विधान सभा
राष्ट्रीय राजधानी क्षेत्र दिल्ली
LEGISLATIVE ASSEMBLY
NATIONAL CAPITAL TERRITORY OF DELHI

लोक लेखा समिति
COMMITTEE ON PUBLIC ACCOUNTS

आठवीं विधान सभा का द्वितीय प्रतिवेदन
SECOND REPORT OF THE EIGHTH ASSEMBLY

23.03.2026 को प्रस्तुत
PRESENTED ON 23.03.2026

27.03.2026 को स्वीकृत
ADOPTED ON 27.03.2026

विधान सभा, पुरानासचिवालय, दिल्ली–110054
Legislative Assembly, Old Secretariat, Delhi-110054

I N D E X

COMMITTEE ON PUBLIC ACCOUNTS
(2025-2026)

Shri Ajay Mahawar	**Chairperson**

MEMBERS

2. Shri Arvinder Singh Lovely
3. Smt. Atishi
4. Shri Kailash Gahlot
5. Shri Kuldeep Kumar
6. Shri Raj Kumar Chauhan
7. Shri Satish Upadhyay
8. Smt. Shikha Roy
9. Shri Virender Singh Kadian

Special Invitees

1.	Shri. AC Verma, IAS	Addl Chief Secretary (Finance) GNCTD (Up to 25.06.2025)
2.	Shri Bipul Pathak, IAS	Addl Chief Secretary (Finance) GNCTD (w.e.f 26.06.25 to 23.01.26).
3.	Smt. Roli Shukla Malge	Accountant General (Audit), Delhi (upto 13.11.25)
4.	Smt. Aman Deep Chatha	Addl. Deputy, CAG (w.e.f . 14.11.2025 to 27.02.2026)
5.	Shri C.Velmurugan	Legal Counsel, Delhi Assembly

Assembly Secretariat

1.	Shri Ranjeet Singh,IAS	Secretary (LAS)
2.	Shri Sadanand Sah	Deputy Secretary (Legislation)
3.	Shri Raghu Nath	Section Officer (Legislation)
4.	Shri Ravinder Kumar	Section Officer (Legislation)

INTRODUCTION

I, Ajay Mahawar, the Chairperson of the Committee on Public Accounts having been authorized by the Committee to present its Second Report on their behalf before the House on the "Report of the Comptroller & Auditor General of India on Performance Audit on Regulation and Supply of Liquor in Delhi" (Report No.1 of the year 2024)".

The Committee in its sittings held on 22.05.2025, 09.07.2025, 28.08.2025 and 18.02.2026 had considered these paras. The Committee had extensive deliberations and the Departmental Representatives were also given adequate opportunity to submit written replies and present their views in the Sittings. The Committee appreciates the Officers of the Excise Department, Govt. of NCT of Delhi for prompt submission of all information and documents that were called for. The Report of the Committee was adopted in its Sitting held on 19.03.2026.

The Committee appreciates the cooperation and guidance extended to it by Smt. Roli Shukla Malge, Accountant General (Audit), Delhi, Smt.Aman Deep Chatha, Additional Deputy, CAG, Shri Bipul Pathak, Additional Chief Secretary (Finance), Govt. of NCT of Delhi. The Committee also wishes to place on record its appreciation of the valuable assistance rendered by the Officers and staff of the Assembly Secretariat during its sittings as also in the preparation of the Report.

The Committee authorized the Chairperson and, in his absence, Sh.Arvinder Singh Lovely, Hon'ble Member of the Committee for presenting the Report of the Committee in the House.

Delhi

Date: 19.03.2026

(Ajay Mahawar)
Chairperson
Public Accounts Committee

R E P O R T

Chapter I - Background

The Report of the Comptroller & Auditor General of India on "Report of the Comptroller & Auditor General of India on Performance Audit on Regulation and Supply of Liquor in Delhi" (Report No.1 of the year 2024)" was laid before the House on 25.02.2025. The Report contains the results of Performance Audit on Regulation and Supply of Liquor in Delhi. The complete Report is available at https://cag.gov.in/en/audit-report/details/121510

The Performance Audit has comprehensively examined and dealt with the various aspects viz.,

- Excise Supply Chain Information Management System
- Licensing policy and issue of Licenses
- Pricing Policy
- Compliance of Quality Norms
- Issues related to EIB and Confiscation
- Working of Enforcement branch
- Rolling out and implementation of Excise Policy 2021-22

The CAG's Report states the reasoning of the Performance Audit as follows: "Excise Department is a major contributor (approx. 14 *per cent*) to GNCTD's Tax Revenue. Apart from fulfilling its primary responsibility of revenue collection, the Department controls and regulates the liquor and narcotics trade and discharges the responsibility of making available the same to the consumers, with requisite quality assurance. With effect from 1 July 2017, Excise Duty on various goods and services was subsumed under Goods and Services Tax (GST) except on "Liquor for Human Consumption", thus the revenue collection for Excise Department is mainly from liquor sale.

There are multiple stakeholders involved in the supply and distribution of liquor starting from the manufacturers/distilleries (located outside Delhi) to the respective Bonded Warehouses located in Delhi and then to the various corporation vends, private vends, Hotels, Clubs & Restaurants and finally the consumers. Apart from the multiplicity of stakeholders, there is a multiplicity of heads under which Excise Department collects revenue, i.e., Excise duty, License fees, Permit fees, Import/Export fees etc. on Liquor products. This entails a complex supply chain mechanism to monitor, control and regulate the supply of liquor. Further, the different types of liquor and intoxicants (Country Liquor, Indian Made Foreign Liquor, Foreign Liquor, Denatured spirits and narcotics) are subject to different taxes, pricing, and administrative mechanisms. The Performance Audit on "Regulation and Supply of Liquor in Delhi" has been taken up owing to the importance of Excise duty on liquor, and implications for the fiscal position of the state.

Audit has covered a period of four years from 2017-18 to 2020-21 to examine Regulation and Supply of IMFL and FL Liquor in Delhi, in detail. Supply chain ofCountry Liquor has been looked into with regard to confiscation activity. Owing to the substantial changes in the Excise Policy regime from November2021 onwards and its subsequent withdrawal w.e.f. 1 September 2022, the audit was extended to cover this period as well.Audit observed several discrepancies in the way Excise Department monitored andregulated the supply of Liquor in NCT of Delhi. Total financial implication of the audit findings is approximately ₹2,026.91 crore.

The CAG conducted the performance of audit based on Delhi Excise Act, 2009, Delhi Excise Rules, 2010, User Manuals for ESCIMS and other orders/Circulars/Policy Papers issued by GNCTD/Excise Department.

After the Report was laid before the House, the Assembly Secretariat forwarded it to the Finance Department for furnishing Action Taken Notes (ATNs) vide letter dated 28.02.2025. The Department furnished the ATNs on 20.05.2025 which was examined by the AG (Audit). The AG (Audit) furnished comments on the ATN to Excise Department on 13.06.2025 with the request to furnish revised ATN addressing the observations/ deficiencies as pointed out. The Excise Department vide letter dated 08.07.2025 furnished revised ATN to AG (Audit). The AG (Audit) after examining the revised ATN returned the same to the Excise Department with final vetting comments with the request that the Department may finalise the ATN and forward the same to the Committee on Public Accounts, Delhi Legislative Assembly for necessary action.

The PAC (2025-26) considered the subject for detailed examination and took oral evidence of the representatives of the Excise Department in its sittings held on 22.05.2025, 09.07.2025, 28.08.2025 and 18.02.2026.

The Details of para-wise examination of the Report, Action Taken by the Department as well as the observations and recommendations of the Committee are dealt in the following pages.

The C&AGs Report also deals with the Excise Policy 2021-2022 (Chapter VIII) which is also the subject matter of investigation by CBI/ ED and sub-judice. The Department has also informed that Disciplinary Proceedings have also been initiated in some of these matters. The Committee would like to clarify that the findings contained in the Report of the Committee is confined to the Observations of the C&AG and the replies submitted by the Department and without prejudice to the matters which are sub judice or subject matter of the Disciplinary Proceedings.

Chapter II – Excise Supply Chain Information Management System
(Para 2.2 to Para 2.9 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observations on Excise Supply Chain Information Management System (ESCIMS)

1. *The ESCIMS system failed to track liquor sales effectively, with 28% of sales (136.53 crore barcodes) bypassing the system via 'stock-take-sold' exercise, and 21% of subsequent sales also not scanned at POS (Point of Sale) with 14%-48% of sales un-scanned during 2017-2021. Department's reliance on 'stock-take-sold' exercise and delayed penal provisions (2020) indicate inadequate implementation.*
2. *The ESCIMS system had a 30.87% MSR (Monthly Stock Realisation) Gap in 2019, with some vendors showing 70-98% sales without scanning, indicating poor tracking and potential revenue loss. The department failed to analyze data and identify non-compliant retailers, and couldn't provide proof of penalties imposed on licensees.*
3. *25.70 crore barcodes were unaccounted for, risking revenue loss due to potential misuse for Non-Duty Paid Liquor. The system's flaws and weak enforcement defeated liquor tracking.*
4. *Incomplete scanning enabled liquor diversion, causing excise duty loss. ESCIMS' flaws and lack of investigation allowed undetected diversion.*
5. *The department's response didn't address the 25 crore untracked barcodes, and details of MSR Gap penalties, FDRs, and latest MSR figures are pending. The audit still seeks clarity on actions taken against defaulters and diversion of liquor brands.*
6. *The department paid ₹24.23 crore to the Implementing Agency for liquor bottles sold without scanning, violating contract terms. The payment was made*

despite poor scanning and without proper reconciliation, giving an undue benefit to the agency. The Excise Intelligence Bureau (EIB) module in ESCIMS was dysfunctional, with no data, despite being a key regulatory tool. The department failed to leverage it for actionable intelligence, potentially missing out on preventing revenue leakage and smuggling.

7. *Department relied on Implementing Agency (IA)-prepared SLA reports without scrutiny, missing data inaccuracies and security breaches, impacting payment validity and system security.*

8. *No Exit Management Plan led to lack of project ownership, and no assets were created after 10 years. Capacity building efforts were also unclear.*

9. *No functional PMU led to poor project monitoring and continued dependence on the vendor. IT cadre shortages and lack of Exit Plan worsened the situation.*

10. *EAL implementation delayed due to inaction and tech integration issues, failing to ensure liquor supply security.*

C&AG's Recommendations:

2.1 Real time end-to end barcode tracking should replace the outdated MSR-gap method, while secure barcode labels should be implemented swiftly to prevent barcode duplication and misuse. Responsibility needs to be fixed for lack of compliance and penal action may be taken.

2.2 Data Analytic tools and Artificial Intelligence algorithms should be deployed to help in analysis and automatic generation of red flags for anomalous data and easy identification.

2.3 EIB module should be utilized to generate actionable intelligence for more effective enforcement function.

2.4 Service Level compliance should be ensured rigorously and monitoring should be done by the department.

2.5 Exit Management Plan should be updated to enable knowledge transfer from implementing Agency and system ownership by the department

2.6 An efficient Project Monitoring Team must be put in place to make the project sustainable and useful in the long run

Action Taken by Department:

Vide their written submissions and oral deposition the Department partially agreed to the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The Department cited several challenges to 100% scanning at the vends namely poor connectivity, power outages, slow performance of portal during peak sale period,non-reading by scanner due to aging of barcodes and damage to barcodes.The Department also stated that daily monitoring and coercive actions against defaulting vends i.e. show-cause notices, purchases disabled etc. are being taken.

2. Department claimed that there can be no loss of revenue at any point due to non-scanning of barcodes at POS as the departments collects Excise Duty at the source on generation of Import Permit itself.

3. The Department stated that MSR gap penalties had been imposed, FDRs/Bank Guarantees withheld and action taken against defaulters.Further, e-Abkari portal had been launched, replacing ESCIMS.

4. With regard to payments to the Implementing Agency (IA), the Department clarified payment terms where IA gets ₹0.15 per barcode for 'sold', 'returned', or 'broken' bottles, via scanning or stock take activity. Payment is made as per contract, therefore no burden on government exchequer. Also, e-Abkari portal has been launched and payments are now project-based to NIC/NICSI.

5. EIB data is sensitive therefore not uploaded to ESCIMS but maintained separately for intelligence and action. EIB module is under development to improve enforcement in e-Abkari portal.

6. The Department is verifying SLA reports on regular basis through monitoring portal.

7. ESCIMS, a pioneering IT system, faced challenges due to technological obsolescence (proprietary IBM tech stack), not just due to lack of exit plan. Exit Plan was submitted in 2022 and contract closed in Feb 2024. Now, e-Abkari portal has been launched on 03.10.2024, replacing ESCIMS.

8. Despite IT staff shortage, Excise department achieved revenue growth, supply chain automation and ease of doing business.

9. The Department cited EAL implementation risks namely time-consuming label distribution & potential revenue loss due to delays. It is now shifting focus to e-Abkari's track-and-trace system and exploring geo-tagging etc. for supply chain security.

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-I)**

Observations and Recommendations of the Committee:

1. The Department should expedite e-Abkari portal implementation, ensure effective tracking and monitoring of liquor sales.SoP may be formatted in this regard.

2. Department relied on 'stock-take-sold' exercise, bypassing proper scanning (28% sales, 136.53 crore barcodes). The Department should strengthen scanning processes, minimize use of 'stock-take-sold' exercise, and ensure compliance.Not scanning of bar codes cannot rule out duplication or even sale of spurious and illegal liquor. Strict action is to be taken to ensure that not even a single unit of liquor is sold without scanning of the barcode at the retail level.

3. EIB module dysfunctional, no data utilized for intelligence. The Department may strengthen EIB module, use for intelligence gathering and enhance enforcement.

4. Lack of IT cadre and Exit Plan worsened project issues. The Department may fill IT cadre gaps, develop Exit Plan and ensure project sustainability.

5. EAL implementation delayed due to inaction and tech integration issues.The Department may shift focus to e-Abkari's track-and-trace system, explore geo-tagging etc. for supply chain security.

Chapter III – Issue of Licenses

(Para 3.1 to Para 3.16 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observation on Issue of Licenses

1. Audit found records missing for 13 out of 59 selected licensees (2017-18 to 2020-21), hindering scrutiny. Department failed to provide records, raising concerns about license management.

2. Audit found multiple liquor licenses issued to related parties, violating Rule 35 of Delhi Excise Rules, 2010, potentially creating monopolies; Department's justification for no violation is unacceptable due to common directorships and inter-company transactions.

3. Excise Department issued licenses without verifying licensees' moral character via police certificates, relying on self-affidavits instead, violating Section 13(1)(c) of Delhi Excise Act; a licensee with an FIR was penalized ₹8 lakhs, highlighting department's inadequate checks.

4. Audit found Excise Department renewed an L1 license despite 46% of confiscated liquor (2018-20) belonging to the licensee, ignoring DC's direction to monitor the licensee quarterly; no inspections were conducted, showing inadequate enforcement.

5. Audit found Excise Department's solvency certificate requirements inconsistent and ignored for various licenses (L1, L1F, L7, L10, HCR), with 80 out of 84 cases lacking requisite certificates, compromising assessment of applicants' financial position. Department's justification for exemptions is unacceptable as it contradicts Delhi Excise Act, 2009.

6. Audit found Excise Department issued licenses to L1, L7, and L10 licensees without ensuring no government dues, violating Section 13(1)(d); requirements for Income Tax clearance and No-dues Certificates were inconsistent and not followed, with no No-dues Certificates issued by the Department itself.

7. Excise Department failed to ensure licensees comply with rules on employee checks (criminal background, age, health), leading to minors employed in warehouses; licensees' justification for employing under 21 years of age as "Data Entry Operators" is invalid as Section 24 prohibits such employment.

8. L1 licensees didn't submit personal bonds with surety as required, and accepted sureties were often from related parties, violating Rule 50's spirit; Department's acceptance of such sureties compromises independent assurance.

9. L1F licensees didn't submit required audited annual accounts and balance sheets for 2020-21, yet Excise Department issued licenses; Department's Covid-19 lockdown excuse isn't valid as it can't justify violating Delhi Excise Act/Rules.

10. L1 and L1F licensees didn't submit required sales data and EDP details for brands, violating license conditions; Excise Department accepted incomplete info, citing irrelevant clauses, showing inadequate monitoring.

11. Excise Department issued L1F license to Aryan Wines for Baltika Beer despite inconsistencies in authorization chain: Vosco Beverages appointed Aryan Wines as distributor before getting authorized by principal importer Veesha Food and Beverages, and labels showed conflicting principal importers.

12. Excise Department failed to ensure licensees (L6, L7, L10, HCR) had registered lease agreements, with many lacking proper documentation, and one case of suspected forged lease deed; Department's reliance on affidavits and incorrect justifications is inadequate.

13. Excise Department failed to ensure licensees (L6, L7, L10, HCR) had insurance against fire and natural hazards, with many lacking required documents; Department's claim of documents being on ESCIMS portal is unverifiable as Audit wasn't granted access despite multiple requests.

14. Retail vend licensees (L7, L10) didn't submit required CCTV declarations, and Excise Department renewed licenses without ensuring CCTV systems were installed, hindering monitoring and evidence collection; Department's claim of declarations being part of Section 13 is incorrect as it doesn't mention CCTV systems.

15. L7 and L10 licensees didn't submit required 15-point declarations for 2017-21, yet Excise Department renewed licenses; Department's claim of declarations being on ESCIMS portal is unverifiable as Audit wasn't granted access despite multiple requests.

16. Three HCR licensees didn't submit required Department of Tourism (DoT) approval, and Excise Department issued license to one despite knowing the deficiency.

***C&AG's Recommendations**:*

3.1 Responsibility should be fixed for non-production of records relating to 13 licensees to Audit.

3.2 Government needs to review all the licenses to ensure compliance with Rule 35 of the Delhi Excise Rules, 2010. Government should also investigate all these cases and fix responsibility for ignoring the information establishing relation among licensees, in violationof the Delhi Excise Rules, 2010. Further, Multiple Licenses should not be issued to related parties. Clear guidelines in this regard should be formulated.

3.3. Criminal antecedents should be verified for all licensees by the Excise Department and stringent action should be taken against officers for not complying with the Delhi Excise Act. Terms and Conditions which are not in consonance with the Delhi Excise Act should be brought in consonance.

3.4 Appropriate action under Delhi Excise Act should be taken against the Licenses as well as the officials responsible for not taking any action despite the shortcomings.

3.5 Acceptance of suspected forged documents also indicates lack of due diligence on the part of Excise Department. Appropriate investigation should be done in this matter and necessary action thereafter should be taken.

3.6 Selective adherence of various Rules and Regulations while issuing Licenses should be strictly dealt with and sample checking of various type of License Files should be done at higher level. Also responsibility should be fixed in this regard.

Action Taken by Department:

Vide their written submissions and oral deposition the Department partially agreed to the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The department claims it didn't intentionally withhold files and is willing to provide them again if needed, stating they had no intention to not provide requisitioned files.

2. The Excise Department claims it followed Rule 35 of Delhi Excise Rules, 2010, treating each distillery, brewery, winery, and bottling plant as separate units, and all six wholesale licensees were separate entities registered under Companies Act, 2013. The department has also taken steps to address CAG

concerns, preparing an e-abkari module to check directors/partners/proprietors and prevent similar violations in future.

3. The department agrees that mere registration of an FIR doesn't necessarily imply a criminal background, and the decision to grant or cancel a license depends on the nature of allegations and facts of each case. The Law Department opined that "criminal background" should be assessed subjectively, considering the applicant's moral character and history of lawful conduct, especially since the excise industry involves public safety and integrity.

4. The department claims FIRs were lodged against bootleggers, not licensees, and no evidence links confiscated liquor to Delhi's licensed warehouses; they're taking proactive measures with police to curb smuggling and have issued notices to curb illegal imports. ADS Spirits, an L-1 licensee, is being monitored and action is being taken against them for alleged illegal liquor supply.

5. The department ensures solvency certificates are submitted by all licensees as per the Act, and a committee under the Chief Secretary is reviewing the Excise Policy, including rationalizing solvency certificate amounts.

6. The department checks pending VAT and Excise dues internally through e-Abkari.

7. The department has taken note of CAG's observation and will ensure no one under 21years of age is allowed on licensee premises, irrespective of job nature; they'll also review PVC and medical fitness requirements for employees in thenext excise policy.

8. The department disagrees with the audit observation, citing no violation of Rule 50 and is committed to developing a better security bond mechanism. A committee under the Chief Secretary is reviewing this aspect as part of the new Excise Policy.

9. The department disagrees, citing COVID lockdown as an unprecedented event that led to relaxed compliance and licenses were issued based on affidavits. Now, they're making it mandatory to submit audited annual accounts and balance sheets.

10. The department states that L-1 licensees can declare EDP and MRP above certain thresholds, and submitting sales figures isn't mandatory, so EDP details aren't required.However, they're considering CAG's observations for the next excise policy.

11. The department is taking steps to avoid authorization issues by getting brand authorization from manufacturers to principal importers and then to applicants, carefully checking authorization dates. They're being cautious to prevent similar instances in future.

12. The department claims lease agreements don't need to be registered withstamp duty for license issuance, and notarized agreements are valid for lessthan a year. Department is now ensuring lease agreements over 11 months are registered. Further, regarding suspected forged lease agreement, M/s Ladi Marketing's license has already been ceased.

13. The department agrees some licensees lacked insurance documents, but corporations collectively cover insurance of the L-6 vends. Now, they're making fire insurance mandatory via e-Abkari portal for all licenses and verifying documents.

14. The department renewed licenses based on applicants' CCTV declarations and verified them later. Department inspected warehouses and

shops in Jan-Feb 2025, finding CCTVs installed and directed corporations to ensure 50m range CCTVs.

15. The department renewed licenses online based on applicants' declarations and verified eligibility later.

16. The department didn't provide licensee names, citing licenses may pre-date 2011 DoT approval rule. Now, department has shifted focus to e-Abkari portal's DoT certificate requirement and the Secretary (Tourism) discontinued standalone restaurant tourism certificates in 2020.

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-II)**

Observations and Recommendations of the Committee:

1. Department failed to provide records for 13 licensees, hindering scrutiny. Non-production of crucial records during the course of the audit is a concerning matter and responsibility needs to be fixed for delayed record sharing.

2. Multiple licenses issued to related parties, violating Rule 35. The department should ensure to implement e-abkari module to check directors/partners/proprietors and prevent similar violations.

3. Licenses issued without verifying moral character via police certificates. The Department may assess applicants' moral character subjectively, considering history of lawful conduct.

4. L1 license renewed despite 46% of confiscated liquor belonging to licensee. The Department should monitor licensees quarterly and conduct inspections to ensure compliance.

5. Solvency certificate requirements inconsistent and ignored by the Department. The Department may rationalize solvency certificate amountsand ensure submission by all licensees.

6. Licensees failed to comply with employee checks, allowing minors in warehouses. The department should ensure that no one under 21 years of age is allowed on premises and review PVC/medical fitness requirements.

7. L1 licensees didn't submit personal bonds with surety. The Department should develop better security bond mechanism and review surety acceptance process.

8. L1F licensees didn't submit audited annual accounts. The Department should make submission of audited accounts mandatory.

9. L1 and L1F licensees didn't submit required sales data and EDP details. The Department should ensure submission of sales data and EDP details, and consider CAG's observations.

10. L1F license issued despite inconsistencies in authorization chain. The Department may ensure carefully checking the authorization dates and preventsimilar instances.

11. Licensees lacked registered lease agreements. The Department may ensure that agreements over 11 months are registered.

12. Licensees lacked insurance against fire and natural hazards. The Department may make fire insurance mandatory via e-Abkari portal.

13. Licensees didn't submit CCTV declarations. The Department may ensure CCTV systems are installed and verify declarations made by the licensees.

14. L7 and L10 licensees didn't submit 15-point declarations. The Department may verify declarations and ensure compliance in a time bound manner.

15. HCR licensees didn't submit DoT approval. The Department may ensure that the DoT certificate requirement is met.

Chapter IV – Pricing of IMFL and FL

(Para 4.1 to Para 4.4 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observation on Pricing of IMFL and FL

1. The Excise Department's approach to Excise Distillery Price / Excise Brewery Price (EDP/EBP) is ambiguous, allowing L1 licensees to declare prices at their discretion, despite profit margins being separately provided; this lack of clarity has led to issues with pricing, which the new Excise Policy aims to address by basing EDP on the lowest allowed in any Indian state, with licensees required to submit an affidavit. The current system is unsatisfactory due to the undefined concept of EDP.

2. The Excise Department's lack of oversight on EDP/EBP declarations led to a ₹165 crore revenue loss, as increased EDP didn't translate to higher excise revenue, and discretionary pricing power may promote smuggling; the new Excise Policy aims to address this by making minimum EDP uniform for all brands, but the audit questions the correlation between price and popularity, highlighting the need for effective EDP regulation. The government's response is unsatisfactory as it overlooks the impact of EDP on sales and revenue.

3. The L1 licensees exploited the discretionary EDP/EBP pricing mechanism, declaring higher EDP in Delhi compared to other states for 7 out of 14 brands, resulting in an undue benefit of ₹35.07 crore; the Excise Department's capped profit margin of 5% was circumvented, highlighting inadequate regulation of EDP/EBP. The government's response reiterates previous points, failing to address the audit's concerns.

4. The L1F licensees exploited the liberal policy, declaring exorbitant profit margins (44-347%) on foreign liquor, inflating MRP and potentially fueling smuggling through porous borders; despite violating conditions to declare WSP of other states, no action was taken, and the government's response downplays the *issue, citing fixed WSP and excise duty benefits, but audit highlights decreased revenue growth (8.28% vs 18.27%).*

C&AG's Recommendations:

4.1 *Ex-distillery Price should be defined along with all cost components and it may be clarified whether it includes any component of profit. Also discretionary EDP should not be allowed.*

4.2 *Government should review its pricing policy to effectively regulate the prices and maximise the revenue.*

Action Taken by Department:

Vide their written submissions and oral deposition the Department partially agreed to the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The department cites L-1 license terms allowing discretionary EDP declaration for certain MRP thresholds, and acknowledges CAG's observation to consider cost break-up in the next excise policy; a high-level committee under the Chief Secretary is formulating a fresh Excise Policy, which will include this aspect. The department is working on revising the policy to address audit concerns.

2. The department takes undertakings from L-1F licensees for lowest WSP in Delhi and believes pricing is a policy decision; they claim no revenue loss as excise is calculated based on declared prices, and customers will shift to other brands if prices increase, maintaining revenue flow. The department attributes sales to market-driven factors and customer choice, with economical brands under price protection.

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-III)**

Observations and Recommendations of the Committee:

1. Department's approach is ambiguous, leading to pricing issues. The Department must define EDP/EBP clearly and regulate it effectively.

2. L1F licensees declared exorbitant profit margins, inflating MRP. The Department should review and ensure compliance with WSP declaration conditions.

Chapter V – Violation of Quality Norms

(Para 5.1 to Para 5.8 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observation on Violation of Quality Norms

1. The Excise Department failed to ensure liquor quality, lacking specifications for Tequila and unclear guidelines for foreign manufacturers, while also accepting non-NABL accredited lab certificates and relying on manufacturers' self-declarations, compromising adherence to BIS standards. The department's shortcomings led to inadequate verification of liquor quality, potentially risking public health.

2. The Excise Department accepted invalid quality test certificates from non-NABL accredited labs, labs not authorized for liquor testing, and labs with limited accreditation, compromising liquor quality checks; the department's lack of diligence and failure to adhere to FSSAI guidelines raises concerns about ensuring public health safety. The department's response indicates inadequate oversight, relying on manufacturer-linked labs without third-party inspection.

3. The Excise Department's quality control process for liquor has several shortcomings, as revealed by scrutiny of files from 12 L1 and 3 L1F licensees, indicating inadequate oversight and potential risks to public health. The department's procedures failed to ensure liquor quality, highlighting gaps in implementation and enforcement.

4. The Excise Department failed to ensure liquor quality, as 12 L1 licensees didn't submit quality certificates in 2020-21, and scrutiny of 173 test reports revealed widespread non-compliance with BIS standards, including missing tests, incomplete reporting, and lack of microbiological and water quality tests, posing serious health risks. The department's inadequate scrutiny and lack of *diligence compromised public safety, with not a single brand meeting all BIS standards.*

5. The Excise Department's oversight of foreign liquor quality was severely lacking, with L1F licensees' test reports showing only 35.64% compliance with BIS standards, and widespread issues including non-conducted tests, unreliable reports, and missing critical parameters like microbiological and water quality tests, posing significant public health risks. The department's acceptance of outdated and ambiguous reports, coupled with unclear standards, further compromised liquor quality assurance.

6. The Excise Department's scrutiny of quality test certificates for certain beer brands revealed suspicious alterations and identical test values, indicating potential forgery, yet the department's response was inadequate, seeking explanations from licensees instead of conducting forensic examinations to verify the authenticity of the reports. The department's lack of rigorous verification compromises the integrity of liquor quality checks.

7. The Excise Department approved 'Bro Code Crafted Brut 5' as wine despite its test certificate categorizing it as 'Low alcoholic Beverages' with 5% alcohol content, below FSSAI's 7% minimum for wine, and failed to prevent its sale, issuing transport permits even after initiating action, potentially misleading consumers. The department's inaction and delayed response compromised regulatory oversight.

8. Indo Spirit Beverages resubmitted the same quality test certificates for three wine brands in 2018-19 as in 2017-18, which went undetected by the Excise Department, indicating inadequate scrutiny. The department's response indicates ongoing consideration of the matter, but the issue highlights lapses in ensuring updated quality compliance.

C&AG's Recommendations:

5.1: Verification against FSSAI norms should be mentioned in the Terms and Conditions specifically so that there is no ambiguity regarding norms to be followed.

5.2: For an authentic and unbiased test report, it must be ensured that the laboratories that issue test reports must be NABL accredited for testing the relevant parameters of liquor.

5.3: Delhi Excise Department should proactively monitor the quality of alcohol and may frame stringent quality standards over and above the norms prescribed by BIS standards. Delhi Excise Rule 7 is an enabling provision to formulate such specifications.

5.4: Checklist/Standard Operating Procedure (SOP) relating to the verification of test reports on the basis of BIS/FSSAI norms should be prepared. Verification on the basis of Checklist/SOP should be made mandatory to ensure compliance with applicable quality norms.

5.5: The test certificates should be evaluated by the Forensic Laboratory and matter should be investigated. Necessary action should be taken against the officials responsible for such a serious lapse.

5.6: Departmental action should be taken against the officials responsible for issuing license to the licensee without due diligence and verification of Quality Test Certificates and granting Transport Permit even after the initiation of action against the Licensee.

Action Taken by Department:

Vide their written submissions and oral deposition the Department partially agreed to the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The Excise Department defended its past practices, citing compliance with BIS and FSSAI standards, and claimed reliance on government-appointed officials for ENA certification, but acknowledged shortcomings in lab staffing and promised to incorporate CAG recommendations in future policies. However, the department failed to address actions taken against officials who issued licenses without proper quality certificates, despite FSSAI requirements for accredited labs.

2. The Excise Department clarified that NABL accreditation wasn't initially required, but they'll now preferably accept lab reports from NABL-accredited labs for IMFL and is implementing random testing of high-selling brands. The department also conducts quarterly checks, with recent samples (125 in Oct-Dec '24 and 255 in Jan-Mar '25) meeting BIS standards, and plans to incorporate CAG recommendations in the next excise policy.

3. The Excise Department stated that they're now requiring IMFL licensees to submit test reports preferably from NABL-accredited labs, and conducting quarterly checks, with recent samples meeting BIS standards. The department relies on BIS/FSSAI norms as it lacks expertise to set its own standards and has taken steps to address staffing shortages in the Excise Lab.

4. The Excise Department is verifying the authenticity of lab reports submitted by M/s Mohan Goldwater, claiming no intentional forgery, and has sent reports to Fare Labs Pvt. Ltd for verification, but no response has been received; meanwhile, action may be taken under Section 17(1)(f) of the Delhi

Excise Act, 2008, for obtaining licenses through misrepresentation. The licenses in question have already expired.

5. The Excise Department took action against "Brocode Crafted Burt 5", issuing a Show Cause Notice and stopping import/transport permits after approval from Excise Commissioner, and marked the brand inactive in ESCIMS;

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-IV)**

Observations and Recommendations of the Committee:

1. The Excise Department's quality control process has significant shortcomings which compromises public health safety. The Department should make it mandatory for all liquor brands to submit NABL-accredited lab reports and conduct regular audits to ensure compliance.

2. The Audit found widespread non-compliance with BIS standards including missing tests and incomplete reporting. The Excise Department should strengthen scrutiny of test reports, and take strict action against non-compliant licensees.

3. The department accepted outdated and ambiguous reports, further compromising liquor quality assurance. The Department should establish a robust system for verifying report validity, and reject outdated or incomplete reports.

4. During the audit, potential forgery and suspicious alterations were detected, but the department's response was inadequate. The Department

should ensure to implement rigorous verification of quality test certificates, including forensic examinations whenever is necessary.

5. The department approved a wine brand with low alcohol content, potentially misleading consumers, therefore, the Department should ensure strict adherence to FSSAI regulations, and review brand approvals to prevent similar cases.

6. The Excise Lab has significant staffing shortages, impacting quality control. The Department may expedite recruitment of lab staff to ensure effective quality control.

7. The department lacks clear guidelines for foreign manufacturers and Tequila, aligning with BIS and FSSAI regulations. The Department should establish and communicate clear guidelines to ensure compliance.

8. The department failed to address actions taken against officials who issued licenses without proper quality certificates. The Department should take strict action against officials responsible for lapses, and ensure accountability.

9. The department's monitoring and testing of liquor brands is inadequate.The Department shouldensure the conduct of regular sampling and testing, and publish results to ensure transparency.

10. The department's policies and procedures require review and update. The Department should incorporate CAG recommendations into the Excise Policy, and review procedures to prevent similar lapses in future.

Chapter VI – EIB and Confiscation

(Para 6.1 to Para 6.6 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observation on EIB and Confiscation

1. The Excise Department's data of 3580 FIRs (2017-21) revealed a rising trend in liquor smuggling cases, with districts bordering Haryana accounting for 83% of FIRs and 77% of seized liquor, mostly Country Liquor (65%), indicating a significant smuggling pattern. The total seizure included 4.38 lakh quarts of IMFL and 9.12 lakh quarts of Country Liquor, highlighting the scale of the issue.

2. The Excise Department's restrictive Country Liquor (CL) sourcing policy, including a cap on nip sales and limited manufacturer selection, contributed to smuggling, with seized liquor mostly being nips (180ml) of popular brands not part of Delhi's quota; the department's inadequate demand assessment and lack of vendor choice further fueled a parallel supply chain, potentially causing revenue loss. The policy shortcomings include an artificially capped CL supply (300 lakh BL, reduced from 520.65 lakh BL in 2009-10) and restrictive tender terms allowing only 10 CL brands/year, ignoring customer preferences.

3. The Excise Intelligence Bureau (EIB) failed to effectively utilize confiscation data to plan raids, ignoring hotspots identified by Delhi Police, and lacked coordination with Enforcement and Confiscation Branches, leading to unplanned and ineffective operations, despite increasing smuggling cases and repeated violations at licensed premises. The EIB's claims of coordination and planning are unsubstantiated, with fragmented data and errors, indicating a lack of focus and strategy in combating liquor smuggling.

4. The Excise Intelligence Bureau's (EIB) investigation into 70 FIRs (2017-21) revealed a disconnected approach, ignoring systematic smuggling patterns, with specific brands dominating seizures, and lacking coordination with other excise authorities; despite identifying issues, the EIB failed to address supply-side problems, and its claims of planning and coordination are unsubstantiated, with fragmented data and errors. The department's response to allegations, including misuse of P-10A permits, is unsatisfactory, lacking evidence and contradicting enforcement findings.

C&AG's Recommendations:

6.1 ESCIMS should be utilized to capture granular data related to EIB, Confiscation and Enforcement cases. Detailed analysis of the case-wise aggregated data of confiscation and EIB cases should be made, to identify liquor smuggling hotspots, brands involved, reasons for smuggling estimated revenue leakage etc.

6.2 Feedback from the EIB and Confiscation Branch should be incorporated to strengthen administrative and regulatory function of Excise Department like issue of license and planning enforcement raids

6.3 Coordinated action, with other states' Excise Department must be planned to strike at the illicit liquor supply chain.

Action Taken by Department:

Vide their written submissions and oral deposition the Department partially agreed to the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The Excise Department has addressed audit observations by approving a 30% nip proportion in Country Liquor supply and initiating the 2024-25 tender with 100% quota allotment, ensuring no shortage in L-8 vends. The

department has also taken steps to promote diverse players and prevent cartelization by allotting a minimum 10% supply to each tenderer.

2. The Excise Department has strengthened coordination between EIB and Enforcement branches through joint raids, WhatsApp groups, and planned operations in smuggling-prone areas. The department has also sensitized EIB teams to carefully draft complaints for FIRs.

3. The Excise Department has intensified efforts to curb liquor smuggling, seizing 1,60,138 bottles and arresting 488 accused in 2024, and has been awarded for its performance during the MCC-2025. The department has also implemented measures to monitor P-10A permits, including a barcode mapping module in eAbkari portal, and increased vigilance on permit issuance and usage.

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-V)**

Observations and Recommendations of the Committee:

1. The Excise department should conduct regular demand assessments, increase vendor options, and review CL quota allocation to meet actual demand. Reforms in these areas may be deliberated in new excise policy.

2. The EIB failed to effectively utilize confiscation data to plan raids, ignoring hotspots identified by Delhi Police. The Department should develop a data-driven approach to identify hotspots, plan raids, and allocate resources effectively.

3. The EIB lacked coordination with Enforcement and Confiscation Branches, leading to unplanned and ineffective operations. The Department should strengthen inter-branch coordination, share intelligence, and develop a comprehensive plan to combat liquor smuggling.

4. The EIB's investigation into 70 FIRs revealed a disconnected approach, ignoring systematic smuggling patterns and supply-side issues. The Department should conduct thorough investigations, identify supply-side issues, and take action against manufacturers and suppliers involved in smuggling in a time bound manner.

5. The department's response to allegations of P-10A permit misuse is unsatisfactory, lacking evidence and contradicting enforcement findings. The Department should investigate P-10A permit misuse allegations, take action against violators, and implement measures to prevent future misuse.

6. The department's enforcement efforts are commendable, but require strengthening and scaling up. The Department should increase EIB personnel, enhance training, and implement technology-based monitoring systems to track liquor movement and detect smuggling.

7. The department's policies and procedures require review and update to address emerging challenges. The Department should review and update policies, procedures, and laws to address liquor smuggling, and ensure effective implementation. The Department may explore the possibility of granting incentives and rewards to informants and Officers who perform exceptionally well.

Chapter VII – Enforcement

(Para 7.1 to Para 7.3 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observation on Enforcement

1. The Enforcement cases' process flow and scope need examination to identify gaps, as various deficiencies were observed in enforcement process and documentation, highlighting potential weaknesses in implementation.

2. The Excise Department lacked proper planning and SOP for inspections, leading to discretionary and unplanned enforcement efforts, with deficiencies in evidence gathering, sampling procedures, and documentation, compromising effectiveness. The department acknowledged the need for an SOP and is formulating a new one to address audit observations and enhance enforcement efficiency.

3. The Excise Department's inspection process was marred by poor record-keeping, inadequate evidence collection, and failure to seize suspected bottles, compromising the effectiveness of enforcement actions. The department's responses to audit observations were unsatisfactory, highlighting systemic issues, including MSR gaps and lack of investigation into expired or suspicious stock, undermining the integrity of the liquor tracking system.

4. The Excise Department's inspection documentation was flawed, with errors like reporting batch numbers instead of barcodes, and contradictory inspection reports, weakening prosecution cases. The department's explanations were unsatisfactory, highlighting serious issues with record-keeping and *transparency, requiring investigation and corrective action to ensure integrity of enforcement processes.*

5. The Excise Department's enforcement efforts were hindered by inadequate investigation of irregularities, deficient show cause notices, and failure to hold all parties accountable, allowing defaulters to escape scrutiny. The department's responses to audit observations were unsatisfactory, indicating a lack of thoroughness in addressing potential malpractices and systemic weaknesses.

6. The Excise Department failed to invoke Section 53 of the Excise Act, which allows for enhanced punishment for repeat offenders, in 11 cases where violations were repeated, despite acknowledging the lapse. The department regretted the oversight, indicating a need for improved enforcement and adherence to regulatory provisions.

***C&AG's Recommendations**:*

7.1 Enforcement functions should be strengthened starting from formulation of Standard Operating Procedure, meticulous evidence collection and investigation and expeditious disposal of cases.

7.2 Enforcement Registers containing granular data regarding details of the case, should be maintained in ESCIMS, which can help analysis of data to generate actionable intelligence.

7.3 Computerization of inspection Reports and the process followed thereafter should be done to ensure transparency and accountability.

Action Taken by Department:

Vide their written submissions and oral deposition the Department partially agreed to the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The Excise Department conducts surprise inspections based on intelligence or complaints, keeping the process confidential to avoid information leaks, and doesn't standardize procedures to maintain secrecy. The department is digitizing record-keeping and conveys major offences to police for further action, but hasn't formalized SOPs for inspections citing confidentiality concerns.

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-VI)**

Observations and Recommendations of the Committee:

1. The Excise Department lacks proper planning and Standard Operating Procedures (SOPs) for inspections, leading to discretionary and unplanned enforcement efforts. The Department should develop and implement clear SOPs for inspections, outlining procedures for planning, execution, and documentation.

2. The department's evidence collection is often inadequate, with issues like reporting batch numbers instead of barcodes, and contradictory inspection reports. The Department should improve evidence collection and documentation, using technology like barcode scanning and digital records, and ensure consistency in reporting.

3. The department fails to hold all parties accountable, with inadequate investigation of irregularities and deficient show cause notices. The Department should ensure thorough investigations and hold all parties accountable for irregularities and offenses, with clear and specific show cause notices.

4. The department's responses to audit observations are unsatisfactory, highlighting systemic issues and undermining the integrity of the liquor tracking system. The department should ensure transparency in enforcement actions, with regular updates on progress and outcomes.

5. The department failed to invoke Section 53 of the Excise Act for repeat offenders, despite acknowledging the lapse. The Department should invoke Section 53 of the Excise Act for repeat offenders to ensure enhanced punishment and deter future offenses, and review cases where Section 53 was not applied.

6. The department's inspection documentation is flawed, with errors like reporting batch numbers instead of barcodes, and contradictory inspection reports. The Department should improve documentation procedures, using standardized formats and ensuring accuracy and consistency in reporting.

7. The department failed to investigate irregularities and offenses thoroughly, allowing defaulters to escape scrutiny. The Department should ensure thorough investigations into all irregularities and offenses, with clear timelines and outcomes.

Chapter VIII – Excise Policy 2021-22

(Para 8.1 to Para 8.7 of the CAG Report)

The summary of the Audit Report, Action taken by the Department and the observations/ recommendations of the Committee are as follows:

Audit Observation on Excise Policy 2021-22

1. The Delhi Excise Policy 2021-22 aimed to revamp the existing excise regime, citing it as cumbersome and archaic, with potential for revenue growth and improved customer experience. The policy was implemented from November 2021 and extended till August 2022.

2. The Excise Policy aimed to boost revenue, curb spurious liquor, and enhance customer experience, while simplifying regulations and promoting fair competition. It also sought to ensure equitable liquor supply, accountability, and consumer choice, with measures to check smuggling and bootlegging.

3. The Delhi Government's new excise policy removed government corporations from liquor retail, introduced a new excise duty structure, and divided Delhi into 32 zones for retail sale. Private entities were allowed to operate wholesale and retail liquor businesses, with measures to ensure equitable distribution and discounts on liquor prices.

4. Audit found that the Delhi Government took key decisions on excise policy, including fee waivers and policy extensions, without Cabinet approval or Lieutenant Governor's opinion, violating a Cabinet decision. Additionally, amended excise rules weren't laid before the Legislative Assembly for approval as required by law.

5. An Expert Committee and a Group of Ministers (GoM) were formed to reform Delhi's liquor trade, focusing on revenue augmentation and fair *competition. The Expert Committee and GoM had differing recommendations, with the GoMfavouring private entities in wholesale and retail, raising concerns about transparency and cartelization risks.*

6. The Expert Committee recommended a government-owned wholesale corporation to curb dual ownership and illicit liquor trade, but the GoM opted for private players, citing time constraints, despite acknowledging risks of proxy ownership. This decision contradicted past indications, suggesting private wholesale operations weren't just an interim measure.

7. The Expert Committee had suggested retention of collection of Excise Duty on per bottle basis, while altering the pricing mechanism. However, the GoMfavoured advance collection of excise duty, in the form of License fee, which was practically delinked to the actual sale of liquor.

8. The Expert Committee and GoM acknowledged retail licenses were concentrated among few players through proxy ownership, yet the GoM allowed one entity to control up to 54 vends, risking cartelization and market distortion. This decision contradicted expert warnings, potentially enabling syndicates and brand pushing.

9. After withdrawal of the Excise Policy for the year 2021-22 (in August 2022), the Excise Department implemented the same conditions of old policy (existing before Policy year 2021-22) during the Excise Policy for the year 2022-23 with the only change regarding retail vends. Only Government Corporations were allowed to operate retail vends. Before the 2021-22 policy, private vends were also in operation simultaneously with the Government Corporation vends.

10. The Excise Policy 2021-22 projected ₹8,911 crore annual revenue, with ₹7,054 crore upfront license fee, but due to policy issues, there was a ₹2,002.68 crore loss. The policy relied on license fees, excise duty, and VAT for revenue.

11. The most important aspect of the implementation of the new Policy was the design of a robust framework for the policy to ensure proper implementation, so that the intended objectives could be achieved. However, it was observed that the following issues in the design and award process weakened the framework which resulted in deviation from the intended objectives.

12. The Excise Policy 2021-22 granted wholesale licenses to private distributors, contradicting the Expert Committee's recommendation for a state-owned corporation. Despite aiming for high-end entities, the policy had design and process issues in granting licenses.

13. The Excise Department received 18 applications for wholesale licenses, with 4 rejected/withdrawn, but records weren't provided to audit. This lack of transparency raises concerns about the process's fairness and adherence to criteria.

14. The new Excise Policy restricted manufacturers to supply through one wholesaler, leading to only 14 wholesale licenses, down from 101 (i.e.77 manufacturer of IMFL and 24 suppliers of FL) in the old policy. This concentration risks monopoly and cartel formation, contradicting the policy's objective.

15. The new Excise Policy increased wholesaler margins from 5% to 12%, but delinked license fees from operations, benefiting large players and risking revenue loss. The justification for the hike lacked quantification and labs meant to ensure quality weren't operationalised.

16. The policy allowed joint ventures for wholesale licenses, but lacked specifics, enabling entities with minimal stake (1-5%) to partner with inexperienced majority partners. One JV paid ₹25,000 "royalty" to the eligible *partner, suggesting exploitation of the system, undermining professional management goals.*

17. The Excise Policy aimed to ensure equitable liquor access and prevent monopolies, but the tender process had issues. Ultimately, 10 applicants got 20 zones, with each getting 2 zones, raising concerns about concentration and cartelization.

18. The new policy's zoning mechanism concentrated retail licenses among 22 entities, with each controlling at least 27 vends, increasing the risk of monopolization and cartel formation, contrary to the policy's objective. This is a significant shift from the old policy where licenses were more dispersed.

19. The Excise Policy required bidders to submit ITRs and a CA certificate for net worth, but lacked minimum financial criteria. Successful bidders needed ₹100 crore upfront for a zone, yet many had negligible income or losses. 9 entities reported zero income/losses in 2 of 3 years, and 5 entities with poor financials got 10 zones. This oversight risked awarding licenses to financially weak entities, potentially hampering operations and excise revenue collection. The lack of scrutiny of bidders' financials raised concerns about the policy's effectiveness.

20. The Excise Policy allowed unlimited renewal of zonal licenses with annual license fee hikes, but lacked modalities for determining revised fees and ensuring bidders' financial viability post-renewal. A loss-making entity with negative net worth, Path2Way HR Solutions, had its license renewed despite showing a ₹52 crore loss in 2021-22.

21. The policy's lack of financial criteria led to weak entities getting licenses, which were often surrendered without notice, risking revenue loss. No *retendering or contingency plans existed to mitigate this risk, leaving the Department vulnerable to lost revenue.*

22. The Tender Evaluation Committee didn't thoroughly investigate 9 complaints against bidders, citing time constraints, and allowed entities to participate despite allegations of ineligibility. 11 of these entities got 17 retail zones, but no detailed examination was done, raising concerns about potential conflicts of interest and policy violations.

23. The Delhi Excise Rules and new policy prohibit holders of wholesale licenses from getting retail licenses and vice versa. Retail license holders can't have manufacturing facilities or common ownership with distilleries, breweries, or wineries, directly or indirectly, to prevent conflicts of interest.

24. The new Excise Policy diluted criteria for determining related entities, allowing licenses to be granted to entities with common interests. This led to cases where wholesale licensees and zonal licensees had shared ownership or family ties, potentially undermining the policy's intent.

25. The Department relied on self-declaration affidavits and didn't scrutinize applications properly, allowing potentially related entities to get licenses. This led to skewed supply patterns, raising concerns about manipulation and exclusivity arrangements between wholesalers and zonal licensees with common interests.

26. The analysis revealed that three wholesale entities controlled 71.7% of liquor sales in Delhi, with related retail entities receiving disproportionate supplies, indicating potential brand pushing and limited consumer choice. Statistical outliers showed wholesalers favouring specific zonal licensees, often with shared ownership or family ties, undermining the policy's objectives.

27. The Excise Department failed to sort out liquor shop regulations in non-conforming areas before tendering, leading to a ₹941.53 crore loss. The Delhi High Court exempted licensees from paying fees for 67 non-conforming wards, highlighting the Department's lack of preparedness and coordination with authorities like DDA.

28. The Excise Department failed to retender 19 surrendered zones, resulting in a ₹890.15 crore revenue loss. The Department's mismanagement and lack of contingency plans led to this loss, highlighting issues with policy implementation and license management.

29. The Excise Department rejected L-7Z licensees' request for a license fee waiver due to COVID-19 restrictions, citing the tender document's clause on commercial risks. However, the Minister approved a waiver for closed vends from December 28, 2021, to January 27, 2022, resulting in a ₹144 crore loss, despite the Finance Department's objections and lack of Council of Ministers' approval.

30. The Excise Department's decision to accept a security deposit of 25% of the pro-rata annual license fee, instead of the annual license fee, left it vulnerable to defaults. Two zonal licensees surrendered their licenses, leaving ₹27 crore in unpaid fees, highlighting the Department's mismanagement and increased risk of revenue loss.

31. The Delhi Excise Policy 2021-22 planned to issue five Super Premium (L7-SP1) vends with larger floor areas, but the tendering process wasn't done, resulting in a lost opportunity for additional license fees. This oversight led to a revenue loss.

32. The Excise Department allowed four liquor vends in Zone 23's non-conforming wards without approvals from DDA and MCD, violating MPD-2021 norms. Inspection teams failed to properly scrutinize documents, declaring mixed *land use areas as conforming, leading to these vends being sealed by MCD in January-February, 2022.*

33. The Excise Department made errors in calculating dues for Zones 8 and 30, inflating the amount by ₹24.20 lakh and ₹4.65 lakh, respectively. These discrepancies arose from incorrect interest calculations and penalty applications, highlighting the need for accurate accounting and adherence to tender conditions

34. The Delhi Excise Policy 2021-22 mandated a Deputy Commissioner (Wholesale Operations) to oversee wholesale dealings, prevent unfair practices, and ensure equitable stock distribution. However, no officer was designated to this role, indicating non-compliance/non adherence of the provisions contained in Clause 3.1.11 of Delhi Excise Policy for the year 2021-2022.

35. The Excise Department failed to ensure quality control of liquor in Delhi, as mandated by the Delhi Excise Policy 2021-22. Laboratories were set up in 19 out of 62 warehouses, and batch testing wasn't implemented, despite guidelines being issued late; no state-of-the-art lab was established, and special teams for sample collection weren't constituted

36. The Delhi Excise Policy 2021-22 saw an 11.4% increase in liquor sales, with 64.82 crore bottles sold between December 2021 and August 2022, compared to 58.19 crore bottles in the same period of 2018-2019. However, the policy's objective of equitable distribution of liquor retail vends across Delhi was not achieved, with some wards having multiple vends while others had none, according to the CAG Report.

37. Data for Excise Intelligence Bureau (EIB) & Confiscation for the Excise Year 2021-22 was requisitioned from the Excise Department. However, no reply was provided to Audit in spite of multiple reminders. Therefore, audit could notreview *the functioning of EIB including checking of interstate smuggling of various intoxicants as well as detection of illegal liquor trade.*

Action Taken by Department:

Vide their written submissions and oral deposition the Department agreed to most of the audit observation and outlined the Actions Taken by them which are briefly summarized below: -

1. The Department reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

2. The Delhi Excise Department states that key decisions were approved by the then Deputy CM and later ratified by the Council of Ministers in July 2022. The department attributes the delay in approval to the then Deputy CM's directive to implement decisions first and the Council of Ministers be informed in due course.

3. The Department only received the Group of Ministers (GoM) report for implementation without any other file having basis of the formulation of GoM report.

4. Regarding deep study for setting up a state-owned whole-sale corporation as explained in the GoM recommendations, the Department informed no such proposal was found.

5. As far as observation on concentration of ownership and market distortion is concerned,the department informed that it was part of Excise Policy 2021-22 and the department hasn't independently analyzed it.

6. The Excise Department didn't provide information on whether a study was done to determine revenue loss due to the shift in excise regime (Nov 2021 - Aug 2022), stating the policy is under CBI/ED investigation.

7. The Excise Department states that no independent analysis was done on wholesale supply concentration risks.

8. The Excise Department stated that the wholesale license conditions, including the 5-12% wholesaler margin increase, were policy decisions made by the GoM and Cabinet. However, the department couldn't provide the basis for the Expert Committee's calculation, stating no such data is available in the files.

9. The Excise Department agrees with the audit's observation regarding monopolization and cartel formation, stating the Excise Policy 2021-22 was a top-down policy approved by GoM and Cabinet. The department implemented it as directed. However, when asked for reasons behind increasing vends per entity, they cited the policy being rescinded and under CBI/ED investigation, without providing specific information.

10. The Excise Department disagrees with the audit's observation regarding minimum financial criteria of the applicant but failed to explain the basis for fixing the net worth and awarding licenses to entities with low income/losses.

11. The Excise Department agrees with the audit's observation regarding revision of License fee and said that the department had submitted a proposal on license fee revision in Feb 2022, but got no directions as the policy was extended twice and then revoked.

12. The Excise Department partially agrees with the audit's observation on surrendering of license. They cite the Delhi Excise Act 2009 (Section 19) for surrender of licenses, and note that retendering is time-consuming. The department had proposed renewal/retendering in Feb 2022, but no decision was made.

13. The Excise Department agrees with the audit's observation about TEC. They provided the composition of the Tender Evaluation Committee (TEC) but didn't furnish action taken on complaints, citing the policy is rescinded and under CBI/ED investigation.

