

The Rules Regarding Stock Taking and Wastage of Liquor (At Distilleries and Warehouses) Rules, 1959

RAJASTHAN

India

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Rule

THE-RULES-REGARDING-STOCK-TAKING-AND-WASTAGE-OF-LIQUOR of 1959

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The Rules Regarding Stock Taking and Wastage of Liquor (At Distilleries and Warehouses) Rules, 1959 Published vide Notification No. F. 326(5)/Ex. 5371, dated 25-1-1960; Published in Rajasthan Gazette Part 4-C, dated 25-2-60 In exercise of the powers conferred by sub-sections (a) and (b) of Section 42 the Rajasthan Excise Act, 1950 (Rajasthan Act 2 of 1950), the Excise Commissioner with the previous sanction of the State Government does hereby make the following rules, regarding stock-taking and wastage of liquor at distilleries and warehouses namely:-

1. Short title and commencement.

(1) These rules may be called the Rajasthan Stock Taking and Wastage of Liquor Rules, 1959. (2) They shall come into force at once.

2. Definitions.

(1) In these rules, unless there is anything repugnant in the subject or context,-(a) 'Officer-in-charge' means the Excise Inspector or excise clerk as the case may be who is in charge of a distillery or warehouse; (b) 'Vat' means any fixed vessel used for the storage of spirit; (c) 'Warehouse' means a building, either part of a distillery or independent of it, in which spirit in a fit state for issue is stored. (2) Words and expressions not defined in these Rules but defined in the Rajasthan Excise Act, 1950, shall have the meaning assigned to them in the aforesaid Act.

3. Stock to be taken monthly.

- On the last working day of every calendar month after all issues for that day are made, the officer-in-charge shall gauge and prove the spirit in each vat in order to verify the stock and ascertain the wastage on each class of spirit at the distillery and warehouses. He shall enter the results in his own handwriting separately in the page then in use in the vat. Account Register in Form D-12 and in the Bottling Account Register in Form D-13, sign the entry, tally with the entries of the 'contractor' accounts, compile stock-taking statement of monthly receipts, issue and spirit stock account in Form D-22 and despatch it to the Assistant Commissioner of the district

4. [Wastage allowance. [Substituted by No. 2 [31-10-75].]

(1)(a)The free allowance for the wastage for different kinds of spirit, stored in distillery or warehouse shall be as follows:-(i)Rectified spirit 1(ii)Plain, sophisticated and spiced spirits 4.5%(iii)Denatured spirit 1%.(b)An allowance of 2.5% wastage may be allowed in blending, reducing operations.(c)An allowance of 2.5% wastage may be allowed in bottling operations.(2)When the wastage does not exceed the prescribed limit, no action need be taken by the officer-in-charge, but when an excess is found in any case at the time of monthly stock-taking, the officer-in-charge shall obtain written explanation from the distiller or his agent or in case of Government warehouse he shall submit his own explanation and forward the same together with a full report of the circumstances, to the [District Excise Officer] [Substituted by No. 1 [14-3-73] for 'Assistant Excise Commissioner'.], The [District Excise Officer] [Substituted by No. 1 [14-3-73] for 'Assistant Excise Commissioner'.] will forthwith investigate into the matter and report to the Excise Commissioner.(3)Wastage for the purpose of collection of duty on excess wastage as in sub-rule (1) shall be calculated annually at the end of each financial year and the following procedure shall be adopted in calculating wastage:-(a)the quantity of spirit passed into store during the year shall be added to the last year's closing balance;(b)the quantity of spirit issued in bulk and for bottling during the year and also the closing balance of spirit at the close of the year ascertained by actual measurement shall be added together;(c)the total quantity of (b) shall be subtracted from the total of (a) and the difference shall be total wastage;(d)allowable wastage on (a) shall be ascertained at the scale of wastage mentioned in sub-rule (1);(e)the difference between (c) and (d) shall be excess wastage chargeable to duty.(4)[If the total wastage on any kind of spirit does not exceed [2.5%] [Substituted by No. 1 [14-3-73].] duty will be charged by the Excise Commissioner on the net wastage in excess of the free allowances. But if the total wastage exceeds 3% duty shall be liable to be charged by the Excise Commissioner to the whole wastage (without allowing for the free allowances) at the rate of duty leviable on the spirit].(5)An allowance for the wastage during the course of maturing a spirit stored in the matured spirit warehouse shall be as follow:-

