

# Rules under the United Provinces Excise Act, 1910

UTTAR PRADESH

India

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### Rule

## **RULES-UNDER-THE-UNITED-PROVINCES-EXCISE-ACT-1910 of 1910**

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## **Chapter I Introductory**

Section I-Principles of Excise Administration

### **1. Scope of the subject.**

- In Uttar Pradesh the Department of Excise is controlled by the Governor. It includes the administration of the laws and rules relating to-(a)liquor;(b)hemp drugs (and other drugs declared to be intoxicating drugs);(c)the possession and sale of opium, and medicinal preparations of opium;(d)the control and ultimate suppression of opium smoking;(e)all drugs declared to be manufactured drugs under the [Dangerous Drugs Act, 1930] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.];(f)the control and distribution of molasses;(g)the production and distribution of power alcohol;(h)the levy of tax on the retail sales of motor spirit under the U. P. Sales of Motor Spirit Taxation Act, 1939, as amended by the Amending Act of 1957; and(i)medicinal and toilet preparations containing alcohol, opium, Indian hemp, or other narcotic drug or narcotic.

### **2. By whom excise is administered.**

- In each case to the extent detailed in the following chapters the administration of these laws and rules is entrusted to-(1)the Excise Commissioner;-(2)officers of the Excise Department;(3)the Collector and officers of the Land Revenue Department;(4)officers of the Police

Department;(5)excise licensing boards and excise advisory committees;(6)officers of the Medical and Health Department; and(7)officers of the Central Excise, Narcotics, Drugs Control and Opium Departments.

### **3. Fundamental principles.**

- The Fundamental Policy of Excise Administration as enunciated in Article 47 of the Constitution of India is to promote, enforce and carry into effect the policy of prohibition of the consumption except for medicinal purposes of intoxicating drinks and drugs which are injurious to health.

### **4.**

While it is necessary to emphasize that considerations of revenue are to be in subordination to the promotion of temperance, every endeavour should, nevertheless, be made to ensure to the State as large a share as possible of the profits accruing from the sale of intoxicants by methods which admit of the most efficient supervision and control.

### **5. Authority for rules.**

- The rules in the Excise Manual are framed in exercise of the powers conferred by the under-mentioned Acts in respect of articles noted in each case : (1)The United Provinces Excise Act, 1910 (Act IV of 1910) in respect of liquor and hemp drugs and such other intoxicating or narcotic substances as may be declared by the State Government to be intoxicating drugs under Section 3 (12) (iv) of the Act;(2)The Opium Act, 1878 [(Act I of 1878)] [The Opium Act, 1878 now repealed by the N.D.P.S. Act, 1985.] in respect of transport, possession, sale, importation, exportation and warehousing of opium;(3)The United Provinces Opium Smoking Act, 1934 (Act II of 1934) in respect of control of opium smoking;(4)The Dangerous Drugs Act, 1930 [(Act II of 1930)] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] in respect of all dangerous drugs except cases specified in clauses (1) to (3) above;(5)The Indian Power Alcohol Act, 1948 (Act XII of 1948) in respect of production and distribution of power alcohol;(6)The United Provinces Sales of Motor Spirit Taxation Act, 1939 (Act I of 1939) in respect of levy and collection of tax on retail sale of motor spirit;(7)The United. Provinces Molasses Control Act, 1947 [(Act XIII of 1947)] [See now U.P. Sheera Niyantaran Adhiniyam, 1964 (U.P. Act No. XXIV of 1964).] in respect of control and distribution of molasses;(8)The Medicinal and Toilet Preparation (Excise Duties) Act, 1955 (Act 16 of 1955) in respect of levy and collection of duty on and manufacture of medicinal and toilet preparations containing alcohol, opium, Indian hemp or other narcotic drugs or narcotic; and(9)The Spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955 (Act 39 of 1955) in respect of inter-State import and export, or sale after importation of certain spirituous preparations. This volume deals with liquor and hemp drugs only. Section II-Kinds of Intoxicants, Opium and Dangerous Drugs and Sources of Supply

## **6. Intoxicant.**

- An intoxicant as defined in Section 3 (13) of the United Provinces Excise Act, means-(a)liquor, and , (b)intoxicating drugs. A-Liquor

## **7. Liquor-Fermented or distilled.**

- For excise purposes all liquor is either country liquor or foreign liquor. The following table indicates the classification of "Liquor" in its various forms :

## **8. Country liquor.**

- Country liquor means-(1) Plain or spiced spirit which have been made in India from materials recognised as bases for country spirit, namely, mahua, rice, gur or molasses and on which duty has not been imposed at the rate fixed for importation of spirit into India; (2) Tari; and (3) all fermented alcoholic beverages made from mahua, rice millet or other grain according to Indian processes.

## **9. Sources of supply of country spirit.**

- The chief variety of country liquor is country spirit (containing alcohol obtained by distillation) which is produced from the mahua flower (*bossia latifolia*) or from molasses (shira) or from crude sugar (gur), or from an admixture of these substances in varying proportions. These ingredients or "bases" can easily be obtained in nearly all parts of India. All country spirit supplied in Uttar Pradesh, is manufactured by private distillers under contract with Government. At present distilleries manufacturing country spirit in Uttar Pradesh, are situated at-(1) Meerut, (2) Rosa (Shahjahanpur), (3) Lucknow, (4) Unnao, (5) Allahabad, (6) Nawabganj (Gonda), (7) Saharanpur, (8) Raja-ka-Sahaspur (Moradabad); and (9) Rampur. Of these the following distilleries manufacture Power Alcohol and other Commercial Spirits, also, in addition to potable spirits-(1) Nawabganj Distillery, District Gonda. (2) The Central Distillery, Meerut. (3) Rampur Distillery, District Rampur. (4) The Ajudhia Distillery, Raja-ka-Sahaspur, district Moradabad. Besides the nine distilleries mentioned above, the under-mentioned distilleries are licensed only for the manufacture of Power Alcohol and other Commercial Spirits-(1) Shanker Distillery, Captainganj, district Deoria. (2) Daurala Distillery, Daurala, district Meerut. (3) Shamli Distillery, Shamli, district Muzaffamagar. (4) Gola Distillery, Golagokarannath, district Kheri. (5) Hargaon Distillery, Hargaon, district Sitapur. (6) Simbhaoli Distillery, Simbhaoli, district Meerut. (7) Baheri Distillery, Baheri, district Bareilly. (8) Saraya Distillery, Sardamagar, district Gorakhpur. (9) Seohara Distillery, Seohara, district Bijinor.

## **10. Spiced Spirit.**

- Spiced Spirit means flavoured country spirit in which the flavouring agents are either added during, the course of distillation or reduction. These flavouring agents or essences are generally selected from among the following : Aniseed, cardamom, coriandar, ginger, orange, mundi

(*Spharanthus indica*), nim peppermint, mango, jasmine, Khas-khas, pineapple, rose, etc.

## **11. Other forms of country liquor.**

- Tari (or toddy) in Uttar Pradesh means usually the sap, whether fermented or "fresh" (unfermented), of the Palmyra palm (tar) or of the date tree (khajur), Sendhi, a kindred drink, is made from the sap of the wild date tree. Trees of this species are to be found in greater or less abundance in the majority of the district in Uttar Pradesh. Pachwai is a variety of beer usually obtained by fermenting rice. It is manufactured, under licence, for domestic consumption only, in parts of the Tarai.

## **12. Foreign liquor.**

- Foreign liquor means-(1)beer and spirit, wines and liquors, which have been imported into India and are intended for human consumption and were liable, on such importation, to duty under the Indian Tariff Act, 1894 (read with the Indian Tariff Act, 1934), or the Sea Customs Act, 1878;(2)spirit made in India and sophisticated or coloured so as to resemble in flavour or colour, liquor imported into India;(3)beer brewed in India;(4)wines and liquors made in India, and(5)all rectified, perfumed, medicated and denatured spirits, wherever made.(6)[ Malt Liquor-Produced in India] [Inserted vide Notification No. 3646-E-2/XIII-270-86, dated 24.1.1990.].

## **13. Sources of supply.**

- The sources of supply of foreign liquor are-(1)Imports from countries overseas. Under the Tariff Act or the Sea Customs Act, duty is leviable on such imports at the ports of India on their entry into the country.(2)Rum and spirits sophisticated to resemble whisky, brandy and gin are manufactured at distilleries in this and in other States.(3)In certain State or Union Territories "foreign" liquor consisting of overseas liquor and locally manufactured liquor blended together is sold. The import of such liquor into Uttar Pradesh is forbidden. Vendors of liquor in Uttar Pradesh are also forbidden to blend overseas liquor with liquor of Indian manufacture.Note - The classification and nomenclature of various kinds of foreign spirits, wines and beers given in Appendix 'I', Excise Manual, Volume II.B-Intoxicating Drugs

## **14. Intoxicating drugs.**

- Intoxicating drugs are defined in Section 3 (12) of the Excise Act as amended by the [Dangerous Drugs Act, 1930] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] and include at present-(1)Ganja,(2)Charas, and(3)Bhang, and any mixture of these three hemp drugs with or without neutral materials.

## **15. Ganja.**

- Ganja means the dried flowering tops of the female hemp plant which have become coated with resin in consequence of being unimpregnated and, therefore, unable to set seeds freely.

## **16. Bhang.**

- Bhang means the dried leaves of hemp plant, whether male or female, and whether cultivated or uncultivated.

## **17. Charas.**

- Charas is defined in Section 3 (21) (ii) of the United Provinces Excise Act and is in appearance a dark green or brownish paste of high consistency.

## **18. Description of the hemp plant.**

- The hemp plant which grows wild in the sub-mountainous districts of Uttar Pradesh is a tall erect herb reaching, when wild, a height of 8 to 11 feet. The wild plant does not, as a rule, branch out except within a short distance of the top. The plants grow in clusters. For Ganja the individual plants are carefully cultivated distant from each other thereby developing a branching habit and a conical shape somewhat resembling a small cypress.

## **19. Sources of supply.**

(1)The cultivation of the hemp plant is forbidden throughout Uttar Pradesh.(2)Bhang may be collected only under licence in Form I. D. 15 from the spontaneous clusters of the hemp plant in the districts of Saharanpur, Muzaffarnagar, Bijnor, Bareilly, Pilibhit, Nainital, Kheri, Bahraich, Gonda, Basti, Gorakhpur and Deoria.(3)Ganja is not allowed to be grown or cultivated in Uttar Pradesh. It may be imported from other States or Union Territories of India for supply to bonded warehouses in Uttar Pradesh.

## **20. Modes of consumptions.**

- For ordinary consumption Bhang is ground to a paste and drunk after mixing water usually with sugar and digestive condiments and sometimes with an admixture of more powerful intoxicants. Bhang is also sometimes smoked. Ganja and Charas are usually smoked.C-Opium

## **21. Opium.**

- Opium as defined in Section 3 of the [Opium Act, 1878 (Act I of 1878)] [The Opium Act, 1878 now repealed by the N.D.P.S. Act, 1985.].Primarily, opium is the spontaneously coagulated juice obtained from the capsules (poppy-heads) of the poppy plant. The principal alkaloid of opium is morphia or

morphine. Opium varies considerably in form and in toxic strength according to the processes to which it is subjected and the uses for which it is intended.

## **22. Expressions in common use denoting different origins, stages and uses of opium.**

- The following expressions are in common use to indicate the different origin, stages and uses of opium :Crude opium is opium taken from the poppy and not submitted to drying and other manipulations for packing and transport.Raw opium is opium as defined in Section 3 (ii) of the [Opium Act, 1878] [The Opium Act, 1878 now repealed by the N.D.P.S. Act, 1985.].Excise opium in raw opium supplied by Government for sale under opium rules within Uttar Pradesh. Excise opium is also known as treasury opium because it is kept at Government treasuries.Medicinal opium is defined in Section 2 (f) (i) of the [Dangerous Drugs Act, 1930] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.]<sup>2</sup> and refers to opium which has been submitted to a definite process of manufacture for purposes of producing a concentrated medicinal drug according to the requirements of the British pharmacopoeia.Prepared opium is defined in Section 2 (f) (ii) of the [Dangerous Drugs Act, 1930] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] and means opium prepared for smoking, such as, chandu, madak inchi and joga (dross and residue). A description of the processes, employed to prepare and smoke chandu and madak will be found in Chapter 5, Excise Manual, Volume III.Kafa is a form of opium used medicinally. The sides of a vessel or package which contained raw opium are scoured with a wet cloth which is then dried. The particles of opium adhering to the cloth are then collected. The preparation and use of kafa have become rare.

## **23. Sources of supply.**

- In India the poppy can be cultivated only under rules made by the Central Government in exercise of the powers conferred by Section 5 (2) of the [Dangerous Drugs Act, 1930.] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] These rules are at present known as the [Central Opium Rules, 1934.] [The Central Opium Rules, 1934 now repealed by the N.D.P.S. Rules, 1985.]The [Opium Act XIII of 1857,] [The Opium Act, 1857 now repealed by the N.D.P.S. Act, 1985.] relating to the cultivation of the poppy and the manufacture of opium is applicable to Uttar Pradesh and the poppy is cultivated in tracts notified by Government under the control of the Opium Department. All excise opium is obtained from the Government Opium Factory, Ghazipur.D-Dangerous Drugs

## **24.**

The term "dangerous drugs" is defined in Section 2 (h) of the [Dangerous Drugs Act, 1930.] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] The following table shows the classification of the various forms of dangerous drugs :The cultivation of the coca plant is totally prohibited (except on behalf of Government). The cultivation of the poppy and the manufacture of opium are regulated by rules framed by the Government of India under the [Dangerous Drugs Act.]

[The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] The Central Government has also made rules relating to import, export and transshipment across the customs barrier of all dangerous drugs except prepared opium. The export, import, transshipment and sale of prepared opium are totally prohibited under Section 4 (c) of the [Dangerous Drugs Act, 1930.] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] Prepared opium can be manufactured and possessed only by a registered opium smoker who is allowed to manufacture it from opium lawfully obtained by him under a permit for his own private consumption. Transactions in hemp other than those covered by the [Dangerous Drugs Act, 1930,] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] are regulated by the U. P. Excise Act (IV of 1910) and rules made thereunder by the State Government. Transactions in opium are similarly regulated by the [Opium Act (Act I of 1878)] [The Opium Act, 1878 now repealed by the N.D.P.S. Act, 1985.] and rules made thereunder by the State Government. Coca derivatives, medicinal hemp and opium derivatives except prepared opium, can be obtained for medicinal purposes only. The State Government is empowered to make [rules] [Detailed rules will be found in Volume III of Excise Manual.] relating to inter-provincial dealing in these drugs and to regulate the sale, transport and possession of these drugs (Section 8 of [Dangerous Drugs Act] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.]).

## **25. Exempted preparations.**

- A list of certain preparation containing less than one-fifth of one per cent of morphine and containing no proportion of diacetyl morphine (heroin) and of certain preparations containing less than one-tenth of one per cent, of cocaine or of ecgonine is published by the Government of India. Such preparations and any other preparation which may be added to such list, and any preparation which the Collector of Customs, Bombay, has already passed or may subsequently pass as containing a proportion of a dangerous drugs so small as to be negligible, are exempted from the operation of the provisions of the [Opium Act, 1878] [The Opium Act, 1878 now repealed by the N.D.P.S. Act, 1985.] and of the rule made in respect of dangerous drugs under the [Dangerous Drugs Act,] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] provided that-(i)the exemptions shall not apply to the import of such preparation by sea through post;(ii)every preparation shall be labelled with the manufacturer's name; and(iii)exemption shall not extend to preparations manufactured by any maker or firm produce whereof may be declared by the Government to be excluded from the scope of this rule.

## **26. Morphia, cocaine and other manufactured drugs governed by Dangerous Drugs Act.**

- Rules relating to cocaine, morphine and other manufactured drugs (see paragraph 24 supra) are made under the Dangerous Drugs Act, 1930, and offences relating to such drugs are punishable under the penal sections of the [Dangerous Drugs Act, 1930.] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.]

## **27. Sources of supply.**

- Morphine drugs and medicinal opium may be imported by licensed chemists only. Cocaine is produced from the coca plant, the cultivation of which is forbidden. Cocaine is manufactured, and is also produced synthetically, by chemists in certain countries. The manufacture of cocaine is forbidden in Uttar Pradesh. Section III-Systems of Supply

## **28. The contract supply system.**

- The contract supply system has been applied to-(a)the supply of country spirit throughout Uttar Pradesh save for a few inaccessible outlying tracts;(b)the supply of hemp drugs, ganja and bhang, throughout Uttar Pradesh. Under this system the exclusive privilege of supplying spirit or hemp drugs (as the case may be) at fixed rates to a particular tract of the State, is granted for a certain period to a contractor. The supply contractor is selected by calling for tenders quoting the rates at which country spirit, hemp drugs (as the case may be) will be supplied at all stated bonded warehouses in the tract specified. Usually the contract is awarded to the contractor or firm tendering at the lowest rates; but full power is reserved to Government to accept or reject any tender without assigning reasons. No payments are required for the exclusive right of supply. The system aims at securing for the retail vendors an adequate supply of intoxicants of good quality at reasonable and constant rates. In each tract Government maintains a certain number of bonded warehouses for the safe custody of country spirit or hemp drugs. Every retail vendor of country spirit or hemp drugs must as a rule, draw his supplies from a bonded warehouse situated in the tract within which his shop lies. The supply contractor is responsible for keeping bonded warehouses in his tract replenished with country spirit or with hemp drugs (as the case may be) of the prescribed description and quality. On the days fixed for issue of supplies to retail vendors from a bonded warehouse the supply contractor must supply the intoxicant or intoxicants which he has stored at the warehouse at the price determined by Government at the issue price of such intoxicants for that tract, to any licensed retail vendor whose shop is situated within that tract. Agreements between Government and supply contractors usually contain stipulations relating to such matters as the quality, safe custody, etc., of the intoxicant supplied to the bonded warehouse, and the opening of wholesale depots where such depots are necessary. Issues by the supply contractor or his agent from the bonded warehouse to retail vendors must invariably be made under the control and supervision of an Excise Inspector. Each bonded warehouse is secured under double locks, one belonging to the Excise Department and the other to the supply contractor. Rules on these and on other points will be found in Chapters VII and XI.

## **29. The Government supply system.**

- The Government supply system applies only to the wholesale supply of opium. From the Opium Factory at Ghazipur, Excise Opium is supplied at cost price to the State Government. Opium is stored in the district treasuries, whence it is issued to persons holding licences, and authorized to obtain opium from treasuries under the U.P. Opium Rules, 1961.



### **30. The farming system.**

- The farming system applies to the wholesale and retail vend of tari only in certain districts or tracts of districts. In other districts tari shops are settled individually. Under this system the monopoly of manufacture and sale of tari is leased to a single individual or firm on payment of a fixed fee, which is usually determined by auction. The lessee is allowed to open a fixed number of shops and may sublet the right of manufacture and vend at these places. The size of a tract varies, but it is usually that of a pargana or a tahsil.

### **31. The shop-to-shop system.**

- The shop-to-shop system in which the shops are settled individually by auction.

### **32. The out-still system.**

- The out-still system applies to the supply of country spirit in inaccessible tracts where it is not feasible to maintain bonded warehouses and to introduce the contract supply system. Under this system a licence to manufacture and to sell country spirit is granted on payment of a licence fee which is usually determined by auction.

### **33. The tree-tax system described.**

- The tree-tax system applies to the supply of tari in certain districts only. The right of supply, manufacture and vend is granted on payment of a fixed tax (or "duty") plus a fixed surcharge on each tree to be tapped. The fixed surcharge fee is not levied in the case of trees tapped by owners for personal consumption. Settlements of shops are made individually under any of the following system : (a) The Auction-cum-Tree Tax System. (b) The Tender-cum-Tree Tax System. (c) The Surcharge System.

### **34. Special circumstances relating to tari.**

- It may be noted that there are five methods of settling tari shops, viz. (a) under the farming system, (b) under shop-to-shop system by auction, (c) under the auction-cum-tree tax system, (d) under the tender-cum-tree tax system, and (e) under the surcharge system. In all cases, however, suppliers and vendors of tari have to make their own arrangements for procuring permission to tap trees from persons who by ownership, possession or otherwise have the right to dispose of the trees. Where the production of tari is taxed such persons owning trees, or otherwise having a right to dispose of them, may give the right to tap tari only to licensed vendors of tari.

### **35. Explanatory - How the cost of an intoxicant or of opium to the consumer is determined.**

- Factors determining the retail price of an intoxicant or opium are-(a)the supplier's price, covering the cost of production, manufacture or import, the cost of distribution to bonded warehouses or to shops, and to profit of the producer, manufacture, or importer;(b)the excise duty, if any, levied on the article produced, manufactured or imported, or in the case of an article imported into India, the customs of tariff duty, if any;(c)the licence fee levied by the Government from the vendor in return for the grant of the right to sell article; and(d)the vendor's profit.

### **36. Nature of excise taxation.**

- The State excise revenue consists of-(a)duties imposed on intoxicants and on opium;(b)licence fees imposed on vendors in return for the grant of the right to sell intoxicants or opium or dangerous drugs;(c)revenue derived from the sale of alcohol for use as motor fuel;(d)duties on medicinal and toilet preparations containing alcohol levied under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955;(e)licence fees derived from licences relating to medicinal and toilet preparations; and(f)revenue from miscellaneous sources-rents, forfeitures, penalties (other than fines imposed by a court of law), etc.

### **37.**

The following duties are imposed in Uttar Pradesh :(1)On Indian-made foreign liquor imported or manufactured in, and issued from distilleries, a fixed still-head duty calculated on either the gallonage in terms of London Proof or per gallon at fixed strength.(2)On plain and spiced spirit imported or manufactured in, and issued from distilleries and bonded warehouses, a fixed still head duty calculated per bulk gallon at fixed strength.(3)On spirits manufactured in distilleries and exported to places outside this State, a fixed export duty calculated on the gallonage in terms of the London Proof.(4)On Indian-made beer imported or manufactured in, and issued from breweries, a fixed duty per gallon irrespective of alcohol strength.(5)On Indian-made wines, cordials, liquors, etc. imported or manufactured in, and issued from distilleries or breweries, a fixed duty according to rates detailed in Appendix B-II of Excise Manual, Volume II.(6)On medicinal and toilet preparations alcohol, duties at the rates given in the schedule attached to the Medicinal and Toilet Preparations (Excise Duties) Act, 1955.(7)In areas where the tree tax system is in force, a fixed tax on every tree tapped for the production of tari.(8)Fixed duties by weight on Ganja and bhang issued to licensed vendors from warehouses.(9)On bhang exported from warehouses or places of collection in certain districts, on prepayment of a fixed duty by weight or, in certain cases, after execution of a bond for subsequent payment.(10)On ganja exported from warehouses on prepayment of a fixed duty by weight.(11)Once excise opium issued from a Government treasury, a fixed duty by weight collected before issue.

### **38. Licence-fee system.**

- The following licence-fee systems are applicable Uttar Pradesh :(1)The graduated surcharge fee system - Under this system the amount of licence fee leviable from a retail vendor depends upon the quantity of an article issued to him in the course of a calendar month. The licence fee for any month is assessed after the close of the month as soon as the quantity of the article issued to the vendor

during such month is known to the Collector. The amount of the fee assessed is the amount of fee prescribed for such quantity of the article in the scale of licence fees in force relating to the article and to the area concerned. The scale is a graduated one, i.e. the greater the issues taken by the vendor, the higher is the incidence of the licence fee per unit of the article issued.(2)The uniform surcharge fee system - Under this system licence fees are levied in the form of a uniform surcharge paid along with the fixed duty. This system applies to the manufacture and vend of tari at shops under the tree-tax system of supply of tari and to the vend of ganja to permit-holders.The same system, in a slightly modified form applies to licences granted for the wholesale of retail vend of foreign liquor :(3)The fixed fee system - Under this system a fixed fee is levied for the right of vend during the year, or for a shorter period, or for a particular occasion.This system applies to a variety of licences for special use of intoxicants :(4)The auction fee system - Under this system the amount of licence fee is determined by competition among bidders for the right to sell.This system at present applies to-(a)fees for the retail sale of country spirit under the distillery system;(b)fees for the manufacture and retail sale of country spirit under the outstill system;(c)fees for the exclusive privilege of manufacture and retail sale of tari within areas where the farming system of supply of tari is in force;(d)fees for the manufacture and vend of tari at individual shops settled under the shop-to-shop system; and(e)fees for the retail vend of Bhang.Section V-Wholesale Vend and Retail Vend

### 39. Meaning of wholesale vend and retail vend.

- Wholesale vend means vend in quantities exceeding the limit of sale by retail.Retail vend means vend in quantities not exceeding the limit of sale by retail.

### 40. Limits of retail sale.

- The following quantities of intoxicants are declared to be the limit of sale by retail in different areas of Uttar Pradesh except prohibition areas :

Name of intoxicants with area specified	Limit of sale by retail
(1) Country spirit-	
(a) In areas where the contract supply system is in force-	
(i) Spiced in all areas	One quart bottle of 25 U.P.
(ii) Plain in all areas except in the tahsil of Sittarganj and Khatima of Naini Tal District	One quart bottle of 35 U.P. spirit or its equivalent in spirit or other prescribed strength.
(iii) Plain in the tahsils of Sittarganj and Khatima of Naini Tal District	One quart bottle of 25 U.P.
(b) In tracts where the out-still system is in force	Half a gallon or three

(2) Country liquor fermented	reputed quart bottles. Two seers.
(3) (a) Foreign liquor other than rectified spirits and denatured spirit	Two imperial gallons or twelve reputed quart bottles.
(b) Denatured spirit in all areas except the district of Allahabad	One gallon or six reputed quart bottles.
(c) Denatured spirit in Allahabad District	Three reputed quart bottles.

Note-Regarding sale of rectified spirit, see relevant rule in Chapter VIII.

(4) Bhang or any admixture thereof Ten tolas.

Notes-(1) Ganja is at present sold to permit holders only in accordance with the quantity specified.

(2) The sale of charas by any person in Uttar Pradesh is prohibited vide Government Notification No. 663-E/XIII, dated July 31, 1946, published in Uttar Pradesh Gazette, dated August 3, 1947, Part I-A, page 267.

#### **41. Forms of wholesale vend.**

- The following forms of vend by wholesale are- permitted within Uttar Pradesh : (1) Country spirit - (a) Sale by a contract supplier under his licence to retail vendors within his contract area of supply; (b) sale by a wholesale vendor from wholesale premises to retail vendors in outlying tract. (2) Foreign liquor - Licence for wholesale vend may be issued by the Collector with the previous sanction of the Excise Commissioner to distillers, brewers, importers, exporters, vendors, and (in certain cases) to auctioneers. (3) Hemp drugs - (a) Sale by contract supplier under his licence to retail vendors within his contract area of supply; (b) sale by person licensed to collect Bhang under Form I. D. 15 or to export the same under Form I. D. 16.

#### **42. What forms of wholesale vend are forbidden.**

- The wholesale vend to the public of country liquor or of foreign liquor or of hemp drugs, save under a special permit, is strictly forbidden. Note. - For Forms of retail vend, see Chapter VI Section VI-Limit of private possession

#### **43. Limit of private possession in certain cases.**

- A private individual may possess-(a) country spirit, country fermented liquor, and Bhang-to the amount prescribed as the limit of retail sale in each case; (b) foreign liquor, other than denatured or rectified spirit-to the amount which he may have purchased for his bona fide consumption and not for sale; (c) denatured spirit-to the amount prescribed as the limit of retail sale; (d) rectified spirit if purchased from a licensed chemist or druggist for a bona fide medicinal, scientific or industrial purpose-the amount of one reputed pint. Note. - (1) Ganja may be possessed by permit-holders only up to the quantity allowed in their permits. (2) The possession of charas by any person in any

quantity whatsoever is prohibited through Uttar Pradesh, vide Government Notification No. 663-E/XIII, dated July 31, 1946, published in Uttar Pradesh Gazette, dated August 3, 1946/Part I-A, page 267. Section VII-Definition

#### **44. Definition made in enactments.**

- Officers should be thoroughly acquainted with the interpretations of terms essential for the administration of the laws relating to excise revenue, opium, dangerous drugs, power alcohol, molasses, motor spirit and medicinal and toilet preparations containing alcohol, opium, Indian hemp or other narcotic drug or narcotic. Such interpretation will be found in Section 3 of the Excise Act, 1910, Section 3 of the [Opium Act, 1878,] [The Opium Act, 1878 now repealed by the N.D.P.S. Act, 1985.] Section 2 of the Opium Smoking Act, 1934, Section 2 of the [Dangerous Drugs Act, 1930,] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.] Section 3 of the Indian Power Alcohol Act, 1948, Section 2 of the U. P. Sales of Motor Spirit Taxation Act, 1939, Section 2 of the [U.P. Molasses Act, 1947,] [See now U.P. Act XXIV of 1954.] Section 2 of the Medicinal and Toilet Preparations Act, 1955 and Section 2 of the Spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955. The extracts from the General Clauses Act, 1904, given in Part I of this Manual are also relevant to a proper understanding of the laws and rules-Some interpretations are also found in the rules framed under the above Acts.

#### **45. Definitions made for the purposes of the rules.**

- The following definitions of terms used in the different parts of the Manual are here assembled for convenience. Technical terms are defined in chapters in which they are used : (a) General "Bonded warehouse" means any warehouse or part of a distillery appointed by the Excise Commissioner as a bonded warehouse for the storage of intoxicants brought thither under bond for the payment of duty when issued from such warehouse. "Issued under bond" means issued under a bond for the subsequent payment of duty. "District Excise Officer" means a gazetted officer of the Land Revenue Department on the district staff who has been placed in subordinate charge of the Excise Administration of the district by the Collector. Note. - The Sub-Divisional Officer of Karwi in Banda District, Mahoba in Hamirpur District and Lalitpur in Jhansi District exercise the powers of District Excise Officer within the limits of their respective sub-division. (b) Relating to Liquor "Blending" means the mixing together of two or more liquors of different strengths or of different qualities. "Bulk gallon" means a gallon with reference to the bulk or quantity of the contents. "Compounding" means the artificial preparation of foreign liquor by the addition to imported or to country-made spirit, of flavouring or colouring matters; or of both. "Plain spirit" means spirit to which no flavour has been communicated and to which no flavouring or colouring matter or other material or ingredient has been added. "Proof" with reference to spirit, means the strength or proof as ascertained by Sykes Hydrometer or by any other hydrometer or means authorized by the Excise Commissioner. Explanation - "London Proof (L.P.)" denotes the strength of spirit which at the temperature of 51° Fahrenheit weight exactly 12/13th parts of an equal measure of distilled water. "Over Proof (O.P.)" means spirit of a strength greater than that of London Proof. "Under Proof (U.P.)" means spirit of a strength less than that of London Proof. "Proof gallon" means a gallon containing liquor of strength of London Proof. "To gauge" means to determine the

quantity of liquid that is, or can be, contained in or taken from a receptacle."To prove" means to test the strength of spirit by a hydrometer or other instrument prescribed by the Excise Commissioner."Rectified spirit" or "rectified spirits of wine" means plain spirit of a strength of not less than [66° over proof (66° O.P.)] [Corrected by C.S. No. 7, dated 3-4-1964] and of specification laid down in Appendix H of the U. P. Excise Manual, Volume II, and includes absolute alcohol."Reduction of liquor" means the reduction of liquor from a higher to a lower strength by the addition of water."Sophisticating" has the same meaning as "Compounding" (See above)."Still" includes any part of a still and any apparatus whatever for distilling or manufacturing spirits."Vat" means any fixed vessel used for the storage of liquor."Absolute alcohol" means dehydrated rectified spirit containing not less than 99.5 per cent by volume of ethanol corresponding to 74.43 O.P. strength and of specification as laid down in Appendix H of the U.P. Excise Manual, Volume II."Power alcohol" as defined in the Indian Power Alcohol Act means ethanol alcohol containing not less than 99.5 per cent, by volume of ethanol measured at sixty degree Fahrenheit corresponding to 74-1/2 over proof strength. Before issue from any power alcohol distillery it is denatured in the manner prescribed under the rules."Motor Spirit" (The U. P. Sales of the Motor Spirit Taxation Act, 1939) means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbon) with a flash point of or below 145°F which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicle or for internal combustion engines.[46 to 49.] [Rules 46, 47, 48 and 49 as were given in the old Excise Manual and now have been re-enacted as Rules 51, 52, 53 and 54 in the new Excise Manual.]

## **Chapter II**

### **Staff Powers and Duties**

#### Section VIII-Powers

#### **50. Control of the Excise Department.**

- The control of the administration of the Excise Department and of the collection of excise revenue is vested in the Excise Commissioner, subject to the orders of the State Government.

#### **51. Officers concerned with Excise Administration.**

- The following are the classes of officers to exercise powers and perform executive duties in the administration of excise : (1) Officers of the Land Revenue Department including Divisional Commissioner, Collectors, District Excise Officers, Sub-Divisional Officers and Tahsildars. (2) Officers of the Police Department, in relation to the prevention and detection of offences, of all ranks from the Superintendent of Police to the village chaukidar. (3) Officers of the Excise Department including Assistant Excise Commissioners, Technical Officer to the Excise Commissioner, Uttar Pradesh, Superintendents of Excise Inspectors, Excise Clerks, Tari Supervisors and Excise Peons.

## 52. Powers expressly conferred by the Excise Act.

- Sections of the Excise Act expressly and directly confer powers or impose duties upon officers and classes of officer or upon classes of the public as shown below :

Person or persons		U. P. Excise Act IV of 1910 Sections
1		2
The Excise Commissioner	...	11, 18, 21, 24, 30, 31, 35 to 38, 41 and 48
Collectors	...	10, 16, 20, 21, 34, 35, 39, 48, 51 to 54 and 73
Officers of the Land Revenue, Police, Excise, Salt, Opiumgenerally	...	56
Police Officers above the rank of constable	...	59
Police Officer not below the rank of an Officer incharge of a police station	...	49 and 53
Officer incharge of police station	...	58
Any officer of the Excise Department	...	58
Owners and occupiers of land and their agents	...	57
Village headmen, village accountants and chaukidars	...	57

## 53. Powers conferred by the State Government by notification under enactments.

- The following Officers have been specially invested with powers under the sections hereinafter severally specified : (1) Under Section 48 of the Excise Act - Assistant Excise Commissioners, Superintendents of Excise, Excise Inspectors and Police Officers, not below the rank of [Deputy Superintendent of Police] [Substituted vide Notification No. 1099-E-2/XIII-239-88, dated 1-4-1993.], power to enter and inspect places of manufacture and sale, etc. under Section 48 of the Excise Act. Note. - Collectors are permitted under Section 10 (2) (h) of the Excise Act to delegate their powers under Section 48 to officers of the Land Revenue Department of or above the rank of a Tahsildar subordinate to them. (2) Under Section 49 of the Excise Act - All Officers of the Excise Department, not below the rank of an Assistant Excise Commissioner, are specially empowered under Section 49 (2) of the Act to stop proceedings without reference to a Magistrate against any person concerned or supposed to be concerned in any offence punishable under the Act which they have investigated. All officers of the Excise Department not below the rank of Excise Inspectors, are invested with the power conferred by Section 49 (1) of the Act to investigate any offence punishable under the Excise Act and committed within the limits of the area in which such officers severally exercise jurisdiction. Note. - No Excise Officer empowered under Section 19 (1) may summon any person to appear before him as a witness at a greater distance than forty miles from the usual place of residence of such person. (3) Under Section 50 of the Excise Act - (a) All officers of the Excise, Salt, Opium or Land Revenue Departments and all Police Officers including the provincial chaukidari

force, town, village and road chaukidars, powers of arrest, seizure and detention in respect of offences punishable under Section 60 (a), (g) or (j). (b) All officers of the Excise, Salt, Opium or Land Revenue Departments in receipt of a salary of over 20 rupees a month, all Police Officers in-charge of stations and Police Officers of or above the rank of Sub-Inspector, similar powers in respect of offences punishable under Section 60 (b), (c), (d), (f) or (i), or under Section 62 or 63. (c) All officers of the Excise Department of and above the rank of Excise Inspector similar powers in respect of offences punishable under Section 65. (4) Under Section 53 of the Excise Act - The Excise Commissioner, Assistant Excise Commissioner, Superintendents of Excise and Excise Inspectors, powers to search without warrant under Section 53. (5) Under Section 74 of the Excise Act - Collectors, Assistant and Deputy Collectors appointed as District Excise Officers, the Excise Commissioner and Assistant Excise Commissioners are empowered to accept compensation in lieu of the cancellation or suspension of a licence, permit or pass under clause (a) or clause (b) of sub-section (1) of Section 34, or to compound an offence punishable under Section 64 or Section 68, or to release property seized as liable to confiscation under the Act on payment of the value thereof.

#### **54. Powers conferred on officers of adjoining districts by reciprocal arrangement with bordering States.**

- Details of powers delegated to certain officers of the State in respect of search, detection and investigation of Excise offences in bordering States and vice versa with a view to facilitating check on and investigation of Inter-State smuggling of intoxicants, are given in Appendix "J" of Excise Manual, Volume II.

#### **55.**

The Excise Commissioner, Assistant Excise Commissioners, Superintendents of Excise and Excise Inspectors are Revenue Officers within the meaning of Section 125 of the Indian Evidence Act, 1872, and are entitled to all the privileges which a Revenue Officer enjoys under that section.

