

**THE GOA EXCISE DUTY (AMENDMENT) BILL, 2016**  
(Bill No. 27 of 2016)

A

BILL

*further to amend the Goa Excise Duty Act, 1964 (Act 5 of 1964).*

Be it enacted by the Legislative Assembly of Goa in the Sixty-seventh Year of the Republic of India, as follows: —

1. *Short title and commencement.* — (1) This Act may be called the Goa Excise Duty (Amendment) Act, 2016.

(2) It shall come into force at once.

2. *Amendment of section 2.* — In section 2 of the Goa Excise Duty Act, 1964 (*Act 5 of 1964*)(*hereinafter referred to as the “principal Act”*),—

(i) clause (*bb*) shall be omitted;

(ii) after clause (*h*), the following clause shall be inserted, namely : —

*“(hh) “feni” means an alcoholic beverage produced by distillation of fermented coconut toddy or juice drawn from cashew fruit, within the State;”*;

(iii) after clause (*j*), the following clause shall be inserted, namely:—

*“(jj) “heritage spirit” means feni as defined under clause (hh);”*;

(iv) in clause (*l*), for the word “*feny*”, the word “*feni*” shall be substituted.

3. *Amendment of section 10.* — In section 10 of the principal Act, for the expression “*possession,*” wherever it occurs, the expression “*possession, consumption,*” shall be substituted.

4. *Insertion of new section 10 B.* — After section 10A of the principal Act, the following section shall be inserted, namely :—

**“10B. Prohibition of consumption of liquor in ‘No Alcohol Consumption Zone’.** — (1) The Government may, by notification in the Official Gazette, declare a space, place as area, as ‘*No Alcohol Consumption Zone*’.

(2) No person shall consume liquor in No Alcohol Consumption Zone.

(3) Whoever contravenes the provisions of sub-section (2) shall be liable to pay a fine of a sum not less than rupees one thousand which may extend to rupees ten thousand.

(4) An offence committed under sub-section (2) may, before the institution of the prosecution, be compounded by such Officer or may be authorized by the Government, on payment, for credit to the Government, for first such offence an amount not less than rupees one thousand and for any second and subsequent offences with an amount not less than rupees two thousand.”.

5. *Amendment of section 32.* – In section 32 of the principal Act, –

(i) in clause (b), after the words, “*Indian made foreign liquor*”, the words “*or heritage spirit*” shall be inserted;

(ii) in clause (c), after the words, “*foreign liquor*”, the words “*or Indian made foreign liquor or heritage spirit*” shall be inserted.

6. *Amendment of section 39A.* – In section 39A of the principal Act, in sub-section (1), for the words “*five thousand rupees*”, the words “*ten thousand rupees*” shall be substituted.

## STATEMENT OF OBJECTS AND REASONS

“*Feni*” has achieved Goa’s first Geographical Indication (GI) and it is also the first liquor product in the Country to obtain GI status. A Certificate No. 105 dated 05<sup>th</sup> March, 2009 has been issued by Registrar of Geographical Indication under section 16(1) of the Geographical Indication of Goods (Registration and Protection) Act, 1999 (Central Act 48 of 1999) stating that “*feni*” has been registered on 19<sup>th</sup> December, 2007 in the Geographical Indication Registry, under Class 33 {*Alcoholic beverages (except beers)*} and given unique Identity No. 120.

Having considered multifaceted uses of “*feni*” in cultural traditions, cuisines, medicinal purpose, etc. which is synonymous to the Goan identity, Government of Goa has decided to separately define “*feni*” and establish its unique and well deserving status by declaring this liquor as the “*Heritage Spirit of Goa*”, with the objective of reaching out the Geographical Indication benefits to the primary and traditional stakeholders, enabling trade in world markets and positioning it on equal footing to world famous “*Scotch whisky*” and “*tequila*”. The Bill accordingly seeks to insert new clauses (*hh*) and (*jj*) in section 2 of the Goa Excise Duty Act, 1964 (Act 5 of 1964) (hereinafter referred to as the “said Act”), so as to define the term “*feni*” and “*heritage spirit*”.

Government is receiving a number of complaints of consumption of liquor in open spaces, public places, beaches, public roads, State and National highways; mostly by visiting tourists. Upon consumption of liquor, the bottles and cans are strewn around causing environmental degradation and causing harm to pedestrians accessing the area. Such persons after being in an inebriated state, cause nuisance to general public, disturb the peaceful order in the area and cause local tension, thereby posing a law and order situation on regular basis.

