

**BEFORE THE COMMISSIONER STATE TAXES & EXCISE-  
CUM-FINANCIAL COMMISSIONER (EXCISE),  
HIMACHAL PRADESH**

(Block No. 30, SDA Complex, Shimla-09)

Appeal No. 23 of 2024  
Date of Institution: 27-11-2024  
Date of Order: 22-02-2025

**IN THE MATTER OF: -**

M/s Sarabjeet Singh Thakur,  
S-1AA Licensee, Rakkar,  
Tehsil and District Una (HP) – 174303. .... **Appellant**

**Versus**

Joint. Commissioner of State Taxes & Excise North Zone  
Palampur, Distt. Kangra, HP. ....**Respondent**

**Present:**

1. Sh. Sarabjeet Singh Thakur, Appellant.
2. Smt. Monica Atreya, ACST&E (Legal), on behalf of the Respondent.

**ORDER**

1. The above appeal filed under section 68 (2) of the Himachal Pradesh Excise Act, 2011, is against the order of penalty communicated on dated 18-07-2024 by the Respondent i.e. the Collector-cum-Joint. Commissioner State Taxes & Excise (North Zone) Palampur. The Appellant felt aggrieved against the order dated 18-07-2024 has preferred the present appeal to waive of the penalty of ₹ 500/- imposed by the Joint Commissioner, ST&E North Zone, Palampur, for the delay in the payment of S-1AA license renewal fee for the excise year 2023-24. The penalty was imposed on late payment



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of license renewal fee, fully paid on April 1, 2023, one day after the stipulated deadline of March 31, 2023.

2. Brief facts in the matter are that the Appellant, M/s Sarabjeet Singh Thakur, Rakkar, Tehsil and District Una, HP, is an S-1AA licensee, for the year 2023-24, under the HP Sweets (Manufacture) Rules, 1988 read with the Himachal Pradesh Excise Act, 2011 and the HP Liquor License Rule, 1986. Since, the HP Liquor License Rules, 1986 require the payment of License renewal fees to be paid at least two months before the commencement of the new Financial/Excise year. Therefore, the Appellant paid the prescribed license fee of ₹ 20,000/- on dated 26-12-2022 as per applicable provisions of the Rules and the HP Excise Policy for the year 2022-23. However, the Himachal Pradesh Excise Policy for 2023-24, approved by the Cabinet on March 2, 2023, increased the renewal fee for S-1 AA license from ₹ 20,000/- to ₹ 50,000/-. Aggrieved by the unprecedented enhancement in fee, a delegation of S-1AA licensees met the Hon'ble Chief Minister, HP following which assurances were stated to be given that the renewal fee would be reduced to ₹ 25,000/-. As per this assurance, the Appellant assuming the renewal fee to be ₹25,000/- paid the remaining/enhanced fee on dated 30-03-2023. However, as per final notification received from the Special Secretary, (ST&E) to the Government of HP, on March 31, 2023, the renewal fee was fixed at ₹ 30,000/-. The Appellant paid the remaining fee of ₹ 5,000/- on dated 01-04-2023 i.e. on the first day of the commencement of the policy. Thus, the Appellant paid ₹ 20,000/- on December 26, 2022, and ₹ 5,000/- on March 30, 2023. The remaining ₹ 5,000/- was deposited on April 1, 2023. However, the HP Excise Policy requires the full renewal fee to be deposited before March 31, 2023, and prescribes penalties for delays. Hence, a penalty of ₹ 500/- was ordered to be recovered by



the Collector, North Zone, from all the S-1AA licensees who delayed the payment.

3. The Appellant Sh. Sarabjeet Singh Thakur argued that the delay was caused by confusion over the fee structure and the timing of the official notification, which was issued on March 31, 2023. He also argued that he had made payment of ₹ 25,000/- before March 31, 2023, and also the remaining ₹ 5,000/- on dated 01-04-2023, which demonstrates good faith and intent to comply with the policy. The Appellant argued that the penalty should be imposed for the delayed payment of the licenses renewal fee not for the enhanced or additional fee. Hence, the appellant pleaded that the penalty of ₹ 500/- should be waived entirely in light of the circumstances and principles of natural justice.
4. Smt. Monica Atreya, ACST&E (Legal Cell), submits reply on behalf of the respondents with the arguments that penalty has been imposed on the Appellant for violation of the provisions under Rule 12(2) of the HP Liquor License Rules, 1986 as the Appellant, in violation of the Rules *ibid*, did not deposit the enhanced fee by 31<sup>st</sup> of March, 2023. The Rules above, require full payment of the revised renewal fee by 31<sup>st</sup> March, 2023. The Appellant has failed to make the payment by 31<sup>st</sup> March and therefore, for violation of the Rules penalty has rightly been imposed as per provisions of Section 47 of HP Excise Act, 2011 and license of the Appellant has been renewed as per proviso of rule 12(2) of HP Liquor License Rule, 1986. Hence, for committing such offence a penalty of ₹500/- has rightly been levied for the delayed payment of the upward revision, as per the provisions outlined in the office order issued by the Excise and Taxation Commissioner, HP, vide letter No. 7-505/2013/EXN-8571-73 dated 20-02-2013.