#### **56. Delegation of powers by State Government.**

- The State Government has delegated to the Excise Commissioner the following powers : (1) Power, under Section 12 (1) (a) of the Act, to permit the import of an intoxicant. (2) Power, under Section 14 (b) of the Act, to prohibit the transport of any intoxicant. (3) Power, under Section 15 of the Act, to prescribe from time to time the quantitative limit of import, export and transport. (4) Powers, under Section 25 of the Act, to declare the distance from the limits of any military cantonments within which no licence for the manufacture or sale of liquor or for an exclusive privilege in respect of liquor under Section 24 shall be granted except with the consent of the Commanding Officer. (5) Power, under Section 34 (1) of the Act, to prescribe the restrictions subject to which the authority granting any licence, permit or pass under the Act, may cancel or suspend it. (6) Power, under Section 44 of the Act, to exempt from the provisions of Section 42 of the Act, an area in which a licence for the exclusive privilege of manufacturing tari has been granted. (7) Power, under Section 45 of the Act, to declare that the written permission of the grantee to draw tari shall have the same



force and effect as a licence from the Collector.(8)Power, under Section 76 of the Act, to exempt persons and articles from the provisions of the Act.(9)Power to appoint, censure, withhold promotion from, reduce to a lower post, suspend, remove or dismiss all officer of the Excise Department below the rank of Superintendent of Excise :Provided that in case of dismissal, removal or reduction the Excise Commissioner shall follow the procedure laid down in the rules framed by the State Government under the provision to Article 309 of the Constitution of India, and pending the issue of such rules by Rule 55 of the Civil Services (Classification, Control and Appeal) Rules, 1930 made by the Secretary of State for India in Council under Section 96-B of the Government of India Act, 1919, which continue in force by virtue of Section 276 of Government of India Act, 1935, and Article 313 of the Constitution of India as amended by State Government Notification No. 0-227/II-B-53, dated January 30, 1953 :Provided also that every officer of a subordinate service on whom any punishment is inflicted by the Excise Commissioner shall be entitled to prefer an appeal against such order to the State Government.(10)Power to sanction the sale or demolition of public buildings other than residential buildings, under his control, constructed from State funds, the book value of which does not exceed Rs. 10,000.(11)Power to accord administrative approval to projects for original works up to Rs.1,00,000 in any one case.(12)Power to sanction the free supply of the Excise Commissioner's departmental publications and the exchange of those publications with those of foreign countries or other States in India, subject to the condition that the total number of copies printed and distributed does not exceed the number of copies at present printed by more than 20 per cent;(13)Power to execute contracts and other instruments for sums not exceeding Rs. 20,000 except those which affect real estate.

## **57. By Excise Commissioner.**

- The Excise Commissioner has delegated-(1)to Assistant Excise Commissioners - (a) his powers to appoint, grant leave, to make transfers within their charges, suspend, fine, Ireduce, remove or dismiss peons;(b)his powers under Section 66 to allow officers of the Excise Department below the rank of an Excise Inspector to cease, to perform or to withdraw themselves form the duties of their offices;(c)power to execute contracts and other instruments for a sum not exceeding Rs. 500 and not affecting real estate;(d)his power to inflict the punishment of censure on the members of the ministerial staff working under this respective charges;(2)to Collector of districts not included in charge of an Assistant Excise Commissioner-(a)his powers to appoint, make transfer within the district, grant leave, suspend, fine, reduce, remove or dismiss peons;(b)his powers under Section 66 to allow excise peons to cease, to perform or to withdraw themselves from the duties of their offices.

## **58. By Collector.**

- Collectors may delegate their powers under the Act as follows :(a)to Assistant and Deputy Collectors incharge of a sub-division or appointed as District Excise Officers all or any of their powers under the Act;(b)to officers of the Land Revenue Department not below the rank of a Tahsildar, the powers conferred upon them by Section 48 of the Act;(c)to Assistant Collectors, Excise Inspectors and Tahsildars-(i)their powers under Section 16 of the Act to grant passes for the export and transport of intoxicants exceeding the quantity prescribed under Section 15;(ii)their powers under Section 20 of the Act to grant permits for the possession of intoxicants in excess of the

quantity declared under Section 6 of the Act to the limit of sale by retail;(d)to wholesale vendors of country spirit or their agents in-charge of wholesale depots, powers under Section 16 of the Act to grant passes covering transport from their wholesale shops or depots to the shops of retail vendors; and(e)to wholesale and retail vendors of denatured spirits, power under Section 16 of the Act to grant passes covering transport from their wholesale or retail premises to the premises of purchasers authorized to possess such spirits in excess of the limits of retail vend. Section IX-Officers of the hand Revenue Department

## **59. Commissioners of revenue in relation to excise matters.**

- Commissioners of the divisions, while exercising no direct control over the internal administration of the Excise Department, or expected to maintain a general supervision within their divisions over its working efficiency and to record their recommendations on all points which may appear to them to be open to criticism. To this end it is directed that they shall see all annual and settlement reports and that all proposals from Collectors involving a change in principle or policy be submitted through the Divisional Commissioner to the Excise Commissioner. They should also be consulted on questions of policy both by Collectors and by superior authorities. Collectors may refer to the Divisional Commissioner any orders of the Excise Commissioner which they deem inexpedient. The Divisional Commissioner may then, if he agrees with the Collector and fails to convince the Excise Commissioner, refer the matter to the State Government.

## **60. The Collector.**

- Subject to the general control and direction of the Excise Commissioner, the administration of the Excise Department, in respect of fiscal policy and the prevention and prosecution of Excise crimes in any district, shall be under the charge of the Collector of the district. In particular and subject to the powers vested in Excise Licensing Boards and Advisory Committees, the Collector is responsible for-(1)the settlement of the number and location of shops to be licensed within the district;(2)selection of licensees;(3)renewal and cancellation of licences;(4)collection of licence fees;(5)control over the behaviour of licensed vendors;(6)the maintenance of district statistics and accounts;(7)all judicial works in connection with excise administration;(8)grant of rewards;(9)administration of contingent grants allotted to each district;(10)control over the detective work of Police and Revenue Officers; and(11)proceedings against landholders, lekhpals, chaukidars, etc. for contravention of provision of Section 57 and under paragraphs 70, 75 and 76. Note. - The Collector shall consult the Assistant Excise Commissioner in all important matters whenever necessary.

## **61.**

The Collector is expected to inspect the progress of Excise demands and collections at headquarters and at tahsils from time to time. He should carefully scrutinize the quarterly statements of consumption and crime, and if he finds that enough attention is not being paid to case work either by the Police or Excise Staff, he should take steps to have the defect remedied. He should inspect distilleries and bonded warehouses at least once a year. He should also examine the District Excise

Note Book (Paragraph 205) at least once a year and record therein any observations which he deems necessary or useful.

## **62.**

In urgent cases, the Collector may issue orders in other matters also to the district Excise staff. But ordinarily he should communicate with the Assistant Excise Commissioner in all matters outside the branches of administration mentioned in the preceding paragraph.

## **63.**

The Collector may appoint an Assistant Collector of not less than three years' standing to be the Excise Officer in subordinate charge of the branches of excise administration entrusted to him; provided that with the Excise Commissioner's sanction, he may so appoint an Assistant Collector of even less than three years' standing. The officer so appointed shall be called the District Excise Officer.

## **64.**

The District Excise Officer should be one whose ordinary duties admit of his spending the touring season in camp; the appointment of an officer who is compelled to remain at headquarters, as for instance, a treasury officer, should be avoided except as a special and temporary measure.

## **65. Other sub-divisional officer.**

(1) It is to be particularly observed that the appointment of the District Excise Officer in no way lessens the responsibility of the rest of the district staff for the supervision within their respective jurisdiction of the branches of excise administration particularly entrusted to them by the Collector. (2) Tour instructions. - On or before October 15, in each year, the Collector shall draw up the excise tour instruction for the guidance of the District Excise Officer and other sub-divisional officers. The instructions should specify all points on which both general information and information regarding particular areas is required in regard to the working of the existing excise arrangements the sufficiency or otherwise of the number of shops for the sale of intoxicants, the existence of illicit distillation, smuggling and other forms of Excise crime, the conduct of excise licensees, the opinions of the consuming and nonconsuming public and generally all matters affecting the excise administration of the district. By the end of their cold weather tour, and not later than May 1, these officers shall submit their reports to the Collectors on the points covered by the instructions with any suggestion which they may have to make as to opening or closing of shops.

## **66. Tahsildar.**

- The Collector has been authorized to delegate his powers under Section 48 of the Excise Act to all officers of the Land Revenue Department, not below the rank of a Tahsildar, who are subordinate to

him. This power shall ordinarily be delegated and Tahsildars shall be called upon to inspect licensed premises for the sale of intoxicants, opium and dangerous drugs, whenever possible.

### **67. Collection of excise revenue primary duty of Tahsildar.**

- The Tahsildar's primary duty is the punctual collection of the excise demand. Punctual collection is of special importance in the case of small licensees. Trivial arrears, if allowed to accumulate, usually results in an irrecoverable balance.

### **68. Preventive and detective duties of Tahsildar.**

- The Tahsildar is also an excise officer, and in that capacity, is bound to use every means in his power to prevent and detect breaches of the excise law and rules. For this purpose, he is supplied monthly by the Collector's office with a statement in Form G-17 showing the issues of country spirit and drugs to each shop in his tahsil. A systematic examination of these statements should enable him to judge what relation the illicit consumption of country spirit bears to the probable actual demand, and thus to indicate the areas in which there is most reason to suspect illicit practice. Similar vigilance should be maintained with regard to the supply and sale of drugs.,

### **69. Local inspection of shops by Tahsildar.**

- It is further the particular duty of the Tahsildar to acquire such special local knowledge as is required for the successful settlement of all excise shops. He should be in a position to give accurate information as to the pecuniary circumstances, the personal character, and the local relationships and inter-dependence of the various licensed vendors.

### **70. Liability of owners and occupiers of land and their agents for conniving at illicit distillation.**

- The provisions of Section 57 under which owners and occupiers of land and village officials are bound to give information should not be overlooked, and the responsibility of such persons should, where possible, be brought home to them. Failure to give information is punishable under Section 68. Section X-Officers of the Police Department

### **71. Excise staff in addition to, not in place of, the police.**

- The appointment of Excise Inspectors has not relieved the Police of the duties of detection and prosecution of excise offences. Excise Inspectors and Police Officers of both like agents responsible for the execution of these duties. Officers of both departments should help one another when joint action is needed or when the Excise Inspector is in need of men for conducting searches and making enquiries.

## **72. Inspection of shops by Police Officer.**

- All Police Officers not below the rank of an officer-in-charge of a police station have been empowered under Section 48 of the Excise Act to enter and inspect places of manufacture and sale of intoxicants. Superintendents of Police should instruct their subordinates who have been so empowered to inspect such premises whenever possible.

## **73. Prosecution of Excise cases by prosecuting staff.**

- The Inspector General of Police has agreed to allow the prosecution of excise cases sent up by officers of the Excise Department by the prosecuting staff of the police, provided that they are available and the District Magistrate and the Superintendent of Police have no objection to their appearing in such case. Whenever, therefore, it is necessary that important excise and opium cases should be prosecuted by Prosecuting Inspectors or Sub-Inspectors, Officers of the Excise Department should approach the District Magistrate and the Superintendent of Police for the loan of the services of these Officers.

## **74. Station Officers to take arrested persons and articles seized into custody.**

- Officers in-charge of police stations are required to take into custody such persons arrested by officers of the Excise Department as are unable to furnish bail. They are also required to take charge of and take into safe custody all articles seized pending orders of a Magistrate (Section 58 of the Excise Act).

## **75. Village headman.**

- The duties imposed on village headman and others by Section 57 of the Excise Act should be strictly enforced. A village headman who fails to give notice of the illicit manufacture of any intoxicant or of the illicit cultivation of plants producing intoxicating the drug immediately such illicit manufacture or cultivation has come to his notice, should be promptly reported to the District Magistrate for prosecution under Section 68 of the Excise Act.

## **76. Village chaukidar.**

- The duties imposed on village chaukidars by Section 56 of the Excise Act should be impressed upon them. As a rule, the offence of illicit distillation of spirit is not one which can be carried on for any length of time without coming to the notice of village headman, landholders and chaukidars. In all cases of illicit manufacture of spirit in which the chaukidar, within whose beat the illicit still or implements have been found, is not himself the informer an inquiry should be made into the conduct of the chaukidar by the Superintendent of Police and, if there is any reason to believe him guilty of connivance, he should be dismissed. If he is found guilty of negligence, he should be severally punished. Section XI-Relations between Departments

## **77. Assistant Excise Commissioners to call on district officers.**

- Assistant Excise Commissioners should remain in close touch with district officers and for this purpose should invariably call on them when they visit a district on tour.

## **78. District Excise Conferences.**

- When the district officer deems it expedient to consult the district staff on questions relating to excise policy or administration, or to arrange for concerted action between the excise staff and the police, he should summon a conference for the purpose, consisting of the Superintendent of Police, the District Excise Officer, the Assistant Excise Commissioner, the Police and Excise Inspectors of the district and any other officers, whose attendance he may consider necessary. A copy of the proceedings shall be forwarded to the Excise Commissioner, through the Divisional Commissioner.

## **79. Excise staff to co-operate with Police.**

- Officers of the Excise Department shall co-operate with Police Officers in the detection and prosecution of excise offences. Any instances of jealous or obstructive working will be severely punished. Excise Inspectors should take every opportunity of meeting the Police Officer in-charge of station situated in their respective circle and of discussing informally excise matters with them. Assistant Commissioners in their inspection reports should note how these instructions have been complied with.

## **80. Quarterly statements of consumption and crime.**

- In order that the activities of the officers of the Excise Department and Police Officers may be regularly brought to the notice of the District Magistrate he will obtain from each local Excise Inspector a quarterly statement for his circle in Form G-24-A, showing separately the excise cases sent up by the excise staff and the police in his circle and the quarterly consumption on figures for the current and preceding three years. The statement should be put up before the District Magistrate in duplicate not later than the 15th of the month following the close of the quarter. Attention is specially invited to notes 2 and 3 which necessitate careful scrutiny of each case by the District Excise Officer who should be asked to submit his report along with the statement for the consideration of District Magistrate. Too much emphasis cannot be laid on the careful compliance with the provisions of paragraphs 70, 75 and 76 of this Manual. The District Magistrate should forward both copies of the statement with his remarks to the Excise Commissioner through the Assistant Excise Commissioner of the charge not later than the 20th of the month. The latter will add his own remarks and forward one copy of the statement to the Excise Commissioner. If, as a result of the quarterly scrutiny, the District Magistrate finds that a conference of the officers of the Police and Excise Department would be useful he should hold one under paragraph 78.

## **81. Co-operation in case detected by the Police.**

- Excise Inspectors are required not only to make their own inquiries and detect cases themselves, but also to assist and co-operate with the Police in cases detected by the Police. In cases detected by the Police, Excise Officers should place all available information papers, etc. at the disposal of the Police, and should give all the assistance in their power in the furtherance of investigation and prosecution. In cases sent up by officers of the Excise Department the assistance afforded in any shape by the Police should be specially acknowledged and reported.

## **82. Co-operation in cases detected by officers of the Excise Department.**

- In important or difficult cases about which Excise Inspectors may have received information, the assistance of the Police should be asked for. In making searches the assistance of the Police should usually be asked for unless the delay involved might cause the search to fall. Section XII-Special Excise Staff

## **83.**

In addition to the Excise Commissioner and Additional Excise Commissioner the following classes of officers of the Excise Department have been appointed : (1) Deputy Excise Commissioner. (2) Assistant Excise Commissioner. (3) Technical Officer. (4) Superintendents of Excise. (5) Excise Inspectors. (6) Sub-Inspector of Excise. (7) Excise Clerks. (8) Tari Supervisors, and (9) Excise constable. These officers exercise authority within the areas to which they are severally appointed. Assistant Excise Commissioner

## **84.**

The Assistant Excise Commissioners constitute the Uttar Pradesh Excise Service and are recruited by the State Government. Rules regarding their appointment, promotion, etc. will be found in Appendix A-I.

## **85.**

The Government shall appoint such number of Assistant Excise Commissioners as may be required for the proper administration of the department and distribute the districts among their charges. The post of Personal Assistant to the Excise Commissioner is also filled by an Assistant Excise Commissioner.

## **86.**

The charge of an Assistant Excise Commissioner includes group of several districts in one of which he has his headquarters. These territorial charges are at present as follows :

## Headquarters District

1	2
1.	Meerut ... .. Meerut, Bulandshahr, Saharanpur and Muzaffamagar.
2.	Dehra Dun ... .. Dehra Dun, Pauri-Garhwal, Chamoli, Tehri Garhwal, UttarKashi, Almora and Pithoragarh.
3.	Agra ... .. Aligarh, Mathura, Agra, Etah, Mainpuri and Etawah.
4.	Moradabad ... .. Moradabad, Bijnor, Rampur and Naini tal.
5.	Bareilly ... .. Bareilly, Shahjahanpur, Pilibhit, Badaun and Kheri.
6.	Lucknow ... .. Lucknow, Hardoi, Sitapur, Rae Bareli and Bara Banki.
7.	Kanpur ... .. Kanpur, Unnao, Fatehpur and Farrukhabad.
8.	Gorakhpur ... .. Basti, Gorakhpur, Deoria, Gonda and Bahraich.
9.	Varanasi ... .. Varanasi, Azamgarh, Jaunpur, Ghazipur and Ballia.
10.	Allahabad ... .. Allahabad, Faizabad, Mirzapur, Pratapgarh and Sultanpur.
11.	Jhansi ... .. Jhansi, Jalaun, Hamirpur, Banda and Lalitpur.

## 87.

Besides the above preventive charges, six Assistant Excise Commissioners are at present posted to the headquarters of the Excise Commissioner to look after special work allotted to each of these officers and three Assistant Excise Commissioners are posted to Distilleries. A-Assistant Excise Commissioner's Headquarters (i) One Assistant Excise Commissioner in-charge of the Distribution Branch of the Power Alcohol Section with jurisdiction throughout Uttar Pradesh. (ii) One Assistant Excise Commissioner in-charge of the Production Branch of the Power Alcohol Section with jurisdiction throughout Uttar Pradesh. (iii) One Assistant Excise Commissioner as Personal Assistant to the Excise Commissioner, U.P. with jurisdiction throughout the State. (iv) One Assistant Excise Commissioner in-charge Excise, Intelligence Bureau, U.P. with jurisdiction throughout Uttar Pradesh. He exercises all the powers of an Assistant Excise Commissioner in respect of inspections, searches, arrests, investigations. (v) One Assistant Excise Commissioner in-charge, Ganja and Charas Squad with jurisdiction throughout Uttar Pradesh. He exercises all the powers of an Assistant Excise Commissioner in respect of searches, arrests, investigations, etc. (vi) One Assistant Excise Commissioner in-charge, legal work. B-Assistant Excise Commissioner (Distilleries) (i) One Assistant Excise Commissioner in-charge of Mohan Meakin Breweries Ltd., Mohan Nagar, District Meerut. (ii) One Assistant Excise Commissioner in-charge of Mohan Meakin Breweries Ltd., Lucknow. (iii) One Assistant Excise Commissioner in-charge of Messrs. Carew and Co. Ltd., Rosa, District Shahjahanpur.

## 88. Excise Staff.

- The Excise Commissioner may allot such number of Excise Inspectors, Excise Clerks and Excise Constables to each district as are needed by local requirements. The staff will directly under the control of an Assistant Excise Commissioner.



## **89. Duties.**

- The Assistant Excise Commissioner shall be responsible for the efficient administration of the department within his charge in all branches except those entrusted to the District. Officer under paragraph 60, and must for the purpose both guide and control the Excise Staff subordinate to him. He shall consult the District Officer on all important points.

## **90.**

Assistant Excise Commissioner are empowered to issue detailed or special instructions where necessary to the Excise staff subordinate to them and shall keep a constant watch on the progress of work of Excise Inspectors through their daily diaries and registers and by the local verification of work shown by them as done. For this purpose, they shall inspect themselves as many licensed excise shops as possible and get into touch with local residents and Government officials. They shall inspect distilleries, bonded warehouses, wholesale depots and the accounts maintained therein, the registers, returns, etc. kept in the district offices and at tahsils and the premises, accounts and stock of Europeans firms holding Excise licences.

## **91. Monthly report.**

- Assistant Excise Commissioner shall submit to the Excise Commissioners for his information not later than the 25th of the month a report on the work done during the previous month by each inspector in Form D-3-B and a statement showing the movements and work done by themselves in Form D-3-A, not later than the 7th of the month following that to which it relates. In the statement D-3-B Assistant Excise Commissioners should comment and make a general appraisal of work of Excise Inspector. They should comment upon touring, night halt, shops and village inspections, fluctuations in the issue of intoxicants and detection work put in by each Inspector. Any other matter considered important from the points of view of Excise Administration or Revenue should also be pointed out and suggestions made for removal of defects.

## **92. Period of touring.**

- Assistant Excise Commissioners are required to be on tour as a general rule for not less than 150 days in the year but the Excise Commissioner is authorised to relax this rule, if necessary, and to issue instructions regarding the distribution of the days spent on tour over different parts of the year. Out of 150 tour days prescribed above, 60 tour days will be put in during the months of April to September (or roughly ten days per month) and the remaining 90 days from October to March (or roughly 15 days per month). The Assistant Excise Commissioner will draw his monthly tour programme such that tour days are evenly distributed in two or three stages each of about five days. Copy of the tour programme will be sent confidentially to the Excise Commissioner by the 25th of the month preceding. Deviations, if any, from the projected tour programme should be intimated along with the tour programme for the succeeding month.

### **93. Inspection of distilleries and breweries.**

(1)The inspection of distilleries necessitates a very careful examination of ail wash, vessels, stills, apparatus, etc. used and stock-taking and examination of the quality, strength, storage, etc. of spirit produced with a view to ensuring that all rules, to be observed by the distillers and by the Excise Staff incharge of the distillery, are duly enforced. The accounts and registers maintained at the distillery must be checked and scrutinized in detail. The instruments, weights and measures maintained by the Inspector or Inspectors in-charge should be verified and standardized at least once every year. The highly technical nature of excise work at distilleries requires that the Excise Inspector or Inspectors in-charge should obtain the advice and assistance of Assistant Excise Commissioners freely. Each distillery must be inspected at least once every two months. (2) At each inspection of a brewery, the Assistant Excise Commissioner should examine the wort, vessels and apparatus and the liquor produced and see that all rules relating to breweries are observed by the brewers. The accounts should be examined in detail with a view to ensure that they are properly maintained. Every brewery should be inspected at least once every six months.

### **94. Inspection of bonded warehouses.**

- The inspection of bonded warehouses involves a careful examination of buildings, plants, chest, materials, etc. Care should be exercised in taking stock and checking the strength, quality and gallonage of spirit and of the quality and of weight of hemp drugs, with a view to seeing that the rules relating to bonded warehouses are properly observed. The opportunities for pilferage of the liquor or hemp drugs at bonded warehouses increase if the inspecting officers are not sufficiently vigilant. Transit and storage wastages also require close attention from Assistant Excise Commissioners. The rules on the subject and all the attendant circumstances should be considered before any recommendation are made to the Excise Commissioner in this connection. The Excise Department is responsible for the upkeep and proper repair of bonded warehouses and their appurtenances. The Assistant Excise Commissioner must bring defects of any kind in them to the notice of the Excise Commissioner. He is also responsible for the carrying out of repairs, execution of works not under the Public Works Department and for the removal of defects. Each bonded warehouse must be inspected at least once every three months, and the instruments, weights and measures in use must be standardized at least once a year.

### **95.**

Assistant Excise Commissioners, shall once a year, check the boundaries of all departmental buildings within their charge to see that no encroachments have taken place. If any encroachment is disclosed they should take steps to have the land restored to the department by referring the matter to the Collector.

### **96. Inspection of preventive and detective work of Excise Inspectors.**

- The inspection of preventive and detective work of Excise Inspectors involves a close scrutiny of

the daily diaries, tour programmes, registers of issues, shops registers, registers of licensed vendors, and other registers and periodical returns complied under the rules by Excise Inspectors of circles within the Assistant Excise Commissioner's charge. While much may be done to improve the quality of Excise Inspector's preventive and detective work by attention to these records and by orders passed thereon, it is essential that the Assistant Excise Commissioner should as often as possible make his own independent inspection of shops, and consult public opinion of important localities as to whether shops situated therein are being conducted according to the rules, and as to the prevalence or otherwise of excise and opium crime. The Assistant Excise Commissioner will fix for each shop the number of inspections to be made within the year having paid due regard to the importance of particular shops and localities and to other duties which may devolve upon Inspectors in addition to their preventive and detective duties. He may also prescribe periodical visits by Inspectors to particular localities or places in their circles which he may have reason to think to be centres of excise crime or to require periodical inspection for any other reason, whether excise shops be situated there or not. The work of each preventive circle should be inspected at least once every three months. The Assistant Excise Commissioner will mark 'D.R.' on the margin of his inspection note defects, follow up whereof is considered necessary by him. Such defects will be entered by the Excise Inspector in the Defect Register in Form O-42 maintained by him for being removed without delay. Scrutiny of preventive and detective work involves also examination of Judicial cases in which the order of conviction, discharge or acquittal seems to require the attention of the Excise Commissioner.

## **97. Inspection of district offices.**

- At least once every three months, on his visit to a district for inspection work, the Assistant Excise Commissioner will inspect the District Excise Office and in particular check the accounts maintained in Collectorate-(1) of security deposits by licensed vendors, (2) of assessment, demand and receipt of licence fees for shops, (3) of duty and fees credited into the treasury, and (4) of payments made to contractors, etc. The calculation made by the clerks of the district office should be carefully checked. Particular attention must be paid to the existence of arrears of licence fees and to delays in payments to contractors and the attention of the Collector to such cases should be invited without delay.

## **98. Inspection of Assistant Excise Commissioners' Office.**

- The Assistant Excise Commissioner will inspect his office at least once in six months. During such inspection action taken for implementing various orders issued from time to time should be particularly scrutinized. The Assistant Excise Commissioner should also see that pay bills, contingent and non-contingent bills are prepared correctly and punctually; that travelling allowance bills are passed expeditiously, that annual increments due to all categories of Excise Staff are drawn without delay and that the prescribed statements and returns are submitted punctually. He should examine that the service rolls are up-to-date and that there has been no delay in the preparation of pension papers.

## **99. Control over Excise Inspectors, etc.**

- The Assistant Excise Commissioner is the drawing and disbursing officer in matters of travelling allowance, disbursement of pay and of contingent expenditure of Excise Inspectors, Clerks, Tari Supervisors and peons within his charge. The accounts of all such expenditure and of supply of stationery and forms are maintained by him. He has power to grant casual leave to Excise Inspectors, Clerks and Tari Supervisors under him. He has control of the appointment, leave, punishment, etc. of Excise Constables within his charge. Superintendents Of Excise

## **100.**

(1) Superintendent of Excise constitute the Uttar Pradesh Subordinate Excise Service (Gazetted) Rules regarding their appointment, promotion, etc. will be found in Appendix A-II. (2) Such number of Excise Inspectors, Excise Clerks and Excise Constables will be allotted under the jurisdiction of the Superintendent of Excise as are needed by local requirements. The staff will be directly under the control of the Superintendent of Excise. (3) Superintendent of Excise is authorised to issue detailed or special instructions where necessary to the staff subordinate to him and shall watch the progress of the work of the staff under him through their daily diaries, registers and periodical returns as also by local inspections of their work. After scrutiny the diaries shall be forwarded to the Assistant Excise Commissioner of the charge concerned. Copies of inspection notes by the Superintendent of Excise shall also be forwarded to the Assistant Excise Commissioner concerned. (4) Superintendent of Excise shall consult District Excise Officers and Assistant Excise Commissioners of the area concerned on all important matters. He shall guide the subordinate Staff and help them in their preventive work. (5) Superintendent of Excise shall submit to the Excise Commissioner, through the Assistant Commissioner of the charge, a statement not later than 25th of each month, with comments in Form D-3-B, on the work done by each Inspector under him in the previous month and a statement in Form D-3-A, regarding the work done by himself not later than the 7th of each month following that to which it relates. (6) Superintendent of Excise is required to be on tour for at least hundred and fifty days in a year. (7) Work of each Inspector under his control shall be inspected once in three months by the Superintendent of Excise. (8) The controlling officer regarding travelling allowance, pay, contingent expenses of the Excise Inspectors, the Clerks and the Constables shall be the Assistant Excise Commissioner in charge, Ganja and Charas Squad, Uttar Pradesh, Allahabad. He can grant casual leave to Excise Inspectors and Constables under him. (9) The control of any Government vehicle placed under the Superintendent of Excise shall rest with the Assistant Excise Commissioner in charge, Ganja and Charas Squad, Uttar Pradesh, Allahabad. Excise Inspectors A-General

## **101.**

Excise Inspectors constitute the Uttar Pradesh Subordinate Excise Service Rules regarding their appointment, promotion, etc. will be found in Appendix A-III.

## 102.

Excise inspectors are posted in all the districts of the State to the following duties : (1) Preventive circles-for the supervision of shops and prevention and prosecution of Excise opium and miscellaneous offences with which the department has to deal with. (2) Distilleries for the proper manufacture of portable and commercial spirits and Power Alcohol and their storage and issue in accordance with rules. (3) Bounded Warehouses established for the storage and issue of Country Spirit and Hemp Drugs. (4) Bonded Manufactories licensed under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 and the rules made thereunder. (5) Power Alcohol Mixing Depots-for supervision over the storage and mixing of Power Alcohol. (6) Molasses Duty for proper supervision over storage and distribution of molasses produced in sugar factories. (7) Prohibition circles-for detection and prosecution of excise and opium offences. (8) Special Squads-for prevention of local and inter-State smuggling of ganja, charas, opium, etc. An Excise Inspector may be placed in-charge of one or more of these duties. Excise Inspectors also hold the following special posts : (i) Special detective and investigation officers attached to Excise Intelligence Bureau. (ii) Special Inspecting Officer on the personal staff of the Excise Commissioner. (iii) Excise Inspector in-charge of criminal investigation work. B-Allowances

## 103.

Each Excise Inspector is paid fixed country stationery allowance of Rs. 2 per month.

## 104.

For rules governing Travelling Allowance see Financial Handbook, Volume III. C-Leave

## 105.

(1) An application for leave other than casual leave should ordinarily reach the Excise Commissioner at least one month before the date on which it is desired that the leave should commence. (2) When an Excise Inspector is working in a district included in the charge of an Assistant Excise Commissioner he shall submit his application for leave through the Assistant Excise Commissioner after first informing the Collector of the district of its contents. An application for leave which does not state that the Collector has been informed of its contents will ordinarily be returned by the Assistant Excise Commissioner to the Excise Inspector concerned. (3) Application should be submitted direct by the Assistant Excise Commissioner to the Excise Commissioner in whose office the admissibility of the leave applied for will be verified. (4) The Assistant Excise Commissioner or the Collector, as the case may be, will be informed by the Excise Commissioner of the orders passed on the applications. (5) The following general instructions for the better regulation and control of leave are also laid down and they will be strictly enforced : (i) Excise Inspectors have already been asked to give two months' intimation of their intention to proceed on leave and they have been told that in case they fail to give such intimation, their application for leave will be liable to be refused. Such notices will, of course, be not required when leave is wanted on medical grounds. (ii) It is

founded that applications for extension of leave are fairly common. On general grounds, it is desirable to discourage requests for extension of leave. Leave should not, as a rule, be applied for piecemeal. Excise Inspectors will, ordinarily be expected to make up their minds in the beginning about the total length of leave they require. Extensions of leave result in serious inconvenience and tend to cause much dislocation of work. Unless special circumstances exist, applications for extension will be refused except when the extension of leave is requested on medical grounds. When extension is desired for reasons of health, such applications must invariably be accompanied by a proper medical certificate. Similarly, applications for the initial grant of leave for reasons of health should also be supported by medical certificate.(iii)Where an Inspector does not take leave exceeding one month, it will not, ordinarily, be possible to send a substitute from outside; but in cases where more than a month's leave is sanctioned, a substitute will, invariably, be arranged from outside and an Inspector in-charge of another circle will not be expected to hold additional charge of the circle.(iv)Assistant Excise Commissioners should see that substitutes are provided for vacancies which will last for more than a month without avoidable delay.(v)These orders apply to leave other than casual leave.

### **106. Casual leave.**

- Casual leave not exceeding the period prescribed by the orders of Government may be granted by Assistant Excise Commissioners or by Collectors according as the district to which the applicant is posted is or is not included in the charge of an Assistant Excise Commissioner. An Assistant Excise Commissioner granting casual leave must promptly inform the Collector of the fact. In very urgent cases a Collector may grant casual leave not exceeding three days to an Excise Inspector in a district included in the charge of an Assistant Excise Commissioner. In such cases he must promptly inform the Assistant Excise Commissioner of the fact. D-Control and Conduct

### **107. Control of the Excise Commissioner.**

- Subject to the rules in Appendix A-III the appointment, confirmation and transfer of Excise Inspectors will be made by the Excise Commissioner. The power of punishment of an Excise Inspector including his removal or dismissal is vested in the Excise Commissioner, who may also withhold increments under the time-scale for misconduct or unsatisfactory work.

### **108. Relation with licensees of Excise inspectors.**

- Inspectors are forbidden to stay in the house or at the expense of any Excise contractors or licence holder or to place themselves under any obligation to such persons.

### **109. Report on Inspector.**

- During the month of April in each year the Assistant Excise Commissioner will submit a report on the character, conduct and work of such Excise Inspector who has worked in his charge during the previous year along with a certificate of integrity in the following form to the Collector concerned.

The Collector will forward this report with his own Opinion about the character, conduct, work and integrity of the Inspector to the Excise Commissioner before June 1. The Excise Commissioner will, before October 1, personally record a careful opinion regarding the efficiency and integrity of each Excise Inspector in the character roll kept in his office. The Excise Commissioner's opinion will be based on his personal observation and knowledge (if any) and on the reports of the Assistant Excise Commissioner and Collector. When the Excise Commissioner considers that his recorded opinion on an Excise Inspector will adversely affect promotion, he will (unless the reason for his disapproval is innate stupidity and incompetence) communicate it to the inspector concerned and note that this has been done. Form of Integrity Certificate "Nothing has come to my knowledge which casts any reflection on the integrity of Sri.....His general reputation for honesty is good and I certify his integrity." E-Duties

## **110. Circles, headquarters and touring.**

- A definite circle will be allotted by the Excise Commissioner to each Inspector who will not be permitted to leave it without orders except under special circumstances which must always be explained. For each circle headquarters will be fixed. An Inspector is required as a general rule to be on tour and away from headquarters for not less than 175 days in the year. The Assistant Excise Commissioner authorized to relax this rule if necessary specially in the case of Inspectors who are in-charge of bonded warehouses and to issue instructions regarding the distribution of the days to be spent on tour over different parts of the year. This is one of the matters in which Collectors should be consulted (paragraph 89). The Assistant Excise Commissioner should send immediately a copy of any order relaxing the rule to the Excise Commissioner.

## **111. Submission of diary and its abstract.**

- A daily diary in Form D-S must be maintained and drawn up in duplicate (or in triplicate when working under a Superintendent of Excise). The duplicate copy of diary for a particular week will be submitted to the Assistant Excise Commissioner on the 1st, 8th, 16th and 23rd of each month. If working under a Superintendent of Excise, the Excise Inspector will submit the duplicate and the triplicate copies to him, who will retain one copy and forward the other to the Assistant Excise Commissioner. Entries in the register in Form D-3-C maintained by the Excise Inspector will be made on the basis of the weekly abstract. Instructions for maintaining the daily diary are given in the prescribed Form D-8. In the course of village inspection the liabilities of owners and occupiers of land under Section 57 of the Act should be impressed upon them. The names of persons so instructed should be entered in the diary. Each Excise Inspector shall also submit reports of the results of inquiries on special or general points on which information is desired by the Assistant Excise Commissioner or by District Excise Officer or Collector. He shall with as little delay as possible send a special report to the Assistant Excise Commissioner of any discovery he may make of any offence against the excise laws on other matters requiring immediate notice.

## **112. Tour programme.**

- At the end of the weekly diary Excise Inspectors will embody a programme of the tour projected for the following week. Deviation from the schedule programme, if any, should be explained in the diary of the day.

## **113. Maintenance of registers.**

- Excise Inspectors are responsible for maintaining up-to-date the following registers : (1) The shop register (Form D-10) in which will be recorded the results of shops inspections. Full directions regarding the points to be enquired into at inspection of shops and notes to be recorded in this register are given in Form D-9 a copy of which shall be attached to each register. (2) Register of licensed vendors (Form D-11). - This need only be maintained in the case of vendors who engage directly for their licences and not formers' tenants. All notes regarding the work and character of the vendors should be submitted to the Assistant Excise Commissioner for approval before entry in this register. (3) The village or mohalla register (Form D-12). - It is meant to be a register of the villages in an Excise Inspector's circle which specially require his attention. It is essential to keep a close watch over them, because from the point of view of excise crime they are the worst villages in the circle. Only such villages shall be entered as required careful and frequent supervision either because- (a) persons convicted of excise offences who are likely to resort to excise crime in future live in them; or (b) there are persons residing in them who have intimate connections with habitual excise offenders; or (c) an excise offence of a serious nature has been committed in the village within the last three years; or (d) of the close proximity of a village to a centre of excise crime; or (e) for other special reasons. This register will be revised from time to time by the Excise Inspector under the orders of the Assistant Excise Commissioner but a complete revision should be undertaken after three years. The Assistant Excise Commissioner shall prescribe the scale of visits to each village having regard to such prescribed local factors as the distances the Inspector has to cover, the accessibility of villages and the general conditions of excise work in the circle. Visits to the villages on the register will be considered to be a matter of more importance than visiting villages which are not on the register. The scale shall be shown at the beginning of the page allotted to each village. An index shall be prepared of all villages entered. Entries in the index will be in the alphabetical order in the register of villages need not be arranged alphabetically. No village will be brought on to the list or expunged from it without the Assistant Excise Commissioner's permission. When the number of village in any circle which under this rule should be shown in the register exceeds 100, only 100 villages, which are held to be the worst from the point of view of excise crime and need the most vigilant attention on the part of the excise staff shall be entered. In the case of municipalities, notified areas, and town areas, entries shall be made in the village register for each mohalla, separately. Names of the mukhias will be omitted from the city list. The Assistant Excise Commissioner will examine the village register carefully at his periodical inspections of the work of the Excise Inspection and deal with the manner of its maintenance in his inspector note. Assistant Excise Commissioner should consider it an important duty to see that these registers are properly kept up. (4) Inspectors are required to keep confidential note-books in which they shall enter notes about various important and confidential matters at the time of transfer from their circles or when proceeding on 3 months leave provided they have held charge of the circle for six months' at least;



Inspectors who have been in charge of the circle for less than six months may also write notes in this books but only if they have been permitted to do so by the Assistant Excise Commissioner. The note-book will contain five parts, viz. -

## Part I – General

(a) General statistics about area and population. (b) Physical features. (c) Means of communication. (d) Economic condition of the chief consuming classes of intoxicants and their principal sources of income. (e) Tour and night halts. (f) Prices of intoxicants-issue as well as retail.