14. The Excise Department states that they followed the definition of "relatedness" as per GoM's recommendation and Cabinet's approval. The department provided relevant documents to the audit, stating instances of relatedness are under CBI/ED investigation.

15. The Excise Department stated that they took efforts to seek permissions for opening retail vends in non-conforming areas. Despite DDA denying permission, a committee recommended opening vends in conforming areas instead, which was approved. Licensees didn't avail this option, leading to court cases. The department cites High Court orders for license fee reduction.

16. The Excise Department agrees partially with the audit's methodology but disagrees with mismanagement claims. They cite the policy was framed based on GoM reports and approved by Council of Ministers. The department sought retendering directions multiple times but received none. They point to existing retendering clauses in the policy.

17. With regard to the waiver in license fee, the department states that it was approved by the Council of Ministers via Cabinet Decision 3089 on 14.07.2022.

The Dy. CM granted Rs.144 Cr. relief on 01.02.2022, with directions to inform the Council later. The department says they apprised the Cabinet of the monetary implications on 12.04.2022.

18. The Excise Department disagrees with regard to pro-rata license fee, citing the definition of "Year" in Delhi Excise Rules 2010. They say security deposit was taken on a pro-rata basis, matching the license period (17/11/2021-31/03/2022), and license fees were also collected accordingly. Recovery of dues from two licensees is pending in NCLT & High Court, with efforts ongoing.

19. The Excise Department partially agrees regarding floating of Tender forL-7SP1, citing insufficient time to float tender for L-7SP1 vends due to policy launch mid-year. They point to a 6-month setup requirement in the policy, making it unfeasible to tender super premium vends.

20. To improve scrutiny, the Excise Departmenthave formed a committee (chaired by area SDM) to inspect and recommend new licenses. The department's now issuing licenses based on this committee's recommendations.

21. The Excise Department says there's no revenue loss due to calculation errors in dues. They've implemented e-Abkari module for license issuance, which automatically calculates government dues, ensuring accuracy.

22. The Excise Department states that the DC (WO) post wasn't created and isn't required currently. Wholesale operations are privatised.

23. The Excise Department cited sale & distribution trends as a matter of record. They say efforts were made to obtain permissions, as per para 8.5.1.

24. The Excise Department says EIB's performance is monitored at the HOD level at day-to-day basis, Audit notes the department provided EIB data for 2021-22, but didn't give reasons for not furnishing records earlier, despite availability.

The detailed Audit Report and the para wise Action Taken Note of the Department is placed at **Volume II (Annexure-VII)**

Observations and Recommendations of the Committee:

1. Shri Manish Sisodia, the then Hon'ble Deputy Chief Minister & Minister in-charge of Finance constituted an Expert Committee vide order dated 04.09.2020 consisting of Officers of the Excise Department and the Trade & Taxes Department. The Expert Committee submitted its report on 13.10.2020. Vide Cabinet Decision No.2942 dated 05.02.2021 the Council of Ministers constituted a Group of Ministers (GoM) comprising the Deputy Chief Minister, the Minister of Health and Urban Development and the Minister of Revenue. The Report of the GoMwas accepted by the Cabinet on 22.03.2021. The GoM suggested some modifications which was approved by the Cabinet on 15.04.2021. In its meeting of 15.04.2021, the Cabinet authorized Shri Manish Sisodia to make minor changes within the overall framework of the New Excise Policy. However, on the advice of the Hon'ble Lieutenant Governor, this authorization was withdrawn and it was made compulsory that all changes or amendments would require the approval of the Cabinet (Cabinet Decision dated 21.05.2021). In the meeting held on 17.07.2022 the Cabinet ratified the unilateral decisions of Shri Manish Sisodia. The Excise Policy was rescinded on 31.08.2022.

In its Report, Audit has pointed out that in complete violation of the Cabinet Decision, Shri Manish Sisodia, the then Dy Chief Minister took certain decisions without taking approval from the Cabinet and / or obtaining the opinion of the Hon'ble Lieutenant Governor. Notable amongst these were:

i. Relaxation regarding coercive action against the Licensee in case of any default of payment of license fee within the prescribed / stipulated time.

ii. Waiver/ reduction in license fee.

iii. Opening of liquor vends in conforming area in lieu of mandatory liquor vends to be opened in non-confirming wards.

iv. Extension of Excise Police 2021-2022.

v. Refund of Earnest Money Deposit (EMD) in case of Airport Zone.

vi. Correction in formulae for calculating MRP in case of Foreign Liquor.

Only in the matter of *'vi. Correction in formulae for calculating MRP in case of Foreign Liquor'* the Department admitted to the Committee that it was an inadvertent error due to double counting of profit margin in case of Foreign Liquor).

In addition to the above, the then Chief Secretary in his Report to the Hon'ble Lieutenant Governor dated 08.07.2022, pointed out that the Department failed to take any action on the issue of discounts granted by the L-7Z Licensees as required under Section 41 of the Delhi Excise Act, 2009.

The Committee did not receive any satisfactory replies regarding the reason for the then Deputy Chief Minister acting unilaterally in these matters and taking decisions which were in violation of the provisions of Transaction of Business Rules and the withdrawal of the authorization by the Cabinet.

The fact remains that the approval of the Competent Authority was not taken in major decisions without any proper justification. In such a scenario the existence of *malafide* intentions cannot be ruled out.

2. There were substantive variations between the Report of the Expert Committee and the Report of the GoM. The Expert Committee had recommended for a single Government owned State Beverage Corporation; levy of excise duty on per bottle basis; government retail vends in each ward; maximum of two vends per individual etc. These recommendations were ignored without any proper justification.**The Excise Policy 2021-22 were manipulated to favour certain Bidders. This couldn't have happened without collusion between the Government and participants**.

The Excise Department replied that it did not receive any other files justifying the basis of the formulation of the Report of the GoM and only received the Report for implementation. They admitted that there was no such file available with the Department. **This clearly shows that the decision to implement the Excise Policy was taken at the Ministerial level and the Department was not taken into confidence.**

3. Wholesale licenses were granted to private entities, contradicting the Expert Committee's recommendation for a state-owned corporation. The department may consider establishing a state-owned corporation for wholesale operations in the interest of ensuring proper supply of liquor, better quality and rates of the liquor and prevent profiteering, black marketing or sale of illicit and illegal liquor.

4. The Department has agreed with the Audit Observations on the irregularities found in the implementation of the Excise Policy such as:

i. Retail licenses were concentrated among a few players, risking cartelization and market distortion.

ii. The tendering process for Super Premium vends wasn't done, resulting in lossofrevenue.

iii. The Excise Department failed to sort out liquor shop regulations in non-conforming areas, leading to a ₹941.53 crore loss.

iv. The Excise Department failed to retender 19 surrendered zones, resulting in a ₹890.15 crore revenue loss.

v. The Minister approved a waiver for closed vends, resulting in a ₹144 crore loss, despite Finance Department objections.

vi. The Excise Department accepted a security deposit of 25% of the pro-rata annual license fee, leaving it vulnerable to defaults.

5. The Excise Department didn't provide Excise Intelligence Bureau (EIB) records, hindering audit review. The Department later submitted this information to the PAC for the period 2021-2022.

The Department needs to submit the details on the action taken in this regard along with the details of the functioning of the EIB for the period 2022-2023 till 31.12.2026 in its Action Taken Note.

CONCLUSION

1. The Committee submits its report to the House with the conclusion that there were serious systemic deficiencies in the regulation, licensing, pricing, quality control, enforcement, and policy implementation of the Excise Department, resulting in total revenue losses of ₹ 2,026.91 crore and risks to public health and governance.

2. ESCIMS failed to effectively track liquor sales, with heavy reliance on the "stock-take-sold" method and large numbers of unaccounted barcodes, creating risks of revenue leakage. The EIB module was dysfunctional and underutilized for intelligence gathering. The Committee recommended expedited implementation of the e-Abkari portal with a robust track-and-trace system, strengthened barcode scanning, geo-tagging, better IT infrastructure, development of an Exit Plan, and filling IT cadre gaps to ensure sustainability.

3. The Committee observed widespread lapses in licensing processes, including non-production of records, issuance of multiple licenses to related parties etc. It recommended strict scrutiny through the e-Abkari system, quarterly monitoring, mandatory documentation, improved verification mechanisms, and accountability for lapses.

4. Ambiguity in defining and regulating EDP/EBP led to discretionary pricing, undue benefits to licensees, inflated profit margins. The Committee recommended clearly defining pricing components, introducing uniform minimum EDP, regulating profit margins, and fixing responsibility for past irregularities.

5. Restrictive sourcing policies, poor demand assessment, and weak inter-branch coordination contributed to liquor smuggling. The EIB failed to utilize confiscation data effectively and ignored identified hotspots. Investigations lacked depth, including inadequate response to permit misuse allegations. The Committee recommended a data-driven enforcement strategy, improved

coordination, increased manpower and training, technology-based monitoring and policy updates to combat smuggling.

6. Inspections lacked Standard Operating Procedures (SOPs), proper evidence collection, consistent documentation, and accountability. The Committee recommended clear SOPs, digital documentation systems, thorough investigations, and greater transparency in enforcement actions.

7. Key excise policy decisions were taken without approvals of Competent Authority, relevant records were missing, and recommendations of expert bodies were not followed. Wholesale licenses were granted to private entities contrary to earlier recommendations, retail licenses were concentrated among few players, tendering processes were delayed, and surrendered zones were not retendered, leading to substantial revenue losses. Waivers were granted despite objections, security deposits were inadequate, and coordination failures with agencies like DDA resulted in further financial loss.

8. The Committee recommends strict adherence to due process, proper record preservation, review of wholesale allocation policy, prevention of cartelization, timely tendering, adequate security deposits, coordination with statutory authorities, and strengthened governance oversight.

9. The Department has accepted most of the recommendations/observations brought out in the report of C&AG and assured that e Abkari portal will be developed keeping in view of the above recommendations. The Govt. must recover loss from the defaulting stakeholders and take necessary actions against all concerned persons.

10. The role of Shri Manish Sisodia, the then Hon'ble Deputy Chief Minister and Minister in-charge of Finance in unilaterally pushing through a flawed Excise Policy which had caused huge revenue loss (approximately ₹ 2002 Crores as per the C&AG) is evident from the Report of the C&AG and the documents/ information provided by the Department. Inexplicable changes

were made to the Report of the Expert Committee without assigning any justification. Standard Office procedures, Rules, guidelines were thrown to the wind and a Policy was drafted, seemingly from thin air, which was then forced on the Department without following due process. The fact that the then Government was forced to backtrack and withdraw the policy within a year reflects poorly on their lack of foresight and planning besides revealing their *malafide* intentions.

In view of the fact that the matter is under investigation and sub-judice and also as disciplinary proceedings have been initiated against certain Officers of the Department, the Committee would not like to make any recommendations on this issue. However, the past incidents should be treated as a lesson for all concerned.

As mentioned earlier, the findings contained in this Report of the Committee is confined to the Observations of the C&AG and the replies submitted by the Department and without prejudice to the matters which are sub judice or subject matter of the Disciplinary Proceedings.

11. The Excise Department generates substantial revenue for the Government. However, the Committee observed that it was handicapped by the lack of adequate manpower and technical resources. For Delhi's excise policy to succeed, the Excise Department must be equipped with adequate manpower and modern resources. A shortage of trained personnel hampers effective enforcement, while outdated infrastructure limits the ability to monitor compliance and curb illicit trade. By investing in skilled staff, continuous training, and advanced digital tools such as real-time tracking and data analytics, the government can ensure greater transparency, efficiency, and accountability. Proper resourcing will not only enhance revenue collection but also help safeguard public health and build confidence in the excise system as a fair and well-regulated framework.

12. The Government is presently in the process of framing its new Excise Policy. As Delhi moves toward finalizing its new excise policy, it is imperative that the framework balances revenue generation with public welfare. The government should prioritize transparency in licensing, ensure fair competition among stakeholders, and adopt digital monitoring tools to curb irregularities. At the same time, the policy must safeguard public health by promoting responsible consumption and discouraging unsafe practices. By integrating fiscal prudence with social responsibility, Delhi can establish a modern excise regime that not only strengthens state revenues but also builds public trust and sets a benchmark for regulatory governance in India

13. The Department should review and submit its Action Taken Report on the recommendations of the Committee and status as on 31.12.2026. The Action Taken Report should be submitted by 31.01.2027.

14. During the course of the examination, the Department had shared certain documents which were secret/ confidential. As provided under proviso to Rule 172(6), all such documents shall continue to be treated as secret or confidential and not shared with any person. It shall be left to the discretion of the Department to share such documents if and when sought by any person.

Delhi
Date: 19.03.2026

(Ajay Mahawar)
Chairperson
Public Accounts Committee

विधान सभा
राष्ट्रीय राजधानी क्षेत्र दिल्ली

लोक लेखा समिति

आठवीं विधान सभा का द्वितीय प्रतिवेदन

23.03.2026 को प्रस्तुत

27.03.2026 को स्वीकृत

विधानसभा, पुरानासचिवालय, दिल्ली–110054

<u>सूचकांक</u>

लोक लेखा समिति
(2025-2026)

श्री अजय महावर - अध्यक्ष

सदस्य

1. श्री अरविंदर सिंह लवली
2. सुश्री अतीशी
3. श्री कैलाश गहलोत
4. श्री कुलदीप कुमार
5. श्री राज कुमार चौहान
6. श्री सतीश उपाध्याय
7. सुश्री शिखा रॉय
8. श्री वीरेंद्र सिंह कादियान

विशेष आमंत्रित

1.	श्री ए0 सी0 वर्मा	अतिरिक्त मुख्य सचिव (वित्त),दिल्ली सरकार (25.06.2025 तक)
2.	श्री बिपुल पाठक	अतिरिक्त मुख्य सचिव (वित्त),दिल्ली सरकार (26.06.2025 से 23.01.2026)
3.	सुश्री रोली शुक्ला माल्गे	अकाउंटेंट जनरल (ऑडिट), दिल्ली (13.11.25 तक)
4.	सुश्री अमन दीप चाहटा	एडिशनल डिप्टीसीएजी (14.11.2025 से 27.02.2026)
5.	श्री सी.वेल्मुरुगन	कानूनी सलाहकार, दिल्ली विधानसभा

विधानसभा सचिवालय

1.	श्री रंजीत सिंह, आई ए एससचिव, दिल्ली विधान सभा	
2.	श्री सदानंद साह	उप सचिव (विधायी)
3.	श्री रघु नाथ	अनुभाग अधिकारी (विधायी)
4.	श्री रविंदर कुमार	अनुभाग अधिकारी (विधायी)

प्रस्तावना

मैं, अजय महावर, अध्यक्ष, लोक लेखा समिति, समिति द्वारा मुझे दी गई प्राधिकृति के आधार परअपनी दूसरी रिपोर्ट सदन के समक्ष प्रस्तुत कर रहा हूँजोदिल्ली में "शराब के विनियमन और आपूर्ति पर निष्पदान लेखापरीक्षा पर भारत के नियंत्रक एवं महालेखा परीक्षक की रिपोर्ट" (वर्ष 2024 की रिपोर्ट संख्या 1)"पर है।

समिति ने अपनी 22.05.2025, 09.07.2025, 28.08.2025 और 18.02.2026 को आयोजित बैठकों में इन अनुच्छेदों पर विचार किया। समिति ने विस्तृत विचार-विमर्श किया और विभागीय प्रतिनिधियों को लिखित उत्तर प्रस्तुत करने और बैठकों में अपने विचार प्रस्तुत करने का पर्याप्त अवसर दिया गया। समिति आबकारी विभाग, दिल्ली सरकार के अधिकारियों की सभी जानकारी और दस्तावेजों को समय पर प्रस्तुत करने के लिए प्रशंसा करती है। समिति की रिपोर्ट को इसकी 19.03.2026 को आयोजित बैठक में अपनाया गया था।

समिति श्रीमती रोली शुक्ला मल्गे, महालियक (ऑडिट), दिल्ली, श्रीमती अमन दीप चाठा, अतिरिक्त उप, सीएजी, श्री बिपुल पाठक, अतिरिक्त मुख्य सचिव (वित्त), दिल्ली सरकार के सहयोग और मार्गदर्शन के लिए आभारी है। समिति अपने सत्रों के दौरान और रिपोर्ट तैयार करने में विधानसभा सचिवालय के अधिकारियों और कर्मचारियों द्वारा प्रदान की गई मूल्यवान सहायता के लिए भी आभारी है।

समिति ने अध्यक्ष और उनकी अनुपस्थिति में श्री अरविंदर सिंह लवली, माननीय सदस्य, लोक लेखा समितिको सदन में समिति की रिपोर्ट प्रस्तुत करने के लिए अधिकृत किया है।

दिल्ली
तिथि: 19.03.2026

(अजय महावर)
अध्यक्ष, लोक लेखा समिति

प्रतिवेदन

अध्याय I –पृष्ठभूमि

भारत के नियंत्रक एवं महालेखा परीक्षक की "दिल्ली में शराब के विनियमन और आपूर्ति पर निष्पदान लेखापरीक्षा संबंधी रिपोर्ट" (वर्ष 2024 की रिपोर्ट संख्या 1) को 25.02.2025 को सदन के समक्ष रखा गया।इस रिपोर्ट में दिल्ली में शराब के विनियमन और आपूर्ति पर किए गए निष्पदान लेखापरीक्षा के परिणाम शामिल हैं। पूरी रिपोर्ट https://cag.gov.in/en/audit-report/details/121510 पर उपलब्ध है।

निष्पदान ऑडिट ने विभिन्न पहलुओं की व्यापक जांच की है, जैसे कि :-

- आबकारी आपूर्ति श्रृंखला सूचना प्रबंधन प्रणाली
- लाइसेंसिंग नीति और लाइसेंस जारी करना
- मूल्य निर्धारण नीति
- गुणवत्ता मानकों का अनुपालन
- ईआईबी और जब्ती से संबंधित मुद्दे
- प्रवर्तन शाखा का काम
- आबकारी नीति 2021-22 का कार्यान्वयन

सीएजी की रिपोर्ट में निष्पदान ऑडिट का कारण निम्नलिखित है: "आबकारी विभाग जीएनसीटीडी के कर राजस्व में एक प्रमुख योगदानकर्ता (लगभग 14 प्रतिशत) है। राजस्व संग्रह की अपनी प्राथमिक जिम्मेदारी को पूरा करने के अलावा, विभाग शराब और नार्कोटिक्स व्यापार को नियंत्रित और विनियमित करता है और आवश्यक गुणवत्ता आश्वासन के साथ उपभोक्ताओं को इसकी उपलब्धता की जिम्मेदारी निभाता है। 1 जुलाई 2017 से प्रभावी, विभिन्न वस्तुओं और सेवाओं पर आबकारी शुल्क को "मानव उपभोग के लिए शराब" को छोड़कर वस्तु और सेवा कर (जीएसटी) के तहत समाहित किया गया था, इस प्रकार आबकारी विभाग के लिए राजस्व संग्रह मुख्य रूप से शराब की बिक्री से होता है।

निर्माताओं/डिस्टिलरियों (दिल्ली के बाहर स्थित) से लेकर दिल्ली में स्थित विभिन्न बॉन्डेड वेयरहाउसों और फिर विभिन्न निगम वेंड, निजी वेंड, होटल, क्लब और रेस्तरां और अंत में उपभोक्ताओं तक शराब की आपूर्ति और वितरण में कई हितधारक शामिल हैं। हितधारकों की बहुलता के अलावा, आबकारी विभागविभिन्न मदों के तहतशराब उत्पादों पर राजस्व एकत्र करता है, जैसे कि आबकारी शुल्क, लाइसेंस शुल्क, परमिट शुल्क, आयात/निर्यात शुल्क आदि। इसके लिए शराब की आपूर्ति की निगरानी, नियंत्रण और विनियमन के लिए एक जटिल आपूर्ति श्रृंखला तंत्र की आवश्यकता होती है। इसके अलावा, विभिन्न प्रकार की शराब और नशीले पदार्थ (देशी शराब, भारतीय निर्मित विदेशी शराब, विदेशी शराब, डीनेचर्ड स्पिरिट और नार्कोटिक्स) विभिन्न करों, मूल्य निर्धारण और प्रशासनिक तंत्र के अधीन हैं। दिल्ली में शराब के नियमन और आपूर्ति पर निष्पदान ऑडिट राज्य की वित्तीय स्थिति के लिए आबकारी शुल्क के महत्व और इसके परिणामों के असर को देखते हुए किया गया है।

ऑडिट ने आईएमएफएल और एफएल शराब के नियमन और आपूर्ति की जांच करने के लिए 2017-18 से 2020-21 तक की चार वर्षों की अवधि को कवर किया है। देशी शराब की आपूर्ति श्रृंखला को जब्ती गतिविधि के संबंध में देखा गया है। नवंबर 2021 से आबकारी नीति शासन में बड़े बदलाव और 1 सितंबर 2022 से इसकी वापसी के कारण, ऑडिट को इस अवधि को भी कवर करने के लिए बढ़ा दिया गया था। ऑडिट ने पाया कि आबकारी विभाग ने एनसीटी दिल्ली में शराब की आपूर्ति की निगरानी और विनियमन के तरीके में कई विसंगतियां हैं। ऑडिट निष्कर्षों का कुल वित्तीय प्रभाव लगभग ₹2,026.91 करोड़ है।

सीएजी ने दिल्ली आबकारी अधिनियम, 2009, दिल्ली आबकारी नियम, 2010, ईएससीआईएमएस (ESCIMS) के लिए उपयोगकर्ता मैनुअल और जीएनसीटीडी/आबकारी विभाग द्वारा जारी अन्य आदेशों/सर्कुलरों/नीति पत्रों के आधार पर ऑडिट का निष्पदान किया।

रिपोर्ट सदन के समक्ष रखे जाने के बाद, विधानसभा सचिवालय ने 28.02.2025 को पत्र के माध्यम से, की गई कार्रवाई, टिप्पणियों (एटीएन) को प्रस्तुत करने के लिए वित्त विभाग को अग्रेषित किया। विभाग ने 20.05.2025 को एटीएन प्रस्तुत की जिसे एजी (ऑडिट) द्वारा जांच की गई। एजी (ऑडिट) ने 13.06.2025 को आबकारी विभाग के एटीएन पर टिप्पणी की, जिसमें इंकित अवलोकनों/कमियों को दूर करते हुए संशोधित एटीएन प्रस्तुत करने का अनुरोध किया गया। आबकारी विभाग ने 08.07.2025 को एजी (ऑडिट) को संशोधित एटीएन प्रस्तुत की। एजी (ऑडिट) ने संशोधित एटीएन की जांच करने के बाद इसे आबकारी विभाग को अंतिम रूप से वापस कर दिया, जिसमें अनुरोध किया गया कि विभाग एटीएन को अंतिम रूप दे और इसे आवश्यक कार्रवाई के लिए दिल्ली विधान सभा की लोक लेखा समिति को अग्रेषित करे।

पीएसी (2025-26) ने विस्तृत जांच के लिए विषय पर विचार किया और 22.05.2025, 09.07.2025, 28.08.2025 और 18.02.2026 को आयोजित अपनी बैठकों में आबकारी विभाग के प्रतिनिधियों के मौखिक साक्ष्य लिए।

रिपोर्ट की पैरा-वार जांच, विभाग द्वारा की गई कार्रवाई के साथ-साथ समिति के अवलोकन और सिफारिशों का विवरण निम्नलिखित पृष्ठों में है।

सीएजी की रिपोर्ट आबकारी नीति 2021-2022 (अध्याय VIII) से भी संबंधित है, जो सीबीआई/ईडी द्वारा जांच का विषय है और न्यायालय में भी विचाराधीन है। विभाग ने यह भी सूचित किया है कि इनमें से कुछ मामलों में अनुशासनात्मक कार्यवाही भी शुरू की गई है। समिति स्पष्ट करना चाहती है कि समिति की रिपोर्ट में निहित निष्कर्ष सीएजी के अवलोकनों और विभाग द्वारा प्रस्तुत उत्तरों तक सीमित है और न्यायालय में विचाराधीन मामलों या अनुशासनात्मक कार्यवाही के विषय में पूर्वाग्रह के बिना है।

अध्याय II - आबकारी आपूर्ति श्रृंखला सूचना प्रबंधन प्रणाली

(सीएजी रिपोर्ट के पैरा 2.2 से पैरा 2.9)

ऑडिट रिपोर्ट, विभाग द्वारा की गई कार्रवाई और समिति के अवलोकन/सिफारिशों का सारांश निम्नलिखित है:

<u>आबकारी आपूर्ति श्रृंखला सूचना प्रबंधन प्रणाली (ईएससीआईएमएस) पर ऑडिट अवलोकन</u>

1. ईएससीआईएमएस प्रणाली ने शराब की बिक्री को प्रभावी ढंग से ट्रैक करने में विफल रही, 28% बिक्री (136.53 करोड़ बारकोड) 'स्टॉक-टेक-सोल्ड' अभ्यास के माध्यम से प्रणाली को बायपास कर रही थी, और 21% बाद की बिक्री भी पीओएस (पॉइंट ऑफ सेल) पर स्कैन नहीं की गई थी।2017-2021 के दौरान 14%-48% बिक्री अनस्कैन थी। विभाग की 'स्टॉक-टेक-सोल्ड' अभ्यास पर निर्भरता और देरी से जुड़े दंडात्मक प्रावधान (2020) अपर्याप्त कार्यान्वयन को दर्शाते हैं।

2. ईएससीआईएमएस प्रणाली में 2019 में 30.87% एमएसआर (मासिक स्टॉक रियलाइजेशन) अंतर था, जिसमें कि कुछ विक्रेताओं ने 70-98% बिक्री बिना स्कैन किए दिखाई, जो खराब ट्रैकिंग और संभावित राजस्व हानि को दर्शाता है। विभाग डेटा का विश्लेषण करने और गैर-अनुपालन करने वाले खुदरा विक्रेताओं की पहचान करने में विफल रहा, और लाइसेंसधारियोंपर लगाए गए दंड का प्रमाण प्रदान नहीं कर सका।

3. 25.70 करोड़ बारकोड का कोई हिसाब नहीं था, जिसमें बिना शुल्क भुगतान वाली शराब के संभावित दुरुपयोग के कारण राजस्व हानि का जोखिम पैदा हो गया। प्रणाली की खामियों और कमजोर प्रवर्तन ने शराब की निगरानी को विफल कर दिया।

4. अधूरी स्कैनिंग ने शराब के विचलन को सक्षम किया, जिससे आबकारी शुल्क की हानि हुई। ईएससीआईएमएस की खामियों और जांच की कमी ने अनदेखी विचलन की अनुमति दी।

5. विभाग की प्रतिक्रिया ने 25 करोड़ अनट्रैक बारकोड का काई ब्यौरा नहीं दिया गयाऔर एमएसआर अंतर दंड, एफडीआर, और नवीनतम एमएसआर आंकड़ों का विवरण लंबित है। ऑडिट अभी भी डिफॉल्टरों और शराब ब्रांडों के विचलन के खिलाफ की गई कार्रवाई पर स्पष्टता चाहता है।

6. विभाग ने शराब की बोतलों की बिक्री के लिए इम्प्लीमेंटिंग एजेंसी को ₹24.23 करोड़ का भुगतान किया, जो अनुबंध की शर्तों का उल्लंघन है। भुगतान खराब स्कैनिंग के बावजूद और उचित समन्वयन के बिना किया गया था, जिससे एजेंसी को अनुचित लाभ हुआ। ईएससीआईएमएस में आबकारी खुफिया ब्यूरो (ईआईबी) मॉड्यूल अक्षम था, जिसमें कोई डेटा नहीं था, जबकि यह एक प्रमुख नियामक उपकरण था। विभाग इसे कार्रवाई योग्य खुफिया जानकारी के लिए उपयोग करने में विफल रहा, जिससे संभावित रूप से राजस्व रिसाव और तस्करी को रोकने में कमी आए।

7. विभाग इम्प्लीमेंटिंग एजेंसी (आईए)-प्रस्तुत एसएलए रिपोर्टों पर बिना जांच के निर्भर था, जिससे डेटा की अशुद्धियों और सुरक्षा उल्लंघनों को नजरअंदाज किया गया, जिससे भुगतान की वैधता और प्रणाली सुरक्षा प्रभावित हुई।

8. कोई निकास प्रवंधन योजना नहीं होने से परियोजना की स्वामित्व की कमी रही, और 10 वर्षों के बाद कोई संपत्ति नहीं बनाई गई। क्षमता निर्माण प्रयास भी अस्पष्ट थे।

9. कोई कार्यात्मक पीएमयू नहीं होने से परियोजना की निगरानी खराब हुई और विक्रेता पर निर्भरता बढ़ी। आईटी कैडर की कमी और एक्जिट प्लान की कमी ने स्थिति को और खराब कर दिया।

10. तकनीकी एकीकरण मुद्दों और कार्रवाई की कमी के कारण ईएएल कार्यान्वयन में देरी हुई,जिसमेंशराब आपूर्ति सुरक्षा सुनिश्चित करने में विफलता मिली।

<u>सीएजी की सिफारिशें:</u>

2.1 रियल टाइम एंड-टू-एंड बारकोड ट्रैकिंग को पुरानी एमएसआर-गैप विधि को बदलना चाहिए, जबकि सुरक्षित बारकोड लेबल को तुरंत लागू किया जाना चाहिए ताकि बारकोड आवृति और दुरुपयोग को रोका जा सके। अनुपालन की कमी के लिए जिम्मेदारी तय की जानी चाहिए और दंडात्मक कार्रवाई की जानी चाहिए।

2.2 डेटा एनालिटिक टूल्स और आर्टिफिशियल इंटेलिजेंस एल्गोरिदमस का प्रयोग किया जाना चाहिए ताकि विश्लेषण और अनोमलस डेटा के लिए रेड फ्लैग्स की स्वचालित जनरेशन में मदद मिल सके।

2.3 ईआईबी मॉड्यूल का उपयोग कार्रवाई योग्य खुफिया जानकारी उत्पन्न करने के लिए किया जाना चाहिए ताकि अधिक प्रभावी प्रवर्तन कार्य हो सके।

2.4 सेवा स्तर अनुपालन को सख्ती से सुनिश्चित किया जाना चाहिए और विभाग द्वारा निगरानी की जानी चाहिए।

2.5 एक्जिट मैनेजमेंट प्लान को अपडेट किया जाना चाहिए ताकि इम्प्लीमेंटिंग एजेंसी से ज्ञान हस्तांतरण और प्रणाली स्वामित्व विभाग द्वारा सुनिश्चित किया जा सके।

2.6 एक कुशल परियोजना निगरानी टीम को परियोजना को स्थायी और लंबे समय में उपयोगी बनाने के लिए स्थापित किया जाना चाहिए।

<u>विभाग द्वारा की गई कार्रवाई:</u>

विभाग ने लिखित प्रस्तुतियों और मौखिक बयान में ऑडिट अवलोकन से आंशिक रूप से सहमति व्यक्त की और उनके द्वारा की गई कार्रवाई का विवरण दिया, जिसका संक्षिप्त विवरण निम्नलिखित है:

1. विभाग ने वेंड्स पर 100% स्कैनिंग के लिए कई चुनौतियों का उल्लेख किया, जैसे कि खराब कनेक्टिविटी, बिजली की कटौती, पीक सेल अवधि के दौरान पोर्टल का धीमा प्रदर्शन, बारकोड के पुराने पड़ जाने पर स्कैनर द्वारा न पढ़ा जाना और बारकोड को नुकसान। विभाग ने यह भी कहा कि डिफॉल्टिंग वेंड्स के खिलाफ दैनिक निगरानी और दंडात्मक कार्रवाई की जा रही है।

2. विभाग ने दावा किया कि पीओएस पर बारकोड स्कैन न करने के कारण राजस्व का नुकसान नहीं हो सकता, क्योंकि विभाग आयात परमिट जारी होने पर ही उत्पाद शुल्क वसूल लेता है।

3. विभाग ने कहा कि एमएसआर अंतर दंड लगाया गया है, एफडीआर/बैंक गारंटी रोक दी गई है और डिफॉल्टरों के खिलाफ कार्रवाई की गई है। इसके अलावा, ईएससीआईएमएस के स्थान पर ई-अबकारी पोर्टल शुरू किया गया है

4. इम्प्लीमेंटिंग एजेंसी (आईए) को भुगतान के संबंध में, विभाग ने स्पष्ट किया कि आईए कोस्कैनिंग या स्टॉक टेक गतिविधि के माध्यम से'सोल्ड', 'रिटर्न्ड', या 'ब्रोकन' बोतलों के लिए ₹0.15 प्रति बारकोड का भुगतान किया जाता है, । भुगतान अनुबंध के अनुसार किया जाता है, इसलिए सरकार के खजाने पर कोई बोझ नहीं है।

5. ईआईबी डेटा संवेदनशील है, इसलिए इसे ईएससीआईएमएस पर अपलोड नहीं किया जाता है, लेकिन खुफियाऔर कार्रवाई के लिए अलग से बनाए रखा जाता है। ई-अबकारी पोर्टल में प्रवर्तन को बेहतर बनाने के लिए ईआईबी मॉड्यूल का विकास कार्य चल रहा है।

6. विभाग एसएलए रिपोर्टों की नियमित रूप से निगरानी पोर्टल के माध्यम से सत्यापन कर रहा है।

7. ईएससीआईएमएस, एक अग्रणी आईटी प्रणाली नेतकनीकी अप्रचलन (प्रोप्राइटरी आईबीएम टेक स्टैक) के कारण चुनौतियों का सामना किया, न कि केवल एक्जिट प्लान की कमी के कारण। निकास योजना 2022 में प्रस्तुत की गई थी और अनुबंध फरवरी 2024 में समाप्त हुआ। अब, 03.10.2024 को ई-अबकारी पोर्टल लॉन्च किया गया है, जो ईएससीआईएमएस का स्थान ले रहा है।

8. आईटी स्टाफ की कमी के बावजूद, आबकारी विभाग ने राजस्व वृद्धि, आपूर्ति श्रृंखला स्वचालन और व्यवसाय करने में आसानी हासिल की।

9. विभाग ने ईएएल कार्यान्वयन के जोखिमों का उल्लेख किया, जैसे कि समय लेने वाली लेबल वितरण और देरी के कारण संभावित राजस्व हानि। अब, यह ई-आबकारी के ट्रैक-एंड-ट्रेस सिस्टम पर ध्यान केंद्रित कर रहा है और आपूर्ति श्रृंखला सुरक्षा के लिए जियो-टैगिंग आदि पर विचार कर रहा है।

विस्तृत ऑडिट रिपोर्ट और विभाग का पैरा-वार कार्रवाई नोट **वॉल्यूम II (अनुलग्नक-I)**में दिए गए हैं।

<u>समिति के अवलोकन और सिफारिशें:</u>

1. विभाग को ई-आबकारी पोर्टल के कार्यान्वयन में तेजी लानी चाहिएऔर शराब की बिक्री की प्रभावी ट्रैकिंग और निगरानी सुनिश्चित करनी चाहिए।इससंबंधमेंएकएसओपीतैयारकीजासकतीहै।

2. विभाग ने 'स्टॉक-टेक-सोल्ड' अभ्यास पर निर्भर किया औरउचित स्कैनिंग को बायपास किया (28% बिक्री, 136.53 करोड़ बारकोड)। विभाग को स्कैनिंग प्रक्रियाओं को मजबूत करना चाहिए, 'स्टॉक-टेक-सोल्ड' अभ्यास का उपयोग कम करना चाहिए, और अनुपालन सुनिश्चित करना चाहिए।बारकोडस्कैननकरनेसेशराबकीडुप्लीकेसीयानकलीऔरअवैधशराबकीबिक्रीकीसंभावनाकोनकारा नहींजासकता।यहसुनिश्चितकरनेकेलिएसख्तकार्रवाईकीजानीचाहिएकिखुदरास्तरपरबारकोडस्कैनकिएबिना शराबकीएकभीयूनिटनबेचीजाए।

3. खुफिया जानकारी के लिए कोई डेटा उपयोग नहीं किया गया। ईआईबी मॉड्यूल अक्षम है, जो यहां दशर्ता है कि विभाग ईआईबी मॉड्यूल को मजबूत कर सकता है, खुफिया जानकारी के लिए उपयोग कर सकता है और प्रवर्तन को बढ़ा सकता है।

4. आईटी कैडर की कमी और एक्जिट प्लान की कमी ने परियोजना की कमियों को और खराब कर दिया। विभाग आईटी कैडर की कमी को भर सकता है, एक्जिट प्लान विकसित कर सकता है और परियोजना की स्थायित्व सुनिश्चित कर सकता है।

5. कार्रवाई की कमी और तकनीकी एकीकरण मुद्दों के कारणईएएल कार्यान्वयन में देरी हुई। विभाग ई-आबकारी के ट्रैक-एंड-ट्रेस सिस्टम पर ध्यान केंद्रित कर सकता है औरआपूर्ति श्रृंखला सुरक्षा के लिए जियो-टैगिंग आदि का अन्वेषण कर सकता है।

अध्याय III –लाइसेंसजारी करना
(सीएजी रिपोर्ट के पैरा 3.1 से पैरा 3.16)

ऑडिट रिपोर्ट, विभाग द्वारा की गई कार्रवाई और समिति के अवलोकन/सिफारिशों का सारांश निम्नलिखित है:

<u>लाइसेंसजारी करने पर ऑडिट अवलोकन</u>

1. ऑडिट में 59 में से 13 चयनित लाइसेंसधारी(2017-18 से 2020-21) के रिकॉर्ड गायब पाए गए, जिससे जांच में बाधा उत्पन्न हुई। विभाग ने रिकॉर्ड प्रदान करने में विफल रहा, जिससे लाईसेंस प्रबंधन के उपर सवाल उठते हैं ।

2. ऑडिट में पाया गया कि दिल्ली आबकारी नियम, 2010 के नियम 35का उल्लंघन करते हुए संबंधित पक्षों को कई शराब लाइसेंस जारी किए गए थे, जिससे एकाधिकार की स्थिति उत्पन्न होने की संभावना थी; विभाग द्वारा उल्लंघन न होने का औचित्य अस्वीकार्य है क्योंकि इसमें निदेशक मंडल में समान सदस्य थे और कंपनियों के बीच लेन-देन हुआ था।

3. आबकारी विभाग ने लाइसेंसधारकों के नैतिक चरित्र की जांच किए बिना पुलिस प्रमाण पत्र के बजाए आत्म-अफिडेविट पर निर्भर करते हुएलाइसेंसजारी किए, दिल्ली आबकारी अधिनियम की धारा 13(1)(c) का उल्लंघन किया; एक लाइसेंसधारीजिसपर एफआईआर दर्ज थी उसपर ₹8 लाख का जुर्माना लगाया गया, जिससे विभाग की अपर्याप्त जांच दिखाई दी।

4. ऑडिट में पाया गया कि आबकारी विभाग ने एक L1लाइसेंसका नवीनीकरण किया, जबकि 46% जब्त की गई शराब (2018-20)उसलाइसेंसधारक की थी, लाइसेंसधारक की तिमाही निगरानी करने के डीसी के निर्देश को नजरअंदाज करते हुएकोई निरीक्षण नहीं किया गया, जिससे अपर्याप्त प्रवर्तन दिखाई दिया।

5. ऑडिट में पाया गया कि आबकारी विभाग की सॉल्वेंसी प्रमाण पत्र की आवश्यकताएं असंगत थीं और विभिन्न लाइसेंस(L1, L1F, L7, L10, HCR) के लिए इनकी अनदेखी की गई, 84 में से 80 मामलों में आवश्यक प्रमाण पत्र की कमी थी, जिससे आवेदकों की वित्तीय स्थिति का आकलन प्रभावित हुआ। विभाग की छूट का तर्क अस्वीकार्य है क्योंकि यह दिल्ली आबकारी अधिनियम, 2009के विपरीत है।

6. ऑडिट में पाया गया कि आबकारी विभाग ने सरकारी बकाया न होने की पुष्टि किए बिना एल1, एल7 और एल10 लाइसेंसधारियों को लाइसेंस जारी किए, जो कि धारा 13(1)(डी) का उल्लंघन है।आयकर मंजूरी और बकाया न होने के प्रमाण पत्रों की आवश्यकताएं असंगत थीं । जिनका पालन भी नहीं किया गया, और विभाग द्वारा स्वयं कोई बकाया न होने का प्रमाण पत्र जारी नहीं किया गया।

7. आबकारी विभाग लाइसेंसधारियों द्वारा कर्मचारी जांच (आपराधिक पृष्ठभूमि, आयु, स्वास्थ्य) संबंधी नियमों का अनुपालन सुनिश्चित करने में विफल रहा, जिसके परिणामस्वरूप गोदामों में नाबालिगों को काम पर रखा गया; लाइसेंसधारियों द्वारा 21 वर्ष से कम आयु के लोगों को "डेटा एंट्री ऑपरेटर" के रूप में नियुक्त करने का औचित्य अमान्य है क्योंकि धारा 24 इस प्रकार के रोजगार पर रोक लगाती है।

8. एल1 लाइसेंसधारियों ने आवश्यकतानुसार ज़मानतदार के साथ व्यक्तिगत बांड जमा नहीं किए, और स्वीकृत ज़मानतदार अक्सर संबंधित पक्षों से थे, जो नियम 50 की भावना का उल्लंघन था; विभाग द्वारा ऐसे ज़मानतों को स्वीकार करना स्वतंत्र आश्वासन से समझौता करता है।

9. एल1एफ लाइसेंसधारियों ने 2020-21 के लिए आवश्यक लेखापरीक्षित वार्षिक खाते और बैलेंस शीट जमा नहीं किए, फिर भी आबकारी विभाग ने लाइसेंस जारी कर दिए; विभाग का कोविड-19 लॉकडाउन का बहाना मान्य नहीं है क्योंकि यह दिल्ली आबकारीअधिनियम/नियमों के उल्लंघन को उचित नहीं ठहरा सकता।

10. L1 और L1F लाइसेंसधारियों ने ब्रांडों के लिए आवश्यक बिक्री डेटा और EDP विवरण जमा नहीं किए, जिससे लाइसेंस की शर्तों का उल्लंघन हुआ; आबकारीविभाग ने अप्रासंगिक खंडों का हवाला देते हुए अधूरी जानकारी स्वीकार कर ली, जो अपर्याप्त निगरानी को दर्शाता है।

11. आबकारीविभाग ने प्राधिकरण श्रृंखला में विसंगतियों के बावजूद आर्यन वाइन्स को बाल्टिका बियर के लिए एल1एफ लाइसेंस जारी किया: वोस्को बेवरेजेज ने प्रमुख आयातक वीशा फूड एंड बेवरेजेज से अधिकृत होने से पहले आर्यन वाइन्स को वितरक के रूप में नियुक्त किया था, और लेबल पर परस्पर विरोधी प्रमुख आयातकों को दर्शाया गया था।

12. आबकारीविभाग लाइसेंसधारियों (L6, L7, L10, HCR) के पंजीकृत पट्टा समझौतों को सुनिश्चित करने में विफल रहा, जिनमें से कई में उचित दस्तावेज़ों का अभाव था, और एक मामले में पट्टा विलेख के जाली होने का संदेह था; विभाग द्वारा हलफनामों और गलत स्पष्टीकरणों पर भरोसा करना अपर्याप्त है।

13. आबकारीविभाग लाइसेंसधारियों (L6, L7, L10, HCR) के पास अग्नि और प्राकृतिक आपदाओं के विरुद्ध बीमा सुनिश्चित करने में विफल रहा, और कई लोगों के पास आवश्यक दस्तावेज़ों की कमी थी; विभाग का यह दावा कि दस्तावेज़ ESCIMS पोर्टल पर उपलब्ध हैं, अविश्वसनीय है क्योंकि कई अनुरोधों के बावजूद लेखा परीक्षा दल को पोर्टल तक पहुँच प्रदान नहीं की गई।

14. खुदरा बिक्री लाइसेंसधारियों (एल7, एल10) ने आवश्यक सीसीटीवी घोषणाएँ प्रस्तुत नहीं कीं, और आबकारीविभाग ने सीसीटीवी सिस्टम स्थापित किए जाने की पुष्टि किए बिना लाइसेंसों का नवीनीकरण कर दिया, जिससे निगरानी और साक्ष्य संग्रह में बाधा उत्पन्न हुई; विभाग का यह दावा कि घोषणाएँ, धारा 13 का हिस्सा हैं, गलत है क्योंकि इसमें सीसीटीवी सिस्टम का उल्लेख नहीं है।

15. एल7 और एल10 लाइसेंस धारकों ने 2017-21 के लिए आवश्यक 15-सूत्रीय घोषणाएँ प्रस्तुत नहीं कीं, फिर भी आबकारीविभाग ने लाइसेंसों का नवीनीकरण कर दिया; विभाग का यह दावा कि घोषणाएँ ईएससीआईएमएस पोर्टल पर मौजूद हैं, अविश्वसनीय है क्योंकि कई अनुरोधों के बावजूद लेखा परीक्षा टीम को पहुँच प्रदान नहीं की गई।

16. तीन एचसीआर लाइसेंसधारियों ने पर्यटन विभाग (डीओटी) की आवश्यक मंजूरी जमा नहीं की, और आबकारीविभाग ने इस कमी के बारे में जानते हुए भी एक को लाइसेंस जारी कर दिया।

<u>सी एंड एजी की सिफ़ारिशें:</u>

3.1 लेखापरीक्षा के समक्ष 13 लाइसेंसधारियों से संबंधित अभिलेख प्रस्तुत न करने के लिए उत्तरदायित्व निर्धारित किया जाना चाहिए।

3.2 सरकार को दिल्ली आबकारीनियम, 2010 के नियम 35 के अनुपालन को सुनिश्चित करने के लिए सभी लाइसेंसों की समीक्षा करनी चाहिए। सरकार को इन सभी मामलों की जांच करनी चाहिए और दिल्ली आबकारीनियम, 2010 के उल्लंघन में लाइसेंसधारियों के बीच संबंध स्थापित करने वाली जानकारी को नजरअंदाज करने के लिए उत्तरदायित्व निर्धारित करना चाहिए। इसके अतिरिक्त,संबंधित पक्षों को एकाधिक लाइसेंस जारी नहीं किए जाने चाहिए। इस संबंध में स्पष्ट दिशानिर्देश तैयार किए जाने चाहिए।

3.3. सभी लाइसेंसधारियों के आपराधिक रिकॉर्ड की जाँच आबकारी विभाग द्वारा की जानी चाहिए और दिल्ली आबकारी अधिनियम का पालन न करने वाले अधिकारियों के विरुद्ध कड़ी कार्रवाई की जानी चाहिए। दिल्ली आबकारी अधिनियम के अनुरूप न होने वाले नियमों और शर्तों को इसके अनुरूप बनाया जाना चाहिए।

3.4. कमियों के बावजूद कोई कार्रवाई न करने के लिए जिम्मेदार अधिकारियों और लाइसेंसधारियों के विरुद्ध दिल्ली आबकारी अधिनियम के तहत उचित कार्रवाई की जानी चाहिए।

3.5 संदिग्ध जाली दस्तावेजों को स्वीकार करना भी आबकारीविभाग की ओर से उचित सतर्कता की कमी को दर्शाता है। इस मामले में उचित जांच की जानी चाहिए और उसके बाद आवश्यक कार्रवाई की जानी चाहिए।

3.6 लाइसेंस जारी करते समय विभिन्न नियमों और विनियमों का चयनात्मक पालन करने वालों के खिलाफ सख्त कार्रवाई की जानी चाहिए और विभिन्न प्रकार की लाइसेंस फाइलों की उच्च स्तरीय स्तर पर नमूना जांच की जानी चाहिए। साथ ही, इस संबंध में उत्तरदायित्व निर्धारित किया जाना चाहिए।

<u>विभाग द्वारा की गई कार्रवाई:</u>

अपने लिखित बयान और मौखिक गवाही के माध्यम से विभाग ने ऑडिट की टिप्पणियों से आंशिक रूप से सहमति व्यक्त की और उनके द्वारा की गई कार्रवाइयों का संक्षिप्त विवरण दिया, जिसका सारांश नीचे दिया गया है:

1. विभाग का दावा है कि उसने जानबूझकर फाइलें नहीं रोकीं और जरूरत पड़ने पर उन्हें दोबारा उपलब्ध कराने को तैयार है। विभाग का कहना है कि उसका इरादा मांगी गई फाइलें न देने का नहीं था।

2. आबकारी विभाग का दावा है कि उसने दिल्ली आबकारी नियम, 2010 के नियम 35 का पालन किया है, जिसके तहत प्रत्येक डिस्टिलरी, ब्रूअरी, वाइनरी और बॉटलिंग प्लांट को अलग-अलग इकाई माना गया है। सभी छह थोक लाइसेंसधारी कंपनी अधिनियम, 2013 के तहत पंजीकृत अलग-अलग संस्थाएं हैं। विभाग ने सीएजी की चिंताओं को दूर करने के लिए भी कदम उठाए हैं और निदेशकों/साझेदारों/मालिकों की जांच करने और भविष्य में इसी तरह के उल्लंघनों को रोकने के लिए एक ई-आबकारी मॉड्यूल तैयार किया है।

3. विभाग इस बात से सहमत है कि मात्र एफआईआर दर्ज होने से आपराधिक पृष्ठभूमि का प्रमाण नहीं मिलता, और लाइसेंस देने या रद्द करने का निर्णय आरोपों की प्रकृति और प्रत्येक मामले के तथ्यों पर निर्भर करता है। विधि विभाग का मत है कि "आपराधिक पृष्ठभूमि" का आकलन व्यक्तिपरक रूप से किया जाना चाहिए, जिसमें आवेदक के नैतिक चरित्र और वैध आचरण के इतिहास को ध्यान में रखा जाए, विशेष रूप से चूंकि आबकारी उद्योग में जन सुरक्षा और ईमानदारी शामिल है।

4. विभाग का दावा है कि एफआईआर अवैध शराब विक्रेताओं के खिलाफ दर्ज की गई थी, न कि लाइसेंसधारियों के खिलाफ, और जब्त की गई शराब का दिल्ली के लाइसेंस प्राप्त गोदामों से कोई संबंध नहीं है; वे तस्करी पर अंकुश लगाने के लिए पुलिस के साथ सक्रिय कदम उठा रहे हैं और अवैध आयात पर रोक लगाने के लिए नोटिस जारी किए हैं। एल-1 लाइसेंसधारी एडीएस स्पिरिट्स पर नजर रखी जा रही है और कथित अवैध शराब आपूर्ति के लिए उनके खिलाफ कार्रवाई की जा रही है।

5. विभाग यह सुनिश्चित करता है कि अधिनियम के अनुसार सभी लाइसेंसधारियों द्वारा सॉल्वेंसी प्रमाणपत्र प्रस्तुत किए जाएं, और मुख्य सचिव के नेतृत्व में एक समिति सॉल्वेंसी प्रमाणपत्र राशि को युक्तिसंगत बनाने सहित आबकारी नीति की समीक्षा कर रही है।

6. विभाग ई-अबकारी के माध्यम से आंतरिक रूप से लंबित वैट और आबकारी शुल्क की जाँच करता है।

7. विभाग ने सीएजी की टिप्पणी पर ध्यान दिया है और यह सुनिश्चित करेगा कि 21 वर्ष से कम आयु के किसी भी व्यक्ति को, चाहे उसका कार्य किसी भी प्रकार का हो, लाइसेंसधारी परिसर में प्रवेश की अनुमति न दी जाए; वे अगली आबकारी नीति में कर्मचारियों के लिए पीवीसी और चिकित्सा फिटनेस संबंधी आवश्यकताओं की भी समीक्षा करेंगे।

8. विभाग के अनुसार नियम 50 के उल्लंघन का कोई मामला नहीं है, इसलिए विभाग लेखापरीक्षा अवलोकन से असहमत है। विभाग बेहतर सुरक्षा बांड व्यवस्था विकसित करने के लिए प्रतिबद्ध है। मुख्य सचिव के नेतृत्व में एक समिति नई आबकारी नीति के अंतर्गत इस पहलू की समीक्षा कर रही है।

9. विभाग असहमत है और कोविड लॉकडाउन को एक अभूतपूर्व घटना बताया है जिसके कारण अनुपालन में ढिलाई बरती गई और शपथपत्रों के आधार पर लाइसेंस जारी किए गए। अब, वे लेखापरीक्षित वार्षिक खाते और बैलेंस शीट प्रस्तुत करना अनिवार्य कर रहे हैं।

10. विभाग का कहना है कि एल-1 लाइसेंसधारक कुछ निश्चित सीमाओं से ऊपर ईडीपी और एमआरपी घोषित कर सकते हैं, और बिक्री के आंकड़े प्रस्तुत करना अनिवार्य नहीं है, इसलिए ईडीपी

विवरण की आवश्यकता नहीं है। हालांकि, वे अगली आबकारी नीति के लिए सीएजी की टिप्पणियों पर विचार कर रहे हैं।

11. विभाग निर्माताओं से प्रमुख आयातकों और फिर आवेदकों को ब्रांड प्राधिकरण प्राप्त करके और प्राधिकरण तिथियों की सावधानीपूर्वक जांच करके प्राधिकरण संबंधी समस्याओं से बचने के लिए कदम उठा रहा है। वे भविष्य में ऐसी ही घटनाओं को रोकने के लिए सतर्क हैं।

12. विभाग का दावा है कि लाइसेंस जारी करने के लिए पट्टा समझौतों को स्टांप शुल्क के साथ पंजीकृत करने की आवश्यकता नहीं है, और नोटरीकृत समझौते एक वर्ष से कम अवधि के लिए वैध होते हैं। विभाग अब 11 महीने से अधिक अवधि के पट्टा समझौतों का पंजीकरण सुनिश्चित कर रहा है। इसके अलावा, संदिग्ध जाली पट्टा समझौते के संबंध में, मेसर्स लाडी मार्केटिंग का लाइसेंस पहले ही रद्द कर दिया गया है।

13. विभाग मानता है कि कुछ लाइसेंसधारियों के पास बीमा दस्तावेज नहीं थे, लेकिन निगम सामूहिक रूप से एल-6 वेंड्स का बीमा कराते हैं। अब, वे सभी लाइसेंसधारियों के लिए ई-अबकारी पोर्टल के माध्यम से अग्नि बीमा अनिवार्य कर रहे हैं और दस्तावेजों का सत्यापन कर रहे हैं।

14. विभाग ने आवेदकों के सीसीटीवी संबंधी घोषणाओं के आधार पर लाइसेंसों का नवीनीकरण किया और बाद में उनका सत्यापन किया। विभाग ने जनवरी-फरवरी 2025 में गोदामों और दुकानों का निरीक्षण किया, जहां सीसीटीवी कैमरे लगे पाए गए और निगमों को 50 मीटर रेंज के सीसीटीवी कैमरे सुनिश्चित करने का निर्देश दिया गया।

15. विभाग ने आवेदकों की घोषणाओं के आधार पर लाइसेंसों का ऑनलाइन नवीनीकरण किया और बाद में पात्रता का सत्यापन किया।