5. I have heard both the parties in the matter and perused the case record. I have also carefully followed the antecedents leading to imposition of penalty amounting to ₹500/- communicated vide letter dated 18-07-2024. The following issues are for consideration in the present appeal:

- i. Whether the licence fee/ assessed fee/ revised fee has been deposited late?
- ii. Whether the penalty imposed is as per provisions of the Act and Rules?
- iii. Whether the imposed penalty is justified or not?

**ORDER:**

For the reasons given below my findings in the matter are as under:

- i. Yes.
- ii. Yes.
- iii. No.

**Reasons for Findings:**

- i. The relevant provisions of the applicable Rules in the present matter, as provided under HP Liquor License Rule, 1986, are as under:

**12(1):** Every application for renewal of a license, other than (L-2, L-14 or L14-A and) a license governed by rule 11, shall be submitted to the Excise Officer In-charge of the District by the 31<sup>st</sup> day of January, each year. The Excise Officer In-Charge of the District shall lay before the Collector by the 10<sup>th</sup> day of February each year a list of all licenses requiring renewal. The list shall be accompanied in the case of license on the assessed fee, by a certificate of sales during the current year up to 31<sup>st</sup> December;

**12(2):** Notwithstanding anything contained in sub rule (1) of this rule and rule 31 in respect of the licenses granted on fixed fee and assessed fee or fixed fee alone, the orders of renewal shall be passed only after the 25<sup>th</sup> day of March and in case of any change in the rates of fixed fee, the renewal shall be ordered only after the applicant – licensee has paid the difference in the fee on or before 31<sup>st</sup> day of March. The license shall not be renewed if the difference of license fee due to its upward revision is not paid before 31<sup>st</sup> day of March and the part



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payment of the fee already made while making the application for renewal shall be refunded:

“Provided that the Financial Commissioner may for reasons to be recorded in writing allow renewal to be made if the difference of license fee due to its upward revision is paid after 31<sup>st</sup> day of March but before 10<sup>th</sup> of April.”

It is clear from above quoted provisions of the Rules that the application for renewal of license has to be submitted along with proof of payment of licence renewal fee by 31<sup>st</sup> December and any revised fee has to be deposited latest by 31<sup>st</sup> March. The license fee for S-1AA as on 31<sup>st</sup> December 2022 indisputably was ₹20,000/-, which the Appellant has duly deposited on 26-12-2022, i.e. within the stipulated period. It was on publication of Excise Policy, for the year 2023-24, dated 14-03-2023, that the fee was enhanced to ₹50,000/-, only to be reduced to ₹30,000/- vide letter No. EXN-F-(1)-1/2023 dated 31-03-2023 communicated to the field authorities vide letter No. EXN-7-187/2023-EXN- 9422-37 dated 1<sup>st</sup> April, 2023. It is admitted fact by the Appellant that he has deposited the remaining balance (of ₹5000/-) on 01-04-2023, late by a day.

- ii. As there was violation of above quoted provisions of the HP Liquor Licence Rules, therefore, the penalty has been imposed on the face of record and as per provisions of the HP Excise Act, 2011.
- iii. However, the record in the present matter reveals that S-1AA License renewal fee was revised on dated 14-03-2023, which was again re-revised on dated 31-03-2023 and communicated to the authorities on 01-04-2023. The Appellant has deposited the re-revised fee on 01-04-2023, itself, the date on which the re-revision of fee was communicated to the authorities. From the perusal of the Rule 12(2), it has been provided that the revised license fee has to be deposited before 31 March, but in the instant case license fee




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has not only been revised but re-revised and finalised on 31<sup>st</sup> of March and communicated on 01-04-2023, therefore, the Appellant cannot be held guilty of violating the provision of HP Liquor License Rules, 1986. The penalty levied is, therefore, not justified in view of above facts and bonafide shown by the Appellant in the instant case. The order, dated 18-07-2024, imposing penalty of Rs. 500/- is not justified and is accordingly remanded back for deciding the same, afresh, in the light of discussion made above. The Appeal filed by the Appellant is accordingly, allowed to this extent.

All the concerned parties be informed and the file after due completion be consigned to record room.




  
**Commissioner,  
State Taxes and Excise-cum-  
Financial Commissioner (Excise)  
Himachal Pradesh, Shimla-09**

**Endst. No. EXN/CST&E-FC(E)/Reader-2025/3978-83 Dated: 22-02-2025**

**Copy as per directions is forwarded for information to: -**

1. M/s Sarabjeet Singh Thakur, S-1AA Licensee, Rakkar, Tehsil and District Una, HP.
2. Collector -cum- Jt. Commissioner State Taxes & Excise (North Zone), Palampur, District Kangra (HP).
3. Dy. Commissioner State Taxes & Excise, District Una, HP.
4. Legal Cell (HQ).
5. IT Cell (HQ).
6. Guard File.

  
**Reader**