## Part II – Administrative

(a) Excise and Police-co-operation in detection and prosecution work. 1 (b) Local conditions. (c) Tari supervisors in respect of their honesty, intelligence, diligence, dependability, etc. (d) Excise Constables in respect of their honesty, obedience, diligence, capacity for detection work, etc.

## Part III – Temperance

(a) Temperance movement-societies or associations. (b) Caste Panchayats. (c) Local fairs.

## Part IV – Crime

(a) Excise offences-concise notes regarding prevalence, distribution, prevention and control of offences under each head separately. (b) Excess shops needing vigilance. (c) Habitual Excise offenders. (d) Suspects-name and reasons for suspicion. (e) Informers. (f) Border crimes.

## Part V – Revenue

(a) Working of the various systems of licensing. (b) Monopolies regarding excise contracts. (c) Undesirable licensees. (d) Excise vendors delaying payments of Government dues. (e) Excise shops. Any other matter desired by the Assistant Excise Commissioner may also be entered in the note-book under supplementary headings. The Assistant Excise Commissioner will examine the note-book carefully during the quarter ending June every year and see that it is kept up-to-date. (5) Each Excise Inspector will maintain a map of his circle in which places where excise crime has been detected will be marked in accordance with the instructions noted below. Important roads and communications in the circle will be shown in the map :

Reference	Instructions for Preparing Circle Crime Map	
1	2	
1.	District boundary_____	1. For every case detected within the circle

			theExcise Inspector shall make a mark in the map at the placecorresponding to the locality where the crime was committedaccording to the approved marks which are shown on the margin.
2.	Circle----		
3.	Railway * * * * *	o	
4.	Illicit distillation cases.	^	Cases detected by the Police shall be shown in red ink.
			Different marks shall be given for crimes which consist of-
5.	Road metalled	...	(a) Local smuggling;
	_____	...	(b) Inter-district smuggling;
	_____	...	(c) Inter-State smuggling;
6.	Road unmetalled	...	(d) Illicit distillation;
	* * * * *	...	(e) Illegal cultivation of poppy; and
		...	(f) Illegal cultivation on hemp plant.
7.	Poppy cultivation	3.	The map need not be a very elaborate one and itwill be sufficient if they outlines of the circle are drawnpreferably on a piece of tracing cloth to the scale of one inchto a mile.
8.	Hemp cultivation		
9.	River		
10.	Local smuggling cases of-	4.	The names of bordering circles whether of

thesame district or of any other district should be noted and allexcise crime committed m the bordering circles within 3 miles ofthe circle for which the map has been prepared will also bemarked in the prescribed way.

Country spirit	^ C.S.
Cocaine	^ C.
Opium	^ O.
Ganja	^ G.
Charas	^ Ch.
Bhang	^ B.

5. The map will be kept neatly folded in a packeton the inner side of the village register card-board cover.  
New maps will be prepared every year or at suchlonger intervals as the Assistant Excise Commissioner may directafter considering the volume of crime prevalent in the circle. Maps showing the state of crime shall be preserved for 10 years.  
In circle where there is not much crime it maybe possible to continue the entries in the same map for a numberof years after noting under each mark the year in which thecrime was committed.
- 6.
- 7.

11. Inter-district smuggling cases of-

Country spirit	^ C.S.
Cocaine	^ C.
Opium	^ O.

- |     |  |        |
|-----|--|--------|
|     | Ganja  | ^ G.   |
|     | Charas   | ^ Ch.  |
|     | Bhang  | ^ B.   |
| 12. | Inter-State smuggling cases-   |        |
|     | Country spirit   | ^ C.S. |
|     | Cocaine  | ^ C.   |
|     | Opium  | ^ O.   |
|     | Ganja  | ^ G.   |
|     | Charas   | ^ Ch.  |
|     | Bhang  | ^ B.   |
| 13. | Shops will be shown by a simple X mark and the matter "C.S.", "D", "T" and "F.L.", will indicate whether the shop is of country spirit, drugs, or foreign liquor respectively. |        |

#### **114. Submission of monthly statement.**

- After the close of each month Inspectors will submit with the travelling allowance bill a monthly statement of work in Form D-3-B to the Assistant Excise Commissioner.

#### **115. Excise Inspectors on preventive duty.**

- An Excise Inspector on preventive duty is required to inspect minutely the working of all Excise arrangements, and enquiries into the nature and extent of all suspected evasions of the law. He must bring to the notice of his superior Officer any defect which he may discover or improvements which may suggest themselves.

#### **116. Duty of Excise Inspector in regard to collections and tahsil registers.**

- The Excise Inspector is not directly concerned with the collections of the excise revenue but it is his duty to watch collections and to bring to the notice of the Collector or District Excise Officer any neglect of orders or accumulation, or arrears. For this purpose he is authorized to examine all registers maintained under the rules at tahsil officers. Tahsildars will direct the official in-charge of the Excise registers to produce them on the application of an Excise Inspector. He should examine these registers at least twice a year and record in his inspection note the result of his examination.

#### **117. Inspection of shops.**

- The points ordinarily requiring attention at the inspection of shops are detailed in Form D-9 but the list is not exhaustive and it should be borne in mind that inspection of shops is only a part of an Inspector's work; he must familiarize himself with the business method of formers and licensees and be particularly alert in detecting trade combinations; he must also acquaint himself with the general

course of trade in excisable commodities, the classes which consume them and villages in which illicit practices are suspected.

### **118. Co-operation with other districts.**

- It will sometimes be found advantageous for inspectors of adjoining districts to work together on the common border or in the case of districts bordering upon other States with the inspectors of those States, Assistant Excise Commissioners should arrange for this when it is considered necessary.

### **119. Scrutiny of sales and consignments in low duty areas.**

- In districts where spirit passes through a high duty zone to low duty area it is very necessary to verify the arrival in the low duty area of as many consignments as possible. The sales in the shops adjoining a high duty area required careful scrutiny so that a shop may be removed in case it is found that it is frequented by consumers from the high duty area.

### **120. Vigilance over hemp plant where collection of wild hemp is permitted.**

- In the districts where the collection of wild hemp is permitted care should be taken that villagers do not water, manure or otherwise cultivate hemp plants which may have been of spontaneous growth to start with. The existence of such plants in cultivated field is evidence of the fact that they have been intentionally preserved.

### **121. Conduct of prosecutions.**

- An Excise Inspector, may with the permission of the Magistrate, under Section 495 of the Criminal Procedure Code, be deputed by the Collector to conduct the prosecution in cases under the Excise, Opium and Dangerous Drugs Laws when special circumstances render this desirable.

### **122. Charge of distillery or a bonded warehouse.**

- When in-charge of a distillery or a warehouse it is the Excise Inspector's first duty to see that duty on all spirit or drugs has been correctly paid before they are issued, or in the case of issues under bond that the amount of duty leviable is covered by the bond. He should also control gauging storage and issue of spirit, see that the prescribed accounts are regularly kept up and readily enforce all precautionary measures against illicit issue of spirit or drugs. Departmental Excise Clerks

### **123.**

Departmental Excise Clerks are appointed-(a)to the establishment of the Excise Commissioner;(b)to Assistant Excise Commissioner's offices;(c)to distilleries (one each);(d)to certain bonded warehouses (one each);(e)to certain Collector's offices; and(f)to office of Superintendents of Excise

(one each).Note. - Rules regarding their appointments, pay, promotion etc., will be found in Appendix A-IV. The travelling allowances admissible to excise clerks are governed by Financial Handbook, Volume 111.

## **124. Leave.**

- Leave, other than casual leave, shall be granted by the Excise Commissioner; casual leave may be granted by the Assistant Commissioner.

## **125. Control.**

- Order of promotion, transfer and punishment except censure shall be passed by the Excise Commissioner only. Assistant Excise Commissioners have been empowered to inflict the punishment of censure on the clerks working under them.

## **126. Reports on clerks.**

- Assistant Excise Commissioners will submit reports on the clerks employed in their own offices and in distilleries direct to the commissioner during the month of May every year. The Excise Commissioner will make entries in the character rolls of clerks kept in his office before September 1. In the month of May the Assistant Excise Commissioner will submit to the Collector concerned a report on the conduct and work of each clerk employed in a bonded warehouse in his charge, which will be forwarded by the Collector to the Excise Commissioner along with the reports on Inspectors. The annual report on the work and conduct of each clerk shall contain a certificate of integrity in the following form : "Certified that nothing has come to my knowledge which casts any reflection on the integrity of ....."

## **127. Duties.**

- Clerks appointed to distilleries and bonded warehouses will work under the control and supervision of the Excise Inspector in-charge, and those appointed to the office of an Assistant Excise Commissioner, shall work under his immediate supervision and orders. The clerk appointed to the office of the Superintendent of Excise will work under the Superintendent's immediate supervision and orders.

## **128.**

The duty of a clerk' attached to a distillery or bonded warehouse is to prepare the passes, make entries in pass-books, maintain the registers and prepare the returns prescribed by these rules as required by the district or Excise authorities. When attached to the office of an Assistant Excise Commissioner or Superintendent of Excise the clerk's duty is to maintain the office registers, prepare all returns, and to attend to correspondence. Excise Constables

**129.**

Excise constables are appointed-(a)for the purposes of preventive and detective work;(b)at distilleries, bonded warehouses, bonded manufactories and mixing depots;(c)at the Excise Commissioner's Office;(d)at Assistant Excise Commissioner's Office; and(e)at the office of Superintendent of Excise.Note. - Rules regarding appointments, grades of pay, promotion etc. will be found in Appendix A.V. For travelling allowance Rules, see Financial Handbook, Volume III.

**130.**

Appointment to the establishment shall be made by - (1) the Assistant Excise Commissioner in the districts in their respective territorial charges;(2)the Personal Assistant to the Excise Commissioner in the Headquarter's office of the Excise Commissioner.

**131.**

Subject to the provisions of paragraph 57, all reductions, removals and dismissals should be reported as soon as possible to the Excise Commissioner to enable his office to maintain a correct gradation list. Grade promotion will be made by the Excise Commissioner only.

**132.**

On April 1 of each year the Collector or the Assistant Excise Commissioner, or the Superintendent of Excise, as the case may be, will submit a report stating definitely in the case of each peon whether he' is fit for promotion or not. Details may be given in particular cases. In the case of Superintendent of Excise, such reports will be sent to the Assistant Excise Commissioner in-charge, Ganja and Charas Squad, Uttar Pradesh, Allahabad.

**133.**

Superintendents of Excise and Excise Inspectors have been empowered to grant casual leave to Excise constables working under them in emergent cases. In all other cases leave will be granted by the Assistant Excise Commissioner under whom the constables are working.Section XIII-Appeals and RevisionsA-Appeals

**134.**

Appeal shall lie to the Excise Commissioner from an order of a Collector.Note. - An order of the District Excise Officer shall be deemed to be an order of the Collector for the purposes of these rules. The Collector shall, however, retain the right to confirm or modify any order of the District Excise Officer ;Provided that this right shall not be exercised by the Collector in respect of any order of the District Excise Officer against which an appeal has already been preferred to the Excise Commissioner.

**135.**

A petition of appeal within thirty days of the order either direct to the Excise Commissioner or to the authority against whose order the petition is made, for transmission to the Excise Commissioner.

**136.**

A petition of appeal shall be-(a)properly stamped, and(b)accompanied by the order in original against which the petition is made or by a certified copy of such order unless the omission to produce (such order or copy thereof)is explained to the satisfaction of the Excise Commissioner.

**137.**

Any person aggrieved by an order of the Collector intending to file an appeal against such order shall be entitled, on application, to receive under the ordinary rules governing the issue of copies of certified copy of the order appealed against.B-Revisions

**138.**

Any person aggrieved by any order of the Excise Commissioner or the Collector, may make an application to the State Government for revision of such order. The application for revision shall be made to the State Government within six months of the order of the Collector or Excise Commissioner, as the case may be, provided that no application for revision against the order of the Collector, will be entertained unless an appeal where one lay, had been filed and disposed of by the Excise Commissioner.

**139.**

The provisions of Rules 4 and 5 shall apply to petitions of revision : Provided that no court fee shall be leviable on revision petitions to the State Government but any enclosure to these petitions which are liable to court-fee or stamp duty under the law must be stamped in accordance with paragraph 376 of the Manual of the Government Orders, Volume 1.

**140.**

For Rule 140 no remark is given.C-Appeal by Subordinate Officers

**141. Procedure to be observed.**

- The procedure regulating appeals by subordinate officers, which may be prescribed by the State Government from time to time shall apply to appeals by subordinate officers of the Excise Department.



## **142. Grant of copies of orders of punishment.**

- In the case of an appeal from punishment, an appellant shall be entitled free of charge, to one copy of the original order or punishment when it is required for a first appeal, and in case where a second appeal lies, to one copy of the order passed on the first appeal, which copy he shall file with his petition of appeal. All other copies of orders, original or appellate, reports of the authority which conducted the departmental inquiry, including the statements of the findings and the grounds thereof, or of the statements filed before the inquiring authority or of the record of oral evidence in English or Vernacular, if any, may be supplied; provided that the government servant concerned pays the copying charges in advance at the rates noted below : (1) For a copy containing more than 1,500 words - 50 Paise (2) For every 300 words in excess of 1,500 - extra charge of 12 Paise. (3) For a copy of a book, register, map or plan - a suitable charge fixed by the head office. Note. - In calculating the above charges each statement, etc. should be taken as a separate document, and should be charged for separately.

## **143. to 149.**

For rules 143 to 149 no remark is given.

## **Chapter III**

### **District Excise Offices**

#### **Section XIV-General Instructions**

## **150. Responsibility.**

- The District Excise Officer is a part of the Collector's office and is responsible for its efficiency. Where, as is usual, he delegates the duty of immediate supervisor to the District Excise Officer, the latter is personally responsible for the work of the Excise clerk or the Excise ahalmad or both as the case may be. The inspection of excise accounts at long intervals by the Assistant Excise Commissioner in no way relieves the District Excise Officer of the responsibility for their work. With a view to keep the Assistant Excise Commissioner of the charge posted up-to-date with the trend of excise administration in the district, copies should be sent to him of all important circulars and instructions issued in the district on excise matters or reference made to the Excise Commissioner.

## **151. Competent official to be appointed as excise clerk or ahalmad.**

(1) The clerk appointed by the Collector to deal with excise work should be an experienced and reliable official. The work is of a nature which calls for more than usual application and intelligence and fact which should be borne in mind when appointing the official. An incompetent or unreliable clerk if left unsupervised, may within a short time, cause great confusion in excise accounts and correspondence. (2) It is sometimes found that inaccuracies and mistakes in excise accounts are

traceable to the fact that the clerk has been burdened with too many other duties. In his own interest, as he responsible for excise work the District Excise Officer should ask the Collector to transfer extra work of the excise clerk or ahalmad do others in such circumstances. A careful watch for avoiding such conditions must be kept, especially in districts where large excise revenue is at stake or intricate problems are involved. Section XV-Collection, etc. of Excise Revenue(1) Payment of duty

## **152. Rates of duty.**

- The rates of duty imposed from time to time on foreign liquor, country spirit and hemp drugs will be found in Appendix 'B'

## **153. Duty on foreign liquor and country spirit payable before issue.**

- The still head duty imposed, on foreign liquor and country spirit is payable before issue of such liquor from the distillery, brewery or bonded warehouse concerned, save only in the case of issue under a bond for payment of duty. The export duty is in all cases payable before issue.

## **154. In case of distilleries, duty payable into headquarters treasury.**

- In the case of distilleries, the duty shall be paid into the headquarters treasury of the district in which the distillery is situated. Distilleries may also make advance deposits on account of duty and issues may be made against such deposits.

## **155. In case of bonded warehouse payable into tahsil sub-treasury.**

- In the case of bonded warehouses or of distilleries from which country spirit is issued direct to vendors the duty and the contract price shall ordinarily be paid into the sub-treasury of the tahsil in which the bonded warehouse or the distillery is situated.

## **156. Duty on hemp drugs payable before issue into tahsil subtreasury.**

- The duties imposed on ganja and bhang, respectively, together with the contract prices are in all cases payable before issue (save under bond) from the bonded warehouse. Payment of such duty shall ordinarily be made into the sub-treasury of the tahsil in which the bonded warehouse is situated.

## **157. Duty on bhang exported.**

- The duty on Bhang exported (save under bond) from any of the districts in which collection is permitted is payable before the issue of the pass granted to cover such export. It shall be paid into the sub-treasury at the headquarters of the officer authorized to issue the pass.

### **158. Duty on opium payable before issue into treasury or subtreasury.**

- The cost price and duty imposed on opium issued from the treasury or sub-treasury is payable, before issue, at the treasury or sub-treasury.

### **159. Duty on excise wastage of spirit and hemp drugs.**

- On receipt of intimation from the Excise Commissioner or from an Assistant Excise Commissioner for the recovery of a specified sum of duty levied in accordance with rules on excess wastage of spirit or hemp drugs, the Collector shall recover the said sum of duty from the supply contractor concerned by debit against his advance duty deposit, if any, or by short drawal of any sum due to be paid to the supply contractor as contract price for spirit or hemp drugs supplied to bonded warehouses in the district, or by any of the other methods prescribed for the recovery of excise revenue (See also paragraph 226, Chapter IV).(2)Payment of licence fees

### **160. Rates of licence fee.**

- Whenever the graduated surcharge system for the settlement of country spirit, hemp drugs and opium shops is, in village in any district, town or part of a district the Excise Commissioner prescribes in a booklet entitled "Scales of monthly fees" the rates of monthly licence fees payable by vendors and supplies copies to the district officers concerned. The amount of licence fees under other system and the modes of payment thereof will be found in the relevant rules of the Manual which may be consulted when necessary.

### **161. Assessment under the graduated surcharge system.**

- In the case of licence issued under the graduated surcharge system, licence fees are recovered monthly by the following procedure :The Excise Inspector in-charge of the country spirit and hemp drug's warehouse at the headquarters of the district is responsible, immediately' after the close of each calendar month, for the preparation and prompt submission to the Collector of an accurate consolidated statement showing shop-wise the issues of country spirit and hemp drugs made to all the shops of the district during the said calendar month. The Collector's office on the basis of this statement shall, without delay, assess the licence fee of each shop for the month in accordance with the prescribed scales. On completion of the assessment, which shall be carefully checked and signed by the District Excise Officer a list of fees due from all country spirit and hemp drugs shops of the tahsil shall be prepared in Form G-17 and forwarded to each Tahsildar, not later than the tenth day of every month. The Tahsildar, after making the necessary entries in the excise ledger maintained in Form G-I from the list shall exhibit the list on a prominent part of the notice board of the tahsil for the information of the vendors. A list of fees due from each shop shall also be forwarded, not later than the aforesaid date, to the Excise Inspector in-charge of each bonded warehouse, to the agent in-charge of wholesale depot and to the wholesale vendor of country spirit, if any, for exhibiting at the warehouse, depot or wholesale shops, as the case may be. The onus of ascertaining from one or other of the exhibited lists the amount of the monthly fee payable by him shall be on the vendor who

shall forthwith pay the sum demanded in the Sadar treasury or sub-treasury without delay. On the 21st of each month the Tahsildar shall, without fail prepare a list of defaulters and proceed forthwith to realize from them the fees due as if they were arrears of land revenue. On the 25th of each month the tahsildar shall submit to the Collector a list of defaulters, in Form G-18, with a report of the action taken against each. The Collector may thereupon call for an explanation of the defaulter, and in case the delay is not satisfactorily explained may cancel the licence forthwith and proceed to resettle the shop according to rules. In all cases in which arrears threaten to equal or exceed the amount of the security deposit, the defaulters must be ousted and their shops re-settled promptly. It is an essential feature of the surcharge system that the monthly assessment and prompt recovery of licence fees should engage the personal attention of the District Excise Officer, and that this important duty should not be delegated. Notes. - (1) In case the 20th of a month is a holiday, payment of licence fees may be made on the first working day of the treasury following such holiday. (2) In the case of licence fees paid by postal money order, they should be despatched so as to reach the treasury or sub-treasury on or before the 20th. If the money order is received after that date, the licence will be treated as having defaulted for that month. (3) For assessment of fees on foreign licences-see relevant paragraphs of Chapter VIII.

## **162.**

Where a change of licence takes place during a month, the monthly licence-fee should be assessed on total quantity issued during the month to both the licensees taken together. The share of each licensee will then be fixed in proportion to the issues taken by him. If the outgoing licensee has any stock of intoxicants left at the time of transfer which is taken over by the incoming licensee, his share of the total monthly licence-fee should be proportionately reduced. That is to say, the amount made over by him to the incoming licensee should be deducted from the total issues from the warehouse during his tenure of the shop, and the quantity taken over by the incoming licensee should be added to the total issues taken by him from the warehouse. Note. - For the time and manner of payment of security deposit under the surcharge system, see Chapter VI.

## **163. Licence fees for Tari under the tree tax system.**

- The fees for Tari licences granted under the tax system shall be paid at the time of deposit of the tree tax.

## **164. Licence fees for foreign liquor under the fixed fee system.**

- The fees for foreign liquor licence granted under the fixed fee system shall be paid in advance into the headquarters of the district in which the licensed premises are situated.

## **165. Licence fees for country spirit and bhang shops under the auction system.**

- In the case of licences for country spirit and Bhang settled by auction, two months' deposit equivalent to one-sixth of the total licence fee shall be paid immediately on acceptance of bid at the sale to an official selected by the Collector to attend the sale for that purpose. The remaining fees shall be paid into the Sadar treasury or sub-treasury of the tahsil in which the licensed premises are situated on or before the first day of the month for which they are due.

### **166. Licence fee for tari under the auction system.**

- In the case of licences for the retail of Tari granted in districts where such licences are disposed of by auction one-sixth of the fees shall be paid as security deposit immediately on the provisional acceptance of the bid at the sale by the Collector, one-twelfth after the final acceptance of the bid by the Excise Commissioner on or before October 1, and three-fourths in such instalments between November 1 and May 1, as may be determined by the Collector. The last instalment of one-sixth fee shall fall due on June 1, and, if the preceding instalments have been paid, the amount deposited in advance as security deposit shall be set off against this instalment.

### **167.**

The fees for licences not determined by auction shall be payable into the sub-treasury of the tahsil in which the licensed premises are situated. No licence determined by auction shall be issued till the first periodical instalment has been paid, and if the licence has not been determined by auction till the security deposit has been paid.(3)Payment of Miscellaneous Receipt

### **168.**

Any sum accepted by way of composition under Section 74 of the Excise Act or relevant sections, or rules of other Acts, excepting the "Sales of Motor Spirit and Diesel Oil Taxation Act, 1939", "Molasses Control Act(U. P. Act No. 24 of 1964) and rules made thereunder, shall immediately on realisation, be paid into treasury or sub-treasury credited to the Head "8-Excise(a) Fines and Confiscations". So also shall the sale proceeds of any thing confiscated under Acts mentioned above, or any fine imposed in lieu of such confiscation, be credited under the same Head.

### **169. Register of miscellaneous demands and collections at headquarters.**

- The excise clerk or ahalmad at headquarters shall maintain a register in Form G-10 of miscellaneous demands and collections on account of confiscated property, etc.(4)Other instructions to revenue staff as to collection, suspension, remission and refund to excise revenueA-General

### **170. Mode of payment.**

(1)Receipts on account of Excise revenue can be divided broadly speaking into the following categories :(i)Receipts on account of duty.(ii)Receipts on account of licence fee.(iii)Receipts on

account of vend fee.(iv)Receipts on account of tree-tax and surcharge.(v)Receipts on account of cost price of intoxicants and opium.(vi)Receipts on account of price of power alcohol used as motor fuel.(vii)Miscellaneous receipts, such as, composition fee, sale proceeds, fine and confiscations, rent of buildings and receipts for services rendered.(2)Receipts in respect of motor spirit, though not classified as Excise revenue but in 'XIH-Other Taxes,' are dealt with by the Excise Department.(3)The procedure for making payments of Excise revenue as well as of "XIH-Other taxes" will be as under : (a)Department forms prescribed for making payment in most of the fore-mentioned cases, should be utilised. Where no departmental challan is prescribed the usual treasury or Bank challan should be used.(b)The following officers of the department will issue challans in duplicate or triplicate, as the case may be, and fill in the major and minor heads wherein deposit is to be made along with other particulars : (i)Excise Inspector of bonded warehouse in respect of deposit concerning warehouses.(ii)Excise Inspector of distillery in respect of deposit concerning distillery.(iii)Excise Inspector of bonded manufactory in respect of deposit concerning bonded manufactory.(iv)Excise clerks in respect of deposits not specifically known.(v)Excise Inspector of the circle concerned in respect of the remaining items.(c)The depositor after signing the challans shall present the challans to the State Bank of India, or the Treasury or Sub-treasury, as the case may be. The Bank, Treasury or Sub-treasury will then follow the procedure laid down for dealing with such challans, the copy of the challan being forwarded to the Departmental Officer concerned.

### **171. Tahsildar's excise ledger.**

- In addition to the monthly list of fees due under the graduated surcharge fee system from the country spirit and hemp drugs shops of the tahsil (see paragraph 161 above) the Collector will furnish each tahsildar with complete tahsil wise extracts from the register of foreign liquor and fixed fee licences prescribed in paragraph 199, and from the register of licences awarded by auction prescribed in paragraph 200. On receipt of these extracts the Tahsildar will have prepared therefrom excise ledger in Forms G-3 and G-4. In the classification and arrangement of licences in G-4 he shall be guided by directions contained in paragraph 192. These ledgers will thus contain all the information necessary for the collection of the monthly excise revenue of his tahsil.

### **172. Payments when to be credited and how to be accounted for.**

- All payments on account of the licence fee demand, with the exception of advance deposits accepted provisionally at settlement by auction, shall be credited to Government on the day on which they are received. The tahsil official in-charge of the excise account shall, day by day, after the accounts are checked in the manner prescribed by the Excise Commissioner from time to time in this behalf extract from Siaha all receipts on account of licence fees and enter each in its proper place in the ledger with the full particulars according to the heading.

### **173. Tahsildar's monthly statement of demands, collections and balances under the auction system.**

- The tahsil official in-charge accounts shall, on the fifth day of each month, lay the excise ledger before the Tahsildar so as to keep him acquainted with the progress made in collections of licence fees for each shop or farm under the auction system and to enable him to take prompt measures for the realisation of outstandings. On the 21st of the month he will prepare from the excise ledger (and its supplement, if any), a return in Form G-18, and submit it to the Tahsildar, who after filling in column 13 of the statement regarding action taken for realisation of the balance, will submit the same to the Collector by the 25th positively for his orders. The Collector may, in any case require the submission of similar return at other periods of the month; and this should invariably be done when the arrears are large and the action of the Tahsildar is considered wanting in energy and promptitude.

#### **174. Orders on Tahsildar's balance statement.**

- On receipt of the Tahsildar's report of outstanding balances the Collector will pass orders as he considers necessary for the realisation of the dues. The Tahsildar and the Excise Inspector should be instructed in each case to personally watch the progress of realisation. Notice should be issued upon the defaulting licensee to pay up the dues by the list of the ensuing month, failing which his shop would be re-sold, and to appear personally before the District Excise Officer immediately. The Excise Inspectors in-charge, Bonded Warehouses should also be informed about licensees so defaulting who will instruct the defaulter or his authorized agent, when either of them turns up for taking issues, first to appear before the District Excise Officer. As a general rule, defaulters should be dealt with promptly. When the default threatens to equal or exceed the advance deposit, the licence should usually be cancelled and the shop re-sold to the best advantage, and proceedings be started immediately after the recovery of deficit, if any, as if it were an arrear of land revenue. The Excise Commissioner will require a full explanation of cases in which arrears have been allowed to accumulate to an amount in excess of the advance deposit. With a view to safeguarding against accumulation of Excise dues over a long period a statement in Form G-40, in duplicate will be submitted to the Excise Commissioner at the close of each financial year by the end of May following the year to which the balance relates, showing particulars of accumulated arrears and action taken for realization. The mode of submission of the statement will be as under : Rural Excise Inspector will submit the statement regarding their respective circles to the City Excise Inspector for preparation of a consolidated statement for the whole district. The latter, after verification from the District Excise Office, will submit the same to the Excise Commissioner through the Assistant Excise Commissioner.

#### **175. Realization of deficit suffered on re-auction.**

- Tahsildar concerned should be directly to make sustained efforts for realising deficit, if any, suffered as a result of re-auction of a shop during the currency of the financial year. The Circle Excise Inspector should also be asked to suggest steps for realization of outstanding dues. With a view to keep the District Excise Officer informed of the progress of realization, such cases should be put up before him for orders by the first week of each month following. The Assistant Excise Commissioner will also examine each such case on his periodical inspection of the District Excise Office and give his suggestions in his inspection note and submit relevant extract to the Excise

Commissioner. Should recovery of dues be not effected despite all efforts, the District Excise Officer will recorded in his own handwriting as a footnote to Statement V, while submitting the next quarterly Excise Amount (G-23), the measures adopted for realization of dues. B-Suspension

### **176. Suspension of revenue requires Excise Commissioner's sanctions.**

- All suspensions of demands on account of any fee or duty require the previous sanction of the Excise Commissioner. In making their recommendations. Collectors should briefly explain the circumstances of the case and state the date or dates for payment proposed. C-Remission

### **177. Proposal for remission to be reported to Excise Commissioner.**

- If all efforts for realization of outstanding dues prove of no avail, and if it is felt that further efforts are also likely to be unsuccessful, the case should be examined jointly by the District Excise Officer and the Assistant Excise Commissioner and a concerted drive initiated for realization of the arrears. Should these efforts also prove infructuous and futility of pursuing the matter further finally established the District Excise Officer will prepare a detailed report of the case giving the date on which the default occurred, the steps taken for recovery and the reasons which precluded success, and will send the same promptly to the Assistant Excise Commissioner along with the statement in Form G-31. The latter will examine the case personally during his next visit to the district and forward the report to the Collector with his comments. If the Collector finally considers that the arrear is beyond all hope of recovery, he will add his own observations and forward the report to the Excise Commissioner recommending remission of arrear dues.

### **178. Remission by whom sanctioned.**

- The remission of all irrecoverable balances not exceeding Rs. 2000 may be sanctioned by the Excise Commissioner. The State Government, Finance Department has declared under Devolution, Rules 45 that the assent of that Department may be presumed in all such cases. Balances above that amounts shall be reported by the Excise Commissioner for the orders of the State Government, Finance Department. As soon as the Collector receives intimation of sanction to the remission of an irrecoverable balance, he shall cause it to be written off in Register G. 1,2,3 or 4, as the case may be, and shall also inform the Tahsildar, who will cause it to be written off in the Excise Ledger (Form G-4). This will be done by entering the amount remitted and the number and date of the sanctioning order, in the remarks column.

### **179. Remission in special cases.**

- Proposals for remissions other than of irrecoverable balances must be reported to the Excise Commissioner who if he supports them, will forward them for the orders of the State Government.



### **180. Failure to deposit advance after a bid has been accepted.**

- Cases in which a person, whose bid has been accepted at auction, fails to pay in his advance deposit are not to be reported as cases for remission of an irrecoverable balance. Such a default is not balance and is not recoverable as an arrear of revenue. In such a case the contract must be re-sold, the price so obtained being entered as the demand. The only legal method of recovering a loss accruing on re-sale is a civil suit against the defaulter. D-Refund

### **181. Refunds by whom sanctioned.**

- Refunds of revenue may be sanctioned by the Collector, but in cases of doubt a reference should be made to the Excise Commissioner for orders. All refunds should be noted against the original payment in the remarks column of the register in which the payment was noted, viz. Forms G-1,2,3,4 and 6 as the case may be. Section XVI-Expenditure I. Payment for supply of spirit and hemp drugs under the contract supply system

### **182. General.**

- Under the contract supply system, the contract supply price of country spirit and of hemp drugs is in the first instance paid along with the duty in force into the sub-treasury by the retail vendors before taking supplies.

### **183.**

The Excise Inspector in-charge of each country spirit or drugs warehouse will submit to the Collector, not later than 2nd of each month, an abstract of his registers of issues supported by the receipted applications of retail vendors showing the issues of each kind of spirit or of drugs, as the case may be, from the bonded warehouse during the accounting month immediately preceding (See also paragraph 203).

### **184. Payment to supply contractors.**

- After the necessary checking of the above with the treasury accounts at headquarters, cheque will be made out in accordance with paragraph 203 in the Collector's office for the amount of price of spirit or drugs supplied to vendors from the warehouse or warehouses of the district during the accounts month. This must be made over to the contractor not later than the 15th day of the month, unless, at his own request, he is paid at longer intervals. If the contractor has expressed a wish to receive the payment by postal money order, the amount of it is Rs. 600 or less, may be remitted to him by money order after deducting the usual commission from him. The payment of contract price to a supply contractor, if the amount is Rs. 600 or less may be made by the Reserve Bank of India also after deducting the usual commission, in cases where the contractor has expressed a wish to receive payment as such and makes his own arrangement for receiving the drafts.

### **185. Elimination of fraction of a naya paise.**

- Payment on account of the contract price and duty should not involve fractions of a naya paise. Whereas in the case of ganja, fraction of a naya paise may occur in calculation of contract price and duty for 223, 276 grams (4 chhataks) and 669, 828 grams (12 chhataks), the elimination of a fraction of a naya paise should be effected by increasing the contract price to the nearest naya paisa and reducing the duty by the amount.

**II- District Contingent Charges**

### **186. Classification of contingent charges.**

- The contingent charges payable by the Collector from allotment made by the Excise Commissioner are divided into the following classes : (1) Contract contingencies. (2) Non-contract contingencies. Note. - For definitions of these terms, see Financial Hand Book, Volume V.

### **187. Sub-heads under which charges are classified.**

- The charges to be recovered by the grant for contract contingencies are classified under the following sub-heads : (1) Rates and taxes. (2) Service postage and telegram charge. (3) Purchase and repair of furnitures. (4) Hot and cold weather charges. (5) Cloth for bastas. (6) Pay of menials. (7) Binding charges of registers. (8) Carriage of stationery. (9) Repair of tents. (10) Carriage of tents and records. (11) Country stationery. (12) Extra tour establishment. (13) Other petty contingencies and office expenses. The amount allotted to Collectors on account of contract contingencies is intended for expenditure under the sub-heads (5), (7), (11) and (13) only. No expenditure under other sub-heads is to be incurred without the previous sanction of the Excise Commissioner.

### **188. How drawn.**

- Money to meet contingent charges is to be drawn on bills in such forms and in such manner as may be prescribed in the Financial Handbook, Volume V.

### **189. Non-contract contingencies.**

- Non-contract contingencies include freight on excise opium only.

### **190. Miscellaneous directions.**

- The following miscellaneous directions regarding the classification and payment of charges are noted for observance: (1) Payment on account of compensation for closing shops under Section 59 of the Act or for closing country spirit shops settled under the auction system during the passage of troops includes- (a) the refund of an amount originally credited to excise; and (b) 10 per cent, calculated on the amount of licence fees for the period during which the shop was closed, on account of loss of profits. The latter charge only should be debited to Contract Contingencies. The former will be treated as a refund and adjusted against the separate grant for refund and

drawbacks.(2) Compensation may be paid by the Collector on his own authority.III-Rewards

### **191. Allotment of rewards.**

- An allotment is made to each district officer by the Excise Commissioner for the grant of rewards for detection and successful prosecution of cases under the Excise and Opium Laws. The head to which rewards, both for excise and opium cases, are debitable is "8-Provincial Excise (Transferred)-District Executive Establishment-Allowances and Honoraria-Rewards". Expenditure under this head is to be restricted to cases under the Excise, Dangerous Drugs and Opium Acts. Rewards in cases under the Opium Smoking Act may be paid out of the fines realised under orders of the Magistrate trying the case.

### **192. Bills to be accompanied by sanctioning order.**

- Bills for rewards should be accompanied by the order of the Collector or the Excise Commissioner, as the case may be, sanctioning payment. When in paying rewards it is not considered desirable to disclose the name of the payee a certificate signed by the Collector to the effect that the reward has been duly paid should be submitted in support of the payment in lieu of the payee's receipt ordinarily required.

### **193. Advances for rewards how drawn.**

(a) Collector may draw advances from the grant for the excise reward placed at their disposal for meeting expenditure incurred by Excise Inspector and Police Officers in the detection and investigation of excise and opium cases. The officers to whom an advance is given must submit an account every month of the expenditure actually incurred by them. The District Excise Officer will give clear instructions to guide the discretion of such officer in the matter of incurring this expenditure. The District Excise Officer will submit the account direct to the Collector and the Police Officer will submit this to the Superintendent of Police. In the latter case, the Superintendent of Police should send the usual certificate of expenditure incurred on the detective work to the District Excise Officer when the expenditure is of a confidential nature. In other cases, vouchers should be sent to the Collector, as vouchers for such payment exceeding Rs. 25 have to accompany the contingent bill presented for encashment. The account should in all cases, be thoroughly scrutinized by the District Excise Officer himself.(b) The expenditure is debitable to the excise head "B-District Executive Establishment-Allowances and Honoraria-Rewards", and the advances shall be drawn on bill in the manner prescribed in paragraph 249 (1) of the Financial Handbook, Volume V.(c) Accounts in respect of these advances shall be maintained in the ordinary contingent register form with information in it of the advances received and account of the expenditure incurred.

