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(i)

**COMPOSITION OF THE DEPARTMENTALLY
RELATED STANDING COMMITTEE ON
DEVELOPMENT (A) DEPARTMENTS,
2022-23**

CHAIRMAN

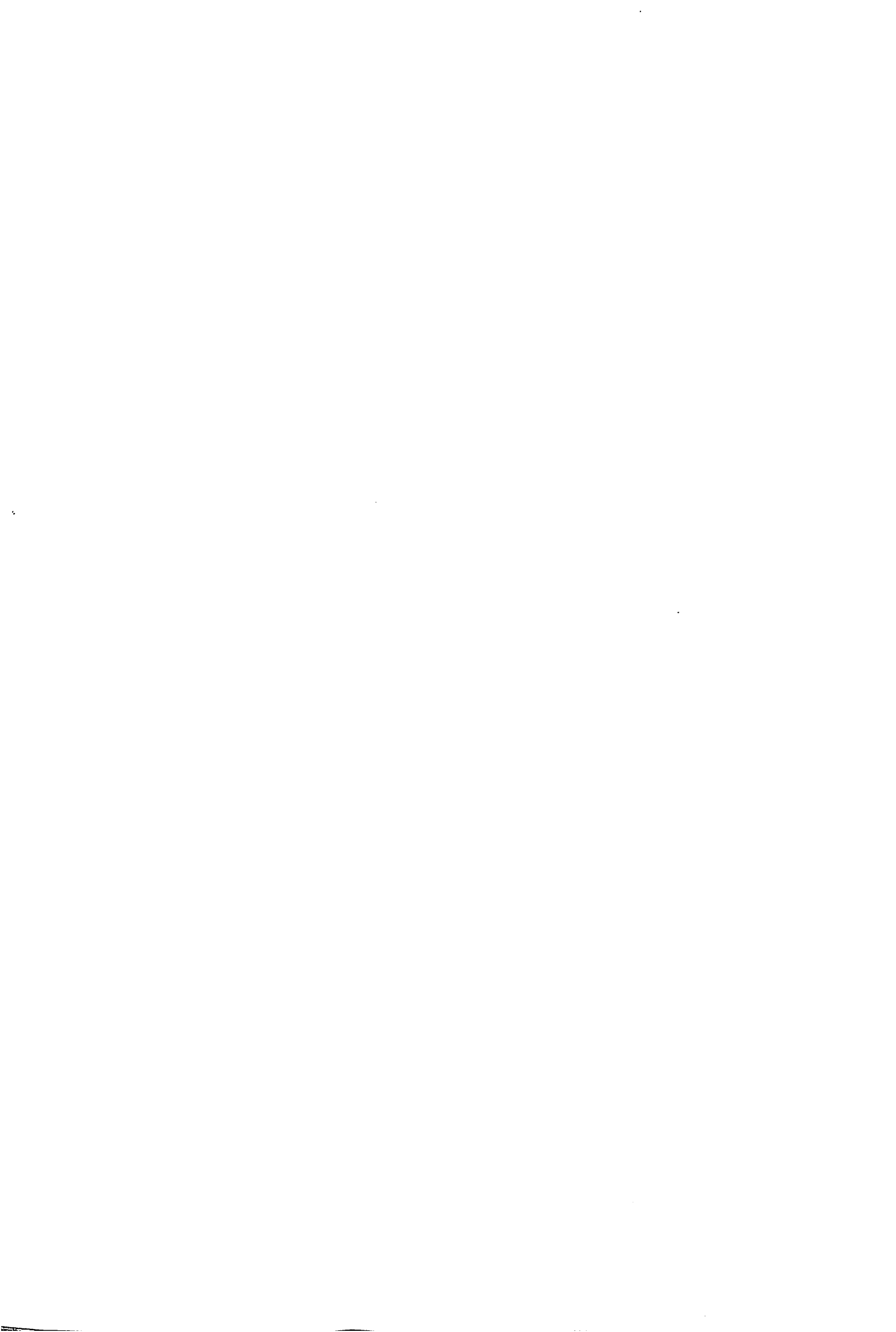
1. Shri Gobinda Chandra Basumatari MLA

MEMBERS

1. Shri Bolin Chetia MLA
2. Shri Krishnendu Paul MLA
3. Shri Rama Kanta Dewri MLA
4. Shri Jayanta Malla Baruah MLA
5. Shri Promod Borthakur MLA
6. Shri Biswajit Phukan MLA
7. Shri Jitu Goswami MLA
8. Shri Krishna Kamal Tanti MLA
9. Shri Hemanga Thakuria MLA
10. Shri Wazed Ali Choudhury MLA
11. Shri Sherman Ali Ahmed MLA
12. Shri Siddeque Ahmed MLA
13. Shri Diganta Barman MLA
14. Shri Misbahul Islam Laskar MLA
15. Shri Abdul Batin Khandakar MLA
16. Shri Prithiraj Rava MLA
17. Shri Ponakan Baruah MLA
18. Shri Mazibur Rahman MLA
19. Shri Nizanur Rahman MLA
20. Shri Zakir Hussain Laskar MLA
21. Md. Aminul Islam (junior) MLA
22. Shri Lawrence Islary MLA
23. Shri Durga Das Boro MLA
24. Shri Akhil Gogoi MLA

SECRETARIAT

1. Shri Hemen Das, Principal Secretary
2. Shri Dulal Pegu, Secretary
3. Shri Rajib Bhattacharyya, Joint Secretary
4. Shri Binod Ch. Bhuyan, Deputy Secretary
5. Smti Deepali Pegu, OSD (Under Secretary)
6. Shri Nabajyoti Patowary, Under Secretary
7. Shri Digambar Barman, Committee Officer
8. Smti Menaka Kutum, Committee Officer
9. Smti Susmita Das, Committee Officer



(ii)

INTRODUCTION

1. I, the Chairman of the Departmentally Related Standing Committee on Development (A) Departments having been authorized by the Committee to present the **Nineteenth Report** on their behalf on the demands for **Grant No. 8** relating to **Excise Department** for the financial year 2022-23.
2. The Committee took evidence of the government representatives on **23rd March, 2022**.
3. The Committee wishes to place its thanks to the representatives of concerned Department who appeared before the committee and placed their considered views and notes. The Committee also like to thanks the Department for furnishing the replies on the points raised by the Committee.
4. The Reports was considered and adopted by the Committee at their sitting held on **26th March, 2022**.