The Bill, therefore, seeks to empower the Government to declare a space / place / area in the State of Goa as “No Alcohol Consumption Zone”.

The Bill also seeks to amend sub-section (1) of section 39A of the said Act so as to enhance the penalty specified therein from “*rupees five thousand*” to “*rupees ten thousand*”.

This Bill seeks to achieve the above objects.

## **FINANCIAL MEMORANDUM**

The Government expects an additional revenue generation to the extent of ₹25 lakhs on account of enhancing the sum specified for compounding of offence in sub-section (1) of section 39A of the said Act, as also by insertion of new section 10B therein.

## **MEMORANDUM REGARDING DELEGATED LEGISLATION**

Clause 4 of the Bill empowers the Government to issue notification for declaring a space, place or area as 'No Alcohol Consumption Zone'.

These delegations are of normal character.

Assembly Hall,  
Porvorim, Goa.  
5<sup>th</sup> August, 2016.

**LAXMIKANT PARSEKAR**  
**Chief Minister / Finance Minister**

Assembly Hall,  
Porvorim, Goa.  
5<sup>th</sup> August, 2016.

**N. B. SUBHEDAR**  
**Secretary to the Legislative Assembly of Goa**

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## **Governor's Recommendation under Article 207 of the Constitution of India**

In pursuance of Article 207 of the Constitution of India, I, Mridula Sinha, the Governor of Goa hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa Excise Duty (Amendment) Bill, 2016

**RAJ BHAVAN**  
Date: 04/08/2016

**MRIDULA SINHA**  
Governor of Goa

## ANNEXURE

### BILL NO. 27 of 2016

#### Extract of the Goa Excise Duty Act and Rules, 1964

**Section 2. Definitions.**— In this Act, unless the context otherwise requires,—

(bb) “cashew liquor” means liquor manufactured from cashew fruit in any part of India.

(l) “liquor” includes—

- (a) spirits of wine, methylated or denatured spirits, spirits, wines, toddy, beer, feny and all liquids consisting of or containing alcohol, wash, other than medicinal and toilet preparations;
- (b) any other intoxicating substance which the Government may, by notification declare to be liquor for the purpose of this Act;

**Section 10:** “Prohibition or restriction of import, export, transport, possession, manufacture or sale of excisable articles. — Notwithstanding anything contained in this Act, the Government may, if it considers necessary in the public interest so to do, by notification, prohibit or restrict the import, export, transport, possession, manufacture or sale of any or all excisable articles within the State or any part thereof.

**Section 32:** Penalty for certain acts by holders of licence for sale or manufacture.—

Whoever, being the holder of a licence for the sale or manufacture of liquor under this Act, or being in the employ of such holder acting on his behalf,—

- (a) mixes or permits to be mixed with the liquor sold or manufactured by him any noxious drug or any foreign ingredient likely to add to its actual or apparent intoxicating quality or strength or to affect its purity;
- (b) sells or exposes for sale foreign liquor or Indian made foreign liquor which he knows or has reasons to believe to be country liquor;
- (c) marks any bottle or its corks, or any case, package or other receptacle containing liquor manufactured from rectified spirit or country liquor with the intention of causing it to be believed that such bottle, case, package or other receptacle contains foreign liquor, shall, on conviction before a Magistrate, be punished for each such offence with fine which may extend to ten thousand rupees or with imprisonment which may extend to six months or with both.

**Section 39A: Power of Commissioner to compound offences.**— (1) Subject to such conditions, if any, as may be prescribed, the Commissioner may accept from any person alleged to have committed an offence under this Act or under any rules made thereunder other than an offence under section 34 or an offence relating to intoxicating drugs or opium as defined in clause (*kkk*) and (*oo*) of section 2, either before or after the commencement of any proceedings against such persons in respect of such offence, by way of composition for such offence, a sum not exceeding five thousand rupees.

(2) When compounding of an offence is accepted the power to confiscate the goods seized under this Act in respect of such offence shall be vested in the Commissioner.

(3) On payment in full or such sum as may be determined by the Commissioner under sub-section (*l*),—

(*a*) no proceedings shall be commenced against such person aforesaid; and

(*b*) if any proceedings have been already commenced against such person as aforesaid, such proceedings shall not be further proceeded with.