

Voluntary Report – Voluntary - Public Distribution

Date: January 04,2021

Report Number: IN2021-0001

Report Name: State of Maharashtra Issues New Registration Requirements for Alcoholic Beverages

Country: India

Post: Mumbai

Report Category: Agriculture in the Economy, Agricultural Situation, Beverages, Wine, Retail Foods, Policy and Program Announcements

Prepared By: Dhruv Sood

Approved By: Lazaro Sandoval

Report Highlights:

On November 6, the State of Maharashtra issued new rules related to the license and label registration process for imported alcoholic beverages in the state. According to local market observers and industry, these new rules significantly improve the ease of doing business for importers, retailers, and distributors of imported alcoholic beverages. The reforms streamline the registration process based on a slab (bracket) system, providing statewide and lifetime label registration along with the consolidation of various fees. These reforms are expected to provide a level playing field for small and medium-size importers, which will help boost the availability of high-value and craft alcoholic beverages.

General Overview

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

On November 6, the State of Maharashtra issued a notification amending the rules related to the license and label registration process for alcoholic beverages in the state. As per the notification, the issuance of registration certificates by the Maharashtra State Excise Department will be based on a slab (bracket) rate basis. Importers will now apply for a license to register and sell alcoholic beverages (via appointed licensed agents) through the submittal of form 'L' along with supporting documentation, including a letter with the importer's Importer-Exporter Code (IEC number) and Food Safety and Standards Authority of India (FSSAI) registration. The form 'L' license permits the holder to sell and distribute alcoholic beverages (via appointed licensed agents) throughout the State of Maharashtra by registering the product and its label. This license needs to be renewed every year by the Maharashtra State Excise Department so the holder may continue to sell the registered alcoholic beverage product. However, approved labels will remain valid even after the expiry of the "L" license certificate as long there is no change in the design and layout of the brand/label. This onetime registration removes the need to re-register the same product label every year as was required in the past. In addition, under this new registration process, the annual label registration fee has been removed, with no fee levied for the registration of new labels. The new process will allow importers to register labels across the state, removing the need to register with individual excise offices in different cities (which was required before).

Alcoholic beverage regulations vary by state in India as many states rely heavily on alcoholic beverage taxes for revenue. As such, business conditions also vary with some states easier to operate in compared to others. Maharashtra has long had more flexible and business friendly regulations with regards to alcoholic beverages. It is the first state to implement this type of reform in the country, which will improve the ease of doing business for this industry and deliver considerable time and cost savings.

According to local industry contacts, these measures are expected to remove significant entry barriers and encourage small to medium-size importers to import more craft/boutique alcoholic beverage brands into the market. Industry contacts welcome the State of Maharashtra's recent reforms, especially during the COVID-19 pandemic. This sector has been hit hard by the pandemic but this reform along with the state's authorization of home delivery of liquor are helping boost consumption and providing much needed relief to the sector. In addition, on December 29, 2020, the State of Maharashtra announced its intention to waive excise license fees on a pro-rata basis along with the rollback of the 15 percent annual license fee increase for the year 2020 to support the hotel and restaurant sector.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not be viewed under any circumstance, as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests.

Details of Notification:

Type of Regulation: Notification

Public Notice Date: November 6, 2020

Proposed Date of Adoption: Effective November 6, 2020

Products Affected: All categories of liquor

Agency in Charge: Home Department, Government of Maharashtra

HOME DEPARTMENT

Madam Kama Marg, Hutatma Rajguru Chowk,
Mantralaya, Mumbai 400 032, Dated 6th November 2020

NOTIFICATION

MAHARASHTRA PROHIBITION ACT, 1949.