16. विभाग नेयह कहते हुए लाइसेंसधारियों के नाम उपलब्ध नहीं कराएकि लाइसेंस 2011 के पर्यटन विभाग के अनुमोदन नियम से पहले के हो सकते हैं। अब, विभाग ने ई-अबकारी पोर्टल की पर्यटन विभाग प्रमाणपत्र आवश्यकता पर ध्यान केंद्रित किया है और सचिव (पर्यटन) ने 2020 में अलग से जारी किए जाने वाले रेस्तरां पर्यटन प्रमाणपत्रों को बंद कर दिया है।

विस्तृत लेखापरीक्षा रिपोर्ट और विभाग द्वारा की गई कार्रवाई का पैराग्राफवार विवरण **खंड II (अनुलग्नक-II)**में दिया गया है।

समिति की टिप्पणियाँ और सिफ़ारिशें:

1. विभाग 13 लाइसेंसधारियों के रिकॉर्ड उपलब्ध कराने में विफल रहा, जिससे जांच में बाधा उत्पन्न हुई। ऑडिट के दौरान महत्वपूर्ण रिकॉर्ड उपलब्ध न कराना चिंताजनक है और रिकॉर्ड साझा करने में देरी के लिए उत्तरदायित्व निर्धारित किया जाना चाहिए।

2. नियम 35 का उल्लंघन करते हुए संबंधित पक्षों को कई लाइसेंस जारी किए गए। विभाग को निदेशकों/साझेदारों/मालिकों की जांच के लिए ई-अबकारी मॉड्यूल लागू करना चाहिए और इसी तरह के उल्लंघनों को रोकना चाहिए।

3. पुलिस प्रमाण पत्र के माध्यम से नैतिक चरित्र की पुष्टि किए बिना लाइसेंस जारी किए गए। विभाग कानून का पालन करने के इतिहास को ध्यान में रखते हुए, नैतिक चरित्र का आकलन कर सकता है।

4. लाइसेंसधारक से जब्त की गई शराब का 46% हिस्सा होने के बावजूद L1 लाइसेंस का नवीनीकरण किया गया। विभाग को लाइसेंसधारकों की तिमाही निगरानी करनी चाहिए और अनुपालन सुनिश्चित करने के लिए निरीक्षण करना चाहिए।

5. दिवालियापन प्रमाण पत्र संबंधी आवश्यकताएं असंगत हैं और विभाग द्वारा इनकी अनदेखी की जा रही हैं। विभाग दिवालियापन प्रमाण पत्र की राशि को तर्कसंगत बना सकता है और सभी लाइसेंसधारकों द्वारा इसे जमा करना सुनिश्चित कर सकता है।

6. लाइसेंसधारियों ने कर्मचारी जांच का पालन नहीं किया, जिससे नाबालिगों को गोदामों में प्रवेश की अनुमति मिली। विभाग को यह सुनिश्चित करना चाहिए कि 21 वर्ष से कम आयु के किसी भी व्यक्ति को परिसर में प्रवेश की अनुमति न दी जाए और पीवीसी/चिकित्सा फिटनेस संबंधी आवश्यकताओं की समीक्षा की जाए।

7. एल1 लाइसेंसधारियों ने जमानतदार के साथ व्यक्तिगत बांड जमा नहीं किए। विभाग को बेहतर सुरक्षा बांड व्यवस्था विकसित करनी चाहिए और जमानत स्वीकृति प्रक्रिया की समीक्षा करनी चाहिए।

8. एल1एफ लाइसेंसधारियों ने लेखापरीक्षित वार्षिक खाते जमा नहीं किए। विभाग को लेखापरीक्षित खातों को जमा करना अनिवार्य बनाना चाहिए।

9. एल1 और एल1एफ लाइसेंसधारियों ने आवश्यक बिक्री डेटा और ईडीपी विवरण जमा नहीं किए। विभाग को बिक्री डेटा और ईडीपी विवरण जमा करना सुनिश्चित करना चाहिए और सीएजी की टिप्पणियों पर विचार करना चाहिए।

10. प्राधिकरण श्रृंखला में विसंगतियों के बावजूद एल1एफ लाइसेंस जारी किया गया। विभाग को प्राधिकरण तिथियों की सावधानीपूर्वक जांच सुनिश्चित करनी चाहिए और इसी तरह की घटनाओं को रोकना चाहिए।

11. लाइसेंसधारियों के पास पंजीकृत पट्टा समझौते नहीं थे। विभाग यह सुनिश्चित करे कि 11 महीने से अधिक अवधि के समझौते पंजीकृत हों।

12. लाइसेंसधारियों के पास अग्नि एवं प्राकृतिक आपदाओं के विरुद्ध बीमा नहीं था। विभाग ई-आबकारी पोर्टल के माध्यम से अग्नि बीमा अनिवार्य कर सकता है।

13. लाइसेंसधारियों ने सीसीटीवी घोषणाएँ प्रस्तुत नहीं कीं। विभाग सीसीटीवी सिस्टम की स्थापना सुनिश्चित करे और लाइसेंसधारियों द्वारा की गई घोषणाओं का सत्यापन करे।

14. एल 7 और एल10 लाइसेंसधारियों ने 15 सूत्रीय घोषणाएँ प्रस्तुत नहीं कीं। विभाग घोषणाओं का सत्यापन करे और समयबद्ध तरीके से अनुपालन सुनिश्चित करे।

15. एचसीआर लाइसेंसधारियों ने पर्यटन विभाग (डीओटी) की स्वीकृति प्रस्तुत नहीं की। विभाग यह सुनिश्चित करे कि पर्यटन विभाग प्रमाणपत्र की आवश्यकता पूरी हो।

अध्याय IV – आईएमएफएल और एफएल का मूल्य निर्धारण (सीएजी रिपोर्ट के पैरा 4.1 से पैरा 4.4 तक)

लेखापरीक्षा रिपोर्ट का सारांश, विभाग द्वारा की गई कार्रवाई और समिति की टिप्पणियाँ/सिफारिशें निम्न हैं:

<u>आईएमएफएल और एफएल के मूल्य निर्धारण पर ऑडिट अवलोकन</u>

1. आबकारीविभाग का आबकारीडिस्टिलरी मूल्य/आबकारीब्रूअरी मूल्य (ईडीपी/ईबीपी) संबंधी दृष्टिकोण अस्पष्ट है, जिससे एल1 लाइसेंसधारियों को लाभ मार्जिन अलग से निर्धारित होने के बावजूद मनमाने ढंग से मूल्य घोषित करने की छूट मिलती है। इस अस्पष्टता के कारण मूल्य निर्धारण में समस्याएँ उत्पन्न हुई हैं, जिन्हें नई आबकारीनीति के माध्यम से दूर करने का लक्ष्य है। नई नीति के तहत ईडीपी को किसी भी भारतीय राज्य में अनुमत न्यूनतम मूल्य पर आधारित किया जाएगा और लाइसेंसधारियों को एक हलफनामा प्रस्तुत करना होगा। ईडीपी की अपरिभाषित अवधारणा के कारण वर्तमान प्रणाली असंतोषजनक है।

2. ईडीपी/ईबीपी घोषणाओं पर अबकारीविभाग की निगरानी में कमी के कारण ₹165 करोड़ का राजस्व नुकसान हुआ, क्योंकि बढ़ी हुई ईडीपी से अबकारी राजस्व में वृद्धि नहीं हुई और मनमानी मूल्य निर्धारण शक्ति तस्करी को बढ़ावा दे सकती है। नई अबकारीनीति का उद्देश्य सभी ब्रांडों के लिए न्यूनतम ईडीपी को एक समान बनाकर इस समस्या का समाधान करना है, लेकिन ऑडिट में मूल्य और लोकप्रियता के बीच सहसंबंध पर सवाल उठाए गए हैं, जो प्रभावी ईडीपी विनियमन की आवश्यकता को उजागर करता है। सरकार की प्रतिक्रिया असंतोषजनक है क्योंकि यह बिक्री और राजस्व पर ईडीपी के प्रभाव को नजरअंदाज करती है।

3. एल1 लाइसेंसधारियों ने विवेकाधीन ईडीपी/ईबीपी मूल्य निर्धारण तंत्र का दुरुपयोग करते हुए 14 में से 7 ब्रांडों के लिए अन्य राज्यों की तुलना में दिल्ली में उच्च ईडीपी घोषित की, जिसके परिणामस्वरूप उन्हें ₹35.07 करोड़ का अनुचित लाभ हुआ; आबकारी विभाग के 5% के निर्धारित लाभ मार्जिन को दरकिनार कर दिया, जिससे ईडीपी/ईबीपी के अपर्याप्त विनियमन पर प्रकाश डाला गया।सरकार की प्रतिक्रिया पिछले बिंदुओं को दोहराती है और ऑडिट की चिंताओं का समाधान करने में विफल रही है।

4. एल1एफ लाइसेंसधारियों ने उदार नीति का दुरुपयोग करते हुए विदेशी शराब पर अत्यधिक लाभ मार्जिन (44-347%) घोषित किया, एमआरपी को बढ़ाया और संभावित रूप से खुली सीमाओं के माध्यम से तस्करी को बढ़ावा दिया; अन्य राज्यों के डब्ल्यूएसपी घोषित करने की शर्तों का उल्लंघन करने के बावजूद, कोई कार्रवाई नहीं की गई, और सरकार की प्रतिक्रिया निश्चित डब्ल्यूएसपी और आबकारी लाभों का हवाला देते हुए इस मुद्दे को कम करके आंकती है, लेकिन ऑडिट विदेशी शराब की घटी हुई राजस्व वृद्धि (8.28% बनाम 18.27%).

<u>C&AG की सिफ़ारिशें:</u>

4.1 डिस्टिलरी से निकलने वाले मूल्य को सभी लागत घटकों के साथ परिभाषित किया जाना चाहिए और यह स्पष्ट किया जाना चाहिए कि इसमें लाभ का कोई घटक शामिल है या नहीं। साथ ही, विवेकाधीन ईडीपी की अनुमति नहीं दी जानी चाहिए।

4.2 सरकार को प्रभावी ढंग से कीमतों को नियंत्रित करने और राजस्व को अधिकतम करने के लिए अपनी मूल्य निर्धारण नीति की समीक्षा करनी चाहिए।

<u>विभाग द्वारा की गई कार्रवाई:</u>

अपने लिखित उत्तर और मौखिक बयान के माध्यम से विभाग ने ऑडिट की टिप्पणी से आंशिक रूप से सहमति व्यक्त की और अपने द्वारा की गई कार्रवाइयों का संक्षिप्त विवरण दिया, जिसका सारांश नीचे दिया गया है:

1. विभाग ने एल-1 लाइसेंस की शर्तों का हवाला दिया है जो कुछ एमआरपी सीमा के लिए विवेकाधीन ईडीपी घोषणा की अनुमति देती हैं, और सीएजी की इस टिप्पणी को स्वीकार किया है कि अगली आबकारी नीति में लागत विभाजन पर विचार किया जाना चाहिए; मुख्य सचिव के नेतृत्व में एक उच्च स्तरीय समिति एक नई आबकारी नीति तैयार कर रही है, जिसमें इस पहलू को शामिल किया जाएगा। विभाग ऑडिट संबंधी चिंताओं को दूर करने के लिए नीति में संशोधन पर काम कर रहा है।

2. विभाग दिल्ली में सबसे कम WSP के लिए L-1F लाइसेंसधारियों से वचन लेता है और मानता है कि मूल्य निर्धारण एक नीतिगत निर्णय है; उनका दावा है कि घोषित कीमतों के आधार पर आबकारी शुल्क की गणना होने के कारण राजस्व में कोई हानि नहीं होती है, और कीमतें बढ़ने पर ग्राहक अन्य ब्रांडों की ओर रुख कर लेंगे, जिससे राजस्व प्रवाह बना रहेगा। विभाग बिक्री का श्रेय बाजार-संचालित कारकों और ग्राहक की पसंद को देता है, जिसमें किफायती ब्रांड मूल्य संरक्षण के अंतर्गत आते हैं।

विस्तृत लेखापरीक्षा रिपोर्ट और विभाग की पैराग्राफ-वार कार्रवाई रिपोर्ट **खंड II (अनुलग्नक-III)**में दी गई है।

<u>समिति की टिप्पणियाँ और सिफ़ारिशें:</u>

1. विभाग का दृष्टिकोण अस्पष्ट है, जिससे मूल्य निर्धारण संबंधी समस्याएँ उत्पन्न हो रही हैं। विभाग को ईडीपी/ईबीपी को स्पष्ट रूप से परिभाषित करना चाहिए और इसे प्रभावी ढंग से विनियमित करना चाहिए।

2. एल1एफ लाइसेंसधारियों ने अत्यधिक लाभ मार्जिन घोषित करके एमआरपी को बढ़ा दिया है। विभाग को लाभ मार्जिन की समीक्षा और डब्ल्यूएसपी घोषणा शर्तों का अनुपालन सुनिश्चित करना चाहिए।

अध्याय V – गुणवत्ता मानकों का उल्लंघन

(सीएजी रिपोर्ट का पैरा 5.1 से पैरा 5.8)

लेखापरीक्षा रिपोर्ट का सारांश, विभाग द्वारा की गई कार्रवाई और समिति की टिप्पणियाँ/सिफारिशें निम्न हैं:

<u>गुणवत्ता मानकों के उल्लंघन पर ऑडिट अवलोकन</u>

1. अबकारीविभाग शराब की गुणवत्ता सुनिश्चित करने में विफल रहा, जिसमें टेकीला के लिए विनिर्देशों का अभाव और विदेशी निर्माताओं के लिए अस्पष्ट दिशानिर्देशों के साथ-साथ गैर-एनएबीएल मान्यता प्राप्त प्रयोगशाला प्रमाणपत्रों को स्वीकार करना और निर्माताओं की स्व-घोषणाओं पर भरोसा करना, बीआईएस मानकों के अनुपालन से समझौता करना शामिल है। विभाग की कमियों के कारण शराब की गुणवत्ता का अपर्याप्त सत्यापन हुआ, जिससे सार्वजनिक स्वास्थ्य को संभावित खतरा पैदा हुआ।

2. आबकारीविभाग ने NABL से मान्यता प्राप्त न होने वाली प्रयोगशालाओं, शराब परीक्षण के लिए अधिकृत न होने वाली प्रयोगशालाओं और सीमित मान्यता प्राप्त प्रयोगशालाओं से अमान्य गुणवत्ता परीक्षण प्रमाण पत्र स्वीकार किए, जिससे शराब की गुणवत्ता जांच में गड़बड़ी हुई। विभाग की लापरवाही और FSSAI दिशानिर्देशों का पालन न करने से जन स्वास्थ्य सुरक्षा सुनिश्चित करने को लेकर चिंताएं उत्पन्न करती हैं। विभाग की प्रतिक्रिया अपर्याप्त निगरानी को दर्शाती है, जिसमें तीसरे पक्ष के निरीक्षण के बिना निर्माता से जुड़ी प्रयोगशालाओं पर निर्भरता दिखाई देती है।

3. 12 L1 और 3 L1F लाइसेंसधारियों की फाइलों की जांच से पता चला है कि आबकारीविभाग की शराब गुणवत्ता नियंत्रण प्रक्रिया में कई खामियां हैं, जो अपर्याप्त निगरानी और जन स्वास्थ्य के लिए संभावित जोखिमों को दर्शाती हैं। विभाग की प्रक्रियाएं शराब की गुणवत्ता सुनिश्चित करने में विफल रहीं, जिससे कार्यान्वयन और प्रवर्तन में कमियां उजागर होती हैं।

4. आबकारी विभाग शराब की गुणवत्ता सुनिश्चित करने में विफल रहा, क्योंकि 2020-21 में 12 एल1 लाइसेंसधारियों ने गुणवत्ता प्रमाण पत्र जमा नहीं किए, और 173 परीक्षण रिपोर्टों की जांच से बीआईएस मानकों का व्यापक उल्लंघन सामने आया, जिसमें परीक्षणों का न होना, अपूर्ण रिपोर्टिंग और सूक्ष्मजीवविज्ञानी एवं जल गुणवत्ता परीक्षणों का अभाव शामिल है, जिससे गंभीर स्वास्थ्य जोखिम उत्पन्न हुए। विभाग की अपर्याप्त जांच और लापरवाही ने जन सुरक्षा को खतरे में डाल दिया, क्योंकि एक भी ब्रांड बीआईएस के सभी मानकों को पूरा नहीं कर पाया।

5. विदेशी शराब की गुणवत्ता पर आबकारी विभाग की निगरानी में घोर कमी थी। एल1एफ लाइसेंसधारियों की परीक्षण रिपोर्टों में बीआईएस मानकों के साथ केवल 35.64% अनुपालन दिखाया गया, और व्यापक समस्याएं जैसे कि परीक्षण न होना, अविश्वसनीय रिपोर्टें और सूक्ष्मजीवविज्ञानिक एवं जल गुणवत्ता परीक्षण जैसे महत्वपूर्ण मापदंडों का अभाव, जन स्वास्थ्य के लिए गंभीर जोखिम पैदा कर रहे थे। विभाग द्वारा

पुरानी और अस्पष्ट रिपोर्टों को स्वीकार करना, साथ ही अस्पष्ट मानकों ने शराब की गुणवत्ता सुनिश्चित करने की प्रक्रिया को और भी कमजोर कर दिया।

6. आबकारी विभाग द्वारा कुछ बीयर ब्रांडों के गुणवत्ता परीक्षण प्रमाणपत्रों की जांच में संदिग्ध हेरफेर और समान परीक्षण मान पाए गए, जो संभावित जालसाजी का संकेत देते हैं। फिर भी, विभाग की प्रतिक्रिया अपर्याप्त रही और उसने रिपोर्टों की प्रामाणिकता सत्यापित करने के लिए फोरेंसिक जांच करने के बजाय लाइसेंसधारियों से स्पष्टीकरण मांगा। विभाग द्वारा कठोर सत्यापन की कमी शराब की गुणवत्ता जांच की विश्वसनीयता को खतरे में डालती है।

7.आबकारी विभाग ने 'ब्रो कोड क्राफ्टेड ब्रूट 5' को 'वाइन' के रूप में मंजूरी दे दी, जबकि इसके परीक्षण प्रमाण पत्र में इसे 'कम अल्कोहल वाले पेय' की श्रेणी में रखा गया था, जिसमें अल्कोहल की मात्रा 5% थी, जो एफएसएसएआई द्वारा निर्धारित 'वाइन' के लिए न्यूनतम 7% से कम है। विभाग इसकी बिक्री रोकने में भी विफल रहा और कार्रवाई शुरू करने के बाद भी परिवहन परमिट जारी करता रहा, जिससे पभोक्ताओं को संभावित रूप से गुमराह किया गया। विभाग की निष्क्रियता और विलंबित प्रतिक्रिया ने नियामक निगरानी को कमजोर किया।

8. इंडो स्पिरिट बेवरेजेज ने 2018-19 में तीन वाइन ब्रांडों के लिए वही गुणवत्ता परीक्षण प्रमाण पत्र पुनः प्रस्तुत किए जो 2017-18 में प्रस्तुत किए गए थे, लेकिन आबकारी विभाग द्वारा इस पर ध्यान नहीं दिया गया, जो अपर्याप्त जांच का संकेत देता है। विभाग की प्रतिक्रिया से पता चलता है कि मामले पर विचार जारी है, लेकिन यह मुद्दा अद्यतन गुणवत्ता अनुपालन सुनिश्चित करने में कमियों को उजागर करता है।

C&AG की सिफ़ारिशें:

5.1: एफएसएसएआई मानदंडों के सत्यापन का उल्लेख नियमों और शर्तों में विशेष रूप से किया जाना चाहिए ताकि पालन किए जाने वाले मानदंडों के संबंध में कोई अस्पष्टता न हो।

5.2: प्रामाणिक और निष्पक्ष परीक्षण रिपोर्ट के लिए, यह सुनिश्चित किया जाना चाहिए कि परीक्षण रिपोर्ट जारी करने वाली प्रयोगशालाएं, शराब के प्रासंगिक मापदंडों के परीक्षण के लिए एनएबीएल द्वारा मान्यता प्राप्त हों।

5.3: दिल्ली आबकारी विभाग को शराब की गुणवत्ता की सक्रिय रूप से निगरानी करनी चाहिए और बीआईएस मानकों द्वारा निर्धारित मानदंडों के अतिरिक्त कड़े गुणवत्ता मानक निर्धारित करने चाहिए । दिल्ली आबकारीनियम 7 ऐसे विनिर्देशों को तैयार करने के लिए एक सक्षम प्रावधान है।

5.4: बीआईएस/एफएसएसएआई मानदंडों के आधार पर परीक्षण रिपोर्टों के सत्यापन से संबंधित चेकलिस्ट/मानक संचालन प्रक्रिया (एसओपी) तैयार की जानी चाहिए। लागू गुणवत्ता मानदंडों के अनुपालन को सुनिश्चित करने के लिए चेकलिस्ट/एसओपी के आधार पर सत्यापन अनिवार्य किया जाना चाहिए।

5.5: परीक्षण प्रमाणपत्रों का मूल्यांकन फोरेंसिक प्रयोगशाला द्वारा किया जाना चाहिए और मामले की जांच की जानी चाहिए। इस तरह की गंभीर चूक के लिए जिम्मेदार अधिकारियों के खिलाफ आवश्यक कार्रवाई की जानी चाहिए।

5.6: जिम्मेदार अधिकारियों के खिलाफ विभागीय कार्रवाई की जानी चाहिएजिन्होंनेलाइसेंसधारी को उचित सावधानी और गुणवत्ता परीक्षण प्रमाणपत्रों के सत्यापन के बिना लाइसेंस जारीकियातथालाइसेंसधारक के खिलाफ कार्रवाई शुरू होने के बाद भी परिवहन परमिट जारी किया ।

विभाग द्वारा की गई कार्रवाई:

अपने लिखित उत्तर और मौखिक बयान के माध्यम से विभाग ने ऑडिट की टिप्पणी से आंशिक रूप से सहमति व्यक्त की और अपने द्वारा की गई कार्रवाइयों का संक्षिप्त विवरण दिया, जिसका सारांश नीचे दिया गया है:

1. आबकारी विभाग ने बीआईएस और एफएसएसएआई मानकों के अनुपालन का हवाला देते हुए अपनी पिछली कार्यप्रणालियों का बचाव किया और ईएनए प्रमाणन के लिए सरकारी अधिकारियों पर निर्भरता दिखाई, लेकिन प्रयोगशाला कर्मचारियों की कमी को स्वीकार करते हुए भविष्य की नीतियों में सीएजी की सिफारिशों को शामिल करने का वादा किया। हालांकि, विभाग एफएसएसएआई द्वारा मान्यता प्राप्त प्रयोगशालाओं के लिए निर्धारित आवश्यकताओं के बावजूद, उचित गुणवत्ता प्रमाण पत्र के बिना लाइसेंस जारी करने वाले अधिकारियों के खिलाफ की गई कार्रवाई पर कोई स्पष्टीकरण नहीं दे पाया।

2. आबकारीविभाग ने स्पष्ट किया कि शुरुआत में NABL मान्यता अनिवार्य नहीं थी, लेकिन अब वेIMFL के लिए NABL मान्यता प्राप्त प्रयोगशालाओं की रिपोर्ट को प्राथमिकता देंगे और अधिक बिकने वाले ब्रांडों की याद्दच्छिक जांच कर रहे हैं। विभाग त्रैमासिक जांच भी करता है, जिसमें हाल के नमूने (अक्टूबर-दिसंबर 2024 में 125 और जनवरी-मार्च 2025 में 255) BIS मानकों को पूरा करते हैं, और अगलीआबकारीनीति में CAG की सिफारिशों को शामिल करने की योजना बना रहा है।

3. आबकारी विभाग ने कहा है कि अब वे आईएमएफएल लाइसेंसधारियों से अधिमानतः एनएबीएल-मान्यता प्राप्त प्रयोगशालाओं से परीक्षण रिपोर्ट प्रस्तुत करने की मांग कर रहे हैं और त्रैमासिक जांच कर रहे हैं, जिसमें हाल के नमूने बीआईएस मानकों के अनुरूप होने चाहिए। विभाग बीआईएस/एफएसएसएआई मानदंडों पर निर्भर है क्योंकि उसके पास अपने स्वयं के मानक निर्धारित करने की विशेषज्ञता का अभाव है और उसने आबकारी प्रयोगशाला में कर्मचारियों की कमी को दूर करने के लिए कदम उठाए हैं।

4. आबकारी विभाग मेसर्स मोहन गोल्डवाटर द्वारा प्रस्तुत प्रयोगशाला रिपोर्टों की प्रामाणिकता की जांच कर रहा है, जिसमें किसी भी प्रकार की जालसाजी का दावा नहीं किया गया है, और सत्यापन के लिए रिपोर्ट फेयर लैब्स प्राइवेट लिमिटेड को भेजी गई है, लेकिन कोई उत्तर/जवाब/प्रत्युत्तर प्राप्त नहीं हुई है; इस बीच, गलत बयानी के माध्यम से लाइसेंस प्राप्त करने के लिए दिल्ली आबकारी अधिनियम, 2008 की धारा 17(1)(एफ) के तहत कार्रवाई की जा सकती है। संबंधित लाइसेंस पहले ही समाप्त हो चुके हैं।

5.   आबकारी विभाग ने "ब्रोकोड क्राफ्टेड बर्ट 5" के खिलाफ कार्रवाई करते हुए, आबकारी आयुक्त की मंजूरी के बाद कारण बताओ नोटिस जारी किया और आयात/परिवहन परमिट रोक दिए, और ईएससीआईएमएस में ब्रांड को निष्क्रिय के रूप में चिह्नित किया।

विभाग की विस्तृत लेखापरीक्षा रिपोर्ट और पैराग्राफवार कार्रवाई संबंधी नोट **खंड II (अनुलग्नक-IV)**में दिए गए हैं।

<u>समिति की टिप्पणियाँ और सिफ़ारिशें:</u>

1.   आबकारी विभाग की गुणवत्ता नियंत्रण प्रक्रिया में गंभीर खामियां हैं, जिनसे जन स्वास्थ्य और सुरक्षा खतरे में पड़ सकती है। विभाग को सभी शराब ब्रांडों के लिए NABL से मान्यता प्राप्त प्रयोगशाला रिपोर्ट जमा करना अनिवार्य करना चाहिए और अनुपालन सुनिश्चित करने के लिए नियमित ऑडिट करना चाहिए।

2.   ऑडिट में BIS मानकों का व्यापक उल्लंघन पाया गया, जिसमें परीक्षण रिपोर्ट का न होना और अपूर्ण रिपोर्टिंग शामिल है। आबकारी विभाग को परीक्षण रिपोर्टों की गहन जांच करनी चाहिए और अनुपालन न करने वाले लाइसेंसधारियों के खिलाफ सख्त कार्रवाई करनी चाहिए।

3.   विभाग ने पुरानी और अस्पष्ट रिपोर्टों को स्वीकार कर लिया, जिससे शराब की गुणवत्ता सुनिश्चित करने में और भी बाधा उत्पन्न हुई। विभाग को रिपोर्टों की वैधता सत्यापित करने के लिए एक सुदृढ़ प्रणाली स्थापित करनी चाहिए और पुरानी या अपूर्ण रिपोर्टों को अस्वीकार करना चाहिए।

4.   ऑडिट के दौरान, संभावित जालसाजी और संदिग्ध हेरफेर पाए गए, लेकिन विभाग का उत्तर अपर्याप्त रहा । विभाग को गुणवत्ता परीक्षण प्रमाणपत्रों का कठोर सत्यापन सुनिश्चित करना चाहिए, जिसमें आवश्यकता पड़ने पर फोरेंसिक जांच भी शामिल हो।

5.   विभाग ने कम अल्कोहल वाली शराब के एक ब्रांड को मंजूरी दे दी है, जिससे उपभोक्ताओं को गुमराह होने की संभावना है। इसलिए, विभाग को FSSAI के नियमों का कड़ाई से पालन सुनिश्चित करना चाहिए और ऐसे मामलों को रोकने के लिए ब्रांड की मंजूरी की समीक्षा करनी चाहिए।

6.   आबाकारी प्रयोगशाला में कर्मचारियों की भारी कमी है, जिससे गुणवत्ता नियंत्रण प्रभावित हो रहा है। प्रभावी गुणवत्ता नियंत्रण सुनिश्चित करने के लिए विभाग प्रयोगशाला कर्मचारियों की भर्ती में तेजी ला सकता है।

7.   विभाग के पास विदेशी निर्माताओं और टकीला के लिए BIS और FSSAI के नियमों के अनुरूप स्पष्ट दिशा-निर्देशों का अभाव है। अनुपालन सुनिश्चित करने के लिए विभाग को स्पष्ट दिशा-निर्देश स्थापित करने और उनका प्रचार-प्रसार करना चाहिए।

8.   विभाग उन अधिकारियों के विरुद्ध की गई कार्रवाई के संबंध में स्पष्ट करने में विफल रहा जिन्होंने उचित गुणवत्ता प्रमाण पत्र के बिना लाइसेंस जारी किए थे। विभाग को लापरवाही के लिए जिम्मेदार अधिकारियों के विरुद्ध कड़ी कार्रवाई करनी चाहिए और जवाबदेही सुनिश्चित करनी चाहिए।

9. विभाग द्वारा शराब ब्रांडों का, की जा रही निगरानी और परीक्षण अपर्याप्त पायी गई। विभाग को नियमित रूप से नमूने लेने और परीक्षण करने की व्यवस्था करनी चाहिए तथा पारदर्शिता सुनिश्चित करने के लिए परिणाम प्रकाशित करने चाहिए।

10. विभाग की नीतियों और प्रक्रियाओं की समीक्षा और अद्यतन की आवश्यकता है। विभाग को सीएजी की सिफारिशों को आबकारी नीति में शामिल करना चाहिए और भविष्य में ऐसी किसी भी लापरवाही को रोकने के लिए प्रक्रियाओं की समीक्षा करनी चाहिए।

अध्याय VI – ईआईबी और ज़ब्ती
(सीएजी रिपोर्ट के पैरा 6.1 से पैरा 6.6 तक)

लेखापरीक्षा रिपोर्ट का सारांश, विभाग द्वारा की गई कार्रवाई और समिति की टिप्पणियाँ/सिफारिशें निम्नलिखित हैं:

ईआईबी और ज़ब्ती पर लेखापरीक्षा अवलोकन

1. आबकारी विभाग के 3580 एफआईआर (2017-21) के आंकड़ों से शराब की तस्करी के मामलों में वृद्धि का पता चलता है। हरियाणा से सटे जिलों में 83% एफआईआर और 77% ज़ब्त शराब (ज़्यादातर देसी शराब (65%)) दर्ज की गई, जो तस्करी के व्यापक पैटर्न को दर्शाती है। कुल ज़ब्ती में 4.38 लाख क्वार्ट्स आईएमएफएल और 9.12 लाख क्वार्ट्स देसी शराब शामिल थी, जो इस समस्या की व्यापकता को उजागर करती है।

2. आबकारी विभाग की देसी शराब (सीएल) की सख्त खरीद नीतिने तस्करी को बढ़ावा दिया,जिसमें निप की बिक्री पर सीमा और निर्माताओं के सीमित चयन शामिल हैं, ज़ब्त की गई शराब में से अधिकांश लोकप्रिय ब्रांडों के निप (180 मिली) थे जो दिल्ली के कोटे में शामिल नहीं थे। विभाग के अपर्याप्त मांग आकलन और विक्रेताओं के सीमित चयन ने समानांतर आपूर्ति श्रृंखला को और बढ़ावा दिया, जिससे राजस्व हानि की संभावना बनी। नीतिगत कमियों में सीएल आपूर्ति की कृत्रिम रूप से सीमित सीमा (300 लाख बीएल, जो 2009-10 में 520.65 लाख बीएल से कम है) और प्रतिबंधात्मक निविदा शर्तें शामिल हैं जो ग्राहक प्राथमिकताओं की अनदेखी करते हुए प्रति वर्ष केवल 10 सीएल ब्रांडों की अनुमति देती हैं।

3. आबकारी खुफिया ब्यूरो (ईआईबी) ज़ब्ती आंकड़ों का प्रभावी ढंग से उपयोग करके छापेमारी की योजना बनाने में विफल रहा। दिल्ली पुलिस द्वारा पहचाने गए प्रमुख क्षेत्रों की अनदेखी कीगई और प्रवर्तन एवं ज़ब्ती शाखाओं के साथ समन्वय का अभाव रहा, जिसके परिणामस्वरूप तस्करी के बढ़ते मामलों और लाइसेंस प्राप्त परिसरों में बार-बार उल्लंघन के बावजूद अव्यवस्थित और अप्रभावी अभियान चलाए गए। ईआईबी के समन्वय और योजना के दावे निराधार हैंएवंखंडित आंकड़ों और त्रुटियों से युक्त हैं, जो शराब की तस्करी से निपटने में लक्ष्य और रणनीति की कमी को दर्शाते हैं।

4. आबकारी खुफिया ब्यूरो (ईआईबी) द्वारा 70 एफआईआर (2017-21) की जांच से एक असंगठित दृष्टिकोण का पता चला, जिसमें व्यवस्थित तस्करी पैटर्न की अनदेखी की गई। विशिष्ट ब्रांडों की ज़ब्ती हावी रही, और अन्य आबकारी अधिकारियों के साथ समन्वय का अभाव रहा।समस्याओं की पहचान करने के बावजूद, ईआईबी आपूर्ति पक्ष की समस्याओं का समाधान करने में विफल रहा, साथ ही योजना एवं समन्वय के उसके दावे निराधार हैंएवं खंडित आंकड़ों और त्रुटियों से युक्त हैं। पी-10ए परमिट के दुरुपयोग सहित अन्य आरोपों पर विभाग की प्रतिक्रिया असंतोषजनक है, जिसमें साक्ष्यों का अभाव है और प्रवर्तन निष्कर्षों के विपरीत है।

C&AG की सिफ़ारिशें:

6.1 EIB, ज़ब्ती और प्रवर्तन मामलों से संबंधित विस्तृत डेटा प्राप्त करने के लिए ESCIMS का उपयोग किया जाना चाहिए। शराब की तस्करी के प्रमुख केंद्रों, शामिल ब्रांडों, तस्करी के कारणों, अनुमानित राजस्व रिसाव आदि की पहचान करने के लिए ज़ब्ती और EIB मामलों में केस-वार एकत्रित डेटा का विस्तृत विश्लेषण किया जाना चाहिए।

6.2 लाइसेंस जारी करने और प्रवर्तन छापों की योजना बनाने जैसे आबकारी विभाग के प्रशासनिक और नियामक कार्यों को सुदृढ़ करने के लिए EIB और ज़ब्ती शाखा से प्राप्त प्रतिक्रियाओं को शामिल किया जाना चाहिए।

6.3 अवैध शराब आपूर्ति श्रृंखला प्रभावी प्रहार करने के लिए अन्य राज्यों के आबकारी विभागों के साथ समन्वित कार्रवाई की योजना बनाई जानी चाहिए।

विभाग द्वारा की गई कार्रवाई:

अपने लिखित बयान और मौखिक गवाही के माध्यम से विभाग ने ऑडिट की टिप्पणियों से आंशिक रूप से सहमति व्यक्त की और उनके द्वारा की गई कार्रवाइयों का संक्षिप्त विवरण दिया, जिसका सारांश नीचे दिया गया है:

1. आबकारी विभाग ने ऑडिट कीआपत्तियों को दूर करते हुए देसी शराब की आपूर्ति में 30% निप अनुपात को मंजूरी दी है और 2024-25 के लिए 100% कोटा आवंटन के साथ निविदा प्रक्रिया शुरू की है, जिससे एल-8 की दुकानों में शराब की कोई कमी नहीं होगी। विभाग ने विभिन्न हितधारकों को बढ़ावा देने और कार्टेलाइजेशन को रोकने के लिए प्रत्येक निविदाकर्ता को न्यूनतम 10% आपूर्ति आवंटित करने के कदम भी उठाए हैं।

2. आबकारी विभाग ने तस्करी-प्रवण क्षेत्रों में संयुक्त छापेमारी, व्हाट्सएप समूहों और सुनियोजित अभियानों के माध्यम से ईआईबी और प्रवर्तन शाखाओं के बीच समन्वय को मजबूत किया है। विभाग ने ईआईबी टीमों को एफआईआर के लिए शिकायतें सावधानीपूर्वक तैयार करने के लिए भी जागरूक किया है।

3. आबकारी विभाग ने शराब की तस्करी रोकने के लिए प्रयास तेज कर दिए हैं, जिसके तहत 2024 में 1,60,138 बोतलें जब्त की गईं और 488 आरोपियों को गिरफ्तार किया गया। विभाग को एमसीसी-2025 के दौरान किए गए प्रदर्शन के लिए पुरस्कृत भी किया गया है। विभाग ने पी-10ए परमिट की निगरानी के लिए भी उपाय लागू किए हैं, जिनमें ई-अबकारी पोर्टल में बारकोड मैपिंग मॉड्यूल शामिल है, और परमिट जारी करने और उपयोग पर कड़ी निगरानी रखी जा रही है।

विस्तृत लेखापरीक्षा रिपोर्ट और विभाग द्वारा पैराग्राफवार की गई कार्रवाई का विवरण **खंड II (अनुलग्नक-V)** में दिया गया है।

<u>समिति की टिप्पणियाँ और सिफ़ारिशें:</u>

1. आबकारी विभाग को नियमित मांग आकलन करना चाहिए, विक्रेताओं के विकल्प बढ़ाने चाहिए और वास्तविक मांग को पूरा करने के लिए सीएल कोटा आवंटन की समीक्षा करनी चाहिए।इन क्षेत्रों में सुधारों पर नई आबकारी नीति में विचार-विमर्श किया जा सकता है।

2. ईआईबीछापेमारी की योजना बनाने के लिए तथा जब्ती डेटा का प्रभावी ढंग से उपयोग करने में विफल रहा और दिल्ली पुलिस द्वारा पहचाने गए हॉटस्पॉट की भी अनदेखी की गई। विभाग को हॉटस्पॉट की पहचान करने, छापेमारी की योजना बनाने के लिए और संसाधनों को प्रभावी ढंग से आवंटित करने के लिए डेटा-आधारित दृष्टिकोण विकसित करना चाहिए।

3. ईआईबी का प्रवर्तन और ज़ब्ती शाखाओं के साथ समन्वय का अभाव था, जिसके कारण अव्यवस्थित और अप्रभावी अभियान चले। विभाग को अंतर-शाखा समन्वय को मजबूत करना चाहिए, खुफिया जानकारी साझा करनी चाहिए और शराब की तस्करी से निपटने के लिए एक व्यापक योजना विकसित करनी चाहिए।

4. ईआईबी द्वारा 70 एफआईआर की जांच में एक असंगठित दृष्टिकोण सामने आया, जिसमें व्यवस्थित तस्करी पैटर्न और आपूर्ति पक्ष की समस्याओं की अनदेखी की गई। विभाग को गहन जांच करते हुए, आपूर्ति पक्ष की समस्याओं की पहचान करनी चाहिए और तस्करी में शामिल निर्माताओं और आपूर्तिकर्ताओं के खिलाफ समयबद्ध तरीके से कार्रवाई करनी चाहिए।

5. पी-10ए परमिट के दुरुपयोग के आरोपों पर विभाग की प्रतिक्रिया असंतोषजनक है, जिसमें सबूतों की कमी है और प्रवर्तन निष्कर्ष विरोधाभासी हैं। विभाग को पी-10ए परमिट के दुरुपयोग के आरोपों की जांच करनी चाहिए, उल्लंघनकर्ताओं के खिलाफ कार्रवाई करनी चाहिए और भविष्य में दुरुपयोग को रोकने के लिए उपाय लागू करने चाहिए।

6. विभाग के प्रवर्तन प्रयास सराहनीय हैं, लेकिन उन्हें सुदृढ़ और विस्तारित करने की आवश्यकता है। विभाग को ईआईबी कर्मियों की संख्या बढ़ानी चाहिए, प्रशिक्षण में सुधार करना चाहिए और शराब की आवाजाही पर नज़र रखने और तस्करी का पता लगाने के लिए प्रौद्योगिकी-आधारित निगरानी प्रणालियों को लागू करना चाहिए।

7. विभाग की नीतियों और प्रक्रियाओं की समीक्षा और अद्यतन करना उभरती चुनौतियों का समाधान करने के लिए आवश्यक है। विभाग को शराब की तस्करी से निपटने और प्रभावी कार्यान्वयन सुनिश्चित करने के लिए नीतियों, प्रक्रियाओं और कानूनों की समीक्षा और अद्यतन करना चाहिए। विभाग मुखबिरों और असाधारण रूप से अच्छा प्रदर्शन करने वाले अधिकारियों को प्रोत्साहन और पुरस्कार देने की संभावना पर विचार कर सकता है।

अध्याय VII – प्रवर्तन
(सीएजी रिपोर्ट के पैरा 7.1 से पैरा 7.3 तक)

लेखापरीक्षा रिपोर्ट का सारांश, विभाग द्वारा की गई कार्रवाई और समिति की टिप्पणियाँ/सिफारिशें निम्नलिखित हैं:

<u>प्रवर्तन पर लेखापरीक्षा अवलोकन</u>

1. प्रवर्तन मामलों की प्रक्रिया प्रवाह और दायरे की जांच आवश्यक है ताकि कमियों की पहचान की जा सके, क्योंकि प्रवर्तन प्रक्रिया और दस्तावेज़ीकरण में विभिन्न कमियां पाई गईं, जो कार्यान्वयन में संभावित कमजोरियों को उजागर करती हैं।

2. आबकारी विभाग के पास निरीक्षण के लिए उचित योजना और मानक संचालन प्रक्रिया (एसओपी) का अभाव था, जिसके कारण मनमानी और अनियोजित प्रवर्तन प्रयास किए गए। साक्ष्य जुटाने, नमूना लेने की प्रक्रियाओं और दस्तावेज़ीकरण में कमियों के कारण प्रवर्तन कार्यवाहियों की प्रभावशीलता विभाग ने एसओपी की आवश्यकता को स्वीकार किया है और लेखापरीक्षा अवलोकनों को संबोधित करने और प्रवर्तन दक्षता बढ़ाने के लिए एक नई एसओपी तैयार कर रहा है।

3. आबकारी विभाग की निरीक्षण प्रक्रिया खराब रिकॉर्ड-कीपिंग, अपर्याप्त साक्ष्य संग्रह और संदिग्ध बोतलों को जब्त करने में विफलता से प्रभावित थी, जिससे प्रवर्तन कार्रवाइयों की प्रभावशीलता पर प्रतिकूल प्रभाव पड़ा। लेखापरीक्षा अवलोकनों पर विभाग की प्रतिक्रियाएं असंतोषजनक थीं, जो प्रणालीगत कमियों को दर्शाता है, जिनमें एमएसआर से संबंधित अंतराल तथा समाप्त अवधि या संदिग्ध स्टॉक की जांच का अभाव शामिल है, जिससे शराब ट्रैकिंग प्रणाली की विश्वसनीयता कमजोर होती है।

4. आबकारी विभाग के निरीक्षण दस्तावेज़ त्रुटिपूर्ण थे, जिनमें बारकोड के बजाय बैच संख्याएँ दर्ज करना और विरोधाभासी निरीक्षण रिपोर्टें शामिल थीं, जिससे अभियोजन मामले कमजोर पड़ गए। विभाग के स्पष्टीकरण असंतोषजनक थे, जो अभिलेख-संरक्षण और पारदर्शिता से संबंधित गंभीर मुद्दों को उजागर करते हैं। प्रवर्तन प्रक्रियाओं की अखंडता सुनिश्चित करने के लिए जांच और सुधारात्मक कार्रवाई की आवश्यकता है।

5. अनियमितताओं की अपर्याप्त जांच, अपर्याप्त कारण बताओ नोटिस और सभी पक्षों को जवाबदेह न ठहराने के कारण आबकारी विभाग के प्रवर्तन प्रयासों में बाधा उत्पन्न हुई, जिससे चूक करने वाले जांच से बच निकले। लेखापरीक्षा टिप्पणियों पर विभाग की प्रतिक्रियाएँ असंतोषजनक थीं, जो संभावित कदाचार और प्रणालीगत कमजोरियों को दूर करने में अपेक्षित गंभीरता और गहनता की कमी को दर्शाते हैं।

6. आबकारी विभाग ने बार-बार उल्लंघन के 11 मामलों में आबकारी अधिनियम की धारा 53 लागू नहीं की, जो बार-बार उल्लंघन करने वालों के लिए कड़ी सजा का प्रावधान करती है, जबकि अपनी चूक को स्वीकार भी किया। विभाग ने इस चूक पर खेद व्यक्त किया जो बेहतर प्रवर्तन और नियामक प्रावधानों के पालन की आवश्यकता को इंगित करता है।

<u>C&AG की सिफ़ारिशें:</u>

7.1 मानक संचालन प्रक्रिया तैयार करने, सावधानीपूर्वक साक्ष्य एकत्र करने और जांच करने तथा मामलों का शीघ्र निपटान करने से लेकर प्रवर्तन कार्यों को सुदृढ़ किया जाना चाहिए।

7.2 मामले के विवरण से संबंधित विस्तृत डेटा वाले प्रवर्तन रजिस्टर ईएससीआईएम में रखे जाने चाहिए, जिससे कार्रवाई योग्य खुफिया जानकारी प्राप्त करने के लिए डेटा का विश्लेषण करने में सहायता मिल सके।

7.3 पारदर्शिता और जवाबदेही सुनिश्चित करने के लिए निरीक्षण रिपोर्टों और उसके बाद की प्रक्रिया का कम्प्यूटरीकरण किया जाना चाहिए।

<u>विभाग द्वारा की गई कार्रवाई:</u>

अपने लिखित उत्तर और मौखिक बयान के माध्यम से विभाग ने ऑडिट की टिप्पणियों से आंशिक रूप से सहमति व्यक्त की और उनके द्वारा की गई कार्रवाइयों का संक्षिप्त विवरण दिया, जिसका सारांश नीचे दिया गया है:

1. आबकारी विभाग खुफिया जानकारी या शिकायतों के आधार पर अचानक निरीक्षण करता है, और सूचना को लीक होने से बचाने के लिए प्रक्रिया को गोपनीय रखता है, और गोपनीयता बनाए रखने के लिए प्रक्रियाओं को मानकीकृत नहीं करता है। विभाग अभिलेख-रखरखाव को डिजिटाइज़ कर रहा है और आगे की कार्रवाई के लिए प्रमुख अपराधों की सूचना पुलिस को देता है, लेकिन गोपनीयता संबंधी चिंताओं का हवाला देते हुए निरीक्षणों के लिए मानक संचालन प्रक्रियाओं (एसओपी) को औपचारिक रूप नहीं दिया है।

विस्तृत ऑडिट रिपोर्ट और विभाग की पैराग्राफवार की गई कार्रवाई का विवरण **खंड II (अनुलग्नक-VI)**में दिया गया है।

<u>समिति की टिप्पणियाँ और सिफ़ारिशें:</u>

1. आबकारी विभाग के पास निरीक्षणों के लिए उचित योजना और मानक संचालन प्रक्रियाओं (एसओपी) का अभाव है, जिसके कारण मनमानें और अनियोजित प्रवर्तन प्रयास होते हैं। विभाग को निरीक्षणों के लिए स्पष्ट एसओपी विकसित और लागू करनी चाहिए, जिसमें योजना, निष्पादन और दस्तावेज़ीकरण की प्रक्रियाओं का विवरण हो।

2. विभाग द्वारा साक्ष्य संग्रहणप्राय: अपर्याप्त पाया गया, जिसमें बारकोड के बजाय बैच नंबरों की रिपोर्टिंग और विरोधाभासी निरीक्षण रिपोर्ट जैसी कमियां पायी गई । विभाग को बारकोड स्कैनिंग और डिजिटल रिकॉर्ड जैसी तकनीकों का उपयोग करके साक्ष्य संग्रह और दस्तावेज़ीकरण में सुधार करना चाहिए और रिपोर्टिंग में एकरूपता सुनिश्चित करनी चाहिए।

3. विभाग अनियमितताओं की अपर्याप्त जांच और अपर्याप्त कारण बताओ नोटिसों के कारण सभी पक्षों को जवाबदेह ठहराने में विफल पाया गया। विभाग को गहन जांच सुनिश्चित करनी चाहिए और अनियमितताओं और अपराधों के लिए सभी पक्षों को स्पष्ट और विशिष्ट कारण बताओ नोटिसों के साथ जवाबदेह ठहराना चाहिए।

4. लेखापरीक्षा टिप्पणियों पर विभाग की प्रतिक्रियाएँ असंतोषजनक हैं, जो प्रणालीगत कमियों को उजागर करती हैं और शराब ट्रैकिंग प्रणाली की विश्वसनीयता को कमज़ोर करती हैं। विभाग को प्रवर्तन कार्रवाइयों में पारदर्शिता सुनिश्चित करनी चाहिए, साथ ही प्रगति और परिणामों पर नियमित रूप से अपडेट प्रदान करना चाहिए।

5. विभाग ने बार-बार उल्लंघन करने वालों के खिलाफ आबकारी अधिनियम की धारा 53 लागू करने में चूक स्वीकार करने के बावजूद ऐसा नहीं किया। विभाग को बार-बार उल्लंघन करने वालों के खिलाफ आबकारी अधिनियम की धारा 53 लागू करनी चाहिए ताकि कड़ी सजा सुनिश्चित हो सके और भविष्य में ऐसे अपराधों को रोका जा सके, और उन मामलों की समीक्षा करनी चाहिए जहां धारा 53 लागू नहीं की गई है।

6. विभाग के निरीक्षण दस्तावेज़ त्रुटिपूर्ण पाये गये हैं, जिसमें बारकोड के बजाय बैच नंबर दर्ज करना और विरोधाभासी निरीक्षण रिपोर्टें शामिल है। विभाग को मानक प्रारूपों का उपयोग करके और रिपोर्टिंग में सटीकता और एकरूपता सुनिश्चित करके दस्तावेज़ीकरण प्रक्रियाओं में सुधार करना चाहिए।

7. विभाग अनियमितताओं और अपराधों की पूरी तरह से जांच करने में विफल रहा, जिससे चूक करने वाले जांच से बच निकले। विभाग को सभी अनियमितताओं और अपराधों की स्पष्ट समय-सीमा और परिणामों के साथ पूरी तरह से जांच सुनिश्चित करनी चाहिए ।

अध्याय VIII – उत्पाद शुल्क नीति 2021-22
(सीएजी रिपोर्ट के पैरा 8.1 से पैरा 8.7 तक)

लेखापरीक्षा रिपोर्ट का सारांश, विभाग द्वारा की गई कार्रवाई और समिति की टिप्पणियाँ/सिफारिशें निम्नलिखित हैं:

<u>आबकारी नीति 2021-22 पर लेखापरीक्षा अवलोकन</u>

1. दिल्ली आबकारी नीति 2021-22 का उद्देश्य मौजूदा आबकारी व्यवस्था को सुव्यवस्थित करना था, जिसे बोझिल और पुरातन बताया गया था, और राजस्व वृद्धि और बेहतर ग्राहक अनुभव की संभावनाओं को ध्यान में रखते हुए इसे सुधारना था। यह नीति नवंबर 2021 से लागू हुई और अगस्त 2022 तक विस्तारित की गई।

2. आबकारी नीति का उद्देश्य राजस्व बढ़ाना, नकली शराब पर अंकुश लगाना और ग्राहक अनुभव को बेहतर बनाना था, साथ ही नियमों को सरल बनाना और निष्पक्ष प्रतिस्पर्धा को बढ़ावा देना था। इसका उद्देश्य शराब की समान आपूर्ति, जवाबदेही और उपभोक्ता विकल्प सुनिश्चित करना भी था, साथ ही तस्करी और अवैध शराब की बिक्री पर रोक लगाने के उपाय भी शामिल थे।

3. दिल्ली सरकार की नई आबकारी नीति ने सरकारी निगमों को शराब की खुदरा बिक्री से बाहर कर दिया, साथ ही एक नई आबकारी शुल्क संरचना लागू की और खुदरा बिक्री के लिए दिल्ली को 32 क्षेत्रों में विभाजित किया। निजी संस्थाओं को थोक और खुदरा शराब व्यवसाय संचालित करने की अनुमति दी गई, साथ ही शराब की कीमतों पर समान वितरण और छूट सुनिश्चित करने के उपाय भी किए गए।

4. ऑडिट में पाया गया कि दिल्ली सरकार ने कैबिनेट की मंजूरी या उपराज्यपाल की राय के बिना ही आबकारी नीति से संबंधित महत्वपूर्ण निर्णय लिए, जिनमें शुल्क माफी और नीति विस्तार शामिल हैं, जो कैबिनेट के एक निर्णय का उल्लंघन है। इसके अतिरिक्त, कानून के अनुसार संशोधित आबकारी नियमों को विधानसभा के समक्ष अनुमोदन के लिए प्रस्तुत नहीं किया गया।

5. दिल्ली के शराब व्यापार में सुधार लाने के लिए एक विशेषज्ञ समिति और मंत्रियों के एक समूह (जीओएम) का गठन किया गया, जिसका मुख्य उद्देश्य राजस्व बढ़ाना और निष्पक्ष प्रतिस्पर्धा सुनिश्चित करना था। विशेषज्ञ समिति और जीओएम की सिफारिशें भिन्न थीं। जीओएम ने थोक और खुदरा व्यापार में निजी संस्थाओं का समर्थन किया जिससे पारदर्शिता एवं कार्टेलाइजेशन के जोखिमों पर चिंताएं उत्पन्न हुई।

6. विशेषज्ञ समिति ने दोहरी स्वामित्व और अवैध शराब व्यापार पर अंकुश लगाने के लिए एक सरकारी थोक निगम की सिफारिश की थी, लेकिन जीओएम ने प्रॉक्सी स्वामित्व के जोखिमों को स्वीकार करने के बावजूदसमय की कमी का हवाला देते हुए निजी कंपनियों को चुना। यह निर्णय पूर्व में दिये गये संकेतों के विपरीत था, जिससे प्रतीत होता है कि निजी थोक व्यापार केवल एक अंतरिम उपाय नहीं था।

7. विशेषज्ञ समिति ने मूल्य निर्धारण प्रणाली में बदलाव करते हुए प्रति बोतल के आधार पर आबकारी शुल्क वसूली को यथावत रखने का सुझाव दिया था। हालांकि, जीओएम ने लाइसेंस शुल्क के रूप में अग्रिम आबकारी शुल्क वसूली का समर्थन किया, जिसका शराब की वास्तविक बिक्री से व्यावहारिक रूप से कोई संबंध नहीं था।

8. विशेषज्ञ समिति और जीओएम ने स्वीकार किया कि खुदरा लाइसेंस कुछ ही खिलाड़ियों के हाथों में प्रॉक्सी स्वामित्व के माध्यम से केंद्रित थे, फिर भी जीओएम ने एक इकाई को 54 वेंडिंग मशीनों तक नियंत्रित करने की अनुमति दी, जिससे कार्टेलाइजेशन और बाजार विकृति का खतरा पैदा हो गया। यह निर्णय विशेषज्ञों की चेतावनियों के विपरीत था, जिससे सिंडिकेट और ब्रांड को बढ़ावा देने की संभावना बढ़ गई।