### **194. Procedure.**

- The Collector shall in the first instance estimate the normal monthly expenditure that he will have to incur on advances to Excise Inspectors and Police Officers for the detection of cases or on real

rewards sanctioned in cases under the Excise Act and the Dangerous Drugs Act and then prepare an advance bill equal to that amount for presentation to the treasury. The Collector will cash the bill and pay the amount required by each Excise Inspector and Police Official. The Excise Inspector and the Police Official should each send to the Collector at the end of the month a detailed bill of charges actually incurred by him and the cash balance left in hand, together with the estimate of his requirement for the ensuing month. The District Excise Officer will examine the accounts and after scrutiny will prepare a consolidated detailed contingent bill. In this bill when the expenditure is of a confidential nature, the necessary certificate should be given without details. It should, however, be distinctly understood that unspent balances of advance should not be carried over from one month to another and that no second advance is admissible until the first advance is completely accounted for by the presentation of an adjusting bill and by refund of the unspent balance, if any.

## **195.**

Rewards finally sanctioned in favour of officers or orders should also be paid from the advance drawn by the Collector. The advance therefore should be sufficient not only to cover the advances required to be given to the Excise and Police Officers but also the probable requirements for payment of rewards finally sanctioned during the months. If in any month the advance is insufficient to meet all the rewards sanctioned in that month the actual payment of rewards should be postponed to the next month, but the second advance should not be drawn in the same month.

## **196.**

The balance left unspent at the end of the year should be refunded into the treasury on or before March 31 without fail. Note. - A register of monthly excise expenditure in respect of reward, contingencies, etc. shall be maintained in Form D 27-A. A quarterly statement of expenditure in Form D-27-C shall be submitted to the Excise Commissioner as laid down in paragraph 209. Section XVII-Register, Reports and Returns I-Register(1) Register of demands and collections for shops under the graduated surcharge system

## **197. Contents and methods of preparation.**

- (i) A register for all licences issued under the graduated surcharge system shall be maintained in the Collector's office in Form G-I. It shall be opened as soon as possible after shops under the system have been assigned for the ensuing year. The register should be divided into separate parts for each class of shops. The arrangement should be by tahsils and a separate page should be allotted to each shop in alphabetical order. Further instructions for the maintenance of this register are given at the foot of the form. (ii) A complete list of all the shops in Form G-16 shall be prepared and supplied to the Superintendent of Police for the information of his subordinates and to the Assistant Excise Commissioner; extracts in Form G-15 relating to each tahsil and circle shall be supplied to the Tahsildar and the Excise Inspector concerned. A list in Form G-16 of all the country spirit and drugs shops shall also be furnished to each Excise Inspector in-charge of the warehouse. (iii) Any changes made in the extracts or lists during the year shall be notified from time to time to officers concerned. (2) Register of licence fees for tari shops under the tree-tax system

## **198. Contents and methods of preparation.**

- A register for all tari licences issued under the tree-tax system shall be maintained in the Collector's office in form G-2 This register should be opened as soon as possible after assignment of shops; and extracts and list as prescribed in paragraph 197 should be prepared and forwarded to the officers mentioned in clause (ii) of the paragraph not later than September 20. Any changes made during the year should be notified to the officer concerned.(3)Register of foreign liquor licences and licences under the fixed fee system

## **199.**

A register of all foreign liquor licences and licences issued under the fixed-fee system or free of charge shall be maintained in the Collector's Office in Form G-3.Extracts in Form G-25 relating to termination of licences for the wholesale and retail vend of foreign liquor during or at the close of the year shall be submitted to the Excise Commissioner soon after the close of the year in the following manner:Rural Excise Inspectors will submit the statement regarding their respective circles to the City Excise Inspector for preparation of the consolidated statement for the whole district. The latter, after verification from the District Excise Office, will submit the same to the Excise Commissioner by April 10.Extracts from this register relating to all licences issued under the fixed-fee system or free of charge shall be forwarded by the District Excise Office to all officers mentioned in paragraph 197 from time to time as each licence is granted.(4)Register of sales and demands under the auction system

## **200. Preparation.**

(a)As soon as possible after the conclusion of a settlement by auction, a register in Form G-4 shall be prepared in anticipation of sanction from the settlement record of all shops sold. This register shall include all licences disposed of at the time of an auction.(b)Arrangement. - The register may be divided into separate parts for each branch of the revenue. The arrangement shall be by tahsils, and a separate page shall be allotted in alphabetical order to each shop. The arrangement under the various branches of revenue shall be according to circumstances as follows :(1)Country spirit-(i)Contract supply system.(ii)Outstill system.(2)Bhang.(3)Tari-(i)Farming system.(ii)Shop-to-shop system.Every page in the register shall be numbered and an alphabetical index of licensees shall be prefixed showing in respect of each, all shops held by him.(c)To be used as ledger. - This register will also be used as a ledger of demands and payments and the following instruction are given for its preparation :(1)A few pages should be left blank at the beginning of the register, and as soon as the new excise year commences (April or October 1, as the case may be) all outstandings of previous year should be entered in these pages, the arrangement being the same as that hereinbefore prescribed for current demands. In this portion of all the ledger the headings of columns 3, 4 and 8 will be altered to "on account of outstandings" and columns 2 and 7 will remain blank;(2)The remainder of the ledger will be occupied by the demand and collection on account of the forthcoming year arranged as already prescribed. The entry against each shop will be arranged so as to show first the advance deposit and then the instalments on account of different months. Entries of payment will be made from the Siaha as indicated in the example given in the form, and

the register will be compared with the Tahsildars monthly return submitted under paragraph 173. Remissions will be noted in the manner prescribed by paragraph 178. Careful compliance with these instructions will greatly facilitate the preparation of the annual returns (Appendix C to annual report). Extracts from register of sales and demand to be sent to Tahsildars and police. As soon as the portion of this register which relates to the forthcoming year has been completely written up, extracts in Form G-15 shall be made for transmission to Tahsildar and Excise Inspectors relating to shops in their tahsil and circles, the amount paid in advance being entered in column 6. A list shall, at the same time, be prepared in Form G-16 of shops sold for the information of the superintendent of police. A list in Form G-16 of all country spirit and drug shops shall also be furnished to each Excise Inspector in-charge of warehouse. Immediately on receipt of order from the Excise Commissioner on the settlement proposals any changes necessitated by such order shall be made in the register, extracts and list prescribed above. The entries in columns 5 and 6 of statement G-15 shall be totalled for the district and for each tahsil, and the extracts and list shall then be despatched to the officers for whom they are intended. Any changes made in the extracts or list during the year shall be notified to Excise Inspectors, Tahsildar or the Superintendent of Police. (5) Register of sanctioned shops

## **201. Register and map of all sanctioned shops to be maintained.**

- A complete register of all sanctioned shops, under the various systems in force, shall be permanently maintained in the Collector's office in Form G-5. It shall include a complete index and map showing the position of the shops. No new shops should be added to it or existing shop removed from it, without the previous sanction of competent authority, and the authority for all changes in the register should be noted against them. (6) Register of excise receipts

## **202. To be maintained in Collector's office and posted daily.**

- A register of excise receipts shall be maintained in the Collector's office in Form G-6 in which will be posted under the appropriate heads, all items of excise revenue included in the daily Siaha supplements or the treasury challans. A monthly total will be struck for the districts and, this total will supply all necessary particulars for the Collector's quarterly return of district's receipts (Form G-23) to the Excise Commissioner. (7) Register of receipts for and payment to supply contractors

## **203.**

An account of receipt on account of price of country spirit and drugs and periodical refunds thereof to the supply contractors of country spirit and hemp drugs shall be maintained in the Collector's office in Form G-7, G-8 and G-9 separate pages in each being allotted to spirit and drugs. This account will safeguard overdrawals and afford adequate means for the verification of the sum due to each individual contractor. All items of receipts on account of price shall be posted from the daily Siaha abstracts received from the tahsil in the first column of that tahsil in Register G-7. At the end of the month the receipt from tahsil shall be totalled at the foot of the form and any outstanding balance still due to the supply contractor from the previous month added to the total. A payment voucher should then be prepared for the whole amount thus found due, unless it is Rs. 600 or less

and the contractor has expressed a wish that sums due to him should not be paid to him until they reach that amount. The remaining three sub-columns against every item of receipt included in the payment order should then be posted at once. Before the District Excise Officer signs the payment order he should satisfy himself of the correctness of the entries in the register by comparing a fair proportion of the entries with daily abstract of Tahsil Siaha and the previous month's accounts. All unadjusted items at the end of the succeeding months should be carried to a separate in Form G-8. When these items are ultimately paid or transferred to the revenue deposit, the appropriate column for date of payment in this register as well as the appropriate columns in Register G-7 should be filled in. The register in Form G-8 should be placed before the District Excise Officer once a month when he should satisfy himself of the correctness of the entries in it by checking a fair proportion of them with the register in Form G-7 and with payment vouchers. He should then sign the Register in token of his having done so. All items not paid to the contractor within three months of their credit should be transferred to the revenue deposit account. Before the 20th of every month a memo of receipts on account of cost price of country spirit and drugs during the previous month and of payments therefor up to the date of submission should be submitted in Form G-9 to the Deputy Chief Accounting Officer. It should be signed by both the District Excise Officer as well as the Treasury Officer in token of its correctness. (8) District Register of excise cases

## 204.

A register in Form G-43 will be maintained in the District Excise Office. All cases under any Act administered by the Excise Department, whether detected by the Excise or Revenue or Police staff, in which a challan report is submitted should be sent to the District Excise Officer for being entered in this register. Necessary entries will be made promptly in this register and records sent thereafter to the trying court concerned without delay. Cases against licence-holders for breach of conditions of licence will be entered in a separate register (G-43), if available, otherwise, a few pages will be allotted in the same register for entering by a separate running serial, the cases against licence-holders. (9) District excise note-book

## 205. General description.

(a) This is intended to be a permanent record of the principal statistics relating to excise and opium shops, consumption, revenue and to any special circumstances which may effect these from year to year. The note-book is designed for the record of ten complete year, and is to be retained permanently in the Collector's office. Entries will be made in it neatly and legibly. The note-book is to be produced for inspection by the Hon'ble Minister in-charge of Excise, the Divisional Commissioner or the Excise Commissioner when visiting the district. Their remarks, if any, should be entered in the pages headed "Miscellaneous" at the end of the book. Draft notes shall be prepared by the Assistant Excise Commissioner of the charge and submitted to the District Officer concerned before October 2, for approval and entry in the note-book. (b) Part I-Tables. - Part I of the note-book consists of a number of tables in which figures (mostly extracted from the annual returns) will be entered once a year. Instructions for filling of the tables are given in the note-book. Each table is followed by a blank page of pages ruled for notes. It is intended that these pages shall be used to give a brief explanation of any extraordinary fluctuation in the figures, such as, may be due to calamities

of season or to changes of system or of the rates of duty, etc. Where the explanation is one which cannot conveniently be given in a brief note a reference should be added to the page of Part II on which a full explanation will be found. It is the duty of the District Excise Officer to see that the entries in these Statistical tables are complete and up-to-date, and of the Collector to assure himself that this has been done. (c) Part II-Notes on matter of importance in District Excise. - Part II consists of blank pages with printed heading for each of the more important excise subjects. The marginal column is intended for a catch-word indicating the subject of the note and for the date of the entry. Only facts actually verified, or believed from inquiry to exist, and of definite importance should be recorded. Ordinarily, inspection notes should not be entered, but results of special inquiries should be briefly recorded under the appropriate headings. In addition to such entries an outgoing District Officer should record any special facts which he considers should be in the knowledge of the successor. (d) All entries in Part II (except entries by inspecting officer) should be made after approval of the Collector has been given. The Assistant Excise Commissioner may suggest entries for the Collector's approval. (e) Entries should be indexed in alphabetical order when made according to the marginal catch-word employed. (f) Excise map. - An excise map of the district should be kept in the notebook and brought up-to-date when necessary. Places in which there are shops or the sale of country spirit shops and hemp drugs should be underlined in red for country spirit shops, blue for hemp drugs shops and green for tari shops. II-Reports (1) Reports on settlement of excise and opium shops

## 206.

(a) In the case of shops settled under the graduated surcharge system the Collector shall submit to the Excise Commissioner not later than March 10, a report on all settlements, accompanied by a statement in Form G-II for informations. (b) In the case of tari shops settled under the tree-tax system the Collector shall submit to the Excise Commissioner not later than August 15, a report accompanied by a settlement in Form G-II. (c) In the case of shops or farms settled by auction the Collector shall submit to the Excise Commissioner for sanction, as soon as may be after conclusion of a sale, a report on the proposed settlements accompanied by a detailed statement in Form G-12 or G-13. Full instructions for preparation will be found in the form. A report of the settlement of the majority of shops must on no account be delayed because a minority of licences still waits disposal. A supplementary report can be sent as soon as possible after the main report. (d) In the case of re-settlement of any shops during the currency of the excise year the Collector shall report the re-settlement to the Excise Commissioner immediately for record of change in the list of shops maintained by him. (2) Annual Excise Administration Report

## 207. Due date.

- The Collector will submit to the Excise Commissioner, through the Commissioner of the division on or before June 1, an annual report on the administration of the department in his district. With the administration report shall be submitted Appendices B-IV, C.D.E., E-1 and E-2 (State) and I, n, HI, IV, IV-A, IV-B and V (Central), (Form G-26).



## 208. Contents.

- The following directions should be observed in its preparation : (1) The State Excise Administration report should, as far as possible, be taken as a guide to the subjects and the general construction of the report. (2) The report should consist of the statements together with brief explanatory notes of those variations which really need explanation. The notes should be written continuously, with quarter margin on both sides of the paper. (3) In dealing with licence fees all observations, comparisons, etc. should be based on the gross receipts as shown in column II of Appendix C. (4) In dealing with gallonage and still-head duty the amount actually consumed within the district should be taken. All references to consumption, the incidence of taxation thereof, should be made in terms of London Proof. (5) Notable increases or decreases in the number of licensed shops for retail sale of liquor, drugs, etc. should be clearly and fully explained. (6) There should be a brief survey of excise and opium crime during the year, with reference to any prosecutions of outstanding importance. (7) In forwarding direct reports the Commissioner of the division should record his remarks in the margins of each report unless he chooses to make a general survey of excise matters in his division. District reports should not be detained beyond the proper dates. The sequence of subject of the report may be as follows :

Financial	... I- Gross receipts. II- Demands, collections and balances. III- Foreign spirit manufactured in India.
Foreign liquor	... IV- Beer manufactured in India. V- Foreign spirit and beer imported into India from overseas. VI- System in force. VII- Distilleries and staff.
Country spirit	... VIII- Consumption and duty. IX- Licence fees and shops. X- Outstills, if any.
Tari	... XI- Systems in force. XII- Licence fees and tree-tax.
Hemp drugs	... XIII- Duty and consumption. XIV- Licence fees and shops.
Opium	... XV- Duty and consumption. XVI- Licence fees and shops
Manufactured drugs	... XVII- Licences and permits granted.
Crime	... XVIII- Offences under- (a) the Excise Act, (b) the Opium Act, (c) the Opium Smoking Act, (d) the Dangerous Drugs Act.

XIX- Prosecutions and rewards.

Public opinion ... XX- Temperance Societies.

General ... XXI- Any local matter which is also of State importance.

XXII- Work of staff.

XXIII- General remarks.

III-Returns

## **209.**

A list of returns received in, or despatched from district offices will be found in Appendix F. Full directions for the preparation of the returns are also given there. A quarterly statement of expenditure in Form D-27 C shall be submitted to the Excise Commissioner by the 10th day of the month succeeding close of the quarter. Section XVIII-Forms

## **210. Collector's Indent ensuing.**

- Collectors shall submit by the 25th March in each year to the Excise Commissioner an indent for the forms required for their districts in the excise year next ensuing.

## **211. Form of Indent.**

- The indent shall be submitted in Form G-36 which will contain, as furnished to districts, a complete list of forms as sanctioned from time to time

## **212. Indent should be punctually submitted.**

- To ensure regularity in supply indents should be punctually submitted so that it may be possible for the indents to be checked and the forms to be printed and supplied by the end of August. Neglect of this rule will frustrate all the arrangements of the press for economical working.

## **213. Supplementary Indents.**

- No supplementary indents will be permitted except in the most urgent and special cases, which must be fully explained. When the submission of a supplementary indent becomes unavoidable it should be drawn up in the usual indent form and the necessary entries regarding balance, etc. made in respect of the forms required.

## **214. Supply of books and forms.**

- A State indent forms will be forwarded to the Superintendent, Printing and Stationery, Allahabad, by June I, and he will supply Collectors with the number passed for the district direct. Forms received from the press should be carefully checked with the advice not before the latter is returned

to the Superintendent, Printing and Stationery.

## **215. Stock book of forms and register.**

- A stock book of excise forms and registers will be kept up in the Collector's office in Form G-37.

## **216. Custody of forms.**

- Form should be kept, as far as possible, in open racks and in separate compartments. A note of the number of forms received and issued, and of the balance in the compartment after each receipt of issue, should be placed in each compartment.

## **217. Use of other than sanctioned forms prohibited.**

- No forms or registers other than those sanctioned, should be brought into use in the department without the express sanction of the Excise Commissioner, and on no account whatever should forms or registers be printed at a private press.

## **218. Prescribed forms of other departments.**

- Forms for use in the account and other departments must be indented for under the orders of the departments concerned.

## **219.**

The following instructions with regard to issue of licences should be carefully observed : (1) Copies of old forms of licences and of general conditions should be destroyed when any of them is replaced by a new form. (2) Whenever a change is made in the general or special conditions attached to a licence the licence given out should be called back for correction. If the forms contains too many corrections already, a fresh and up-to-date form should be issued instead. (3) Every time a licence is issued for renewal a note should be made in the register of licences that the form has been corrected up-to-date and that the general conditions when necessary have been attached to it. (4) Licences should not be renewed to the same form. Note. - It sometimes happens that licence-holders on being prosecuted for breaches of conditions put forward the plea that the particular condition was not be found in the general or special conditions. This plea is accepted by courts, with the result that the offending licences are acquitted. Careful compliance with the above instructions will ensure that such mistakes do not occur. Excise Inspectors when inspecting shops must see that the licences in possession of licence-holders in their circles are up-to-date and should promptly bring to the notice of the District Excise Officer any changes that may be necessary. Section XIX-Retention and Destruction of Records

## **220. Weeding of record.**

- During the month of April and January (in case of records of common nature with other departments) in each year a list shall be prepared by each Tahsildar and by the Excise clerk in the Collector's office of the records which are to do weeded out under the rules in Appendix F. These lists shall be submitted to the District Excise Officer and in accordance with his orders thereon recorded, the records or papers shall be immediately destroyed and a certificate recorded at the foot of the list by that Officer that this has been effectually done. The list shall be permanently preserved for future reference. It must be distinctly understood that no records or papers whatever may be destroyed without the previous sanction of the District Excise Officer.

## **221. Destruction and retention of records.**

- Except where provision is made for permanent detention of a record the records mentioned in Appendix F shall be destroyed after the expiration of the period specified against each, computed from April 1 and January 1 (in case of records of common nature with other departments), next following the date of the record, provided that the Collector may at his discretion direct the retention for a longer period or permanently of any record which he may consider likely to be useful in the future.

## **222. to 224.**

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# **Chapter IV**

## **Departmental Excise Offices**

Section XX-Revenue and Expenditure I-Revenue

## **225. Receipts on account of excise revenue.**

- All sums received by officers of the Excise Department on account of excise revenue (such as sums accepted by way of compensation under Section 74 of the Excise Act, proceeds of old furniture, plant, etc., sold by auction) shall be paid into the treasury as soon after receipt as possible and credited to the appropriate head of excise revenue.

## **226. Duty on excise wastages.**

(1)(i)When duty has been ordered to be levied from a supply contractor on excess wastage in country spirit or hemp drugs, a copy of the said order shall be sent immediately to the District Officer and the Assistant Excise Commissioner concerned. The District Officer shall, on receipt of the order, deduct the amount from the contract price due to the contractor concerned, and credit the same into

the treasury under the proper head and shall inform the Assistant Excise Commissioner and the supply contractor concerned of having done so.(ii)A copy of the order shall also be sent by registered post with acknowledgment due to the supply contractor concerned, who, if he wishes to make a representation, may do so through the Assistant Excise Commissioner within 30 days of receipt of the order.(2)The Assistant Excise Commissioner will also keep the Excise Inspectors of the warehouses concerned informed of the orders of the Excise Commissioner in all cases of excess wastages in country spirit and hemp drugs, and of the representation, if any, made by contractor against the levy of duty. The Excise Inspectors of the warehouses will maintain a register of all such wastages in Form I. D. 25.II- Expenditure

## **227. Responsibility of Assistant Excise Commissioner.**

- The Assistant Excise Commissioner is responsible for the disbursement of each month salary, travelling allowance and contingent expenditure to all officers of the Excise Department, within his charge, and for expenditure on account of repairs to, and construction of departmental buildings. A statement of monthly expenditure in Form D-27-B shall be submitted to the Excise Commissioner by the 10th day of the following month.

## **228. Pay bills.**

(1)To allow for verification, memos for preparation of pay bills should be submitted by Excise Inspectors on behalf of themselves, their clerks (if any), and their constables to the Assistant Excise Commissioner not later than the 15th of the month to which they relate.(2)A consolidated establishment bill for each district should be prepared by the office of the Assistant Excise Commissioner for amount payable on account of salaries in the district.(3)The fixed country stationery allowance paid to Excise Inspectors and Tari Supervisors should not be drawn along with their salaries. These allowances should be drawn under contingent bills.

## **229. Prompt disbursement by Inspectors necessary.**

- Inspectors must disburse the pay of their subordinate promptly each month and obtain their signatures in the acquittance roll, which shall be maintained in Provincial Form 159. The acquittance roll shall be sent in original to the office of the Assistant Excise Commissioner not later than the 10th of the month following the month for which payment has been made.

## **230. Payment to be made according to graded list.**

- Payment to all officers shall be made according to the graded list of each class of officer within the charge to be maintained in the office of the Assistant Excise Commissioner, The Excise Commissioner will notify to the Assistant Excise Commissioner the promotion of any Excise Inspector or clerk in the time-scale, and the grade, promotion of each class of officer within the charge. The annual increment of Excise constables is granted by the Assistant Excise Commissioner of the charge.

### **231. Establishment order book.**

- An establishment order book shall be maintained in all departmental officers in Form I.D. Particulars of each order regarding appointment, leave, promotion, reversion, reduction, reinstatement, removal, dismissal and transfer of individual officials shall be entered in the book. All establishment pay bills shall be carefully checked with the entries in the order book before the bills are passed. When orders have been passed by the Excise Commissioner an abstract of the order shall be entered in the relevant column and initialled by the Assistant Excise Commissioner.

### **232. Travelling allowance bill.**

- All bills for travelling allowance must, as a rule, be submitted to the countersigning officer not later than the 5th of the month following that in which the journeys were made for which travelling allowance is claimed. The Assistant Excise Commissioner is the countersigning officer for all officers of the Excise Department within his charge except that all personal bills of the Assistant Excise Commissioner and his clerks and the bills of the other officers when the claim exceeds Rs. 100 for any month are to be countersigned by the Excise Commissioner.

### **233. Contingent charges.**

(a) The contingent charges payable by the Excise Commissioner are divided into the following classes : (1) A-Superintendence, Contingencies-Contract. (2) A~Superintendence, Contingencies-Non-contract. (3) B-District Executive Establishment, (b) Prohibition Staff-Contingencies. (4) C--Distilleries, Contingencies-Contract. The Excise Commissioner is the controlling authority in respect of these charges. Annual allotments are made by the Excise Commissioner from the amounts allotted to him under the budget head "X State-Excise" to all the Assistant Excise Commissioners, U. P. A permanent advance of Rs. 25 is held by each Assistant Excise Commissioner to meet the running expenditure. The Assistant Excise Commissioner may get the contingent bills encashed from their district treasuries directed without getting them countersigned by the Excise Commissioner, U. P. The Assistant Excise Commissioners should always obtain previous sanction of the Excise Commissioner, U. P., for all contingent charges of Rs 15 and over, but they may not obtain previous sanction of the Excise Commissioner in respect of service postage stamps, country stationery allowance and Telephone Bills. Payment of all such bills and of those for which sanction has already been accorded by the Excise Commissioner, U. P. or by Government, viz., House Rent, Bills, Electric current charges, hire of fans and typewriters, monthly salary of inferior servants and other part-time Government servants, e.g., Pankha mazdoors may be made to the extent of allotment sanctioned without obtaining prior sanction of the Excise Commissioner. (b) A quarterly statement showing details of all contingent bills drawn and paid by the Assistant Excise Commissioner must be submitted by the Excise Commissioner, U. P. invariably by the 10th of each April, July, October and January in the form prescribed by the Excise Commissioner, U. P. for this purpose.

### **234. Classification of contract contingencies.**

- The charges covered by "A-Superintendence, contract contingencies" are classified under the following sub-heads : (1) Rates and taxes, (2) Service postage and telegram charges, (3) Purchase and repair of furniture, (4) Hot and cold weather charges, (5) Cloth for bastas, (6) Pay of inferior servants, (7) Binding charges of registers, (8) Carriage of stationery, (9) Repairs of tents, (10) Carriage of tents and records, (11) Country stationery, (12) Extra tour establishment, and (13) Other petty contingencies and office expenses.

### **235. Classification of "C-Distilleries contingencies, contract".**

- The charges covered by "C-Distilleries, Contingencies-contract" are classified under the following sub-heads : (1) Country stationery allowance paid to Excise Inspectors. (2) Country stationery allowance paid to Tari Supervisors.

### **236. Pay of inferior servants.**

- A separate bill in respect of 'Pay of part-time inferior servants' should be prepared by the Assistant Excise Commissioners and forwarded to the Treasury Officers concerned for encashment so as to reach the Treasury before the 25th of the month to which it relates. These bills are treated as ordinary salary bills though they are drawn on forms prescribed for contingent bills. The bill should be distinctly marked "Pay of part-time inferior servants". The charges should include - (a) Pay of Pankha Mazdoors. (b) Pay of Khas-tatti mazdoors (if any); (c) Pay of sweepers. The pay of pankha mazdoors and Khas-tatti mazdoors is to be shown against 'Hot and Cold weather charges', and that of other inferior servants against 'Pay of inferior servants'. Pankha mazdoors at the office of the Assistant Excise Commissioner, Bonded warehouses and at the Bonded Pharmacies should ordinarily be employed at such monthly rates as may be determined by the Assistant Excise Commissioner.

### **237.**

No contingent charges involving an expenditure of Rs. 15 and over except those mentioned in paragraph 233 supra and no charge, in respect of purchases of books and furniture are to be incurred without the previous sanction of the Excise Commissioner.

### **238. A-Superintendence, Contingencies--Non-contract.**

- The non-contract contingent charges incurred by Assistant Excise Commissioners include : (1) Rent for office. (2) Telephone charges. (3) Purchase and repairs of Typewriters. (4) Purchase and repairs of office cycles.

### **239. B-District Executive Establishment.**

- 'Funds placed under the subhead "(b) Prohibition Staff-Contingencies" should be utilized for the following charges : (1)(i)Purchase and repairs of motor vehicles.(ii)Cost of petrol, mobil oil and other lubricants.(2)All contingent charges of the office of the Superintendents ofExcise, viz. -(i)Office rent,(ii)Hot and cold weather charges,(iii)Pay of inferior servants,(iv)Purchase and repairs of furniture,(v)Binding charges,(vi)Other petty contingencies and office expenses.Contingent charges of the office of the Superintendent of Excise should be met from the funds placed with the Assistant Excise Commissioner In-charge Squads.

### **240. Permanent advance to be kept in the custody of the Head Clerk.**

- The Permanent advance mentioned in paragraph 233 (a) should be kept in the custody of the Head Clerk who should be required to furnish a security for such amount as required in paragraph 70 of the Financial Handbook, Volume V, Part I.

### **241. Cash-book.**

- A cash-book should be maintained of all expenditure incurred and the balance in hand should always tally with the actual amount in custody (See Financial Handbook, Volume V, Part I, Rule 68)

### **242. Buildings.**

- The following instructions regarding the submission of bills and estimates in respect of excise buildings in-charge of Assistant Excise Commissioners should be carefully observed : (1)Copies of detailed measurements of all excise buildings and Excise Inspector's quarters will be maintained in the office of the Assistant Excise Commissioner in whose charge the building lies.(2)All estimates for repairs exceeding Rs. 50 in amount and all estimates for petty and minor works and all detailed bills of works done should be submitted to Excise Commissioner's Office in duplicate. One copy of the estimates after being sanctioned will be returned to the Assistant Excise Commissioner concerned and the other will be retained in the Excise Commissioner's Office for inspection for audit purposes by the Audit Department.(3)Contractors to whom contracts for petty and minor works are given must be required to enter into agreement under the rules. Assistant Excise Commissioner should certify as at the time of reporting completion of work that it has been carried out according to the agreements. For petty and minor works, a record of monthly expenditure should be maintained in Assistant Excise Commissioner's Office in Form 31 (Paragraph 309 of Financial Handbook, Volume V, Part I)Excise Inspectors concerned should submit immediately after the close of the month statements showing expenditure incurred during the month on such works to the Assistant Excise Commissioner who will after note in their registers, pass on these statements to the Excise Commissioner's Office for note in the provincial register of works.(4)Amounts required for payments to contractors on account of repairs and other petty works done to excise buildings under Rs. 50 should be drawn and disbursed by the Assistant Excise Commissioner after completion as far as possible.(5)All estimates and detailed bills should be checked with reference to agreement's rates



and measurements before submission to the Excise Commissioner's Office and all estimates should be certified by the Assistant Commissioner to have been so checked before submission. Section XXI-Correspondence and Office Procedure

### **243. Correspondence register.**

(1) All important letters from the Excise Commissioner and other officers should be registered in the correspondence register. Their replies should also be indexed in the same register, and not in the postage stamp register. (2) All ordinary letter, such as, reminders, Account Officers' half margin memos, ordinary periodical statements, reports from Excise Inspectors, etc. should remain unrecorded and be maintained on the files concerned, if there are any, otherwise in bundles. (3) Reference should always be given in the last column of the correspondence register of forward and backward numbers. Letters which require no replies to be sent or received should have the words 'N. A.' marked against them in the column. In this way blanks in this column of the correspondence register will show the letters which have still to be replied to.

### **244. Casual leave registers and papers relating thereto.**

- A casual leave register in the form prescribed under paragraph 94 of the Manual of Government Orders, U. P. (1954 edition) will be maintained and entries made therein should be, in accordance with the instructions given in the explanatory note, appended to the aforesaid paragraph. Entries made in the register should be initiated and dated by the Assistant Excise Commissioner while according sanction of leave. The Assistant Excise Commissioner's order should be communicated to the official applying for leave on the back of the original application, which should be sent back with an endorsement after return of the official from leave. In case where there is a change in dates, the facts should be noted in the casual leave register in red ink by altering the dates accordingly. This alteration should also be initialled and dated by the Assistant Excise Commissioner. All papers relating to casual leave or permission to leave the station should be retained till the close of the quarter following the end of the calendar year.

### **245. File Register and Guard Books.**

(1) File Registers for different subjects should be maintained separately, and normally continued for five years. Separate register should be opened for-(i) Excise Inspectors, and Excise Clerks and (ii) Tari Supervisors and Excise constables. There is no need for maintaining personal files of these officials or they are liable to interchange transfers. (2) A Guard book of circular and orders of general importance, duly indexed in the prescribed form will be maintained in the office of Assistant Excise Commissioners and Excise Inspectors. Another Guard Book containing circulars and orders of lesser importance will also be maintained separately. General circulars received by the staff should be checked up against the quarterly list of General Circulars published in the Excise Supplement to the Criminal Intelligence Gazette and copy asked for any case it is not received.

## **246. Pending files.**

- Pending files should always be kept separate from closed files. Very old files should be kept in a separate almirah. A list of pending reference should be prepared every month and put up before the Assistant Excise Commissioner by the 15th of each month.'

## **247. Register of registers.**

- A register of registers should be maintained in Form D-2.

## **248. List of periodical returns.**

- A list of periodical returns should be maintained and hung on the wall. The actual dates of their submission should be noted against them when they are despatched.

## **249. Typewriter cards.**

- Typewriter cards and registers should be maintained in Forms A and B prescribed under Rule 106 of the Printing and Stationary Manual.

## **250. Travelling allowance bills register.**

- A travelling allowance bill register as required under G. O. No. 3782/X, dated September 28, 1923, should be maintained to guard against double payments and the acquittance roll register should be maintained in the prescribed form (Provincial Form 139).

## **251. Supply of stationary, etc.**

- Each Excise Inspector shall be supplied with the necessary stationary, fornts and service postage stamps by the Assistant Excise Commissioner of the charge, in which he is. employed and in addition shall be paid a fixed country stationary allowance of rupees two per month. Section XXII-Registers, Reports, Returns, Forms, etc.

## **252. List of registers.**

- To enable Assistant Excise Commissioners to keep a watch over the proper preparation of registers the following registers maintained by officers of the Excise Department are here included :By Assistant Excise Commissioners : (1) Correspondence register. (2) Casual leave register. (3) Travelling allowance bill registers. (4) Register of Excise Inspectors and Excise clerks. - (5) Register of Tari Supervisors and Excise constables. (6) Register of contingent expenditure (Form No. 12 of Finandal Handbook, Volume V, Part I). (7) Stock-book of Forms (G-37) C. (8) Register of department apparatus (Form P. D-4). (9) Register of Registers (Form D-2). (10) Establishment order book (Form D-1). (11) Register of uniforms (Forms D-6, D-6-A, D-7 and D-AA). (12) Register of

complaints(D-15).(13)Register of Punishment Proceedings (D-21).(14)Register of Identity Cards (D-23).(15)Register of Railway Platform Permits (D-24).(16)Monthly crime and consumption register maintained in Assistant Excise Commissioner's offices (D-3-B Register).(17)Register of Excise Wastages (I.D. - 25).(18)Register of Monthly Expenditure (D-27).(19)Register of Bills (D-28).(20)Register of Government Buildings (D-29).(21)Register of belts issued to Excise constables (D-26).By Excise Inspectors in-charge of preventive circles :(1)Daily diary (Form D-8)(2)Shop Inspection Register (Form D-10).(3)Village Register (Form D-12).(4)Register of licensed vendors (D-11).(5)Circle Register of Excise cases (D-13-A).(6)Consumption Register (Form D-14).(7)Register of Government property Form (P.D. - 4).(8)Defect Register (G-42).(9)Index Register of convicts (D-13-B).(10)Court diary (D-13-D).(11)Monthly crime and consumption register maintained by Excise Inspectors (D-36).(12)Travelling allowance bill Register.(13)Acquittance roll Register.(14)Register of service postage stamps.

## **253. Stock-books of Government property.**

(1)Full priced stock-books of Government property should be maintained in the offices of the Excise Commissioner, Uttar Pradesh, and the Assistant Excise Commissioners and by Excise Inspectors in Form P. D. 4 and where necessary a periodical revaluation of each article carried out and entered therein in a separate column added to the form for the purpose if the property is not intended for Government commercial undertaking. These books should ordinarily be maintained at or near the site of the property but the head of the office may at his discretion allow a departure from this principle for special reasons.(2)The articles purchased, received from and transferred to other offices or supplied to the offices of the department should be noted in the register as soon as the transaction occurs. Every article received should, if practicable, be marked with a number of lable and a correspondence mark or number shown against the respective entry in the stock-book for verification purposes.(3)A distribution list of Government property, especially of furniture, should be maintained to show its distribution against the various officers and sections of the office. An up-to-date list of the furniture and other Government property allotted to each office or room should also be kept hung up in that office or room.(4)At the end of each month the stock-book with the necessary papers should be put up before the Officer-in-charge of the office for verification as to whether ail the transactions of the month have been duly recorded therein.Note. - The Stock-books maintained by Excise Inspectors should, however, be verified by the Assistant Excise Commissioners at the time of their usual inspection visits.(5)A periodical inspection, at least six monthly, should also be made in the presence of the official responsible for the custody of Government property, and any discrepancy or mistake found be corrected then and there. Case of loss or damage should be reported to the Excise Commissioner, Uttar Pradesh for 1 orders as to the writing off and disposal of such articles. After the inspection is over a certificate of having done so should be signed on the stock-book anda copy thereof forwarded to the Excise Commissioner, Uttar Pradesh for information.(6)A statement showing the stock in hand on April 1, as well as a list of surplus stores, whether serviceable or unserviceable, should be submitted to the Excise Commissioner, Uttar Pradesh, by the end of April each year.(7)Any serious loss or damage and any matter requiring general orders will be . submitted to Government.

## **254. Reports and returns.**

- The following reports are prescribed for submission by Assistant Excise Commissioner : (1) Monthly confidential report. - There will be submitted by Assistant Excise Commissioners and Superintendents of Excise addressed to the Excise Commissioner by the name so as to reach him by the 10th of the succeeding month. The object of the report is not only to keep the Excise Commissioner informed of all important Excise matters, relating to their respective charges and zones, but also to enable Assistant Excise Commissioner and Superintendents of Excise to have monthly stock taking of the work and conduct of the staff under them and to stimulate zest and interest on their part in enforcing improvement wherever possible. Statistics of crime and consumption etc. in Form D-25 and such other statements as may be prescribed from time to time will be appended to the confidential report which broadly speaking, should have separate paras covering the following items : (i) Crime. - (a) crime in 'dry' area, if any, in the charge or zone. (b) Crime in 'wet' area. (ii) Consumption. - (a) in the 'dry' area on permits. (b) In the 'wet' area. (iii) Work done by the Assistant Excise Commissioner in Form D-3A and also by the Superintendent of Excise. (iv) General. - (a) Activity regarding anti-corruption and efficiency drive. (b) Excise auctions and progress of realisation of licence fees. (c) Cases of assault, if any, and relations with other Departments, i(d) Any other matter of importance. (e) Pending references. (2) Monthly progress reports. - These should be in Form D-3B and should be submitted not later than the 25th of the month following that to which they relate. (3) Tour programmes. - These should be submitted to the Excise Commissioner on the 25th of the month preceding that to which they relate. (4) Annual reports. - These should be submitted on or before June 10, following the close of the year to which they relate. The report should be accompanied by four statements (Form D-4) and in the body of the report the information contained in the statement should be discussed. Note. - For the list of returns, etc. prepared and received in the office of Assistant Excise Commissioner see Appendix 'F'.

