

**BEFORE THE COMMISSIONER OF STATE TAXES & EXCISE  
HIMACHAL PRADESH  
(Block No. 30, SDA Complex Shimla- 171009)**

Excise Case No. 11/2021-22

Date of Institution: 27-10-2021

Date of Order: 02-11-2021

**In the matter of:**

Commissioner of State Taxes & Excise  
Himachal Pradesh

Vs

M/s Himachal Pradesh Horticultural Produce Marketing & Processing  
Corporation, Fruit Processing Plant, (HPMC FPP), Parwanoo, District  
Solan, Himachal Pradesh  
(S-1 Licensee, 2021-22).

**Present:**

- 1) Shri Raghuvir Singh Mehta, Marketing Consultant for the Noticee/Licensee.
- 2) Shri Rakesh Rana, Deputy Director (Legal), Legal Cell, HQ.

**ORDER**

***(Under Section 29 (c) of the Himachal Pradesh Excise Act, 2011 read  
with Section 66 (2) of the Act ibid)***

The present matter has come up before this forum on the basis



of information received from the Collector (Excise), South Zone, who vide his office letter No. EXN (SZ), Reader-Challan-3184 dated 09 August 2021, communicated to this office that the Licensee M/s Himachal Pradesh Horticultural Produce Marketing & Processing Corporation, Fruit Processing Plant, Parwanoo, District Solan, Himachal Pradesh (HPMC FPP Parwanoo) has built a new structure at a distance of 100 meters away from his licensed S-1 Premises at Parwanoo. According to the information provided above, the above act of building a structure by the licensee under the HP Excise Act, 2011, without prior information and permission is a violation of the provisions of section 8 of the Himachal Pradesh Sweet (Manufacturing) Rules, 1988. Now, by virtue of violation above, the licensee above, as per provisions of section 29 (c) of the HP Excise Act 2011, has rendered his S-1 License liable for cancellation or suspension. Accordingly, licensee above was issued a notice dated 27-10-2021 in the matter. In response to notice above Shri Raghuvir Singh Mehta, Marketing Consultant for the licensee, after due submission of authorization from the Noticee, appeared on behalf of the Noticee/licensee in the matter. Shri Raghuvir Singh Mehta, above, submitted that the reported violation has been committed due to ignorance about the provisions of section 8 of the Himachal Pradesh Sweet (Manufacturing) Rules, 1988. He also submitted that in future every care will be taken by them to not to repeat such mistakes. He requested to forego the cancellation or suspension of the License against a reasonable penalty and submitted an application to this effect as well.

Shri Rakesh Rana, Deputy Director (Legal) present for the Department submitted that the Department has no objection if a suitable penalty is

paid by the license in lieu of impending cancellation or suspension of the S-1 License of the Noticee.

In view of above, after going through the record in the matter and recommendations of the Zonal Collector (Excise), it is clear that the licensee M/s HPMC FPP Parwanoo, with the intention of processing fruits and manufacturing wines therefrom, has constructed a structure at a distance of 100 meters away from licensed premises. It is also an admitted fact that the licensee before building the above structure failed to take the statutory prior permission as is mandated under below quoted Rule 8 of the Himachal Pradesh Sweet (Manufacturing) Rules, 1988:

*8. Addition to buildings or to place.-The licensee shall not make any addition either to building or to plant without the previous consent in writing of the Excise Commissioner; on the completion of any addition, the existing entry on form S.2 shall be withdrawn and a new entry made, provided that the previous sanction of the Excise Commissioner shall not be required in the case of simple repairs to or renewals of existing building or plant.*

Thereby, the terms and conditions of the S-1 License granted to the licenses have clearly been breached and the same have been admitted by the Noticee as well. Thus, as per provisions of section 29 (c) of the HP Excise Act, 2011, the noticee, by virtue of violations of section 8 of the Himachal Pradesh Sweet (Manufacturing) Rules, 1988, has rendered his license liable for cancellation or suspension. The licensee has admitted his fault in the matter, and has submitted an application under section 66 (2) of the HP Excise Act, 2011, requesting to forego



*[Handwritten signature]*

the license cancellation or suspension and to compound the matter against a reasonable penalty.

Relevant provisions, pertaining to the matter, as are provided under section 66 (2) of the Excise Act, 2011 are as under:

*“(2) If any lease, license, permit or pass has become liable for cancellation or suspension or has been cancelled or suspended under clauses (a), (b) or (c) of section 29 of this Act, the authority having power to cancel or suspend it, may, on application made by holder of such lease, license, permit or pass, after payment of such penalty, as it may fix, revoke or forego such cancellation or suspension, as the case may be.”*

After, carefully going through the case record and hearing the Department and the licensee in the matter, in the interest of justice and revenue interests of the State, I am inclined to accept the application of the licensee, submitted to compound the matter as per provisions under section 66(2) of the HP Excise Act, 2011, and, accordingly, a sum of ₹ 25, 000/- only (Twenty-Five Thousand only), equivalent to S-1 Renewal fee for the year 2021-22, is fixed as penalty. Subject to production of proof of payment of penalty above, I, order forego of impending cancellation or suspension of S-1 license in respect of Noticee M/s Himachal Pradesh Horticultural Produce Marketing & Processing Corporation, Fruit Processing Plant, (HPMC FPP), Parwanoo, District Solan, Himachal Pradesh (M/s HPMC FPP, Parwanoo), above. The above order to forego the cancellation/suspension of the license is being passed in isolation and is case specific only. The Noticee/licensee is directed to strictly abide by the provisions of the Act, Rules and Orders, applicable, in future.



Record requisitioned in the matter be returned to the quarter concerned.  
File after due completion be consigned to records.



(Yunus, I.A.S.)

**Commissioner of State Taxes & Excise  
Himachal Pradesh**

31765-68

Endstt. No. ST&E/FC-Reader/ (Excise)/Notice/2021-22/

Date: 02-11-2021

Copy is forwarded to:

- ✓ 1. M/s HPMC FPP, (S-1 Licensee, 2021-22) Parwanoo, District Solan, Himachal Pradesh with the directions to deposit the compounding sum immediately.
2. The Collector (Excise), South Zone, Shimla-09 with the directions to report compliance of the orders above.
3. Dy. Commissioner (ST&E), Solan to ensure forthwith compliance of the orders by the Licensee above.
4. Shri Rakesh Rana, Deputy Director (Legal), Legal Cell, HQ.

Reader to the

**Commissioner of State Taxes & Excise  
Himachal Pradesh**