5. The Committee also expresses its thanks to the Officers and staff of the Assam Legislative Assembly Secretariat, who devoted their time and energy in processing and compilation of the report within a very short span of time for their Secretarial assistance & co-operation.

Dispur :
The 26th March, 2022.

GOBINDA CHANDRA BASUMATARI
Chairman,
Departmentally Related Standing
Committee
on Development (A) Departments,
Assam Legislative Assembly.



REPORT**Grant No.8****EXCISE DEPARTMENT**

The total sum of Rs 9050.40 lakhs are required for approval of the House during the Financial Year 2022-23.

The total allocation of fund under the Grant No.8 for administration of Excise Department during the financial year 2022-2023 is Rs. 9050.40 lakhs and presented before the house for approval. The total amount so allocated in prepared to spend in the Revenue & Capital expenditure.

The detailed Budget allocation under the Grant No.8 of Excise Department as Under :-

		(Rupees in Lakhs)
Head of Accounts	Major Head	Budget Estimates 2022-23
2039	State Excise	6466.53
2235	Social Security & Welfare	2431.87
4059	Capital Outlay on Public Works	152.00
Grand Total Rs.		9050.40

The Departmentally Related Standing Committee on Development (A) Departments of Assam Legislative Assembly examining the Grant No.8 and took the evidence from the Departmental representatives present in the meeting and observes the Budget as follows :-

ANNUAL ADMINISTRATIVE REPORT OF EXCISE DEPARTMENT FOR THE YEAR 2021-2022:

Vision :

To check the unhealthy use of alcohol and to eradicate the sale of illicit liquor and drug abuse in order to have a peaceful and healthy society.

Mission :

The mission of the Excise Department is not to encourage indiscriminate growth in consumption of intoxicants but to socially regulate it in a manner such that even with respect to the existing pattern of consumption, drinking is conducted in a safe manner, i.e., the persons who are already consuming intoxicants turn away from consumption of illicitly distilled/ non duty paid intoxicants to socially regulated consumption of intoxicants from authorized and legitimate sources. This would ensure both safety against health hazards and also lead to a consequential growth in revenue.