## **255. Weeding of records.**

- The Assistant Excise Commissioner will pass orders for the destruction of records maintained in his own office and by Excise Inspectors in-charge of distilleries, bonded warehouses and preventive circles which are due to be destroyed under the rules in Appendix F. For this purpose lists of records due to be destroyed will be submitted in the month of April to the Assistant Excise Commissioner by all Officers of the Excise Department in the charge. Such record as he orders shall be immediately destroyed. A certificate (to be permanently retained) to that effect will be recorded at the foot of each list. No records or paper will be recorded at the foot of each list. No records or paper will in any circumstances be destroyed with the previous sanction of the Assistant Excise Commissioners.

## **256. Retention of records.**

- Except where provisions is made for the permanent retention of a record, the records mentioned in Appendix F shall be destroyed after the expiration of the period specified against each commencing from April 1, next following the date of the record. The Assistant Excise Commissioner may at his discretion direct the retention for longer period or permanently of any record which he may deem

likely to be of use in future.

## **257. Forms.**

- Rules in Section XVIII, Chapter III, relating to the supply of forms to the Collector's office shall apply mutatis mutandis, to the supply of forms to the Assistant Excise Commissioners and to the officers of the Excise Department within the charge who are supplied with forms by him. Section XXIII-Departmental ApparatusI-Hydrometers and Thermometers

## **258. Supply of hydrometers, thermometers, etc.**

- All hydrometers, thermometers, testing glasses and books of hydrometer tables are supplied from the stock maintained in the office of the Excise Commissioner. Only the technical apparatus so issued shall be brought into departmental use.

## **259.**

The standard of supply shall be as follows :Standard of supply :(a)For the Assistant Excise Commissioner one set of five-stem glass hydrometers with large oval testing glass for standardization of distillery and warehouse instruments and one single-stem glass hydrometer for his use in shop inspections.(b)For each distillery two sets of five-stem glass hydrometers and two extended single-stem hydrometers.(c)For each officer-in-charge of a bonded warehouse one set of five-stem glass hydrometers.(d)For each inspector on preventive duty one single stem-glass hydrometer or set of glass hydrometer for outdoor work.(e)For each Collector's office, one single stem-glass hydrometer.A thermometer, testing glass and a book of tables accompany each hydrometer.

## **260. Testing of hydrometers and thermometers.**

- All hydrometers and thermometers in use in distilleries, bonded warehouses and Collector's offices with preventive Excise Inspectors shall be standardized not less than once in every year. This work will be carried out by Assistant Excise Commissioner.The instruments used by Assistant Excise Commissioner will be standardized by the Chemical Examiner once a year.Thermometers are more likely to get out of order than glass hydrometers and should be tested at frequent intervals. Thermometers may conveniently be tested against one another by simultaneous immersion in a sample of spirit or water.

## **261. Instructions for the care of thermometers.**

- Glass hydrometers when not in use should remain in a position such that the mercury in the bulb may not come in contract with the sealing wax which in most patterns the bulb is closed.Brass hydrometer, of which some are still in use, are exceedingly delicate contract with hard surfaces must be avoided; even unnecessary friction in adjusting the weights will reduce the weight of the

instrument and cause it to show less than the true alcoholic strength. Great care must, therefore, be taken to avoid denting or scratching the hydrometer or its weights. A soft pad or cloth should be used for placing them on during use. Before returning them to their cases they should be well washed in clean water, and carefully dried with a selvyt or similar duster which may be purchased locally. Brass hydrometers should be frequently tested against a glass hydrometer and variation, if any, noted and allowed for. For these tests samples of spirit of different strength requiring different weights should be used. When not in use, all hydrometers and thermometers should be kept in their cases.

## **262. Disposal of defective apparatus.**

- When an instrument is found inaccurate, the fact should be reported to the Excise Commissioner with a statement showing the contracted readings at various temperatures. On receipt of this report order will be passed as to the disposal of the hydrometer or thermometer. No instrument should be returned to the Excise Commissioner's office without orders. When a brass hydrometer is thus returned under orders, special care must be taken that the hydrometer and thermometer are separately and carefully packed. The weights should be wrapped in soft paper, if they get loose in the box they are kept to damage the hydrometer. II-Gallon measures

## **263. Supply of gallon measures.**

- All measures used in the transfer or issue of spirit in distilleries and bonded warehouses shall be of a pattern approved by the Excise Commissioner and shall be provided by distillers and contractors.

## **264. Description of measures in use.**

- The measures shall have distinctly engraved on them their capacity, and indications of the extent to which the measure is to be filled to secure correct measuring. Some measures, for instance have to be filled in to the neck while other have to be filled into the brim, i.e. to the top of the flange. These indications should be strictly followed. The approved measures are provided with a flange for convenience in use and for prevention of waste but are regulated to contain full measure when filled to the neck or throttle only.

## **265. Standard gallon measure and its use.**

- Each distillery will be supplied with standard gallon measure which shall remain in the sole custody of the officer in-charge who should test the accuracy of the measures in daily use every month and submit a report on the results of the test to the Assistant Excise Commissioner in-charge. Each Assistant Excise Commissioner will also be provided with a standard gallon measure which shall be used by him, when inspecting distilleries, bonded warehouses and wholesale depots, for testing the measures. III-Locks

## **266. Supply of Locks.**

- All excise locks required for use in distilleries, country spirit and drugs warehouses, mixing depots, bonded manufactories and Assistant Commissioner's offices shall be obtained from the office of the Excise Commissioner.

## **267. Locks to be of standard pattern.**

- The locks shall be of such standard pattern as the Excise Commissioner shall direct. Locks will also be supplied for each store room and for the distillery, warehouse and bonded manufactory gates.

## **268. Reserve Lock supplied.**

- Each Assistant Excise Commissioner will be given supply of spare locks to be kept as a reserve.

## **269. Indents for locks.**

- While submitting applications for new locks, the need therefor must in all cases be briefly explained.

## **270. Locks not to be locally repaired.**

- It should be clearly understood that the locks supplied should on no account be locally repaired. If the key is lost or broken, or the lock, for any other reason is considered unfit for use a reserve lock shall be issued to replace it, and the defective lock returned to the office of the Excise Commissioner with an indent for a new one.

## **271.**

Locks supplied with duplicate keys!-All locks supplied are provided with duplicate keys. Before issue for use, one of the keys shall be labelled to show the number of the lock and purpose for which it is employed, and shall be retained in the custody of the Assistant Excise Commissioner.

## **273. to 274.**

[Deleted]

# **Chapter V**

## **Offences Against the Excise Laws**

Section XXVI-Prevention, Detention and Investigation of OffencesI-General Instructions

## **275. Offences transferred from the Excise Act to the Dangerous Drugs.**

- [(1) The following classes of cases governed prior to 1930 by the Excise Act, 1910 are now triable under the Dangerous Drugs Act, 1930] [The Dangerous Drugs Act, 1930 now repealed by the N.D.P.S. Act, 1985.]:(a)All offences relating to cocaine and allied drugs;(b)All offences, relating to medical hemp, i.e. essences and tinctures of hemp other than in respect of manufacture; and(c)All offences relating to import into and export from India of hemp drugs.Note. - Supplementary instructions regarding these offences will be found in Exdse Manual,- Volume Iii.(2)Offences transferred from the Excise Act to the Medicinal and Toilet Preparations (Excise Duties) Act, 1955. - Cases governed prior to April, 1937 by the Excise Act, 1910, relating to the manufacture of medicinal and toilet preparations containing alcohol, or Indian hemp are now triable under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955.

## **276. Preventive officers to have thorough local knowledge.**

- The main reasons for the appointment of officers on peripatetic duty are to ensure rigid observance of the conditions of their licences by licence-holders and to enable officers to acquire local knowledge without which offences can neither be prevented nor detected. The prevention and detection of offences form an integral part of the duties of Excise Inspectors on preventive works. Excise Inspectors on peripatetic duty must acquire a thorough personal knowledge of -(1) the habits of the local population, (2) the leading castes, individuals and officials, (3) principal consumers of their circles, (4) suspects and their rings who are engaged in breaking excise laws, and (5) excise convicts. Assistant Excise Commissioners should make searching test of the local knowledge of Inspectors when examining their preventive detective work. Severe action will be taken against Inspectors whose peripatetic work is found to consist of mere perfunctory inspection of shops and who fail to bring to book excise offenders and licences indulging in serious malpractices.

## **277. Excise peons to be trained.**

- Every efforts should be made by an Excise Inspector in-charge of a preventive circle to train excise peons under him in preventive and defective work. An excise peon is not a mere office or a personal peon but should perform duties and analogous to those performed by constables of the police station. Assistant Excise Commissioner will see that this instruction is carried out and peons are properly trained in detection work. Inspectors may employ informers at their own discretion and risk.

## **278. Information from the police.**

- When a serious offence has been committed and the culprit is known or suspected, the Excise Inspector or other investigating officer should refer to the officer-in-charge of the police station within whose limits the culprit resides for information as to his antecedents, associates, movements and convictions. The officer-in-charge will often be able to supply much valuable information in the cases of professional smugglers and similar offenders.



## **279. Detection by an Excise Inspector outside his circle in urgent case.**

- An Excise Inspector is not debarred from detecting cases in circles adjoining his own circle if the circumstances are such as to call for immediate action. Whenever it is possible, without risk of spoiling a case by delay, to inform the inspector of circle concerned, he should be informed and the investigation made by the Excise Inspector of the circle concerned or by both Inspectors together.

## **280. Applicability of the Criminal Procedure Code.**

- Section 54 of the Excise Act makes provisions of the [Criminal Procedure Code, 1898] [Now see Cr. P.C. of 1973.] applicable generally to arrests, searches, search-warrants production of persons arrested and investigation under the Excise Act. Every officer having power of search, arrest and investigation must, therefore, be thoroughly acquainted with Chapters V, VI, VII, XIV and XXXIX of the Code, as amended up-to-date and with the Evidence Act. Attention is directed to the following sections of the Criminal Procedure Code generally : 4 (f), (1) (n), (p), (v), (w), 42, 43, 46 to 53, 56 to 58, 60 to 62 66, 67, 75, 76, 79 to 86, 98 to 102, 103, 149, 150, 151, 153, 160, 161, 164, 167, 169, 170, 171, 173, 183, 496, 510, 511, 512, 539-A, 540 and 544.

## **281. Arrests, searches, challans and evidence.**

- Particular attention is drawn to the following points connected with investigation of offences : (a) All offences under the Excise Act are bailable. (b) Any person arrested, if not released on bail must be set to an officer-in-charge of police station for custody as soon as possible along with article seized, if any, accompanied by a forwarding letter in Form D-19-C. (c) Search-warrant in Form D-18 should be obtained in all cases as provided for in Section 52 of the Excise Act. In case where a search warrant can be obtained without affording the offender an opportunity to escape or of concealing evidence of the offence, search may be made without warrant, but the grounds of belief should be recorded in the form of a memorandum before entering the place to be searched. (d) It is imperative that the provisions of Section 103 of the Criminal Procedure Code be strictly and carefully observed in respect of selection of search witnesses. Should an Excise Inspector, however, entertain apprehension that witnesses of the locality, wherein he contemplates taking search, would be won over, he may take witness from elsewhere for witnessing search. Witnesses taken from other places must, however, be independent of him, respectable and fairly responsible. Whenever such witnesses are secured, the Excise Inspector should, further, adduce evidence during trial of the case substantiating the grounds of his apprehension. Notwithstanding such witnesses, the Excise Inspector should invariably call witness of the locality also, for witnessing search. Evidence of witnesses other than those residing in the locality searched is not debarred by Section 103 of Criminal Procedure Code, if otherwise trustworthy, nor does this section expressly lay down that evidence of local witnesses must be led even if they are suspected of complicity with the accused. (e) All articles recovered in the course of a search should be entered in the search list prepared on the spot under Section 103, Criminal Procedure Code. This list shall ordinarily be in Form D-19-A, but when a printed form is not available a list containing all the necessary particulars should be prepared in manuscript. All intoxicants so recovered must at once be carefully packed labelled (in Form D-19-B) and sealed, in the presence of the search-witnesses who should, if literate,

sign the labels affixed to each article. The seals should be shown to them and their signatures secured on the endorsement at the foot of search-list, and during trial of the case they should be called upon to prove their signatures.(f)Whenever an accused person intimates his desires to confess to his part in an offence, the confession should promptly be got recorded by a Magistrate of the first class under Section 164 of the Criminal Procedure Code.(g)Where there is reason to believe that witness in any prosecution may be won over or subjected to undue influence before their evidence can be heard, application should be made to a Magistrate of the first class for prompt record of their statement under Section 164 of the Criminal Procedure Code.(h)As investigation in most Excise cases is usually completed at the time of detection, report regarding the case detected will normally be submitted in Form D-22-A, D-22-B or D-22-C (whichever be applicable) within a week of detection.

## **282. Analysis of and production as to intoxicants which may be produced in evidence.**

(1)When it appears necessary to the Excise Inspector or other officer prosecuting any Excise case that an intoxicant produced in the case should be analysed, he should move the Magistrate conducting the inquiry to have such analysis carried out by the Chemical Examiner. Only the Magistrate in question can make a reference to the Criminal Examiner (vide paragraph 499 of the Manual of Government Orders).(2)In case which samples have been sent to the Chemical Examiner it is necessary to prove that the intoxicant from which sample was drawn is the same as was recovered from the accused, this can be done by producing formal witnesses who handled the intoxicant at various stages from its recovery to exhibition in court.(3)The fact that the Chemical Examiner's report is in respect of the intoxicant from which sample was sent can be similarly proved by the formal evidence of officials of the court concerned who handled the intoxicant in course of drawal and dispatch of sample therefrom.(4)As attempts are sometimes made to tamper with such articles in transit or elsewhere, the Excise Officer in-charge of an important case should request the trying Magistrate to retain, under his seal in his own possession a portion of the intoxicant. Should the Excise Officer in-charge of the case subsequently have reason to suppose that the sample sent to the Chemical Examiner has been tampered with he should request the Magistrate to despatch in a sealed package that portion of the intoxicant which he had retained under his own seal in charge of a responsible official, who should be required to produce it personally before the Chemical Examiner.Note. - All samples of intoxicants [as defined in Section 3(13) of the Excise Act] should be sent to the Chemical Examiner to Government, Agra who is the Chemical Examiner for Excise Department for the purposes of Section 510 of the Criminal Procedure Code, 1898.

## **283.**

(1)All articles recovered in searches, with the exception of the article mentioned in clause (2) infra should be deposited for safe custody in the nearest police station in accordance with the provisions of Section 58 of the Excise Act.(2)Where cocaine and allied drugs in any quantity whatsoever and other contraband intoxicants (including opium) worth Rs. 150 or more have been seized, they should on no account be deposited in the malkhana along with ordinary exhibits. In such case the directions given in paragraphs 281 and 282 should be very carefully followed and the sealed packet

containing the contraband should be produced with the least possible delay before the Excise Magistrate, who should, after taking samples and re-sealing with his own seal, send the articles to the Treasury Officer for safe custody in the strong room of the treasury. The sealing of the packets or parcels of the contraband, intended for despatch to the Chemical Examiner, Uttar Pradesh should also be done in the presence of the Magistrate and certified by him. II-Procedure in certain special cases

## **284.**

(1) All cases under Sections 61, 62, 64 and 68 of the Excise Act by whomsoever detected should be reported to the District Excise Officer. (2) Special attention is drawn to the provisions of Section 70(1). It must be borne in mind-(a) that under sub-clause (a) of that section a complaint in respect of an offence under Section 60, 63 or 65 can be made by any Excise Officer, i.e. any officer or person empowered under Section 10 of the Act. [King-Emperor v. Chitar Singh, 21 ALV 922, 923]; and (b) that under sub-clause (b) of that section a complaint in respect of an offence under Sections 62, 64, 66, 67 or 68 must be made by the Collector or an officer empowered by him on that behalf. (3) Cases of the following classes are treated by the department as major breaches of licence conditions-(a) adulteration and dilution, (b) short weight or measure, (c) sale during prohibited hours, (d) tampering with sealed bottles, (e) shortage of stock, and (f) sale to minors. Other breaches are treated as minor breaches. (4) Cases which come under the direct notice of officers empowered to compound offences and can suitably be compounded should be dealt with on the spot. The result of all such cases should be communicated to the District Excise Officer, if the officer compounding the case is not the District Excise Officer himself. (5) When prosecution of an Excise licensee under Section 64 of the Excise Act has been sanctioned and the case sent to court for trial, it can be withdrawn by the District Magistrate for being compound, under Section 74 of the Excise Act only after Government's approval therefor has been obtained. Valid reasons, as contemplated under Rule 263 of the Legal Remembrancer's Manual, will have to be furnished to Government while recommending withdrawal.

## **285.**

The prosecution of licensed vendors for default in the payment of licence fee is improper. The penalty for such default is forfeiture of the advance deposit and cancellation of the licence. Proceedings may also be taken against the defaulter as if the sum were an arrear of land revenue. III-Excise Intelligence Bureau

## **286. Staff of the Bureau and its powers.**

- An Excise Intelligence Bureau functioning under an Assistant Excise Commissioner is attached to the office of the Excise Commissioner. Two Excise Inspectors (besides the Excise Inspector in-charge Office Section of the Bureau) are also posted to it. The jurisdiction of the Assistant Excise Commissioner in-charge of the Bureau and of the two Excise Inspectors on detective duty attached thereto extends throughout the State and they exercise powers of an Assistant Excise Commissioner and Excise Inspector, respectively, regarding inspection of excise shops, searches, arrests and

investigation under any of the Acts administered by the Excise Department. The Excise Inspector in-charge of the Office Section, besides carrying on his own work, is charged with the duty of supervising the work of the Assistant posted to the Bureau.

## **287. Functions of the Bureau.**

- The objects of the Bureau include the collection and dissemination of Excise statistics and information regarding smugglers and offences against laws administered by the Excise Department as between different districts of this State, between this State and other States or territories of the Indian Union, and between itself and the Narcotics Intelligence Bureau. For this purpose, a monthly excise supplement to the Criminal Intelligence Gazette is published by the Bureau and copy thereof supplied to all concerned. The Bureau is also charged with the responsibility of tracking inter-State or wholesale smugglers of intoxicants, opium and dangerous drugs and with the detection and investigation of important cases. Field staff of the State is required to extend the fullest co-operation to the Staff of the Bureau in investigations and inquiries being conducted by them. This staff will also be available for detection of cases involving Inter-State smugglers or investigations outside the State on requisition by any District Officer or Assistant Excise Commissioner. The duties and functions with which the Excise Intelligence Bureau of this State is charged are more comprehensive in nature and scope than its counterpart in other State. For, besides maintaining and disseminating information and statistics regarding crime, this Bureau also maintains constant vigil over the trend of licit consumption of intoxicants, and by implication, therefore, over Excise Revenue in each 'wet' preventive circle of the State. It keeps watch over the progress of enquiries into complaints against the Departmental personnel that may be ordered by the Government or the Excise Commissioner, and through it are channelised in general various measures taken from time to time by the Excise Commissioner for liquidating leakages in Excise Revenue, for increasing efficiency and for toning up Excise Administration.

## **288. Preliminary notice and commendation of quality cases.**

- The working of the Bureau, is by and large, conditioned by the aforementioned aims and objectives. Accordingly, the Excise Commissioner, with a view to affording encouragement to the Field Staff takes preliminary notice in form E.I.B.-C of all quality cases on receipt of the monthly confidential report of Assistant Excise Commissioners or Superintendents of Police of Districts or of a special report in respect thereof. After the case is convicted in court the Excise Inspector or other Detecting Officer may submit proposal or commendation, in Form E.I.B. - D. A commendatory letter in Form E.I.B. - G is issued by the Excise Commissioner in deserving cases.

## **289. Maintenance of D-3B Register and Statistics of crime and consumption in register in Form D-25.**

- A register in Form D 3-B is maintained in the Bureau giving monthly figures of crime and consumption on the basis of figures furnished by Assistant Excise Commissioner in respect of each Excise Inspector on preventive duty. Circle-wise monthly statistics of crime and consumption is

consolidated in the Bureau in register in Form D-25 also on the basis of the D-25 statements appended by Assistant Excise Commissioner to their monthly confidential reports.

## **290. Publication of the Excise Supplement to the Criminal Intelligence Gazette.**

- With a view to disseminating information regarding Excise matters the Bureau publishes, monthly, and Excise Supplement to the Criminal Intelligence Gazette. In Part I thereof are given details of all "important" opium, ganja, charas, bhang and cocaine cases, report in respect whereof must be submitted in Form E.I.B.-A by detecting officers within a week of detection of such cases. Particulars of important cases detected outside the State involving residents of this State are published in Part II of the Supplement. Results of cases which must be furnished in duplicate within a week of decision of the case in Form E.I.B. - B, by detecting officers (if not furnished along with report in Form E.I.B. - A, earlier), are published in Part III of the Supplement. Important orders issued by the Excise Commissioner from time to time regarding rules, administrative policy transfers, special rewards, etc. are published in Part IV. In Part V are given important High Court Rulings bearing on Excise cases. Part VI contains photographs of important Excise Offenders. An yearly index to the Gazette, will be published as soon after the close of the calendar year as possible. Assistant Excise Commissioners and Excise Inspectors should get the Supplement along with annual index bound in yearly volumes. "Two sets of yearly volumes" shall be got bound by the Bureau. The Excise Inspector in-charge of the office Section of the Bureau is responsible for correct and punctual publication of the supplement.

## **291. Reporting of prominent offenders in important cases and maintenance of personal files.**

- A report in respect of an Important Excise Case (as defined from time to time) should be promptly drawn up by the Detecting officer in Form E.I.B. - A, in duplicate or in triplicate if the offender apprehended resides outside the District. One copy of E.I.B. - A, report will be incorporated in the "Personal File" (file covering to be in Form E.I.B. - H) of the offender to be opened by the Detecting Officer. In case the offender resides in the same district but within the territorial jurisdiction of another excise circle, the Detecting Officer will forward the E.I.B. - A report in respect of him to the Excise Inspector in-charge of the circle. All subsequent papers regarding the offender will be kept in his "Personal File" so opened. The Detecting Officer will submit the other copy (or two copies if the offender resides outside the district) of the E.I.B. - A report to the Assistant Excise Commissioner in-charge, Excise Intelligence Bureau. When an E.I.B. - A report is received in duplicate the latter will have a copy sent to the appropriate authority (Assistant Excise Commissioner or Superintendent of Police) for getting the "Personal File" of the offender opened. Details regarding the offender will be published in the Excise Supplement and Personal File opened (in Form E.I.B. - H) after entering his particulars in the Pradeshik Register of prominent Excise Offenders (in Form E.I.B. - I). Particulars of all Prominent Offenders apprehended outside the State but residents of State, intimation whereof may be received from other States, will be entered in the "Register of Prominent Offenders of U. P. detected in other States" in Form E.I.B. - 5. Reports regarding results

of cases received in Form E.I.B. - B or otherwise will also be entered in E.I.B. - I or E.I.B. - B-5 (whichever be applicable) register and deposited in the "Personal File" of the offender. A list of all prominent offenders will be maintained by Excise Inspectors at the end of the Village Register (D-12).

## **292. Opening of History sheets of notorious Excise Offender.**

- Notorious Excise Offenders are history-sheeted with a view to keeping watch over their activities. Proposals for opening History sheets of such offenders should be submitted to the Bureau in duplicate in Form E.I.B. - E. Normally, proposal should not be made for history sheeting carriers other than professionals, persons of or over 70 years in age, or in cases in which the offences appears to be an isolated lapse on the part of the offender. Delinquent licensed vendors convicted for possession and sale of illicit intoxicant should on the other hand, be invariably proposed for being history-sheeted. When the Excise Commissioner orders history-sheeting of an offender, the name of the History-sheeter should be entered promptly in the Bureau in the registers noted below : (i) the Register of Excise History-sheets (Form E.I.B. - 2); (ii) the Alphabetical Index Registers of History-sheets (Form E.I.B. - 3); (iii) the District Index Register of History-sheets (Form E.I.B. - 4) regarding the district in which the History-sheeter resides. A special number will be assigned to the History-sheeter in each of these registers and a true copy of the Form E.I.B. - E with orders thereon of the Excise Commissioner returned to the Detecting Officer along with intimation in Form E.I.B. - F for incorporation in the Personal File of the Offender, thenceforth to be called his History-sheet. Similarly, action will be taken in respect of the Personal File of the offender maintained in the Bureau. The History-sheet file will be kept separate from the Personal File. Every preventive Excise Inspector will keep in red ink a list of History sheeters residing in his circle at the end of the Circle Village Register (Form D-12). Assistant Excise Commissioner will see at the time of his periodical inspection that Personal and History-sheets files are properly maintained. He will see, further, if proposal for closing any such files is warranted, has been made. Report for closure of any such file should be submitted to the Bureau in duplicate along with Form E.I.B. - F and the file weeded out after receipt of orders in accordance with standing instruction.

## **293. Issue of Identity Cards and search authority to Non-Gazetted Excise Staff.**

- Non-Gazetted Excise personnel is provided with identity cards with a view to enabling them to establish their identity in the execution of their lawful duties and minimizing chances of complaints against them. Application therefor by an Excise Inspector will be accompanied by his photograph 2" x 3" in size whereupon an identity card will be issued to him. With the same end in view as well as with a view to instill confidence in themselves, an identity card-cum-search authority will be issued by the Assistant Excise Commissioners to each Excise Peon serving under them. Identity cards should be kept carefully. A penalty of Rs. 2 will be levied before issue of a duplicate copy. A register of issue and return of Identity Cards will be maintained by Assistant Excise Commissioners in Form D-23.

## **294. Numbering of belts issued to peons.**

- With a view to further minimizing chances of complaints against Excise Peons, belts provided to them will be numbered. A register of belts for Excise Peons will be maintained by Assistant Excise Commissioner in Form D-26.

## **295. Issue of Railway platform permits.**

- Assistant Excise Commissioners will provide Excise staff on detective duty, wherever necessary, with railway platform permits in Form E.I.B. - I to enable them to conduct searches in railway station premises and to examine relevant railway records. It should be clearly understood that these do not authorise the holder to travel without proper railway ticket. All such permits issued will be entered in a Register of Railway Platform permits (D-24). A fine of Rs. 2 will be levied before a duplicate copy is issued during the currency of the original permit.

## **296. Scrutiny of quarterly crimes and consumption reports.**

- The Bureau examine quarterly crime and consumption statements and submit comments thereon for Excise Commissioner's orders.

## **297. Quarterly review of the working of the Excise Intelligence Bureau.**

- The Excise Inspector in-charge of the Office Section will submit to the Excise Commissioner a quarterly review of the working of the Bureau by the end of the month following each quarter. Section XXV-Trials

## **298. Who may try excise and opium cases.**

- Only Magistrate of the first class or Magistrate of the second class specially empowered for the purpose may try offences under the Excise, Opium and Dangerous Drugs Act, etc. So far as possible all such cases should be tried by one Magistrate only designated as Excise Magistrate, who should be an experienced stipendiary Magistrate of the first class. It would be advisable if a first class Magistrate, who has experience as such of at least two years and who is not over burdened with other case work, or with duties necessitating touring is entrusted with the disposal of Excise cases. Cases should not be tried by the District Excise Officer, nor by an Honorary Magistrate; nor so far as possible, by any Magistrate of the second class in view of the inadequacy of powers exercised by such Magistrate for awarding deterrent sentences.

## **299.**

In all important cases the District Magistrate should be moved to direct the Prosecuting Inspector or Sub-Inspector to conduct the case (see Chapter II, Rule 73). In cases of extraordinary importance the Collector may, if it appears necessary, be requested to engage the services of a pleader to conduct

the prosecution.

### **300. Monthly report of prosecutions in Form G-22.**

- Every Excise Inspector in-charge of a preventive circle will prepare a statement in Form G-22 in triplicate in respect of all cases decided during a calendar month on the basis of G-21 reports received from the District Excise Officer and submit two copies of the statement to the Assistant Excise Commissioner by the 10th of the following months. A consolidated statement for each district will be prepared by the Assistant Excise Commissioner and submitted to the Excise Commissioner by the 15th of the month.

### **301. Magistrate trying excise to cases to fill up prescribed form.**

- Every Magistrate trying an excise offence shall fill up a statement in Form G-21 on the conclusion of the trial and send two copies of the same to the District Excise Officer, who shall forward one of them immediately to the Excise Inspector concerned for preparation of the monthly report in Form G-22. The other copy should be retained for record and use while sanctioning reward or expenses. G-21 statement in respect of cases challaned by the Police or other agencies shall also be forwarded to the Excise Inspector of the circle concerned. Similarly, the excise clerk shall fill up the Form G-21 for cases disposed of under Section 74 of the Excise Act or the relevant sections or rules of other Acts and promptly send one copy to the Excise Inspector concerned for inclusion in G-22 statement.

### **302. Grant of expenses to witnesses.**

- Expenses of witness appearing under summons or produced before any court in excise cases may be granted by the court or the Summoning Officer in accordance with the rules made by the High Court for the grant of expenses to witnesses in criminal cases. Note. - In the case of excise peons expenses shall be paid by the court concerned and not charged for as travelling allowances.

### **303. Compensation to persons released under Section 49 or to persons acquitted.**

- Compensation for loss of time may be granted to persons released by the officer empowered to release them under Section 49 on the ground that they have been improperly arrested or by a Magistrate to person charged before such Magistrate with offences punishable under the Act, but acquitted. Such grant shall be made under the same conditions as grants of expenses under the rules for the grant of expenses to witnesses and shall be subject to the maximum limit prescribed by those rules. Section XXVI-Disposal of things confiscated

### **304. Sale or disposal may be postponed pending appeal.**

- The sale or disposal otherwise of things or animals confiscated under the Act may be deferred till the period of appeal against the order of confiscation has expired or, if an appeal be made against,



such order till the appeal is disposed of.

### **305.**

Any animal or thing other than intoxicants which may be confiscated shall be sold by public auction and the proceeds credited to Government (8-Excise-Penalties.)

### **306.**

Any intoxicants not exceeding Rs. 5 in value confiscated under the provision of Sections 72 and 73 of the Act shall be destroyed under the orders of the Magistrate ordering confiscation.

### **307.**

If the value of the confiscated intoxicants exceeds Rs. 5, it shall be made over to the Collector for disposal in the following manner: (a) If lawfully manufactured liquor in sealed bottles is confiscated, a report shall be made to the Excise Commissioner for orders as to its disposal. (b) Ganja and Bhang, if one of the variety and quality supplied to licensed vendors of the area, shall be made over to the supply contractor of hemp drugs for deposit in the nearest bonded warehouse. The price per seer payable by the contractor of ganja shall be less than the contractor price charged by him by Rs. 1 per seer and that for bhang shall be less than the contract price by 2 annas per seer. If ganja or bhang is of illicit origin or unfit for issue it shall be destroyed in the presence of Excise Magistrate. (c) Confiscated charas shall be destroyed in the presence of the Excise Magistrate. Note. - For the purpose of paragraphs 306 and 307 of the value should be estimated at the retail fixed for charged in the area in which the intoxicants have been confiscated. Section XXVII-(a) Rewards

### **308. Collector to grant rewards.**

- The United Provinces Excise Act, 1910, does not authorise a convicting Magistrate to grant rewards out of fines recovered under the Act. Rewards are paid out of a department grant placed at the disposal of the Collector. Magistrate may make recommendations but the sole responsibility for the grant rewards, lies with the Collector.

### **309. Rewards to whom to be granted.**

- The Collector is authorised to grant a reward to any person who has in any way contributed to the prevention of crime, the detection of an offence or the arrest or conviction of an offender under the Excise Act. Rewards should not be granted in petty cases, such as minor irregularities and breaches of licence conditions.

### **310. Rewards too be granted in quality cases.**

- Allotment under head "Reward" should be utilized for granting rewards in cases classified by the Excise Commissioner from time to time as "Quality" cases, or for reimbursing out-of-pocket expenses actually incurred in working out or detecting cases. Reward may, however, be granted in cases other than "Quality cases" as may be governed by clauses (2) of paragraph 312 infra. Applications for rewards and out-of-pocket expenses will be submitted to the District Excise Officer in duplicate in form G-41-A and G-41-B, respectively. One copy in either case will be returned by him to the applicant immediately after sanction by the Collector. A pay order in Form G-41-C will be sent by the District Excise Officer to the Officer in-charge, Nazarat, simultaneously. The Nazir will draw the amount sanctioned and forward the same to the applicant along with a letter in Form G-41-D to be returned to the Nazir after disbursement.

### **311. Conviction not necessary for grant of rewards.**

- The grant of rewards is not restricted to cases in which convictions have been obtained. The decision of an appellate court need not be awaited before paying a reward, unless the Collector has reason to believe that the case is false. Separate rewards need not be given in every case a lump sum may be given for a group of detections in one village or one neighbourhood. It is essential that rewards should be promptly paid.

### **312. Purpose of grant of reward.**

- Rewards are granted-(1) to recoup officers for expenses incurred by them in paying informers, or otherwise, (2) to reward conspicuous energy, intelligence or courage displayed in dealing with excise cases. The names of informers should never appear in the order sanctioning the reward.

### **313. Limit of amount.**

- The Collector is authorised to grant rewards up to a total of Rs. 100 in each case, whether the sum is awarded to one individual or distributed amongst several. If he considers that in any particular case this sum is insufficient, he may with the previous sanction of the Excise Commissioner, grant a larger reward not exceeding Rs. 1,000 in amount. The Excise Commissioner may grant reward up to a limit of Rs. 1,000 in any case from the grant placed at his disposal.

### **314. Officers eligible for rewards.**

- All revenue officers below the rank of Tahsildar, all Tahsildars in the Kumaun Division, all Police Officers up to and including Inspectors, and all officials of the Excise, railway and post office departments, except gazetted officers, are entitled to received rewards. Note. - (1) With the previous sanction of the Excise Commissioner, Gazetted Officers may, subject to a maximum of Rs. 1,000 be compensated for expenses incurred by them in the detection of any case. (2) For procedure as to how rewards are to be drawn and paid, see Chapter III. (b) Annual Special Rewards

### **315. Objectives of annual special rewards.**

(1) It is essential in the interest of cleanliness of Excise Administration that its functionaries act not merely with zeal and efficiency but are also in the enjoyment of reputation for scrupulous honesty in the discharge of duties assigned to them. With a view, therefore, to fostering acquisition of a high reputation for honesty as well to promoting zeal, industry and efficiency in general amongst the aforesaid functionaries the Excise Commissioner, Uttar Pradesh, may form the grant for Rewards at his disposal, sanction Annual Special Rewards to such of the officers eligible for rewards, as may have put in conspicuously good work during the year in connection with detection work and in safeguarding excise revenue in general. (2) Grant of Annual Merit Certificates. - With the same end in view the Excise Commissioner may also grant Annual Merit Certificates (instead of Annual Special Rewards) to such members of the staff whose duties during the year under review did not encompass actual detection work but whose work and conduct, nevertheless, reserved recognition.

### **316. Guiding principles in granting special rewards.**

- No hard and fast rule is laid down as regards the number of Annual Special Rewards that may be sanctioned and the amount they carry; these shall be in accordance with such instructions as the Excise Commissioner, may, from time to time, consider necessary, in the public interest. In keeping however, with the recognized principle that excellence of reputation for honesty of the public servants in a democratic set-up is the sine quo non of its progressiveness, the emphasis in judging the eligibility of claim for Annual Special Rewards particularly the higher special rewards for all-round good work in the State, shall be the claimant's positive reputation for honesty. The basis of the claim shall be adjudged, besides reputation, on the comparative total revenue (consisting of duty and licence fee) secured during the year by the claimant and his detection work (against licensees and the public, both) and its quality.

### **317. Highest excise rewards.**

- The reward under head 'best all-round work in the State' shall be considered the highest reward. (ii) Pre-requisites for reward for the charges. - The stress in granting rewards in the wet area for "Best all-round work in the charge" shall be on "total revenue" secured during the year under review. Note. - With a view to providing incentive to the maximum possible number of persons, not more than two Annual Special Rewards for a year shall be granted to one and the same person. Section XXVIII-Appeals in Criminal Cases

### **318. Action by excise Inspector in appeal or revision.**

- Excise Inspector in-charge of a preventive circle shall submit to the Assistant Excise Commissioner a report in duplicate in Form D-30 immediately after an excise case ends in acquittal or discharge or in which an enhancement of punishment is desired. The Assistant Excise Commissioner shall immediately examine the record of the case, if necessary. He shall move the District Magistrate concerned to take action for filing appeal or revision as the case may be. He shall send to the Excise

Commissioner also the duplicate copy of the report in Form D-30 along with his comments and particulars of the initial action taken by him in moving the District Magistrate.

### **319. Principles to be observed in proposing appeal against acquittal or in filing revision.**

- The Assistant Excise Commissioner shall take the following facts into consideration while recommending preferment of an appeal or revision in a case. (i) No recommendation for appeal or revision, in any case ending in acquittal or discharge, should be made unless there are clear grounds for suspecting miscarriage of justice or unless the judgment of the court is so perverse or so hopelessly wrong or so opposed to the evidence on record as to suggest partiality or dishonesty. (ii) In any case in which acquittal or discharge is based on wrong application of law, it is advisable to file an appeal or revision in order to obtain an authoritative interpretation of law. (iii) No application for enhancement of sentence should be recommended unless the case is really important and the punishment awarded grossly incommensurate with the offence.

### **320. Procedure to be adopted in appeal or revision.**

(1) When the District Magistrate considers—(a) that an appeal should be preferred by the Government under Section 417 of the Code of Criminal Procedure, 1898, against an original or Appellate judgment of acquittal passed by a Sessions Judge or a Magistrate, or (b) that an application should be preferred for the revision of a judgment or order passed by Session Judge or a Magistrate, he shall submit to the Excise Commissioner a brief narrative of the facts of the case with his reasons for considering the desirability of filing appeal or revision along with all the original records. (2) In the case of a proposed appeal to certified copies of the judgment appeal against and the case of the proposed revision three certified copies of the judgment of Sessions Judge or the Magistrate must also be submitted. (3) The District Magistrate should send his letter in duplicate and should also send two copies of the District Government Counsel's opinion and of other relevant papers, if any, which he considers necessary to be forwarded with the records.

