under any other rule for the time being in force.

(9) No heritage alcoholic beverages shall be sold or offered for sale in bottles in Assam unless the words "For sale in Assam only" are prominently printed on the label with which it has to be sold except in specific cases where the Excise Commissioner has allowed any exemption in writing.

638. Quantity of Heritage Alcoholic Beverages to be sold by retail sale. Heritage alcoholic beverages in measures of 600 ml or 300 ml in transparent glass/PET bottles fitted with pilfer-proof seals/ capsules are to be sold to the wholesalers by the manufacturers and to the retailers by the wholesalers to whom a license may be

granted for the purpose. One case of heritage alcoholic beverages will contain 20 bottles of 600 ml i.e. 12 BL or equivalent quantity.

639. General provisions regarding sale of heritage alcoholic beverages. The provisions contained in rule 6, 7, 8, 9, 10, 11, 16, 17 and 18 of these Rules shall apply *mutatis mutandis* to the import/ transport/ sale of heritage alcoholic beverages also.”

RAJESH PRASAD,
Commissioner and Secretary to the Govt. of Assam,
Excise Department.