Objectives :

1. Prevention of illicit distillation and clandestine trade in non-duty paid liquor through Excise intelligence and Enforcement measures.
3. Prevention of Drug abuse and illicit trafficking of narcotic drugs and psychotropic substances.
4. Improved office management and switching over to e-governance.
5. Sustained campaign against liquor and drug.
6. Review and amendment of existing rules for better implementation of it's provisions and to curb revenue leakages.

Functions :

1. Collection of Excise revenue through district and sub-district level offices.
2. Collection of Excise levies and VAT on liquor.
3. Collection of intelligence regarding the offences under various laws administered by the Excise department.
4. To conduct intensive raids, detect cases and prompt actions on complaints.
5. Speedy actions on cases registered.
6. To provide training to excise personnel and strengthening preventive machinery of the deptt.
7. Better infrastructure, for modernizing the department with communication facilities and providing a better working environment.

Administrative set-up :

The administrative department in the matter of state Excise is the Excise Department of the Govt. of Assam. Office of the Commissioner of Excise is the Heads of the Department under the Excise Department. The Commissionerate of Excise consists of the Commissioner of Excise, an Additional Commissioner of Excise, one Joint Commissioner of Excise, who heads the Excise intelligence branch and two Deputy Commissioners of Excise, one for BTAD and another for rest of Assam. Another office headed by the Chemical Examiner also functions under the Commissioner of Excise, Assam. At the district level, Deputy Commissioner of the district concerned heads the department. One Superintendent of Excise works in subordination to the Deputy Commissioner of the district. Deputy Superintendent of Excise, Inspector of Excise, Assistant Inspector of Excise, Excise Head Constable and Excise Constable work at the district level under direct supervision of Superintendent of Excise.

ACHIEVEMENTS :

Revenue collected by the Excise Department in 2019-20, 2020-2021 and 2021-2022 (till 4th March,22) :

Sl. Nos.	Year	Excise Revenue collected (in crore)
1	2019-2020	Rs.1639.61
2	2020-2021	Rs.2031.33
3	2021-2022 (till 4 th March,22)	Rs. 1698.00

Nos. of illicit liquor detection cases (duty not paid) in 2019-2020 & 2020-2021:

<u>Period</u>	<u>Nos. of illicit/ duty unpaid Cases detected</u>	<u>Cases disposed</u>	<u>Compounding fine</u>
1) 2019-2020	10624 nos.	1280 nos.	Rs. 2009134.9
2) 2020-2021	15956 nos.	1096 nos.	Rs. 1750000.00
3) 2021-2022	19653 nos.	736 nos.	Rs. 2399800.00

Major policy decisions & achievements executed during the year 2021-22:

- **Introduction of "Transit Pass mechanism"** : The Excise Department has introduced Transit Pass Mechanism to curb illegal transportation and smuggling of liquor meant for sale in other states which has the approval of the Cabinet. Corresponding Rules have also been notified. About 1600 transit passes have been issued Online, out of which about 1000 pertained to Arunachal.
- **Online sale and home delivery of liquor**: Online sale and home delivery of liquor was approved by Cabinet on 14.7.21 and was rolled out on 20th of July, 2021 for Guwahati City in the first phase through Rule Amendments. This has facilitated online/home delivery of liquor in Guwahati city and has enabled to overcome the problem of overcrowding and thereby helped in maintaining social distancing norms during COVID 19 pandemic.
- **Compulsory Installation of Mass Flow Metre & other electronic devices** : Compulsory Installation of Mass Flow Metre, Radar based Level Transmitters, sensor based electronic bottle counters and PLC (Programmable Logic Controller) in manufactories/distilleries to avert leakage of revenue through under-reporting in production. Approved by Cabinet on 24.9.21 and the Rules were notified on 30.9.21.