### **321. Action to be taken by the Assistant Excise Commissioner.**

(1) If the Assistant Excise Commissioner fails to convince the District Magistrate of the need for retrial of a discharged person or for filing appeal against acquittal of any person or filing, revision for enhancement of sentence or on any other grounds, in any case in which he thinks such action is called for he should immediately address the Excise Commissioner on the subject, giving his recommendations with reasons. (2) Procedure where the Excise Commissioner desires an appeal or revision. - If the Excise Commissioner agrees with the opinion of the Assistant Excise Commissioner, he will move the District Magistrate concerned and give his reasons for taking action in the case. The District Magistrate shall unless he is able to convince the Excise Commissioner to withdraw his proposal, take action as laid down in Rule 320, even though he may not agree with the proposal. In the last mentioned eventuality the District Magistrate shall in his letter forwarding the papers, state the grounds of his disagreement. (3) Recommendation to reach Government within one

month. - When the Excise Commissioner receives a recommendation under Rule 320 or 320 (2) from a District Magistrate, he will submit the same along with connected records to the Government with his own opinion, so as to reach Government within one month from the date of judgment or order.

### **322. Excise staff to act promptly.**

- It has to be borne in mind that the time factor is all important whenever administrative machinery for filing appeal or revision has to be set in motion. The Excise Inspector must therefore, obtain two or three (as the case may be) certified copies of judgment, promptly, and see that his narrative along with the opinion of the District Government Counsel reaches the District Magistrate within 10 days of the case. A copy of the narrative should be sent to the Assistant Excise Commissioner, also who, should be kept informed of the orders of the District Magistrate. The Assistant Excise Commissioner should keep constant touch with the progress of the matter and see that the appeal or revision is not vitiated on account of delay at any stage.

### **323.**

Whenever a court censures the conduct of an Excise Inspector or any other employee of the Excise Department of an inferior rank, the District Excise Officer should bring such structures to the notice of the Assistant Excise Commissioner through the District Officer and it will be the duty of the Assistant Excise Commissioner to enquire and decided whether any departmental or other action should be taken against the persons concerned or not. Assistant Excise Commissioner should submit clear reports embodying their recommendations to the Excise Commissioner in all cases in which the Excise Inspector are/concerned. As regards other employees, the Assistant Excise Commissioner will report their findings to the Commissioner, only in case of any seriousness or importance or where for any reasons the orders of the Excise Commissioner are required. Where the enquiry relates to serious strictures passed against an Inspector, and in other important cases, the Assistant Excise Commissioner should communicate his finding to the District Magistrate. Procedure for defence of Excise Staff involved in Civil or Criminal Proceedings

### **324.**

Relevant paragraphs in respect of the procedure regarding defence of Excise Personnel involved in Civil or Criminal Proceedings in the course of legitimate discharge of their official duties are reproduce below from the Manual of Government Orders for guidance of the Staff : (1) Report regarding public servants interested in judicial proceedings. - When in any suit or other judicial proceeding any person interested therein is described as, or ascertained to be, a public servant, the presiding officer should, after giving his decision, inform the Chief Executive Officer in the district of the department to which such public servant belongs, of any circumstances in the case affecting personally the public servant mentioned. (2) Defence in judicial proceedings involving Government servants. - Every Government servant against whom Civil or Criminal proceedings are instituted otherwise than by Government, in respect of any act purporting to have been done in his official capacity, will be defended at the expenses of the State when he desires to be so defended; provided

that Government are satisfied that such a course is necessary. Further reference on this subject should be made to the Legal Remembrancer's Manual in regard to Civil suits, and to Appendix 'J' of Excise Manual, Volume II, in the case of Criminal Proceedings.(3)Prosecution of officers. - Before Criminal Proceedings are instituted against an official other than a police officer for misconduct in connection with his public duties the officer instituting the prosecution should see that the procedure laid down in paragraph 72 of Manual of Government Orders has been observed and that any sanction required by Section 197 of the Code of Criminal Procedure has been obtained.Note. - In *Bhup Narain Saxena v. State*, Criminal Miscellaneous Case No. 720 of 1951 the High Court of Allahabad held that prosecution of public servant under Sections 409, 471, 420 and 477-A, of the Indian Penal Code can be launched without the sanction of Government or the appropriate authority.

## **Chapter VI**

### **Retail Shops And Licences**

Section XXIX-Number, Location and Site of Shops

#### **325. Determination of the distribution and location of shops.**

- Subject to the control of the State Government and of the Excise Commissioner and to the limitations expressed in these rules, the distribution and general location of retail shops shall be determined by the Collector provided that in military cantonments the Collector shall exercise this power only with the consent of the Officer Commanding the station.

#### **326. Principles to be observed in fixing the number of shops.**

- In determining the number of shops to be licensed, the Collector shall as far as possible, be guided by the principle that no more shops shall be allowed than are necessary to meet the normal requirements of the consuming classes.

#### **327.**

No shop shall be licensed for the sale of liquor or any other excisable articles at fairs and exhibitions.Explanation. - For the purposes of this rule, the term "fair" shall also include bazars, market and hats.

#### **328.**

The following principles shall be observed in determining the location and the sites for retail shops :  
(1)The location and the sites of all shops shall be decided by the Collector.  
(2)No change in the site of any shop shall except for very cogent reasons to be recorded in writing shall be permitted during the currency of a settlement. The location of all shops shall be clearly defined at settlement in order

to prevent any shifting of sites.(3)The sites of all shops shall be selected with regard to police control especially in case of cities, town and large villages and traffic regulation needs.(4)No new shop shall be licensed in close proximity to a place of public resort, school, hospital, place of worship or factory, or to the entrance to a bazar or a residential colony. All objections to the licensing of a shop made by persons affected, shall receive full consideration.(5)No shop shall be located outside the inhabited site of a village, town or city.(6)In the case of the existing shops, periodical enquiry shall be made as to whether their position is in conformity with policy under these rules. If their location is found to be objectionable, such steps as are possible, shall be taken to select a more suitable site and to arrange for its removal.(7)No new shop shall be opened within a quarter of a mile of a railway station without previous intimation of the site to the railway administration concerned. If any objection is raised by that administration, which is not accepted by the licensing authority as a sufficient reason for refusing the licence, the question shall be referred for the views of the Excise Commissioner. The same procedure shall be adopted when complaint are made by railway administration with regard to an existing shop.(8)In urban areas, no new shop shall be opened without notice to the Nagar Mahapalika, Nagar Palika, Town Area or Notified Area as the case may be. In rural centres, notice of the intention to open a new shop shall be given to the Zila Parishad and published in the vicinity. Any objection which may be brought forward shall receive due consideration.(9)No licence for the retail sale of liquor at any place within three miles of the border of an other district, shall be granted unless the Collectors of both the district concur, or if they fail to concur, then at a site approved by the Collector for the purpose.

### **329. to 331.**

[Deleted](See Extract of Cantonment Act in Part I)Section XXX-Award, Issue and Cancellation of Licences

### **332. Periods and duration of licences.**

(1)Licences for wholesale and retail vend of intoxicant shall be granted usually for the excise year, which shall be the year from April 1, to March 31.(2)Tari licences shall be granted for the October 1 to September 30.(3)In special cases licence may be given with the sanction of the Excise Commissioner for special periods.(3-A) Notwithstanding anything contained in clause (1) or (3), when the State Government so directs, the licence may be for such short period only as the State Government specifies.(4)If any licence other than a tari licence usually granted for a year, be granted during the course of the year it shall be granted so as to terminate not later than March 31, next following.(5)A Tari licence granted during the course of a year shall terminate on September 30, next following.

### **333. Licences by whom signed.**

- All licences shall be signed by the Collector or the District Excise Officer, and all licences under Section 24 by the Collector himself. These officers are reminded that they are personally responsible that all licences issued and counterparts accepted are strictly in accordance with the terms as sanctioned by higher authority and duly executed according to law.

### **334.**

No licence shall be issued in the name of a company or firm unless such company or firm is a registered joint stock company. Where a licence has been granted to an unregistered private company or firm, the licence should be issued in the names of the individuals as representing the corporate body and not in the name of the corporate body itself.

### **335. Issue of duplicate licences.**

- If the original licence is lost, a duplicate may be issued on payment of a fee Re. 1 unless for a special reasons the Collector considers that the fee should be waived.

### **336.**

In all cases where licence-holders have been provisionally selected, the licences should be prepared in anticipation of sanction, so that they may be distributed as soon as sanction is received. In the case of licences under Section 24 of the Act, counterparts should be taken under Section 33 of the Act and recorded. Such counterparts are of the nature of ordinary agreements and chargeable with a duty of seventy-five Naya Paise under Article 5 (b), Schedule I, Act II of 1869, and should be stamped as such at the expenses of the licensee. The prescribed forms should be forwarded before execution to the Junior Secretary to the Board of Revenue for denotation of the duty by unimpressed labels and the cost of the stamp shall be paid into the treasury and voucher sent with the form. Licences do not require to be stamped.

### **337. Transfer and sub-lease of licences.**

(1) All licences are personal to the licensees whose favour they are granted. (2) (a) Whenever any application is received for transfer, sub-lease, or partnership in respect of an Excise licence, the Collector shall call for a report from the Assistant Excise Commissioner of the charge. (b) On receipt of the report from the Assistant Excise Commissioner and further enquiry, if any, the Collector shall refer suitable cases to the Excise Commissioner for approval. (c) No transfer or sub-lease or partnership of Excise licence shall be allowed by the Collector without the prior approval of the Excise Commissioner. (3) Partnership may also be permitted in the case of shops under the auction system but they should not be sanctioned as a matter of course. They should be allowed only in exceptional circumstances when it is clear that the shop cannot be well managed by the existing licences without a partner and that the partnership will not result in any loss of revenue. No more than two partners can be allowed to hold the shop. No discretion should be drawn between the legal liabilities of the two partners who will be jointly and severally responsible. (4) In the case of licence granted under the surcharged or fixed fee system no transfer or sub-lease of a licence shall be permitted, nor shall a licensee be allowed to enter into private partnership in the business covered by the licence. If the licensee desires to withdraw from the business he shall be required to resign and the shop resettled in the manner prescribed by paragraph 355 to 358. (5) Partnership may, however, be permitted for shops settled under the graduated surcharge system as provided for in



paragraph 360.

### **338. Persons to whom licence may be granted.**

- Licence should only be granted to persons approved as suitable vendors. In particular they should not be granted to-(a)persons who have been convicted by a criminal court of a non-bailable offence;(b)former licensee who are in arrears to Government, or whose conduct has been found to be unsatisfactory, or who have been found guilty of any serious breach of the condition of their licences;(c)persons below the age of eighteen years;(d)persons suffering from any infectious or contagious disease.

### **339. Ban on holding licences for vend of country liquor and foreign liquor both together.**

- [Any person may be granted licence for the vend of country liquor or foreign liquor or both : Provided that -(1)Persons holding licences for retail vend of country spirit in Forms C.L. 3-A, C.L. 4-A or C.L. 5-A may store low strength run for retail sale after obtaining licence in Form F.L. 4-B in accordance with the rules on the subject.(2)Licences for the retail vend of foreign liquor for consumption both on and off the premises in Form F.L. 4 and for consumption off the premises only in Form F.L. 5 shall not be granted to persons holding hotel and Dak Bangalow licences in Forms F.L. 6, F.L. 6-A or restaurant or hotel bar licences in Forms F.L. 7, F.L. 7-A, F.L. 7-B, F.L. 7-C and vice versa]

### **340. Cancellation and resignation of licences.**

- Subject to the conditions given in Sections 34 and 35 of the Act, licence of any shop may be cancelled by the authority granting it. When a licence has been cancelled under Section 34, and it is intended to continue the licence, it should be promptly resettled in the manner prescribed in paragraphs 357, 359 and 375.

### **341.**

In all cases where compensation has to be paid for default of notice of cancellation of licence, a full report should be submitted for the orders of the Excise Commissioner explaining the circumstances which necessitated the action taken and stating the demand for the year, the licence fees remitted and the amount proposed to be paid as compensation for default of notice. On receipt of orders the claim shall be adjusted.

### **342. Cancellation and resale of forms.**

- The sanction of the Excise Commissioner is necessary to the cancellation of any licence under Section 24. Reasons for recommendation in such cases should be fully explained. Resale of all such licences requires the sanction of the Excise Commissioner.

### **343. Disposal of stock on termination of licences.**

- The holder of a licence for the vend of an intoxicant, shall on the termination of licence, report the Collector the amount of stock, if any, remaining in his possession. The Collector shall fix a time within which the vendor must dispose of such stock to a licensed vendor. Any stock not so disposed of shall at the expiration of the period thus fixed be surrendered to the Collector who shall dispose of the same in the manner he deems fit. Excise Inspectors will be held responsible for securing the observance of this rule. They must also ascertain in each case how the surplus stock has been disposed of (see also paragraph 163, Chapter III).

### **344. Arrears of deceased licensees how recovered.**

- If a licensee be in arrears at the time of his death, the amount of such arrears should be recovered from his security deposit to the extent of the dues in arrears. If the arrears exceed the amount of the deposit, the case should be dealt with under paragraph 376 or, failing that, refer for orders. Sub-licensees or farmer's agents hold their licences conditionally on the continuance of the licence or form from which they derive their right.

### **345. Destruction of intoxicant unfit for consumption.**

- Any intoxicant kept on the premises of a vendor licensee to sell the same and found after examination to be unfit for human consumption may be destroyed under orders of the Collector.

### **346. Direct management of shops or farms to be avoided.**

- Except where such a course is absolutely unavoidable, direct management of shops or farms should be resorted to even as a temporary measure. Recourse should not be had to this expedient without the approval of the Excise Commissioner. The latter officer will exercise his own discretion as to whether the circumstances of the case justify the proposal. Section XXXI-General conditions to be observed by all Licensees

### **347. Licensees bound to observe excise laws, rules and conditions of licence.**

- Every licensee for the retail vend of intoxicants shall be bound to observe both the general and special conditions (if any) of his licence; and all directions, prohibitions and orders of the excise laws for the time being in force, whether such directions, prohibitions and orders be embodied in the conditions of his licence or not; and all directions, orders and prohibitions contained in rules lawfully made under the excise laws of which he shall have received due notice.

### 348. General conditions binding on retail shops.

- The following conditions shall be binding on all persons holding licences for the retail sale of intoxicants : (1) The licensee shall produce for inspection his licence on demand by officers who are duly authorised to do so. (2) Sales shall be made only on the premises for which the licence is granted. (3) The licensee shall store all his stock of intoxicants pertaining to his shop in the premises for which he holds the licence. (4) In case where a transfer or sub-lease is allowed under the rules no transfer or sub-lease (whether entire or partial) of the business covered by the shop licence shall be made except with the previous sanction of the Collector. (5) The licensee shall close his shop when ordered to do so by any Magistrate or Police Officer above the rank of constable, and shall without any order close his shop in the event of riot or unlawful assembly. (6) Every shop licensed for the sale of-[1] Country-spirit; [2] Tari; [3] Foreign liquor for consumption "on and off" the premises; [4] Foreign liquor for consumption "off" the premises, shall be kept closed on the day following the burning of Holi and on the principal Dewali day. Exception. - This condition does not apply to railway refreshment rooms, dining cars and such hotels, and restaurants which are licensed for the sale of foreign liquor to foreign tourists. (7) [All excise shops of every intoxicant shall not be kept open on the following days : [Substituted by Notification No. 1845/U.P. Sansodhan-89-90, dated 12th February, 1989, published in U.P. Gazette, Part 1-Ka, dated 1st April, 1989.]] [1] Republic day (January 26), [2] Independence day (August 15), [3] Mahatma Gandhi's birthday (October 2), [4] The first day of every month, and [5] Any other three days of a year as declared by the Collector in his district : Provided that if the first day of the month be a public holiday the day next following the said day shall be the day on which the said shops shall not be kept open : Provided also that the Excise Commissioner, may in consultation with the Collector of the district concerned, waive the condition of not keeping the aforesaid shops open on the first day of the month or on any of the said three days of the year or on the said next following day of the month, as the case may be, for such specified period as he may think fit, in the case of hotels possessing a licence in Form F. L. 6 for the sale to such foreign tourist, as may hold a valid permit under the All India Liquor Permit Scheme of the Government of India.] [Substituted by Notification No. 4668-E-2/XIII-56 (T.C.) IV, dated 4th February, 1989, published in U.P. Gazette, (Extraordinary), Part 4, dated 4th February, 1989.] (8) The licensee shall not allow any person to conduct sale in his licensed premises unless the name of such person has been previously approved by the Collector and endorsed by him on the licence. Note. - (1) No licensee in urban area shall be allowed more than 7 salesman and in rural area more than 4. (2) In order to guard against fraudulent removal of intoxicants from the bonded warehouses the licensee shall furnish a list of persons authorised to take supplies on his behalf to the officer concerned. (9) The licensee shall not employ any person suffering from any infectious or contagious disease for any purpose in his licensed premises. (10) Persons of bad character shall not be allowed to resort to the shop. The presence of suspicious characters shall be at once reported to the nearest Police Officer. Intoxicating, gambling, disorderly conduct and the holding of entertainments shall not be permitted on the premises. (11) Sales shall not be made to -(a) soldiers or members of a soldier's family, except when such sale is expressly authorised by the Collector; Proviso-This prohibition does not extend to the sale of Bhang to soldiers. Explanation. - "Soldier" does not include a commissioned officer, member of the Auxiliary or the Indian Territorial Forces when not in uniform, a soldier in civil employ, or an Indian soldier absent on leave from his regiment. (b) Camp followers, except when such sale is expressly authorised by the

Collector.Explanation. - "Camp followers" means a follower whether on or off duty other than a private servant whom the vendor knows is or has reason to believe to have a right to be in cantonment.Notes. - (1) The Collector shall authorise sale under clauses (a) and (b) above only in the case of licensed vendors of foreign or country liquor specially approved by the General Officer Commanding the division for the Independent Brigade or by the Officer Commanding the station and then only the sale of such liquor as shall have been approved by the same authority in consultation with them. The terms of each permission must be recorded on the licence.(2)Clauses (a) and (b) above do not apply to canteen tenant licences.(c)Persons under eighteen years;Note. - Breach of this condition punishable under Section 61 and cannot be compounded under Section 74 of the Excise Act IV of 1910.(d)Railway servants on duty;(e)Police Officers below the rank of Sub-Inspector, when in uniform;(f)Officers of the Excise Department below the rank of Excise Inspector, when in uniform;(g)European vagrant under police custody;(h)Insane persons;(i)Persons known or believed to be intoxicated.

### **349. General conditions for country spirit hemp drugs or tari shops.**

(1)Every shop shall, unless exempted by the Excise Commissioner or any officer not below the rank of Excise Inspector to whom he may delegate this power, be kept open every day through out the year and the licence-holder shall maintain at his shop a minimum quantity of the intoxicant for which he holds the licence and the same shall be fixed by the Collector for each shop with due regard to the normal demand of consumers in the locality.Notes. - (1) This condition does not apply to tari licences settled under the Auction System, but it does to those settled under the 'tari tax system'.(2)The power of exemption has been delegated to Collectors, District Excise Officers and Excise Inspectors. As a rule the power should be exercised by the latter who have been authorised to grant exemption to any licence-holder within their circle-(a) on a fixed day each week, and (b) on any other day on the ground of urgent necessity.(2)The licence-holder shall not allow sales to be made by any women except his wife, daughter or other near female relation living with him.(3)No person under the age of eighteen (except a member of the family of the vendor) shall be permitted to enter the shop during tire hours of sale.(4)Sales shall be made on payment in cash only.Note. - In backward to acts payment in grain may be permitted with the sanction of the Excise Commissioner. An entry to this effect will be recorded on the licence.[350. Further conditions binding on same category of F. L. Shop. - The following further conditions are binding on retail shops for the sale of foreign liquor :(1)Country spirit shall not be kept on the same premises.Note. - This condition does not apply to canteen tenant licences.(2)If the Excise Commissioner has prohibited the sale of any particular brand of foreign liquor is being unwholesome, that brand shall not be kept or sold under this licence.(3)The sale strength of foreign liquor (other than Beer, Rectified spirit and Denatured spirit) shall be 30 per cent V/V. Reduction of strength of spirit, except under the special order of the Excise Commissioner is prohibited.Notes. - (i) Canteen tenant licences are permitted to store and sell spirituous liquor diluted with mineral water with the permission of the General Officer Commanding.(ii)The sale-strength prescribed for whisky, brandy, rum and gin are the apparent strength as indicated by the hydrometer. A margin up to 10 below the prescribed strength is however, allowed in the case of such spirit contained in sealed capsuled bottles.(4)No sale of brandy, whisky, gin and rum shall be allowed in bottles of capacity lesser than 625, 313 and 157 millilitres in the case of quart, pint and half-pint bottles, respectively.(5)In the following cases, the guaranteed

fluid contents of the bottles shall be clearly indicated in bold letters on the label, whether the liquor is bottled in India or abroad : (a) Quart bottles of whiskey, brandy or rum if containing less than 710 millilitres of such spirit. (b) Quart bottles of gin, if containing less than 682 millilitres of gin. (c) Pint bottles of whisky, brandy or rum, if containing less than 355 millilitres of such spirit. (d) Pint bottles of gin, if containing less than 341 millilitres of gin. (e) Half-Pint bottles of whisky, brandy or rum if containing 185 millilitres of such spirit. (f) Half-pint bottles of gin if containing less than 171 millilitres of gin. (6) No greater quantity of liquor than 1.5 litres, 171 millilitres and no greater quantity of beer than 2.6 litres shall be sold to any person at one time. (7) No drug or deleterious substance shall be added to the liquor, nor shall any adulterated liquor be knowingly stored or sold. (8) The licence-holder shall receive no other article but money in barter for any intoxicant, the sale of which is covered by this licence. (9) Bottling and compounding of any liquor are prohibited. The alteration of the original labels under which spirits or fermented liquors have been received is also prohibited. (10) No person under the age of twenty-one years shall be employed with or without remuneration in the licensed premises. (11) Except with the previous permission in writing of the Excise Commissioner, no women shall be employed with or without remuneration in the licensed premises. Notes - (1) Conditions 10 and 11 do not apply to the shop licensed for consumption 'off' the premises. (2) Infringement of conditions 10 and 11 is punishable under Section 61 and cannot be dealt with under Section 64 or 74 of the Excise Act, 1910 (U. P. Act IV of 1910). (12) The licensee shall exhibit at a prominent place in his shop a list of all brands of foreign liquor available at the shop for sale giving their retail prices as may be fixed by the Excise Commissioner from time to time or where no such prices have been fixed by the Excise Commissioner, the retail price as fixed by him reasonable of his own].

### 351. Opening and closing hours for shops other than foreign liquor.

- Every licensee for the retail sale of excisable articles except foreign liquor shall observe the following working hours and shall not keep his shop open outside these hours :

	Opening	Closing
	A.M.	P.M.
(1) In Municipal areas	}	
(2) In Notified areas		
(3) In Act II of 1914 Towns	... 10.00	10.00
(4) In Cantonment		
In areas other than the above	... 10.00	9.00

Notes. - (1) The licensee shall stop sale of liquor half an hour before the prescribed hour of closure and no person shall be allowed to consume liquor on the licensed premises half beyond an hour after the closing hour of sale. (2) Sales may be made at any hour to a person holding a prescription signed by a registered medical practitioner for supply of commodity covered by the licence. (3) The Collector may sanction the opening of tari shops at sunrise in districts in which the consumption of fresh tari is permitted, provided that no other excisable article but tari is sold in shops.

## 352. Hours of sale.

- The hours for retail sale of foreign liquor under the following licences shall be as noted against each :

- |   |   |
|---|---|
| Shop licence for<br>(a) consumption "on and off" the premises (F.L. 4).   | From 12.00 hours to 2.00 P.M. and 6.00 P.M. to 8.00 P.M. except that the sale of "off" the premises will be allowed from 12.00 hours to 10.00 P.M.  |
| Shops licence for<br>(b) consumption "off" the premises (F.L. 5)  | From 12.00 hour to 10.00 P.M.   |
| (c) Hotel licence (F.L. 6)  | Sunrise to 2.00 P.M. and from 5.00 P.M. to 11.00 P.M. to bona fide residents; but any time in rooms occupied by residents or reserved for them.   |
| (d) Restaurant or hotel bar licences (F.L. 7).  | Noon to 3 P.M. and from 6 P.M. to 11 P.M. on week days except Saturdays and up to 12 midnight on Saturdays.   |
| Note.- Sales may be made at any time to bona fide passengers by air by licensee holding a restaurant licence at an aerodrome. |   |
| Railway refreshment rooms<br>(e) or dining-car licences (F.L. 8)  | At any time to bona fide travellers.  |
| Canteen tenant licence (F.L. 9) and Unit Canteen licence (F.L. 9-A).  | Such time as may be fixed by the military authorities.  |
| (g) Occasional licence (F.L. 11)  | Such time as may be fixed by the Collector.   |
| (h) Theatre or cinema bar licence (F.L. 12).  | In the case of theatres, no sale will be permitted after 11 P.M. except on Saturdays when sales may continue up to 12 P.M. In the case of cinemas, there will be no sale after the interval in the last performance except on Saturdays when sales will be permitted for half an hour after the performance ends or until 12 P.M. whichever is earlier. The sale of foreign liquor is also prohibited between 2 P.M. and 6 P.M. |

Note. - The consumption of liquor by any person shall not be allowed on licensed premises of all kinds of "on" and "off" licences of foreign liquor beyond half an hour after the prescribed closing hours of sale.

### 353.

The danger of corruption among the licensees is increased by the appointment of too many salesman and in order to check dishonest practices, the number of salesmen allowed to a shop should be restricted to its actual requirements and should generally be smaller than that prescribed. Selection of salesmen also requires careful scrutiny by the Collector. Unless the District Excise Officer has personal knowledge on any person, a report should always be obtained from the Excise Inspector concerned about his suitability before selecting him as a salesman. Excise Inspector should be careful not to recommend a large number of salesmen for any shop than would strictly suffice for its need. All Excise Inspectors should keep up-to-date information about the number of salesmen employed at various shops in their circles and other particulars regarding them. Section XXXII-Rules Applicable to Various Licence-fee System I-The Graduated Surcharge Fee System

### 354. Assessment.

- Under this system the licence-fee for a calendar month is assessed according to a prescribed scale on the quantity of intoxicant taken for sale during that month. The fee is recovered in the next month following. Licences for the retail vend of country spirit and hemp drugs under the contract supply system can be granted under this system when in vogue : (a) Procedure for the renewal of licences and for the selection of licence-holders for new shops.

### 355.

(1) The Collector shall whether a licence shall be renewed to the existing licensee or not in the forthcoming year. For this purpose, he shall examine the list of existing licensees in consultation with the Assistant Excise Commissioner as far as possible between December 1 and 15 every year - (i) for excise shops to be licensed with effect from April 1; and (ii), between July 1 and 15 for tari shops which are licensed from October 1 every year. If he considers that the conduct of any licensee has been suitable/thoroughly, satisfactory, he shall order the renewal of the licence. If any existing licence, is reported to be unsuitable, the Collector shall call upon such licensee to show cause, within a specified period why his licence should not be terminated and, in doing so, shall inform him of the reasons for believing him to be unsuitable. If after considering the explanation, the Collector finds the licensee to be unsuitable he shall not renew the licence and invite application. (2) The applications shall be in Form G-28 and shall be addressed to the District Excise Officer. The District Excise Officer shall scrutinise all the applications received by him and draw up a list. In preparing the list he shall be guided by the principles laid down in Paragraphs 359 and 360. He shall also prepare a second list containing the names of those applicants whose names have not been included in the list of suitable candidates. He shall then proceed in accordance with the Uttar Pradesh Licensing under the Surcharge Fee System Rules, 1968, for the selection of the licensee. Note. - Each application shall be accompanied by a Treasury Receipt for Rs. 5. Applications not accompanied by such a Treasury Receipt shall not be attended to.

### **356.**

The procedure prescribed above for selection of a new licensee when an existing licensee has been found unsuitable, shall apply to cases when a licensee has to be selected in the event of a new shop being opened or a shop previously closed being reopened.

### **357.**

Shops may fall vacant during the course of a year in the following circumstances : (a) Death of a licensee, or (b) Surrender or cancellation of a licence under Sections 34 and 35 of the Act.

### **358.**

(1) As soon as a shop falling vacant in the circumstances mentioned in the preceding paragraph, the Collector may select a temporary licensee for carrying on the work and shall hand over the shop to him. (2) He shall then proceed in accordance with the Uttar Pradesh Licensing under the Surcharge Fee System Rules, 1968 for the selection of a permanent licensee. The temporary arrangement made by the Collector shall cease as soon as a permanent licensee has been selected.

### **359.**

The following general principles are laid down for the selection of licensees : (i) Honesty and ability to supervise the shop personally are the principal qualification of a licensee. Preference should generally be given to a local resident. Education alone is not sufficient, nor does the possession of large capital make a man suitable vendor. Capitalists who leave the work to managers and salesmen should be excluded as far as possible. (ii) As far as possible no licensee should be given more than one shop. (iii) Settlements shall be made of individual shops and licences granted for one year.

### **360.**

Partnership in shops shall be allowed only under the following conditions : (a) Where an existing licensee applies voluntarily to take a person into partnership and the Collector considers such person suitable to hold a licence and is further of opinion that the shop cannot be managed well by a single licensee aided by one or more salesmen. Attempts of licensees to transfer their shops to their nominees under the cloak of partnership should be severely discountenanced. Ordinarily, a man who cannot devote enough time to his shop should be asked to resign instead of being allowed to take in a partner. Only if he cannot manage the shop in spite of devoting all his time to it, should a partner be allowed. (b) Where at or before the time of making applications for shops two persons jointly apply for a licence in partnership and the Collector finds both of them to be suitable persons for placing on the aforesaid list, their names shall be treated as one name only. (c) In no case shall more than two persons be permitted to hold a licence jointly. (d) Both the partners shall be jointly and severally responsible for the conduct of the shop and shall stand or fall together. No attempt should be made to differentiate between the rights and responsibilities of each. (e) A licensee taken



into partnership in his excise business any person in a manner other than that prescribed under clause (a) supra shall render himself liable to the cancellation of his licence and' forfeiture of his security money.(f)When a licence is jointly held by two partners, in the event of death of either of them the survivor shall continue to hold the licence.

### **361. Renewal of licence or compensation for non-renewal not claimable.**

- The licensee selected under paragraph 355 or 356 shall, ordinarily, retain possession of his shop, so long as he carries on his business in full accordance with the rules. But this continuity of tenure shall create no vested interest in his favour, nor any claim for compensation in the event of closure of the shop or in the event of non-renewal of the licence for any reason.

### **362. Cancellation of licences during the currency of their term.**

- The mal-practices by licensed vendors given below are considered serious by the department. If any licensee is convicted of any one of them, his licence, if granted under the graduated surcharge system, should unless there are special reasons to the contrary, be forthwith cancelled under Section 34. A mere nonrenewal of the licence at the end of the year will not be enough. Serious malpractices are-(1) dilution of liquor or tampering with the pilfer sproof caps of sealed bottles, (2) short measure or weight, (3) sale during prohibited hours, (4) sale to minors, and (5) adulteration.

### **363. Maintenance of daily accounts by licensees.**

- Every licensee selected under paragraph 355 or 356 shall unless exempted by the Collector in writing and the exception endorsed on the licence, maintain a correct account of all receipts and sales of intoxicants at his shop in the form prescribed in the licence. District Officers may exempt illiterate licensees of country spirit or hemp drugs shops in rural areas from maintaining accounts where this is unavoidably necessary. Ordinarily, however, inability on the part of an applicant for a shop to maintain accounts either by himself or through a literate salesman should be considered as much a disqualification as his inability to attend and supervise the shop personally. Only if no suitable literate applicant is forthcoming should a shop be settled with an illiterate person and exemption granted to him from keeping accounts.

### **364.**

(a)Every selected vendor before a licence is issued to him shall be required to deposit, on or before March 15, as security for the due observance of the conditions of his licence, a sum in cash, Government promissory notes, postal cash certificates of equivalent market value or postal savings banks account equal to twice the amount of licence fee leviable on the average monthly issues made to the shop during the nine months April to December preceding the year for which the licence is to be granted in accordance with the scale of fees prescribed for the intoxicants for which the shop is licensed.(b)If the security is deposited in cash, the amount shall be credited into the headquarters treasury as "Revenue Deposit", and if not confiscated for any breach of the conditions of licence,

may be renewed from year to year, should the licensee so desire in the event of the renewal of his licence. If the security is deposited in the form of Government promissory notes, postal cash certificates or postal savings bank account, the Government promissory notes, postal cash certificates or postal savings bank account should be endorsed in favour of the Collector, vide rule 5 of the Government Security Manual and Section 45 of the Post Office Saving Bank Rules. If the calculated amount of deposit in any year is larger than the deposit for the previous year by over Rs. 25, the difference shall be realized from the licensee and credited to the original deposit.(c)All vendors who pay their security deposit must duly executed an agreement in Form G-34, giving the necessary authority to the Collector to appropriate the whole or a portion of their securities, as the case may be, in the event of forfeiture of the same under the terms of their licences or under the excise, opium or dangerous drugs laws.

### **365. Issues in advance.**

- In the case of a new licences the Collector may sanction the issue of intoxicants a day or two before the commencement of the excise year according to the distance of the shop from the warehouse on payment of duty at the rate for the new year; and licence fees will be payable at the rates to be in force in the new year.

### **366. Return of security.**

- On final termination of a licence the security deposit of the outgoing vendor, if refundable, shall be refunded to him within two months of the date of termination of licence, after adjustment of all dues owing by him to Government.