No. FLR 0620/ C.R 90/EXC-2.—Whereas the Government of Maharashtra considered that the following rules further to amend the Bombay Foreign Liquor (Import and Export) Rules, 1963, should be brought into force at once, and therefore, the rules should be made without previous publication as provided by the proviso to sub-section (3) of section 143 of the Maharashtra Prohibition Act (XXV of 1949) ;

Now, therefore, in exercise of the powers conferred by clauses (b), (f), (h1) and (u) of sub-section (2) of section 143 of Maharashtra Prohibition Act and of all other powers enabling it in this behalf, the Government of Maharashtra hereby makes the following rules further to amend the Bombay Foreign Liquor (Import and Export) Rules, 1963, namely :—

1. These rules may be called the Bombay Foreign Liquor (Import and Export) (Amendment) Rules, 2020.

2. For rule 3C of the Maharashtra Foreign Liquor (Import and Export) Rules, 1963 (hereinafter referred to as “the Principal Rules”), the following shall be substituted, namely :—

“3C. *Grant of certificate of Registration.*— On receipt of an application made under rule 3B, the Commissioner shall make such enquiries as he deems necessary and on being satisfied that there is no objection to grant the registration applied for, he may grant the certificate of registration in Form ‘L’ on payment of annual fees (inclusive of consideration), depending on the scale of annual sales of each type of liquor in boxes that the certificate holder proposes to sell in the State of Maharashtra, at the following rates,—

- | | |
|---|---------------|
| (i) Sale upto 5,000 boxes of 9 litre each,— | |
| (a) For Spirits, Beer and Wine | Rs. 25,000 |
| (b) For Only Beer | Rs. 15,000 |
| (c) For Only Wine | Rs. 10,000 |
| (ii) Sale from 5,001 to upto 10,000 boxes of 9 litre each,— | |
| (a) For Spirits, Beer and Wine | Rs. 2,00,000 |
| (b) For Only Beer | Rs. 1,00,000 |
| (c) For Only Wine | Rs. 50,000 |
| (iii) Sale from 10,001 to upto 50,000 boxes of 9 litre each,— | |
| (a) For Spirits, Beer and Wine | Rs. 4,00,000 |
| (b) For Only Beer | Rs. 2,00,000 |
| (c) For Only Wine | Rs. 1,00,000 |
| (iv) Sale from 50,001 to upto 1,00,000 boxes of 9 litre each,— | |
| (a) For Spirits, Beer and Wine | Rs. 8,00,000 |
| (b) For Only Beer | Rs. 4,00,000 |
| (c) For Only Wine | Rs. 2,00,000 |
| (v) Sale from 1,00,001 to upto 2,00,000 boxes of 9 litre each,— | |
| (a) For Spirits, Beer and Wine | Rs. 10,00,000 |
| (b) For Only Beer | Rs. 5,00,000 |
| (c) For Only Wine | Rs. 3,00,000 |

(vi) Sale of more than 2,00,001 boxes of 9 litre each,—

(a) For Spirits, Beer and Wine	Rs. 15,00,000
(b) For Only Beer	Rs. 7,50,000
(c) For Only Wine	Rs. 4,00,000"

3. For rule 3D of the Principal Rules, the following shall be substituted, namely :—

"3D. *Approval of Brand/Labels.*—The holder of the certificate of registration granted under rule 3C shall apply to the Commissioner for approval of the brands/labels of each kind of liquor intended to be removed from the Customs Frontier for import in the State of Maharashtra. On receipt of such application the Commissioner shall make such enquiries as he deems necessary and on being satisfied that there is no objection, to approve the brands, he may grant the approval thereof. Such approval may be in force even after the expiry of the certificate of registration, if there is no change in the design and layout of the brand/label so approved :

Provided that, if there is change in the design and layout of the brand/label so approved, the holder of certificate of registration shall apply for fresh approval of brand/label."

By order and in the name of the Governor of Maharashtra,

YUVRAJ B. AJETRAO,
Deputy Secretary to Government.

HOME DEPARTMENT

Madam Kama Marg, Hutatma Rajguru Chowk,
Mantralaya, Mumbai 400 032, Dated 6th November 2020

NOTIFICATION

MAHARASHTRA PROHIBITION ACT, 1949.