9. वर्ष 2021-22 के लिए आबकारी नीति (अगस्त 2022 में) वापस लेने के बाद, आबकारी विभाग ने वर्ष 2022-23 की आबकारी नीति में खुदरा दुकानों के संबंध में केवल एक बदलाव के साथ पुरानी नीति (वर्ष 2021-22 से पहले लागू) की शर्तों को ही लागू किया। केवल सरकारी निगमों को ही खुदरा दुकानें संचालित करने की अनुमति दी गई। 2021-22 की नीति से पहले, सरकारी निगमों की दुकानों के साथ-साथ निजी दुकानें भी संचालित हो रही थीं।

10. आबकारी नीति 2021-22 में ₹8,911 करोड़ के वार्षिक राजस्व का अनुमान लगाया गया था, जिसमें ₹7,054 करोड़ का अग्रिम लाइसेंस शुल्क शामिल था, लेकिन नीतिगत मुद्दों के कारण ₹2,002.68 करोड़ का नुकसान हुआ। यह नीति राजस्व के लिए लाइसेंस शुल्क, आबकारी शुल्क और वैट पर निर्भर थी।

11. नई नीति के कार्यान्वयन का सबसे महत्वपूर्ण पहलू उचित कार्यान्वयन सुनिश्चित करने के लिए नीति का सुदृढ़ ढांचा तैयार करना था, ताकि इच्छित उद्देश्यों की प्राप्ति हो सके। हालांकि, यह देखा गया कि ढांचे के निर्माण और आवंटन प्रक्रिया में कमियों के कारण ढांचा कमजोर हो गया, जिसके परिणामस्वरूप इच्छित उद्देश्यों से विचलन हुआ।

12. आबकारी नीति 2021-22 ने राज्य के स्वामित्व वाले निगम के लिए विशेषज्ञ समिति की सिफारिश के विपरीत निजी वितरकों को थोक लाइसेंस प्रदान किए। उच्च स्तरीय संस्थाओं को लक्षित करने के बावजूद, नीति में लाइसेंस प्रदान करने में डिजाइन और प्रक्रिया संबंधी कमियां थीं।

13. आबकारी विभाग को थोक लाइसेंस के लिए 18 आवेदन प्राप्त हुए, जिनमें से 4 अस्वीकृत हुए/वापस ले लिए गए, लेकिन लेखापरीक्षा के लिए रिकॉर्ड उपलब्ध नहीं कराए गए। पारदर्शिता की इस कमी से प्रक्रिया की निष्पक्षता और मानदंडों के पालन पर चिंताएं उत्पन्न होती हैं।

14. नई आबकारी नीति ने निर्माताओं को केवल एक थोक विक्रेता के माध्यम से आपूर्ति करने के लिए सीमित कर दिया, जिसके परिणामस्वरूप केवल 14 थोक लाइसेंस जारी किए गए, जबकि पुरानी नीति में 101 लाइसेंस जारी किए गए थे (अर्थात् 77 आईएमएफएल निर्माता और 24 एफएल आपूर्तिकर्ता)। यह केंद्रीकरण एकाधिकार और कार्टेल गठन का जोखिम पैदा करता है, जो नीति के उद्देश्य के विपरीत है।

15. नई आबकारी नीति ने थोक विक्रेताओं के मार्जिन को 5% से बढ़ाकर 12% कर दिया, लेकिन लाइसेंस शुल्क को संचालन से अलग कर दिया, जिससे बड़े खिलाड़ियों को लाभ हुआ और राजस्व हानि का जोखिम बढ़ गया। इस वृद्धि का औचित्य स्पष्ट नहीं था और गुणवत्ता सुनिश्चित करने के लिए स्थापित प्रयोगशालाओं को चालू नहीं किया गया था।

16. नीति ने थोक लाइसेंस के लिए संयुक्त उद्यमों की अनुमति दी, लेकिन इसमें स्पष्टता का अभाव था, जिससे न्यूनतम हिस्सेदारी (1-5%) वाली संस्थाओं को अनुभवहीन बहुसंख्यक साझेदारों के साथ साझेदारी करने का अवसर मिला। एक संयुक्त उद्यम ने पात्र साझेदार को ₹25,000 "रॉयल्टी" का भुगतान किया, जो प्रणाली के दुरुपयोग का संकेत देता है और पेशेवर प्रबंधन लक्ष्यों को कमजोर करता है।

17. आबकारी नीति का उद्देश्य शराब की समान उपलब्धता सुनिश्चित करना और एकाधिकार को रोकना था, लेकिन निविदा प्रक्रिया में खामियां थीं। अंततः, 10 आवेदकों को 20 क्षेत्र मिले, जिनमें से प्रत्येक को 2 क्षेत्र मिले, जिससे एकाग्रता और कार्टेलाइजेशन को लेकर चिंताएं बढ़ गईं।

18. नई नीति के ज़ोनिंग तंत्र ने खुदरा लाइसेंसों को 22 संस्थाओं के बीच केंद्रित कर दिया, जिनमें से प्रत्येक कम से कम 27 वेंडों को नियंत्रित करती है, जिससे एकाधिकार और कार्टेल गठन का जोखिम बढ़ गया, जो नीति के उद्देश्य के विपरीत है। यह पुरानी नीति से एक महत्वपूर्ण बदलाव है, जिसमें लाइसेंस अधिक विकेंद्रीकृत थे।

19. आबकारी नीति के तहत बोलीदाताओं को आयकर रिपोर्ट (आईटीआर) और नेट वर्थ का सीए प्रमाणपत्र जमा करना अनिवार्य था, लेकिन इसमें न्यूनतम वित्तीय मानदंडों का अभाव था। सफल बोलीदाताओं को एक जोन के लिए ₹100करोड़ की अग्रिम राशि की आवश्यकता थी, जबकि कई संस्थाओं की आय नगण्य थी या उन्हें घाटा हो रहा था। 9 संस्थाओं ने 3 में से 2 वर्षों में शून्य आय/घाटा दर्ज किया, और खराब वित्तीय स्थिति वाली 5 संस्थाओं को 10 जोन मिल गए। इस चूक से वित्तीय रूप से कमजोर संस्थाओं को लाइसेंस मिलने का खतरा था, जिससे उनके संचालन और उत्पाद शुल्क संग्रह में बाधा उत्पन्न हो सकती थी। बोलीदाताओं की वित्तीय स्थिति की जांच न होने से नीति की प्रभावशीलता पर सवाल उठते हैं।

20. आबकारी नीति में वार्षिक लाइसेंस शुल्क वृद्धि के साथ जोन लाइसेंस के असीमित नवीनीकरण की अनुमति थी, लेकिन संशोधित शुल्क निर्धारित करने और नवीनीकरण के बाद बोलीदाताओं की वित्तीय व्यवहार्यता सुनिश्चित करने के लिए तौर-तरीकों का अभाव था। घाटे में चल रही और नकारात्मक नेट वर्थ वाली संस्था, पाथ2वे एचआर सॉल्यूशंस, का लाइसेंस 2021-22 में ₹52 करोड़ का घाटा दिखाने के बावजूद नवीनीकृत कर दिया गया।

21. नीति में वित्तीय मानदंडों की कमी के कारण कमजोर संस्थाओं को लाइसेंस मिल गए, जिन्होंने अक्सर बिना सूचना दिए ही लाईसेंस वापस कर दिये, जिससे राजस्व हानि का खतरा बना। इस जोखिम को

कम करने के लिए कोई पुन: निविदा प्रक्रिया या आकस्मिक योजना मौजूद नहीं थी, जिससे विभाग राजस्व हानि के प्रति असुरक्षित बना रहा।

22. निविदा मूल्यांकन समिति ने समय की कमी का हवाला देते हुए बोलीदाताओं के विरुद्ध 9 शिकायतों की पूरी तरह से जांच नहीं की और अपात्रता के आरोपों के बावजूद संस्थाओं को भाग लेने की अनुमति दे दी। इनमें से 11 संस्थाओं को 17 खुदरा क्षेत्र आवंटित किए गए, लेकिन कोई विस्तृत जांच नहीं की गई, जिससे हितों के टकराव और नीतिगत उल्लंघन की आशंकाएं बढ़ गईं।

23. दिल्ली आबकारी नियम और नई नीति थोक लाइसेंस धारकों को खुदरा लाइसेंस प्राप्त करने से और खूदरा लाईसेंसधाराकों को थोक लाईसेंस प्राप्त करने से प्रतिबंधित करते हैं। हितों के टकराव को रोकने के लिए खुदरा लाइसेंस धारकों के पास डिस्टिलरी, ब्रुअरी या वाइनरी के साथ प्रत्यक्ष या अप्रत्यक्ष रूप से विनिर्माण सुविधाएं या साझा स्वामित्व नहीं हो सकता है।

24. नई आबकारी नीति ने संबंधित संस्थाओं के निर्धारण के मानदंडों को कमजोर कर दिया, जिससे समान हितों वाली संस्थाओं को लाइसेंस दिए जाने लगे। इसके परिणामस्वरूप ऐसे मामले सामने आए जहां थोक लाइसेंस धारकों और क्षेत्रीय लाइसेंस धारकों का साझा स्वामित्व या पारिवारिक संबंध थे, जिससे नीति का उद्देश्य ही विफल हो गया।

25. विभाग ने स्व-घोषणा हलफनामों पर भरोसा किया और आवेदनों की ठीक से जांच नहीं की, जिससे संभावित रूप से संबंधित संस्थाओं को लाइसेंस मिल गए। इसके परिणामस्वरूप आपूर्ति के पैटर्न में असंतुलन पैदा हो गया, जिससे थोक विक्रेताओं और समान हितों वाले क्षेत्रीय लाइसेंसधारियों के बीच हेरफेर और एकाधिकार व्यवस्थाओं के बारे में चिंताएं बढ़ गईं।

26. विश्लेषण से पता चला कि दिल्ली में शराब की बिक्री का 71.7% हिस्सा तीन थोक विक्रेताओं के नियंत्रण में था, और उनसे संबंधित खुदरा विक्रेताओं को असमान रूप से अधिक आपूर्ति मिल रही थी, जो संभावित ब्रांड प्रचार और सीमित उपभोक्ता विकल्पों को दर्शाता है। सांख्यिकीय विसंगतियों से पता चला कि थोक विक्रेता अक्सर साझा स्वामित्व या पारिवारिक संबंधों वाले विशिष्ट क्षेत्रीय लाइसेंसधारियों का पक्ष ले रहे थे, जिससे नीति के उद्देश्यों को नुकसान पहुँच रहा था।

27. आबकारी विभाग निविदा जारी करने से पहले गैर-अनुरूप क्षेत्रों में शराब की दुकानों के नियमों को सुलझाने में विफल रहा, जिसके परिणामस्वरूप ₹941.53 करोड़ का नुकसान हुआ। दिल्ली उच्च न्यायालय ने 67 गैर-अनुरूप वार्डों के लिए लाइसेंसधारियों को शुल्क भुगतान से छूट दी, जिससे विभाग की अपर्याप्त तैयारी और डीडीए जैसे अधिकारियों के साथ समन्वय की कमी उजागर हुई।

28. आबकारी विभाग 19 आत्मसमर्पण किए गए क्षेत्रों की पुनः निविदा जारी करने में विफल रहा, जिसके परिणामस्वरूप ₹890.15 करोड़ का राजस्व नुकसान हुआ। विभाग के कुप्रबंधन और आकस्मिक

योजनाओं के अभाव के कारण यह नुकसान हुआ, जिससे नीति कार्यान्वयन और लाइसेंस प्रबंधन में कमियाँ उजागर हुईं।

29. आबकारी विभाग ने निविदा दस्तावेज में वाणिज्यिक जोखिमों से संबंधित खंड का हवाला देते हुए कोविड-19 प्रतिबंधों के कारण एल-7जेड लाइसेंसधारियों के लाइसेंस शुल्क में छूट के अनुरोध को अस्वीकार कर दिया। हालांकि, मंत्री ने वित्त विभाग की आपत्तियों और मंत्रिपरिषद की स्वीकृति के अभाव के बावजूद, 28 दिसंबर, 2021 से 27 जनवरी, 2022 तक बंद दुकानों के लिए छूट को मंजूरी दे दी, जिसके परिणामस्वरूप ₹144 करोड़ का नुकसान हुआ।

30. आबकारी विभाग द्वारा वार्षिक लाइसेंस शुल्क के बजाय आनुपातिक वार्षिक लाइसेंस शुल्क का 25% सुरक्षा जमा के रूप में स्वीकार करने के निर्णय ने इसे चूक के प्रति संवेदनशील बना दिया। दो क्षेत्रीय लाइसेंसधारियों ने अपने लाइसेंस सरेंडर कर दिए, जिससे ₹27 करोड़ का बकाया शुल्क रह गया, जो विभाग के कुप्रबंधन और राजस्व हानि के बढ़ते जोखिम को उजागर करता है।

31. दिल्ली आबकारी नीति 2021-22 में अधिक क्षेत्रफल वाले पांच सुपर प्रीमियम (L7-SP1) शराब की दुकानों को लाइसेंस जारी करने की योजना बनायी गई थी, लेकिन निविदा प्रक्रिया पूरी नहीं हो पाने के परिणामस्वरूप अतिरिक्त लाइसेंस शुल्क प्राप्त करने का अवसर खो गया। इस चूक के कारण राजस्व का नुकसान हुआ।

32. आबकारी विभाग ने डीडीए और एमसीडी से अनुमोदन प्राप्त किए बिना जोन 23 के गैर-अनुरूप वार्डों में चार शराब की दुकानों को अनुमति दे दी, जो एमपीडी-2021 के मानदंडों का उल्लंघन था। निरीक्षण दल दस्तावेजों की ठीक से जांच करने में विफल रहे और मिश्रित भूमि उपयोग क्षेत्रों को अनुरूप घोषित कर दिया, जिसके कारण जनवरी-फरवरी 2022 में एमसीडी द्वारा इन दुकानों को सील कर दिया गया।

33. आबकारी विभाग ने जोन 8 और 30 के लिए देय राशि की गणना में त्रुटियां कीं, जिससे राशि क्रमशः ₹24.20 लाख और ₹4.65 लाख बढ़ गई। ये विसंगतियाँ ब्याज की गलत गणना और जुर्माने के गलत आवेदनों से उत्पन्न हुईं, जो सटीक लेखांकन और निविदा शर्तों के अनुपालन की आवश्यकता को उजागर करती हैं।

34. दिल्ली आबकारी नीति 2021-22 में थोक सौदों की निगरानी, अनुचित प्रथाओं को रोकने और स्टॉक के समान वितरण को सुनिश्चित करने के लिए एक उप आयुक्त (थोक संचालन) की नियुक्ति अनिवार्य की गई थी। हालांकि, इस भूमिका के लिए किसी अधिकारी को नियुक्त नहीं किया गया, जो वर्ष 2021-2022 की दिल्ली उत्पाद शुल्क नीति के खंड 3.1.11 में निहित प्रावधानों के अनुपालन/अनुपालन न होने का संकेत देता है।

35. दिल्ली आबकारी नीति 2021-22 के अनुसार, आबकारी विभाग दिल्ली में शराब की गुणवत्ता नियंत्रण सुनिश्चित करने में विफल रहा। 62 में से19गोदामों में प्रयोगशालाएँ स्थापित की गईं और दिशानिर्देश देर से जारी होने के बावजूद बैच परीक्षण लागू नहीं किया गया साथ ही, कोई अत्याधुनिक प्रयोगशाला स्थापित नहीं की गई और नमूना संग्रह के लिए विशेष टीमें गठित नहीं की गईं।

36. दिल्ली आबकारी नीति 2021-22 के तहत शराब की बिक्री में 11.4% की वृद्धि देखी गई, दिसंबर 2021 से अगस्त 2022 के बीच 64.82 करोड़ बोतलें बेची गईं, जबकि 2018-2019 की इसी अवधि में 58.19 करोड़ बोतलें बेची गई थीं। हालांकि, सीएजी रिपोर्ट के अनुसार, दिल्ली भर में शराब की खुदरा दुकानों के समान वितरण का नीति का उद्देश्य प्राप्त नहीं हुआ, कुछ वार्डों में कई दुकानें थीं जबकि अन्य में एक भी नहीं थी।

37. वर्ष 2021-22 के लिए आबकारी खुफिया ब्यूरो (ईआईबी) और ज़ब्ती संबंधी डेटा आबकारी विभाग से मांगा गया था। हालांकि, कई बार याद दिलाने के बावजूद लेखा परीक्षा विभाग को कोई जवाब नहीं मिला। इसलिए, लेखा परीक्षा विभाग ईआईबी के कामकाज की समीक्षा नहीं कर सका, जिसमें विभिन्न नशीले पदार्थों की अंतरराज्यीय तस्करी की जांच और अवैध शराब व्यापार का पता लगाना शामिल है।

विभाग द्वारा की गई कार्रवाई:

अपने लिखित उत्तरदायित्वों और मौखिक बयानों के माध्यम से विभाग ने लेखापरीक्षा की अधिकांश टिप्पणियों से सहमति व्यक्त की और उनके द्वारा की गई कार्रवाइयों का संक्षिप्त विवरण दिया, जिसका सारांश नीचे दिया गया है:

1. विभाग ने खुदरा दुकानों के संबंध में एकमात्र परिवर्तन के साथ आबाकारी शुल्कआधारित व्यवस्था को पुनः लागू कर दिया है जिसमें केवल सरकारी एजेंसियों को ही खुदरा दुकानें संचालित करने की अनुमति दी गई ।

2. दिल्ली आबकारी विभाग का कहना है कि प्रमुख निर्णय तत्कालीन उपमुख्यमंत्री द्वारा अनुमोदित किए गए थे और बाद में जुलाई 2022 में मंत्रिपरिषद द्वारा पुष्टि की गई थी। विभाग अनुमोदन में देरी का कारण तत्कालीन उपमुख्यमंत्री के उस निर्देश को बताता है जिसमें पहले निर्णयों को लागू करने और उचित समय पर मंत्रिपरिषद को सूचित करने का निर्देश दिया गया था।

3. विभाग को कार्यान्वयन हेतु केवल मंत्रियों के समूह (जीओएम) की रिपोर्ट प्राप्त हुई हैजबकिजीओएम रिपोर्ट के निर्माण के आधार से संबंधित कोई अन्य फाइल उपलब्ध नहीं करायी गई ।

4. जीओएम की सिफारिशों में वर्णित राज्य के स्वामित्व वाली थोक निगम की स्थापना के लिए गहन अध्ययन के संबंध में, विभाग ने सूचित किया कि ऐसा कोई प्रस्ताव नहीं मिला है।

5. स्वामित्व के केंद्रीकरण और बाजार विकृति संबंधी टिप्पणियों के संबंध में, विभाग ने सूचित किया कि यह आबकारी नीति 2021-22 का हिस्सा है और विभाग ने इसका स्वतंत्र रूप से विश्लेषण नहीं किया है।

6. आबकारी विभाग ने इसका कारण यह बताया कि यह नीति सीबीआई/ईडी की जांच के अधीन है, इस बात की जानकारी नहीं दी कि आबकारी व्यवस्था में बदलाव (नवंबर 2021 - अगस्त 2022) के कारण राजस्व हानि का निर्धारण करने के लिए कोई अध्ययन किया गया था या नहीं।

7. आबकारी विभाग का कहना है कि थोक आपूर्ति में एकाग्रता के जोखिमों पर कोई स्वतंत्र विश्लेषण नहीं किया गया था।

8. आबकारी विभाग ने कहा कि थोकलाइसेंस की शर्तें, जिनमें थोक विक्रेता मार्जिन में 5-12% की वृद्धि शामिल है,वे जीओएमऔर मंत्रिमंडल द्वारा लिए गए नीतिगत निर्णय थे। हालांकि, विभाग विशेषज्ञ समिति की गणना का आधार नहीं बता सका, यह कहते हुए कि फाइलों में ऐसा कोई डेटा उपलब्ध नहीं है।

9. आबकारी विभाग ने एकाधिकार और कार्टेल गठन के संबंध में ऑडिट की टिप्पणी से सहमति जताते हुए कहा कि आबकारी नीति 2021-22 जीओएमऔर मंत्रिमंडल द्वारा अनुमोदित एक शीर्ष-स्तरीय नीति थी। विभाग ने निर्देशानुसार इसे लागू किया। हालांकि, जब उनसे प्रति इकाई वेंड की संख्या बढ़ाने के कारणों के बारे में पूछा गया, तो उन्होंने नीति के निरस्त होने और सीबीआई/ईडी की जांच के अधीन होने का हवाला दिया, लेकिन कोई विशिष्ट जानकारी नहीं दी।

10. आबकारी विभाग आवेदक के न्यूनतम वित्तीय मानदंडों के संबंध में लेखापरीक्षा की टिप्पणी से असहमत है, लेकिन विभाग कम आय/घाटे वाली संस्थाओं को लाइसेंस देने और उनकी कुल संपत्ति निर्धारित करने के आधार को स्पष्ट करने में विफल रहा।

11. आबकारी विभाग ने लाइसेंस शुल्क संशोधन संबंधी लेखापरीक्षा की टिप्पणी से सहमति व्यक्त की और कहा कि विभाग ने फरवरी 2022 में लाइसेंस शुल्क संशोधन का प्रस्ताव प्रस्तुत किया था, लेकिन विभाग को कोई दिशा निर्देश प्राप्त नहीं हुए जबकि नीति को दो बार उठाया गया और बाद में निरस्त कर दिया गया।

12. आबकारी विभाग ने लाइसेंस सरेंडर करने संबंधी लेखापरीक्षा की टिप्पणी से आंशिक रूप से सहमति व्यक्त की। उन्होंने लाइसेंस सरेंडर करने के लिए दिल्ली आबकारी अधिनियम 2009 (धारा 19) का हवाला दिया और कहा कि पुनः निविदा प्रक्रिया में समय लगता है। विभाग ने फरवरी 2022 में नवीनीकरण/पुनः निविदा का प्रस्ताव रखा था, लेकिन कोई निर्णय नहीं लिया गया।

13. आबकारी विभाग ने निविदा मूल्यांकन समिति (टीईसी) संबंधी लेखापरीक्षा की टिप्पणी से सहमति व्यक्त की। उन्होंने निविदा मूल्यांकन समिति (टीईसी) की संरचना तो प्रदान की, लेकिन शिकायतों पर की गई कार्रवाई का विवरण यह कहते हुए नहीं दियाकि नीति रद्द कर दी गई है और सीबीआई/ईडी की जांच चल रही है।

14. आबकारी विभाग का कहना है कि उन्होंने "संबद्धता" की परिभाषा का पालन जीओएम की सिफारिश और मंत्रिमंडल की मंजूरी के अनुसार किया है। विभाग ने लेखापरीक्षा के लिए प्रासंगिक दस्तावेज उपलब्ध कराए हैं, जिनमें कहा गया है कि संबद्धता के मामले सीबीआई/ईडी की जांच के अधीन हैं।

15. आबकारी विभाग ने कहा कि कि उन्होंने गैर-अनुरूप क्षेत्रों में खुदरा दुकानें खोलने की अनुमति प्राप्त करने के प्रयास किए। डीडीए द्वारा अनुमति न दिए जाने के बावजूद, एक समिति ने अनुरूप क्षेत्रों में दुकानें खोलने की सिफारिश की, जिसे मंजूरी दे दी गई। लाइसेंसधारियों ने इस विकल्प का लाभ नहीं उठाया, जिसके कारण अदालती मामले चले। विभाग ने लाइसेंस शुल्क में कमी के लिए उच्च न्यायालय के आदेशों का हवाला दिया है।

16. आबकारी विभाग लेखापरीक्षा की कार्यप्रणाली से आंशिक रूप से सहमत है, लेकिन कुप्रबंधन के दावों से असहमत है। उनका कहना है कि नीति मंत्रिपरिषद की रिपोर्टों के आधार पर तैयार की गई थी और मंत्रिपरिषद द्वारा अनुमोदित की गई थी। विभाग ने कई बार पुनः निविदा जारी करने के निर्देश मांगे, लेकिन कोई निर्देश प्राप्त नहीं हुआ। वे नीति में मौजूद पुनः निविदा संबंधी प्रावधानों का हवाला देते हैं।

17. लाइसेंस शुल्क मेंछूट के संबंध में, विभाग का कहना है कि इसे मंत्रिपरिषद ने मंत्रिमंडल के निर्णय संख्या 3089 के माध्यम से 14.07.2022 को अनुमोदित किया था। उपमुख्यमंत्री ने 01.02.2022 को 144 करोड़ रुपये की राहत प्रदान की और बाद में परिषद को सूचित करने के निर्देश दिए। विभाग का कहना है कि उन्होंने 12.04.2022 को मंत्रिमंडल को इसके वित्तीय प्रभावों से अवगत कराया था।

18. आबकारी विभाग आनुपातिक लाइसेंस शुल्क के संबंध मेंदिल्ली आबकारी नियम 2010 में"वर्ष" की परिभाषा का हवाला देते हुए असमहतीजाहिर करता है। उनका कहना है कि सुरक्षा जमा राशि लाइसेंस अवधि (17/11/2021-31/03/2022) के अनुपात में ली गई थी और लाइसेंस शुल्क भी उसी के अनुसार वसूला गया था। दो लाइसेंसधारियों से बकाया वसूली का मामला एनसीएलटी और उच्च न्यायालय में लंबित है और प्रयास जारी हैं।

19. आबकारी विभागएल-7एसपी1 के लिए निविदा जारी करने के संबंध में आंशिक रूप से सहमत है, क्योंकि नीति के मध्य में लागू होने के कारण एल-7एसपी1 वेंड्स के लिए निविदा जारी करने के लिए पर्याप्त समय नहीं था। वे नीति में 6 महीने की स्थापना अवधि की आवश्यकता का हवाला देते हैं, जिससे सुपर प्रीमियम वेंड्स के लिए निविदा जारी करना अव्यवहारिक हो गया।

20. जांच प्रक्रिया को बेहतर बनाने के लिए, आबकारी विभाग नेनए लाइसेंसों का निरीक्षण और सिफारिश करने के लिए एक समिति (क्षेत्रीय एसडीएम की अध्यक्षता में) का गठन किया है। विभाग अब इस समिति की सिफारिशों के आधार पर लाइसेंस जारी कर रहा है।

21. आबकारी विभाग का कहना है कि बकाया राशि की गणना मेंत्रुटियों के कारण कोई राजस्व हानि नहीं हुई है। उन्होंने लाइसेंस जारी करने के लिए ई-आबकारी मॉड्यूल लागू किया है, जो सरकारी बकाया की गणना स्वचालित रूप से करता है, जिससे सटीकता सुनिश्चित होती है।

22. आबकारी विभाग का कहना है कि डीसी (डब्ल्यूओ) पद सृजित नहीं किया गया था और वर्तमान में इसकी आवश्यकता नहीं है। थोक संचालन का निजीकरण कर दिया गया है।

23. आबकारी विभाग बिक्री एवं वितरण के रुझानों को रिकॉर्ड के रूप में प्रस्तुत करता है। उनका कहना है कि पैरा 8.5.1 के अनुसार अनुमतियाँ प्राप्त करने के प्रयास किए गए थे।

24. आबकारी विभाग का कहना है कि ईआईबी के प्रदर्शन की निगरानी विभागाध्यक्ष स्तर पर प्रतिदिन की जाती है। ऑडिट रिपोर्ट में पाया गया कि विभाग ने 2021-22 के लिए ईआईबी डेटा उपलब्ध कराया था, लेकिन उपलब्ध होने के बावजूद पहले रिकॉर्ड प्रस्तुत न करने का कारण नहीं बताया।

विस्तृत ऑडिट रिपोर्ट और विभाग द्वारा पैराग्राफवार की गई कार्रवाई का विवरण **खंड II (अनुलग्नक-VII)** में दिया गया है।

<u>समिति की टिप्पणियाँ और सिफ़ारिशें:</u>

1. तत्कालीन माननीय उप मुख्यमंत्री और वित्त प्रभारी मंत्री श्री मनीष सिसोदिया ने दिनांक 04.09.2020 के आदेश द्वारा आबकारी विभाग और व्यापार एवं कर विभाग के अधिकारियों से मिलकर एक विशेषज्ञ समिति का गठन किया। विशेषज्ञ समिति ने 13.10.2020 को अपनी रिपोर्ट प्रस्तुत की। मंत्रिमंडल के निर्णय संख्या 2942 दिनांक 05.02.2021 द्वारा मंत्रिपरिषद ने उप मुख्यमंत्री, स्वास्थ्य एवं शहरी विकास मंत्री और राजस्व मंत्री सहित मंत्रियों के एक समूह (मंत्रिमंडल) का गठन किया। मंत्रिपरिषद की रिपोर्ट को मंत्रिमंडल ने 22.03.2021 को स्वीकार कर लिया। मंत्रिपरिषद ने कुछ संशोधन सुझाए जिन्हें मंत्रिमंडल ने 15.04.2021 को अनुमोदित कर दिया। 15.04.2021 को हुई अपनी बैठक में, मंत्रिमंडल ने श्री मनीष सिसोदिया को नई आबकारी नीति के समग्र ढांचे में मामूली बदलाव करने के लिए अधिकृत किया। हालांकि, माननीय उपराज्यपाल की सलाह पर, यह प्राधिकरण वापस ले लिया गया और यह अनिवार्य कर दिया गया कि सभी परिवर्तन या संशोधन के लिए मंत्रिमंडल की स्वीकृति आवश्यक होगी (कैबिनेट निर्णय दिनांक 21.05.2021)। 17.07.2022 को हुई बैठक में मंत्रिमंडल ने श्री मनीष सिसोदिया के एकतरफा निर्णयों की पुष्टि की। आबकारी नीति को 31.08.2022 को निरस्त कर दिया गया।

अपनी रिपोर्ट में, लेखापरीक्षा विभाग ने बताया है कि मंत्रिमंडल के निर्णय का पूर्णतः उल्लंघन करते हुए, तत्कालीन उपमुख्यमंत्री श्री मनीष सिसोदिया ने मंत्रिमंडल की स्वीकृति लिए बिना और/या माननीय उपराज्यपाल की राय लिए बिना कुछ निर्णय लिए। इनमें से प्रमुख निर्णय निम्नलिखित थे:

i. निर्धारित समय सीमा के भीतर लाइसेंस शुल्क का भुगतान न करने की स्थिति में लाइसेंसधारी के विरुद्ध दंडात्मक कार्रवाई में छूट।

ii. लाइसेंस शुल्क में छूट/कमी।

iii. गैर-अनुरूप वार्डों में अनिवार्य रूप से खोले जाने वाले शराब के ठेकों के स्थान पर अनुरूप क्षेत्रों में शराब के ठेके खोला जाना।

iv. आबकारी नीति 2021-2022 का विस्तार।

v. हवाई अड्डा क्षेत्र के मामले में बयाना राशि (ईएमडी) की वापसी।

vi. विदेशी शराब के मामले में एमआरपी की गणना के सूत्रों में सुधार।

केवल 'vi. विदेशी शराब के मामले में एमआरपी की गणना के सूत्रों में सुधार' के मामले में विभाग ने समिति के समक्ष स्वीकार किया कि यह विदेशी शराब के मामले में लाभ मार्जिन की दोहरी गणना के कारण अनजाने में हुई त्रुटि थी।

उपरोक्त के अतिरिक्त, तत्कालीन मुख्य सचिव ने माननीय उपराज्यपाल को दिनांक 08.07.2022 को अपनी रिपोर्ट में उल्लेख किया कि विभाग दिल्ली आबकारी अधिनियम, 2009 की धारा 41 के तहत आवश्यक रूप से एल-7जेड लाइसेंसधारियों द्वारा दी गई छूटों के मुद्दे पर कोई कार्रवाई करने में विफल रहा।

समिति को इन मामलों में तत्कालीन उपमुख्यमंत्री द्वारा एकतरफा कार्रवाई करने और कार्य संचालन नियमों के प्रावधानों का उल्लंघन करते हुए निर्णय लेने तथा मंत्रिमंडल द्वारा प्राधिकरण वापस लेने के कारणों के संबंध में कोई संतोषजनक उत्तर प्राप्त नहीं हुआ।

तथ्य यह है कि उचित औचित्य के बिना प्रमुख निर्णयों में सक्षम प्राधिकारी की स्वीकृति नहीं ली गई। ऐसे परिदृश्य में दुर्भावनापूर्ण इरादों की संभावना से इनकार नहीं किया जा सकता है।

2. विशेषज्ञ समिति की रिपोर्ट और मुख्यमंत्री परिषद की रिपोर्ट में महत्वपूर्ण अंतर थे। विशेषज्ञ समिति ने एक एकल सरकारी स्वामित्व वाली राज्य पेय निगम की स्थापना प्रति बोतल के आधार पर आबकारी शुल्क लगाना; प्रत्येक वार्ड में सरकारी खुदरा ठेके तथा एक व्यक्ति को अधिकतम दो शराब के

ठेकें रखने की अनुमति जैसे प्रावधनों की सिफारिश की थी। इन सिफारिशों को बिना किसी उचित कारण के नजरअंदाज कर दिया गया।**आबकारीनीति 2021-22 मेंकुछBiddersकोलाभपहुँचानेकेउद्देश्य से बदलावकियागया।सरकारऔरइसमेंशामिललोगोंकेबीचमिलीभगतकेबिनाऐसाहोनासंभवनहींथा।**

आबकारी विभाग ने जवाब दिया कि उसे विशेषज्ञ समिति की रिपोर्ट तैयार करने के आधार को सही ठहराने वाली कोई अन्य फाइल प्राप्त नहीं हुई, उसे केवल कार्यान्वयन हेतु रिपोर्ट ही प्राप्त हुई। उन्होंने स्वीकार किया कि विभाग के पास ऐसी कोई फाइल उपलब्ध नहीं थी। **इससे स्पष्ट होता है कि आबकारी नीति को लागू करने का निर्णय मंत्री स्तरीय स्तर पर लिया गया था और विभाग को विश्वास में नहीं लिया गया था।**

3. थोक लाइसेंस निजी संस्थाओं को दिए गए, जोकि विशेषज्ञ समिति राज्य के स्वामित्व वाले निगम की सिफारिश के विपरीत है। विभाग शराब की उचित आपूर्ति, बेहतर गुणवत्ता और दरों को सुनिश्चित करने और मुनाफाखोरी, कालाबाजारी या अवैध शराब की बिक्री को रोकने के हित में थोक संचालन के लिए एक राज्य के स्वामित्व वाले निगम की स्थापना पर विचार कर सकता है।

4. विभाग ने आबकारी नीति के कार्यान्वयन में पाई गई अनियमितताओं पर लेखापरीक्षा की टिप्पणियों से सहमति व्यक्त की है, जैसे कि:

i. खुदरा लाइसेंस कुछ ही खिलाड़ियों के हाथों में केंद्रित थे, जिससे कार्टेलाइजेशन और बाजार विकृति का खतरा पैदा हो गया।

ii. सुपर प्रीमियम वेंड के लिए निविदा प्रक्रिया पूरी नहीं की गई, जिसके परिणामस्वरूप राजस्व का नुकसान हुआ।

iii. आबकारी विभाग गैर-अनुरूप क्षेत्रों में शराब की दुकानों के नियमों को सुलझाने में विफल रहा, जिससे ₹941.53 करोड़ का नुकसान हुआ।

iv. आबकारी विभाग 19 सरेंडर किए गए क्षेत्रों की पुनः निविदा जारी करने में विफल रहा, जिसके परिणामस्वरूप ₹890.15 करोड़ का राजस्व नुकसान हुआ।

v. वित्त विभाग की आपत्तियों के बावजूद, मंत्री ने बंद वेंड के लिए छूट को मंजूरी दे दी, जिसके परिणामस्वरूप ₹144 करोड़ का नुकसान हुआ।

vi. आबकारी विभाग ने आनुपातिक वार्षिक लाइसेंस शुल्क का 25% सुरक्षा जमा के रूप में स्वीकार किया, जिससे वह चूक के प्रति संवेदनशील हो गया।

5. आबकारी विभाग ने आबकारी खुफिया ब्यूरो (ईआईबी) के रिकॉर्ड उपलब्ध नहीं कराए, जिससे लेखापरीक्षा समीक्षा में बाधा उत्पन्न हुई। विभाग ने बाद में 2021-2022 की अवधि के लिए यह जानकारी PAC को प्रस्तुत की।

विभागकोअपनी 'एक्शनटेकननोट' में, इससंबंधमेंकीगईकार्रवाईकाविवरणतथावर्ष 2022-2023 केदौरान EIB केकामकाजकाविवरण 31.12.2026 तकप्रस्तुतकरनाचाहिए।

निष्कर्ष

1. समिति सदन को अपनी रिपोर्ट इस निष्कर्ष के साथ प्रस्तुत करती है कि आबकारी विभाग के विनियमन, लाइसेंसिंग, मूल्य निर्धारण, गुणवत्ता नियंत्रण, प्रवर्तन और नीति कार्यान्वयन में गंभीर प्रणालीगत कमियां थीं, जिसके परिणामस्वरूप कुल ₹ 2,026.91 करोड़ का राजस्व नुकसान हुआ और सार्वजनिक स्वास्थ्य और शासन के लिए जोखिम उत्पन्न हुए।

2. ईएससीआईएमएस शराब की बिक्री को प्रभावी ढंग से ट्रैक करने में विफल रहा, क्योंकि यह "स्टॉक-टेक-सोल्ड" पद्धति पर अत्यधिक निर्भर था और बड़ी संख्या में बिना हिसाब वाले बारकोड थे, जिससे राजस्व रिसाव का जोखिम पैदा हुआ। ईआईबी मॉड्यूल निष्क्रिय था और खुफिया जानकारी जुटाने के लिए इसका कम उपयोग किया गया। समिति ने ई-आबकारी पोर्टल के त्वरित कार्यान्वयन की सिफारिश की, जिसमें एक मजबूत ट्रैक-एंड-ट्रेस प्रणाली, मजबूत बारकोड स्कैनिंग, जियो-टैगिंग, बेहतर आईटी अवसंरचना, एक निकास योजना का विकास और स्थिरता सुनिश्चित करने के लिए आईटी कैडर की कमियों को भरना शामिल है।

3. समिति ने लाइसेंसिंग प्रक्रियाओं में व्यापक कमियां पाईं, जिनमें रिकॉर्ड प्रस्तुत न करना, संबंधित पक्षों को एकाधिक लाइसेंस जारी करना आदि शामिल हैं। समिति ने ई-अबकारी प्रणाली के माध्यम से कड़ी जांच, त्रैमासिक निगरानी, अनिवार्य दस्तावेजीकरण, बेहतर सत्यापन तंत्र और कमियों के लिए जवाबदेही की सिफारिश की।

4. ईडीपी/ईबीपी को परिभाषित करने और विनियमित करने में अस्पष्टतामनमाना मूल्य निर्धारण, लाइसेंसधारियों को अनुचित लाभ और बढ़ेहुए लाभ मार्जिनकाकारणबनी। समिति ने मूल्य निर्धारण घटकों को स्पष्ट रूप से परिभाषित करने, एकसमान न्यूनतम ईडीपी लागू करने, लाभ मार्जिन को विनियमित करने और पिछली अनियमितताओं के लिए जिम्मेदारी तय करने की सिफारिश की।

5. प्रतिबंधात्मक सोर्सिंग नीतियां, खराब मांग आकलन और कमजोर अंतर-शाखा समन्वय ने शराब की तस्करी में योगदान किया। ईआईबी जब्ती डेटा का प्रभावी ढंग से उपयोग करने में विफल रहा और पहचाने गए हॉटस्पॉट की अनदेखी की। परमिट के दुरुपयोग के आरोपों पर अपर्याप्त प्रतिक्रिया सहित जांच में गहराई का अभाव था। समिति ने तस्करी से निपटने के लिए डेटा-आधारित प्रवर्तन रणनीति, बेहतर समन्वय, बढ़ी हुई जनशक्ति और प्रशिक्षण, प्रौद्योगिकी-आधारित निगरानी और नीतिगत अद्यतन की सिफारिश की।

6. निरीक्षणों में मानक संचालन प्रक्रियाओं (एसओपी), उचित साक्ष्य संग्रह, सुसंगत दस्तावेज़ीकरण और जवाबदेही का अभाव था। समिति ने स्पष्ट एसओपी, डिजिटल दस्तावेज़ीकरण प्रणाली, गहन जांच और प्रवर्तन कार्रवाइयों में अधिक पारदर्शिता की सिफारिश की।

7. सक्षम प्राधिकारी की स्वीकृति के बिना प्रमुख आबकारी नीति संबंधी निर्णय लिए गएइसके अलावा प्रासंगिक अभिलेख अनुपलब्ध थे और विशेषज्ञ निकायों की सिफारिशों का पालन नहीं किया गया। पूर्व की सिफारिशों के विपरीत निजी संस्थाओं को थोक लाइसेंस दिए गए, खुदरा लाइसेंस कुछ ही खिलाड़ियों के हाथों में केंद्रित थे, निविदा प्रक्रियाओं में देरी हुई और सरेंडर किए गए क्षेत्रों की पुनः निविदा नहीं की गई, जिससे राजस्व का भारी नुकसान हुआ। आपत्तियों के बावजूद छूट दी गई, सुरक्षा जमा अपर्याप्त थे और डीडीए जैसी एजेंसियों के साथ समन्वय की विफलता के कारण और अधिक वित्तीय नुकसान हुआ।

8. समिति उचित प्रक्रिया का कड़ाई से पालन, अभिलेखों का उचित संरक्षण, थोक आवंटन नीति की समीक्षा, कार्टेलाइजेशन की रोकथाम, समय पर निविदा, पर्याप्त सुरक्षा जमा, वैधानिक प्राधिकारियों के साथ समन्वय और सुदृढ़ शासन निरीक्षण की सिफारिश करती है।

9. विभाग ने सी एंड एजी की रिपोर्ट में दिए गए अधिकांश सुझावों/टिप्पणियों को स्वीकार कर लिया है और आश्वासन दिया है कि उपरोक्त सुझावों को ध्यान में रखते हुए ई-आबकारी पोर्टल विकसित किया जाएगा। सरकार को दोषी हितधारकों से नुकसान की वसूली करनी चाहिए और सभी संबंधित व्यक्तियों के खिलाफ आवश्यक कार्रवाई करनी चाहिए।

10. सी एंड एजी की रिपोर्ट और विभाग द्वारा उपलब्ध कराए गए दस्तावेजों/जानकारी से यह स्पष्ट है कि तत्कालीन माननीय उप मुख्यमंत्री और वित्त प्रभारी मंत्री श्री मनीष सिसोदिया ने एक दोषपूर्ण आबकारी नीति को एकतरफा रूप से लागू करवाया था, जिसके कारण राजस्व में भारी नुकसान हुआ (सी एंड एजी के अनुसार लगभग ₹ 2002 करोड़)। विशेषज्ञ समिति की रिपोर्ट में बिना किसी औचित्य के अस्पष्ट परिवर्तन किए गए। मानक कार्यालय प्रक्रियाओं, नियमों और दिशानिर्देशों को दरकिनार कर दिया गया और एक ऐसी नीति का मसौदा तैयार किया गया, जो मानो मनगढ़ंत थी, जिसे उचित प्रक्रिया का पालन किए बिना विभाग पर थोप दिया गया। तत्कालीन सरकार को एक वर्ष के भीतर ही नीति को वापस लेने और उस पर पुनर्विचार करने के लिए मजबूर होना पड़ा, यह तथ्य उनकी दूरदर्शिता और योजना की कमी को दर्शाता है और साथ ही उनके दुर्भावनापूर्ण इरादों को भी उजागर करता है।

चूंकि मामला जांच के अधीन है और न्यायालय में विचाराधीन है, और विभाग के कुछ अधिकारियों के खिलाफ अनुशासनात्मक कार्यवाही शुरू की जा चुकी है, इसलिए समिति इस मुद्दे पर कोई सिफारिश नहीं करना चाहेगी। हालांकि, पिछली घटनाओं को सभी संबंधित पक्षों के लिए सबक के रूप में लिया जाना चाहिए।

जैसा कि पहले उल्लेख किया गया है, समिति की इस रिपोर्ट में निहित निष्कर्ष मुख्य कार्यकारी अधिकारी और महाधिवक्ता की टिप्पणियों और विभाग द्वारा प्रस्तुत उत्तरों तक ही सीमित हैं और उन

मामलों पर कोई प्रभाव नहीं डालते हैं जो न्यायालय में विचाराधीन हैं या अनुशासनात्मक कार्यवाही के विषय हैं।

11. आबकारी विभाग सरकार के लिए पर्याप्त राजस्व उत्पन्न करता है। हालांकि, समिति ने पाया कि यह पर्याप्त मानव संसाधन और तकनीकी संसाधनों की कमी से जूझ रहा है। दिल्ली की आबकारी नीति की सफलता के लिए, आबकारी विभाग को पर्याप्त मानव संसाधन और आधुनिक संसाधनों से लैस होना चाहिए। प्रशिक्षित कर्मियों की कमी प्रभावी प्रवर्तन में बाधा डालती है, जबकि पुराने बुनियादी ढांचे अनुपालन की निगरानी और अवैध व्यापार पर अंकुश लगाने की क्षमता को सीमित करते हैं। कुशल कर्मचारियों में निवेश, निरंतर प्रशिक्षण और रीयल-टाइम ट्रैकिंग एवं डेटा एनालिटिक्स जैसे उन्नत डिजिटल उपकरणों के माध्यम से सरकार अधिक पारदर्शिता, दक्षता और जवाबदेही सुनिश्चित कर सकती है। पर्याप्त संसाधन उपलब्ध कराने से न केवल राजस्व संग्रह में वृद्धि होगी, बल्कि जन स्वास्थ्य की सुरक्षा में भी मदद मिलेगी और उत्पाद शुल्क प्रणाली में एक निष्पक्ष एवं सुव्यवस्थित ढांचे के रूप में विश्वास बढ़ेगा।

12. सरकार वर्तमान में अपनी नई आबकारी नीति तैयार करने की प्रक्रिया में है। दिल्ली सरकार अपनी नई आबकारी नीति को अंतिम रूप देने की दिशा में आगे बढ़ रही है, ऐसे में यह अनिवार्य है कि नीति का ढांचा राजस्व सृजन और जन कल्याण के बीच संतुलन बनाए रखे। सरकार को लाइसेंसिंग में पारदर्शिता को प्राथमिकता देनी चाहिए, हितधारकों के बीच निष्पक्ष प्रतिस्पर्धा सुनिश्चित करनी चाहिए और अनियमितताओं पर अंकुश लगाने के लिए डिजिटल निगरानी उपकरणों को अपनाना चाहिए। साथ ही, नीति को जिम्मेदार उपभोग को बढ़ावा देकर और असुरक्षित प्रथाओं को हतोत्साहित करके जन स्वास्थ्य की रक्षा करनी चाहिए। राजकोषीय विवेक को सामाजिक जिम्मेदारी के साथ एकीकृत करके, दिल्ली एक आधुनिक आबकारी शुल्क व्यवस्था स्थापित कर सकती है जो न केवल राज्य के राजस्व को मजबूत करे बल्कि जन विश्वास भी बढ़ाए और भारत में नियामक शासन के लिए एक मानक स्थापित करे।

13. विभाग को समिति की सिफारिशों और 31.12.2026 तक की स्थिति पर अपनी कार्रवाई रिपोर्ट की समीक्षा करके प्रस्तुत करनी चाहिए। कार्रवाई रिपोर्ट 31.01.2027 तक प्रस्तुत की जानी चाहिए।

14. जांच के दौरान, विभाग ने कुछ ऐसे दस्तावेज साझा किए जो गुप्त/गोपनीय थे। नियम 172(6) के परंतुक के अनुसार, ऐसे सभी दस्तावेज़ गोपनीय माने जाएंगे और किसी के साथ साझा नहीं किए जाएंगे। यदि कोई व्यक्ति इन्हें साझा करने का अनुरोध करता है, तो विभाग के विवेक पर निर्भर रहेगा।

दिल्ली
दिनांक: 19.03.2026

(अजयमहावर)
अध्यक्ष
लोकलेखासमिति

विधान सभा
राष्ट्रीय राजधानी क्षेत्र दिल्ली
LEGISLATIVE ASSEMBLY
NATIONAL CAPITAL TERRITORY OF DELHI

लोक लेखा समिति
COMMITTEE ON PUBLIC ACCOUNTS

आठवी ंविधान सभा का द्वितीय प्रतिवेदन
SECOND REPORT OF THE EIGHTH ASSEMBLY

23.03.2026 को प्रस्तुत
PRESENTED ON 23.03.2026

27.03.2026 को स्वीकृत
ADOPTED ON 27.03.2026

वॉल्यूम– **II**
(अनुलग्नक)

VOLUME – II
(ANNEXURES)

I N D E X

ANNEXURE-1

CHAPTER- II : EXCISE SUPPLY CHAIN INFORMATION MANAGEMENT SYSTEM

Para : 2.2 ESCIMS's objective of end-to-end tracking of liquor

The objective of ESCIMS was end-to-end tracking of liquor. This was to be achieved through capture of barcodes, on liquor bottles and cases, at all levels of supply chain and ultimately authenticated at Point of Sale (POS) by scanning barcodes of individual Stock Keeping Units (SKU12). Barcodes were first to be generated by wholesalers who were charged a barcode fee. Later, the excise duty was paid at the time of generation of Import Permits and also barcodes were to be linked to the Import Permits by the wholesaler.

As of March 2021, 482.62 crore barcodes were shown as sold. Out of this, only 346.09 crore (71.71 *per cent*) were either scanned at POS or categorized (as damaged, expired etc.) after scanning the barcodes, while the remaining 136.53 crore (28.29 *per cent*) were shown as sold through 'stock-take-sold'/MSR Gap exercise. From April 2021 to November 2022, a further 118.14 crore barcodes were shown as sold, wherein the percentage of sale recorded without scanning barcodes was 21.18 *per cent*. Thus, a large proportion of liquor was sold without scanning through ESCIMS system, defeating the objective of end-to-end tracing of liquor.

Action Taken by the Department

Partially agreed. In this regard, it is submitted that there are several challenges listed as under which limits complete scanning at the vends:

1. Weak Connectivity of Internet
2. Power Outages
3. Slow performance of portal during peak sale period between 6 pm to 10 pm.
4. Non reading by scanner due to aging of bar-codes.
   Damage to bar codes

On the observations of the Audit that Action taken to overcome challenges in ensuring 100 *per cent* scanning of bar codes may be furnished, the Department furnished reply that the department is daily monitoring status of scanning of liquor bottles at retail vends. Further, department is taking coercive action against the defaulting vends. Recently, department has issued show-cause notice cum order in respect of default retail vends and purchase of the said vends are disabled.

Para : 2.2.1 **'Stock-take-sold' exercise coupled with weak attempts to enforce scanning of barcodes defeated the purpose of ESCIMS**

During the pilot phase of ESCIMS, before the presentation of first invoice for payment to IA (March 2014), it was observed that scanning percentage was low at retail vends/POS. To address this issue, stock-take-sold process/ MSR Gap was initiated at vends which was a monthly/ bimonthly reconciliation of stock.

The Department continued to use 'stock-take-sold' exercise even after seven years of implementation of ESCIMS. The objective of ESCIMS i.e., end-to-end tracking
of liquor, was thus defeated.

The percentage of bottles sold without scanning remained between 14.48 *per cent* and 48.41 *per cent* during the period from 1 April 2017 to 15 November 2021

The Department in its reply (June 2022 and March 2023) stated that the objectives of ESCIMS had been fulfilled, as the "revenue had increased year on year and MSR gap has decreased ever since its introduction (except COVID years and transition to New Policy and back to Old Policy again)". The Department had issued regular instructions to retail vends for complete scanning and also trainings were imparted in this regard. The reply further mentioned that penal provisions were formulated vide order dated 8 August 2020. Also, future Transport Permits were being stopped in case of default. The reply mentioned that there was no revenue loss to the
Department and ESCIMS has been able to prevent hooch tragedy. It further mentioned that the learning through implementation of ESCIMS had been noted and the Department was moving towards ESCIMS 2.0.

The reply is not acceptable because even though Excise Department issued circulars (January 2018 and April 2019) mandating scanning of barcodes, however, it framed specific penal provisions for not complying with its circulars only in August 2020. End-to-end tracking of all liquor sold could not be achieved even after seven years. Initial circulars and training brought little improvement as percentage of liquor sold without scanning ranged between 14.48 *per cent* and 48.41 *per cent* during the Period April 2017 to 15 November 2021.

<u>Action Taken by the Department</u>

Action taken by the Department is same as mentioned against Audit Para No. 2.2.5

Para : 2.2.2 **No efforts made to identify repeated defaulters through ESCIMS data**

Audit analysed sales data of liquor from ESCIMS for the calendar year 2019. That the overall MSR Gap was 30.87 *per cent* during the year 2019. However, it ranged from 45 *per cent* in Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) vends to 22 *per cent* in Delhi State Civil Supplies Corporation Ltd. (DSCSC) vends. Second and third quarters of 2019 showed unusually high MSR gap for government as well as private vends. Audit also analysed ESCIMS sales data of liquor bottles for the calendar year 2019 for all entities. Instances were revealed where percentage of sale without scanning were very high ranging between 70 and 98 *per cent* during certain periods of the calendar year 2019. Further analysis of sales data at a granular level also showed an unusually wide variation in reported sales and scanned sales between various months in respect of some retail vendors, as discussed below:

i. In case of one vendor, only 3.6 lakh bottles were scanned, whereas, 13.69 lakh bottles were sold without scanning (shown as MSR gap) during six months (July – December) of the year 2019. Out of these 13.69 lakh bottles, 9.94 lakh bottles were shown as MSR gap in one month alone.

ii. It was observed that sale was through scanning during certain months, while during other periods, majority of sale was done without scanning. For example, in case of one case, sales data of May 2019 showed that 9.59 lakh bottles were sold via scanning, with zero MSR gap reported. However, for the last six months of the calendar year 2019, average MSR gap reported was at 83 *per cent* of total sale.

iii. Very high MSR gap (70 *per cent*) was reported in third quarter for one vendor whereas it had zero MSR in the first quarter. The data also showed wide monthly sales variation, as June showed a sale of 8.15 lakh bottles against average sale of 1.06 lakh bottles during the first quarter.

Sale without scanning compromises the accuracy of the sales data in ESCIMS. ESCIMS provided an opportunity to the Excise Department to analyze the data available and identify the individual retailers, where scanning of barcodes was repeatedly poor. However, no attempts to identify such individual retailers, through analysis of ESCIMS data by the Department was found by Audit.

Government in its reply stated that Excise Department had levied penalties against above licensees. However, no documentary proof (penalty order, challan, reason for penalty, period of penalty etc.) was attached with the reply and the same could not be verified through ESCIMS portal either.