### **367. Resettlement of shops.**

- Whenever resettlement of a shop becomes necessary during the course of the excise year, the licensing authority should make the resettlement in the manner prescribed by paragraphs 357 and 358 and report the change to the Excise Commissioner for information.II-The Auction System

### **368. Description and application of the system.**

- [The licence fees for the wholesale vend of foreign liquor to wholesale and retail vendors and for the retail vend of the following commodities under the auction system shall be fixed by public auction periodically, but the Excise Commissioner reserves the right to grant any licence on payment of a fixed fee or fee determined in accordance with the graduated or uniform scale or by tender or by tender-cum-auction system-] [Substituted by Notification No. 5354/Licence/Anubhag-3, dated March 3, 1994, published in the U.P. Gazette, Part I (ka), dated 5th May, 1994.](a)Country spirit;(b)Tari in areas other than those under the Tree Tax System;(c)Foreign liquor for consumption 'off' the premises in Form F. L. 5; and(d)Bhang .Note - The settlement of Tari shops under the auction-cum-tree tax system is also made by public auction.(2)The settlement shall ordinarily be made on such date or dates as may be published by the

Excise Commissioner in the sale proclamation issued by him in Form G-35A, G-35B and G-35C, as the case may be.(3)The sale proclamation shall announce the date or dates of sales for all the districts concerned.(4)[1] The date or dates fixed for various districts shall be notified by the Excise Commissioner in permanent national State and regional Dailies. The Collector shall also give timely and effective publicity to the date or dates of sale as proclaimed by the Excise Commissioner. Unless prevented by unavoidable circumstances, the Collector shall proceed with the sale on the date or dates appointed leaving any unsold shops to be settled at a subsequent sale or as opportunity offers. Should a general postponement become necessary for any reason immediate intimation shall be given by the Collector to the Excise Commissioner about the postponed date with a brief statement of the reasons for the respondent.[2] No dates should be fixed for a postponed sale which will not permit of the reports of such sale to reach the Excise Commissioner by March 31, in the case of country spirit or bhang and by September 30 in the case of tari.[3] The provisions of sub-rule (2) shall not apply to the settlements of isolated shops for which no bids or inadequate bids have been made at the regular sales; these may be disposed of subsequently.(5)List of licences to be disposed of shall be prepared and exhibited both at the time of the auction and for some time before at the Collector's office. No shops other than those thus specified shall except under very special circumstances, be auctioned.(6)The following conditions shall apply to all sales under the auction system and will be inserted at the foot of the sale proclamation to be issued by the Excise Commissioner : (1)No person shall be allowed to bid at any auction sale unless-(a)he produces a solvency certificate in Form G-39 granted by the Tahsildar of the Tahsil in which he resides. It should be duly counter-signed by the Collector or the Additional Collector authorised by the Collector in this behalf; and(b)his name is included in the consolidated list of solvency certificate holders circulated by the Excise Commissioner, Uttar Pradesh : Provided that the Officer conducting the sales may in exigent circumstances and for reasons to be recorded in writing permit or allow a person who does not produce a solvency certificate or whose name does not appear in the consolidated list of solvency certificate holders to bid at the auction if such person pays such amount in cash or furnishes Bank Drafts of such amount from a Scheduled Bank which is at least half of his bid.Note. - In case of any doubt about the genuineness of the solvency certificate the decision of the Officer conducting the sales shall be final.(2)(a)A defaulter of the Excise revenue shall not be allowed to participate in the auction.(b)Any person who has been debarred from bidding under the rules elsewhere shall not be allowed to participate in the auction.(3)(a)An intending bidder shall apply by 31st January or such extended date, as may be indicated by the Excise Commissioner through publication in the prominent daily newspapers, to the Tahsildar of the Tahsil in which he resides or holds immovable property for granting a solvency certificate and should state in his application the details of his immovable and movable properties, with all particulars of the encumbrances, if any, thereon. The Tahsildar should verify after careful enquiry, whether particulars given by the applicant are true, and if satisfied, shall forward the solvency certificate in the prescribed Form (G-39), in duplicate, to the Collector or the Additional Collector authorised by the Collector to countersign the same. Before countersigning the certificate, the countersigning authority shall check that the property has been correctly valued. After counter-signature, the original copy will be handed over to the applicant. A consolidated list of all the solvency certificates issued by the countersigning authority, indicating the details regarding the applicant's name, address, the date and amount of the solvency certificate issued to him, shall be prepared and authenticated by the countersigning authority. One hundred cyclostyled copies of this list shall be

forwarded to the Excise Commissioner by 21st February or such other date as may be indicated by the Excise Commissioner.(b)In case of bidders residing outside the State the original copy of the solvency certificate shall be sent by the issuing authority directly to the Excise Commissioner and a copy thereof shall be given to the applicant.The Excise Commissioner will get prepared a consolidated list of all such solvency certificates received in respect of bidders residing outside the State.(c)The Excise Commissioner shall circulate to all the Collectors of the State the consolidated list of all solvency certificate holders received from the districts and the list prepared in his office under sub-clause (b).(4)A prospective bidder from outside the State will be allowed to participate in the auction subject to his production of a certificate from the Collector of the district in which he resides specifying that he is not a person convicted by a criminal court of a non-bailable offence, that he is not in arrears of Government revenues and that his conduct has been found to be satisfactory.(5)The Officer conducting the sales is not bound to accept the highest or any bid. In case the highest bid is not proposed to be accepted the next highest bid should be reported to the Excise Commissioner along with reasons for not accepting the highest bid. The Excise Commissioner may either accept the next highest bid or order re-auction.(6)The final acceptance of any bid is subject to the sanction of the Excise Commissioner which in its turn subject to the decision of the State Government in appeal or revision, if any.(7)Every person bidding will be held to his bid whether it be highest or not and all such bids shall remain valid till the final decision of the Excise Commissioner or for a period of sixty days whichever is earlier.(8)A sum equal to one-fourth of the bid offered by the highest bidder shall be paid in advance as security for due performance of the contract out of which two-third shall be paid immediately on the fall of the hammer in cash. If the Collector recommends the second highest bid for sanction by the Excise Commissioner, the second highest bidder will also be required to deposit the security amount as mentioned above.(9)The balance one-third amount of the security shall be paid by the auction-purchaser within ten days of the auction either in cash or in Fixed Deposit receipts obtained from a Scheduled Bank for the period of licence duly pledged to the Collector or in the form of Bank guarantee valid till the final settlement of all claims and dues of the Government in respect of the auctioned shop.(10)The licence fees shall be payable in such equal instalments as are specified in the licence. In case the payment of due instalment is not made by 20th day of the month the same shall be recovered from the security deposit of the licensee.The licensee will have to make good the shortfall in the security deposit within ten days of the receipt of notice of such recovery. Any failure to make good the shortfall will render the licence liable to re-auction at the risk of the licensee and any shortfall shall be recoverable from his remaining security and the balance, if any, shall be recovered from him as arrears of land revenue. If a licensee is in arrears of licence fee he shall not be issued intoxicant for sale for which he holds licence.(11)In case of default to pay the security to pay the security deposit as mentioned in sub-rules (8) to (10) within the time specified the auction and in case a licence has been issued the licence shall stand cancelled and the deposit, if any, shall be forfeited to the Government. Re-auction or alternative arrangements shall be made at the risk of the original auction-purchaser. All monetary losses resulting from re-auction or alternative arrangement or from the licence remaining unsold for want of bidders shall be recoverable from the original auction purchaser as arrears of land revenue.(12)The security mentioned in sub-rule (8) above, unless it is forfeited, shall be refunded at the end of the year.All interest accruing on fixed deposit receipts shall vest in the Government and may be adjusted towards the Government dues against the auction-purchaser.(13)Every bidder in whose favour the licence is settled shall execute a counterpart

agreement in conformity with the terms of the licence on a Stamp Paper of the specified value before a licence in respect of shops settled in his favour is granted. The counterpart agreement shall come into force with effect from 1st April of the year to which auction relates and if the licence executes the counterpart agreement or takes a licence after the said date, it shall be deemed to have come into force on 1st April unless the licensing authority otherwise directs.(14)The licence in favour of an auction purchaser shall be effective from 1st April of the year unless the licensing authority otherwise directs. The auction-purchaser shall be responsible to pay the licence fees from such date although he may not have actually received the licence.(15)A bidder from another district in whose favour a licence is to be granted, shall, besides the security referred to above, also furnish within ten days of the date of auction, a surety bond executed by a respectable resident of the district where the licence is granted for the amount of the licence fee and for due performance of the conditions of the licence. In case of bidders from outside the State two such sureties from the district where the licence is granted shall be necessary. The sureties shall be to the satisfaction of the licensing authority. No shop shall be allowed to be open by the licensing authority unless the required surety bond has been furnished. If the required surety bond is not produced within the time allowed the licence shall be re-auctioned at the risk of the auction-purchaser and any loss to the State Government shall be recoverable from him as arrears of land revenue.(7)(1) The auction shall be held at the headquarters of the district and shall be presided over by the Collector. In cases where the Collector for unavoidable reasons cannot personally preside over the auctions he may authorise an Additional Collector or District Excise Officer to preside over the same. The bids received by the Additional Collector or District Excise Officer shall be subject to confirmation by the Collector. The Collector may, in the like manner, also authorise a Sub-Divisional Officer to conduct the auction of his Sub-Division or a part of his Sub-Division.(2)The auction sales shall be attended by the Excise Inspectors on Preventive Duty and by Tahsildars who will assist the Officer conducting the auction in securing adequate bids and in eliminating bidders of unsatisfactory character or doubtful solvency.(3)The licence shall ordinarily be auctioned shop-wise. In case of country spirit and bhang, however, the shops may be auctioned in such groups as may be decided by the Officer conducting the sales. No group shall, however, be formed except for the shops of one Tahsil.(4)The Officer conducting the sales may withdraw any licence or licences from the auction before the auction is commenced under instructions of the Excise Commissioner along with reasons for such action.(5)(a)As a rule bids should not be taken in amounts smaller than multiples of Rs. 5 up to Rs. 100 in multiples of Rs. 10 from Rs. 100 to Rs. 300 in multiples of Rs. 25 to Rs. 300 to Rs. 500 in multiplier of Rs. 50 from Rs. 500 to Rs. 1,000 and in multiples of Rs. 100 from Rs. 1,000 to Rs. 10,000. All bids above Rs. ten thousand should be in even sums of Rs. 1,000.(b)Where no reason to the contrary exists, the highest bid, if adequate, should be accepted. But this provision is subject to two important considerations. Firstly, care should be taken to exclude bids obviously in excess of fair market value of the licence or farm or which are the results of speculation or rivalry. The acceptance of such bids, even if the bidders fulfil their engagement, is immediately injurious to the interests of the consumer and ultimately to the Excise revenue. This precaution is particularly necessary in the case of farming contracts which are worked by means of sub-settlements made by the farmer. Secondly, it is necessary to guard against the acceptance of bids which may have the effect of constituting an overt or covert monopoly and against the acceptance of licence-holders of undesirable persons of doubtful solvency. No person whose name appears upon the district of State defaulter's list shall be allowed to bid.(c)The officer conducting the sales shall record the name of

each person making a bid and the amounts of his bids.(d)The signature of the highest bidder and the next two lower bidders shall be taken on the bid sheet.(e)At the time of sale the persons accepted as auction-purchaser shall be required to sign his name or affix his thumb-impression against the relevant entry of the licence in record C-14 it being explained at that time that the deposit paid in advance will be returned in the event of the licence being subsequently refused. The final bid-accepted shall invariably be recorded with his own hand by the officer conducting the sales.(6)The Treasurer of the district or one of his recognised assistants, shall be required to attend the sales to receive the advance fees paid by bidders provisionally accepted. All sums received by the Treasurer or his assistant up to 2.00 p.m. must be credited in that day's account and the amounts paid subsequently on the same day should be kept in sealed bags in the treasury and brought to account the next day. At the close of each day's sales the District Excise Officer shall satisfy himself in personal communication with the Treasury Officer, that the remittances to and the receipts in the Treasury on account of that day agree. A person whose bid has been provisionally accepted by the Collector shall be granted a receipt in Form G-19.(7)When advance security deposits are provisionally received from two or more rival bidders or when they are received in cases requiring further consideration or reference to higher authority, such advances should be held in revenue deposit and not finally credited to Government. When a final decision is arrived at, the amount so held in deposit shall be at once credited or refunded, as the case may be. The officer conducting the sales should intimate to the Treasury Officer the name of the depositors and the amounts of their advance security payments which are to be held in deposit under this paragraph.(8)(a)If any person whose bid has been accepted at the auction fails to furnish the requisite security deposit or fails to complete within stipulated time the required formalities, the Collector may sell the contract immediately or on any subsequent date fixed by him.(b)The defaulting purchaser shall be debarred from bidding for the same or any other licence within the period of 5 years from the date of default and may with the prior sanction of the Collector be prosecuted under Section 185 of the Indian Penal Code but in every case the defaulter shall be called upon to show-cause why he should not be prosecuted for the said offence before he is actually prosecuted thereunder. A consolidated list of defaulting purchasers alongwith their addresses, debarred under the sub-rule from participating in auction, shall be circulated by Excise Commissioner to all the Collector before the date of auction every year.(9)Where no reason to the contrary exists, the highest bid, if adequate, should be accepted. The officer conducting the sales shall, however, record the reasons for not accepting the highest bid if he accepts the second highest bid. All such bids shall, however, be reported to the Excise Commissioner's decision whether a bid is adequate or not, shall be final.(10)When after due weight has given to the foregoing considerations, a bid has been finally or provisionally accepted at an auction, no subsequent offers in respect of the same engagement should be considered. The practice of nominally accepting a bid at the auction and then negotiating privately with other competitors for higher offers is legally indefensible and in all respects objectionable. If an adequate price is offered by the highest suitable bidder it should be accepted otherwise the licence should be withdrawn for resale at a subsequent date or for settlement by tender. Competitors must be given to understand that when a bid is once accepted the matter cannot be accepted, reopened and that they must be prepared to go to the full extent they propose to offer before that close of the auction.(11)A list of all sanctioned shops of which it has not been found possible to effect a settlement should be submitted in Form G-33 for orders to the Excise Commissioner by April 1 each year with a brief statement of the action proposed in each case.(12)Whenever for any reason it has not been possible

to settle any licence by auction by 1st April it shall be open to the Collector to settle the shop provisionally by calling tenders till it is finally settled by auction.(13)A statement of all the settled shops in Form G-12 or G-13, as applicable shall be sent to the Excise Commissioner immediately after the auction for final acceptance.

### **369. Dates for settlement.**

- Settlement shall ordinarily be made between such dates as may be published by the Excise Commissioner in the sale proclamation in Form G-35A, G-35B or G-35C as the case may be, which will be issued by the Excise Commissioner after consulting District Officers.

### **370. Sale proclamation.**

- The sale proclamation will announce the dates of sales for all districts concerned. These will be so fixed as to avoid, as far as possible, the clashing of dates in neighbouring districts and to allow competitors unsuccessful in one district sufficient time to appear and bid at the sales in adjacent districts. Note. - As an alternative to paragraphs 369 and 370, the Excise Commissioner may direct that sales may be held on such dates as may be fixed by the Collector in consultation with Collectors of neighbouring districts.

### **371. Date fixed to be followed as far as possible.**

- Collectors must give timely and effective publicity to the dates of sales and must make every effort to adhere to the published dates. Any change in the date fixed, unless notified well in advance and with full publicity, will result in failure to secure proper attendance. It is better to proceed with the sale on the dates appointed, leaving any unsold shops to be settled at a subsequent sale or as opportunity offers than to postpone the sales generally. Should a general postponement become necessary for any reason immediate intimation should be given to the Excise Commissioner with a brief statement of the reasons for the step and the revised dates fixed. No dates should be fixed for a postponed sale which will not permit of the reports of such sale reaching the Excise Commissioner by March 15 in the case of country spirit or bhang and by September 15 in the case of tari. This does not apply to the settlement of isolated shops for which no bids, or inadequate bids, have been made at the regular sales; these may be disposed of subsequently.

### **372. Lists of shops to be published before date of auction.**

- Lists of licences to be disposed of shall be prepared and exhibited, both at the time of the auction and for some time before, at the Collector's office. No shops other than those thus specified, shall except under very special circumstance, be auctioned.[373. General conditions as to auction. - The following conditions shall apply to all sales under the auction system and will be interested at the foot of the sale proclamation if such proclamation is added by the Excise Commissioner : (1) The officer conducting the sales is not bound to accept the highest or any bid. In any case when the highest or any bid is not proposed to be accepted the next highest bid should also be reported to the

Excise Commissioner.(2)The final acceptance of any bid is subject to the sanction of the Excise Commissioner which in its turn, is subject to decision by the Government in appeal or revision, if any.(3)Every persons bidding will be held to his bid, whether it be highest or not.(4)No person will be allowed to bid at any auction on behalf of another person unless he holds a written authority properly stamped from such other person to do so, or such other person is present at the auction and ratifies the bid made on his behalf. The fact that a bid has been made on behalf of another person shall be noted in the sale list, and if it be finally accepted, the principal will be held responsible for the amount of bid.(5)[ (a) No person shall be allowed to bid at the auction sale of a district unless he produces a solvency certificate in Form G-39, granted by the Tahsildar of the Tahsil in which he resides.(b)Any intending bidder shall apply well in advance before excise sale to the Tahsildar of the Tahsil in which he resides for granting the solvency certificate and shall state in his application the accurate details of his property (movable or immovable) with sufficient particulars of the encumbrance on them, if any. He shall attach with his application, three copies of his latest photograph duly attested by an officer not below the rank of an Additional District Magistrate/ Additional Collector and the certificates mentioned in Form G-39.(c)The Tahsildar shall ascertain if the required certificate have been attached with the application and shall verify after careful enquiry whether the statement of the applicant is true. If found to be true, he may grant a certificate in duplicate and fill in the amount for which the applicant is solvent. It shall be counter-signed by the Additional District Magistrate/Additional Collector who shall satisfy himself that the particulars given in the certificate are correct. Solvency certificate shall contain the attested photograph of the applicant.(d)The intending bidder shall if assessed to income-tax produce along with the solvency certificate, also a certificate to the effect that he is an income-tax payer, from the Income Tax Department under the hand and seal of a competent officer who is empowered to issue such a certificate.](6)A sum of equal to one-sixth of the annual fees in the case of country spirit shops and a sum equal to one-fourth of the annual licence fees in the case of foreign liquor shops shall be payable immediately on the conclusion of the sales for the day, and the balance by such instalments as are specified in the licence to be granted. If default be made in the payment of the advance instalment, the shop or farm will be re-sold, and if the price finally offered at the re-sale be less than that bid at the first sale, the difference will be recovered from the defaulter through a civil suit.Note. - In case of Tari shops sold under the auction-cum-trees tax system, a lum equal to 1 /12th of the total bid shall be payable immediately on the conclusion of the sale for the day. The other 1/12th on account of advance shall be paid by he bidder immediately after the final settlement of the shop, but not later than September, 30.(7)In tracts in which the out-still system is in force, the liquor shall be coloured red with sandalwood (lal chandan) the colouring being effected in the process of distillation by placing a bag of sandalwood shaving in the receiver. No liquor not so coloured shall be manufactured or sold in tracts under this system.]

### **374. General rules for conducting sales.**

- The following general rules for conducting excise sales are to be followed :(1)The statement shall ordinarily be held at the district headquarters. In special cases the Collector may, with the previous sanction of the Excise Commissioner, authorise a Sub-divisional Officer to make the settlement of his sub-division, or of a specified portion thereof, at the headquarters of the sub-division or in the neighbourhood to which the contracts to be settled relate.(2)The sales shall be held by the Collector



or by the District Excise Officer under his superintendence. The sales should be attached by the Excise Inspector or Preventive duty, and if the Collector consider it necessary by Tahsildars in the district with the object of assisting the officer conducting the sales in securing adequate bids, in defeating combinations, and in eliminating bidders of unsatisfactory character or doubtful solvency.(3)The Assistant Excise Commissioner of the charge shall invariably be invited to attend the sales and the officer presiding at the sales shall consult and seek the advice of the Assistant Excise Commissioner in all matters relating to the general conduct of auctions, acceptance of bids and settlements of shop.(4)Before the sales for the day commence the general conditions governing the sale (paragraph 373) shall be read out and explained to all present, so that the competitors may clearly understand the conditions on which they bid. The general conditions governing retail vends and the special conditions governing each class of licence shall also be read out in public before the sales to which they apply. Information should be freely given in all matters effecting the value of contracts about to be sold. When licences under Section 24 of the Act for this exclusive privilege of selling tari are put up to auction, a list of the shops permitted under such licences should be publicly announced at the sale.(5)A settlement record (in Form G-14) of all licences to be sold under each branch of excise shall be prepared before the date fixed for the sale.(6)(i)The officer conducting the sales shall record the name of each person making a bid and the amount of bid.(ii)Signature of the highest bidder and the next two lower bidders shall also be taken on the bid sheet, whether such persons have been accepted as auction-purchasers or not. At the time of the sale the person accepted as the auction-purchaser shall be required to sign his name or affix his mark against the relevant entry of the licence in Record G-14, it being explained at the time that the deposit paid in advance will be returned in the event of the licence being subsequently refused. The final bid accepted shall invariably be recorded with his own hand by the officer conducting the sales.(7)The treasurer of the district, or one of his recognised assistants, shall be required to attend the sales to receive the advance fees paid by bidders provisionally accepted. All sums received by the treasurer or his assistant up to 2 p.m. must be credited in that day's account and the amounts paid subsequently on the same day should be kept in sealed bags in the treasury and brought to account next day. At the close of each day's sales the District Excise Officer shall satisfy himself, in personal communication with the Treasury Officer, that the remittances to, and the receipts in the treasury on account of that day agree. A person whose bid has been provisionally accepted by the Collector shall be granted a receipt in Form G-19.(8)When advance deposits are provisionally received from two or more rival bidders, or when they are received in cases requiring further consideration or reference to higher authority, such advances should be held in revenue deposit and not finally credited to Government. When a final decision is arrived at, the amounts so held in deposit should be at once credited or refunded, as the case may be. The officer conducting the sale should intimate to the Treasury Officer the names of the depositors, and the amount of their advance payments which are to be held in deposit under this paragraph.(9)All advance deposits are payable on the fall of the hammer, or, at latest, immediately on conclusion of the sales for the day. The deposit shall ordinarily be in cash, but Collectors may accept Government promissory notes and (with the sanction of the Excise Commissioner) valuable securities of a similar class.(10)If any person whose bid has been accepted at auction fails to make the advance deposit or if he withdraws from the bid, the Collector may sell the contract immediately or on any subsequent date fixed by him. The defaulting purchaser shall be debarred from bidding for the same or any other licence, within a period of one year from the date of default and may, with the prior sanction of the Collector be prosecuted under Section 185 of the

Indian Penal Code, but in every case the defaulter shall be called upon to show cause why he should not be prosecuted for the said offence, before he is actually prosecuted thereunder.(11)Each licence should ordinarily be put up to separate competition.As a rule bids should not be taken in amounts smaller than multiples of Rs. 50 to Rs. 100; in multiples of Rs. 10 from Rs. 100 to 300; in multiples of Rs. 25 from Rs. 300 to Rs. 500; in multiples of Rs. 50 from Rs. 500 to Rs. 1,000 and in multiples of Rs. 100 from Rs. 1,000 to Rs. 2,000. All bids above Rs. 2,000 should be in even sums of Rs. 200. Where no reason to the contrary exists, the highest bid, if adequate, should be accepted. But this provision is subject to two important considerations. Firstly, care should be taken to exclude bids obviously in excess of fair market-value of the licence or farm or which are the result of speculation or rivalry. The acceptance of such bids, even if the bidders fulfil their engagements, is immediately injurious to the interest of the consumer, and ultimately to the excise revenue. This precaution is particularly necessary in the case of farming contracts which are worked by means of sub-settlement made by the farmer. Secondly, it is necessary to guard against the acceptance of bids which may have the effect of constituting an overt or covert monopoly, and against the acceptance as licence-holders of undesirable person or persons of doubtful solvency. No person whose name appears upon the district or State defaulter's list should be allowed to bid.(12)When, after due weight has been given to the foregoing considerations, a bid has been finally or provisionally accepted at an auction, no subsequent offers in respect of the same engagement should be considered. The practice of nominally accepting a bid made at auction and then negotiating privately with other competitors for higher offers is legally indefensible, and in all respects objectionable. If an adequate price is offered by the highest suitable bidder, it should be accepted, otherwise the lot should be withdrawn for re-sale at a subsequent date or for settlement by tender. Competitors must be given to understand that when a bid is once accepted the matter cannot be reopened, and that they must be prepared to go to the full extent they propose to offer before the close of the auction.(13)A list of all sanctioned shops, of which it has not been found possible to effect settlement, should be submitted in Form G-33 for orders to the Excise Commissioner by April 1, each year, with a brief statement of the auction proposed in each case.

### **375. Procedure on re-sale, re-settlement of shops.**

- In the case of re-sale of any licence settled by auction within the currency of a settlement for a period not exceeding one year the Collector is authorized to effect the settlement without further reference, but the change should be immediately reported to the Excise Commissioner for note in the list of shops maintained in his Office.

### **376. Licences and leases personal to holders.**

- All licences granted under the auction system are personal to the licensee in whose favour they are granted. In the event of a licensee's death the Collector may continue the licence on the same terms to the approved representative of the deceased on the condition that any arrear due from the deceased licensee are recovered before the licence is so transferred.III-Other Systems

### **377. Tari shops under the tree-tax system.**

(1) Licensees for Tari shops under the tree-tax system or selected in any one of the following manners : (a) By inviting tenders in Form G-28-A in areas where the Tender-cum-Tree Tax system is in force. The settlement of tari shops under this system is made in accordance with the U. P. Settlement of Tari Shops (Tender-cum-Tree-Tax or Auction-cum-Tree-Tax) Rules, 1955, given in Chapter VII. (b) By putting the shops to auction in areas where the Auction-cum-Tree-Tax System is in force, and settling the same with the highest bidders (if otherwise not disqualified) in accordance with the rules mentioned in sub-clause (a) supra. (c) By inviting application in Form G-28 in areas where, neither of the two systems mentioned in clauses (a) and (b) above, is in force. The selection is made in accordance with rules governing the settlement of shops under the Graduated Surcharge system. (2) Settlements are made for individual shops and licences are granted for one year commencing from October 1. (3) A settlement report shall be submitted to the Excise Commissioner on or before September 15, together with statements in Form G-II or G-II-A, as the case may be. (4) Licence fees are levied in the form of a fixed surcharge per tree realized at the time the tree-tax is deposited. (5) Paragraphs, 361 and 362 shall apply, as far as may be, to the class of licences granted under clauses (1) (c), supra.

### **378. Foreign liquor shops under the surcharge system.**

(1) The fee for the following classes of foreign liquor licences are assessed on the sales of the preceding year in accordance with the scale of surcharge applicable to each licence, subject to a maximum or minimum in certain cases : (a) Wholesale licences in Forms F.L. 1 and 2; (b) Retail licences in Forms F.L. 4 and 5; (c) Hotel and dak bungalow licence in Form F.L. 6; (d) Restaurant or hotel bar licence in Form F.L. 7; (e) Railway refreshment room or dining car licence in Form P.L. 8. (2) In the case of licence granted in connection with the grant of contracts under the military canteen system (Forms F.L. 9 and F.L. 9-A), the licence fee is levied, monthly in advance, on the basis of sales made in the preceding month. (3) Whenever it is proposed to issue a new licence in Form F.L. 2, F.L. 4, F.L. 5 or F.L. 7, the Collector shall forward his recommendations to the Excise Commissioner. In doing so he shall obtain the view's of the Assistant Excise Commissioner of the charge in respect of these licences. On receipt of Excise Commissioner's sanction, the licensee shall be selected by the Collector, in the case of retail licences, in accordance with U.P. Licensing under the Surcharge Fee System Rules, 1968 after inviting applications. In the case of F.L. 2 wholesale licences the licensee shall be selected by the Collector after inviting applications. (4) The grant of Hotel licences in Form F.L. 6 is regulated by para 647 of this Manual. On receipt of Excise Commissioner's sanction the licence may be granted to the lessee/proprietor of the hotel recommended by the Collector. Notes. - (1) Grant of licences in Form F.L. 6 has been discontinued with effect from April 1, 1949 under orders from the Government. (2) In the cases of grant of new licences in any of the Form F.L. 2, F.L. 4, F.L. 5, F.L. 6 and F.L. 7 or whenever any existing licence of any of the above categories is vacated (including the mutation of names) and its continuance and settlement with some other party is considered necessary, the case should be first referred to the State Government with full justification for the same for their approval. After receipt of Government's approval further action may be taken for the selection of the personal of the said licences strictly in accordance with the rules on the subject.

### **379. Foreign liquor shops under the fixed fee system.**

- The fixed fee system is applied to the following classes on licences for the vend of foreign liquor : (a) Auctioner's licence in Form F.L. 10; (b) Occasional licence in Form F.L. 11; (c) Cinema and theatre bar licence in Form F.L. 12; (d) Licence for sale of rectified spirit by chemists in Form F.L. 14; (e) Licence for sale of medicated wines in Form F.L. 15; (f) Licence for the wholesale vend of denatured spirit in Form F.L.

### **16.**

; and (g) Licence for the retail vend of denatured spirit in Form F.L. 17. Licences are granted by the Collector in all cases except cinema and theatre bar licence which should be granted with the previous sanction of the Excise Commissioner. The full prescribed fees should be levied in advance. But in the case of new licences granted during the course of a year the fees may be reduced by the Excise Commissioner, having regard to the portion of the period of currency of the licence which has already elapsed. Notes. - (1) Grant of cinema and theatre bar licence in Form F.L. 12, has been discontinued with effect from April 1, 1947. In the case of grant of a new licence in any of the Form F.L. 16 or F.L. 17 or whenever an existing licence, any of these categories is vacated (including the cases of mutation of names) and in continuance and settlement with some other party is considered necessary, the case should be first referred to the State Government, with full justification for the same, for their approval. After receipt of Governor's approval further action may be taken for the selection of the personnel of the sold licences strictly in accordance with the rules on the subject : Provided that in the case of grant of a new licence in Form F.L. 16 and F.L. 17 in a 'wet' district and provided the particular case as within the number of licence of that category allotted for the district the Excise Commissioner may sanction the grant without reference to the Government. The Collector may take further necessary action in the matter.

### **380. Other licences under the fixed fee system.**

- The fixed fee system is also applied, in the case of country liquor to- (a) licences granted to Tahsil of Gonda and Bahraich Districts for the production, for domestic consumption, of a liquor distilled from rice; (b) licences granted to persons residing in Khatima, Sittargunj, Kichha and Bazpur Tahsil of the Naini Tal District for the manufacture of pachwai or rice beer for domestic consumption and not for sale; licence granted to Bhotias residing in the Haldwani and Ramnagar Tahsil of the Naini Tal District during the months of November to March every year; (c) licences granted to persons residing in Marcha Parao in the parganas of Dasoli and Nagpur of the Garhwal District for the period November to March and Marcha families living in villages Ramni Pattimalla Dasoli, Bhauj, Talla Kalifat, Semala, Malla Laifar, Ghumni Patti and Malla Dasoli of Garhwal district for the whole year for the manufacture of Pachwai or Jan for domestic consumption and not for sale. U.P. Excise (Licensing Under The Surcharge Fee System) (First Amendment) Rules, 1976

### 381. Short title and commencement.

(1)(i) These rules shall be called the Uttar Pradesh Excise (Licensing under the Surcharge Fee System) First Amendment Rules, 1976. (ii) They shall come into force with effect from the date of their publication in the Gazette. (2) [ (a) The following procedure shall apply for the settlement of licences other than F.L. 7-A (Beer Bar) licences : ] [Substituted by Notification No. 10757, dated March 10, 1976.] (i) Whenever a new licence is proposed to be granted under the surcharge fee system, the Collector shall invite applications for the purpose after giving publicity at the offices of the [Zila Parishad] [ Now 'Zila Panchayat' vide U. P. Act No. 9 of 1994.], [Nagar Mahapalika or the Nagar Palika] [Now 'Municipal Corporation' vide U. P. Act No. 12 of 1994.], the Collector's office, the office of the Deputy Assistant Excise Commissioner and in such other manner as is considered reasonable by the Collector. (ii) A List of shops for the retail vend of excisable articles for which the Collector proposes to select licensees shall be exhibited at the Collector's office. (iii) Applications for the grant of a licence shall be in Form G-28 (as annexed to the rules) and shall be addressed to the District Excise Officer. Note. - (1) The last date to be fixed for the receipt of applications shall not be earlier than fifteen days after the date of exhibition at the Collector's office of the invitation of the applications. (2) An application for grant of a licence shall be accompanied by a treasury receipt for twenty five rupees. Application not accompanied by such a treasury receipt shall not be considered. (iv) The District Excise Officer shall scrutinise all the applications received by him and draw up a list of applicants whom he considers suitable. In preparing the list he may make or cause to be made such inquiries as he may consider necessary and shall be guided by the principles laid down in Rule 3. He shall also prepare a second list containing the names of those applicants whose names have not been included in the list of suitable candidates and record against each name his reasons for omitting it from the first list. Both these lists shall be forwarded by him to the Deputy Assistant Excise Commissioner concerned. The Deputy Assistant Excise Commissioner shall forward these lists to the Collector after recording his view in regard to the suitability of each of the applicants. The Collector may then make or cause to be made such further inquiries as he considers necessary, and may, for reasons to be recorded, grant the licence to any applicant whom he considers suitable having regard to the principles laid down in Rule 3. (b) The following procedure shall apply for the settlement of F.L. 7-A (Beer bar) licences. Any person who is eligible under Rule 3(1) of these rules may apply to the District Excise Officer in Form G-28 for a licence of the above category. The District Excise Officer may make or cause to be made such enquiries as he may consider necessary, and shall forward the case to the Assistant/Deputy Excise Commissioner who will record his views before forwarding the case to the Collector. The Collector may after such enquiry as he may further consider necessary after taking into consideration the principles laid down in Rule 3, grant a licence to the applicant, if found suitable at a location fixed by him. Note. - An application for grant of a licence shall be accompanied by a treasury receipt for twenty five rupees, Applications not accompanied by such a treasury receipt shall not be considered. (3) [ The following general principles are laid down for the selection of licensees : ] [Substituted by Notification No. 1174-E-I/XIII 405-84, dated 24th March, 1986, published in U.P. Gazette, Part 4 (ka), dated 24th March, 1986.] (1) The person eligible for the licence shall be - (i) Persons who pay a minimum of one hundred rupees as income-tax, wealth-tax or land revenue. (ii) Persons to the following categories who have the capacity to invest capital to the satisfaction of the Collector : (a) members of the family of such persons as has been filled in the wars fought for the nation after

independence.(b)Military personnel who have become invalid in the war fought for the nation after independence.(c)Members of Scheduled Castes/Scheduled Tribes;(d)Members of the family of freedom-fighters who are wholly dependent upon him;(e)Educated widow; or(f)Educated unemployed persons whose character has been verified by the Collector of the district to be good :Provided that for licences of tari shops under the surcharge system, only members of Pasi, Beldar, Bhar, Tarmali and other Scheduled Castes and Scheduled Tribes communities who are engaged in tapping the tari producing trees shall be eligible whether or not they fulfil the above conditions and licences to other persons shall be granted only if members of the said communities are not available.(2)Honesty and ability to supervise the shop personally are the principal qualifications of a licensee. Preference should generally be given to a local resident. Education alone is not sufficient nor does the possession of a large capital make a man suitable vendor. Capitalists who leave the work to managers and salesman should be excluded as far as possible.(3)As far as possible no licensee should be given more than one shop.(4)Partnership in shop shall be allowed only under the following conditions :(a)Where an existing licensee applies voluntarily to take a person into partnership and the Collector considers such person suitable to hold a licence and is further of opinion that the shop cannot be managed well by a single licensee added by one or more salesman, attempt of licensee to transfer their shops to their nominees under the cloak of partnership should be severely discountenanced. Ordinarily, a man who cannot devote enough time to his shop should be asked to resign instead of being allowed to take in a partner. Only if he cannot manage the shop in spite of devoting all his time, to it, should a partner be allowed.(b)Where at or before the time of making applications for shops two persons jointly apply for a licence in partnership, and the Collector finds both of them to be suitable persons for placing on the aforesaid list, their names shall be treated as one name only.(c)In no case shall more than two persons be permitted to hold a licence jointly.

**4. The Collector shall decide whether a licence for sale of any excisable article should be renewed or not. For this purpose, he shall examine the list of existing licensees in consultation with the Assistant Excise Commissioner every year. If he considers that the conduct of any licence has been suitable, he shall order the renewal of the licence. If the conduct of an existing licensee is reported to be unsuitable, the Collector shall call upon such licensee to show cause within a specified period why his licence should not be terminated and in doing so, shall inform him of the reasons for believing him to be unsuitable. The show-cause notice shall be served by registered post on the licensee. If, after considering the explanation, the Collector finds the licensee to be unsuitable he shall refuse to renew the licence and invite applications and select a new licensee in accordance with these rules.**

Section XXXIII-Licensing Boards and Advisory Committees (a) Licensing BoardsNote. - Rules relating to constitution of Licensing Boards cancelled vide Government Notification No. 6355 (4)-E/XIII-521-67, dated March 25, 1968.(b)Excise Advisory CommitteesNote. - Rules relating to constitution of Excise Advisory Committees cancelled vide Government Notification No. 6355

(2)-E/XIII-521-67, dated March 25, 1968.

## Chapter VII

### Rules Relating to Country Liquor

Section XXXIV-System of supply

#### 415.

The systems of supply in Uttar Pradesh are :System of Supply

Kind of country liquor      System of supply

1

2

(1) Country spirit

(1) The contract supply system; and  
(2) The outstill system (in out-lying areas only).

(2) Tari

(1) The tree tax system;  
(2) The auction-cum-tree tax system;  
(3) The tender-cum-tree tax system;  
(4) The farming system; and  
(5) The shop-to-shop system.

Contract supply system (country spirit)

#### 416. Description of contract supply system.

- The contract supply system denotes the system under which the exclusive privilege of supplying country spirit at a fixed price to a particular tract is granted for a certain period to a particular firm of distillers.

#### 417. Contractors how selected.

- The firm is selected in the following manner. Tenders in Forms C. L. 23 are invited by the Excise Commissioner vide notice in Form C. L. 22 for the rates at which the different categories of spirit will be supplied at all specified bonded warehouses and wholesale depot in the area indicated. These tenders are submitted for the orders of Government. The contract will ordinarily be awarded to the firm tendering at the lowest rates but full powers is reserved to accept such tender as may be deemed best in public interest, and to reject any of those received without reasons being assigned. No payment is required for the exclusive right of supply, the object being to secure to the retail vendors a supply of good spirit at a cheap and fixed rate spirit may be supplied from any distillery, whether situated within the State or outside. The detailed conditions of the contract are given in the notice in Form C. L. 22 calling for tenders and in the Form of licence C. L. 1.

#### **418. Condition of the contract.**

- The contractor is bound to sell spirit to licensed vendors at all the bonded warehouses and wholesale depots, if any, in his contract area, at such strengths as may be prescribed, and at the price fixed per bulk gallon on spirit of specified strength. The selling price does not include the duty, which Government is at liberty to vary at any time during the contract.

#### **419. Interest of supplier in retail vend of country liquor forbidden.**

- The contract supplier of country spirit and if the supply contractor be a corporation or a company registered or otherwise, every member or shareholder of it, for the time being, is not permitted to hold any interest in the retail vend of country spirit or tari within the area of his contract. Section XXXV-Import, Export, Transport and Possession of Country Spirit(A)Import

#### **420. Import of country spirit.**

- Country spirit may be imported only-(a)with the permission of the Excise Commissioner,(b)under a bond for payment of duty in Uttar Pradesh, and(c)by person to whom an exclusive privilege for the supply of such spirit has been granted under Section 24 of the United Provinces Excise Act.

#### **421. Import also to be subject to rules in exporting State.**

- The import shall also be subject to such rules as may be in force in the State or district from which the spirit is to be imported.

#### **422. Permission of Excise Commissioner necessary.**

- The importer shall obtain a general or special permission from the Excise Commissioner to import country spirit from a distillery or bonded warehouses in another State or Union Territory. The subsequent procedure shall be that prescribed by the authorities of the State, Union Territory or district in which the distillery or the bonded warehouses is situated.

#### **423. Quality and strength of spirit.**

- The spirit imported shall be of the quality and strength specified in the terms of the contract.

#### **424. Casks in which spirit is to be imported to be marked.**

- On each cask or other vessel containing spirit there shall be legibly painted the -(1)name of the exporting distillery or warehouse,(2)number of the cask or drum,(3)quantity and strength of spirit contained in the cask, and(4)capacity of the cask.



#### **425. Consignment to be accompanied by pass and despatch account.**

-Each consignment shall be accompanied by a pass and a despatch account in Form P. D. 26. The particulars noted on each cask shall correspond with the entries in the pass.

#### **426. Verification of consignment on arrival.**

- On arrival of the consignment at the warehouses the Inspector in-charge shall follow the procedure prescribed for receipt of spirit into a warehouse in paragraphs 470 to 474.

#### **427. Import otherwise than under rules prohibited.**

- Save as provided for in the foregoing rules the import of country spirit into Uttar Pradesh is prohibited.(B)Export(a)General

#### **428. Export duty.**

- A manufacture on export duty of rupee one and paise seventy five per litre of alcohol, shall be levied on all country spirit exported to any State or Union Territory in India from any distillery or bonded warehouses in Uttar Pradesh.How export is levied. - The export duty will be levied by prepayment at the district treasury of the district or export before the spirit is exported from the distillery or bonded warehouse.

#### **430. Export pass not to be issued till export duty has been paid.**

- NoEass covering the export of any such consignment shall be issued by the district Officer or any Excise Officer of the district of export until the duty above referred to has been paid.(b)Under Bond

#### **431.**

The export of country spirit under bond is permitted from any distillery in Uttar Pradesh to any State or Union Territory in India.

#### **432. Exporter to present application to Collector.**

- When any person desires to export country spirit in bond to any State or Union Territory in India he shall present a written application in Form P. D. 18 to the Collector of the District in which the distillery of manufacture is situated.The application must specify-(1)the name of the consignor;(2)the name of the consignee;(3)the description, quantity and strength of the spirit to be exported.

