

The M.P. Distillery Rules, 1995

MADHYA PRADESH

India

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Rule THE-M-P-DISTILLERY-RULES-1995 of 1995

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The M.P. Distillery Rules, 1995 Published vide Notification No. 14-B-1-22-93-CTD-5, dated 29-3-1995, M.P. Gazette (Extraordinary), dated 30-3-1995 In exercise of the powers conferred by sub-section (1) and Clauses (d), (e), (f), (g) and (h) of sub-section (2) of Section 62 of the Madhya Pradesh Excise Act, 1915 (II of 1915), the State Government hereby makes the following rules, the same having been previously published as required by sub-section (3) of the said Act, namely-

1. Short title, scope and commencement.

(1) These rules may be called the Madhya Pradesh Distillery Rules, 1995. (2) They shall come into force with effect from 1st April, 1995. (3) They shall apply to all distilleries for manufacture of spirit in Madhya Pradesh.

2. Definitions.

- In these rules unless the context otherwise requires- (1) "Act" means the Madhya Pradesh Excise Act, 1915 (II of 1915); (2) "Blending" means the mixing of spirits of different strengths; (3) "Denatured spirit" or "Denatured Alcohol" means alcohol of any strength which has been rendered effectively unfit for human consumption by admixture of such denaturant as may be approved by the Excise Commissioner; (4) "Distiller" means any person licensed to distill or redistil under these rules; (5) "Distillery" means the manufactory where spirit is manufactured; (6) "Distillery Officer" in relation to any distillery means the Excise Officer in charge of such distillery, not below the rank of an Inspector of Excise; (7) "Extra Neutral Alcohol" means silent spirit of an optimum quality which complies with the standard for neutral spirit prescribed by the Bureau of Indian Standards for the purpose; (8) "Feints" means impure spirit produced from the distillation of low wines; (9) "Gauge" means to determine the quality of liquid that is, or can be, contained in, or taken from any cask or receptacle or to determine the capacity of any cask or receptacle; (10) "Low Wines" means impure spirit produced from the distillation of wash, for rectification or redistillation to stronger and purer forms of spirit; (11) "Malt" means the basic germinated grain used for the brewing obtained as a

result of diastatic fermentation or subjecting grain to the process of stepping and couching;(12)"Malt Substitute" means sugar or starches mixed in proper proportion for being used as a substitute for malt for brewing purposes;(13)"Molasses" means the heavy dark coloured residual syrup, drained away in the final stage of manufacture of Gur or Sugar containing in solution or suspension, Sugars which can be fermented;(14)"Obscuration" means the difference, caused by matter in solution of spirit between the true strength and the apparent strength as indicated by Hydrometer;(15)"Plain Spirit" means spirit to which no flavour has been communicated and to which no flavouring or colouring material or agent has been added;(16)"Prove" means to test and to determine the alcoholic strength of spirit by hydrometer or other suitable instrument;(17)"Proof" means the strength of proof as ascertained by Sikes hydrometer or by any other instrument approved by the Excise Commissioner;(18)"Racking" means transferring of spirits from one vessel to another;(19)"Receiver" means any vessel into which the spirit of a still discharges;(20)"Receiver Room" means the part of distillery where the receivers are kept;(21)"Rectified spirit" means plain un-denatured spirit of strength of 60 degrees or more over proof and includes "Absolute Alcohol".(22)"Reducing" means the reducing of spirit from a higher to a lower alcoholic strength by the addition of water.(23)"Spent Wash" means the residue left after the wash has been exhausted of Spirit;(24)"Special Denatured spirit" means spirit of any strength rendered effectively unfit for human consumption by the special process specified from time to time by the Excise Commissioner;(25)"Wash" means a sugary solution prepared from a fermentative base and water in which fermentation has started or to which yeast or active wash has been added;(26)"Wash Back" means a vessel in which fermentation is carried on;(27)"Wort" means sugary solution, prepared from a fermentative base and water in which fermentation has not started.