Action Taken by the Department

Action taken by the Department is same as mentioned against Audit Para No. 2.2.5

Para : 2.2.3 **Unused barcodes prone to misuse**

During the period from February 2013 to November 2013, i.e., before the ESCIMS project went Live, 44.64 crore barcodes were generated by wholesale licensees. Out of these, only 18.94 crore barcodes were tracked and shown as sold till March 2021. Out of the barcodes shown as sold, 9.39 crore barcodes were scanned, and 9.55 crore barcodes were marked as sold using the process of Stock-take-sold. Hence, more than 25.70 crore barcodes generated were not accounted for as most of these barcodes were either shown as received at warehouses or dispatched to vends (in transit), but remained untracked thereafter.

Further, additional 13.90 crore barcodes were generated and had been reported as unutilized and archived till March 2017. Fee for these barcodes was not charged from wholesale licensee and these were not linked to Import Permits.

Thus, these barcodes generated by the system but finally unaccounted for could be used to disguise Non-Duty Paid Liquor (NDPL) as Duty paid liquor resulting in loss of revenue to the State. Further, as the barcodes itself are not printed on secure labels, this presents a very high risk that the barcodes on the bottles, found during inspection, are actually duplicates and thus a cover for NDPL.

Government in its reply stated that as on date, the barcodes once generated become archived after a period of 90 days if not dispatched from the distillery. The barcodes which become archived cannot be dispatched again.

The reply is not acceptable as the barcodes generated and printed, though archived, can be used to mask non-duty paid liquor. Moreover, the reply is silent regarding barcodes which were already dispatched to warehouses or to vends (in transit) but remained unused/untracked thereafter.

The continuation of ad-hoc arrangement of barcode issue, tracking and accounting, coupled with weak enforcement of scanning and not utilizing data to identify defaulters, defeated the objective of end-to-end tracking of liquor.

Action Taken by the Department

Action taken by the Department is same as mentioned against Audit Para No. 2.2.5

Para : 2.2.4 **Risks associated with authenticating sales without scanning of barcodes**

Due to incomplete scanning of barcodes of liquor, end-to-end tracking of liquor was not possible. The practice of 'Stock-take-sold' exercise (Monthly Stock Reconciliation) allowed by the Excise Department vitiated the purpose of implementing a Supply Chain management system.

Hotels, Clubs and Restaurants are supposed to purchase liquor exclusively from wholesale licensee (L1), which incurs an additional duty of 20-30 *per cent* (of wholesale price- to be paid by HCR) vis-a-vis liquor sold at retail vends. If HCR illegally sources liquor from retail vends, then it would lead to a loss of additional excise duty.

Audit test checked records of 11 enforcement cases relating to nine Hotel licensees. In these cases, out of 548 suspected bottles recorded (in ESCIMS) as "sold at other Vends", 298 were found at HCR. These retail vends whose bottles were found at HCR were not issued Show Cause Notice, nor a thorough investigation was carried out to ascertain whether the missing stock was "unsold" or "marked as MSR gap" by the vend. Scanning would have revealed the time of issue and helped in fixing responsibility.

Action Taken by the Department

Action taken by the Department is same as mentioned against Audit Para No. 2.2.5

Para : 2.2.5 **Vend Sales Data Analysis**

For analysis, a sample of total of 36 vends was chosen (18 each from Private and Government Corporations, lying in proximate areas). Sales data, in terms of number of bottles sold, for the months of June 2019 and January 2020 was taken from all vends to smoothen any seasonal variations.

(i) Risk of Diversion of Liquor to unauthorized channels

Five of the highest selling brands in Delhi, with more than one *per cent* market share, were considered and substantial variation in MSR Gap (Bottles not scanned before sale and later deemed sold) was observed across brands and across entity ownership (Corporation Vends Vs Private vends). Some brands despite high sales figure had low MSR gap, while some brands, despite low sales figures had abnormally high MSR gap.

Data shows that scanning of certain brands was not carried out and the sale volume had no correlation to the MSR gap registered for that brand. Review should be carried out by the Excise Department to negate the possibility of diversion of certain brands to unauthorized channels.

(ii) Risk of Brand pushing by Government Corporations18 vends

The sales figure for four of the highest selling brands of whisky, in the 18 sample government vends and 18 sample private vends, was analyzed. None of these brands figured in the Corporations' top selling brands and invariably all of these figures in the private sector vends as top selling brands.

This indicates that the Corporation vends' sales was not adequately representative of the normal demand in terms of brand preference. Subsequently, comparative sales was analyzed by audit for the brands which were popular at Corporation vends, and it was noticed that few brands which were popular in Corporation vends had limited appeal at private vends. This analysis indicates the need for a detailed review by the Excise Department that Corporation vends were not giving undue preferential treatment to any particular brand(s).

(iii) Risk of brand pushing by Private Vends

Analysis of the data of sample vends revealed that there was an apparent preferential treatment by private vends to certain brands. From data analyzed for 10 highest selling brands at 18 private vends, the following was observed:

- Goa Spirit of Smoothness Whisky had a total sale of 1.79 lakh bottles, of which two vends alone sold 81 *per cent* and 14 *per cent* of the total units.

- Two vends sold zero units of a Kingfisher Strong Beer while it had an average sale of more than 50,000 units for other vends.

- Three vends alone sold only 67 of the total of 70,053 units of Dennis Special whisky brand.

- One of the popular brands of whisky (MCD No. 1 Classic Blend Whisky) had an average sale of 24,000 bottles per vend and 27 *per cent* of the total sale across Delhi, was sold by one vend alone.

- Another popular brand – Officers Choice Blue Deluxe Grain Whisky had an average sale of more than 38,000 bottles per vend, while two particular vends sold zero units of the same.

The above analysis by Audit underscores the need for detailed and in depth review by the Excise Department to rule out the risk of unauthorized diversions and brand pushing.

<u>Action Taken by the Department</u>

The Action Taken by the Department as per Audit Para No. 2.2.1 to 2.2.5 is as under:-

It is reiterated that there was no loss of revenue at any point due to non-scanning of liquor at POS.

Partially Agreed. Firstly, It is submitted that, there can be no loss of Excise Duty even if bar codes of liquor brought in Delhi by authorized channels are not scanned as the department collects Excise Duty at the Source on generation of Import Permit itself. This occurs even before liquor is transported out from manufacturer's location.

Further, Department issued a very detailed and cogent order to enforce scanning which audit has already noted. Based on that order MSR gap penalty was also imposed on sales without scan and the same was communicated to licensees through ESCIMS Portal. Hence enforcement has been indeed done.

It is also submitted that though private liquor vends viz. L-7 and L-10 license cease to exist w.e.f 30.09.2021, the department has held back FDR/ Bank Guarantee and No Dues certificate of the defaulting licensees who have not paid the dues of MSR gap penalty.

Subsequently, the department ensures that the licensee pays the MSR penalty, by ensuring that, the FDR is released only upon payment of penalty on account of MSR gap.

Further, any Bottle without an authentic bar code can't be sold through authorized channels. Also, any sale of outside unauthorized channels is liable to acted as per Delhi Excise Act 2009 and Rules framed thereunder.

Further, regarding, the placing of Orders for liquor, does not fall under purview of Excise Department. The comments on observation of Audit may be solicited from Corporations.

NIC has started developing eAbkari portal in place of ESCIMS portal which was rolled out w.e.f. 03.10.2024 in the phased manner. The eAbkari portal is still under development phase. The ESCIMS portal was completely shutdownw.e.f. 31.12.2024. Further, the scanning of bar codes is available in the E-AbkariPortal and is being perfected.

Additionally, NIC has also developed e-Abkari mobile app through anyone can verify the authenticity of barcodes.

The Audit observed that The Department may furnish the following further details:

1. Details of MSR Gap penalties recoverable and FDRs/Bank guarantees withheld against each defaulter.
2. Whether such penalties were also imposed on government corporations.
3. Latest MSR Gap figures
4. Action taken with respect to Barcodes that were already dispatched but remained unused or untracked.
5. Action taken against retail vends whose liquor bottles were found in HCR.
6. Action taken to prevent diversion of certain liquor brands through unauthorized channels.

On the above observations of the Audit the Department furnished reply as under:-

1. The department ensures recovery of penalty of MSR Gap before release of FDR/Bank Guarantee. Further, department issues notices to the default vends in case of non receipt of dues department is in process to forfeit the FDR/Bank Guarantees of the such cases.

2 &. The Department provided the copies of MSR Gap penalties issued to
3 Corporations to the Audit.

4. The barcodes are generated at the level of distillery. These barcodes are then mapped to ESCIMS system upon payment of excise duty. Then the bottles/ cases having these bar codes are despatched. By virtue of said process, the bar code once mapped these barcodes cannot be called "not used" and were always traceable on ESCIMS system.

5. It is submitted that retail vends sale the liquor to individuals. It is not feasible to collect information related use of liquor by the customer. In case such bottles are recovered from the premises of HCR licensees in that case appropriate penalty as per provision of the Delhi Excise Act, 2009 and Delhi Excise Rules, 2010 has been levied against the default HCR Licensees.

6. EIB/Enforcement Branch monitor the movement of such liquor in case recovery of such liquor FIR is being lodged against such defaulters

On the above reply of the Department, the Audit further observed that details of MSR Gap penalties recoverable, FDRs/Bank guarantees and latest MSR figures have not been furnished. The department may appraise the PAC of these details.

About 25 crore barcodes were shown as either received at the warehouse and thereafter there was no further trace, or they were shown as dispatched to vends without any further information being available on ECSMIS. An analysis of the same was expected from the department and the same maybe appraised to the PAC.

Para : 2.3 **Undue benefit of Rs.24.23 crore to Implementing Agency**

Implementing Agency was entitled to payment only for barcodes authenticated by scanning while sale at Point of Sale (POS). From project inception till November 2022, this amounted to ₹ 65.88 crore19, whereas an actual payment liability of ₹ 90.11 crore, to IA, was created during the same period. The difference amounting to ₹ 24.23 crore (excluding Service Tax/GST) was considered for payment, for bottles considered as sold through stock-take-sold exercise, i.e., without actual authentication at POS.

Audit observed that in spite of poor scanning and resultant ineligibility for payment initially, a Departmental Committee had recommended ad-hoc payment to IA for initial three months even for the stock-take-sold category. The matter was referred to Finance Department which approved (May 2014) the payment without addressing the issues raised. Thereafter, Excise Department again sought (April 2015) opinion/approval of Finance Department to which Finance Department ordered a reconciliation of barcodes generated vs. sold. Reconciliation was not carried out satisfactorily, but the payments continued.

The issue of payment to IA for the stock-take-sold category was not reconsidered and the Department continued release of payments to the IA even for the stock take- sold category, i.e., the bottles/cases which were shown as sold without scanning.

Audit noted that the release of payment to IA for the un-scanned bottles was not as per the terms of the contract which resulted in undue benefit to the IA.

The Government, in its reply, quoted Schedule VI of the Master Services Agreement, stating that payment is released to IA based on "data captured" in data centre and that the payment did not depend on final scanning during sale.

The reply is not acceptable as it ignores Clauses C (i) to C (iv) of Schedule VI which outlines the payment eligibility for data captured. Schedule VI clearly mentions that the data captured in data centre has to be authenticated (sold at POS, marked as damaged, expired etc.) before the IA is eligible for payment for the same. The decision to pay for MSR-gap was contrary to schedule VI.

Action Taken by the Department

Not agreed (1) The payment to IA is made on bar code generation at the time of generation of the import permit, (2) The licensee itself pays the due amount Rs. 0.15 per bar code to the department, and the payment to IA is made using this amount, (3) Thus, government exchequer does not bear the burden for payment to IA.

Not agreed, the department has made payment in accordance with the contract conditions. The department has moved onto e-Abkari portal which has been developed by NIC w.e.f. 03.10.2024, wherein payment are being made on project basis to NIC/NICSI.

On the observation of the Audit that the contention of the Department that, payment to IA was done in accordance with contract conditions is not correct since, as per contract, the IA was not eligible for payment for the barcodes which were not scanned at the point of sale, the Department replied that:-

The terms of payment as mentioned in the contract may be referred again. For further clarification, the department is resubmitting the reply for the para as below –

The Schedule VI- Terms of Payment states that:

1. Payments will be released to IA based on the data captured in the Excise Data Centre on "Go-Live Phase I Date" as per the payment term below:

a) INR 0.15 charge for per unit data captured for all Liquor Bottles and Liquor Bottle Cases.

b) This charge is inclusive of all expenses, rates, charges, duties, levies and taxes applicable as per law; except Service Tax.

c) The consideration of Data captured and payment eligibility for captured data will be as follows:

(i) Liquor Bottles and Liquor Bottle Cases are dispatched against IP from Distillery for Bonded Ware house. Data gets captured in the Central Server. The same material reaches to Vends or POS. From Vends / POS, the Liquor Bottles gets sold to customer. Once sold, then the data already captured gets authenticated as sold. IA will be then eligible for payment for the Liquor Bottles sold and associated Liquor Bottle Cases.

(iv) All Liquor Bottle Cases whose case Identifiers are captured in the central server and whe bottles are updated as sold, returned, broken and classified will be eligible for payment.

The para (i) clearly states that the IA is eligible for payment for the Liquor Bottles having identifier “Sold”, “Returned” or “Broken”. In ESCIMS, there were two ways to mark a bottle “Sold”. First by real-time scanning at POS. The other one by carrying out Stock Take Activity for Monthly Stock Reconciliation. The Stock take sold activity was introduced to mark identifiers to the bottles that were logically present on the system but not physically present at the vend due to non-scanning because of any reason and to match the stock available at vend online and offline. The identifier used in said activity was “Sold” the mismatched stock was sold to the customers without scanning. It was not return or damaged. The identification of bottle being “Sold” is not limited to scanning at POS to customers. It can be indicated “Sold” by reconciliation of stock also if it is not broken or returned. The same approach has been adopted by Excise department to reconcile the stock.

In such scenario, the payment to TCS was made for bottles having identifier as mentioned in the schedule VI – Terms of Payment Schedule of the contract.

Para : 2.4 **EIB module of ESCIMS not utilized**

As per the Section 2.1 of the Master Service Agreement (MSA), Phase-II of the project required implementation of a module for Excise Intelligence Bureau (EIB).

Audit, however, observed that the module was completely dysfunctional containing no data.

The Government in its reply stated that data regarding seizure of illicit liquor was being maintained (in soft copy and hard copy) and analyzed as per need in the Department. Also, the role of ACP (EIB) and Inspector (EIB) had been arranged in ESCIMS and proper utilization would be made in future.

EIB is one of the most important aspects of regulatory function of Excise Department and the data gathered could have been utilized to assist the Department with actionable intelligence in planning EIB/Enforcement raids based on mapping of smuggling prone areas, planning action on brands more prone to being smuggled, coordination with other state Excise Departments to check smuggling through information on source/ origin of NDPL etc.

Thus, Excise Department did not leverage the module to prevent revenue leakage or assist its regulatory function.

Action Taken by the Department

Partially agreed. EIB information is sensitive in nature and it was not uploaded in the ESCIMS module of Tata Consultancy Services. However, requisite data is available with EIB and is utilized for intelligence generation and taking action.

The observations of the Audit is duly noted and it is submitted that the data regarding procedure of illicit liquor, FIR registered area wise and liquor wise etc are maintained in the EIB branch in the softcopy as well as in hardcopy.

Also, the roles of ACP (EIB) and Inspector (EIB) had been arranged in ESCIMS portal and with implementation of NIC'sE-Abkari portal the enforcement module is also being developed. It shall also be ensured that enforcement is used suitably.

NIC has started developing eAbkari portal in place of ESCIMS portal which was rolled out w.e.f. 03.10.2024 in the phased manner. The eAbkari portal is still under development phase. The ESCIMS portal was completely shutdown w.e.f. 31.12.2024.Inputs for EIB module have been shared for implementation of EIB module which is under development.

Para : 2.5 **Provisions of Service Level Agreement (SLA) not complied**

As per Schedule VIII of Master Service Agreement, SLA compliance Reports were to be prepared by the Excise Department to assess performance of the IA. These would form an essential metric for decision on payments to the IA.

Audit, however, observed that these SLA compliance Reports were prepared and submitted by the IA itself and were accepted by the Department without detailed scrutiny. Moreover, SLA were to be detailed and reviewed20 annually, which was not done.

Also, some critical SLA metrics like Data Accuracy were not reported upon at all. As per the MSA, Data Accuracy was to be measured daily and reported on weekly basis with target value of 99.99 *per cent*. Project Monitoring Unit had also observed (April 2014) that a subsequent Standardisation, Testing and Quality Certification (STQC) audit would validate the Data Accuracy. No such 3rd party Audit Report was furnished to audit. Audit observed various examples of inaccuracies in ESCIMS data, which were never reported in SLA Reports prepared by IA. This has implications on the payment made to IA. If the metrics had not been complied and submitted, then recovery (amounting to n*0.1 *per cent* of the Performance Bank Guarantee for n successive months) was liable to be charged from the IA.

Audit noted that on several instances, bottles/cases found with one licensee were present with another licensee as per the ESCIMS data. In such cases, no system red flags were generated or data discrepancy pointed out. Audit further noticed from Excise Department's order dated 17 August 2021 that duplicate Transport Permits were generated by ESCIMS system.

Notably, an instance of hacking of ESCIMS was noted during July 2019. The file neither mentions its impact on the relevant SLA (portal security) nor the cause of such breach. Audit inquired the vulnerabilities leading up to the security breach and whether the vulnerabilities were patched up later, but no reply was furnished.

The Government in its reply only mentioned the SLA compliance parameters from MSA and stated that compliance was being monitored regularly.

The reply is not satisfactory as access to SLA monitoring tool was not provided to Audit for independent verification. Detailed monthly reports were also not furnished to support the claim. Other issues pertaining to Data Accuracy and preparation of SLA report by IA itself were not commented upon.

Action Taken by the Department

Partially agreed. The SLA parameters as per master service agreement (MSA) were verified by the Excise Department based on the database available in the servers. The SLA reports submitted by lA were verified with SLA monitoring portal on regular basis.

NIC has started developing eAbkari portal in place of ESCIMS portal which was rolled out w.e.f. 03.10.2024 in the phased manner. The E-Abkari portal is still under development phase. The ESCIMS portal was completely shutdown w.e.f. 31.12.2024. The department has also provided supporting documents with regard to verification of SLA reports and action taken regarding inaccuracies found in ESCIMS data may be furnished to the Audit.

Para : 2.6 **Absence of an Exit Management Plan**

An Exit Management Plan for transfer of the project and its assets, after the contracted duration21 with TCS, was to be prepared and submitted by IA, within 90 days from effective date of agreement, and to be redrafted annually thereafter, as per Section 1.2, Schedule II of MSA.

The Department could not provide the Exit Management Plan. In the absence of Exit Management Plan, Excise Department was not able to take over the Supply Chain Management function independently, nor was able to give it to another replacement Implementing Agency.

ESCIMS was a DBOOT project, which essentially means transferring the asset to the Department. The MSA did not have specific provisions for hardware and software obsolescence. Thus, after ten years of functioning, no tangible/intangible asset was created for the Department.

MSA also had a clause on the obligation of IA to train the personnel of Project Director (Department) as per need. However, the Department failed to produce any document regarding the progress of Capacity Building and knowledge transfer.

In the absence of updated Exit Management Plan coupled with the lack of capacity building steps, transfer of system ownership to the Department could not materialize.

Government in its reply stated that Exit Management Plan has been furnished to the Department on 14 March 2022. However, copy of Exit Management Plan was not furnished to Audit.

Action Taken by the Department

Not Agreed. The Excise Supply Chain Management Information System was perhaps the first IT system in Supply Chain Management during its inception around in 2010. Its Request for Proposal was developed by the National Institute for Smart Governance (NISG). The Exit Plan is an important document in the direction of knowledge management.

As Audit has itself observed that MSA did not provisioned for the hardware and software obsolescence. Since it was an early PPP initiatives in Information Technology, the future of software and hardware obsolescence could not be visualized in long term context. In ten years, the technology changed exponentially.

Since TCS had implemented the technological solution using the IBM, a proprietary technology stack, to implement the ESCIMS, It was challenge for the Excise Department to migrate the existing system on obsolete technology. Therefore the delay was largely on the technological obsolescence instead due to solely on non-availability of exit plan as such. In long term technology based solutions on PPP model, the attention on migration and technology obsolescence and related services should be part of the proposal.

The IA has submitted Exit Management Plan on 14th March 2022 and further, updated it on 08.12.2022. Further, the contract with the IA, TCS, was closed on 29.02.2024. The Excise Dept took over the system on 01.03.2024 from TCS.

NIC has started developing E-Abkari portal in place of ESCIMS portal which was rolled out w.e.f. 03.10.2024 in the phased manner. The eAbkari portal is still under development phase. The ESCIMS portal was completely shutdown w.e.f. 31.12.2024.

Para : 2.7 **Lack of monitoring after the Role of PMU was taken over by the Department**

In December 2012, the Excise Department had appointed National Institute for Smart Governance (NISG) as the Project Monitoring Unit (PMU) for a period of three years (later extended till June 2016). NISG, as PMU, was responsible for planning and monitoring of the project. Subsequently, the Excise Department assumed (July 2016) the role of PMU from NISG.

Initially, NISG was appointed as the PMU to facilitate the management of governance procedures as per schedule IV of MSA. It mainly covered the monthly documented meetings regarding assessment of monthly performance reports, change control, disputes resolution etc. After July 2016, the Department assumed the role of PMU from NISG. No minutes of meetings were provided for the audit period. In the absence of a functional PMU, the efficiency and effectiveness of the service provider could not be ascertained. This also hampered the achievement of project objectives as envisioned in the agreement.

Deficient project monitoring coupled with absence of Exit Management Plan has led to the continuing dependence of the Department on the vendor i.e. Implementing Agency.

The Government accepted the audit observations and in its reply stated that Excise Department had been functioning under a severe lack of IT cadre officers and a proposal for filling vacant posts and creation of posts had already been sent to cadre controlling authority in September 2020.

Action Taken by the Department

Partially agreed. Project monitoring was managed by the available IT personnel posted in the Department.

The department has suffered from extreme lack of technically expert officers specially IT cadre.

However, despite the shortage of staff the Excise department has achieved following goals:

1. Augmentation of revenue year by year.
2. Automation of supply chain.
3. Ease of doing business was achieved by streamlining and automation procedures to apply for licenses.

4. Tracking of the stock was attained to a substantial extent.

NIC has started developing eAbkari portal in place of ESCIMS portal which was rolled out w.e.f. 03.10.2024 in the phased manner. The eAbkari portal is still under development phase. The ESCIMS portal was completely shutdown w.e.f. 31.12.2024.

On the observations of the Audit that The Department may furnish reasons for taking over the role of PMU in spite of a shortage of manpower to manage the same and also the details of the present system in place for this purpose in E-Abkari portal, the Department furnished reply that :-

The e-Abkari portal being developed and managed by NIC has been implemented, however, some modules are still development and its functioning is being reviewed twice a week with NICat the departmental level with assistance of IT branch with feedback being provided by all the implementing branches and stakeholders.

The department took over the role of PMU as per the directions issued vide Minutes of the Meeting of Technical Evaluation Committee Chaired by Secretary (IT) dt. 12.02.2016. Minutes of the meeting attached.

However, despite the shortage of staff the Excise department has achieved following goals:

1. Augmentation of revenue year by year.

2. Automation of supply chain.

3. Ease of doing business was achieved by streamlining and automation procedures to apply for licenses.

4. Tracking of the stock was attained to a substantial extent

Para : 2.8 **Failure to implement Excise Adhesive Labels**

Despite the failure of ESCIMS to meet its intended objective, evidence of misuse and duplication of labels, the Department did not proactively initiate process to address the shortcomings and make the system robust.

Excise Adhesive Labels are secure labels with advanced security features thus ensuring the authenticity, traceability and security aspects of supply. Ministry of Finance, Government of India (GoI), had initiated a proposal for providing the services of Security Printing Press for implementing Excise Adhesive Label (EAL) in Delhi. The same was communicated to the Excise Department via letter (dated 19 March 2019). After the receipt of this letter, the Excise Department took up this issue. Finally, the approval of Cabinet (30 July 2020) for introduction of Excise Adhesive Labels to avoid tax evasion and plugging leakages in supply chain was obtained after a delay of one year and three months.

It was also noticed that the Department independently involved (September 2019) IIT Kanpur (National Centre for Flexible Electronics), for providing an additional security feature to be used along with the EALs. IIT Kanpur offered a technology which was patented by TransPacks Technologies. However, no sufficient justification was offered as to how the incorporation of this technology would be an improvement over and above the EALs. Moreover, the incorporation of this feature could also lead to cost escalation for licensing and technology transfer and need for separate cloud based solution for storage of high resolution image of 3D tags.

An agreement was signed between Security Printing Press (SSPH), Hyderabad, a constituent of SPMCIL[22] and Excise Department on 7 September 2020 for printing and supply of EALs which included a condition for collaboration with IIT Kanpur for the purpose of using that technology. However, during the dry runs (last conducted in April 2022) involving both the technologies, issues pertaining to hardware incompatibility, size and design of labels were observed but could not be reconciled.

Thus, even after a lapse of 19 months (till April 2022), from signing of agreement, the final design could not be firmed up and project could not be implemented even after a considerable time lapse since Cabinet approval. Audit also noticed that no progress was recorded on file, regarding the implementation of EAL thereafter. The initial terms regarding pricing lapsed at the end of year 2022-23.

Regarding the failure of implementation of EAL, the Department, in its reply, stated that the delay was owing to the COVID 19 pandemic, implementation of New Policy and subsequent investigations into the New Policy by central agencies. It further mentioned that the learning that has been achieved since 2010, has resulted in the decision in favour of EAL. However, the issue of not proactively taking up decision to implement EAL was not addressed. Moreover, no progress regarding the implementation of the project could be noticed (March 2023). As a result, the objective of authenticity, traceability and security aspects of the supply side of liquor through EAL couldn't be achieved.

Action Taken by the Department

Partially Agreed. The process of implementing EAL is expected to be time consuming and cumbersome and may pose risk adversely impacting revenue in case of any delays/unforeseen circumstances etc.

Partially Agreed. Delhi does not have its own distillery. All the liquor is imported from other states. In such scenario, the department would need to distribute the EAL labels to each state from where the liquor supply is solicited. The distribution of each distillery in various states after printing from a centralized location will be time consuming and cumbersome process. This may result in delay in procurement of liquor by wholesale licensees from distillery.

Any disruption to supply of EAL labels and ink due to any unforeseen circumstances would stall the supply of liquor and result in revenue loss to the department.

Further, Department has now shifted to e-Abkari System developed by NIC which has an inbuilt track & trace system. At present the department has launched the e-abkari App to enable everyone to scan and check the authenticity of the bottle.

The Department is considering exploring additional technological solutions such as Geo-tagging/geo-locks/geo-fencing of licensed premises etc. for fool proofing the supply chain.

On the observations of the Audit that the constraints cited by the Department existed even at the time of conceptualizing the project. The Department may also clarify as to whether the project has been dropped, the Department replied that The practical problems in implementation of EAL cannot be ignored and need further deliberations.

ANNEXURE-II

CHAPTER- III : ISSUE OF LICENSES

Para : 3.1 Introduction

The Department issues various types of Licenses to various stakeholders in liquor supply chain in Delhi.

Interested parties are required to apply every year for issue/renewal of appropriate license to the Excise Department. Audit had selected 59 licensees who were issued licenses during the period 2017-18 to 2020-21, for detailed scrutiny. Out of these, records related to only 46 licensees[24] were provided to Audit. On scrutiny of records related to issue/renewal of licenses to these 46 licensees, various irregularities were observed. These are discussed in the succeeding paragraphs.

The Audit recommended that responsibility should be fixed for non-production of records relating to 13 licensees to Audit.

Action Taken by the Department

Matter of record. Specific details concerning with 13 licenses mentioned by Audit Team has not been provided to the department. The department requests Audit team to provide to specific details so as to enable providing of requisite information.

On the observations of the Audit that the details were requested during the course of audit vide Audit Memo no. 40 Dated 07.06.2021. However, the details of licensees are reproduced below:-

1. M/s Veetrag (L-10)
2. Ms/ Privee – a unit of MJ Bizcraftsllp (HCR)
3. DSCSC – Vikas Marg (L-6)
4. DTTDC – Peeragarhi (L-6)
5. DSCSC – Badarpur (L-6)
6. DSIDC – N block, Connaught place (L-6)
7. DCCWS – Shakarpur, VikasMarg (L-6)

8. DCCWS – South Gamari (L-6)

9. DTTDC – Samaypur Badli (L-6)

10. DTTDC – Sadat Pur (L-6)

11. DTTDC – Munirka-2, Delhi (L-6)

12. DCCWS – Dwarka, Sector 6 (L-6)

13. DSCSC – Loni Road (L-6)

The Department further replied that the department had no intention not to provide the requisitioned files. However, the department will again provide the files in case the Audit requires these files.

On the above reply of the Department, the Audit further observed that the department’s magnanimous offer to share files now shows that the files were available at the time of audit too. Audit Report has sought responsibility to be fixed for non-production of records. Department has not replied to the action taken thereon.

Further, vis-à-vis the Department's willingness to produce files, it is to put on record that audit is a constitutionally mandated activity that is time-bound. Thus, audit cannot keep revisiting issues as and when the Department deems it convenient to share records/data.

The issue regarding non-production of crucial records during the course of the audit is a concerning matter, and PAC may like to take a view.

Para : 3.2 **Irregular issue of licenses to related parties**

Rule 35 of the Delhi Excise Rules, 2010 prescribes the following:

- No person shall be granted more than one wholesale license.
- No License for retail sale of liquor shall be granted to the holder of wholesale license and *vice versa*.
- No retail license for consumption of liquor “off” the premises shall be granted to a person holding any other retail license.

All the licensees were required to declare the names of all directors, partners etc and addition and removal of partners and to furnish an Affidavit29 in this regard.

The above-mentioned provisions had ostensibly been incorporated primarily to prevent formation of monopolies and to ensure availability of brands of liquor as per consumer preferences. However, audit noticed cases where multiple licenses were issued to related parties as shown in the Table 3.1 of the report , as under :-

<table>
<tr><th>Violation of Rule</th><th colspan="6">Licensee Name & Type</th><th>Remarks</th></tr>
<tr><td rowspan="3">Wholesale licensees related to each other</td><td colspan="3">(A)</td><td colspan="3">(B)</td><td></td></tr>
<tr><td colspan="3">Adie Broswon Breweries Pvt. Ltd. (L1)</td><td colspan="3">AB Grain Spirits Pvt. Ltd. (L1)</td><td>Common director(s) in the same year (for 2019-20, 2020-21). Also linked in the period of 5 years prior to the issue of License through common director(s).</td></tr>
<tr><td colspan="3">Indospirits Distribution Ltd. (L1F)</td><td colspan="3">Indospirits Marketing Pvt. Ltd. (L1F)</td><td>Common director(s) in the same year (for 2017-18, 2018-19). Also linked in the period of 5 years prior to the issue of License through common director(s).</td></tr>
<tr><td rowspan="2">Wholesale licensees related to Retail sale licensees</td><td colspan="3">Buddy (Punjab) Bottlers Pvt. Ltd (L1)</td><td colspan="3">Buddy Distribution Pvt. Ltd. (L10),
Buddy Mantra Hospitality Pvt. Ltd. (L10),
Buddy Mantra Retail Pvt. Ltd. (L10),
Buddy T1 Delhi Retail Pvt. Ltd. (L10),
Buddy (T3 Delhi) Retail Pvt. Ltd. (L10),
Veetrag Constructions Pvt. Ltd. (L10)</td><td>Common director(s) in the same year (for 2018-19, 2019-20). Also linked in the period of 5 years prior to the issue of License through common director(s).</td></tr>
<tr><td colspan="3">Indo-Spirit Beverages Pvt. Ltd (L1),
Indo-Spirit Distribution Ltd (L1F),
Indo-Spirit Marketing Pvt. Ltd (L1F)</td><td colspan="3">Indo-Spirit Bars Pvt. Ltd (HCR) ,
A2Z Trade Links Pvt. Ltd. (L10)</td><td>Common director(s) in the same year (for 2017-18, 2018-19, 2019-20). Also linked in the period of 5 years prior to the issue of License through common director(s).</td></tr>
<tr><td rowspan="2">Retail sale licensees related to each other</td><td colspan="3">Indospirit Bars Pvt. Ltd (HCR);</td><td colspan="3">A 2 Z Trade LinksPvt. Ltd. (L10)</td><td>Common director(s) in the same year (for 2017-18). Also linked in the period of 5 years prior to the issue of License through common directors.</td></tr>
<tr><td>Buddy Distribution Pvt. Ltd. (L10)</td><td>Buddy Mantra Hospitality Pvt. Ltd. (L10)</td><td>Buddy Mantra Retail Pvt. Ltd. (L10)</td><td>Buddy T1 Delhi Retail Pvt. Ltd. (L10)</td><td>Buddy (T3 Delhi) Retail Pvt. Ltd. (L10)</td><td>Veetrag Constructions Pvt. Ltd. (L10)</td><td>Linked in the period of 5 years prior to the issue of License through common director(s). Common director (s) in the same year (for 2017-18).</td></tr>
</table>

As per the above table, licensees mentioned in cell (A) are related to licensees mentioned in cell (B) of same row. Audit has used data from ESCIMS for license issue and expiry dates; and used data from Ministry of Corporate

Affairs (MCA) website for list of directors with original date of appointment and date of cessation.

The six licensees (L10) mentioned in last row of above were found related via common directorship. In all the cases the email domain of the company, as shown in the mail address of the company in the Ministry of Corporate Affairs website, was same. In some cases, the e-mail address of the company was also the same. The Government in its reply stated that no violation of Rule 35 had been noticed in the instant cases as all the six wholesale licensees mentioned in the table were separate entities and registered under the Companies Act, 2013.

This reply is not acceptable as common directors in two different companies can influence decision making. In fact, for companies who had submitted their audited statements, it was found that the directors had given unsecured loans to the sister company and were original shareholders. The companies were also mentioned as associated company. Further, in case of L7 and L10, it is also a clear violation of terms and conditions as any person interested in any distillery holding L1 license should not hold L7/L10 license.

Moreover, Audit observed that there were other groups of licensees (L-7 and L-10) as well, which had proprietors of related vends and might be related. There were five such cases of two or more licensees having similar licensee names.

The Government in its reply stated that L7 licenses were granted during the year 2002-03, and as per Clause 1.4 of Terms & Conditions (T&Cs) for that year, one could get two L-52 (now L7) licenses in one revenue district in Delhi and a total of seven in the National Capital Territory of Delhi, and hence there was no violation of Rule 35.

This reply is not acceptable as the Delhi Excise Act, 2009 and Delhi Excise Rules, 2010 were enacted after the above mentioned T&Cs and hence Rule 35 would take precedence over the T&Cs. Moreover, Clause 6 of the conditions for renewal of license of retail vends for the years 2017-18 to 2020-21 states that there should be compliance with the Delhi Excise Act and Rules made there under. Thus, there was a clear violation of Rule 35.

<u>Action Taken by the Department</u>

Not Agreed. The department complied the provisions of Rule 35 of the Delhi Excise Rule, 2010 while granting various kinds of licenses.

As per Rule 35 of Delhi Excise Rules, 2010, for the purpose of license in form L-1 every distillery, brewery, winery and bottling plant shall be treated as separate unit. Hence, there is no violation of Rule 35 as in the instant cases, all the six wholesale licensees mentioned in the table were separate entities and registered under the Companies Act, 2013. Further, all the licensees operated the business under separate ID granted by the department and sold their product under different brands.

Further, with effect from 30/09/2021, all L-7 and L-10 licenses have ceased to exist. Furthermore, following the restoration of the excise duty based regime with effect from 01/09/2022, liquor vends in Delhi are now exclusively operated by four Government agencies—DSIIDC, DTTDC, DSCSC, and DCCWS. Therefore, the concerns regarding similar violations in the current framework do not arise.

Excise Department has taken the observation of CAG report into consideration and now a module is being prepared in e-abkari to check directors/partner/proprietors to avoid such situation in future.

Para : 3.3 **Issue/renewal of licenses without verification of criminal antecedents**

As per Section 13 (1) (c) of the Delhi Excise Act, a licensee shall furnish within thirty days of the grant of license a certificate issued by the Superintendent of Police of the district or the Commissioner of Police showing that he possesses a good moral character and has no criminal background or criminal record.

Audit observed that Excise Department, in its terms and conditions for grant of licenses, ignored the requirement of such certificate and instead sought only an affidavit/declaration regarding compliance. Thus, no such certificate was found in the files of any of the test-checked 46 licensees for the period 2017-21. Audit also observed an instance where Excise Department received a copy of FIR against a licensee through a complaint, and the Department had no prior information about the FIR. Thereafter, initially license was suspended in September 2018 as licensee failed to intimate about the FIR, and various other violations as well. But license was restored after imposing penalty of ₹ 8 lakh in order dated 6 November 2018.

Thus, licenses were issued without verifying the eligibility of licensees, which kept the Excise Department in dark about the actual antecedents of the applicant.

The Government in its reply stated that an undertaking/affidavit was taken from all licensees to the effect that no criminal antecedents or case was pending against them in any court of law in compliance of Section 13 (1) (c).

Further, if the affidavit was found false/fake then the license was liable for cancellation and the licensee was liable for penal action.

The reply is not acceptable because Excise Department itself did not follow Section 13(1)(c) of the Delhi Excise Act, in letter and spirit by relying on the self-affidavit of the licensee regarding possession of good moral character and having no criminal record rather than obtaining a Certificate regarding the same from Superintendent of Police of the District or Commissioner of Police.

Action Taken by the Department

Partially agreed. Merely registration of an FIR does not prove criminal background of the individual; it depends upon the gravity of offence.

In compliance of Section 13(1)(c), an undertaking/affidavit was taken from all licensees to the effect that no criminal antecedents or case was pending against them in any court of law. If the affidavit was found false/fake then the license was liable for cancellation and the licensee was liable for penal action.

The department had recently asked from Law Department whether existence of FIR would constitute a "criminal background"/ "pendency of criminal case against the person", the Law Department, in its opinion, said that : "the specific provision is carved out under section 13 of Delhi Excise Act, 2009 fixing eligibility for grant of license that the applicant should possesses good moral character and has no criminal background or has not been convicted of any offence punishable under this or other relevant Acts. This Department had earlier opined that a person against whom the FIR is registered cannot be said to be person having no criminal background. In continuation of the same, and in view of the fresh queries of the administrative department, the issue is now elaborated upon further. At the outset, it is made clear that the licensing authority or the appellate authority is the independent quasi judicial authorities under the law who have to take a reasoned decision to grant or not to grant the license in a particular case. The term "criminal background" as mentioned in Section 13(1)(c) of the Delhi Excise Act, 2009, has wide import and needs a proper adjudication by the authorities considering the overall nature of allegations and its bearing on the business related to excise by any applicant. There is no straight jacket formula to say what qualifies as disqualification for obtaining an excise license due to criminal background. This section mandates that any applicant must possess good moral character and have no criminal background,'' essentially barring individuals with a history of criminal behavior or ongoing criminal charges. The inclusion of the "no criminal background" criterion reflects the legislative intent to prevent individuals with a history of crime from holding licenses in regulated sectors like excise, which involves the sale and distribution of alcohol. The rationale is rooted in public interest aiming to maintain integrity in the industry, minimize potential abuse and ensure public safety. Alcohol distribution, if mismanaged, can lead to significant social issues; therefore, the law aims to authorize only those who demonstrate a history of lawful conduct and good moral standing he Act does not explicitly define what constitutes a "criminal background. "As stated earlier, there cannot be any fixed criteria to determine what amounts to criminal background of a person. This has to be examined by the licensing or appellate authority, as the case may be, with a subjective assessment on the case-to-case basis in the peculiar facts and circumstances of each case. Registration of FIR may not in all cases can be the sole criteria to imply criminal background of any person. Rather, it would depend upon the facts of each case and nature of allegations made in the FIR".

For suspension or cancellation of license the conditions are more lenient, the authority may suspend or cancel it in circumstances including conviction of holder of license or his agent or employee, of an offence punishable under the Delhi Excise Act 2009 or any other law for the being in force, relevant and connected with excise matters relating to excise revenue or of any cognizable and non-bail able offence under any other relevant law. Therefore, mere registration of FIR against license holder or one or more Directors of the firm may not be the ground for cancellation/suspension of license in terms of provisions of section 17 of Delhi Excise Act, 2009.

Furthermore, with effect from 30/09/2021, all L-7 and L-10 licenses have ceased to exist and following the restoration of the excise duty based regime w.e.f. 01/09/2022, liquor vends in Delhi are now exclusively operated by four Government agencies—DSIIDC, DTTDC, DSCSC, and DCCWS. Therefore, the concerns regarding verification of Criminal antecedents not arises being licenses given to corporations run by Government undertakings.

The department has initiated the practice of obtaining PCC from all L1/L1F and HCR licensees

Para : 3.4 **Non-adherence to the directions of the competent authority regarding monitoring of the license issued**

Audit observed that while considering the license renewal application of an L1 licensee for the year 2019-20, Deputy Commissioner (Excise) sought (August 2019) the data of confiscated liquor belonging to the licensee. Accordingly, data of confiscated liquor for the preceding year was provided, which showed that 307 out of total 736 FIRs lodged (August 2018 to August 2019) by EIB for NDPL/illicit liquor belonged to brands of one licensee. Out of total 1,08,704 bottles caught during 2018-20, 49640 bottles (i.e. 46 *per cent*) pertains to brands registered by the licensee.

Despite the preponderance of this Licensee in confiscated liquor cases, Department did not examine the latter's involvement and license was renewed with directions by DC (Excise) to monitor the Licensee on quarterly basis. However, the directions given were not adhered to.

The Government in its reply stated that FIRs were against the bootleggers in the name of individuals/owners of vehicles instead of the Licensee and confiscated brands were not registered in Delhi. Further, licensee submitted affidavit regarding Section 13 of Delhi Excise Act, 2009 to the effect that no criminal case is pending against them in any court of law.

Reply is not acceptable as the officials of Excise Department ignored the direction of DC (Excise) to monitor the activity of licensee every three months. The Enforcement Registers thereafter showed that not a single inspection was carried out against the licensee and Department's Enforcement activity did not even comply with the directions.

Action Taken by the Department

Matter of record. FIRs were lodged against the bootleggers in the name of individuals/owners of vehicles instead of the Licensee and confiscated brands were not registered in Delhi. Also there has been no evidence found as per available records that the confiscated liquor was obtained by the bootleggers from licensed bonded warehouse situated in the NCT of Delhi.

In a similar matter, the department has issued a letter to the Commissioner (Excise), Haryana with request to curb and control the illegal import of the sale of Haryana Country liquor in Delhi and a show cause notice has been issued to the licensee regarding liquor from M/s ADS Spirits is being illegally imported in Delhi and the steps taken by M/s ADS spirits to curb and control the illegal supply of liquor.

Further, Excise Department, GNCTD of Delhi has been taking proactive measures to stop illegal/smuggling of liquor from bordering states through EIB officials in coordination with local police staff wherever required.

On the observations of the Audit that It may be clarified whether the licensee still holds the license and if so, whether the licensee is being monitored. Further, details and up-to-date status of action against M/s ADS spirits may be furnished, the Department has furnished reply that ADS is L-1 Licensee. EIB of Excise Department, Govt. of NCT of Delhi is taking proactive measures to stop illegal/smuggling of liquor from bordering states through coordination with local police wherever required. Copy of SCN to ADS and further letter to EC, Haryana to curb and control the illegal import and sale of Haryana Country liquor in Delhi are attached.

Para : 3.5 **Issue/renewal of licenses without ensuring solvency of the licensees**

As per Section 13 (1) (Qualification for grant of license) of the Delhi Excise Act, 2009, while considering an application for grant of license, the licensing authority shall have regard that the licensee is solvent.

Accordingly, the terms and conditions required the licensees to furnish a solvency certificate for the specified amount, as given in Table 3.2 of the report, as under.

Table 3.2: Requirement of solvency certificate

License Type	**Requirement of Solvency Certificate**
L-1	A Certificate of solvency to the extent of ` Two lakh, signed by a magistrate not below the rank of SDM
L1F	No Solvency Certificate required
L-7	at the original conditions, which included Solvency Certificate of Rs. 25 lakh
L-10	A Solvency Certificate of Rs. 50 lakh issued by SDM/ a scheduled Commercial bank
L-6	No Solvency Certificate required
Hotels, Clubs and Restaurants	No Solvency Certificate required

In this regard, Audit observed that the requirement for solvency certificate for different types of licensees was not consistent, as explained below :-

- Among the wholesalers, while the L1 licensees were required to submit a Solvency Certificate for ` 2 lakh, L1F licensees were not required to submit the same. This appears to be unreasonable and inconsistent, indicating a bias in favour of FL licensees by putting in place a more liberal regime for them.

- Wholesaler business volumes are much higher than a retail vend, however, the amount of Solvency Certificate demanded from an L10 Retail Vend (Rs. 50 lakh) was 25 times more than that demanded from a wholesaler (Rs.2 lakh), which appears to be unreasonable and devoid of logic.

- Excise Department was renewing L7 licensees on the basis of terms and conditions which were applicable initially (at the time of issue of license), i.e., with a Solvency Certificate for Rs.25 lakhs. However, licenses were renewed without taking fresh Solvency Certificate.

- No requirement of Solvency Certificate was prescribed for Hotels, Clubs and Restaurants serving liquor. Reasons for excluding them from furnishing the Certificate were also not provided to Audit.

Thus, only L1, L7 and L10 licensees were required to furnish Solvency certificates for Rs.2 lakh, Rs.25 lakh and Rs.50 lakh respectively. Audit examined the records of 11 L1 licensees, four L7 licensees and eight L10 licensees, to assess whether the requisite Solvency Certificate was furnished by licensee and considered by the Department before issue/renewal of license.

Scrutiny of 84 cases relating to these 23 licensees for the period 2017-21 revealed that only in two cases, licensees submitted the requisite Solvency Certificate as per the terms and conditions of these licenses. In 80 cases, no Solvency Certificate was found in the files and in the remaining two cases, the licensee had not submitted Solvency Certificate from the appropriate authority.

Solvency Certificate is vital to assess the financial position of the applicant However, requirement of Solvency Certificate was ignored by the Excise Department and licenses were issued indiscriminately to the applicants despite not submitting the requisite Solvency Certificate.

The Government in its reply stated that most of the L-1 license holders had been licensees for many years in Delhi. Excise duty was taken in advance as soon as Import Permit (IP) was placed by L-1. Further it was mentioned that, Government revenue was protected by many ways like taking Fixed Deposit certificate for all registered brands, advance amount in electronic wallet for paying various duties/fee for IP/Bar codes etc. In regard to Hotel, Club & Restaurant (HCR), it was stated that Solvency Certificate was not prescribed as per terms & conditions, Excise Rules and policy. The reply further assured that Solvency Certificates would be taken wherever it is required as per approved Excise Policy and its terms and conditions.

Reply is not acceptable as the Delhi Excise Act, 2009 did not provide any exemption from Solvency Certificate to long term licensees and principal importers of foreign liquor.

Action Taken by the Department.

Matter of Record. As per section 13(1) (Qualification Of Grant Of Licence) of the Delhi Excise Act 2009, while considering an application for grant of license, the licensing authority shall have regard that the licensee is solvent.

The amount of solvency certificate prescribed under the terms and conditions of various kinds of licenses for example L-1, L-1F, L-6, L-10 and HCR. These terms and conditions for various licenses are approved by Govt and accordingly solvency certificate is asked from various kinds of licensees.

As per the observation of CAG, the amount of solvency certificate will be reviewed and rationalized in the next excise policy.

On the observations of the Audit that The Department may clarify whether solvency certificates as prescribed under the Act have been obtained from all the present licensees. Further, expected timeline for rationalization of amount of solvency certificate may be given, the Department furnished reply that Presently, department is ensuring that Solvency Certificate prescribed under Act should be submitted by the all licensees. Further, the Cabinet vide Decision No. 3208 dated 10.06.2025, has constituted a committee under the Chairmanship of Chief Secretary of Delhi for formulation of fresh Excise Policy. The committee will look into this aspect.

On the reply of the Department, the Audit further observed that no reply regarding the specific cases pointed out in audit has been given. Action taken against those responsible for violating rules has also not been detailed.

Para : 3.6 **Issue/renewal of licenses without ensuring that licensee was not in arrears of any Government dues**

As per Section 13 (1) (d) of the Delhi Excise Act, the licensing authority shall have regard that the licensee is not in arrears of any government or public dues. Further, appropriate clauses have been included in the terms and conditions of L1 License for submission of No-dues Certificate from Excise Department, and DVAT Department. But no such clauses were included in the terms and conditions of retail licenses (L-7 and L-10), instead a declaration was sought from the applicant that no government dues was pending against them.

Audit, however, observed that L7 and L10 licensees were required to submit the Income Tax clearance Certificates or latest ITRs along with Assessment Orders, whereas L1 and L1F licensee were not required to submit Assessment Orders along with the ITRs. Audit could not ascertain as to how the Excise Department ensured that no dues were pending against L1 and L1F licensees towards Income Tax Department, through ITR, without verifying the Assessment Order. Such loopholes were not consistent with the requirements of the Section 13 (1) (d).

Notably, Excise Department itself had not issued even a single No-dues Certificate. Audit observed that despite not submitting of requisite documents to establish that licensee was not in arrears of any government or public dues, Excise Department issued licenses to these licensees in violation of Section 13 (1) (d).

The Government in its reply stated that applicant of L-1 license needs to submit a copy of last year's Income Tax Return/Assessment order, Copy of PAN card of company/firm, an affidavit to the affect that no dues in respect of Excise Department are pending and No-dues Certificate issued by the VAT Officer. Further, Government in its reply assured that no license was granted unless all the dues to Excise Department were cleared by the licensee.

Reply is not acceptable because as per the Clause f (iii) of Annexure-I of terms & conditions of L-1 license from 2017-18 to 2020-21, applicant needs to submit a No dues Certificate issued by the DC (Excise), Delhi but Government in its reply talks about affidavit instead of No dues Certificate. Even the reply is incomplete as Government did not say anything about issuing of license without submission of complete documents by the applicant.

Action Taken by the Department.

Matter of Record. The Excise Department operating all the functions on the online module earlier through ESCIMS and now through newly developed e-Abkari module. All the penalty or dues were\are incorporated on these portals. At the time of granting fresh wholesale license to an existing licensee in the new excise year, department checked internally pending dues, and the fresh excise year license is granted thereafter. Therefore, there was no need to issue No Dues Certificate from DC (Excise). Applicant of L-1/L1F licenses has also submitted an affidavit that no government dues is pending and also submit no dues certificate from VAT department.

On the observations of the Audit that While the Department has clarified regarding monitoring of pending internal dues, as audit flagged the issue of non-submission of complete documents like it may clarify how they ensured that there was no income tax due, in the absence of assessment orders from the vendors, the Department furnished reply that The Department checks pending dues of Delhi related to VAT dues and Excise dues, if any.

On the reply of the Department, the Audit further observed that Procedure through which it was ensured that there was no income tax due has not been furnished.

Para : 3.7 **Issue/renewal of licenses without verification of persons employed by the licensees**

As per the Section 13 (1)(g) of Delhi Excise Act, the licensing authority shall have regard that the applicant shall not employ any Salesman, or representative who

- has criminal background, or
- suffers from any infectious and contagious disease, or
- is below 21 years of age.

Further as per Section 24 of Delhi Excise Act, no licensee shall employ or permit to be employed in his premises any person under the age of 21 years or suffering from contagious disease.

Audit observed that the Excise Department has not incorporated any provisions for employees' criminal background check and for infectious/contagious diseases, in "Terms and conditions for grant of license" and licensees were also not submitting this information.

In respect of age of the employees, imprisonment upto three months and/or fine upto Rs.50,000 was prescribed under Section 42(2) of the Delhi Excise Act if a licensee employs any person under the age of 21 years. During test-check of records, Audit observed that during 2019-20, two L1 licensees had employed persons below 21 year of age in their warehouses. However, this fact was ignored by Excise Department, while considering and approving the licensee's application.

The Government in its reply stated that this issue was raised with the licensees and in both cases while referring Section 13 (1)(g), licensee stated that above mentioned employees were working as Data Entry Operators and their job was not related to liquor work. The replies of the licensees that these employees were Data Entry Operators is not acceptable as Section 24 of Delhi Excise Act prohibits employment of any person under the age of 21 years, at the licensee premises, irrespective of the nature of job.

<u>Action Taken by the Department.</u>

Matter of Record. This issue was raised with the licensees and in both cases while referring Section13 (1)(g), licensee stated that abovementioned employees were working as Data Entry Operators and their job was not related to liquor work.

At present the applicant/Wholesale licensee has to submit list of BWH employee along with Aadhar IDs for identity and age proof.

The observations of the CAG has been taken into consideration and department will be more watchful in this regard that any person under the age of 21 yrs, at the licensee premises will not be allowed, irrespective of the nature of job.

PVC and medical fitness in respect of contagious disease report of BWH employee will be proposed /reviewed in the next excise policy.

Para : 3.8 **Issue/renewal of licenses without obtaining personal bond with surety from L1 licensees**

As per Rule 50 of Delhi Excise Rules 2010 read with Terms and Conditions of the license, L1 licensee shall furnish a personal bond with the surety in the sum of Rs.5,00,000/- (Rupees five lakh).

Scrutiny of records related to 11 test checked L1 licensees for the period 2017-21 revealed that licensee had not submitted personal bond with surety in 10 out of 36 cases. In 12 other cases, the surety was either given by a related company, Director of the same company or by an employee of the company. Accepting such a surety bond was against the spirit of the Rule.

The Government in its reply stated that there was no violation of Rule 50 of the Delhi Excise Rules, 2010 in accepting the surety given by the related company, Director of the same company or by the employee of the company as it was to the satisfaction of the licensing authority. Further, it was mentioned that majority of L-1 licensees were old and continuing their operations for last many years in Delhi.

Reply is not acceptable because not obtaining the surety violates the spirit of the Rule which is to obtain an independent assurance. The Excise Department's duty was to prepare such a format of surety bond which can adhere to the real requirement of the Rule. However, the Department failed to develop a fool proof surety bond which could adhere to the actual spirit of the Rule.

Action Taken by the Department.

Disagree. There was no violation of Rule 50 of the Delhi Excise Rules, 2010 in accepting the surety given by the related company, Director of the same company or by the employee of the company as it was to the satisfaction of the licensing authority. Further it was mentioned that majority of L1 licensees were old and continuing their operation for last many years in Delhi.

The department has considered the observation of CAG and is committed to develop a better option/mechanism for security bond.

On the observations of the Audit that Better option/mechanism being developed may be appraised to the Committee, the Department furnished reply that The Cabinet, vide decision no. 3208 dt 10.06.2025, has constituted a high level committee under the Chairmanship of Chief Secretary of Delhi for formulation of fresh Excise Policy. The committee will look into this aspect.

Para : 3.9 **Issue of L1F licenses without submission of audited financial statements**

As per the license conditions, the applicant is required to submit "An attested copy of the annual accounts and balance sheet duly audited, for the last accounting period for which such audited annual accounts/ balance sheets are available". During test check, it was found that none of the three test-checked L1F licensees had provided the above documents for the year 2020-21. However, licenses were issued by the Excise Department without any objection.