No. FLR. 0620/ C.R 90/EXC-2.—Whereas the Government of Maharashtra considered that the following rules further to amend the Maharashtra Potable Liquor (Fixation of Maximum Retail Prices) Rules, 1996, should be brought into force at once, and therefore, the rules should be made without previous publication as provided by the proviso to sub-section (3) of section 143 of the Maharashtra Prohibition Act (XXV of 1949) ;

Now, therefore, in exercise of the powers conferred by clauses (f) and (h1) of sub-section (2) of section 143 of the Maharashtra Prohibition Act and of all other powers enabling it in this behalf, the Government of Maharashtra hereby makes the following rules further to amend the Maharashtra Potable Liquor (Fixation of Maximum Retail Prices) Rules, 1996, namely :—

1. These rules may be called the Maharashtra Potable Liquor (Fixation of Maximum Retail Prices) (Amendment) Rules, 2020.

2. In rule 3 of the Maharashtra Potable Liquor (Fixation of Maximum Retail Prices) Rules, 1996, for sub-rule (3), the following shall be substituted, namely :—

“(3) The holder of valid certificate in Form L as appended to Maharashtra Foreign Liquor (Import and Export) Rules, 1963, shall, by statement in sufficient number of copies as specified by the Commissioner, declare his manufacturing cost and Maximum Retail Price of every pack of Imported Foreign Liquor which he wishes to remove from the custom frontier or custom bond, to the Commissioner. The Commissioner shall authenticate all the necessary copies and return one copy to the Trade and Import license holder in Form FL-I as appended to the Bombay Foreign Liquor Rules, 1953 and retain remaining copies for his record and for the record of the Superintendent of the district in which FL-I license is located.”.

By order and in the name of the Governor of Maharashtra,

YUVRAJ B. AJETRAO,
Deputy Secretary to Government.

HOME DEPARTMENT

Madam Kama Marg, Hutatma Rajguru Chowk,
Mantralaya, Mumbai 400 032, Dated 6th November 2020

NOTIFICATION

MAHARASHTRA PROHIBITION ACT, 1949.

No. FLR 0620/ C.R 90/EXC-2.—Whereas the Government of Maharashtra considered that the following rules further to amend the Bombay Foreign Liquor and Rectified Spirit (Transport Fees) Rules, 1954, should be brought into force at once, and therefore, the rules should be made without previous publication as provided by the proviso to sub-section (3) of section 143 of the Maharashtra Prohibition Act (XXV of 1949) ;

Now, therefore, in exercise of the powers conferred by clauses (b), (f), (h1) and (u) of sub-section (2) of section 143 of the Maharashtra Prohibition Act and of all other powers enabling it in this behalf, the Government of Maharashtra hereby makes the following rules further to amend the Bombay Foreign Liquor and Rectified Spirit (Transport Fees) Rules, 1954, namely :—

1. These rules may be called the Bombay Foreign Liquor and Rectified Spirit (Transport Fees) (Amendment) Rules, 2020.
2. In rule 4 of the Bombay Foreign Liquor and Rectified Spirit (Transport Fees) Rules, 1954,—
 - (a) in sub-rule (1), after clause (a), the following clause shall be inserted, namely :—

“(aa) When the liquor is transported in bottles after removal from the customs frontier or customs bond,—

 - (i) Rs. 30.00 per bulk litre for spirits,
 - (ii) Rs. 20.00 per bulk litre for fermented and mild beer or liquors,
 - (iii) Rs. 10.00 per bulk litre for Wines.”;
 - (b) In sub-rule (2), in clause (iii),—
 - (i) in sub-clause (a), for the figures, words and letters, “150 per cent of the manufacturing cost or Rs.33.00 per bulk litre” the figures, words and letters “175 per cent of the manufacturing cost or Rs. 42.00 per bulk litre” shall be substituted;
 - (ii) in sub-clause (b), for the figures, words and letters, “175 per cent of the manufacturing cost or Rs. 42.00 per bulk litre” the figures, words and letters “235 per cent of the manufacturing cost or Rs. 80.00 per bulk litre” shall be substituted.

By order and in the name of the Governor of Maharashtra,

YUVRAJ B. AJETRAO,
Deputy Secretary to Government.

Attachments:

No Attachments.