3. Grant of Licence.

(1)The person intending to construct and work a distillery shall submit an application to the State Government through Excise Commissioner notifying his scheme in Form D-A.(2)No application mentioned in sub-rule (1) shall be entertained unless a fee of Rupees 10,000/- (Rupees Ten Thousand only) is paid into Government treasury and the Challan in original, in support of payment, is submitted alongwith the application.(3)When the Government is satisfied of the proposed scheme of the applicant, it may accord the sanction and communicate it in the form of a "Letter of Intent" in Form D-B. The letter shall be valid for two years from the date of communication, unless especially extended, within which period the holder thereof shall complete the construction in all respects, as notified in the scheme submitted under sub-rule (1) and keep the unit ready for commissioning.(4)The letter of intent communicated under sub-rule (3) shall not confer any right or privilege for grant of a licence and is liable to be revoked and withdrawn, at any time, in public interests, after giving its holder a notice to show cause against such action and after hearing him, if he so desires.(5)No compensation for damage or loss shall be payable, when a letter of intent is revoked or withdrawn under sub-rule (4).(6)An application for approval of the plan and map of the building shall be submitted to the Excise Commissioner.(7)Every such application shall be accompanied by,-(i)Copy of the letter of intent issued by the Government;(ii)Project report of the proposed distillery with the plan and map of the distillery buildings;(iii)No objection certificate from the Department of Environment and Pollution Control Board of the Government of Madhya Pradesh;(iv)No objection certificate from the Chief Inspector of Factories under the Factories Act,

1948 (LXIII of 1948);(v)Any other certificate or information required by Excise Commissioner.(8)Where the Excise Commissioner is satisfied that the applicant has fulfilled the conditions specified in sub-rule (7), he may approve the plan and map of the project for the construction of the distillery.(9)The applicant shall report to the Excise Commissioner, the date on which the construction of the buildings and erection of the plant and machinery of the distillery are completed.(10)In case the applicant fails to construct the building and submit his completion report as contemplated in sub-rule (3), within a period of two years from the date of the grant of letter of intent, the letter of intent so granted shall be liable to cancellation without compensation for any damage and loss:Provided that, where the Excise Commissioner is satisfied that there is sufficient cause for the applicant for not constructing and completing the works as per approved plan within the period of two years, he may, for reason to be recorded in writing, recommend to the Government, for the extension of the said period of two years for such further period or periods, not exceeding one year in the aggregate, as he may deem fit.(11)[When the Excise Commissioner is satisfied that the construction of the building and erection of the plant and machinery is complete in all respect, he may, subject to prior approval of the State Government, grant a licence for manufacture of spirit in Form D-1, on a payment of annual licence fee of [Rs. 5 lac] [Substituted by Notification No. (25)-B-1-21 -98-CTD-V, dated 1-12-1998.] for a period of five years. The licence shall be renewed every year subject to due observance of the provisions of the Act, and rules made thereunder and conditions of the licence].(12)The licensee will have to furnish, whenever required, security for due observance of the provisions of Excise Act & Rules and orders made thereunder by Excise Commissioner from time to time.(13)The licensee shall not hypothecate, sell, mortgage, transfer or sub-lease the licence granted in Form D-1 or enter into any partnership for the working of the said licence without the previous permission in writing of the Excise Commissioner. Such permission, if granted, shall be endorsed on the licence.

4. Manufacture, Working & Control.

(1)The base from which spirit is to be manufactured, shall be approved by Excise Commissioner.(2)The spirit (Excluding Denatured Spirit) to be manufactured shall be subject to chemical analysis. If found substandard or unfit for human consumption, it will be redistilled or rejected and destroyed, as the case may be, under the orders of the Excise Commissioner or an Officer authorised by him in this behalf, Distillery Officer of the distillery may stop, pending the orders of the Excise Commissioner the issue of spirit which he considers impure and may on every such occasion take samples of such spirit at the cost of the licensee for sending them for purposes of chemical analysis.(3)The licensee shall establish his own laboratory within the distillery premises, will equipped and manned by qualified technical personnel. The laboratory shall conduct chemical analysis of the base from which spirit is manufactured. Samples of every batch of spirit manufactured in the distillery shall also be analysed in the laboratory before it is issued. The samples shall be drawn under the supervision of the Distillery Officer of the distillery. The expenses of the laboratory shall be borne by the licensee.(4)The licensee shall maintain at the distillery the minimum stock of spirit as prescribed by the Excise Commissioner from time to time.(5)The licensee shall maintain pucca pits or metal tanks for the storage of Molasses, Pits or tanks shall be properly gauged, covered and secured by boundary walls as per specifications laid down by Central Molasses Control Board, Government of India.(6)Licensee shall be bound to make proper