For periods	In cases of vats or casks of capacity of	
80 gallons or 363.68 litres and upwards per cent	Under 80 gallons or 363.68 litres per cent	
Not exceeding 1 month	1.5	2.0
Exceeding 1 month but not 2 months	3.0	4.0
Exceeding 2 months but not 6 months	5.0	7.0

Exceeding 6 months but not 1 year	7.0	9.0
Exceeding 1 year but not 2 years	10.0	12.0
Exceeding 2 years but not 3 years	13.0	15.0
Exceeding 3 years but not 4 years	16.0	18.0
Exceeding 4 years but not 5 years	19.0	21.0

For every succeeding year or part of a year, an allowance of 2% shall be allowed irrespective of the size of cask.

5. Allowance for loss in transit.

(1) An allowance will be made for the actual loss in transit, by leakage, evaporation or other unavoidable cause: of spirit transported or exported under bond. The allowance is subject to the following maximum limits:-

For Wooden Casks

For a journey of not greater duration than two days	2%
For journey of duration exceeding two but not exceeding nine days	3%
For a journey of duration exceeding nine but not exceeding eighteen days	5%

For Metal Vessels

[For a journey of duration up to 4 days [Substituted by No. 2 [31-10-75].]	3.5%
For journey of duration exceeding 4 days but not exceeding 8 days	4.5%
For journey of duration exceeding 8 days	1.0%]

(2) The allowance to be made under this rule will be determined by deducting from the quantity of spirit despatched from the distillery, the quantity received at the place of destination, both quantities being stated in terms of London proof. The allowance will be calculated on the quantity contained in each cask or other receptacles comprised in a consignment after actually gauging and proving. (3) Duration of journey will be reckoned from the date of issue from distillery to the date of taking account at destination, both dates inclusive. Officer-in-charge shall take account with as little delay as possible after arrival of spirit at destination. (4) The following examples will illustrate the making of calculations under this rule:-

(a) Wooden Casks-

Date of issue from distillery	March 2, 1957
Date of taking account at destination	March 11, 1957
Duration of journey	Ten days.
Allowance admissible according to scale	4%
Quantity issued from distillery	56.6 L.P. Gallons
Quantity received at destination	50.2 L.P. Gallons
Loss admissible	2.3 L.P. Gallons
Excess-loss	4.1 L.P. Gallons

Note.- Four per cent on 56.6 L.P. Gallons | 56.6×4100 | -- 2.254, and

when the centesimal figure in the result is 5 or over, the decimal figure is increased by 1, that is correct loss admissible is 2.3.

(b) Metal Vessel-

[Date of issue from distillery [Substituted by GSR 78, dated 31-10-75; Published in Rajasthan Gazette Extraordinary Part IV-C(I), dated 31 10-75]	October 1, 1975
Date of taking account at destination	October 2, 1975
Duration of journey	Two days.
Allowance admissible according to scale	3.5%
Quantity issued from distillery	100.00 L.P. Litre
Quantity received at destination	99.5 L.P. Litre
Actual wastage	0.5 L.P. Litre
Maximum Admissible loss	0.6 L.P. Litre

Note.- Four per cent on 54.2 L.P. Gallons| 54.2x1100| -- 00.542, and the centesimal figure not being 5 or over, the loss admissible is 0.5.](5)[If the report of the Excise Officer by whom the consignment of spirit has been gauged and proved at its destination, shows that wastage has occurred above the maximum limit allowable, the consignor shall be liable to pay duty on so much of the deficiency as is in excess of the allowance at such rate not exceeding the current duty payable at the time, as may be ordered or as may be specified in the bond conveying the consignment. The order for charging duty on the deficiency in excess of the permissible allowable shall be passed by the district Excise Officer of the District of destination when the percentage of wastage of spirit in the consignment of spirit is upon three per cent in the aggregate and by the Excise Commissioner where the percentage of wastage in the consignment of spirit is more than three per cent, in the aggregate: Provided that before passing such order the District Excise Officer concerned or the Excise Commissioner as the case may be shall afford a reasonable opportunity to the owner of the consignment of spirit transported under bond to be heard and in case it is found that the wastage was due to an accident involving no negligence on his part or due to any other reasonable cause beyond his control no duty shall be charged] [Substituted by GSR 81, dated 14-3-73; Published in Rajasthan Gazette Part IV-C, dated 27-9-73, page 135].