The Government in its reply accepted the audit observation and stated that due to Covid lockdown, the licenses were granted on the basis of affidavit only without seeking any other documents as approved in the Policy for the year 2020-21.

The reply is not acceptable as the policy cannot be made in violation of Delhi Excise Act/Rules. Further, lockdown due to Covid-19 is no excuse for violation of Act and Rules.

Action Taken by the Department

Disagreed. The COVID lockdown was unprecedented event and various Govt departments relaxed their provisions including the Excise Department for compliance.

The department has replied that the COVID lockdown was an unprecedented situation; the licenses were issued on the basis of affidavit only without seeking any document.

Currently, department has made mandatory for applicant to submit the annual accounts and balance sheet duly audited, for the last accounting period, wherever applicable.

Para : 3.10 **Issue of L1 and L1F licenses without submission of Sales data and Whole Sale Price (WSP)**

As per Appendix – B of L1 License conditions, the applicant of license must give an affidavit for each brand declaring actual sales figures and Ex-Distillery Price (EDP), for all over India, during the last two years (irrespective of the price bracket within which its EDP falls).

Test Check of 11 L1 License files for the period 2017-21 revealed that only three licensees had given details of actual sales figures and EDP of other states, as called for in Sl. No. 1 of Appendix-B. The details provided by even these three licensees were not complete[31]/not provided in some years. Others have stated that it is not required as per free pricing policy or it is not applicable as per para 2.3 (e) (iv) and 7.4 (a) (i) of the Terms and Conditions of the L1 Licensee.

The Government in its reply stated that as per para 7.4 (a)(i) of the Terms and Conditions for granting L-1 license, licensee shall be at liberty to declare EDP if MRP of a certain type of liquor crosses certain limit given in the above mentioned clause. Further, Government referred clause 2.3 (e) of the Terms and Conditions for granting L-1 license, where MRP range had been prescribed for different categories for which no sales figures were required. Free[32] EDP policy has been done away in the licensing year 2021-22.

Reply is not acceptable because these two conditions relate to eligibility of licensee not falling under free pricing policy to have a certain number of sales figures in previous years and restriction on MRP pricing. These conditions do not exempt applicant falling under free pricing policy from giving the details called for in Sl. No. 1 of Appendix-B. It was not mentioned anywhere in the terms and conditions that certain applicants were no required to submit details in para 1 (Sales figure and EDP in other states) of Appendix B as mentioned in para 2 (minimum EDP in India) of Appendix B.

Similarly, license conditions require the L1F licensees to furnish the sales data of the brand (Appendix C, Part-II), landing price per case for the brand and brand-wise prevailing WSP (Appendix C, Part-III) in Delhi/All India and other states where the brand is sold, in the previous two years.

During the test-check of the brands pertaining to the three selected L1F licensees, it was found that while two33 licensees provided data regarding sales in other states, one licensee had not furnished sales data for its brands for the year 2017-21. Regarding the declaration of WSP in other states, none of the licensees had submitted the prevailing WSP in other states.

The Government in its reply stated that the 'requirement of WSP of different states in respect of Foreign Liquor had not been prescribed anywhere in the Terms and Conditions'. The statement is incorrect because as per the Terms and Conditions of L1F (2017-18 to 2020-21) a declaration was required in Part III of Annexure C giving WSP in other states. Moreover, since 2019-20 an affidavit was also required to be submitted in this regard.

<u>Action Taken by the Department</u>

Partially agreed.

As per terms and conditions of L-1 license, sub clause 7.4

(a) L-1 Licenses shall be at liberty to declare the Ex Distillery Price (EDP) based on which MRP shall be worked out as per prescribed rates of various excise levies, Value Added Tax, retail profit etc. in the following cases:-

(i) Whisky/wine: with MRP above Rs. 400.00 per quartz.

(ii) Rum/Gin/Vodka/Brandy: with MRP above Rs. 250.00 per quartz.

(iii) Beer: with MRP above 100.00 per quarts bottle.

The prices so declared, shall not be varied/increased during the Licensing Year. However, Excise Commissioner may allow one time downward revision of price during the licensing year. If as a result of downward revision, the brand moves to a category with higher sales criteria, the revision shall not be allowed unless, the brand satisfies the higher sales criteria so prescribed.

(b) The ex-distillery price shall be determined in other cases on the following basis:-

In case of all other brands of Indian Liquor/Beer/ Wine/Rum/Gin/Vodka, prices will be fixed on the basic premise of lowest ex-distillery price / ex-brewery price net of all duties/fees, discounts/ commission of whatsoever nature allowed in respect of any market in India, excluding National Capital Territory of Delhi and CSD irrespective of whether the brand is supplied by the applicant distillery/brewery/winery/bottling plant or any other distillery/brewery/winery or bottling plant under any kind of usership/franchise agreement or under any other arrangement. For this purpose, the minimum Ex Distillery Price (EDP) during the period 1/4/2021 to 31/3/2022, will be the basis for fixation of pricing.

In case where brand is registered on the criterion of qualifying the minimum sales requirement during the year 2022-23 the minimum Ex Distillery Price (EDP)/Ex Brewery Price (EBP)/Ex Winery Price (EWP) criterion will be reckoned for the period from 1.4.2022 to the date of submission of application as the basis for fixation of price. The EDP/EBP/EWP per case except in case of economy liquor so declared shall be for the Quarts size and in whole rupee only. Fraction or paise, if any, will not be considered. In case of non –free pricing brands (except economy liquor and Beer) the maximum increase that will be allowed in EDP will not be more than Rs.12/- and Rs.24/- per case of Pints and Nips respectively. In case of Free Pricing brands, the maximum increase that will be allowed in EDP in case of Pints and Nips of Indian Liquor (excluding Beer), will not be more than Rs.15/- and Rs. 30/- per case respectively. The maximum increase that will be allowed in EBP in case of pints of beer will not be more than Rs.24/- per case. It shall be incumbent upon the L-1 licensee to pass on the benefit of lowering of EDP/EBP/EWP in other state below that of Delhi to the consumer of Delhi. As such it would be mandatory for the L-1 Licensee to intimate any such change to the Commissioner at the earliest possible and in any case not later than seven days from the date of such change and failure to do so shall be deemed as breach of terms and conditions of the licence and also the differential amount due to any reduction in the duties levied, EDP/EBP/EWP etc. will be recovered from the date of such reduction in other states.

In case of L-1F license, an undertaking from principle importer and applicant is being taken for the lowest WSP in Delhi.
The observations of the CAG will be taken into consideration in the formation of next excise policy.

On the observations of the Audit that Audit observation is regarding sampled cases of non-declaration of EDP wherein required data was not disclosed. Department's reply is silent regarding the same, the Department furnished reply that As per existing terms and conditions the licensee is at liberty to declare EDP and MRP over the threshold limit of that category and there is no mandatory compulsion to declare sale figure of that brand. Since it is not mandatory to declare/submit sale figures, submission of EDP does not arise.

The Audit further observed that As Appendix B of L1 License conditions, the applicant must give an affidavit declaring actual sales figuresand EDP for all over India. Reasons for not obtaining details required to be provided by licensees have not been furnished.

Para : 3.11 **Irregular grant of L1F license to supply "Baltika 9" beer**

Manufacturer of foreign liquor gives authorization to a principal importer in India for distribution and sale of its liquor brands. This principal importer usually authorizes region wise distributors for the sale of liquor. Usually these regional distributors apply for L-1F license in Delhi.

Excise Department issued L1F license to Aryan Wines for Baltika Beer for the year 2020-21. Aryan Wines was appointed as the sole distributor of Baltika Beer by Vosco Beverages, which was authorized by the principal importer (Veesha Food and Beverages) for sales and marketing and label registration of Baltika Beer in Delhi.

Audit, however, observed the following inconsistencies:

- VOSCO Beverages appointed Aryan Wines as sole distributor of Baltika Beer for the period 2020-24, however, the period for which principal importer was authorized to distribute the brand was not mentioned in the authorization letter. Thus on what basis VOSCO Beverages appointed Aryan Wines for four years is not clear.

- VOSCO Beverages appointed Aryan Wines as sole distributor of Baltika Beer on 1 July 2020, however, VOSCO Beverages itself was authorised by principal importer only on 2 July 2020.

Audit also observed from the license file that one label on Baltika Beer mentioned 'Veesha Food and Beverages' as principal importer and another label mentioned 'VOSCO Beverages' as the principal importer. This ambiguity and misinformation has implications for the end consumer and may attract a product liability action under Consumer Protection Act, 2019. This irregularity was overlooked by the Excise Department and the brand was approved without due diligence.

In respect of the above observations, Government has accepted the Audit Contention.

Action Taken by the Department

Matter of Record. The department is taking authorization of brands from the manufacturer to the principle importer and from the principle importer to applicant of that brand and the department is cautiously checking the dates of authorization to avoid such instances in the future.

Para : 3.12 **Irregular issue of licenses without ensuring legal possession of premises/vend**

License conditions require that the vend/ HCR licensees should be in legal possession of the vend/premises i.e., the lease agreement should be duly registered with applicable stamp duty.

In this regard, Audit observed the following:

- **L6 (Corporation Vends):** Out of the eight L6 licensees whose records were made available to Audit, for the period 2017-21, registered lease agreements of six licensees were not available in the file.

In one of the above mentioned six cases, two shops were taken on rent by the licensee in 2006, from two individuals, who were allotted these shops by Directorate of Estates, GoI for specific purpose, and were not to be transferred to any other person in any case. Thus, these shops were irregularly transferred to the licensee for sale of liquor. License conditions also requires that the property should be clear from all legal disputes, however, one L6 vend of DSIIDC at Sarai Pipal Thala was found to be under litigation since year 1992 as per the records made available to Audit. Despite the litigated status of property, vend at this property was allowed by the Excise Department.

The Government in its reply stated that an affidavit was taken that" if any dispute arises between Corporation and the owner of the premises where L6 was proposed to be opened, Excise Department will not bear any responsibility in this regard".

Reply of Government is not acceptable as merely taking an affidavit did not ensure that the owner was in legal possession of the premises and it was the duty of Excise Department to check the legality before issuing license as per the renewal conditions.

- **L7 (Private Vends):** Among the four L7 licensees whose records were made available to Audit, one licensee's lease agreements were not found in the file for the period 2017-21. Additionally, another licensee's lease agreements were not registered for entire four year span (2017-21), while a third licensee's lease agreements were not registered for two years (2019-21).

• **L10 (Private vends in Shopping Mall)**: Out of the eight licensees whose records were made available to Audit, lease agreement was not duly registered by seven licensees for all four years (2017-21).

The Government in its reply stated that rent period of L-7 and L-10 premises concerned was less than one year (11 months), so these rent agreements were not compulsorily to be registered.

Reply is not correct as rent period of all above mentioned vends were more than one year. Thus, rent/lease agreement of these vends had to be compulsorily registered. Further, registration is a license condition.

• **Hotel, Club & Restaurant (HCR):** Out of the 11 licensees whose records were made available to the Audit, the lease agreements of four licensees were not duly registered, whereas in the case of one licensee, no lease agreement was found in the file for the period 2017-21.

The Government in its reply stated that lease agreements referred by the Audit team were for the period of less than 11 months so these rent agreements were not compulsorily to be registered.

The reply is incorrect as all submitted agreements were for more than the period of 11 months as mentioned above.

In one instance, one L-10 Licensee had submitted a suspected forged lease deed to Excise Department and Excise Department had also accepted the same. Licensee had falsified the photocopy of an old lease deed, by manipulating the original lease period of '15 April 2012 to14 April 2017' to '15 April 2012 to 14 April 2021'.

The Government has not given any reply in this case.

Action Taken by the Department

Partially Agreed. As per Section 13(1)(f) of Delhi Excise Act, 2009, prescribes for possession of the premises for issuance of licenses which is reproduced as under:

"possesses or has an arrangement for taking on rent suitable premises for the license and such premises have not been constructed in violation of any law;"

Nowhere in this section it is mentioned that lease agreement should be duly registered with applicable stamp duty. Therefore, generally any premises which is given on rent for less than one year is notarized by notary public registered/approved by government and any lease agreement which is more than one year is compulsorily registered. Both are valid legal documents for possession of property, therefore there is no hindrance in issuing of license on the basis of notarized lease agreement.

The CAG has not provided any specific name of those licensees which were issued on the basis of 11 months lease agreement to check whether these licensees have subsequently registered their rental agreement on renewal.

On the observations of the Audit that List of licensee whose lease agreements were more than 11 months and found not registered were forwarded to the Department vide Half Margins Nos. 33 dated 20.12.2021, no. 38 dated 05.01.2022 and 39 dated 05.01.2022 as given below :-

L-7 Sartaj Hotels Apartment & Villas Pvt. Ltd
L-7 M/s Chadha Motors Transport Pvt Ltd
L-10 M/s Bigway export pvt ltd
L-10 M/s Ladi Marketing
L-10 M/s UD Spirit
L-10 M/s Berch holding
L-10 M/s A2Z Trade Links Pvt. ltd
L-10 M/s Buddy Mantra Hospitality
L-10 M/s Kunal Mehta
HCR M/s DA Code
HCR M/s Imperfecto
HCR M/s Lord of Drinks
HCR M/s My Bar

Further, reply regarding suspected forged lease agreement (M/s Ladi Marketing) may be furnished (Half Margin no. 39).

On the above observations of the Audit, the Department further replied that the Department presently ensuring that all the leased agreements of more than 11 months must be registered document. M/s Ladi Marketing was L-10 Licensee and License of the M/s Ladi Marketing has already been ceased.

Para : 3.13 **Issue of licenses without ensuring insurance against fire and natural hazard**

License conditions require the licensed premises to be duly insured against fire and natural hazards. In this regard, Audit observed the following:

- **L6 (Corporation Vends)**: Out of the eight L6 licensees whose records were made available to Audit, none of the licensees had furnished Insurance documents since the issue of licenses.

- **L7 (Private Vends):** Test check of records relating to four L7 licensees for the period 2017-21 revealed that:

    - All four licensees did not provide an Insurance policy for 2020-21;
    - In the case of one licensee, no Insurance policy for the remaining three years was found in the file;
    - Another licensee's file lacked Insurance policy for the year 2018-19;
    - The file of a third licensee did not contain Insurance policy for the period 2018-20; and
    - The fourth licensee submitted an Insurance policy from June 2017 to June 2018 during the period 2017-21.

- **L10 (Private vends in Shopping Mall)**: Test check of records relating to eight L10 licensees for the period 2017-21 revealed that no licensee had provided an Insurance policy for the period 2020-21, Insurance policy was not found in the file of these eight licensees for 2018-20 and five licensees had not submitted Insurance policy for complete year of 2017-18.

The Government in its reply stated that after the implementation of ESCIMS portal, the renewal of license for the period 2017-18 to 2021-22 (up to 30 September 2021 for L-7, L-10 and up to 16 November 2021 for L-6) was being done only from online portal where licensee had to furnish details by attaching relevant documents of Fire Insurance, Lease Agreement & declarations. Details were checked and verified by the Department. Further, it was mentioned that Audit team has not verified these documents on ESCIMS portal.

Reply is not acceptable because the access of ESCIMS provided to Audit was not having any of the above mentioned documents and Government had not attached any supporting documents with the reply. Despite 16 reminders (June 2021 to January 2022) issued to the Department, no access of above mentioned document was provided to Audit.

• **HCR:** Out of the 11 licensees (2017-21) whose files were made available to Audit, insurance against fire, natural hazards etc. was not found in the files of two licensees. Further, access to ESCIMS records of HCR files were not available to Audit despite several reminders.

In all these cases, Excise Department had issued/renewed licenses of these licensees without considering the conditions of license. This indicates lack of due diligence by the Excise Department in its most primary role of verification of eligibility of applicants before issue of licenses.

The Government in its reply stated that documents can be downloaded from the ESCIMS portal.

Reply is not acceptable, as access of ESCIMS portal for various licensees was not granted even after 16 reminders (from June 2021 to January 2022) nor copies of downloaded documents were provided to Audit.

Action Taken by the Department

Partially agreed. Out of the eight L6 licensees whose records were made available to Audit, none of the licensees had furnished Insurance documents since the issue of licenses.

All four L-7 licensees did not provide an Insurance policy for 2020-21. Test check of records relating to eight L10 licensees for the period 2017-21 revealed that no licensee had provided an Insurance policy for the period 2020-21.

Out of the 11 licensees (2017-21) of HCR whose files were made available to Audit, insurance against fire, natural hazards etc. was not found in the files of two licensees

However in the scenario of L-6 vend which are run by Corporation, the Corporations collectively insures the L-6 vend under their purview for fire and natural hazards insurance. Therefore, the copy of same is not available in individual vend file.

Now department has started issuing afresh all kinds of licenses through e-Abkari portal developed by NIC, wherein it is mandatory to upload fire insurance documents for grant of license. In addition, e-Abkari portal has also revalidation module wherein all existing licensees has to upload fire insurance documents. The department has started verifying fire insurance documents provided by all licensees.

Para : 3.14 **Issue of licenses without ensuring CCTV System**

As per Sl. No 5 of renewal conditions of retail vends, licensees were required to install CCTV camera systems having coverage of minimum 50 meters and archival period of 30 days in good working condition, and to furnish a declaration in this regard along with renewal application.

Audit observed that out of test-checked four L7 and eight L10 licensees, 11 licensees furnished the declaration, but only during 2017-18 and in rest of the cases, declarations were not found in the file. However, licenses of all these licensees were renewed regularly without any objection from the Excise Department.

In the absence of properly working CCTV system, it will be difficult for the Excise Department to address complaints of overcharging and other unlawful activities. Evidence collection will also become difficult during raids and inspections. It was also observed during Enforcement raids that CCTV footage was not available which could have helped in proving the violations.

The Government in its reply stated that licensees declare requisite details as per Section 13 of the Delhi Excise Act, 2009 including the installation and proper functioning of CCTV camera at the premises of the vend. It was not mandatory to furnish separate declaration for CCTV cameras.

Reply is not acceptable because Section 13 of the Delhi Excise Act, 2009 has no mention of CCTV system; even the sample copy of declaration proforma attached with the reply did not contain the point related to CCTV system. Further, as per renewal conditions, licensees were required to submit declaration stating that CCTV cameras system having coverage of minimum 50 meters and archival period of 30 days has been installed and is in good working condition.

Action Taken by the Department

Partially agreed. As per S. No. 5 of renewal conditions of retail vends, licensees were required to install CCTV camera systems having coverage of minimum 50 meters and archival period of 30 days in good working conditions, and to furnish a declaration in this regard along with renewal applications. As per procedure renewal of licenses was being processed through online system and there was a provision of accepting the eligibility criteria to process further. The department has renewed the licenses on the basis of declaration of applicants. Further the department has verified the content of the eligibility criteria thereafter.

The department inspected all the wholesale warehouses and the retail shops during January and February 2025 and found that all the bonded warehouses and retail vends have CCTV cameras. The Corporations have been directed to install CCTVs having 50 meter viewing range around the retail vend.

On the observations of the Audit that Documents in support of the reply may be attached with the ATN, the Department provided Copy of Terms and Conditions of License regarding CCTV .

The Audit further observed that In the initial ATN, the Department had stated that they have inspected all the warehouses and shops. However, documents relating to inspection/ verification of warehouses/ retail shops have not been furnished though asked for in the interim vetting comments.

Para : 3.15 **Issue of licenses without declaration regarding conditions as outlined in circular for renewal of license**

As per the renewal condition for the period 2017-21, L7 and L10 licensee has to make a declaration regarding 15 conditions like 'None of the Directors/Partners/ Proprietors of the company/firm have been disqualified under Section 13 of Delhi Excise Act 2009; the Directors/Partners/Proprietors of the company/firm do not possess any wholesale license or any other retail license of liquor; the licensed premises is duly insured; The Directors/Partners/Proprietor of the company/firm shall abide by all instruction/orders issued by the Excise Department etc. Further as per the renewal conditions an applicant will not be allowed to submit the renewal application without submitting the declaration.

Scrutiny of files relating to selected eight L10 licensees for the period 2017-21 revealed that no document of declaration was found in the files for the period 2018-21. Further, scrutiny of files relating to selected four L7 licensees for the period 2017-21 revealed that only three licensees in the year 2017-18 had given this 15-point declaration, and one licensee had given 5-point declaration for the year 2019-20, and no document of declaration was found in the files for the rest of the licensees. The issue of license without the declaration was in violation of the above-mentioned condition.

The Government in its reply stated that after the implementation of ESCIMS portal, the renewal of license for the period 2017-18 to 2021-22 (upto 30 September 2021 for L-7, L-10 and upto 16 November 2021 for L-6) was being done only from online portal where licensee had to furnish details by attaching relevant documents of Fire Insurance, Lease Agreement & declarations. Details were checked and verified by the Department. Further, it was mentioned that Audit team had not verified these documents on ESCIMS portal.

Reply is not acceptable because access of ESCIMS provided to Audit was not having any of the above mentioned documents, and Government had not attached any supporting document with the reply. Despite 16 reminders (from June 2021 to Jan 2022) issued to the Department, no access of above mentioned document was provided to Audit.

Action Taken by the Department

Partially agreed. As per procedure renewal of licenses was being processed through online system and there was a provision of accepting the eligibility criteria, online, to process further. The department has renewed the licenses on the basis of declaration of applicants. Further the department has verified the content of the eligibility criteria thereafter.

On the observations of the Audit that Documents in support of the reply may be attached, the department furnished reply and Copy of Terms and Conditions of License to be accepted by Licensee at the time of renewal through e-Abkari portal.

The Audit further observed that Documents in support of verification of eligibility criteria have not been furnished. Further, department needs to tabulate and present the details sought in audit, in addition to copy of documents as evidence.

Para : 3.16 Issue of licenses without requisite approval of Tourism Department

Along with the application, applicants of HCR license are required to submit an approval from Department of Tourism (DoT). Out of the 11 HCR licensees whose records were made available to Audit, requisite approval of DoT was not submitted by three licensees. Moreover, Excise Department observed the deficiency in case of one of these three licensees but still issued license without obtaining the document.

Government accepted the audit observation.

Action Taken by the Department

Matter of record. The name of the licensees have not been provided as it may be possible that the license was granted before the Rule requiring DoT approval came into being in the year 2011.

Further, e-Abkari portal has specific requirement for submitting DoT certificate as applicable and it is assumed that it is taken before granting license.

On the observations of the Audit that Even if the license was granted before 2011, approval is required every year for renewal of license. The names of the three Licensees are M/s By The Bay, M/s Load of Drinks and M/s Uncultured, the Department furnished reply that to ease business for restaurants, the Secretary of Tourism, vide order dated 03.11.2020, has discontinued the issuance of tourism certificates in respect of stand-alone restaurants.

ANNESURE-III

CHAPTER IV : PRICING OF IMFL AND FL

Para: 4.2 EDP/EBP of IMFL not regulated by Excise Department

Profit margin of L1 licensee is provided for separately by the Excise Department. Thus, the declared EDP/EBP should be based on actual cost components and other margins and should not be left to the discretion of the licensee. However, L1 licensee was at liberty to determine EDP/EBP at its discretion as per the Excise Policies of GNCTD.

Government replied that the approved Terms and Conditions for grant of L1 licence did not mention the use of cost criteria. It was also mentioned that in the new Excise policy, EDP would be declared on the basis of lowest EDP allowed in any State across India and an affidavit, in this regard, would be sought from licensees.

The reply is unsatisfactory as the concept of EDP is undefined and ambiguous. The issues arising from the use of EDP as the basis of pricing is discussed in the subsequent paragraphs.

Action Taken by the Department

The Action Taken by the Department is same as mentioned against Audit Para No. 4.2.2

Para : 4.2.1 Reasonability of EDP/EBP not ascertained

At the outset, it might appear that increase in EDP/EBP will increase the Excise revenue as well. However, the increase in EDP affects the MRP, which also carries the risk of decrease in sales which in turn can lead to loss of Excise revenue. However, as the Government did not seek costing details to ascertain the reasonability of EDP/EBP, there was a risk of L1 licensee getting compensated by the profits hidden in increased EDP/EBP Audit analysed EDP/EBP of brands of test-checked 11 licensees for the period 2017-21. In respect of the brands whose EDP was increased during this period, in majority of the cases excise revenue declined. It was noticed that the net effect on the excise revenue was a reduction of ₹ 165 crore in all the cases where the EDP was increased. Details are given in **Annexure VI**.

Discretionary power to declare EDP may lead to price variation in neighbouring states which has the potential to promote smuggling.

Government replied that brands above a certain MRP threshold were free to declare its EDP. It also mentioned that three highest selling whisky in terms of volumes are those with free EDP, suggesting that lower MRP due to restricted EDP does not *per se* determine the popularity of liquor. It further mentioned that the policy has been changed in new Excise policy for the year 2021-22 to make the minimum EDP uniform for all brands.

The reply is not satisfactory as the popularity of a brand cannot be correlated with its price only. The sales of a brand is sensitive to price changes at least to some extent, which itself is derived from the EDP. Thus, the EDP becomes an important parameter which must be regulated effectively.

Action Taken by the Department

The Action Taken by the Department is same as mentioned against Audit Para No. 4.2.2

Para : 4.2.2 **Fixation of higher EDP/EBP in Delhi than in other States**

As per the Excise Policies for the years 2017-18 to 2020-21, L1 licensee needed to keep the lowest EDP/EBP in Delhi for Whiskey/Wine with MRP upto ₹400, Rum/Gin/Vodka/Brandy with MRP upto ₹250 and Beer with MRP upto ₹100 (MRP in Delhi). Whereas, they had discretion to determine the EDP/EBP of brands with MRP above this limit.

Audit analysed the impact of discretionary EDP/EBP of brands with MRP above the limit. On detailed analysis of EDP/EBP of all 14 brands of the three L1 licensees who had provided the requisite details, it was observed that seven brands had lower EDP/EBP in other States than in Delhi.

This mechanism carried the risk of L1 licensees including their profit in the inflated EDP as the profit margin was otherwise capped by Excise Department at five *per cent* while leaving the EDP/EBP largely unregulated. Extra benefit to the extent of ₹ 35.07 crore was given to L1 licensees.

Government in its reply reiterated the point stated in para number 4.2.1.

Action Taken by the Department

The Action Taken by the Department as per Audit Para No. 4.2, 4.2.1 and 4.2.2 is as under:-

Partially agreed. As per terms and conditions of L-1 license, sub clause 7.4 (a) L-1 Licenses shall be at liberty to declare the Ex Distillery Price

(EDP) based on which MRP shall be worked out as per prescribed rates of various excise levies, Value Added Tax, retail profit etc. in the following cases:-

(i) Whisky/wine: with MRP above Rs. 400.00 per quartz.

(ii) Rum/Gin/Vodka/Brandy: with MRP above Rs. 250.00 per quartz.

(iii) Beer: with MRP above 100.00 per quarts bottle.

Delhi does not have any distillery/brewery plant inside its territory, therefore the Govt of NCT of Delhi cannot ascertain the cost involved in the production of liquor in other states.

As per terms and conditions of L-1 license, sub clause 7.4 (a) L-1 Licenses shall be at liberty to declare the Ex Distillery Price (EDP) based on which MRP shall be worked out as per prescribed rates of various excise levies, Value Added Tax, retail profit etc.

The observations of the CAG will be taken into consideration regarding obtaining cost break-up of EDP/EBP by the licensee in the formation of next excise policy and the same will be enforced as per approval from the competent authority.

On the observations of the Audit that the Department may furnish time frame within which policy is expected to be amended, the Department furnished reply that The Cabinet, vide decision no. 3208 dt 10.06.2025, has constituted a high level committee under the Chairmanship of Chief Secretary of Delhi for formulation of Fresh Excise Policy.

Para : 4.3 **Discretionary profit margin to Foreign Liquor licensees**

In case of Foreign Liquor, Government adopted a very liberal policy as L1F licensee was at liberty to determine its profit margin at its discretion.

Audit noticed that the profit margin of three test checked L1F licensees ranged from 44 *per cent* to 347 *per cent* of the Landed Price, and the average of percentage of profit margin to landed price was 255, 243, 169 and 172 *per cent* during the years 2017-18, 2018-19, 2019-20 and 2020-21 respectively. This resulted in inflated MRP for Foreign Liquor despite very low cost of import.

The influx of liquor through porus borders, owing to the price differential has also been highlighted by the Ravi Dhawan Committee formed (2020) by GNCTD to suggest measures for Excise Policy reforms. As per the Excise policy and license requirement, the L1F (FL licensees) need to declare the WSP of all other States in which it supplies liquor. Audit observed that this condition was flouted, however, no objection was raised by the Excise Department itself (as discussed in **Paragraph 3.10**).

Government in its reply stated that WSP for FL has been fixed, since 2019-20, based on lowest WSP across India. It was further stated that market is dynamic and prices are regulated as per adjacent States' pricing. It was also mentioned that since the Excise duty on FL was 85 *per cent*, thus any increase in price would only help increase the Excise duty. It was also mentioned that since the market share of FL is 2.5 *per cent*, thus it does not have much impact on revenue. The reply further stated that the excise duty figures reported for the last three years shows increase in revenue. The reply regarding increase in excise revenue should be seen in the light of the fact that from 2019-20 to 2021-22, excise revenue increased by 8.28 *per cent* whereas, from 2016-17 to 2018-19, excise revenue increased by 18.27 *per cent*.

Action Taken by the Department

Matter of Record. In case of L-1F license, an undertaking from principle importer and applicant is being taken for lowest WSP in Delhi.

Pricing of liquor and other related parameters are the policy decision taken by the Government from time to time.

Sale of a brand depends on various factors of market driven factors based on customer choice and buying capacity, however, the economical brands are under price protection.

However, if the price of brands is increased by the licensee then the customers for that price bracket will ultimately shift to other brands as the departments have hundreds of brands in relative price brackets.

There is no loss to the department as the excise revenue will be accordingly calculated and deposited by the licensee at the time of placing of order.

ANNEXURE-IV

CHAPTER V : VIOLATION OF QUALITY NORMS

Para : 5.2 Ambiguity in license conditions/Quality control not compliant with FSSAI Act /BIS Standards

Food Safety and Standards Authority of India (FSSAI) Act recognizes Alcohol as food item. FSSAI regularly publishes a list of National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratories. The parameters for testing alcoholic beverages is mentioned in Food Safety and Standards (Alcoholic Beverages) Regulations, 2018. There are also separate BIS standards for testing various liquor types.

Audit analysed various extant provisions relating to the quality of liquor provided in the Rules, guidelines, etc., framed under the Delhi Excise Act, 2009 and Terms and Conditions for grant of wholesale license during the period 2017-21.

- Rule 7 of the Delhi Excise Rules, 2010 states that "Liquor may be imported from any place in or outside India, provided it conforms to the specifications required in an order made by the Excise Commissioner with the prior approval of the Government or if no such order has been made, which conforms to the specifications laid down by the Bureau of Indian Standards regarding alcoholic strength".

Audit observed that no specifications have been separately issued by the Excise Department pursuant to Rule 7 as above, hence, the extant BIS standards guide the quality of liquor.

It was further noticed that this left an ambiguity in case of Tequila imported from outside India, as there were no BIS specifications for Tequila. For other categories of liquor imported from outside India, the Department failed to issue orders relating to specifications to be accepted from foreign manufactures who might be adhering to some other specifications (other than BIS).

- Clause 7.3(d) of the Terms and Conditions for Grant of L1 license states that "The licensee has to give a certificate from a Government authorized laboratory or other reputed private institution regarding quality of a particular brand and certifying that it fulfils the specifications laid down by the Bureau of Indian Standards and is fit for human consumption".

However, this provision did not even mention whether the Government lab or private lab needs NABL accreditation.

• Similarly, Clause 2.3(b) of the Terms and Conditions for Grant of L1 license states that "It (Alcoholic drink) shall be made from neutral alcohol (double distilled), extra neutral alcohol, etc. Each and every consignment of Indian Liquor imported into Delhi is accompanied by a Certificate of Quality Report duly certified by both the technical head of the unit and the Excise authority attached to the unit, confirming that the products are as per BIS standard and produced out of Extra Neutral Alcohol (ENA)."

Audit noticed that in compliance of the above requirements, in 16 out of 38 selected cases relating to 12 licensees, certificates were issued by the local Excise Inspectors attached to the units stating that the product was made from ENA, without any additional details about quality parameters as mentioned above. In eight cases, no certificate/chemical report was found in the file, and in one case a chemical report was given (in 13 cases ENA certificate was not required). However, no objection was raised by the Excise Department regarding the 24 reports/certificates which were either not submitted or had no additional details about the quality parameters mentioned.

Government in its reply stated that the applicant at the time of registration of brands was required to furnish some sort of undertaking/guarantee by the L-1 applicant that his product will conform to BIS Standards. Further, it was mentioned that the certificate given by the technical head of the unit and the Excise Authority was sufficient to comply with the terms and conditions.

The reply is not acceptable because submission of an undertaking was no guarantee of adherence to BIS specifications by the licensee. As per para 7.3(d), the Licensee had to give a certificate as required. Further, as per FSSAI Act, an unaccredited laboratory cannot furnish a BIS compliance certificate so In-house laboratory was not qualified to do so. However, the compliance of FSSAI Act was the responsibility of Excise Department, and not including the same in the Terms and Conditions of the Excise Policy was a shortcoming of the Excise Department/Government. Further, Excise Authority attached with the manufacturing unit was not qualified to issue ENA Certificate.

The Department failed to issue any specific orders regarding specifications to be followed by the Licensee in accordance with Rule 7 mentioned above.

Action Taken by the Department

Disagree. As per terms and conditions of L-1 license sub clause 7.3 (d) The licensee has to give a certificate from the Government authorized laboratory or other reputed private institution regarding quality of particular brand and certifying that it fulfils the specifications laid down by the Bureau of Indian Standards and is for human consumption.

Further, as per section 2 sub section 8 of Delhi Excise Act, 2010, “BIS” standards” means standard prescribed by Bureau of Indian Standards or the standards prescribed by any other Central Government authority, constituted under the relevant Act:

The department follows the BIS standards as prescribed and BIS and FSSAI both are central government agencies constituted under the relevant act, hence both are valid.

Further with every consignment of L-1/Indian liquor has to submit/attach a quality certificate from the concerned distillery/brewery in-charge and the same are being submitted by the L-1 licensee while import of the liquor.

It is pertinent to mention that “Tequila” is considered as “whisky”. Therefore, similar standards of Whisky are being applied to “Tequila”.

CAG has not mentioned that who qualifies for ENA certification. The officer in-charge who signs ENA certificate has been appointed by that state government and he is a responsible government servant and Excise Department Delhi has no other option but to rely on the certificate issued by the concerned excise official.

Further, on quarterly basis samples of L-1 licensed brands are being checked in the laboratory of Excise Department. A fresh circular is also been issued in this regard. As per report dated 27.03.2025 of chemical examiner for the period 01.10.2024 to 31.12.2024, 125 samples were received from L-1 bond and for the period 01.01.2025 to 26.03.2025, 255 samples were received, and these samples were found in accordance to BIS specifications and nothing found adverse in these.

Furthermore, there are 28 sanctioned posts in the Excise Lab and at present only 6 persons are working in the Excise Lab. The recruitment to fill the post of junior laboratory analyst and assistant chemical examiner is under process.

As per section 2 sub section 8 of Delhi Excise Act, 2010, “BIS” standards” means standard prescribed by Bureau of Indian Standards or the standards prescribed by any other Central Government authority, constituted under the relevant Act:

The department follows the BIS standards as prescribed and BIS & FSSAI both are central government agencies constituted under the relevant act, hence both are valid.

Further, the recommendations of CAG report will be incorporated in the Terms & Conditions, after the approval from competent authority in next excise policy.

On the observations of the Audit that Bullet three of the para of CAG Report mentions states the authority as per Clause 2.3(b) of the L1 licence, authorised to issue the Certificate of Quality. The para mentions lack of quality certificate in 9 out of 28 test checked cases as also acceptance of certificates from unaccredited labs which were un-acceptable as per FSSAI Act. Action taken on the issue of non-submission of quality test certificates by some of the test checked licensees may be furnished, the Department furnished reply as under:-

As per Excise terms and conditions the Licensee has to give a certificate from the Government authorised laboratory or other reputed private institutions, there is no mention about NABL accreditation. However, presently NABL accredited Lab report is preferably being taken at the time of brand registration.

On the reply of the Department, the Audit further observed that he department has provided assurances regarding what they are doing now. However, audit para is on past practices. While the licence's may have expired in many cases, the case in point is the action taken by the department against officials flouting the established rules and awarding licences in violation of the laid down procedure. FSSAI Act requires certificate from accredited labs. Action taken against officials for issuing licence despite non-submission of quality certificate has not been furnished.

Department may appraise the PAC regarding the same.

Para : 5.3 **Acceptance of invalid Quality Test Certificates by Excise Department**

As per Rule 7 of Delhi Excise Rules 2010, as stated in previous paragraph, since no quality specifications has been notified by Excise Commissioner, they have to conform to the specifications laid down by the Bureau of Indian Standards regarding alcoholic strength.

Audit test-checked records related to 12 L1 licensees, who were issued licenses during the period 2017-20. These 12 licensees furnished 173 certificates in respect of quality tests done from 15 laboratories. Following issues were observed regarding the Quality Test Certificates submitted by the licensee and accepted by the Excise Department.

- Out of these 15 laboratories, three laboratories were not NABL accredited, two laboratories were not accredited for testing of alcoholic beverages, two laboratories were not authorized to conduct biological tests and one laboratory was not authorized to conduct chemical analysis. The Department should verify the status of these Laboratories from NABL and thereafter appropriate action may be taken.

- Form of Test Report as per Annexure 3(b) of the FSSAI guideline for food testing laboratory, Audit observed that only nine out of 173 test certificates included the opinion required as per the above guidelines, without which the report would be considered incomplete.

The Department in its reply stated that NABL accreditation was not a requirement as per the term and conditions. The reply is not acceptable as every food business should be regulated by the guidelines of the FSSAI and the FSSAI Act clearly required NABL accreditation for the labs. Moreover, the Department stated that most of the labs highlighted in the Audit Report were actually linked to the manufacturers themselves. This also clearly indicates that Department had no third party inspection of quality check. Excise Department accepted these invalid quality test certificates which indicates lack of due diligence.

Action Taken by the Department

Disagree.As per terms and conditions of L-1 license sub clause 7.3 (d) The licensee has to give a certificate from the Government authorized laboratory or other reputed private institution regarding quality of particular brand and certifying that it fulfils the specifications laid down by the Bureau of Indian Standards and is fit for human consumption.

Further, as per section 2 sub section 8 of Delhi Excise Act, 2010, “BIS” standards” means standard prescribed by Bureau of Indian Standards or the standards prescribed by any other Central Government authority, constituted under the relevant Act.

NABL accreditation was not a requirement as per the term and conditions, however, taking into consideration, the recommendations of CAG the licensees requires to submit lab/test report for IMFL from preferably NABL accredited lab.

Department is evolving a mechanism of random testing of high selling registered brands from independent NABL accredited lab.

On quarterly basis samples of L-1 licensed brands are being checked in the laboratory of Excise Department. As per report dated 27.03.2025 of chemical examiner for the period 01.10.2024 to 31.12.2024, 125 samples were received from L-1 bond and for the period 01.01.2025 to 26.03.2025, 255 samples were received, and these samples were found in accordance to BIS specifications and nothing found adverse in these.

The recommendations of CAG report will be incorporated regarding reports from NABL accredited Laboratory in the Terms & Conditions, after the approval from competent authority in next excise policy.

Para : 5.4 **Licenses issued despite mandatory quality norms not being adhered to**

Scrutiny of files relating to 12 L1 Licensees (IMFL) and 3 L1F (FL) Licensees for the period 2017-21 revealed several shortcomings in the process being followed by Excise Department to ensure quality of liquor. The details are elucidated in the subsequent paragraphs.

<u>Action Taken by the Department</u>

The Action taken by the Department is same as mentioned against Para No. 5.4.2

5.4.1 **L1 Licenses (IMFL) issued despite BIS norms not adhered to**

As per the License Conditions, every L1 licensee had to furnish a Quality Test Report, adhering to the BIS standards.

Audit examined 173 brands of liquor (Whisky, Rum, Vodka, Gin, Beer, Mixed Alcoholic Beverages, Wine etc.) supplied by 12 different L1 licensees and checked the Certificates of quality compliance furnished by the Licensees, which were accepted by the Excise Department and licenses were issued.

During the year 2020-21, Quality Certificates were not submitted by any of the testchecked 12 L1 licensees along with their application. However, licenses were issued without any comments/objection by the Excise Department.

On scrutiny of test reports submitted by 12 licensees during the period 2017-18 to 2019-20, the following issues were observed:

- In respect of the test-checked 12 L1 licensees, 2,323 parameters were to be tested as per BIS specifications. Audit, however, observed that 37 *per cent* of the tests were not conducted at all and two *per cent* of the parameters were not tested as per BIS specifications/partially done. Out of the remaining, test values were not properly reported for nine *per cent* of the parameters. Thus, only 52 *per cent* of the tests were done as per BIS specifications.

- In respect of Beer, microbiological tests were mandatory. Out of the test checked 12 L1 licensees, three licensees had registered 31 brands of Beer during the period 2017-18 to 2019-20. However, microbiological tests were submitted for only six out of 31 brands of Beer.

- Water quality tests were mandatory for all categories of liquor. Out of the 173 test reports to be furnished, no report was submitted in 96 *per cent* of the cases and partial reports were provided in the remaining cases.

- Freedom from harmful ingredients is also an essential parameter to be declared in the report for all categories of liquor. E.g. "Beer shall be free from Chloral Hydrate, Ammonium Chloride, Pyridine Diazepam and Paraldehyde". In the test checked cases, 173 reports were to be submitted but compliance was shown in only 13 cases.

- Presence of Methyl Alcohol in inappropriately distilled liquor is the major cause of alcohol poisoning and hence, needs meticulous testing. During the period 2017-20, 173 tests were required to be done for 173 brands approved by the Excise Department. However, it was found that no tests for Methyl Alcohol was done in four instances. In 56 instances, the report vaguely mentions "Methyl Alcohol not found/ Negative" without specifying the detection limit/ criterion. Thus, the liquor supplied in Delhi was not appropriately tested for presence of Methyl Alcohol, which entails serious risk.

Government in its reply stated that there are two methods of Methanol testing, in one method giving detection limit in ppm is possible and in respect of other method it is not possible to give presence in ppm. The reply is not acceptable because as per IS 3753:2005, it is possible by both the methods to find the exact concentration (v/v) of Methanol.

The Government in its reply further stated that the details of parameters are not mentioned anywhere on which testing has to be done. The reply is not acceptable as the parameters are clearly given in the BIS specifications for various categories of alcohol and water etc.

Excise Department did not conduct a thorough scrutiny of the reports furnished. Notably, not even a single brand submitted all the test reports complying with BIS standards.

Action Taken by the Department

The Action taken by the Department is same as mentioned against Para No. 5.4.2

Para : 5.4.2 **Granting of L1F Licenses and supply of Foreign Liquor without quality assurance**

The license Terms and Conditions for L1F, Clause 7.9 states that the liquor quality should comply with any specifications prescribed by the Excise Commissioner and if no such specifications are prescribed, then, it must comply with BIS standards or any other international specification. For the period 2017-21, Audit examined the reports/tests done for brands of liquor (Whisky, Rum, Vodka, Gin, Beer, Mixed Alcoholic Beverages, Wine etc.) supplied by three different L1F licensees and checked the certificates of quality compliance furnished by the licensees. The following issues were observed:

1. Out of three L1F selected for test check, the number of quality tests as per BIS specifications to be done for various categories was 5280 (total). However, scrutiny of the test reports revealed that only 35.64 *per cent* of the tests were done as per BIS specification, 64.17 *per cent* of the tests were not conducted as per reports submitted by the licensees.

2. In 226 cases of Brand Registration (58.70 *per cent*), Quality Compliance Reports were provided from In-House laboratories or related companies or reports were not provided at all. Such reports did not represent an independent assessment of quality of the liquor and were thus not dependable.

3. In 35 cases, no reports were furnished at all or reports already submitted during previous years were furnished to obtain license for the current year. The Department raised no objection on such practice.

4. In 254 cases (65.97 *per cent*), the reports did not mention the international standard followed for testing compliance, or international standards were not applied, or reports were not provided at all. In the absence of such independent standard, it was difficult to establish the quality of liquor.

5. Requirement for microbiological tests is mandatory for Beer and Wine. Microbiological tests were not done for 40 brand registrations of Beer (78.43 *per cent*). For Wine, 125 brand registrations (98.43 *per cent*) had not provided test report against parameters for mold, bacterial growth etc. In 32 cases,

compliance could not be verified as the reports were in languages other than English.

6. Water quality tests were mandatory for all categories of liquor. None of the 353 brands had provided compliance for water quality.

7. Freedom from harmful ingredients is also an essential parameter to be declared in the report for all categories of liquor. In the test checked cases, only three out of 353 brands had submitted compliance with the condition.

8. Methyl Alcohol levels is critical for liquor because of its severe toxicity. In case of 207 brand registrations (58.64 *per cent*), levels of Methyl Alcohol was not mentioned in the report, or the report had not been provided at all. Thus, no compliance could be established for these. Similar to L1, no sampling of batches/ consignment was done before Distribution for retail.

10. Out of a total of 385 test reports required to be submitted, 196 (50.91 *per cent*) test reports furnished were older than one year/or no test report was provided /date not mentioned. In one of the cases, a Test Report more than nine years old was accepted by the Excise Department for issue of license. Thus, no quality claim can be made about the liquor actually supplied, as the reports were from entirely different, older batches.

Similar to the case with domestic brands of IMFL (L1), there was non-compliance to a significant degree in case of quality reports furnished by Foreign Liquor suppliers. Moreover, the Department has not suggested specific standards to be followed, which leaves ambiguity. In some cases of foreign liquor (e.g. Tequila), BIS norms do not specify acceptable levels of Methyl Alcohol. The Methyl Alcohol level for Tequila is significantly higher than acceptable level for whisky. The Department has not clarified its stand on this issue. Further, acceptance of test reports (by the Department) older than one year from the date of application was irregular. Such negligence in acceptance of old, invalid and ambiguous test reports for grant of license can be detrimental to Public Health.

<u>Action Taken by the Department</u>

The Action Taken by the Department as per Audit Para No. 5.4, 5.4.1 and 5.4.2 is as under:-

Partially agreed. As per terms and conditions of L-1 license sub clause 7.3 (d) The licensee has to give a certificate from the Government authorized laboratory or other reputed private institution regarding quality of particular brand and certifying that it fulfills the specifications laid down by the Bureau of Indian Standards and is fit for human consumption.

Further, as per section 2 sub section 8 of Delhi Excise Act, 2010, "BIS" standards" means standard prescribed by Bureau of Indian Standards or the standards prescribed by any other Central Government authority, constituted under the relevant Act.

The department follows the BIS standards as prescribed and BIS and FSSAI both are central government agencies constituted under the relevant act.

The department has taken the observations of CAG into consideration and now IMFL liquor licensee requires to submit test report preferably from NABL accredited laboratory with remarks that the specification fulfills the BIS/FSSAI specification and fit for human consumption.

Further with every consignment of L-1/Indian liquor has to submit/attach a quality certificate from the concerned distillery/brewery in-charge and the same are being submitted by the L-1 licensee while import of the liquor.

Further, on quarterly basis samples of L-1 licensed brands are being checked in the laboratory of Excise Department. A fresh circular is also been issued in this regard. As per report dated 27.03.2025 of chemical examiner for the period 01.10.2024 to 31.12.2024, 125 samples were received from L-1 bond and for the period 01.01.2025 to 26.03.2025, 255 samples were received, and these samples were found in accordance to BIS specifications and nothing found adverse in these.

Further, there are 28 sanctioned posts in the Excise Lab and at present only 6 persons are working in the Excise Lab. The recruitment to fill the post of junior laboratory analyst and assistant chemical examiner is under process.

ii) As per Terms and Conditions of L-1F license clause 7.9 The licensee shall not sell any liquor not conforming to the specifications prescribed by the Commissioner or if he has not prescribed any specifications, to the specifications laid down by the Indian Standard Institute now known as Bureau of Indian Standards or any international specification. The consignment of liquor should be free from sedimentation of foreign particle.

The licensee at the time of registration of brand submits the chemical analysis report of that country/distillery, where brand is being manufactured/ bottled.

Disagree. The Department do not have expertise to formulate its own quality standards for the liquor. The department followed the norms prescribed by BIS/FSSAI which are Government of India's organization.

On the above reply of the Department no further comments from the Audit stating that as the decision on it is a Government prerogative.

Para : 5.5 **Unreliable test certificates submitted by licensees were accepted by Excise Department**

(A) On scrutiny of the Quality Test Certificates submitted by test checked L1 licensees, (five certificates of 2018-19 and five of 2019-20) of Mohan Gold Water in respect of Carlsberg Elephant Premium Beer, Tuborg Gold Beer, Tuborg Classic Strong Beer, Tuborg Black Super Premium Strong Beer and Carlsberg Smooth Chill All Malt Premium Beer, it was observed that reports are same and altered to change the report sequence number and sample batch number, for submission with license application of each year.

(B) In another case of two brands of Alcopop (Limon Fizz and Orange Fizz for the year 2019-20), all the values of test parameters were same, which is statistically highly unlikely.

The Government in its reply stated that previous year's Chemical Reports are not considered while granting the license and explanation has been sought in respect of suspected forged Chemical Report from the licensee.

The reply is not acceptable as in stead of seeking explanation from licensee, it should have been sent for forensic examination for verification of the case.

Action Taken by the Department

Partially agreed. In the concerned matter clarification was sought from the licensee i.e. M/s Mohan Goldwater and the licensee had submitted that there has been no intention by their company to submit the false reports and mislead the Excise Department. Additionally as per reply submitted M/s Mohan Goldwater, there are no forged certificates submitted by their company for any of their registered brands. Also, they send the beer samples to NABL and FSSAI approved laboratories on regular basis as per FSSAI requirements.

However, to ascertain the authenticity of the reports the department is to forward the reports to the concerned laboratory for verification. However, the Audit observation will be complied.

The Audit observed that findings of forensic examination may be included in the ATN, the Department furnished reply that as per CAG Report, the then Licensee submitted forged documents/Lab report at the time of registration of brand pertaining to year 2018-19 and 2019-20. The department has sent letter dated 09/05/2025 and 24/06/2025 to Fare Labs Pvt. Ltd. Gurgaon from where the Lab report of the brand was submitted to verify the contents of all reports as per their records. However, no report has been received from the concerned Lab.

It is further to submit that as per section 17 (1)(f) of Delhi Excise Act, 2008 "if the license or permit has been obtained from misrepresentation or fraud, the license may be liable to be suspended or cancel." The matter pertains to excise for the year 2018-19 and 2019-20, the validity of the license has already been expired for the relevant period.

Para : 5.6 **Irregular registration of brand in wrong category**

During analysis of Quality Test-Certificates submitted by the test-checked licensees, it was observed that a brand, 'Bro Code Crafted Brut 5' of Indo Spirit Beverages (L1), was approved by the Excise Department under the category of 'Wine' for 2018-19.

Audit observed that the Quality Test Certificate submitted by the licensee was for 'Low alcoholic Beverages' category, instead of 'wine' category. However, these certificates were accepted by the Excise Department and the licensee sold 61,488 (59,064 for the year 2018-19 and 2,424 for the year 2019-20) bottles.

In April 2019, the Excise Department initiated action against the licensee regarding not complying with FSSAI norms, which mandates a minimum of seven *per cent* alcohol content for wine. On 5 April 2019, the IMFL section proposed to stop the sale/Purchase of above mentioned brand as the Company registered the brand under wine category on incorrect documents, as the alcohol content in the brand was 5 *per cent* v/v only, which was misleading the consumers as well as the Department. Excise Commissioner approved the proposal on 10 April 2019. However, six Transport Permits for 1128 bottles were issued (between 10 April 2019 and 30 April 2019) even after initiating action on 10 April 2019.

Government in its reply stated that the matter is under consideration and the same will be disposed of at the earliest as per the Excise Act/Rules.

<u>Action Taken by the Department</u>

Partially agreed. The IMFL Branch vide note dated 05.04.2019 proposed for issuance of Show Cause Notice to the licensee and also proposed to stop the sale/purchase of "Brocode Crafted Burt 5" and the proposal was approved by the Excise Commissioner, on 10.04.2019. Thereafter, as approved, a draft of SCN and order was moved on 15.04.2019 for approval, which was got approved by D.C, Excise on 26.04.2019. Accordingly, Show Cause Notice dated

29.04.2019 was issued to the then licneseeand also order dated 29.04.2019 was issued to stop the Import Permit and Transport Permit of the said brand. Further, TCS vide letter dated 02.05.2019 has informed that the said brand "marked as inactive in ESCIMS on date 01.05.2019".

In view of the above, it can be seen that there is no intentional delay in the matter and it was procedural for taking approval of the draft of SCN and order. Further, no Wholesale license has been granted to Indo Sprit Beverages since last two years.

On the above reply of the Department, the Audit observed that no further comments as the import permit and transport permit for the brand was stopped.

Para : 5.7 **Irregular issue of License on the basis of old certificate**

On scrutiny of Quality Test Certificates submitted by Indo Spirit Beverages (L1 licensee) for the year 2018-19, it was observed that the Licensee had submitted copy of certificate which was also submitted for the year 2017-18, in respect of three brands of wine (Bro Code 5, Bro Code 10 and Bro Code 15). However, Excise Department failed to detect this and did not insist on obtaining the latest certificates.

Government in its reply stated that matter is under consideration and the same will be disposed of at the earliest as per the Excise Act/Rules.

Action Taken by the Department

Matter of Record. The Brands which were in the year 2017-18 was also registered in the 2018-19 to the same licensee on 08.08.2018. At the time of license in the year 2018-19 the documents were submitted by the licensee and the chemical report of the brands were submitted by the licensee was dated 23.11.2017 & 04.04.2018, since the brand were in continuation from the previous year and the chemical reports were less than one year, the chemical reports were considered for registration of brand. Further, no Wholesale license has been granted to Indo Sprit Beverages since last two years.

On the above reply of the Department, the Audit observed that no further comments since the reports were less than one year old.

ANNEXURE-V

CHAPTER VI : EIB AND CONFISCATION

Para : 6.2 EIB Data analysis

Electronic data of all the seizure cases of EIB of four years (2017-21) and FIR details were analysed to draw some insights related to the pattern of smuggling of liquor and physical records were test-checked to examine the cognizance of cases by the Excise Department.

On analysis of EIB data for the period April 2017 to March 2021, Audit observed the following:

(i) A total of 3580 FIRs were registered by EIB.

(ii) The total quantity of IMFL seized was 4.38 lakh quarts (one quart is 750 ml) and country liquor seized was 9.12 lakh quarts.

(iii) The number of FIRs has seen a continuous increase during the years 2018 (774), 2019 (876) and 2020 (1068). Districts of Delhi bordering Haryana (South, South West, South East, West, North West, Outer) accounted for 83 *per cent* of the total FIRs under Excise Act and 77 *per cent* of the liquor (IMFL and CL) by volume.