arrangements for treatment and disposal of effluent and all other waste matter in the manner as laid down by the Madhya Pradesh Pradushan Niwaran Mandal.(7)Suitable residential accommodation for the Excise Staff, as prescribed by the Excise Commissioner, shall be provided free of rent by the Licensee within the premises of the distillery or in its vicinity.(8)On receipt of an order in writing from the Excise Commissioner or an officer authorised by him, requiring to remove any defect in the distillery building or in the arrangements for storage, reduction, blending, of spirit, water supply etc. the licensee shall attend to it at once and shall remove the defect by the date specified in the order and on his failure to do so, he shall be liable to pay such penalty, as the Excise Commissioner may order.(9)The Distillery Officer or other Excise Staff working in public holidays shall be entitled to an overtime allowance to be paid by the Licensee as per scales prescribe by Excise Commissioner.(10)The Licensee holding licence in Form D-1 shall not, except with the written permission of the Excise Commissioner and on such conditions as he may impose, manufacture, denatured spirit.(11)It shall be incumbent upon the Licensee to get the distillery building and all other buildings, structures, plant and machinery insured against fire and accident during the term of licence.(12)The licensee shall also arrange for fire fighting apparatus at the distillery.(13)No private individual shall be allowed to enter the distillery except after obtaining the permission of the distillery officer.(14)The Licensee shall permit sample of the molasses or any other base used or spirits manufactured in the distillery to be taken for analysis under the orders of the Excise Commissioner or by any officer authorised by him to take samples.(15)The Licensee shall afford all reasonable assistance to the distillery officer and his subordinates in carrying out their duties.(16)The Licensee, unless he personally acts as manager, shall appoint a competent person as manager to act as his agent on his behalf. No such appointment shall be made without prior approval from the Excise Commissioner.(17)If it is intended to close the distillery for a period of 15 days or more at a time, the licensee shall give notice in writing to the Distillery Officer of his intention to do so, not less than 15 days prior of the date on which it is intended to be closed.(18)Where the distillery is to be worked at hours other than the ordinary working hours, the licensee may do so only upon giving a notice to the Distillery Officer in that behalf, or if night work is only occasional, upon giving notice to the Distillery Officer of not less than four hours before the ordinary closing hours of the day after which night working is to be done.(19)The Licensee shall maintain the prescribed registers in accordance with instructions issued by Excise Commissioner from time to time and shall submit them for inspection if and when demanded by Excise Officer.(20)If the Licensee required spirit for use in the laboratory attached to his distillery, he shall be entitled to remove the spirit to the laboratory without payment of any duty to the extent of 50 bulk litres per month:Provided that the spirit so removed shall not be used in the distillery laboratory otherwise than for experimental work connected with the distillery operation.(21)The Licensee shall keep a regular account of the disposal of such duty free spirit which will be subject to examination of Excise Officers. All spirit which becomes waste in the laboratory and does not by the addition of any chemicals or otherwise become deleterious shall be returned to the distillery for redistillation.(22)An application for every quantity of spirit required to be removed from the distillery under sub-rule (2) must be made in writing to the Distillery Officer, who shall record thereon the quantity and the strength of the spirit taken, and make a note of the same in his diary and other relevant distillery registers.(23)If spirit removed under sub-rule (20) is used otherwise than as permitted under it, the licensee shall be liable to the imposition of penalty.(24)All buildings, plant and machinery used for the manufacture and storage of wash and spirit shall be situated