- **Enhancement of retail sale limit of IMFL and Country spirit :** The retail sale limit of IMFL and Country spirit has been enhanced from 9 lit to 18 lit with approval of Cabinet on 24.9.21. The Rules were notified on 30.9.21. This enhancement in retail sale limit is meant for easing the barrier on bulk purchase and encouraging the trade in liquor and thereby supporting revenue growth.
- **Relaxation of entry barriers for country spirit :** The Excise Department has relaxed entry barriers for country spirit by reducing Application fee, Licence fee and Ad-valorem levy with approval of Cabinet on 24.9.21 and Rules were notified on 30.9.21. This has served the twin objectives of curbing sale of illicit liquor (Sulal) and promote sale of country spirit.
- **Establishment of new IMFL 'OFF' shops :** Establishment of 20 numbers of new IMFL 'OFF' shops was approved by Cabinet on 26.8.21. The locations of the proposed shops were also earmarked by the Cabinet. Accordingly respective Deputy Commissioners were intimated to initiate the process of grant of new licences in terms of the decision of the Cabinet.
- **Excise Ad-valorem levy restructure :** Excise Ad-valorem levy restructure was approved by Cabinet on 24.11.21 & accordingly notification was issued on 4.12.21. This new levy structure has come into force w.e.f. 10.12.21. As per the new structure Rum is kept in a separate segment to keep its prices low. A new segment is also introduced to upgrade consumer preferences from lower to higher quality products. In other products, levy rates are enhanced by 7.5% to 15%. This enhancement is expected to increase the Excise revenue by approx. Rs.400 crores and VAT by 200 crores per annum.
- The Excise Department has also introduced affixing of Tamper free High Security Holograms with QR code on liquor bottles in Assam with the twin objectives of protecting consumers from buying counterfeit liquor and curbing the evasion of duty through sale of smuggled liquor.
- The department has also taken up a project of setting up a modern chemical laboratory under the World-Bank Funded ASPIRE Project, Finance Department. This will lead to speedy generation of chemical reports and in turn help in the early disposal of excise cases.

**Collection of Excise Revenue for the year 2021-22 in comparison to previous year.
(Rs. in Crore) (Deptt. Figures without reconciliation)**

Sl No	Month.	2018-19	2019-20	2020-21	2021-22	Increase over last year	% of Increase
		Collection of Excise Revenue	Collection of Excise Revenue	Collection of Excise Revenue	Collection of Excise Revenue		
1	April	103.53	141.93	16.16	173.16	157.00	971.53
2	May	102.95	123.37	127.60	98.72	-28.88	-22.63
3	June	99.49	129.68	131.72	90.91	-40.81	-30.98
4	July	102.98	123.83	140.69	109.74	-30.95	-22.00
5	August	103.56	136.48	164.94	141.47	-23.47	-14.23
6	September	106.98	153.19	193.64	163.96	-29.68	-15.33
7	October	121.95	127.13	212.40	175.24	-36.16	-17.02
8	November	106.77	135.30	193.64	166.15	-27.49	-14.20
9	December	121.99	136.89	243.84	201.70	-42.14	-17.28
10	January	118.94	149.36	210.70	183.78	-26.92	-12.78
11	February	116.64	137.75	178.13	167.30	-10.83	-6.08
12	March	194.24	144.70	217.87			
	Total=	1400.03	1639.61	2031.33	1673.13		

ACTION TAKEN REPORT BY EXCISE DEPARTMENT ON THE RECOMMENDATION OF THE DEPARTMENTALLY RELATED STANDING COMMITTEE ON DEVELOPMENT (A) DEPARTMENT (EIGHTEENTH REPORT)

SL. NO.	OBSERVATION AND RECOMMENDATION	FOLLOW- UP ACTION
1	The DRSC recommends further intensification of the drive to make Assam a drug free state.	Instructions have been issued to Superintendents of Excise of all districts for submission of action taken report in this regard vide this office letter No.III-210/2017-2018/195 dt. 8/10/2021 (copy enclosed as Annexure 'I')
2	The DRSC recommends strict action by the Excise Department in respect of sale of illicit liquor and drugs in greater Mandia area (Barpeta district) and directs the Excise Department to submit action taken Report in this regard.	The Action Taken Report in this regard has been obtained from Deputy Commissioner, Barpeta (copy enclosed as Annexure 'II').
3	The DRSC that the Excise Department should take necessary steps to raise the limit of sale to individuals by the retail outlets/retailers.	The retail sale limit of IMFL and Country spirit has been enhanced from 9 lit to 18 lit vide Govt. Notification No.EX.176/2016/PT/140 dt. 29/9/2021 (copy enclosed Annexure 'III')
4	The DRSC recommends to take strict action to curb illicit liquor completely from the State of Assam.	Instructions have been issued to Superintendents of Excise of all districts for submission of action taken report in this regard vide this office letter No.III-210/2017-2018/195 dt. 8/10/2021 (copy enclosed Annexure 'I') Also in this regard Govt. has taken measures and eased the entry barriers of Country Spirit licences by reducing the application fees and the Advalorem levy which have resulted in increase in country spirit licences.
5	The DRSC recommends the Excise Department to strict adherence to the rules of the Excise Department regarding distances of wine shops.	Instructions have been issued to all Superintendents of the districts for strict adherence to the rules of the Excise Department regarding distance of wine shops vide this office letter No.III-148/2014-15/149 dt.7 th Oct (copy enclosed Annexure 'IV').
6.	The DRSC recommends that the Excise Department should take necessary measures to issue Retail "OFF" licences in the border areas.	On approval from the Hon'ble Cabinet in its meeting held on 26/8/2021 for issuing 20 nos. fresh IMFL retail "OFF" licences in 11 districts, the Excise Department issued instructions to the Deputy Commissioners of the respective districts (copy enclosed Annexure 'V'). Till date 2 (two) proposals have been forwarded to Govt. and 1 (one) licence has been issued.