(iv) Country Liquor was the most seized liquor type forming 65 *per cent* of the total liquor seized by EIB. Some reasons for the same are discussed in the following paragraph.

Action Taken by the Department

Matter of Record

Para : 6.3 Structural weaknesses in Country Liquor procurement promoting its Smuggling

Audit selected a total of 34 FIRs (2017-21), pertaining to bulk seizures, such that it accounted for at least 10 *per cent* of total Country Liquor seized in each year. These selected FIRs were analyzed in detail. Smuggling of CL points at structural weaknesses in the CL procurement and licensing policy.

(i) The data shows that almost all of the seized liquor bottles were "Nips (180 ml)". The CL sourcing policy placed a restriction on the number of Nips in the total quota. Nips could form only 20 *per cent* of the total supply. This restriction was artificial and unwarranted. Audit observed that in case of IMFL, "Nips" was the most popular liquor bottle size, contributing to more than 50[38] *per cent* of the bottles sold, which was more than the combined sale of all other sizes put together.

Government in its reply stated that the observation of Audit merits consideration and that a proposal was being sent to make necessary changes in country liquor sourcing policy so as to increase the proportion of nips. However, it was also stated that since country liquor is cheapest, it might be economical for the distillery to sell full bottle.

Audit finds the later part of reply unsatisfactory, as optimal supply and optimization of revenue should be the concern of Excise Department and not the economic consideration of distillery. The tendering process would anyway discover willing suppliers for appropriate quota at appropriate price.

(ii) There had been no realistic assessment of the actual demand of Country Liquor in Delhi. For the past eight years, the supply of CL was capped at 300 lakh BL (Bulk Litre) per annum subject to variation upto plus or minus 25 *per cent* (the actual supply was substantially lesser at an average of 240 Lakh BL for the year 2017-18 to 2020-21). Interestingly, in 2009-10 and 2010-11, the supply of CL was 520.65 lakh BL and 495 lakh BL respectively. The supply of CL in the year 2013-14 was suddenly reduced to less than half of previous levels at 236 Lakh BL. The reason cited initially, was a "gradual shift in the consumer preference towards better quality liquor", a claim which was unsubstantiated. This was originally done, through a cabinet decision, to introduce Delhi Medium Liquor (DML) as a CL substitute in 2012-13, however, it ended in failure and the DML project was discontinued in policy 2015-16. Incidentally, the CL quota was never restored to previous levels and continued at the reduced level of 300 lakh BL. Supply side constraint poses a risk of smuggling and illicit sale of CL ultimately leading to loss in excise revenue.

Government in its reply stated that annual tender for supply of Country Liquor was 33 lakh cases and the actual cases supplied had stagnated below 30 lakh cases, thus inferring that the supply for country liquor was actually sufficient.

The reply is unsatisfactory, as the data (Quota Utilized Report of Country Liquor) suggests that for the years 2017-18 to 2020-2021, the average quota, allotted by Excise Department, for supply was actually 27.32 lakh cases, instead of 33 lakh cases as mentioned in the reply. Moreover, there was also a shortfall of supply from wholesale licensees of CL and the actual supplied CL was an average of 26.52 lakh cases of liquor. There needs to be actual demand assessment based on adequacy of number of vends, proper geographical distribution of CL vends, impact of country liquor smuggling on demand for duty paid liquor etc.

(iii) In case of Country Liquor, the manufacturers were selected as per auction of quota by Excise Department, thus the brands supplied depended on the few[39] manufacturers which make the cut. Massive smuggling of specific brands (e.g. Asli Santra, Raseela Santra) of Country Liquor might be indicative of customer choice as the manufacturers of these brand were not suppliers for Delhi CL quota and were virtually running a parallel supply chain.

Government in its reply stated that the wholesale license for country liquor was awarded through a transparent process where all distilleries were free to participate, and that no preference was given to any manufacturer.

The reply is unsatisfactory as the tendering process was actually estrictive because the “Terms and Conditions of tender for L3 license” explicitly disallowed the participation of suppliers who were willing to supply less than 10 *per cent* of total quota, thus there could only be a maximum of 10 CL brands in a year. This lack of choice for CL was irrational.

Thus, lack of proper demand assessment by the Department together with restrictive terms and conditions of tender for L3 licenses, ignoring customer preferences contributed towards parallel supply of Country Liquor leading to potential loss of revenue to the Government.

Action Taken by the Department

Partially Agreed.

i) The Government has approved the proportion of Nips in the supply of Country Liquor and Nips form 30% of the total supply of Country Liquor Tender.

ii) The Tender for supply of Country Liquor for the year 2024-25 has commenced with the grant of license in the form of L-3/L-33 with 100% Quota allotment and at present, there is no short of supply of Country Liquor in the L-8 vends located in jurisdiction of Govt. of NCT of Delhi.

iii) One applicant/tenderer of Country Liquor Tender can be allotted a minimum of 10% supply for the year. This is intended to discourage creation of monopolistic interests in supply of Country Liquor and promote diverse players in the market so as to ensure there is no cartelization of the wholesale supply chain of Country Liquor in NCT of Delhi.

The point wise observations of the Audit is as under:

(i) No further comments.
(ii) Action taken to address supply side constraints pointed out in the Report may be furnished.
(iii) No further comments

On the above observations of the Audit at point no. (ii), the Department furnished reply that The Tender for supply of Country Liquor for the year 2024-25 has commenced with the grant of license in the form of L-3/L-33 with 100% Quota allotment and at present, there is no short of supply of Country Liquor in the L-8 vends located in jurisdiction of Govt. of NCT of Delhi.

The Audit further observed that Action taken to address the supply side constraint – i.e capping the total quantity per annum TO 300 lakh BL of which 30 percent only can be Nips, may be explained to the PAC.

Para : 6.4 **Role of Confiscation Branch and lack of coordination with EIB**

Confiscation data was furnished by the Department for the years 2010 to 2021. Analysis of cases was done for the period January 2017 to December 2021. Total 12,556 FIRs were registered by Delhi Police under Excise Act. The number of FIRs registered under Excise Act has seen a steady increase as per the data furnished. EIB cases were included in the confiscation data as Confiscation Branch maintained records of uptake and disposal of cases registered under Excise Act.

The EIB as well as Delhi Police together (contributing to total confiscation cases) are responsible for seizure of illicit liquor (outside the regulatory purview of Excise Department) being supplied in Delhi.

The confiscation data should be able to provide the hotspots and focus areas where EIB can direct their subsequent efforts. Many hotspots were being ignored by EIB as the number of planned raids were not proportionate to cases as revealed by the action of Delhi Police. It is apparent that confiscation data information was not used for planning EIB raids.

It was observed that for some regions/ Police Stations (P.S), EIB contributed a large proportion of total cases (as reflected from confiscation data). For example, Alipur P.S. accounted for 164 EIB cases in a total of 253 cases. However, the same does not hold true for many regions, where Delhi Police had registered a large number of FIRs, but EIB did not seem to prioritize those areas. Sultanpuri P.S. accounted for the highest number of FIRs i.e. 387, but EIB had contributed to only 27 of these. Similarly, lots of hotspots have not seen added thrust from the EIB, which shows a lackluster and uncoordinated/ unplanned operations by EIB.

EIB should work in conjunction with Enforcement/ Confiscation Branch of Excise Department since without the EIB's intelligence inputs, the efforts towards prevention of smuggling of liquor gets ineffective and perfunctory.

Government in its reply stated that EIB considers the fact that certain areas are smuggling prone and it accordingly lays emphasis on those areas using local police informers. Performance of EIB teams are monitored regularly (minutes of meeting were not enclosed) and recovery data is analyzed. EIB, after capturing liquor, gives formal complaint to investigating agency i.e. Delhi Police which lodges the FIR and close coordination is maintained. The coordination between EIB, Confiscation, Enforcement and Delhi Police was emphasized, along with identification of hotspots and coordinated raids.

The reply is unsatisfactory as no supporting evidence was provided for such meticulous planning and coordination between EIB, Enforcement Branch and Confiscation Branch. Even the data was maintained in a fragmented manner on excel sheets with numerous data entry errors. The increasing smuggling cases over the years, with same brands figuring in increasing numbers, belies the claim of strictness. Moreover, in certain areas the number of cases taken up by EIB was not proportionate to cases taken up by Delhi Police, which shows a lack of coordination and focus. Lack of coordination with Enforcement Branch is evident from the fact that, despite violations being found in 75 *per cent* (9 out of 12 enforcement raids found violations) of planned enforcement raids at L1, L1F/L31, L32 licensee premises in 2018-19, only two enforcement raids were conducted in 2019-20.

<u>Action Taken by the Department</u>

Partially agreed. Confiscation branch of Excise Department receives intimation regarding filed FIR under Section 33/58 of the Delhi Excise Act 2009, for carrying/ transporting in toxicants in contravention of the provisions of the Excise Act 2009, from various Police Station of Delhi. After receiving production reports, process start for destruction of illicit liquor under sub section (2) of Section 59 of the Delhi Excise Act 2009. Further after deducting samples for testing in Excise control Lab, confiscated liquors destroyed as per the rule 132(2) of chapter - IX of Delhi Excise Rules 2010.

For better coordination the EIB branch is conducting joint raids with the Enforcement branch. The information/ complaints received in the EIB branch are also being shared to the Enforcement branch pertaining to their jurisdiction. A mechanism has been devised to work in conjunction with the Enforcement branch and confiscation branch. Hotspots areas have been focused where subsequent efforts are being made in order to seize illicit liquor through repeatedly planed raids with concerned Police Stations of Delhi Police. In order to conduct prompt and frequent raid effectively, a whatsapp group has been created to share vital information amongst the team. On day to day basis efforts are being made to identify smuggling prone areas accordingly lays emphasis on those areas using local police and secret informers. Performance of EIB teams are being monitored regularly on day to day basis and recovery data is also being analyzed. Presently, raids are conducted at liquor smuggling prone area of Delhi in planned way so that equal proportionate of seizure and registration of FIRs may be ascertained. Further, a module has also been prepared to update information regarding P-10 and P-10A for checking of the premises conveniently and effectively.

Yes. A module in e-Abkari Portal is being prepared for better coordination of confiscation branch and EIB.

The Audit observed that (i) Analysis/study carried out into the supply side issues of smuggled liquor, if any and action taken thereon may be included in the ATN. (ii) Action taken to ensure proper drafting of FIRs and seizure memos may be furnished.

The Department furnished reply that:-

i) The Excise team submitted the complaint to the Delhi Police for registration of FIR. After registration of FIR, Delhi Police appointed IO to investigate the matter and filing of Charge sheet against the accused. Further, Delhi Police also defend the case in the Court of Law. Hence, analysis in respect of illegal liquors seized by the Excise team is not available with the Department.

(ii) Delhi Police registered FIR on the basis of complaint submitted by the EIB/Enforcement Team. The Department has sensitize the teams of EIB/Enforcement to carefully draft the complaint mentioning violations of provisions of Delhi Excise Act & Rules and mentioned circumstances and fact, so that facts mentioned in FIR would be legally tenable.

Para : 6.5 Other lacunae and lack of coordination

Audit test checked 70 FIRs (IMFL-16, FL-20, CL-34) registered during 2017-21, and observed the following:

(i) Audit noticed that the role of EIB was largely disconnected from the functioning of Excise Department in general (issue and management of licenses and regulation thereafter). EIB raids revealed a systematic and very predictable pattern of smuggling of liquor in terms of areas more prone to smuggling, and the type and brands of liquor smuggled etc. The data shows that four IMFL brands manufactured by one distillery (ADS

Spirits) comprised of 38 *per cent* of all IMFL seizures and one CL brand pertaining to the same distillery comprised of 69 *per cent* of the total Country Liquor seizures. The smuggled liquor with brand name of "Asli Santra" and "Santra Masaledar" caught in Delhi was almost exclusively marked, "for sale in Haryana". In case of brand named "Crazy Romeo", liquor usually seized in Delhi was marked "for sale in Arunachal Pradesh".

As per the case files, the processing of cases was limited to issuing notices to the accused, auction of vehicle and destruction of liquor. Other important facts that had a bearing on the management/ regulation of supply of liquor were not investigated further to bring out the supply side issues of the problem.

Also, the records available with the department, did not show any analysis conducted regarding the impact of smuggling of some brands on domestic sale of same/ competing brands or its possible impact on revenue.

A concerted action with excise authorities of other States would have been able to gather evidence about the source of liquor being smuggled and in understanding the modus operandi.

(ii) The FIRs and seizure memo were not properly drafted and ignored the exact name of brand smuggled and the manufacturer of said liquor. In two FIRs, discrepancy was noticed between the brands/ quantity mentioned in the FIR, seizure memo and the confiscation notice issued by Excise Department. HI Speed Whisky (Queen Distillery) in FIR was written as Besto Whisky (NV Distillery) in Seizure memo. The number of bottles seized of 'Asli Santra' brand, i.e., 6900 nips, was not mentioned in the notice issued by the Excise Department.

(iii) Between November 2014 and February 2020, Palate Fest Pvt. Ltd. Was permitted to buy 7.8 lakh bottles of liquor by issuance of 29 P-10A licenses. However, on 31 October 2014, Palate Fest Pvt. Ltd. had applied for three permits for three lakh bottles of liquor, to be bought for a three day event and permission for the same was granted. Subsequently an FIR (South Campus) pointed to hoarding of liquor issued on P-10A license to Palate Fest Pvt. Ltd., which went unused and was allegedly being supplied to restaurants (to evade the additional excise duty levied on restaurants). The matter was not investigated further by the Excise Department to examine why the entity was issued such enormous quantity of liquor on a P10A license which was exponentially more than their normal demand pattern for over five years.

In all the 70 test checked FIRs, it was found that in none of the FIRs, the Excise Department tried to address the supply side issue of the confiscated liquor.

Government in its reply stated that there is no role of EIB in grant of licenses as per Excise Act, 2009. It also mentions that the EIB data is utilized and performance of teams is monitored and recovery data is analyzed, and that close coordination is maintained between EIB, Enforcement and Enforcement activities. Regarding poorly drafted FIR, it was said that in spite of diligence, there might have been some inadvertent errors. For reasons for smuggling, it was also suggested that the smugglers might have legally purchased liquor from adjoining states to leverage price differential. It was mentioned that the new Excise Policy for the year 2021-22 will remove the role of manufacturers as they are not licensees. Regarding the alleged misuse of P-10A permit, it was stated that the liquor purchased against P-10A permit is not tagged with the permit and no relation can be established between the liquor and the permit. It was also stated that no restaurant serves Non-Duty paid liquor as it is a major offence.

The reply is not satisfactory, since no supporting evidence was provided for such meticulous planning and coordination between EIB, Enforcement and Confiscation, as emphasized in the reply. Even the data is maintained in a fragmented manner on excel sheets with numerous data entry errors. The increasing smuggling cases over the years, with same brands figuring in increasing numbers, belies the claim of strictness. Further, regarding alleged misuse of P-10A permit, the Department has denied the findings in the FIR and contended that restaurants do not serve NDPL, which is contrary to the findings of enforcement team and EIB. The outcome of investigation following the FIR may be adduced before arriving at any conclusion.

Action Taken by the Department

Matter of Record. Yes. The EIB branch in coordinating with the inter state agencies is sharing information in order to grab illicit liquor in the area of more prone to smuggling. During the year 2024 Total 1,60,138 Bottles (1,20,103 Ltr.) illicit liquor and 163 offending vehicles have been seized and 488 accused have also been arrested against 458 FIRs registered in various Police Station in Delhi.

It is pertinent to mention here that presently EIB team is comprising merely 17 personnel and during 30 days span of Modal Code of Conduct for Delhi Legislative Assembly Election-2025, EIB team seized 41,960 bottles (31,470 Ltr.) of illicit liquor which has approx. monetary value Rs. 98,04,700/- and 51 Nos. offending vehicle carrying illicit liquor with approx. worth of Rs. 19 Cr. and arrested 84 accused against 84 FIRs registered in various Police Stations of Delhi, during the above said period and the per day average of registration FIR goes 03, as well as per day seizure of illicit liquor goes 1049 Ltr. approx.

It is also pertinent to mention here that Hon'ble Election Commission awarded to the worthy Commissioner (Excise) and EIB team with a dignified "State Award" on achievement of the above mentioned huge recovery of illicit liquor during the short span of MCC-2025.

Excise Department has already prepared module in eAbkari portal to map barcode of the liquor purchased against the P-10A permit which will be live at earliest.

On the observations of the Audit that details of action taken with regard to granting of permission to buy three lakh litres of liquor on a P10A license may be furnished, the Department furnished reply that For violation terms and conditions of P-10A, an FIR was already lodged against the applicant. Further, it is submitted that there is no cap for quantity of liquor to be purchased against the P-10A permit. It is further to submit that presently the department is more vigilant while issuing P-10A permits. Apart from that Excise Team is also deputed to check the violation of the terms and conditions of P-10A randomly.

ANNEXURE VI

CHAPTER VII : ENFORCEMENT

Para : 7.2 Deficiencies in Enforcement Process and Outcome

It is imperative to gain an understanding of the Enforcement cases' process flow and scope of each stage so that lacuna can be identified. Various deficiencies observed in enforcement process and documentation are discussed in the succeeding paragraph.

Action Taken by the Department

The Reply to this para is same as given against Para No. 7.2.5

Para : 7.2.1 Lack of Planning and laid down procedures for Inspection

For enforcement efforts to be effective, proper planning and laid down proceedings for Inspection are necessary. Audit observed that the Department did not give adequate importance to these aspects.

(i) Planning for Inspection

As per the information provided by the Excise Department, no routine inspections are conducted by Enforcement Branch. Instead, surprise inspections are conducted on the directions of higher authority or based on complaints. In all the cases examined by Audit, it was unclear whether the inspection was initiated based on directions of higher authority or an external complaint and the basis of risk assessment that led to the surprise inspection. No such categorization has been maintained by the Department.

Moreover, planned inspections should be based on tangible intelligence inputs or be data driven. The absence of planned inspection and the non-operation of the EIB module (which contains no data that could have been utilized to plan enforcement raids, poses a risk for the execution of the regulatory function of the Excise Department.

(ii) Absence of Standard Operating Procedure (SOP)

No SOP/ Manual regarding planning and conduct of inspections was formulated. In the absence of any SOP/ Manual, the Inspecting Teams conducted the raids/ inspections in a discretionary, fragmented, and unplanned manner. SOP should address the following critical aspects which were found wanting during audit check:

a) **No Sampling procedure for checking suspected stock**- Sampling procedure was not found in any of the 38 inspection reports test checked by Audit. In some of the inspections, it was mentioned that stock was checked randomly. In some other cases, all the stock was checked. In some cases, it was unclear how many bottles/cases were checked. For those cases where the stocks were checked randomly, method adopted for random selection was not mentioned. In the absence of any documented process, Inspecting Teams were conducting inspections solely on the basis of their judgment and understanding which possess a risk of missing out on critical violations thereby compromising on effectiveness of enforcement function.

b) **Insufficient evidence gathering**- It was observed that evidence gathered was often very poor and did not stand the scrutiny of judicial procedure, resulting in dilution of case or compounding without sufficient justification. Cases with deficiencies in evidence gathering have been discussed in Paragraph 7.2.2 (iii).

c) **Interim Decision**- To reduce the risk of tampering with evidences, decision to be taken like, whether TP needs to be stopped, liquor store sealed or suspension of licensee etc., while the case proceeding is in progress, must be clearly outlined, on the basis of preliminary findings. In one instance, Audit observed that 12 bottles were discovered on the premises of an HCR licensee, with their barcode statuses indicating they were in the "warehouse." The Excise Department failed to block the barcodes of these bottles or halt their Transfer Permits (TPs). Consequently, three months after the inspection, while the investigation was still underway, the same 12 bottles with identical barcodes were dispatched from the warehouse by associating them with a TP, and were subsequently received by the licensee.

d) **Timeline**- Timelines for submission of Inspection Report and supporting evidence and timeline for issuing of Show Cause Notice must be mandated and adhered to.

(iii) Structure of Show Cause Notice- A standard structure of SCN, along with a remarks column, should be mandated which specifically mentions the violations and Sections of Excise Act/ Rules liable to be invoked without which SCNs can be vague and non-consistent thereby weakening the prosecution process.

(iv) Scope of Inspection not defined- In the absence of a well-defined SOP, it is the duty of the authority ordering the inspection to provide a clear mandate to the Inspecting Team for specific cases. This would primarily include a checklist regarding various aspects to be examined during inspection such as NDPL, MSR Gap, Seats beyond approved capacity, non maintenance of records, Underage drinking etc. The scope should also provide assurance on certain areas which were checked and specifically mention the areas kept out of the purview of current inspection. In none of the cases, such specific mandate was found.

The Government in its reply stated that Standard Operating Procedure (SOP) was not available but a new SOP was being formulated to incorporate all the audit observations, so that efficiency of enforcement branch may be enhanced. As of February 2023, SOP was not finalised.

<u>Action Taken by the Department</u>

The Reply to this para is same as given against Para No. 7.2.5

Para : 7.2.2 **Conduct of Inspection**

Various deficiencies in Inspection were as under:

(i) Poor maintenance of Inspection Register

Inspection Registers were maintained by the Department in a rudimentary manner, mentioning only the date, licensee name, and whether any violation was found or not. Additionally, Inspection Registers were not maintained in the Enforcement Module of ESCIMS. The Enforcement Module provides for additional data fields on type of violations, penalty levied etc., the regular updations of which would have provided a better picture for monitoring of the cases. This is also essential for maintaining the integrity of the Inspection Records.

(ii) Inconsistency in reporting on stock related aspects

The findings reported during Inspection should mention the areas which were checked, and assurance must be provided on the same. In many cases, stock anomalies were not reported in the Inspection Report. It is unclear whether stock was checked, and assurance obtained during inspection. In seven out of a total of 28 cases for HCR, no comments have been made on stock issues. In certain cases a specific comment has been made in the Inspection report- “No NDPL found”. The Inspection Report should clearly state the quantity of stock that was randomly checked and explicitly indicate that NDPL found or not, within the examined stock. The basis for such assurance must be mentioned in the report i.e. sampling procedure to arrive at such conclusion along with the barcode status report.

The Government in its reply denied the observation stating that if there were no observations pertaining to stock related aspects then stock is checked and found OK. It further mentioned that the new SOP which is being formulated is likely to address the issue.

The reply is unsatisfactory as the assurance on stock cannot be presumed but should be logically deduced from the inspection carried out, which was not possible in the way inspection reports were prepared.

(iii) Poor Evidence Collection

It was observed that, during the Inspection, adequate importance was not given towards substantiating the findings and maintaining evidence which needs to stand scrutiny of Judicial/ Quasi-Judicial procedure. In the absence of proper evidence, the cases were also not investigated to a logical conclusion.

Invalid/ fake/ no barcodes/ other vend bottle/ Expired stock/ MSR Gap (sale of stock already marked as sold) were found but ultimately the charges could not be established beyond doubt and no decisive action could be taken in most of the cases. No attempt was made to properly investigate the findings of Inspection team. In cases with stock variation, conclusive evidence (in the form of time stamped data, mapping of permits and stock found) should have been taken from ESCIMS to corroborate the exact status of barcode.

As Summary of Observations pertaining to stock anomalies and insufficient evidence collection are as under:

Incomplete details of bottles already shown as sold (declared as MSR Gap) but found again at vends during Inspection - If such stocks which have been declared as MSR Gap in ESCIMS, are found at vends during inspection associated barcodes should be meticulously scrutinized, through time stamped data of barcodes/TP/IP etc., to establish/ rule out the possibility of duplicate/ fake barcode. A total of 8,119 suspected bottles were found during 10 Inspections pertaining to seven retail licensees, out of which 1,632 bottles were already shown as sold and declared as “MSR Gap”. However, out of three inspections checked by Audit, in which suspected bottles were found in the retail vend, only in one case complete details of such MSR gap marked stock was provided. In all other cases, details were missing from the Inspection Report, SCN or ESCIMS report obtained during hearings. Omission of these crucial details, from the case proceedings, by the Excise Department, inevitably leads to dilution of case against the defaulter.

The Government in its reply stated that such MSR gap marked stocks are found regularly as they were left un-scanned during earlier reconciliation process and hence are assumed to be not NDPL.

The reply confirms the audit observation, because firstly MSR gap introduces a significant loophole in the system, which can be easily exploited to sell Non-Duty paid liquor through use of duplicate barcodes of the stock marked as MSR gap, because it can never be verified conclusively whether the stock was actually sold or not, and secondly such inaccurate MSR defeats the purpose of tracking liquor bottles through ESCIMS and barcode scanning.

Suspected bottles not seized - Suspected bottles refers to any irregular stock found at licensee premises including Non-Duty Paid Liquor, "Sold as MSR-gap", Expired stock not destroyed, "stock of other vends", "stock in transit", "excess stock" etc. Department did not seize these suspected bottles as evidence, which, if left at the premises of Licensee (after sealing), can be tampered by the Licensee. The Department also did not proceed with testing of these suspected bottles to rule out the possibility of spurious liquor.

Hotels/Restaurants have to pay additional Excise Duty on Liquor served to customers by them. Therefore, Hotels and Restaurants are authorized to buy Liquor from L1 Licensees only. 298 bottles of Vends and 12 bottles of L1 Licensees were found during 11 Inspections at HCR. However, neither specific charges of evasion of Additional Excise Duty was levied on these Hotels/Restaurants nor any Show Cause Notice was issued to Retail Vends and Wholesalers.

Expired bottles of Beer are a major health hazard. If these bottles are served to customers in Hotel/Restaurants, they can lead to serious health issues. During two Inspections of retail licensees, 195 Expired bottles were found and during two Inspections of HCR licensees, 143 Expired bottles were found. However, the same were not seized by the Inspecting team.

The Government replied that it seizes only NDPL bottles and other suspected bottles falling under the category of minor offence which are sealed at the vend premises and used, if needed, during further investigation.

The reply is unsatisfactory as the Inspection Team, without further investigation, cannot decide if the seized bottles are NDPL or not. With respect to HCR Licensee, Government replied that the expired stock pertains to Safdarjung Club for the period during COVID lockdown. It had been sealed and would be destroyed after conclusion of proceedings.

Action Taken by the Department

The Reply to this para is same as given against Para No. 7.2.5

Para : 7.2.3 **Anomalies in Inspection Report (IR)**

Audit observed the following deficiencies in the documentation of inspections:

- In case of one L-1 Licensee (Inspection of April 2019), batch number had been reported in the IR instead of "case barcodes".

The Government in its reply stated that for Licensee, barcodes should have been mentioned instead of batch numbers and that SOP was being formulated.

TCS (ESCIMS service provider) gave a report in this regard to the Excise Department. However, the same was not shared with Audit.

- In case of one L-7 Licensee, during inspection (26 November 2020), 20 ases and 696 bottles of liquor found at vend were shown as already sold to ustomers through scanning. However, this important aspect was clubbed in the IR with other stock anomalies.

- In case of another L-10 Licensee, there were two Inspection Reports, one signed by the Vend manager and the other unsigned. If such ambiguity is present in the Inspection Report, it puts the case on a weak footing.

Regarding presence of two versions of Inspection Reports, it was replied that signed copy (by Vend Manager) of Visit Report is written in Inspection Register kept at vend and the Detailed Visit Report sent back to the Department does not need to be signed by vend manager.

The reply is not acceptable, as the two Inspection Reports give different versions of the Inspection. One report gives a certificate of "No Non-Duty Paid Liquor found during Inspection" and the other report talks about un scanned Liquor Bottles. It was also noticed that the first report was further utilized in the prosecution process. Existence of separate versions of Inspection Report is a serious issue which needs to be investigated.

<u>Action Taken by the Department</u>

The Reply to this para is same as given against Para No. 7.2.5

Para : 7.2.4 **Follow up action on Inspection Reports**

For the inspection to be a deterrent for malpractices the violations found during inspections need to be investigated further and the defaulters brought to book. Audit observed that many of the violations were not investigated thoroughly as discussed below:

(i) Irregular stock (ESCIMS & Physical inventory) not investigated

In 10 Inspections, 1077 suspected bottles were found in the premises of seven Retail Licensees. As per ESCIMS logical inventory, out of these 1077 bottles, 330 bottles pertained to L1 Licensees and 15 bottles pertained to other vends. However, no Show Cause Notice was issued to other Licensees (Wholesale and Retail Vends).

55 bottles with ESCIMS status “same barcodes” and bottles with status “Invalid/Not part of ESCIMS” showcases the risk of duplicate barcodes being used to cover up NDPL/Illicit liquor, which should have been dealt with strictly. However, the Inspecting Team did not seize such bottles as evidence to strengthen their case. Also, the Show Cause Notice only present the seized bottles in a combined way as stock variation and the issue was not further investigated.

Bottles belonging to Expired Transport Permit (TP) (stock pertaining to such expired TP are liable to be returned back to respective warehouse) were received and sold at vends, without scanning. It is not clear as to how, despite not returning these bottles to Wholesaler (L1), the bond Inspectors reconciled the stock at Bonded Warehouse. Tracking the Expired TPs is very important as the stock can be easily diverted to Hotels and Restaurants leading to a loss of Additional Excise Duty (20 *per cent*/30 *per cent* of WSP). This aspect was not examined by the Enforcement Branch.

The Government in its reply denied the possibility of fake barcodes and NDPL without addressing the concerns pointed out by Audit. They also mentioned that the Audit Observations are acknowledged and assured that more care would be taken in future.

(ii) Deficient Show Cause Notice (SCN)

Omission of crucial details from the SCN gives the defaulter first reprieve as he is not held accountable for explanation. The details of some inspections considered in Audit are as under:

- In case of one L-10 Licensee, Inspection dated 11 January 2021, "MSR gap" marked stock was found at the vend but the period during which the bottle was marked MSR (1.5 years ago) was omitted in SCN. This period gives strong indication of fake/duplicate barcode but the licensee pleaded "stock variation", without mentioning as to how such old stock taken as sold could have been found at its vend.

- In one case of L-7 Licensee, inspection status of some bottles were shown as "received at Bonded Warehouse" and "Damaged at Bonded Warehouse" which clearly means that these bottles belonged to Distillery/Warehouse. But the stock details like brand name and the Distilleries it pertained to, were not mentioned in the Inspection Report and no SCN was issued to Distillery/Warehouses involved.

The Government replied that the Audit Observations have been deeply acknowledged and assured that the observations would be adhered to by IMFL Branch. However, as L-7 licenses have become redundant w.e.f 30 September 2021 due to implementation of New Excise Policy for the year 2021-22, the case cannot be processed further.

The reply is unsatisfactory because the offence had already been committed under Excise Act when the party was a licensee of extant excise regime. Further, the Government has reverted back to the old policy from 1 September 2022.

- In 10 cases of retail vends, 72 bottles sold earlier through scanning, found again in the retail vend at the time of Inspection, highlights the risk of fake/duplicate barcodes being used. However, specific details of the charges were not mentioned in Show Cause Notice.

- In two cases of L-7 licensees, 632 excess bottles were found and 4,784 bottles were missing in comparison with ESCIMS data. The matter was merely presented as a stock variation in SCN. Nothing was mentioned about the status of 632 excess bottles, whether these were NDPL without barcodes/Illicit liquor/ stock in transit/ stock pertaining to other vends etc.

- In one case relating to L-1 licensee, 19428 bottles were found in excess and 8808 bottles were missing, but SCN showed this issue as just stock variation without getting specific about excess or stock found short at the time of Inspection. SCN was also not specific about the charges made against licensee. Relevant clauses relating to the Delhi Excise Act/Rules, which violated due to the said “stock variation”, were not mentioned in the Show Cause Notice.

In another case of the same licensee where Inspection team had noted batch no. of 20 cases instead of 1-D bar code, even after TCS had provided the status of 1D barcode of these 20 cases, the matter was not raised in the Show Cause Notice, which benefitted the L1 Licensee.

The Government replied that inspection report gives an account of logical inventory whereas physical inventory is nil. Missing bottles are due to the non-scanning at the time of sale. The excess bottle is because an employee replaced a broken bottle by purchasing from outside. The reply is not acceptable as it fails to explain why MSR gap marking was not done for the missing stock.

Government further stated in its reply that inspecting team points out the variation as follows:

1. Sold at vend- stock is sealed and kept separately with directions not to sell the said stock. It is considered stock variation
2. At vend- If found at bar counter then sealed and kept separately with directions not to sell. It is considered stock variation

3. Expired beer- sealed and kept separately with directions not to sell and licensee issued SCN. The above cases are automatically considered as minor offences and stock is preserved as evidence during departmental proceedings.

4. NDPL- Bottles sealed, seized and handed over to local police with formal complaint and FIR.

The reply is unsatisfactory as it makes no comment regarding the reasons for excess stock. Moreover, in the first three cases, it is automatically considered as a minor offence, whereas, unless ruled out through subsequent investigation, there is a possibility that barcodes found are duplicates and the original stock has already been sold or marked as MSR.

(iii) Show cause notice not issued to other licensees/ vends involved

In seven cases, other licensees were involved because of foreign vend bottle or bottle origin, but no SCN was issued to these parties. In such cases, Excise Department failed to perform its regulatory function by not investigating the issue properly and holding all parties accountable.

The Government in its reply acknowledged non-issue of SCN and stated that in future SCN would be issued to all linked licensees.

Action Taken by the Department

The Reply to this para is same as given against Para No. 7.2.5

Para : 7.2.5 **Punishment not enhanced for repeated violation**

Section 53 of the Excise Act mentions provision of "Enhancement of Punishment after previous conviction". 11 cases were observed where the violations observed in the previous inspection were repeated later. Section 53 was not invoked inspite of repeated violation as per the Inspection report.

The Government in its reply acknowledged that Section 53 had not been invoked in above cases and regretted the same.

Action Taken by the Department

The Action Taken by the Department as per Audit Para No. 7.2, 7.2.1 to 7.2.5 is as under:-

Partially agreed. Enforcement by the Excise Department is intelligence/complaint based. The Competent authority i.e. Commissioner (Excise)/Dy. Commissioner (Excise) authorizes the teams and the team leader is disclosed the place of concern at the very last minute to ensure that the risk of information leaked is minimized. Since, most of the inspections are surprise inspections hence generally the formal planning is not carried out to avoid any leakage of information.

Once the inspection is carried out by the concerned officer he submits the report for any violations observed to the licensing authority for issuance of SCN. After hearing the licensees the order is issued for penalty if any. Further, the department conveys the major offences to Police for further investigation and prosecution where necessary.

Department is making all efforts to digitize the record keeping by making Enforcement Module on e-Abkari.

The Audit observed that it may be clarified whether SOPs for various stages of inspection have been prepared and issued for compliance, the Department furnished reply that The Enforcement is done as per intelligence received which are confidential in nature. To maintain confidentiality the entire process of inspection is not standardised as it may reveal the operational details.

ANNEXURE –VII

CHAPTER VIII : EXCISE POLICY 2021-2022

Para : 8.1 Introduction

Delhi Excise Policy 2021-22 mentioned the need for a revamped excise policy reasoning that "The current system of excise regime in Delhi is highly cumbersome and the liquor trade is conducted in an archaic manner. The Excise revenue presently generated in Delhi is at sub-optimal level and there is significant potential for revenue augmentation and also providing a decent standard of customer experience". The Excise Policy 2021-22 with detailed terms and conditions for different type of licenses was implemented from 17 November 2021 and was extended up to 31 August 2022.

Action Taken by the Department

Agreed as Matter of Record. Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

Para : 8.1.1 Objectives of the Excise Policy 2021-22

The Excise Policy was framed with the following objectives:

(i) To ensure generation of optimum revenue for the Government, eradicate sale of spurious liquor/non-duty paid liquor in Delhi and transform consumer experience.

(ii) To simplify the highly complex, heavily regulated excise regime ensuring ease of doing business in the overall trade.

(iii) To not allow formation of any monopoly or cartel.

(iv) To allow responsible players in the industry to carry out the trade transparently without resorting to any proxy model.

(v) To ensure equitable access of liquor supply to all the Wards/area of Delhi so that there are no un-served and under-served localities eliminating the problem of spurious/non-duty paid liquor.

(vi) To put in place a simplified duty and pricing mechanism that is periodically reviewed.

(vii) To ensure accountability on part of the licensee in terms of revenue enhancement besides keeping in check emergence of monopolies and cartels.

(viii) Promotion of consumer choice by ensuring availability of popular as well as niche brands so that the customer has a wider choice.

(ix) Systematic measures to check smuggling and bootlegging, such as adequate spread of retail vends and insignificant or no price differential with the neighbouring States thereby eliminating the arbitrage for Smuggling.

Action Taken by the Department

Agreed as Matter of Record. Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

Para : 8.1.2 Features of the Excise Policy 2021-22

(i) Role of Delhi Government Corporations was entirely removed from liquor retail business.

(ii) Instead of collecting excise duty on the basis of quantity sold, Excise Duty was subsumed under the reserve price for bidding by zonal license applicants. The reserve price was based on the sales figures of 2019-20 with a 10 *per cent* growth factor.

(iii) Delhi was divided into 32 zones (with equal number of vends in each Zone) for retail sale of liquor and each zone was to be allotted based on tendering. One entity could be awarded a maximum of two zones.

(iv) Wholesale supply of liquor was reserved exclusively for private liquor distributors (other than manufacturers).

(v) Any manufacturer that wishes to sell its product in Delhi will have to choose one of the Licensed L1 distributor holding wholesale license for supply of Indian and Foreign liquor and also holding bonded warehouse licenses in the form of L31 as an exclusive distributor for all its brands.

(vi) Opening of equitably distributed liquor vends, with at least two retail vends in each ward was to be ensured.

(vii) Nominal Excise Duty and Value Added Tax (VAT), at one *per cent* each, was collected at the time of actual supply of liquor.

(viii) Pricing mechanism was modified in the light of the change in modality of Excise duty collection as above, with ample scope for discounts on liquor after fixation of Maximum Retail Price (MRP).

Action Taken by the Department

Agreed as Matter of Record. Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

Para : 8.2.1 **Decisions taken without the approval of competent authority**

Audit observed that in violation of Cabinet decision no. 3003, certain decisions, mentioned below, which had revenue implications were taken without taking approval from the Cabinet and/or obtaining the opinion of Lieutenant Governor.

(i) Relaxation regarding coercive action against the Licensee in case of any default of payment of license fee within the prescribed/stipulated time

(ii) Waiver/reduction in license fee

(iii) Opening of liquor vends in conforming area in lieu of mandatory liquor vends to be opened in non-conforming wards

(iv) Extension of Excise Policy 2021-22

(v) Refund of Earnest Money Deposit (EMD) in case of Airport Zone

(vi) Correction in formulae for calculating MRP in case of Foreign Liquor.

(b) Further, Excise Rules amended to enable the implementation of Excise Policy 2021-22 had to be laid before Legislative assembly for approval, in accordance with Section 81(4) of Delhi Excise Act, 2009. However, as per the reply received from the Excise Department, the amended rules were not laid before the assembly for approval/ ratification.

Action Taken by the Department

Partially Agreed. The department submits that decisions being mentioned at para 8.2.1 from (i) to (vi) were approved by the then Dy. CM, and later ratified by the Council of Ministers vide Cabinet Decision 3089 dated 14.07.2022.

On the observations of the Audit that Why were approvals taken post facto, after implementation of the decisions? Why were the amended rules not placed before the Legislature?, the Department furnished reply that At Para -46 Note-16/N (File CD No. 015680581), the then Dy. CM directed to implement the decision and the council of Ministers be informed in due course.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Para : 8.2.2 **Variations between the report of Expert Committee and recommendations of GoM**

In order to reform liquor trade in Delhi, an Expert Committee was constituted under the chairmanship of Excise Commissioner with the other members being Deputy Commissioner (Excise) and Additional Commissioner (Trade and Taxes). The mandate of this committee was to suggest measures for:

(i) Augmenting the State Excise Duty Revenue
(ii) Simplifying the liquor pricing mechanism
(iii) Checking malpractices and evasion of duty in liquor trade
(iv) Ensure equitable access to liquor supply

Subsequently, after the submission of Expert Committee report, the Council of Ministers decided to constitute a Group of Ministers (GoM) under the chairmanship of Dy. CM/ Minister (Finance) with other members being, Minister (Urban development) and Minister (Revenue/ Transport). The GoM was mandated to examine all aspects of the current system, report of Expert Committee and stakeholder comments etc.

Substantial variation between the recommendations of Expert Committee and GoM altered the very basis of need for change in Excise Policy. Major differences are given in **Table 8.1** in the report which is as under :-

Comparison between recommendations of Expert Committee and GoM

S.No.	Expert Committee Report	GoM Report
1.	Fully Government owned State Beverage Corporation for Liquor Wholesale operations.	Wholesale operations to be handled by private entities with prior distribution experience in the liquor trade and minimum turnover of ₹ 250 crore
2.	The Excise Duty on liquor was to be charged on per bottle basis with significant changes in liquor pricing mechanism.	MRP of liquor was to be fixed by Excise Department on the basis of minimum EDP but the Excise Duty and VAT was primarily to be charged, in advance, in the form of License Fee discovered after bidding for retail zones.
3.	Government presence in the retail sector could be minimized.	All retail vends should be allotted to private players only.
4.	Lottery system for allotting (at Reserve fee) retail licenses, every two years to ensure regular churning of licensees.	Retail zones to be allotted through one-time bidding (above Reserve Fee) and annually renewed thereafter.
5.	Only Individuals could apply for the retail vend license, so as to minimize proxy ownership.	Any private legal entity or individual who had proof of filing income tax return for the last three assessment years was eligible to participate in the bid for retail zones.
6.	An individual may be allotted a maximum of two vends.	One applicant could get a maximum of two zones which could contain 54 retail vends.
7.	Three vends in each ward and one Government corporation vend in each of the 70 assembly constituencies.	Delhi was divided into 32 Zones[41] having nine wards each and each ward was supposed to have three vends. (Total of 849 vends).

No files were provided to Audit wherein the basis of formulation of GoM Report was outlined. In the absence of these records, Audit could not draw assurance regarding the justification of changes introduced in this report.

Action Taken by the Department

Agreed. The Excise department only received GoM report for implementation without any other file having basis of the formulation of GoM report. Since the said file was not available with the Excise Department, it was not provided to the audit team.

On the observations of the Audit that have the files/working papers been subsequently traced?

The Department furnished reply that there is no such file available in the Excise Department.

Para : 8.2.2.1 **Issue of Wholesale (L1) licenses to private players only**

The Expert Committee recommended Government takeover of wholesale trade of liquor, through separate State Beverage/Wholesale Corporation, owing to past instances of dual ownership (Wholesale and retail) through related private entities and probable complicity of wholesaler in facilitating illegal liquor supply through duplicate barcodes. Even the GoM, in its report, accepted the fact that many wholesalers were able to acquire retail licenses through proxy ownership and make it possible to indulge in sale of non-duty paid liquor. Still the GoM recommended issue of L-1 licenses to private players only. The reason provided in the GoM Report for not forming such Government owned Wholesale Corporation was that a deep study and implementation of the same would require time and till such time L-1 license should be granted to private players.

Notably, the idea of forming Government owned wholesale corporation was not new in Delhi, and even in the Cabinet Decision No. 1622 (dated 15 February 2010), it was indicated that a decision needs to be taken on takeover of wholesale trade of liquor. Further it was noted from the finally approved Excise Policy for the year 2022-23 that the wholesale operation was proposed to be managed by private players, which belied the claims made by Government that private wholesale operations was only an interim measure.

<u>Action Taken by the Department</u>

While furnishing the ATN, the Department mentioned that they are agree with the Audit Observations.

On the observations of the Audit that as explained in the GoM recommendations regarding deep study for setting up a state-owned whole-sale corporation, was any study proposed by the Department to the Hon'ble Minister Excise?

The Department further informed that as per record available, no such proposal found.

No further comments by the Audit.

Para : 8.2.2.2 **Excise Duty delinked to the actual sale of liquor**

The Expert Committee had suggested retention of collection of Excise Duty on per bottle basis, while altering the pricing mechanism. However, the GoM favoured advance collection of excise duty, in the form of License fee, which was practically delinked to the actual sale of liquor.

<u>Action Taken by the Department</u>

Agreed. Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

Para : 8.2.2.3 **Retail licenses to limited entities**

The Expert Committee, in its report, categorically mentioned that most of the retail licenses were concentrated with a few players through proxy ownership. Retail licenses should be given to an individual and maximum of two retail vends should be allotted to one person to prevent cartelisation. The GoM also mentioned in its report that the entire retail market was apparently controlled by very few people through fraudulent proxy model. However, **it still recommended distribution of retail licenses in zones where one entity/person could get upto 54 vends (two zones).** Notably, the Expert Committee had mentioned the drawbacks of granting retail licenses to limited entities as it was highly prone to cartelization and market capture by the limited number of licensees. In the worst case, if retailers and wholesalers were related entities, syndicates could be formed leading to brand pushing by entering into exclusivity arrangements. Moreover, in case of failure/default of the licensee, there would be no easy substitutes to ensure revenue and maintaining the supply chain.

Thus, these deviations increased the risk of concentration of ownership among few private entities and resultant market distortion.

<u>Action Taken by the Department</u>

Factual facts agreed. This fact has not been independently analysed by the department for the concentration of ownership among few private entities and resultant market distortion. It is also to mention here that this matter is being investigated by CBI/ED and also sub-judice in the court of law.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of the Audit that Against maximum 2 retails vends, the new policy permitted up to 54 vends per entity/person. How does that prevent cartelisation?

The Department furnished reply that this was part of Excise Policy 2021-22 which has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Para : 8.2.3 **Comparison of Old Excise Policy and New Excise Policy**

A comparison between old Excise Policy and the New Policy is given as under :-

Table 8.2: Comparison between old Excise Policy and the New Policy

S. No.		Old Excise Policy (prior to 2021-22 policy)	New Excise Policy (2021-22)
		Wholesale License	
1	Wholesale License	Separate wholesale licenses were granted for IMFL and FL. L-1/L31 (IMFL) to Manufacturing unit.	L1/L31 (Wholesale License for both IMFL and FL) were granted to private entities who were **distributors (not manufacturer).**
2		Profit Margin of **five *per cent* of Landed price, in case of IMFL,** to the manufacturer (who was also wholesale licensee).	Profit Margin and EDP Profit Margin of **12 *per cent* of Landed Price** of IMFL to Distributor (who was not manufacturer) only.
3	3 Labs in	Warehouse The policy did not contain any such condition.	Each licensee had to set-up Government approved laboratories at their bonded warehouses.
4	4 DC (Warehouse)	The policy did not contain any such condition.	A new post of DC (Wholesale Operations) had to be created.
	Retail License		
5.	Retail vend conditions .	1. Each individual was allowed to own only one license. 2. Around 60 *per cent* of Vends in Delhi were operated by four Government Corporations	1. Delhi was divided into 32 retail zones (L-7Z license). 2. Each zone to have 27 vends. 3. Each Person/Entity was allowed to own maximum of two zones (54 vends). 4. Only private players were allowed to apply for retail licenses.
6.	Process of	Licenses granted on the basis of	L7Z allotted to each zone operator

	allocation of license.	**application**. No new retail licenses were granted after 2016-17.	through **e-tender and bidding.** Reserve price for License fee was the base for bidding. Reserve price was basically advance collection of Excise Duty assuming the Excise Duty/ VAT/ Additional Excise Duty earned in 2019-20 and a 10 *per cent* year-onyear growth.
7.	Revenue Collection	Excise Duty was collected on a per-bottle basis for each unit sold.	Excise Duty was subsumed under the reserve price for bidding by zonal license applicants and collected in advance as a monthly license fee from zonal licenses.
8.	Discount	No discount on MRP was allowed.	Discount was allowed.

After withdrawal of the Excise Policy for the year 2021-22 (in August 2022), the Excise Department implemented the same conditions of old policy (existing before Policy year 2021-22) during the Excise Policy for the year 2022-23 with the only change regarding retail vends. Only Government Corporations were allowed to operate retail vends. Before the 2021-22 policy, private vends were also in operation simultaneously with the Government Corporation vends.

<u>Action Taken by the Department</u>

The Department while furnishing the reply agreed with the observations f the Audit being matter of record.

The Audit observed that Has any study been undertaken by the department to determine loss to government as a result of the shift in the excise regime during (17 November 2021 to 31 August 2022)?

The Department furnished reply that The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the reply of the Department , the Audit further observed that the information asked for in the interim vetting comments has not been provided.

Para : 8.3 **Revenue model in the Excise Policy 2021-22**

In the Excise Policy 2021-22, revenue was to accrue primarily through License fee, discovered through bidding on reserve price[42] (₹ 7,039 crore), which subsumed Excise Duty and VAT based on the revenue figures of financial year 2019-20 with a 10 *per cent* increase for growth. The projected annual revenue as per the discovered bid price was ₹ 8,911 crore. This translates to a revenue of ₹ 7,054 crore on account of the upfront license fee for the duration of Policy period i.e. 17th November 2021 to 31st August 2022. Apart from this, actual Excise revenue also comprised of License fee for wholesale licenses, other import passes and permit fees. Moreover, an additional one *per cent* of Wholesale Price was to be charged as Excise Duty and VAT each. The rounding off of the retail price also resulted in additional Excise Duty.

Audit noted that due to a number of issues ranging from weak policy framework to deficient implementation of the policy, as discussed in this Chapter, there was cumulative loss of approximately ₹ 2,002.68 crore.

Action Taken by the Department

Agreed with the factual aspects which is a matter of record. However, various putative components of revenue loss is discussed in para 8.5.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

Para : 8.4 Design and Award of licenses

The most important aspect of the implementation of the new Policy was the design of a robust framework for the policy to ensure proper implementation, so that the intended objectives could be achieved. However, it was observed that the following issues in the design and award process weakened the framework which resulted in deviation from the intended objectives.

Action Taken by the Department

Matter of Record. Partially agreed and dealt in the subsequent sub-paras.

Para : 8.4.1 **Wholesale Licenses**

Following the recommendation of the GoM report, the Excise Policy 2021-22 granted the wholesale license of both IMFL and FL to private entities who were distributors (not manufacturers) in place of creation of a State Warehousing Corporation, as recommended in the report of the Expert Committee. The policy's stated objective was that the wholesale licenses will be granted to high end professional business entities with years of distribution experience comparable to that of global industry standards in supply of Indian and Foreign Liquor. However, following design and process issues were noticed in the way wholesale licenses were granted under the new policy.

Action Taken by the Department

Agreed. This matter has been dealt separately in subsequent paras.

Para : 8.4.1.1 **Process of award of license**

Applications were to be invited for the grant of Wholesale licenses to those who fulfilled the eligibility criteria, i.e., having wholesale distribution experience in the liquor trade for at least five years and minimum turnover of ₹ 150 crore every year for preceding three consecutive financial years.

The wholesale licenses were to be awarded on application basis i.e. a public notice was issued whereby applications were invited for grant of wholesale licenses. Any entity/person fulfilling the eligibility criteria could submit application for getting this license. It was for the competent authority to decide on acceptance or rejection of the individual application.

Audit requisition for providing all records related to the entire process was not met. The Department informed that total 18 applications were received for grant of wholesale licenses. It further informed that out of these 18 applications, one application was withdrawn by the applicant, another was rejected due to incorrect application and two other applications were rejected during the process. However, records related to these four applications were not provided to audit. In the absence of these records, audit could not draw an assurance about the veracity of process followed in these cases.

Action Taken by the Department

Agreed. The Original files in most of the cases are with the investigating agencies. In the case, the files (original/scanned) are available, the same shall be provided whenever required.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the observations of the Audit that why were the files not provided and why has the department still not verified the availability of the stated files?

The Department furnished reply that efforts were made at the time of audit to provide the original files. Currently, one out of four records has been traced and shall be furnished to Audit, if required.

Para : 8.4.1.2 Exclusivity arrangement increasing risk of monopoly

The policy framework provided that these wholesalers were to be distributors (not manufacturers), who could tie-up with more than one manufacturer for supply of Liquor. However, manufacturer could supply its brands through one wholesaler only.

Audit observed that this compulsory tie up restricted the manufacturers to supply its brands through one wholesaler only. As a result, Wholesale licenses for supply of IMFL and FL were granted to 14 business entities under the Excise Policy 2021-22, whereas the same were granted to 77 manufacturers of IMFL and 24 suppliers of FL in the old policy (2020-21). This concentration of wholesale supply to few entities increased the risk of monopoly or cartel formation which was against one of the objectives of the new Excise Policy.

Action Taken by the Department

Agreed as Matter of record. This fact of concentration of wholesale supply to few entities increasing the risk of monopoly or cartel formation has not been independently analysed by the department. It is also to mention here that this matter is being investigated by CBI/ED and also sub-judice in court of law.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of the Audit that data in the report has already been analyzed and it has been stated that there were 101 wholesalers in the old regime and 14 wholesalers in the new regime. Did the department flag the issue of a monopoly situation to the competent authority?

The Department furnished reply that as per record available, there is no such data available in the files. However, the Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the above reply of the Department the Audit further observed that information asked for in the interim vetting comments has not been provided. No further comments.

Para : 8.4.1.3 **Revenue from Wholesale operations**

One of the key objectives of the new policy was to augment the state excise duty revenue. Under the earlier policy, the wholesale license fee was linked with the number of brands and its wholesale value. However, as per the new Excise Policy, the wholesale licensee was to pay an annual license fee of ₹ 5 crore irrespective of the number of brands. So, in the new policy the license fee was delinked with the extent of the operations of the wholesaler licensee. This change should also be viewed in light of the observation made above regarding
risk of monopolising the wholesale operation due to exclusivity arrangement.

Further, there was an increase of Wholesaler/ Distributor margin from earlier rate of 5 *per cent* to 12 *per cent* under the new policy. The justification offered by the GoM was that it was necessary to compensate the higher license fee for global distribution standard, quality checking systems which basically meant that every L1 Licensee had to set up a Government approved Laboratory at their Warehouses to randomly check the presence of sub-standard liquor or spurious liquor in each batch of liquor received from the manufacturers. It was also supposed to cover the cost of local transportation.

The justification offered was not supported by quantifying the various counteracting factors and then allowing an appropriate profit margin. The change in distribution standard which was likely to incur higher cost was never explained by GoM. The local transportation charge was not enough to justify the substantial increase in distributor margin. Further, the quality checking labs which were to be set up, with apparently high cost incidence, were not put in place and operationalized.

Thus, on one hand the scope of scale of operations and profit margins of the wholesale licensees was enhanced but on the other hand the revenue from license fees was delinked from the same. This should be seen in light of the fact that only three wholesaler accounted for more than 70 *per cent* of the volume of liquor sold thereby creating systematic disadvantage for wholesale licensee with smaller operations.

<u>Action Taken by the Department</u>

Agreed as matter of record. The matter of linking or delinking of the wholesale license fee, wholesaler margin and setting up of lab by the wholesaler are a policy matter. All these conditions for wholesale license were decided by the GoM and approved by the Cabinet.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the observations of the Audit that the increase in wholesaler/distributor margin from 5 to 12 percent was recommended by the Expert Committee headed by the then Excise Commissioner and thereafter approved by the GoM. As per records, what was the basis for this calculation by the Expert Committee?