within the distillery premise's, where no other business except that of the manufacture, storage and issue of spirit shall be carried on.(25)The Licensee shall provide for use in measuring spirit in the distillery and at the time of issue, such measures, gauging machine, weighing machine and other appliances as the Excise Commissioner may direct him to provide.(26)The Licensee shall not make any alteration in the building, plant or machinery specified in the approved plan without the sanction of the Excise Commissioner:Provided that any minor and urgent alteration or repair may be made by the licensee under intimation to the distillery officer.(27)No wash shall be prepared except within the distillery or removed from the distillery on any account. The licensee shall see that the saccharine material used by him is thoroughly dissolved when he sets up the wash. He shall submit a declaration in writing in the prescribed form to the Distillery Officer giving the actual saccharometric gravity corrected for temperature before fermentation commenced and the total quantity of wash made.(28)The Licensee shall so arrange the stills that the spirit shall discharge into closed and locked receivers to be provided by the licensee and approved by the Excise Commissioner and shall be so constructed that no spirit can be removed from them until they are unlocked. The licensee shall also provide and maintain suitable and secure fastenings to all stills, spirit receivers, storage vats, fermentation room, doors and the like to the satisfaction of the Excise Commissioner in order to facilitate the attachment of revenue locks:Provided that he shall, on the requisition of any Excise Officer, remove his locks so as to allow the inspection of all stills, vats, receivers and rooms and of all the contents thereof.(29)Each vessel shall have legibly painted on it in English and Hindi Languages its number, capacity and use to which it is applied and its details shall be properly registered by the Distillery Officer.(30)No receptacle of which the contents are estimated by gauging device, shall be brought in use, till it has been gauged and passed by the Distillery Officer and a table book has been prepared for it and if any gauged receptacle is repaired or moved, it may not be brought again into use till it has been re-gauged and passed by the Distillery Officer and revised table book has been prepared.(31)Fermentation vats shall be placed in a room or building specially set apart for them.(32)A safe furnished with a hydrometer capable of showing the strength of the distillate, shall be provided between every still and its receiver. There may be separate safes between each still and its receiver or receivers or a central safe which controls the worm ends communicating between a number of stills and their receivers.(33)Two or more receivers may be fitted to the same still in order to enable the distillate to be collected in separate portions and one receiver may work in connection with more than one still. There should be a separate receiver for feints. The receiver or receivers attached to each still or set of stills shall be of a capacity enabling them to contain all the distillate which can be produced by the stills or set of stills in 36 hours full working.(34)The liquid containing alcohol produced by one distillation shall be run into an empty receiver or receivers, and such spirit shall be gauged and proved by the Distillery Officer in the receiver or receivers of the still or set of stills in which it is produced before it is passed out of such receiver or receivers or mixed with spirit produced by any other distillation.(35)Storage vats shall be kept in a room or building set apart entirely for them and provided with only one door. Such room or building shall be designated as the store room or a warehouse and shall be under the lock and key of the licensee as well as the Distillery Officer. Any spirit that may brought from outside the distillery for blending, fortification compounding or any other process of purpose shall, be deposited in the store room or other warehouse.(36)The Licensee shall provide store vats, having an aggregate capacity to store the prescribed minimum quantity for the distillery.(37)No spirit shall be issued until its quantity and strength have been verified by the Distillery Officer.(38)All spirits produced in a distillery shall be at

the disposal of the Excise Commissioner.(39)For ensuring uninterrupted and regular supplies of country spirit in any supply area of Madhya Pradesh, if the Excise Officer Madhya Pradesh so demands, the licensee shall make such requisitioned quantity of spirit available to him immediately, at a price determined by the State Government.(40)After the expiry of cancellation of the licence in From D-I, the licensee shall place the entire stock of spirit and Molasses under the sole control of the Distillery Officer. He (The former licensee) may transfer/sale such stock to another licensee of the State within 30 days of such cancellation of expiration with the previous permission of the Excise Commissioner. If he is unable to dispose of the balances in the aforesaid manner, any licensee of the State, may be required by the Excise Commissioner to purchase all or part of such balances at a rate fixed by the Excise Commissioner. Such balances shall be transported to the consignee under a permit granted by the Distillery Officer:Provided that any stock which remains in the distillery even after adopting the above course shall be liable to be forfeited at the discretion of the Excise Commissioner.(41)If the expenditure incurred on the State Government establishment at a distillery exceeds five per cent of the revenues earned on the issues of spirit therefrom, by export fee or any other levy, the amount, in excess of the aforesaid five per cent, shall be realised from the distiller.