7.	The DRSC strongly recommends that the Excise Department should take necessary steps to check influx of liquor from Arunachal Pradesh by putting in place 'Check points' and increase Vigilance & Enforcement activities in the districts bordering Arunachal.	<p>Instructions have been issued to Superintendents of Excise of all districts for submission of action taken report in this regard vide this office letter No.III-210/2017-2018/195 dt. 8/10/2021 (copy enclosed as annexure I). During this financial year, 400 nos. of cases were detected 75 persons were arrested, 40 no.of vehicles seized and a quantity of 125869.29 BL of IMFL and 65183.82 BL of Beer were seized.</p> <p>In this context Excise Department has already introduced Transit Pass Mechanism to curb illegal transportation and smuggling of liquor meant for sale in other states vide Govt. Notification No.EX.176/ 2016/PT/140 dt. 29/9/2021 (copy enclosed as annexure 'III').</p>
8.	The DRSC recommends that the Excise Department should have to take necessary steps to verify whether any Retail licence was issued in Karimganj District in violation of the existing provisions of the Assam Excise Rules.	An action taken report in this regard has been obtained from Superintendent of Excise Karimganj (i/c) (copy enclosed as annexure 'VI'). One licence has already been suspended.
9.	The DRSC strongly recommends to take all necessary steps so as to check whether Retail "OFF" licences are being leased out to others by the licencees and if such cases are found then such licences shall be cancelled and the same may be allotted to the unemployed youth of the State.	Instructions have been issued to all Superintendents of districts for taking action in this regard and submit action taken report vide No.III-369/2016-17/273 dt.10/2/2022 (copy enclosed as annexure 'VII'). Recently, surprise inspection have been carried out by the senior functionary of Excise Department and the Excise Commissionerate at the wine shop. The purchase, sales and banking are found to have been done in the name of licensees and so in absence of evidence, the actions as suggested could not be taken.
10.	The DRSC recommends to pursue the formation of an Excise Armed Battalion in line with Forest Department to control the illegal activities accelerating in the state day by day.	Steps in this regard are yet to be taken and we are examining the process of creation of forest battallon.
11.	The DRSC recommends to construct Excise office Building at Udalguri District.	Deputy Commissioner, Udalguri has already been asked to submit a proposal with estimate for the year 2021-2022, for construction of Excise office building at Udalguri District, vide this office letter No.III-210/2017-2018/194 dt.8/10/2021 and a reminder has also been issued vide, WT Message No.238 dt.11/2/2022 (copy enclosed as annexure 'VIII').

OBSERVATION AND RECOMMENDATIONS**GRANT NO. 8****EXCISE DEPARTMENT**

1. The Committee observes that usage of illicit liquor are rampant in the whole State.

Therefore, the Committee recommends that the Department should take strict action against these.

2. The Committee recommends that funds should be provided to procure more vehicles in the Department from the Superintendent level for better performance in the field work activities.
3. The Committee recommends further intensification of the drive to make Assam a drug free state. In this regard, the Department is advised to work in close connection with the Home Department.
4. The Committee strongly recommends that an armed force should be created in the Department to curb the illicit liquor.

Besides, the Committee advises the department for wide publicity in both rural and urban areas for taking licence for trade in country liquor.

5. The Committee also strongly recommends that the enforcement should be increased to control illicit liquor and to check influx of liquor from Arunachal Pradesh.

The Committee recommends that the Budgetary allocation provided under **Grant No. 8** for the financial year **2022-23** for the **Excise Department** be approved by the **August House**.