The Department furnished reply that as per record available, there is no such data available in the files. However, the Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Para : 8.4.1.4 Nature of Joint Venture partnerships

The Policy provided that, a Joint Venture between entities was allowed, but at least one of the Joint Venture partner firm should individually have the required experience and turnover. However, the policy did not specify the particulars of such Joint Venture arrangement or the nature of entities and form of partnership between the Joint Venture partners.

From scrutiny of records provided it was noticed that:

- At least two of the Wholesalers entered into a Joint Venture where the entity with requisite liquor distribution experience and turnover had an insignificant stake in the partnership i.e. ranging from one *per cent* to five *per cent*.

- No details relating to the background, financial status and experience of the majority partner/ managing partner, in the applicant partnership firm, were found in the records made available to Audit.
- In one of the above cases, JV partnership agreement explicitly states the "payment of royalty of ₹25,000 to the partner with requisite experience and turnover, in order to make the first party eligible to apply for License". This indicated that the entity, which fulfilled the eligibility criteria, was taken aboard as a matter of formality to make the JV eligible for the license.

Allowing such an arrangement go against the stated objective of high end, professional management of the wholesale operations.

Action Taken by the Department

Agreed as a matter of record. This fact has not been independently analysed by the department. It is also to mentioning here that this matter is being investigated by CBI/ED and also sub-judice in court of law.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.
Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of the Audit that Reasons for non-examination of details as stated by audit may be elaborated.

The Department furnished reply that Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the reply of the Department, the Audit further observed that Reasons for non-examination of details of joint venture licensees were not furnished. No further comments.

Para : 8.4.2 Zonal/Retail Licenses

As per the policy, the objective for the grant of Retail License was to ensure equitable access of liquor supply to all the Wards/areas of Delhi eliminating the possibility for spurious/non-duty paid liquor. Further the objective included ensuring accountability on part of the licensee in terms of revenue enhancement besides keeping in check the emergence of monopolies and cartels.

Allotment was to be made through e-tender with the reserve price as the base license fees. A total of 32 zones were put up for bidding which comprised of 30 zones spread through the 272 municipal wards in Delhi and one zone each for NDMC/Cantt. and Airport. The eligibility conditions to participate in the bidding process included:

- Any private legal entity or individual who had proof of filing Income Tax Returns for the last three assessment years, was eligible to participate in the bid for award of zonal licenses.

- The eligibility condition also mandated a net worth of 6 crore for participation in each zone, whereby a maximum of two zones could be awarded to a single entity.

- The license conditions also mentioned that no manufacturer or wholesale licensee was allowed to bid for zonal licenses.

Tender process was initiated (e-tender was published on 28 June 2021 and the last date for submission of e-bid was 20 July 2021) through a Notice Inviting Tender (NIT) inviting separate tenders for 32 zones via a three cover tender procedure i.e. Pre-Qualification Bid, Technical Bid and Financial bid. Technical bid provision was apparently incorporated with the objective of ensuring that once a bidder is awarded (declared highest bidder) two zones, his financial bid for the other zones will not be opened.

During the first tender, 123 bids were received for 32 zones by 28 bidders (one bidder was later disqualified) which led to award of 19 zones to 13 applicants (H1), with six bidders being awarded two zones each. In case of Airport zone, H1 could not be issued license due to not receiving No-objection Certificate (NOC) from Airport Authority and was awarded to another bidder who got NOC, at the H1 amount. In the second NIT for 12 zones, 92 bids were received for 12 zones by 12 bidders, which led to the award of remaining zones with four bidders getting two zones each. Thus, ultimately 20 out of 32 zones were allotted to 10 applicants, each being awarded two zones.

However, following design and process issues were noticed in the way zonal/retail licenses were granted under the new policy.

<u>Action Taken by the Department</u>

Matter of Record.

Para : 8.4.2.1 **Increased risk of monopoly due to reduction in number of Retail licensees**

One of the objectives of the new Excise Policy was to prevent formation of any monopoly or cartel. The issue of retail market being exclusively controlled by few people was flagged in both the reports i.e. the GoM and the Expert Committee. However, it was noticed that the policy provided for distribution of retail licenses in zones where one entity/person would get minimum 27 vends (1 Zone).

For the purpose of Retail Vends, Delhi was divided into 32 Zones (containing 849[43] vends) whose licenses were granted to 22 entities through tendering. Whereas, during the old policy, 377 retail vends were run by four Government Corporations and 262 retail vends were run by private individuals.

Therefore, this mechanism of distribution of retail licenses further concentrated the ownership and control of Retail licenses in very few hands, thus posing an increased risk of monopolization and cartel formation.

Action Taken by the Department

Agreed as matter of record. The Excise policy 2021-22 was a top down policy duly approved by the GoM and the Cabinet was implemented by the department as per directions. The Terms & Conditions of licenses, tender, design and award of licenses was as per the report of GoM and approved by the Cabinet.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the observations of the Audit that The policy, formulated by the expert committee headed by then Commissioner Excise, was adopted, with some variations. An increase in number of vends per entity was proposed by the GoM, and reasons for the same would be in the files of the Excise Department. These may be reviewed and elaborated for the Committee.

The Department furnished reply that this was part of Excise Policy 2021-22 which has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the above reply of the Department, the Audit further observed that Information asked for has not been included in the ATN. No further comments.

Para : 8.4.2.2 **Viability of Zonal License applications not ensured through bidding documents**

In order to ensure that timely Excise Revenue collection is not hampered, the Government needed to ascertain whether the business entity bidding for license is a going concern and is financially sustainable in a way that it can continue operations while complying with the legal and regulatory regime.

The only documents requisitioned for ascertaining the financial position of the bidder were Income Tax Return (ITR) for last three assessment years 2018-2021 and Chartered Accountant (CA) certificate showing Net Worth as on date.

It was noticed that the probable expenditure outgo from the Zonal Licensee included:

- ₹ 30 crore as EMD during bid submission
- 25 *per cent* of the License fee, as Security Deposit, within seven days of bid finalization, before the issue of L7Z license, amounting to an average of ₹ 70 crore[44] for a zone.
- Monthly license fee as advance before the 7th day of the month amounting to an average of ₹ 23 crore per zone.
- Expenditure on opening of vends with rent/ lease expenses, hiring of staff, furnishing and compliance for fire/ CCTV/ electrical/
- design and stocking expenses.

Thus, the licensee would have to incur an upfront expenditure of at least ₹ 100 crore for a zone before revenue could be generated from sales.

Audit observed that the policy prescribed no minimum qualifying criteria regarding the financials of the applicant entity. This posed a risk of financially and managerial incompetent entities being awarded retail licenses, which could hamper the conduct of operations, thus impacting Excise Revenue.

It was further observed that from the documents furnished by the successful bidders that:

- Only 10 out of 22 entities reported an income of more than ₹ 1 lakh in any of the three years.
- Nine entities had reported zero income and/or losses in two of the three years.
- Five[45] entities reporting almost zero income, losses and zero to negligible taxes, were awarded 10 retail zones, two zones each

This indicated that the concomitant financial conditions of the bidders were not considered as red flags while issuing licenses.

Action Taken by the Department

Agreed as matter of record. Not agreed. As per sub para iii) of Para 4.1.2 of Excise Policy 2021-22 "*The entity to participate in the tender for zonal license of retail vend should have net worth of at least Rs.6 crore, if the entity intends to participate in tender for one zone and net worth of at least Rs.12 crore, if the entity intends to participate in tender for more than one zone".*

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of the Audit that The basis of fixing net worth of Rs. 6 crore per zone when the licensee needed incur an upfront expenditure of Rs. 100 crore zone may be furnished. Comments of the Department on awarding of licenses to entities which reported low/nil income/losses in the previous years may be included in the ATN.

The Department furnished reply that This was part of Excise Policy 2021-22 which has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the above reply of the Department, the Audit further observed that Information asked for has not been included in the ATN. No further comments.

Para : 8.4.2.3 Renewable nature of L-7Z zonal License

As per the Excise Policy 2021-22, Zonal Licenses granted after due bidding process was renewable without placing any limit to the period for which the same could be extended. License fee could be increased on annual basis to be determined by Government every year on the basis of actual sales. However, Excise Department did not decide the modalities for arriving at the revised license fee in subsequent years.

Further, modalities were not laid down to ensure financial viability of the business entity for second renewable year also, in case the entity was loss making after the first policy year operational period and resulted in low Net Worth, e.g. License of Path2Way HR Solutions was renewed though, the financial statements of the entity for the period 2021-22, showed a loss of ₹ 52 crore approximately and a Net Worth of negative ₹ 37 crore as of March 2022.

Action Taken by the Department

Agreed as matter of record. Regarding revision of license fee, the department had submitted a proposal on 04.02.2022 for seeking the directions in various matters such as increase in license fee, retender/renewal of license etc. It is to note that the policy was extended twice for 02 months each time and was revoked after that. Subsequently, no directions were received in this matter.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. The vide revised ATN provided the copies of stated notes to the Audit.

Para : 8.4.2.4 Absence of policy provision for surrender of zonal license

The policy did not prescribe any baseline for financials (except for net worth), which resulted in financially weak entities being awarded zonal licenses. Ultimately majority of the zonal licensee surrendered their licenses before the termination of the Excise Policy, and no retendering was done in any instance.

Moreover, the policy did not contain any provision requiring the licensees to give advance notice for surrendering the zonal license so that the Department could initiate action for retendering. In the absence of such safeguard against sudden surrender of Licensees, there was a risk of substantial revenue loss on account of time taken to re-allot the zonal license through re-tendering during which no license fee will accrue. Thus, the Policy did not contain a contingency plan for avoiding loss due to discontinued operation of the retail zone since retendering for zonal licenses is a time-consuming process.

Action Taken by the Department

Partially Agreed, though the policy does not explicitly mention about the notice period but the provisions for the same are available in the Delhi Excise Act 2009.

Provisions for surrender of license are available in under section 19 of the Delhi Excise Act, 2009 .

The modality of surrender of license is dealt at clause 4.1.9 (v) which states that *"In case of a surrender of a retail license by a zone allottee, the security deposit shall be forfeited and the zone will be re-tendered and the said* *licensee will be prohibited from participating in the bidding process for a period of two years".*

Section 19 of Delhi Excise Act, 2009 i.e. Surrender of licence states *"No holder of a licence granted under this Act shall surrender his licence except on the expiration of one month's notice in writing given by him to the licensing authority of his intention to surrender the same on payment of the fee payable for the licence for the whole period for which it would , have been current but for the surrender: Provided that if the licensing authority is satisfied that there are sufficient reasons for surrendering the licence, he may remit to the holder thereof the sum so payable, or any portion thereof, on surrender."*

Further, as pointed out by the department earlier on file and also noted by Audit retendering is a time consuming process. Proposal for renewal/retendering were also duly moved by the department in February 2022, however no concrete decision was conveyed to the department regarding retendering while policy was extended twice for two months.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED

Para : 8.4.2.5 **Detailed examination of complaints, received during the tender process, not conducted**

Nine complaints were received (in last week of July 2021) against the Tender participants/ bidders during the Tender process. Tender Evaluation Committee was mandated to examine the complaints on the directions of Excise Commissioner. These nine complaints pertained to 14 applicants. While five complaints pertained to the ineligibility of the company to carry out liquor business as per its Memorandum of Association (MOA)/Article of Association (AOA), other complaints pertained to alleged relation of these zonal license applicants to certain distilleries. This was against Clause 2.3 of the eligibility condition in the Tender documents, which specifically mentioned that no manufacturer/wholesaler would be eligible to bid for Retail license and that retail licensees should not have any manufacturing facility in the country or abroad either directly or indirectly, through sister concern/ related entities.

Tender Evaluation Committee (TEC), tasked with examining the complaints by the Excise Commissioner, decided that a copy of these complaints be sent to applicants (without disclosing the identity of complainant) to receive their clarification in this regard, and that the credentials of these firms were to be verified from the Ministry of Corporate Affairs (MCA). Replies/ documents were received from these applicants categorically denying the allegations in the complaints. The TEC in its meeting on 3 August 2021 decided that due to paucity of time and advanced stage of tendering process, the scope of detailed examination/ cross examination of complaints/ documents submitted in response to the complaint was limited. Thus, all the complaints, clarification/ documents of applicants were to be taken on record as the tender conditions enabled punitive action in future, if needed.

Ultimately all the entities were allowed as eligible bidders and 11 out of these 14 entities were allotted 17 retail zones after being declared successful after bidding. It was seen in Audit that no detailed examination was conducted till the end of Excise Policy 2021-22.

Audit comments relating to instances of cross ownership through formation of alliances between L1 and L7Z have been included in the succeeding paragraphs.

Action Taken by the Department

Agreed as matter of record. The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

The observed that the composition of the TEC may be appraised. Further, action taken subsequently by the Department on the complaints may be appraised.

On the above observations of the Audit the Department provided the composition of the TEC to the Audit and further informed that the Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

On the above reply of the Department, the Audit further observed that Action taken on complaints has not been furnished.

Para: 8.4.3 **Related Business entities holding licenses across the supply chain**

Rule 35 of the Delhi Excise Rules, 2010 prescribes, *inter alia*, that no License for retail sale of liquor shall be granted to the holder of Wholesale license and *vice versa*.

New Excise Policy 2021-22 mentions that "Retail license holders should not have any manufacturing facilities/distilleries/breweries/ wineries anywhere in the country or abroad either directly or through any sister concerns/related entities. For this purpose, sister concerns/related entities shall mean that the entities should not have common proprietor or partners or directors. Majority ownership (51 *per cent* or more) of the proprietorship or partnership or company should not lie with the same person in all the entities. The entities should not have a holding-subsidiary relationship or not subsidiaries of the same holding company. Further, holder of L1 license (Wholesale) shall not own directly or indirectly any of the retail vends."

Action Taken by the Department

While furnishing ATN, the department has informed to the Audit that they are agree with the observations of the Audit being matter of record.

Para: 8.4.3.1 Limiting the scope of the criteria for determining relatedness

The relevant provisions in the earlier Excise Policy specifically stated that no person or his family member interested in any distillery or brewery or bottling plant holding license for wholesale distribution shall be given a Retail license. For this purpose, a person interested in the business of distillery, brewery, winery or bottling plant includes every person interested in these businesses as a member of Cooperative Society, Director, Partner, Agent or Employee. While applying for Retail license under the earlier policy, the applicants were also required to declare that it did not have any interest in the business of holder of any license under the Delhi Excise Act, 2009 during the last five years preceding the date of application.

However, the scope of criteria for determining relatedness was diluted in the new policy. The earlier policy criteria regarding "non-relatedness via partner, agent, family member" and "non-relatedness at any time in the past five years", where by the controlling influence could be exercised by one entity over another, e.g., through common minority shareholding, common promoter group or unsecured loans extended through common persons were excluded from the definition of related entities.

Such dilution in the conditions of the Policy resulted in grant of licenses to entities in which same persons were having common interest. Some notable cases where evidence of relationships between licensees/ common beneficial ownership, was observed have been discussed below:

- There was evidence of relationship between M/s Indospirit which was a Wholesale licensee and the Zonal licensee- M/s Khao Gali Restaurants, holding two zones. Khao Gali Restaurants is an associate company of M/s Indospirit Distribution Limited which has 35 *per cent* stake in M/s Indopsirit (wholesale licensee). Further, Director of Khao Gali was a director of an associated company of Indospirit Distribution Ltd.

- Wholesale licensee Mahadev Liquor was linked to the zonal licensee Bhagwati Transformer Corp, holding two zones, through Common Past Partnership in 2021 and family relations.

- In the case of the wholesaler, Gautam Wines, it was found that family shareholding connected it to the Liquor manufacturers, Oasis Distilleries Pvt. Ltd. and Vijeta Beverages Pvt. Ltd.

- The zonal licensee- Popular Spirits LLP was related to a manufacturer Buddy (Punjab) Bottlers Pvt. Ltd. through Common Partner/Director in 2021. Buddy (T1D) Retail Pvt. Ltd., the zonal licensee for Airport zone, was related to the manufacturer- Buddy (Punjab) Bottlers Pvt. Ltd.through Common Directorship in 2021.

<u>Action Taken by the Department</u>

Matter of record. The definition of relatedness of concerned Licensees/sister concern had been recommended by the GOM vide para 10 of the Minutes of Meeting (MoM) dated 05.04.2021 and the same was approved by the Council of Minister vide Cabinet Decision 2994 [at 1.2.3(vii)] dated 15.04.2021.

Accordingly, the same was followed by the Excise Department for the purpose of scrutiny of the documents of the Bidders. However the instances concerning relatedness mentioned by the audit team are a matter of investigation by CBI/ED.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of Audit, the Department provided the copy of reference MoM dated 05.04.21 and the Cabinet Decision 2994 to the Audit.

Para : 8.4.3.2 Insufficient documentation and analysis to identify relatedness

As per the new policy, the applicant was to only furnish an Affidavit (in the format Annexure B) declaring absence of any connection. The bidding documents requisitioned to assess eligibility for award of zonal licenses, were insufficient for ruling out common beneficial ownership between two business entities.

Further, the Department did not scrutinize the applications properly to ensure compliance to the conditions of the policy relating to related entities. It was noticed that even the subsequent complaints were only taken on record with no follow up.

Apart from the instances of related business entities, Audit found statistical evidence of skewed supply pattern which could be a result of manipulation of normal supply pattern by the Zonal licensee and Wholesale licensee who have common business interests. This poses a risk of exclusivity arrangements and brand pushing.

Action Taken by the Department

Agreed as matter of record. The definition of relatedness of concerned Licensees/sister concern had been recommended by the GOM vide para 10 of the Minutes of Meeting (MoM) dated 05.04.2021 and the same was approved by the Council of Minister vide Cabinet Decision 2994 [at 1.2.3(vii)] dated 15.04.2021.

Accordingly, the same was followed by the Excise Department for the purpose of scrutiny of the documents of the Bidders.

The Excise Policy 2021-22 has been rescinded and earlier Excise Policy was again continued.

Para : 8.4.4 Risk of exclusivity arrangements and Brand Pushing

Data taken from ESCIMS and the data of Transport Permits (TP) containing brand-wise movement from Wholesaler (L1) licensee to the retail vends in all the 32 zones, owned by 22 different business entities, were analysed to ascertain supply/demand patterns.

The policy mandated an exclusive arrangement between a manufacturer and wholesalers, which led to the entire supply of all brands of a particular manufacturer being controlled by only one wholesaler. This becomes particularly relevant considering the fact that although 367 IMFL brands were registered in Delhi, very few popular brands formed the bulk of sale volume. Top 10 brands accounted for the sale of 46.46 *per cent* of liquor sold in Delhi whereas top 25 brands accounted for 69.50 *per cent* of the liquor sold. Of these 25 top selling brands, Brindco and Mahadev Liquor exclusively supplied seven brands each, followed by Indospirit which exclusively supplied six brands.

Further, of the 367 brands of IMFL supplied by 13 Wholesale licensees, the highest number of brands were exclusively supplied by Indospirit (76 brands), followed by Mahadev Liquors (71 brands) and Brindco (45 brands). These three wholesalers also accounted for 71.70 *per cent* of volume of Liquor sold in Delhi.

The supply of Liquor from wholesale licensees to the 22 business entities (holding 32 zones) was analysed. As the consumer preferences for 30 zones (excluding NDMC area and Airport zone) are assumed to be similar owing to the distribution of wards across Delhi, the supply from each wholesaler to retail entities, should be an average of 3.33 *per cent* for entities with one retail zone and 6.66 *per cent* for entities with two retail zones. It is normal that supply variations would occur as per normal distribution. However, there is a risk that certain business entities would corner a disproportionately large portion of supply from a specific Wholesale licensee. Thus, the supply distribution from wholesalers (shown at horizontal axis) to retail businesses has been analysed with a box and whisker plot in Chart 8.4 which brings out outliers. These outliers represent Zonal licensees receiving abnormally high proportion of stock from a particular Wholesaler.

Overall analysis of the supply pattern of liquor in Delhi revealed the following:

1. The wholesale distribution of liquor was largely controlled (71.70 *per cent*) by three entities Indospirit, Brindco and Mahadev Liquor. The former two also exclusively supply brands of United Spirits (Diageo), United Breweries (Heineken) and Pernod Ricard, three of the largest domestic manufacturers of liquor.

2. Of the 22 business entities holding 32 retail zones, the top eight business entities (in terms of volume of sale per zone) holding 10 zones, accounted for 44.79 *per cent* of the sale. In contrast, the bottom 10 zones (held by six[48] business entities) accounted for only 16.68 *per cent* of sale.

3. There were instances where a particular wholesaler supplied a statistically large proportion of its stock to a particular zonal Licensee which highlighting the risk of favourable business terms and/or close association between these wholesale licensees and respective zonal licensees. Also, some notable instances have been pointed out where a large proportion of sale of a zonal licensee was sourced from a particular wholesaler. Whereas this might not be an issue per-se in cases of procurement from wholesalers supplying popular brands, it could have implications like brand pushing and limited consumer choice.

- DM sales supplied 32.69 *per cent* of its total stock to Ace Finance Co. holding Zone 22, whereas the median value for supply was 2.53 *per cent*. Conversely Ace Finance procured 48.46 *per cent* of its total stock from DM sales.

- Delhi Liquors supplied 33.13 *per cent,* 21.62 *per cent* and 17.72 *per cent* of its total stock to three zones, Raisen Marketing (zone 13), Sainik Industries (Zone 17) and Millenium Infra (Zone 9) respectively, whereas the median value of supply was 0.56 *per cent*.

- Gautam Wines supplied 47.10 *per cent* of its stock to Nova Garments (Zone 11 and zone 15), whereas the median value for supply was 2.32 *per cent*.

- Khao Gali Restaurants Pvt. Ltd. (Zone 2 and 3) procured 45.26 *per cent* of its stock from M/s Indospirit. Thes two entities have been reported to be related, in the preceeding section.

- Goldsun Garments supplied 47.62 *per cent* and 27.62 *per cent* of its stock to Origin Appliances (Zones 14 and 16) and Chanmeet Leasing (Zone 28) respectively, whereas the median value of supply was 0.36 *per cent*.

- KSJM Spirits supplied 29.34 *per cent* of its stock to Popular Spirits (Zone 30) whereas the median value of supply was 2.12 *per cent*. Notably, these two entities are also related to each other through common directorship in related entities.

- Mahadev Liquors supplied 18.82 *per cent* of its stock to Bhagwati Transformer Corporation (Zone 1 and 27), whereas the median value for supply was 3.94 *per cent*. Conversely Bhagwati Transformer Corp. procured 50.97 *per cent* of its stock from Mahadev Liquor. Notably, Mahadev Liqour and Bhagwati Transformer corp are related by family ties.

- Shiv Associates supplied 39.33 *per cent* of its total stock to Path2Way (Zone 12 and 25).

- Rohan Transport Agency sold 18.39 *per cent* of its stock to Sainik Industries (Zone 17), whereas the median value for supply is 3.61 *per cent*.

4. Instances highlighting the risk of Brand Pushing were also observed where a large portion (statistical outlier) of a particular brand was sold through a particular zonal Licensee. The brand sales for a particular zone is as a percentage of total sale of that brand across all Zones. The analysis was conducted for top 100 selling brands (each selling more than 85,785 litre) accounting for a total of 95.25 *per cent* of total liquor sold in the period under consideration. Some examples are mentioned below, where more than 20 *per cent* of a particular brand of liquor was sold by a single zone. These examples highlights links between the zonal licensees and domestic manufacturers of liquor products:

- Ace Finance (Zone 22) sold 23.89 *per cent*, 75.64 *per cent*, 99.20 *per cent* and 54.61 *per cent* of Royal Green, Double Blue, High Impact and Episode Whisky respectively, all supplied by DM Sales and manufactured by ADS Spirits. Other relatively lower selling brands of ADS spirit, Generation Classic Whisky and Moonwalk Vodka were also almost exclusively sold by Ace Finance. Ace Finance also sold more than 20 *per cent* of other brands (e.g. Bee Young beer and Godfather beer) supplied by DM sales.

- Clear pattern also emerges for top selling brands supplied by Delhi Liquors. Raisen Marketing (Zone 13) sold 29.71 *per cent* and 77.65 *per cent* of Hunter beer and Woodpecker beer manufactured by Som Distillers and supplied by Delhi Liquors. The relationship of these two entities, Raisen Marketing (retailer) and Som Distilleries (manufacturer), via shareholding pattern, has also been pointed by audit, as mentioned in Annexure XVI.

- For other top selling brands supplied by Delhi Liquors, Wave beer and Evening special whisky, more than 80 *per cent* of the stock was sold by three zones (Raisen Marketing, Millenium Infra and Sainik Industries) only.

- Gautam Wines supplied two top selling brands manufactured by Oasis Distilleries, All Seasons whisky and Batch 9 whisky, 39.59 *per cent* and 99.41 *per cent* of which were sold by Nova Garments (Zone 11 and Zone 15) only. Nova Garments also sold more than 90 *per cent* of other relatively lower selling products manufactured by Oasis distilleries. The relationship between these two entities, Nova Garments (retailer) and Oasis Distilleries (manufacturer), via common directorship, has also been pointed by audit.

- Universal Distributors (Zone 19 and 29) sold 46.67 *per cent* of Party Special Whisky, manufactured by NV Distilleries.

• For four brands manufactured by Empire Alcobrev under "Old Habbit" and "Bottoms Up" brand names, Chanmeet leasing (Zone 28) and Origin Appliances (Zone 14 and 16) sold more than 75 *per cent* of total supply.

Existence of related entities in the Wholesale and Retail licenses resulted in skewed distribution of various brands of liquor. This was not in line with the objective of providing choice to consumers as per the Excise Policy 2021-22.

Action Taken by the Department

Matter of record. The analysis was carried out by CAG and Department does not have plausible reason to disagree with the facts and analysis done by the audit team.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

Para : 8.5	**Losses amounting to approximately ₹ 2,002.68 crore**
Para : 8.5.1	**Loss of revenue of about ₹ 941.53 crore due to not taking timely permissions**

Prior to the implementation of Master Plan Delhi (MPD)-2021 in 2007, four Government Corporations were allowed to open 116 retail vends in non-conforming[49] areas over the years. MPD-2021 prohibited opening of liquor shops in mixed land use/non-conforming areas. Since then, no new retail vend was allowed in non-conforming areas. Only these 116 Retail vends were renewed till 2016-17 which was further reduced to 51 and their licenses were renewed up to 31 March 2021.

It was made mandatory in the Excise Policy 2021-22 to open at least two retail vends in each ward to ensure equitable coverage so that there was no instance of un-served and underserved areas in Delhi. However, as per the Tender document, vends were not to be located in a non-conforming area and in case the proposed vend was in a non-conforming area, the same had to be considered with the prior approval of the Government.

Audit observed that in spite of being aware of the fact that vends were required to be opened in non-conforming wards, the Department did not take timely action to work out modalities for the same before tendering. Excise Policy for the year 2021-22 and Terms and Conditions of licenses were approved on 24 May 2021. Initial tender was floated on 28 June 2021 without taking comments from Delhi Development Authority (DDA) or Municipal Corporation of Delhi (MCD) and licenses were allotted in August 2021 even before this issue was sorted out. Vends were scheduled to start operations from 17 November 2021. However, DDA vide letter dated 16 November 2021 disallowed opening of liquor shops in non-conforming wards as it would be against the spirit of the Delhi Master Plan.

The licensees approached High Court which granted them exemption on 9 December 2021 from paying any license fee in respect of mandatory vends in 67 non-conforming wards. This resulted in exemption of license fee of ₹ 114.50 crore per month. Non sorting out of the issue of vends in non-conforming areas before NIT, resulted into this exemption and a cumulative loss of nearly ₹ 941.53 crore.

Action Taken by the Department

Partially agreed. The Department concurs with the methodology and arithmetic calculations of Audit, however, it is submitted that the department took all possible efforts to seek timely permissions while exploring various alternatives in parallel.

It may be noted that 51 shops in non-confirming area were already functioning till 16.11.2021.

For opening of retail vends in non conforming areas file was initiated on 13.9.21 before implementation of new policy and cabinet approved on 5.11.2021 vide Cabinet Decision 3047.

Thereafter it was sent HLG who approved the same with certain conditions.

However, DDA vide letter dated 16.11.21 denied permission to open vends in Non-Conforming areas.

Subsequently, a committee was constituted which comprised of VC-DDA, Divisional Commissioner, Excise Commissioner, three Commissioner of MCDs, a representative of NIUA, and Secretary,IT.The committee recommended for opening of vends in conforming wards in lieu of opening of vends in non-conforming wards; this was approved by the Dy.CM.

Therefore, a circular dated 09.02.2022 was issued to allow the licensees to open shops in conforming areas in lieu of mandatory vends to be opened in Municipal wards having non confirming areas. However, licenses did not avail this provision and thereby violated the directions of Excise Department. Consequently, several court cases in this matter are filed in the Delhi High Court wherein the department is making efforts to protect government revenue from non-opening of vends by the licenses.

Further, the reduction in the license fee collection on account of non-opening of vends in the non -non-conforming areas, the same was as per the directions of the Hon'ble High Court vide orders dated 09/12/2021 and 05/01/2022. The Court had in these orders clarified that the relief granted for deposition of license fee was only interim in nature and was subject to the final outcome of the case. The Case is still subjudice and the department is making claims in the interest of the Government.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.
Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of the Audit that Action for permission to open vends in non-conforming areas should have been completed prior to roll out of the policy which premised its design on revenue flow from uniformly spread-out vends. Thus, there has been revenue loss due to poor planning and policy design.

While the reduction in the Licence Fee had been green flagged by the High Court, it was due to the un-implementable design of the Policy. Thus, the onus for this revenue loss is squarely with the Department.

The Department furnished reply that this was part of Excise Policy 2021-22 which has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

.

Para : 8.5.2 **Re-tendering of surrendered zones not done leading to loss of revenue of around ₹ 890.15 crore**

It was observed that 19[51] zonal licensees had surrendered their licenses before the policy expired in August 2022, four in March 2022, five in May 2022 and ten Zones in July 2022. However, no retendering process was initiated by the Excise Department to operationalize the retail vends in these zones. Consequently, no Excise Revenue accrued as License fee from these zones in the months after surrender. Notably, no other contingent arrangement was put in place to continue liquor retail in these zones.

The Excise Department suffered a loss of approximately ₹ 890.15 crore on account of License fee from these zones owing to their surrender and failure of the Department in re-tendering. Loss of Excise Revenue has been calculated on the basis of actual license fee for the months[52] for which surrendered zones were non-operational and after accounting for the waiver offered on account of nonconforming wards.

This issue is reflective of mismanagement of the Department in its inability to timely introduce new policy, its inability to retender after discontinuation of a retail license at the term end and failing to put an enabling clause in the terms and condition of license to accommodate such eventuality.

Action Taken by the Department

Partially agreed to the methodology and arithmetic calculations of the Audit. However, the department does not agree with the contention of mismanagement, inability to retender & for failing to put enabling clause in T&C of license.

- It is submitted that The Excise Policy 2021-22 was framed on the basis of GOM reports, duly approved by the Council of Ministers.
- The Excise Department had sought directions for retendering the retail licenses for the year 2022-23 vide notes dated 04.02.2022, 16.03.2022 and 12.04.22
- However, the department did not receive any further directions from GOM/Competent Authority in this regard.

Moreover the clause pertaining to retendering in the event of surrender is dealt under T&C of Excise Policy 2021-22 at para 4.1.9(v).

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

Reverted back to Excise Duty Based Regime with the only change regarding retail vends. Only Government agencies were allowed to operate retail vends.

On the observations of the audit that Department may elaborate on the reasons for awaiting GoM approval for re-tendering.

The Department furnished reply that The Excise Department had sought directions for retendering the retail licenses for the year 2022-23 vide notes dated 04.02.2022, 16.03.2022 and 12.04.22. The Excise Department is an implementing department and could not proceed without approval of Competent Authority.

Para : 8.5.3 **Loss of revenue of ₹ 144 crore owing to irregular grant of waiveron account of COVID to zonal licensees**

A representation was received by the Excise Department from L-7Z Licensees for proportionate waiver/ reduction in license fee due to COVID restrictions issued by the DDMA orders dated 28 December 2021 and 4 January 2022. The representation was submitted by the licensees in pursuance of the Hon'ble High Court order dated 06 January 2022 which directed the Department to pass a speaking and reasoned orders in this regard.

The Excise Department and Finance Department of GNCT of Delhi had examined the representation and after examination, the following were stated:

1) Clause 27.1 of tender documents dated 13 August 2021, inter-alia, mentioned that any commercial risks shall lie with the Licensee.

2) During pre-bid meeting, the Department had informed the prospective bidders that there is no provision for force majeure in the tender documents and the Government may issue appropriate orders at later stage.

3) The Excise Department categorically stated that there is no provision in tender document for reduction of license fees of the licensees on grounds like decreasing in sales hour/ opening of vends on the basis of odd-even rules/ restriction in social gathering and complete lockdown on weekends. These restrictions are in the nature of commercial risks as categorically stated in clause 27.1 of tender document mentioned *ibid*, which do not justify the claim of reduction in license fee much in the same manner as an increase in the

sales during festival/ marriage season does not entail an increase in the demand of license fee from the licensee. Moreover, the relaxation granted by the Government to the HCR segment in previous lockdown regarding the payment of license fee cannot be compared to the current retail license fees as the two license regimes are entirely different in nature.

4) Further, the Excise Department stated that there is a decrease of sales of liquor bottles by nine *per cent* during the period 28 December 2021 to 6 January 2022 as against the sale of liquor bottles from 1 December 2021 to 27 December 2021. However, the reduction in sales is also not uniform across all zones as some of the zones have also experienced increased average sale during this period. This analysis is also not conclusive because the number of vends opened during the month of December varied and gradually increased as more and more vends opened in December. Hence, the demand of licensees for relaxation of license fees on the pretext of COVID restriction does not hold merit as there is no significant impact on volume of sales in Liquor in Delhi during the COVID restriction period as compared to the pre-COVID restriction period.

With the above reasons, the Excise and Finance Departments proposed that proportionate waiver/ reduction in license fee due to COVID restrictions may not be considered as there is no provision in the Tender Document with regard to the reduction of license fee in any such circumstances. This proposal was turned down by the Minister in charge of the Department and grant of waiver to each Zonal licensee for the closed vends during the period from 28 December 2021 to 27 January 2022 was approved with the reasons that during the previous COVID related lockdown period, the Government had given the benefit of pro-rata fee waiver to restaurants. This resulted into the loss of approximately ₹ 144 crore to the Government. The relaxation granted to the HCR segment in previous lockdown regarding the payment of license fee cannot be compared to the current retail license fee as the two license regimes were entirely different in nature. Moreover, as per the Cabinet Note No 3003 (dated 21.05.2021) any amendment made at the time of implementation may be placed before the Council of Ministers at the time of implementation. However, this wavier to licensees was granted before taking approval from the Council of Ministers.

<u>Action Taken by the Department</u>

Agreed. Regarding approval of grant of waiver it is submitted that the same was approved by Council of Minister vide Cabinet Decision 3089 dated 14.07.2022

The department agrees with the figure of Rs.144 Cr. (approx) on account of COVID restrictions which was granted by the Dy. CM on 01.02.2022 with specific direction that the relief measures be implemented and the Council of Ministers to be informed in due course.

The Council of Minister later on ratified the above decision of Dy. CM vide Cabinet Decision 3089 dated 14.07.2022.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the observations of the Audit that Thus, cabinet approval was taken nearly 6 months after the decision taken by the Dy.CM. It may be clarified whether the monetary implication of the decision of the Dy.CM was appraised to the Cabinet?

The Department furnished reply that all the issue including monetary implication were apprised vide note dated 12.04.2022.

Para : 8.5.4 **Incorrect collection of Security Deposit from zonal Licensees, leading to loss of revenue of around ₹ 27 Crore**

Clause 3.1.3 of the tender conditions cited Rule 48(12) of Delhi Excise Rules and mentioned that the Security Deposit "to match 25 *per cent* of the pro rata annual license fee" was to be submitted by the zonal licensees within seven days of the issue of Letter of Acceptance. However, Rule 48(12) of the Delhi Excise Rules mentions 25 *per cent* of the Annual License Fee and not of pro-rata annual license fee.

Security Deposit with the Excise Department provides it a risk cover against a possible default by the zonal licensee. The amount of 25 *per cent* of Annual License fee, in essence provided a risk cover for three months against a possible default scenario i.e. if the licensee defaulted on payments and could not clear his dues till the end of a month, punitive action against the licensee could be initiated and process to retender for Zone could be done or alternative option could be explored to continue operations in the Zone within three months so that the Department would not incur losses on account of foregone revenue due to discontinued operations.

As the zonal retail operations could begin only in mid-November, after substantial delay in the rollout of Excise Policy 2021-22, the policy year 2021-22 was effective for four and a half month only. The License fee was charged on a pro rata basis and so was the security deposit @ 25 *per cent* of pro-rata License Fee. This security cover therefore ensured risk cover for only about one month. Thus, the Department became more vulnerable against default by thelicensee. Excise Department decided on 20 January 2022 (without taking approval from Cabinet) not to take any coercive action of cancellation of license due to any default of payment of license fee till the end of Excise Year 2021-22. This led to an increased risk of losing Excise revenue if the licensee suddenly discontinued operations. The feasibility of retendering or exploring viable alternative for continuing operations in the intervening period was even less

Audit observed two cases where the Zonal licensees abruptly surrendered license and failed to pay the pending license fee even after adjustment of Security Deposit. In case of Zone 8, the licensee discontinued operation in March 2022 without paying complete dues. As per the Excise Department, the cumulative dues as owed to the Department as on 17 March 2022, was ₹ 47.46 crore and the Security Deposit with the Department was only ₹ 30 crore leaving ₹ 17.46 crore recoverable at the end of March 2022. Similarly, the licensee of Zone 30 discontinued operation in the mid of July 2022 and as per the Excise Department, ₹ 9.82 crore was pending after adjustment of Security Deposit. This resulted in a cumulative unrealised amount of ₹ 27 crore.

Audit also observed that the amount of outstanding dues recoverable from the above two zonal licensees, as worked out by the Excise Department, was not correct.

Action Taken by the Department

Disagree. It is submitted that the definition of "Year" as per Rule 2(51) Delhi Excise Rules 2010:-
"year means the year beginning with 1st April or any subsequent date and ending with 31st March."

The excise policy 2021-22 was implemented with effect from 17/11/2021, therefore, the year for 2021-22 will be construed as beginning from 17/11/2021 and ending to31/03/2022. Therefore, the calculation for security deposit for the excise annual year will be for the same period for which license was granted instead of full financial year. Thus, the department did not violate the Rule 48(12) while taking security deposit on a pro rata basis because the license was granted only from 17/11/2022 to 31/03/2023 and license fees was also collected for the same period on a pro rata basis.

Further, the matter of recovery of dues from the two licensees mainly M/s Popular Spirits LLP (Zone-30) is pending in Hon'ble NCLT & M/s Adharv Enterprises (Zone-08) is pending in Hon'ble High Court.

The department is taking efforts to recover the deficiency by seizing the unsold stock of the licenses and proper judicial channels are also being availed in this regard.

The matter is still subjudice in Hon'ble NCLT &Hon'ble High Court.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the observations of the Audit that Audit point is on the insufficiency of the Security deposit, as per the tender conditions, which was at variance with Rule 48(12) of the Delhi Excise Rules 2010 resulting in failure to recover the dues from the licensees.

This has resulted in avoidable litigation and locking up of Government dues.

The Department replied that the Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Para : 8.6.1 **Tender not floated for Super Premium vends resulting in a loss of opportunity to earn additional revenue**

As per Delhi Excise Policy 2021-22, licenses in the form of five Super Premium (L7-SP1) vends (with larger floor area of 2500 sq. ft. with 10 *per cent* space for selling ancillary products) were to be issued to a single entity through a separate tender. These vends were to have a minimum License Fee equal to two and half times of the average reserve license fee of a vend in Delhi. These vends were to be opened in the same retail zones awarded earlier through conversion of one or more retail vends into super premium vends and adjustment of License fee accordingly. However, tendering for these vends was not done. Failure of the Department in tendering for these super premium vends led to loss of opportunity to earn additional license fee from these vends based on proposed reserve price for these vends.

Action Taken by the Department

Partially agree. As per tender conditions minimum 06 months were required to set up L-7SP1 vends and the policy was introduced in the middle of the year and there was no viable time window to float tender for the same.

Agreed. However, it is also to mention that vide Clause 4.1.5(vii) of Excise Policy time period required to set up a L-7SP1 vends was mentioned as 06 months from the date of issue ofL-7SP1 license to commence business in all their shops. However, initially the Excise Year 2021-22 was for the period of 17.11.2021 to 31.03.2022.(Less than 6 months). Therefore, it was not feasible to float the tender for super premium vends.

Therefore, as per Excise Policy 2021-22, sufficient time was not available for completing the tendering process and set up of L-7SP1 Vends.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the observations of the Audit that Reply confirms the audit assertion of flawed policy design. Despite late launch of the policy, no pre-emptive steps were taken to re-confirm the policy well in time so as to reap the stated benefits.

The Department replied that The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Para: 8.6.2 **Irregular opening of vends in non-confirming wards**

MPD-2021 prohibited opening of liquor shops in mixed land use/nonconforming areas. Cabinet had approved the proposal of Excise Department to open vends in non-conforming wards on 5 November 2021 and the same was approved by the Lieutenant Governor on 15 November 2021 subject to the condition that approval from concerned MCD and DDA is mandatory.

Audit selected four zones (Zone 3, 14, 23 and 25) through random sampling for detailed examination. Audit observed that out of these four Zones, four Vends of Zone 23 were opened in non-conforming wards. In Zone 23, there were three non-conforming Wards 33N, 30S and 97S. The Department had allowed retailers to open these four Vends in non-conforming Wards without getting any approval from DDA and MCD.

Audit further noticed that Inspection teams were formed to conduct Inspections of proposed shops to assess the suitability of the premises for vends as per the provisions of the Delhi Excise Act, Delhi Excise Rules, terms and conditions and Excise Policy. In all four Wards, inspection team declared that premises were situated in conforming/commercial area. Audit observed that:

- In applications for two vends (Sl. Nos. 1 and 2 of Annexure XVII), licensee itself mentioned that land use category of the shop was “mixed land use”/“residential”. Further, the Licensee provided an Urban Development (UD) Department notification of commercial road/street as supporting documents for these vends but Audit noticed that location of vend at Sl No. 1 was around 10 km away[53] and location of vend at Sl. No. 2 was around three km away.

- For vend at Sl. No. 3 of Annexure-XVII, licensee had submitted the conversion charge slip as proof of shop being commercial but that did not confirm whether that conversion slip was for mixed land use or commercial land. The licensee also did not submit any certificate from MCD declaring that the shop comes under commercial area.

All these four vends were sealed by the MCD in January-February 2022. The manner of ascertaining that these vends were located in conforming area by the inspection team clearly shows that Inspection team did not properly scrutinize the above mentioned documents before declaring that premises were located in conforming area.

Action Taken by the Department

Yes. Conclusion agreed to the extent borne by records and observation is duly noted.

It is submitted that to ensure better scrutiny while inspection, an Order dated 02.08.2022 has been issued, wherein a committee has been instituted under the chairmanship of the area SDM and comprising of area Tehsildar, Excise Inspector, and Labour Inspector.

On the observations of the Audit that The outcome of the enquiry may be appraised.

The Department replied that It is clarified that all the new licenses are being issued after recommendation of Committee, constituted vide order dt

02.08.2022 headed by area SDM and comprising of area Tehsildar, Excise Inspector and Labour Inspector.

Para : 8.6.3 **Discrepancies in calculating the pending License fee amount**

As per the tender conditions, licensees were required to pay the license fee in advance by the 7th of the month in which he begins his business. Failure to pay fee in time attracted interest on the amount due at 12 *per cent* per annum and also penalty at the rate of 0.1 *per cent* per day, if the default continued beyond the 15th day of the month. Failure to pay all the dues by the last day of the month entailed forfeiture of security deposit, cancellation of license and prohibition from participating in any other tendering process for a period of two years.

Licensees of Zone 8 and 30 had surrendered the zonal licenses without paying their pending dues including license fee, interest and penalty on 17 March 2022 and 12 July 2022 respectively. Audit observed discrepancies in calculation of dues in respect of these zones. For Zone 8, during calculation of interest of pending amount of license fee of conforming wards for the month of November and December 2021, Excise Department had not calculated the interest and penalty up to 17 March 2022 as done in respect of other months. Also, for the month of January 2022, the licensee had paid partial license fee before due date but interest for six days on the partially paid amount was wrongly included in the dues. Besides, in the months of February and March 2022, there was excess calculation of interest on outstanding amount due to levy of interest from first date of the month instead of from the date next following the due date. Net effect of errors in calculation was inflation of dues by ₹ 24.20 lakh.

Similarly, in case of Zone 30, in some months, there was excess calculation of interest on outstanding amount due to levy of interest from first date of the month instead of from the date next following the due date. This resulted in inflation of dues by ₹ 4.65 lakh.

<u>Action Taken by the Department</u>

Matter of record. There is no loss to the Government revenue due to the calculation of inflated dues.

On the observations of the Audit that The issue is about the accuracy of the process. The department may appraise the process checks put in place to ensure accuracy in the calculation of government dues.

The Department replied that presently, all the licenses are being issued through e-Abkari module and the calculation of government dues are done automatically.

Para : 8.6.4 Critical post of DC (Wholesale Operations) for monitoring and regulation not designated

As per Clause 3.1.11 of Delhi Excise Policy for the year 2021-22 "An officer to be designated as Deputy Commissioner (Wholesale Operations). The officer shall have the following responsibilities: - (i)To prevent unfair trade practices, to monitor operations and ensure overall supervision of wholesale dealers, (ii) To constantly monitor demand supply patterns, assure normalization of supplies, (iii) To prevent supply of spurious and adulterated liquor by manufacturers, vend owners and wholesale distributors (iv) To ensure equitable distribution of stock among all vends by wholesalers, (v) To ensure no wholesale licensee encourage brand pushing, (vi) To ensure no branding violations are encouraged by wholesalers, (vii) To ensure track and trace under ESCIMS." Clause of 4.6.2 of Delhi Excise Policy for the year 2021-22 also makes provision regarding appointment of DC (Wholesale Operations).

It is evident from the above that the post of DC (Wholesale Operations) was an important one, as envisaged by the policy. DC (Wholesale Operations) was supposed to perform a wide range of functions relating to monitoring and regulation, which had implications on quality of liquor, brand pushing etc. However, as per reply received from the Department, there was "no work assigned as *"Wholesale Operation"* in respect of Deputy Commissioner". Thus, no officer was designated as DC (Wholesale Operations) during the Excise year 2021-22, which pointed to non-adherence of the provisions in the policy.

Action Taken by the Department

Matter of record. No loss to the government revenue

It is stated that the L-1/ L-1F branch looks after the entire spectrum of wholesale operations headed by Assistant Commissioner (AC) who reports to Deputy Commissioner (DC).

On the observations of the Audit that Audit observation is with regard to poor follow-up on the policy design. With wholesale operations completely privatised, DC WO was an important post to monitor and manage the emergent issues.

The Department replied that This is a matter of record and post of DC (WO) was not created and which is not required presently. However, Excise

Policy 2021-22 which has been rescinded and various aspects of the said policy is under investigation by CBI and ED.

Para : 8.6.5 Quality of liquor supplied not ensured

(i) Laboratory at warehouse, Batch Testing & Uploading of reports onto ESCIMS

As per Rule 55(10) of Delhi Excise (Amendment) Rules, 2021, every L-1 Licensee shall set up a Government approved laboratory at their warehouses to randomly check the presence of sub-standard liquor or spurious liquor in each batch of liquor received from the manufacturers and mandatorily inform the Excise Department in case any sub-standard liquor or spurious liquor is found in the supplies. As per Excise Policy 2021-22, Excise Department had to issue Standard Operating Procedure (guidelines) in this regard separately.

The licensees were required to set up the laboratories before granting the license. However, Excise Department issued guidelines for setting up of Laboratory on 9 November 2021 whereas the Excise Policy was to be implemented from 17 November 2021. One of the licensees had made representation and asked for six to eight weeks' time for setting up laboratories.

The essential pre-condition to set up laboratories to ensure quality of liquor supplied was not enforced by the Excise Department due to delay in issuing guidelines by the Department. The licensees were allowed extension of two months till 16 January 2022 initially for setting up of the laboratory even though there was no provision for this in the Policy. Further extension till 31 March 2022 was granted citing reasons related to COVID. Even after this extension, laboratories were set up only in 19[55] out of 62 warehouses and even in these laboratories, batch testing was not started.

Audit test check of the records relating to one warehouse each of five L-1 licensees (M/s Indospirits, M/s Brindco Sale Pvt. Ltd., M/s Mahadev Liquors, M/s DM Sales & M/s Delhi Liquors) revealed that the laboratories were setup between 17 January 2022 to 29 March 2022, i.e. with delays ranging from 61 to 132 days. There was further delay in inspection of these laboratories by the Excise Department as these were done between 15 March 2022 and 4 April 2022 which delayed batch testing in these labs, as testing could not begin before the inspection.

The licensees were also required to upload data of all test results of samples on regular basis on ESCIMS portal. However, the ESCIMS module to upload the test reports was not made functional in the Excise year 2021-22 which was under implementation. As per the records made available to Audit, the last communication in this regard was dated 20 July 2022.

- Moreover, as per Excise Department order dated 30 December 2021, Import Permit module i.e. rights of L-1 licensees to import liquor were to be blocked if status of labs were not furnished by expiry date i.e. 16 January 2022. Similarly, as per circular dated 16 March 2022, Transport Permit generation was to be stopped if labs were not setup by 31 March 2022. It is evident from this that there was provision for action against licensees if labs were not set up, and Excise Department was not informed about the setting up of the lab by L1 licensee. The Department had not informed Audit whether any action was taken against the licensees for not setting up the labs even after the extended deadline of 31 March 2022.

- The provision relating to establishment of lab at warehouse was not retained in the Terms & Conditions for the grant of L1 license in the Excise year 2022-23. Thus, the essential condition of batch testing at labs of warehouses was not implemented during Excise year 2021-22, and further the important requirement of having labs at warehouses was itself removed from the Terms & Conditions in the year 2022-23.

The conditions for setting up of labs at warehouses and batch testing were incorporated in the Rules, Policy and Terms and Conditions for the Excise Year 2021-22 to ensure that liquor received from manufacturers/distilleries are of required quality and no spurious liquor is sent to the retail vends and HCRs in Delhi, and consumers do not consume substandard liquor. Ensuring the quality of liquor supplied in Delhi is consonant with the primary objective of Excise Department i.e., to regulate, control and monitor the sale and consumption of liquor.

However, all the above Audit observations establish the fact that the Excise Department did not ensure that the essential requirement of establishment of laboratory at warehouses and batch testing was enforced, as mandated by amended Excise Rules, Excise policy and Terms & Conditions for L-1 for the Excise Year 2021-22.

(ii) State-of-the-art lab not set up

As per clause 4.6.4 of Delhi Excise Policy for the year 2021-22, "Supply of spurious liquor is a serious public health hazard. To keep this in check the Government of Delhi will setup a state-of-the-art lab which will specialize in detecting spurious and counterfeit liquor." However, no state-of-the-art-lab was set up by Excise Department as mandated in the policy for the Excise year 2021-22. This further established the fact that the provisions to ensure the quality of liquor were not taken seriously by the Department.

(iii) Special Teams for Sample Collection not constituted

As per clause 4.6.3 of Delhi Excise Policy for the year 2021-22, "Constitution of special teams for sample collection: Teams will be set up to systematically pick up samples from bonded warehouses, retail vends, hotels, clubs and restaurants across all brands and the report of the same will be published on the website. Any L-1 license holder or retail shop owner found in possession of spurious liquor will lose their entire license and will be subject to criminal proceedings as per applicable laws. They will be permanently blacklisted and barred from operating in Delhi and in good faith, the information of the same will be provided to the Excise Department of all other States."

Information regarding Constitution of Special Teams for Sample Collection was requisitioned from the Department. However, no reply was provided to Audit in spite of multiple reminders. Hence, it could not be verified by Audit that such special teams were eve constituted by Excise Department during the Excise year 2021-22.

Action Taken by the Department

Yes, matter of record.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the observations of the Audit that Departmental action to ensure follow-up on all aspects of policy may be appraised.

The Department replied that The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the above reply of the department, the Audit further observed that Information asked for has not been included in the ATN. No further comments

Para : 8.6.6 **Trends in sales of liquor and Geographical Distribution of the retail vends across the geographical area of Delhi**

The sale during the nine months spanning December 2021 to August 2022, when the new policy remained in place, was 64.82 crore bottles compared to 58.19 crore bottles sold during the comparable period of December 2018 to August 2019[56]. Thus, the new policy witnessed an increased sale of around 11.40 *per cent* compared to the previous regime. However, the new policy did away with the levy and collection of revenue on per bottle basis, in favour of advance revenue collection on presumptive sales figure based on financial year 2019-20. This emphasis on presumptive revenue collection through bidding also gave an incentive to retailers to ramp up the volume of sale (via Economy of scale as well as deep discounting) without concomitant revenue to Government. One of the cornerstones of the Excise Policy 2021-22 was equitable distribution of liquor retail vends across Delhi to facilitate access to quality liquor and to discourage illegal sale. However, this objective could not be fulfilled in practice because vends could not be opened as planned. The actual vend distribution (February 2022) has been visually shown in the Chart 8.5 of the CAG Report. The wards marked with white did not have a single vend and the wards with shaded colour scale contains vends ranging from 1 to 5 from light to dark. The distribution shows that certain wards were over-served as they contained many liquor retail vends whereas the others had no retail vends.

<u>Action Taken by the Department</u>

Partially agreed as sale & distribution trends are matter of record.

Partially agreed as matter of record, however, the department took all the efforts to obtain permissions from relevant authorities as described at para 8.5.1

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

Para : 8.6.7 **Excise Intelligence Bureau and Confiscation**

Data for Excise Intelligence Bureau (EIB) & Confiscation for the Excise Year 2021-22 was requisitioned from the Excise Department. However, no reply was provided to Audit in spite of multiple reminders. Therefore, audit could not review the functioning of EIB including checking of interstate smuggling of various intoxicants as well as detection of illegal liquor trade.

Action Taken by the Department

Matter of record. The Excise Intelligence Bureau with enforcement, confiscation, capturing of illegitimate liquor, boot legging, smuggling of liquor etc. performance of EIB is being monitored at the HOD level at day to day basis. The performance EIB and department was appreciated for its enforcement efforts during LokSabha 2024 and Delhi Legislative Assembly 2025. Also, various measures pertaining to modernization and empowerment of EIB are under implementation.

The Excise Policy 2021-22 has been rescinded and various aspects of the said policy is under investigation by CBI and ED. Relevant files are with CBI & ED for investigation purpose.

On the observations of the Audit that Reasons for non-furnishing of records for the period requisitioned by audit may be elaborated.

The Department provided the Data for Excise Intelligence Bureau (EIB) & Confiscation for the Excise Year 2021-22 to the Audit.

On the above reply of the Department, the Audit further observed that Reasons for non-furnishing of records during Audit has not been provided, especially serious since records were available.