5. Recovery of Alcohol.

(1)The distillers of Madhya Pradesh shall be responsible for maintaining such minimum fermentation and distillation efficiency and such minimum recovery of alcohol from Molasses or any other base used for production of alcohol as is prescribed under these rules.(2)The minimum fermentation and distillation efficiencies and recovery of alcohol from Molasses or any other base shall be as under-

- | | |
|---------------------------------|---|
| (a) Fermentation efficiency | 84% of fermentable sugar present in Molasses. |
| (b) Distillation efficiency | 97% of Alcohol present in wash. |
| (c) Minimum Recovery of Alcohol | 52.5 Alcohol litres or 91.8 proof litres per quintal offermentable sugar present in the Molasses or any other base usedfor production of Alcohol. |

(3)The Distillery Officer of the Distillery shall draw such number of samples of Molasses at such intervals as may be prescribed by Excise Commissioner from time to time. All samples shall be sealed by the Distillery Officer. One part will be sent to the departmental Laboratory as directed by the Excise Commissioner, other part will be handed over to distiller for analysis in the laboratory of distillery. The third one will be kept by the Distillery Officer himself.(4)On the basis of the report furnished by the departmental laboratory or the Government approved laboratory, as the case may be, the Distillery Officer shall calculate the minimum quantity of alcohol which would have been produced by the distiller on the basis of minimum prescribed. In case recovery is below the prescribed minimum, the Distillery Officer shall call for the explanation of the distiller and forward the same alongwith his comments to the Deputy Excise Commissioner of the respective division. If necessary, the Deputy Excise Commissioner will make necessary enquiries and furnish the report to the Excise Commissioner for orders.

6. Issue of spirit, margin of deviation and permissible limits of wastage.

(1)An account will be taken of the stocks at distillery and ware house at such intervals and in such manner as the Excise Commissioner may direct, and a statement in the prescribed form shall be submitted by the Distillery Officer.(2)Subject to the following proviso the distiller or supply contractor shall account to the Excise Commissioner for all spirit not forthcoming at such stock taking :Provided that an allowances of 1-1/2 per cent per quarter will made for Racking, storage, evaporation and other wastages calculated on the actual balance in hand at the end of previous quarter's stock taking plus the quantity since manufactured and received and deducting that issued for re-distillation. At the end of the financial year, the quarterly figures of such wastages shall be totalled and action against the distiller/supply contractor shall be taken with regard to quantities of such wastages found to be in excess of 1 1/2 per cent :Provided further that in blending and reducing operations an allowance of one percent will be made for wastage in each operation. The allowance of one per cent in blending will be calculated on the quantity which is added to the vat.Note. - When spirits are reduced to 60 under proof or to a weaker strength, an allowance of 2 per cent will be made for wastage in each operation :Provided also that in re-distillation operation an allowance of two percent will be made for loss in each operation.(3)For all kinds of bottled and poly-pouched liquor the permissible margin of deviation will be one degree from the prescribed standard strength.(4)Transit Wastage. - An allowance shall be made for the actual loss in transit by leakage or evaporation of spirit transported from distillery of distillery to warehouse, warehouse to warehouse in this State or exported in drums/tankers, at a rate not exceeding the maximum quantities specified below-

Distance Maximum rate of wastage allowance

In Drums:

- | | | |
|-------|---|---------------|
| (i) | Up to 250 Kilometers | 0.3 per cent. |
| (ii) | Above 250 Kilometers but not exceeding 500 kilometers | 0.4 per cent. |
| (iii) | Above 500 Kilometers | 0.5 per cent. |

In Tankers :

- | | | |
|------|----------------------|---------------|
| (iv) | Upto 250 Kilometers | 0.1 per cent. |
| (v) | Above 250 kilometers | 0.2 per cent: |

Provided that there shall be no allowance of transit wastage on spirit received from a distillery to warehouse situated within the premises of the same distillery or warehouses receiving liquor within warehouse premises by actual measurement. But where a tanker transport spirit from Distilleries for two or more warehouses, the transit loss shall be accounted for at the last warehouse on the total quantity which was transported from the distillery at a time in a single consignment :Provided further that the Excise Commissioner may reduce the above scale for any warehouse.(5)Receptacles. - Spirit shall be issued from distillery in such receptacles as may be prescribed by the Excise Commissioner, and the receptacle shall be marked and secured in such manner as he may direct.(6)Removal of spirit from distillery. - The removal of spirit from a distillery to another distillery or liquor warehouse or IMFL Bottling unit within Madhya Pradesh shall be without payment of duty, on execution of a bond prescribed by the Excise Commissioner or in any other

manner as may be prescribed by Excise Commissioner.

