

**Subject:- Lifting of Basic Quota and Additional Quota for the year 2009-10:  
Clarification Regarding.**

Your attention is invited to the provisions of Excise Policy 2009-10 as laid down in clause 2.11 and 2.15, relating to the lifting of quota of liquor, both in case of IMFL as well as CL.

As you are aware, a specified quantity of liquor is allotted to each Retail Sale Licensee, termed as Basic Quota. The licensee is required to lift a specified percentage of the Basic quota upto the end of each quarter. Any deficiency in lifting of quota therefrom, at the end of each quarter of the financial year, renders the licensee liable to be penalized.

The percentage specified for lifting of Basic quota for each quarter is cumulative and, therefore, has to be complied with by cumulative lifting of Basic quota upto the end of quarter concerned, as arises from clause 2.11.

To prevent excessive lifting of Basic quota and regulate its spread over the financial year, a licensee is not allowed to lift more than a computed percentage of the Basic quota. It is to be monitored on monthly basis from June onwards. This computed percentage of Basic Quota for any month gives the maximum Basic quota that can be allowed to be lifted upto the month concerned. This rider percentage cap of Basic quota for any month is computable by adding 11% for each elapsed month and the concerned month. It is to be complied with on cumulative basis for each month as per the table given below. The table given below specifies the upper limit of Basic Quota that can be allowed to be lifted by the end of each month.

Sr No	Month	The maximum Limit as % of Basic Quota	Month	The maximum Limit as % of Basic Quota
1	June	33%	October	77%
2	July	44%	November	88%
3	August	55%	December	99%
4	September	66%	Remaining Months	100%

With regard to Additional Quota, the clause 2.11 read in conjunction with clause 2.15 implies that a licensee is entitled to Additional Quota at any given point of time during the financial year. However, the Additional quota shall not exceed 50% of the quantity of Basic Quota lifted by the licensee upto that point of time and, subject to the condition that the due license fee has been paid by the licensee. The Additional quota is permissible on payment of additional duty @ Rs 5 per PL and Rs 15 per PL in case of CL and IMFL respectively.

During the last quarter of the financial year, i.e. January-March, 2010, the remnant annual Basic quota shall precede any further permissible Additional quota, upto 50% of Basic quota, during this quarter. However, the licensee shall be entitled to full permissible Additional quota subsequent to lifting of entire quantity of annual Basic quota on payment of applicable additional duty i.e. @ Rs 5 per PL and Rs 15 per PL for CL and IMFL respectively.

**The provision for additional quota is elaborated further by an illustration as given underneath:**

**Illustration:**

Say, a licensee, namely XYZ, is allotted a license for retail sale of country liquor having annual licensee fee of say, Rs 30 lac and annual Basic quota of say, 40000 PL.

At the end of June, the first quarter, the licensee is required to lift minimum of 25% of the Basic Quota. So XYZ has to lift minimum 10000 PL (25% of 40000) of quota. If he lifted less than 10000 PL, he shall be liable to pay penalty @ Rs 20 per PL for the deficient lifting in quota.

If he lifts more than 10000 PL, no penalty is attracted. However, he can not be allowed to lift more than 33% of Basic quota i.e 13200 PL. So it is to be ensured that Basic quota over and above 13200 PL is not allowed to XYZ upto the end of June. If he needs more than 13200 PL of quota, he shall be allowed to lift additional quota on payment of additional duty @ Rs 5 per PL. The additional quota shall be allowed only if he has paid licensee fee due upto June. He can be allowed to lift additional quota upto 50% of basic quota lifted i.e 6600 (50% of 13200).

Similarly, for the month of July, no minimum limit is prescribed. Though, the licensee can not be allowed to lift more than 17600 PL (44% of 40000) of Basic quota upto the end of July. Any quota over and above 17600 PL shall be additional quota on payment of additional duty. The additional quota shall also not exceed 8800 PL (50% of 17600). The additional quota shall be allowed only if he has paid license fee upto July in full.

For the month of August, no minimum limit is prescribed. The upper limit of Basic quota shall be 55% i.e 22000 PL. The additional quota, shall be allowed upto 11000 PL. The additional quota is to be permitted only if he has paid full license fee upto August.

In September, being the end month of a quarter i.e. second quarter, the minimum limit is prescribed. It is 45% upto September. So it is to be monitored whether the licensee has lifted 18000 (45% of 40000) PL of quota. In case he fails to observe the minimum limit, a penalty @ Rs 20 per PL is to be levied and recovered from him. In case where he has lifted more than 18000 PL, it is to be ensured that he does not lift more than 26400 PL (66% of basic quota)

as well. If he needs further more, he is allowed additional quota upto 13200 PL provided he has paid license fee upto September.

The same process shall continue till December. Thereafter, i.e. January-March, the remnant annual Basic quota shall precede any further permissible Additional quota, during this quarter. The licensee is required to lift full basic quota upto 20<sup>th</sup> march failing which he shall pay penalty @ Rs 20 per PL on deficient quantity.

However, the licensee shall be entitled to full permissible Additional quota subsequent to lifting of entire quantity of annual Basic quota on payment of applicable additional duty i.e. @ Rs 5 per PL and Rs 15 per PL for CL and IMFL respectively.