5A. [Allowance for loss in Redistillation. [Inserted by GSR 107, dated 28-8-81; Published in Rajasthan Gazette Part IV-C, dated 29-10-81, page 322]

(1) For the purposes of these rules, re-distillation means re-distillation of spirit carried out for simple rectification of weaker spirit produced in pot still and also includes re-distillation:- (a) On account of manufactured spirit not confirming to the prescribed specifications or falling in strength or having such defect as may be in the opinion of the District Excise Officer justify re-distillation. (b) For the purpose of manufacturing fruit spiced spirit or Silent Spirits' required for manufacture of Indian

Made Foreign Liquors and other quality liquors.(2)Free allowance for wastage in the process of re-distillation subject to the conditions given below shall be as under:- (a) In patent stills upto a maximum of 1.5 per cent. (b) In pot stills upto a maximum of 2.00 per cent: Provided that such an allowance for wastage under clause (b) of sub-rule (1) above shall be as under:- (i) In patent stills upto a maximum of 2.00 per cent. (ii) In pot stills upto a maximum of 2.5 per cent. [Provided further that in the case of the manufacturer of Kesar Kasturi an additional free allowance for wastage in the process of re-distillation to the extent of 2% shall be permissible.] (3) The Excise Officer incharge of the distillery shall maintain proper accounts of spirits sent for re-distillation, spirits under-going re-distillation and finally distilled spirits. (4) The re-distillation shall be allowed only with the prior permission of the Excise Commissioner, and only such actual wastage accrued in the process of re-distillation, as may be certified by the Excise Officer Incharge of the Excise Commissioner, under whose supervision the operation of re-distillation is carried out, shall be allowed. (5) Subsequent re-distillation wherever necessary may be allowed with the prior permission of the Excise Commissioner, but the limit of wastage allowance mentioned in sub-rule (2) above, shall be the maximum limit for free allowance irrespective of the fact whether one or more redistillation of the same spirit are carried out. (6) When the wastage calculated in terms of London Proof at the end of final re-distillation does not exceed the maximum limit given in sub-rule (2) above no action need be taken by the Officer-in-charge but if wastage exceed the prescribed maximum limit, the officer incharge must obtain a written explanation from the distiller and forward the same with his comments to the District Excise Officer concerned. The District Excise Officer, after proper scrutiny shall send the same with his recommendation to the Commissioner for orders: Provided that the duty on such excess wastage shall be liable to be recovered at the highest rate leviable on such spirit. (7) Past cases of re-distillation may be decided by the Excise Commissioner on the merits of each case and free allowance may be allowed to the extent mentioned above.]

6. Power of Excise Commissioner to reduce or disallow wastage.

- The Excise Commissioner may reduce or totally disallow the wastage to any of the warehouse or distillery in a particular case.

7. Statement of wastage.

- Statement of wastages on each class of spirit at the distillery and warehouses shall be prepared by the officer-in-charge for each month in Form C.L. 3 and shall be sent to the [District Excise Officer] [Substituted by Notification No. GSR 81, dated 14-3-73; Published in Rajasthan Gazette Part IV-C, dated 27-9-73, page 135] concerned in the first week of the following month, who will prepare a consolidated statement in Form C.L. 3 warehouse wise and [send the same to the Excise Commissioner] [Substituted by Notification No. GSR 81, dated 14-3-73; Published in Rajasthan Gazette Part IV-C, dated 27-9-73, page 135]. Half-yearly and yearly statements showing different wastages and also showing the excess wastages shall be consolidated at each warehouse and distillery by the officer-in-charge and shall be submitted by him to the district Excise Officer of the district by the 10th day of October and April each year. Office copy of these statements shall be kept on the file at each distillery and warehouse. By the 15th April each year the [District Excise Officer] [Substituted by Notification No. GSR 81, dated 14-3-73; Published in Rajasthan Gazette Part IV-C,

dated 27-9-73, page 135] concerned shall prepare a consolidated statement separately for each warehouse and distillery in his charge and shall send the same in Form C.L. 3 to the Excise Commissioner through the deputy Commissioner of the division.

8. Storage.

- Spirits may be stored in distilleries and warehouses at any strength but to minimize evaporation wastage it is advisable to avoid strong spirit of overproof. In warehouses strong spirits will as far as possible be broken down to issue strength and stored in all available wooden vats. Spirit shall not be stored in iron drums, special liquor like Jagmohan & Kesar kasturi shall be stored in bottles, pints and nips only, at warehouses.