7.

The licensee shall be bound by all general or special orders which may be issued by the Excise Commissioner from time to time.

8. Penalties.

(1) Without prejudice to the provisions of the Act, conditions of the licence and save where provision is expressly made for any other penalty in these rules, the Excise Commissioner may impose a penalty not exceeding Rs. 50,000/- for any breach or contravention of any of these rules or of the provisions of Madhya Pradesh Excise Act, 1915 or rules made thereunder or orders of the Excise Commissioner and may further impose in the case of such continued contravention an additional penalty not exceeding Rs. 1,000/- for every day during which the breach or contravention is continued. (2) The Excise Commissioner may impose penalty at a rate not exceeding Rs. 30/- per proof litre in case there is short recovery of Alcohol as per Rule 5 unless it is proved by the licensee that failure was not deliberate and due precaution was taken by him to maintain the prescribed efficiency and recovery. (3) In the event of failure to maintain the minimum stock of spirit as prescribed in sub-rule (4) of Rule 4, the Excise Commissioner may impose a penalty not exceeding Rs. 5/- per proof litre on the quantity found short of the minimum prescribed stock. This penalty shall be payable by the licensee irrespective of the fact whether any loss has actually been caused to the government or not. (4) On all deficiencies in excess of the quantities allowed under Rule 6, the distiller/supply contractor shall be liable to pay penalty at a rate not exceeding Rs. 30 per proof litre which may be imposed by the Excise Commissioner or any other Excise Officer authorised by Excise Commissioner: Provided that, if it be proved to the satisfaction of the Excise Commissioner or of such officer as he may authorise that such excess deficiency or wastage was due to some unavoidable cause, the Excise Commissioner or authorised officer may waive the penalty to be imposed under this provision. (5) The Excise Commissioner may suspend or cancel the licence under Section 31 of the Act and may also black list the licensee upon a breach or contravention of any of these rules or of the provisions of the Act or of the Rules made thereunder. The licensee shall be liable for any loss caused to the Government as a result of such suspension or cancellation of the licence.

9. Repeal.

- All rules corresponding to these rules in force immediately before their commencement are hereby repealed in respect of matters covered by these rules : Provided that any order made or action taken under the rules so repealed shall be deemed to have been made or taken under the corresponding provisions of these Rules. Form D-A [See Rule 3(1)] Scheme notifying the proposal to establish a Distillery

1. (a) Name and Address of the applicant.

(b) Name and Address of the undertaking. (c) Whether Public/Private Ltd. or Proprietary concern.

2. Capital Structure,-

(a) In case of Limited Company, - (i) Authorised (ii) Issued (iii) Paid up (iv) Borrowing, if any. (b) In case of others, - (i) Capital (ii) Borrowing, if any. (c) Details of Investment. - I. Fixed Assets
: (i) Land (ii) Building (iii) Plant & Machinery (iv) Others, if any. Total..... II. Working Capital

3. Location

4. Production capacity per annum

5. Plant and Machinery-

(i) Value of Plant and Machinery to be imported or of imported origin. (ii) Value of Plant and Machinery of indigenous origin.

6. Raw Materials required for Production-

(i) Quantity and value of raw material to be imported or of imported origin per year. (ii) Quantity and value of raw material of indigenous origin per year.

7. Water and Power Requirement-

(i) Particulars of requirements. (ii) Whether necessary permission has been secured.

8. Technical Assistance-

Whether any foreign collaboration or know how is envisaged and if so the foreign exchange involved.

9. Forecast of time factors-

(a) Time required to secure land, buildings and other accommodation after the letter of intent is issued. (b) Time required to erect machinery, to complete the construction and to ready the unit for commissioning.

10. Item of Manufacture	Annual Quantity (in Metric Measures)	Capacity Value	Estimated Annual Production
(1)	(2)	(3)	(4)

11. Employment Potential-

(i)Supervisor(ii)Skilled(iii)Un-skilled

12. (a) Any special facilities required from the Government.

(b)Special Features if any of the scheme.

13. (i) Challan No. and date on support of payment of the fee Rs. 10,000/-

(ii)Whether the challan in original is enclosed.....Signature of the applicant with dateForm-D-B[See Rule 3 (3)]From,Secretary,Govt, of Madhya Pradesh,Commercial Taxation Department,BhopalTo,Shri/Messrs,Sub. - Excise Madhya Pradesh Distilleries Rules Proposal to manufacture spirit in Private Sector Approval for the Scheme.Ref. - The Government have perused the scheme submitted with your letter cited above for the construction and working of a distillery for the manufacturing of spirit of the following description and quantity at..... under a licence to be granted and they have tentatively decided to approve the proposal without any commitment for allowing import of Machinery, supply of raw materials, molasses or alcohol or foreign technical collaboration, subject to fulfilment of the formalities laid down in the rules by you.Description

S. No.	Description of spirit for manufacturing under theLicence	Quantity	Permitted Manufacture per annum
(1)	(2)	(3)	(4)

1.2.

2. It will be your sole responsibility to obtain any other Licence and permission required for your project under the Acts, Rules, Regulations and Orders of the Government of Madhya Pradesh as well as of Government of India.

3. This letter of intent is valid for a period of two years from its date of communication. It shall not however confer any right or privilege for the grant of licence in your favour and it is liable to be cancelled at any time and in such an event no compensation or damages whatever shall be payable for the same.

.....Secretary, Government, of M.P.Commercial Taxes DepartmentForm D-1[Under Rule 3(1)]Licence to Manufacture spirits in the Distillery at...Under Rule 3 (11) of the Madhya Pradesh Distillery Rules, 1993 and in consideration of the payment of an annual licence fee of Rs..... the receipt of which is hereby acknowledged, Licence is hereby granted to..... Resident of..... hereinafter called the licensee, to manufacture spirits in the distillery at..... from.....

to..... subject to the following conditions :Conditions

- 1. The licensee shall observe the provisions of the Madhya Pradesh Excise Act, 1915, rules made thereunder and conditions of this licence. He shall also follow all directions and instructions issued by State Government and Excise Commissioner.**
- 2. The licensee may distill maximum..... bulk liter spirit in his distillery and shall not increase the capacity as per the provisions of the distillery without the prior permission of the State Government.**
- 3. The licensee shall not except with the written permission of the Excise Commissioner and on such conditions as he may impose manufacture denature spirit.**
- 4. The licensee shall store denatured or special Denatured spirit in a separate room specially earmarked for the purpose.**
- 5. On breach of any of the conditions of this licence or of the provisions of the Madhya Pradesh Excise Act, 1915 or of the rules made thereunder this licence may be cancelled by the Excise Commissioner.**

Granted this..... day of.....20.....Excise Commissioner,Madhya Pradesh.Counter Part-AgreementThis deed is made this.....day of.....20..... between the Governor of Madhya Pradesh acting through the Excise Commissioner, Madhya Pradesh (hereinafter called the Governor, which expression shall unless, inconsistent with the subject or context, include his successors in office) of the one part and Mr./Mrs..... (hereinafter called the licensee which expression shall, unless inconsistent with the subject or context, include his permitted assigns) on the other part.Whereas the Licence has been granted on..... by the Excise Commissioner in Form D-1, for manufacture of spirit.Now, therefore, this deed witnesses that -(1)The licensee shall abide by and carry out all his obligations under the terms and conditions of the said licence.(2)The licensee shall always maintain a security deposit of Rs..... with the Excise Commissioner for the due fulfilment of the conditions of the licence.(3)Any penalty imposed on the licensee under the M.P. Excise Act, 1915, or the Madhya Pradesh Distillery Rules, 1993 or any other liability incurred by him under the Act, shall be recoverable by the Governor from his security deposit or any amount due to him or any movable and immovable property belonging to him as an arrear of land revenue, without prejudice to any other legal remedy the State Government may seek for the purpose.In witness whereof the parties hereto have signed this deed on the date and year respectively mentioned against their signatures.

Witness : Excise Commissioner M.P.on behalf of the Governor of M.P.

1.....

2..... Date.....

Witness:

1..... Licensee

2..... Full name and address.....

Date.....