### **433.**

Every application must be accompanied by, - (1) a permit from the Collector, Deputy Commissioner or any other officer, specially appointed in this behalf of the district of the importing State or Union Territory to which the country spirit is to be exported authorising the import of the country spirit; (2) a duly executed special bond in Form P. D. 16 or a reference to a general bond in Form P. D. 15; (3) a treasury receipt in proof of payment of the export duty; and (4) in the case of spirit in transit having to pass through another State, the prior consent of the Government of that State or Union Territory to the passing through of the spirit. The fact that this consent has been obtained, shall be incorporated in the import permit.

### **434. Certificate required that State Officer is qualified to gauge and prove the spirit on receipt.**

- The authority to import shall have endorsed on it a certificate signed by the Excise Authority or the person authorised in this behalf to the effect that the officer-in-charge of the State or Union Territory bonded warehouse is qualified to gauge and prove the spirit on receipt, and that proper arrangements have been made to see that this is done. In the case of the spirit in transit having to pass through another State or Union Territory the prior consent of the Government of the State or Union Territory to the passing through of the spirit will be required, and the fact that this consent has been obtained should be added to the certificate.

### **435.**

The pass granted by the Collector of the importing district shall be in triplicate in Form P. D. 25. One copy of the pass shall be delivered to the exporter, the second copy shall be forwarded to the Collector, Deputy Commissioner or any other officer, specially appointed in this behalf (this will usually be the officer-in-charge of the warehouse to which the spirit is to be conveyed), of the district to which the spirit is to be taken, and the third retained for record. Within a reasonable time to be fixed by the Collector of the exporting district and specified in the bond or pass, the importer shall produce before the Collector of the exporting district his copy of the pass endorsed, with a certificate signed by the Chief Excise Authority of the importing State or Union Territory certifying the due arrival or otherwise of the spirit at its destination.

### **436. Particulars to be marked on casks.**

- On each cask or drum containing spirit for export there shall be legibly cut or printed - (i) the name and mark of the exporting distillery; (ii) the number of the cask or other vessel and its capacity; and (iii) the nature, quantity and strength of its contents. These particulars shall correspond with those entered in the pass.

#### **437. Collector of exporting district may grant extension of time.**

- On a written application being made to the Collector of the exporting district establishing sufficient cause for the grant of an extension of time, or on the production before him of a certificate from the Collector, Deputy Commissioner, or other officer, specially appointed in this behalf of the importing State or Union Territory to the effect that there are good and sufficient reasons for extending the currency of the pass or bond, it shall be competent for the Collector of the exporting district, if he thinks fit, to extend the time, specified in the pass or bond for due arrival of the spirit at its destination.

#### **438. Bond to be discharged on return of pass and production of certificate.**

- In the case of spirit exported under special bond the Collector of the exporting district shall discharge the bond on receipt of the pass and certificate mentioned in paragraph 435, provided that none of the conditions of the bond have been infringed. The duty on consignment issued under a general bond shall be written off on receipt of the pass and certificate mentioned in paragraph 435, provided that none of the conditions of the bond are infringed.

#### **439. If certificate not produced within time or conditions of bond infringed penalty to be realized.**

- If the certificate be not received within the time mentioned in the bond or pass, or if on receipt of the certificate it appears that any of conditions of the bond have been infringed, the Collector of the exporting district shall forthwith take necessary steps to recover from the executant or his surety the penalty due under the bond.(C)Duty-Paid Country Spirit For Other States

#### **440.**

Duty-paid country spirit manufactured at any distillery in Uttar Pradesh may be exported to any State or Union Territory in India subject to the following conditions : (1) The exporter shall present an application for a pass to the Excise Inspector-in-charge of the distillery together with a permit to import granted by the Chief Excise Authority or by the person authorised in this behalf of the State or Union Territory of import. (2) The Excise Inspector may, therefore, grant a pass authorising the export of spirit on payment of duty at the rate mentioned in the permit and the export duty. A copy of the pass shall be sent to the Collector or Deputy Commissioner of the district of import. Notes. - (1) Such duty paid exports can be made to only those States or Union Territories with which reciprocal arrangements for refund of duty have been made between the Government of Uttar Pradesh and the States or Territory of Import. The State of Uttar Pradesh has such reciprocal arrangements with the States and Union Territories detailed below : (a) The States of Assam, Bihar, Maharashtra, Madhya Pradesh, Orissa, Punjab and West Bengal; (b) The Union Territory of Delhi (erstwhile Part C State of Delhi). (2) The duty, other than the export duty shall be remitted to the Government of the State or Union Territory of import by the Excise Commissioner by book transfer as soon as the claim for refund of duty is preferred by the State or Union Territory of import. (3) In

the case of export to these State or Union Territories from Rosa Distillery the permit may be granted by the Deputy Commissioner of the district into which the spirits is to be imported.(c)Transport of Country Spirit

#### **441. Transport.**

(1)The transport of country spirit in bond from one distillery to another or between distilleries and bonded warehouse is governed by the rules relating to export of such spirit in bond mutatis mutandis.(2)The transport of country spirit from distilleries and bonded warehouse to wholesale depots and wholesale and retail shop is regulated by the rules governing the issue of spirit from distilleries and bonded warehouse.(3)The transport of country spirit from wholesale depots and wholesale shops to retail shops is governed by rules relating to sales at such depots and wholesale shops.

#### **442. Restriction on transport.**

(1)Subject to the provisions of clause (2) infra, any person may transport country spirit in quantities not exceeding the limits of retail sale.(2)The transport of country spirit is prohibited in the following circumstances :(a)When manufactured in an outstill to any area in which the sale of distillery spirit is allowed.(b)When manufactured in a distillery to any area in which a higher duty is levied or for which a higher retail price is fixed if the special permission of Collector holding jurisdiction within such area has not been obtained to such transport :Provided that the above prohibition does not extend to country spirit passing through such area when duly protected by a pass and travelling by rail.(d)Possession

#### **443.**

(1)The possession of country liquor which has not been lawfully manufactured or obtained lawfully, in any quantity whatsoever, is prohibited throughout Uttar Pradesh.(2)The possession of country liquor in excess of the quantities, prescribed in paragraph 40 as the limit of sale by retail is prohibited by Section 20 of the Excise Act save under a permit.(3)Permits for possession in excess of limit of retail sale. - Persons requiring liquor in excess of the limit of retail sale must submit to the Collector or other officer duly empowered in this behalf (vide paragraph 58) an application bearing a court-fee stamp of the value of twenty-five naye paise stating-(1) the occasion which renders the purchase necessary, (2) the quantity required and the date on which it is to be purchased, (3) the liquor vendor from whom the purchase is to be made, and (4) the locality where the liquor is to be consumed. Such officer may grant a permit in Form G-30, one copy of which shall be presented at the shop, and after compliance returned by the vendor to the officer who granted it. The duplicate shall remain with consignment in its transit from the shop to the place of consumption, and then be returned by the holder to the officer who granted it.

#### **444.**

Within the limits of mahapalikas, municipalities, cantonments notified and town areas and area within five miles of all such area throughout the State, no person shall have any country or foreign liquor in his possession in the premises used as a restaurant, cafe, hotel, bar, or shop of aerated water, sharbat, chat or betel, or at any other place where edibles are sold or consumed, unless such place is licensed for the sale and consumption of country or foreign liquor or has been exempted under rule (5) or incorporated as paragraph 449 of the U.P. Restaurant (Consumption of Liquor) Rules, 1952. Note. - For the purpose of this rule, a restaurant, cafe, hotel, bar or place where edibles are sold or consumed, means any place or premises to which public are admitted for the consumption of food or drink in lieu of a consideration and included premises of aerated water, soda water, sharbat, betel and chat shops. (e) Exemption The U.P. Restaurant (Consumption Of Liquor) Rules, 1952 Section 'A'

#### **445. Short title.**

- These rules may be called the U.P. Restaurant (Consumption of Liquor) Rules, 1952.

#### **446. Definition.**

- In these rules unless the context otherwise requires-(a)'Country Liquor' or 'Foreign Liquor' means liquor as defined in Section (3) (ii) which the State Government has declared and classified as such under sub-sections (1) and (2) of Section 4 of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910) respectively;(b)'exempted' means any proprietor of a restaurant exempted under these Rules;(c)'exempted restaurant' means a restaurant which has been exempted under these rules;(d)'proprietor' means the proprietor of restaurant and includes any manager or occupier thereof;(e)'restaurant' means any place in which the public is admitted for consumption of food or drink for consideration and includes cafe, hotel, bars, aerated (soda water) or sharbat, betel or chat shops and any other place where 'edible' are sold;(f)'Act' means the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910); and (g)'Government' means the Government of Uttar Pradesh. Section 'B' Certificate of Exemption

#### **447.**

In addition to the restrictions created by sub-section(4) of Section 20 of the Act and whether or not the quantity is within the limit of private possession or within limits or retail sale as declared by the State Government under Section 6(1) of the Act, no person shall have any country liquor or foreign liquor in his possession except on the condition that it shall not be taken into or kept upon any premises used as a restaurant or in any of the places to which the provisions of Rule 414, supra have been applied or any other place in regard to which a similar notification may have been issued or may subsequently be issued by Government unless a certificate of exemption has been granted in respect of such premises and is in force.

**448.**

The number of exempted restaurants for the consumption of liquor in any particular area will be determined and fixed by Government after consultation with the Collector of the district and the Excise Commissioner, Uttar Pradesh, keeping in view the interest of prohibition and temperance.

**449.**

Subject to the other provisions of these rules, a certificate of exemption in Form G-41 of the Excise Manual, Volume II, and subject to such conditions as are contained therein or which may be added hereafter by the order of Excise Commissioner, may be issued by the Collector of the district concerned for a period not exceeding one year from April 1, to March 31, in respect of any premises to be specified therein not provided that Government may sanction shorter periods for such certificate.

**450.**

Certificates of exemption shall be granted as a matter of routine but after due scrutiny. They shall not be issued in respect of premises which are suspected of being visited by minors, students, bad characters, criminals or prostitutes.

**451.**

A certificate of exemption may be cancelled by the Collector at any time without assigning any reasons.

**452.**

A certificate shall not be utilized in respect of any premises other than those in respect of which it has been granted.

**453.**

Exempted premises shall at all times be open to inspection by all Excise officer of and above the rank of Excise Inspectors, Revenue Officers of and above the rank of Tahsildar or Police Officer of and above the rank of Station Officer.

**454.**

The presence of any quantity of country or foreign liquor within the premises of a restaurant, irrespective of the limit of individual possession, shall be sufficient to raise presumption under Section 71 of the Act, against the Proprietor or the Manager of the restaurant for illegal possession of such liquor and he shall be liable to punishment under Section 60 of the Act, unless the established

that due and reasonable precaution were exercised by him to prevent the presence of such 'liquor' in the premises of his restaurant.(f)Special Exemptions

#### **455. Special licences to Tharus, Bhutias, Jads and Marchas.**

(1)The following special licences are granted for the manufacture of liquor from rice :(a)Licence in Form C. L. 11 granted to Tharus of Gonda and Bahraich for the production for domestic consumption of liquor distilled from rice.(b)Licences in Form C. L. 12 granted to persons residing in Khatima, Sittarganj, Kichha and Bazpur Tahsils and Bhutias residing in the Haldwani Tahsil and in Ramnagar Tahsil of the Naini Tal District for the manufacture of Pachwai or rice beer for domestic consumption and not for sale; provided that the licences to Bhutias of Haldwani Tahsil and Ramnagar Tahsil shall be granted for the period November to March every year.(c)Licences in Form C. L. 12 (suitably altered) granted by the Collector to all Jads residing in the district of Tehri-Garhwal for the manufacture of Sur, while at Chorpani, subject to the following conditions :(i)that the Sur so manufactured is used for domestic consumption only and not for sale; and(ii)that this concession will be available for the period from 1st November to 13th March for their annual festival called Tholu, every year.(d)Licences in Form C. L. 12 (suitably altered) granted to persons residing in Marcha Parao in the Paragana of Dasoli and Nagpur of the Garhwal District during the months of November to March, and Marcha families living in villages Ramni, Patimella, Dasoli, Bhauj, Talla Kalifat, Semala, Mella Laifar, Ghumni-Patti and Malla Dasoli for Garhwal District, for the whole year, shall be granted for the manufacture of 'Pachwai', 'Jan' for domestic consumption and not for sale.(2)The fee payable in respect of each such licence is Re. 1 payable annually in advance (See also paragraph 380).

#### **456. Special exemptions from general prohibitions to Bhutia in Kumaun.**

- Bhutias residing within the paragana of Darma and Johar and at Bootia Parao at Dharchula in the paragana of Askote in the Almora District and in paragana Painkhanda in the district of Garhwal are exempted from the prohibitive order contained in Section 17 (1), (a) of the U.P. Excise Act, in so far as it relates to manufacture of Jan (rice beer) subject to the following conditions :(a)that the Jan (rice beer) so manufactured is used for domestic consumption only and not for sale; and(b)that a licence in Form C. L. 12 (suitably altered) is obtained from the Collector of Almora and Garhwal districts as the case may be.

#### **457. Special exemptions from general prohibitions to inhabitants of Jaunsar Bawar.**

- The inhabitants of those portions of pargana Jaunsar Bawar in the Dehra Dun District which lie outside the town of Kalsi and the cantonment of Chakrata are exempted from the provisions of the Act in so far that they are permitted, notwithstanding Sections 17 and 20 of the Act, to manufacture without licence for domestic consumption only and not for sale the spirit and fermented liquor known as Sur and Rabra respectively, and to possess such spirit and fermented liquor in quantities exceeding those specified under Section 6 of the Act.

## Warehouses

### **458. Bonded warehouses fittings and apparatus.**

(1) Bonded warehouses may be established by the Excise Commissioner at the headquarters of tahsil in such places as from convenient centres of supply. No rent shall be charged from the contractor for the use of such buildings. All fittings or articles concerned with the supply, storage, gauging, handling and issue of spirit shall be supplied by the contractor. Registers, forms, hydrometers and bung rods used by the Excise Inspector shall be supplied by Government. A stock register of Government property shall be maintained in Form P. D. 4. (2) Inspection by Collectors and District Excise Officer. - Collectors and District Excise Officers should inspect the bonded warehouses in their districts at least once a year, and record the result of their inspection in the inspection book of the warehouse. The Excise Inspector in-charge shall submit a copy of the inspection note to the Excise Commissioner through the Assistant Excise Commissioner.

### **459. Contract responsible for safe custody of spirit.**

- The contractor is responsible for the safe custody of the stock of spirit. He is, therefore, at liberty to put his own lock on the door and to keep a watchman on the premises.

### **460. Transaction to be performed under the direction of the Excise Inspector.**

- All transactions inside the bonded warehouse in respect of receiving transferring, reducing and issuing spirit will be performed under the direction of the Excise Inspector in-charge, who will also do all gauging and proving, keep up all registers, issue passes and make periodical returns. All manual labour will be performed by the contractor's servant. Note. - On no account should the Excise Inspector absent himself from the warehouse while it is open and transactions are in progress serious notice will be taken in cases of non-compliance of this instruction.

### **461.**

(1) The appointment of agents and other servants by the contractor shall be subject to the approval of the Assistant Excise Commissioner of the charge, who will have the power to order the removal from service or prohibit the appointment of any person whom he considers undesirable : Provided that no order for the removal from service of a person covered by the definition of the term 'workman' as given in Section 2 (s) of the Industrial Disputes Act, 1947 (Act No. XIV of 1947), shall be passed without prior consultation with the Labour Commissioner, Uttar Pradesh : Provided further that in the event of a difference of opinion between the Labour Commissioner and the Assistant Excise Commissioner on any particular point relating to removal of a person from service, the matter shall be referred immediately through the Excise Commissioner to the State Government for orders. (2) The order of removal passed by the Assistant Excise Commissioner or his decision to prohibit employment of any person shall be appealable to the Excise Commissioner, Uttar Pradesh. (3) Whenever any workman is suspected of pilferage of excisable goods and his immediate



removal from the bonded warehouse is considered necessary to safeguard revenue interests or in the interest of discipline, the contractors may be asked to depute the defaulting workman to some other section which does not involve his entry into the bonded warehouse, pending the receipt of the Labour Commissioner's concurrence for his removal.

#### **462. Agent to have access to register, etc.**

- The Contractor's agent shall be entitled, on a written requisition to the Excise Inspector to see the registers and receipted applications to prove the spirit with his own instrument at the time the Excise Inspector is taking his proof, and to make his own measurements. Any objection he may have to the Excise Inspector's proof, gauge or calculation shall be made in writing to the Assistant Excise Commissioner.

#### **463. Lock.**

- Except when transactions are actually in process, the Excise Inspector will keep his locks on the door, on all issue cocks and on the cocks fixed to the pipes leading to and from the pump. Note. - When an Excise Inspector in-charge of a bonded warehouse proceeds on leave or on tour, and if a consignment of spirit is expected to arrive during his absence he should hand over The key of the warehouse gate to the Tahsildar or Naib-Tahsildar who may be at headquarters. The key should be taken back when the Inspector returns to headquarters. On the arrival of the consignment the Tahsildar or Naib-Tahsildar in-charge of the key will admit it into the warehouse, but it will be taken into stock only after verification by the Excise Inspector on his return to the headquarters.

#### **464. Time of opening bonded warehouse.**

- Excise Inspector, will attend for the receiving and issuing of spirit on such days and at such hours as may be prescribed by the Excise Commissioner. These will ordinarily be fixed and notified for the whole year, but may be temporarily increased by order of the Assistant Excise Commissioner. In case of emergency issues may be made on other days with special sanction of the Collector or District Excise Officer. Note. - If any day fixed for giving issues falls on a Treasury holiday, issues will be made either on the day preceding the holiday or that following it. Excise Inspector in-charge of warehouses should provide themselves with a list of Treasury holidays at the very beginning of each year and promptly secure orders of their Excise Officer whether issues will be made on the day preceding or the day following all fixed issues days which might coincide with Treasury holidays. Consequential changes in issue days, if any, should be intimated to licensed vendors before the beginning of each month.

#### **465. Minimum stock.**

- A minimum stock of spirit shall be prescribed for each bonded warehouse. For warehouses where bottling of spirit is allowed a minimum stock of bottles, caps and labels shall also be prescribed. When the quantity of spirit or of any of the other articles mentioned above is approaching the

minimum limit, the Excise Inspector shall call the attention of the distiller's agent to this fact. If there appears any likelihood of the supply running short, the Excise Inspector shall without delay inform the Collector, who may procure spirit or any of the other above mentioned articles, as the case may be, from elsewhere, the cost of which shall be recoverable from the amount, if any, due to the contractor or from his deposit.

#### **465. Prompt issue on payment of duty and cost price.**

- On payment of the Government duty and contract price of spirits a licensed vendor is entitled to be supplied promptly with a reasonable quantity of the spirit for which the contract has been granted at any of the prescribed strengths. In the event of the contractor failing to supply within a time judged by the Collector to be reasonable, it shall be procured from elsewhere by the Collector and the cost, and any loss according to Government recovered from the contractor in the manner provided in the preceding rule. Penalty for failure to supply. - In addition the contractor shall be liable, at the discretion of the Excise Commissioner, to a penalty not exceeding Rs. 5 per proof gallon of spirit demanded but not supplied.

#### **467. Bad spirit.**

- If the Excise Inspector considers any spirit sent to bonded warehouse to be bad, he shall abstain from issuing it. Samples shall be taken and a report shall be submitted immediately to the Assistant Excise Commissioner.

#### **468. Separate arrangements for Shira and Mahuwa spirits separately.**

- Where the contractor is required to supply both Mahuwa and Shira spirit under the contract, two sets of vats, pipes and pumps shall be provided by the contractor so that both classes of spirit may be stored.

#### **469. Gauging of vats.**

- All vats must be gauged so that their contents may at any time be ascertained by means of a gauging rod marked in inches and tenths of an inch. The result of the gauging will be recorded in Form P. D. 6, and the Assistant Excise Commissioner must satisfy himself as to its correctness. All wooden vats shall be re-gauged once in two years. Iron vats shall be re-gauged when the Assistant Excise Commissioner considers it necessary.

#### **470. Receipt of spirit.**

- When spirit is received inside the bonded warehouse from the distillery, the Excise should carefully examine the state of the casks and seals calling the attention of the agent, to any apparent defects. He should then enter the particulars of the consignment in columns 1 to 5 or register B. W. L. 1 and proceed to take the gauge and proof of each cask entering the results in the remaining columns of

the register.

#### **471. Contents of vessels how to be ascertained.**

- The contents of each vessel may be ascertained by any of the following methods;(a)by weighment, if the contractor has supplied a weighing machine for the purpose, otherwise,(b)by actual measurement in gallon measures.

#### **472. Result of gauge and proof to be endorsed on distillery pass.**

- The spirit in each cask or other vessels shall then be proved. The result of such gauge and proof shall then be endorsed on the pass P. D. 25 covering the consignment and the pass returned to the distillery of issue. Form P. D. 26 received with the pass will be filed until the first visit of the Assistant Excise Commissioner who will then sign the necessary certificate on the back thereof. The form will then be returned to the distillery of issue.

#### **473. Transfer to vats.**

- The flexible hose will then be inserted through the bung hole, and after the necessary cocks have been opened the contents will be pumped into a vat.

#### **474. Grogging.**

- After the cask has been drained as completely as possible, five gallons of water should be placed in it. The bung should then be fixed in and cask well rolled. This should be repeated three times after intervals of an hour or so, the cask on each occasion being in a different position, in order that all the internal surface may come under the action of water. If the original spirit was about 40° O. P., the resulting mixture will be about 80° O. P. This grogged liquor should be pumped in to the store vat (or reduction vat if such is used), and the quantity in terms of London Proof entered in column 17 of register B. W. L. I. Under the orders of the Excise Commissioner the above proceedings may be omitted and instead thereof the bung will be replaced in the empty casks and securely fastened by wire and lead seal. Note. - This rule applies only to cases in which spirit is received in wooden casks. Grogging is not permitted in the case of metal drums.

#### **475. Issue to shops to be made from fixed strength vats.**

- Issues to shops must be made only from the fixed strength issue vats.

#### **476. Reductions.**

(1)Reduction is permitted in the store vats to the strength of London Proof. Any further reduction must either be effected in the fixed strength issue vats or in a special reducing vat. In the latter case the reduced spirit must be removed to the issue vats before issue.(2)In superintending the reduction

of spirit in vat the Excise Inspector will be careful to observe the directions given on page 24 of Colonel C.H. Beford's reduction table (No. 643). (3) After ascertaining the quantity and strength of the spirit to be reduced he will make the necessary calculation to find the quantity of water to be added. He will carefully check the quantity of water added, and then see that contents of the vat are thoroughly stirred. (4) When he is satisfied, that admixture has been properly effected, he will, by taking samples from the bottom and top of the spirit, proceed to satisfy himself by proving the spirit that reduction has been made to the strength required. (5) After reduction the spirit in the vat should remain undisturbed for a period of at least 24 hours. In cases of emergency this rule may be relaxed but under no circumstances must the spirit be issued until after the lapse of two hours. (6) It is advisable that all reduction of spirit especially in the issue vats, should be made after all issues for the day are finished, so that no delay occurs in making issues when the warehouse is opened next.

#### **477. Margin of strength.**

- In reducing spirit to the fixed strengths care should be taken to bring the strength down to the exact prescribed strength or within half a degree above it. The issue of spirit either below the prescribed strength or more than half a degree above is prohibited.

#### **478. Dip book.**

- In order that wastages may be correctly traced, the contents, of a vat must be gauged and proved before and after the addition of any spirit or water, also before a spirit is transferred or issued from a vat, a gauge and proof must be taken and a gauge taken immediately after. All such gauge and proof must be recorded in a 'dip book' prescribed in Form B. W. L. 4.

#### **479. Payment in duty and price.**

(1) Licensed vendors or their agents authorized in writing wanting spirit shall present to the treasurer of the subtreasury situated in the same place as the bonded warehouse an application in Form B. W. L. 6 in duplicate, duly filled in together with the price of the spirit and the duty. Fractions of a gallon will not be issued. The treasurer will fill up the figures in the endorsements in both copies of the application, and shall then present the applications to the officer incharge of the sub-treasury. This officer shall sign both copies of the application and at headquarters of the district in which the shops taking issues are situated on the 1st day of each month without fail. The Inspector will follow the procedure that may be laid down for the maintenance of records. (2) Spiced country spirit shall be sold only in sealed bottles with pilfer proof caps intact as received from the distillery, warehouse, or wholesale depot. (3) Issue from wholesale shop to be covered by a pass-book. - All issues from a wholesale shop must be duly entered in the pass-book, B. W. L. 7, of the retail vendors removing the spirit and the entries signed by the licensed wholesale vendor or his representative. The entries in the pass books will serve as a pass to protect the consignment in transit. (4) The Excise Inspector of the circle in which the wholesale shop is situated shall be allowed every facility for examining the accounts and checking the stock of spirit whenever he visits the wholesale shop. (5) Regimental units desirous of obtaining supply of country spirit shall deposit the full contract price and duty at the prescribed rate. The amount may be paid either in the treasury or

sub-treasury and the receipt produced before the officer in-charge of the bonded warehouse. The officer in-charge of the bonded warehouse shall after satisfying himself that the amount has been correctly paid issue the spirit under a pass in Form P. D. - 25. The pass shall be in triplicate, two copies of which shall be given to the person in-charge of the consignment and one copy retained for record. On arrival of the consignment at its destination, one copy of the pass shall be returned to Excise Inspector of the warehouse duly countersigned by the Commanding Officer of the Unit to which the spirit is supplied or any Commissioner Officer empowered the Commanding Officer in this behalf. This part shall be pasted on the counterfoil by the Excise Inspector. Note. - For the rates of duty prescribed for the issue of country spirit to licensed vendors, see Appendix B-l (a) and for the rates prescribed for issues to regiment Units, see Appendix B-l (a).

#### **480. Presentation of receipted application at a bonded warehouse.**

- The applicant shall then present the receipted application to the Excise Inspector in-charge of the bonded warehouse, who after satisfying himself that the price and duty paid fully cover the quantity and class of spirit to be removed, shall make the necessary entries in the vendor's pass-book and cancel the receipted application under his initials, or if there is a clerk attached to the bonded warehouse, initial the receipted application and hand it over to the clerk for making the necessary entries in the vendor's pass-book, to which he will add his signature after checking the entries. In either case the Excise Inspector will be held strictly responsible if in any case it is found that the correct amount of duty had not been paid before the issue was made. Note. - Price and duty intoxicants of which issues are sought by a licensed vendors on any issue day, should be tendered through one treasury challan only. Issues must be made by the Excise Inspector in a single instalment, unless inadequacy of stock compels issues being made otherwise. When such a contingency arises, Excise Inspector shall report to the District Excise Officer accordingly (after giving issues of the maximum possible quantity of intoxicants) and keep a copy of his report on record. The Excise Inspector should insist upon the licensee taking issues, not later than the day following that on which issue price is tendered, and in case that day be a holiday, the day the warehouse is opened next for transacting work, whenever, a licensee deposits issue price through more than one treasury challan or fails to lift in time the issues due to him, the Excise Inspector will not make issues to him without prior approval of the District Excise Officer.

#### **481. Pass-book and its issue.**

- The pass-book will be in Form B. W. L. 7 and will remain in the custody of the person removing the spirit who will, on demand by an officer authorised in this behalf, produce it as his authority for transport. A pass-book will be issued to each licensed retail and wholesale vendor when a licence is first granted to him. The pass-book will be kept in safe custody by the vendor and he shall not alter nor erase any entry therein. When the pass-book is finished, it shall be returned to the bonded warehouse for record by the vendor who will be supplied with a new pass-book. When a pass book has been mutilated or lost by the vendor the officer-in-charge shall issue a duplicate on payment of a fee of Re. 1 into the local treasury or subtreasury. Intimation of issue of duplicate pass-book shall be given by the officer-in-charge to the Assistant Excise Commissioner. The officer-in-charge shall maintain an account of all pass-books; received and issued by him, and the Assistant Excise

Commissioner shall verify this account at his inspection. Note. - If a licensed vendor fails to produce his pass-book at the time of taking issues, the Excise Inspector in-charge of the warehouse will draw up, in duplicate. In the same form as the pass-book, a temporary permit for possession and transport of the intoxicant issues, the original being given to the vendor and the duplicate kept carefully for record. The Excise Inspector will transcribe entries from the temporary permit in the pass-book both of which must be presented by the vendor when he appears at the warehouse next for issues, as entry being made simultaneously in the last column to the effect "copied from temporary permit no.....", In case the vendor fails to bring his pass-book on the next issue day also issues will be given to him after entries in respect thereof and in respect of the previous issues have been made in fresh pass-book to be issued to him as laid down under rules governing issues or a fresh pass-book.

## **482. Issue of spirit.**

- After the entries in the pass-book have been made, signed and recorded in the register B.W.L. 2 Excise Inspector will proceed to have the spirit measured and issued, having first proved the actual strengths of the spirits in the vat for the purpose of filling the figures in columns 7, 8, 9 and 10 of the said registers.

## **483. Measures.**

- AU issues of fixed strength spirit must be made by means of standard gallon metal measures provided by the contractor.

## **484. Colouring of Country Spirit.**

(1) When issues are made which have to pass through a zone in which the rate of duty is higher than that applying to the place of destination, the Excise Commissioner may direct that the spirit issued to all shops within a specified area shall be distinctly coloured before leaving the bonded warehouse. (2) (a) Issue shall be made in vessel of fixed capacity made of strong material and capable of being securely sealed. Each vessel shall have distinctly painted on it in the following in either Urdu or Hindi (with letters and figures at least 1-1/2 inches in height on a suitably coloured back-ground) : (i) Serial registered number. (ii) Year of registration of the vessel. (iii) Name of the country spirit shop. (iv) Capacity of the vessel in whole gallons. A register of all issue vessels shall be maintained by the Excise Inspector in-charge of the warehouse after ascertaining their capacity in whole gallons. Unless specially permitted, issues of spirit shall not be made in any vessel in quantities less than what is noted on the vessel as its maximum capacity in whole gallons. (b) The Excise Inspector in-charge of the warehouse should verify himself that the outlets or opening of each vessel in which issues of country spirit are obtained has been secured by means of wire or string and clamped lead seal before the vessel is removed from the warehouse premises. (3) All spirit issued to a shop shall be taken from the warehouse to its destination by the most convenient route and the consignment shall not be broken or the seal of the vessel tampered within transit. No spirit shall be disposed of in any way whatsoever in the course of its transport, from the warehouse to the shop. Note. - (1) In case of transport by railways, the spirit shall be taken direct to the railway station concerned unless a

written permission of the Excise Inspector in-charge of the warehouse has been duly obtained to keep the same at the specified place till the train time.(2)In column 10 of pass-book in Form B.W.L. 7 shall be noted also-(i)the time at which the issue was made;(ii)the serial number of issue vessels used, and(iii)the train of the spirit is intended to be carried by railway train.

#### **485. Special instructions for bottling and issue of bottled spirit.**

- In a warehouse where country spirit is bottled the following special instructions should be observed : (1) Bottling shall be done at such warehouse as shall be prescribed by the Excise Commissioner and the contractor shall be bound to supply suitable machines and the necessary labour required for carrying out the operations. (2) The bottling of spirit must be done in the presence of the warehouse Inspector and on the days of the week to be fixed by the Assistant Excise Commissioner in consultation with the supply contractors. But when the presence of the Excise Inspector on any of these days, is unavoidably required elsewhere the bottling shall be done in the immediate presence of the warehouse clerk, provided the spirit has been gauged and proved by the Excise Inspector. The warehouse Inspector shall keep an account of all the bottled spirit in Form B.W.L. - 2A. (3) The bottles used must have a permanent distinguishing mark "U.P. Excise" with their necks grooved for screwing on pilfer-proof caps. The spirit bottles must be securely sealed with pilfer-proof caps. (4) The colour of pilfer-proof caps and labels shall be as prescribed by the Excise Commissioner from time to time. (5) The contractor shall be bound to observe all directions given by the Excise Commissioner from time to time for carrying out the bottling operation in a sanitary, neat and proper manner. (6) The contractor shall be bound to supply spirit in pilfer-proof bottles of standard size of one-sixth, one-twelfth and one-twenty-fourth of an Imperial gallon properly labelled and securely sealed with pilfer-proof caps according to the specifications described by the Excise Commissioner from time to time being in force and to which it may be extended under the orders of the Excise Commissioner during the currency of his contract at the rates and bottling charges specified in the licence, provided that spiced spirit shall be issued to the shops for the retail vend of country spirit in his contract area in sealed pilfer-proof bottles only. (7) The rates sanctioned for the cost of bottle and bottling charges shall be as sanctioned by Government from time to time. The retail vendor shall have to pay these in addition to the price of spirit at the time of taking issue of spirit. But he shall be entitled to a refund of the cost charge if the bottle from the contractor, provided he returns it in a sound condition : (i) Quality and strength of spirit. (ii) Quantity of spirit contained in the bottle. (iii) Price of the bottle full. (iv) Amount claimable by the consumer on return of the empty bottle. (8) Labels will have inscribed on them the following particulars in Hindi : (i) Quality and strength of spirit. (ii) Quantity of spirit contained in the bottle. (iii) Price at the bottle full. (iv) Amount claimable by the consumer on return of the empty bottle. (9) Supply contractors of spirit shall despatch consignments of pilfer-proof to the Excise Inspector in-charge of the warehouse where bottling of country spirit is done; and the pilfer-proof shall be stored in the bottling room in a box which shall bear an excise lock and a lock of the supply contractor who must provide the box. (10) The contractor's agent must keep an account of the pilfer-proof caps and every item of receipt and withdrawal must be attested by the Excise Inspector. (11) For the purpose of issue and stock taking 6 quart bottles, 12 bottles and 24 half bottles should each be taken to be equivalent to a bulk gallon. London proof equivalents should be calculated at the nominal issue strength.

#### **486. Transport period to be given in pass book.**

- The Assistant Excise Commissioner shall determine the periods to be allowed for transport to different shops, and a list of the periods so determined shall be maintained at the bonded warehouses. The period shall be specified in each pass-book.

#### **487. Pass-book to be compared with accounts on inspection.**

- When an Excise Inspector visits a shop he shall compare the entries in pass-book with those in the account register. If no irregularity is discovered, he shall make a note to this effect on vendor's account register.

#### **488. Register of issues.**

- A register of all issues shall be kept in Form B.W.L. - 2. An abstract giving separately the totals of columns 3, 4, 5, 6, 11 and 12 for the calendar month will be sent by the second day of the following month to the Collector supported by the receipted applications which should after examination be returned to the warehouse to be deposited there.

#### **489. Abstract of issues to shops.**

- The Excise Inspector shall maintain register in Form B.W.L. 9, showing the issues of spirit to each shop. When there are more warehouses than one in the district, or when any vendor of the district takes issues from a warehouse of the neighbouring district, the Inspector in-charge of such an outlying warehouse shall enter in Form B.W.L. - 10 the comparative figures of issues from his register B.W.L. - 9 for the month and forward it to the Inspector in-charge of the warehouse at the headquarters of the district concerned not later than the first day of the following month. The Inspector of the warehouse at district headquarters shall prepare an abstract for the whole district in form B.W.L. - 10 summarising the figures therefor, from his own register B.W.L. - 9 from statements received from outlying warehouses, and from statements, received from all wholesale shops and depots (situate whether within or without the district) supplying spirit to retail shops of the district. Copies of this abstract shall be sent to the Assistant Excise Commissioner and to the Collector by the fifth day of each month at the latest. Extracts from it shall be forwarded to the Excise Inspectors in whose circles the shops are situated by the tenth day of the month. Note. - Separate entries will be made in register B.W.L. - 9 in respect of issue of spiced spirit which will also be separately shown in the abstract B.W.L. 1.

#### **490. Importance of abstract.**

- The preparation of the abstract B.W.L. - 10 is one of the most important duties of the Excise Inspector at district headquarters. On its accuracy and prompt submission depend the assessment and recovery of the monthly licence fees under the surcharge system. The Excise Inspector of the warehouse at headquarters must arrange that the monthly statement required under the rules, to be



submitted to him by Inspectors of outlying warehouses, wholesale vendors and depot agents should reach him in good time for compilation of abstract. The Assistant Excise Commissioner should invariably take the explanation of the persons concerned for any inaccuracy in the abstract or delay in its submission.

#### **491. Gauge and proof on last working day of month.**

- On the last working day of every calendar month, after all transactions for the day are over the Excise Inspector shall gauge and prove the spirit in each vat and record the particular of such gauge and proof in register B.W.L. - 5. The total L. P. gallons in column 8 will be transferred to column 8, register B W.L. - 3. The figures of column 7 of register B.W.L. - 3 will be the total of column 1 plus column 4 minus column 6. The wastage on the month's transactions will be column 7 minus column 8 and the percentage will be calculated on the total of column 1 plus column 4. Gauge and proof of each vat will be similarly taken on each occasion when charge of the warehouse is transferred.

#### **492. Contractor responsible for payment of duty on excess wastage.**

- The contractor may be held responsible for the payment of duty on spirit lost during the month by wastage in excess of 1 per cent, on the whole stock if such excess is due to neglect.

#### **493. Recovery of duty on excess wastage.**

- An abstract of register B.W.L. - 3, will be sent to the Assistant Excise Commissioner in Form B.W.L. - 3A, who, in case the percentage of wastage exceeds 1 per cent., will make immediate enquiry, obtain the explanation of the Excise Inspector and the distiller's agents, and report the result for the orders of the Excise Commissioner who may order recovery of the duty on the excess wastage, at the highest rate of duty leviable on country spirit in Uttar Pradesh. Section XXXVII-Vend of Country Liquor

#### **494. General conditions binding on all licensees.**

- All licensees for the retail vend of country spirit and tari shall be bound to observe the general conditions binding on all licensee for the retail sale of these articles paragraphs 347, 348, 349 and 350 in Chapter VI and special conditions mentioned in respective licences.

#### **495. Shops to be closed during passage of troops.**

- Retail country spirit shops situated on or near the line of march shall be closed during the passage of Indian troops if the Officer Commanding so requires. Tahsildars under the Collector's orders will arrange for the closing of all such shops from time the advanced guard approaches till the rear guard has passed onward a full mile. I-Country Spirit under the Contract Supply System (A) General

#### **496. Conditions relating to sale of spiced spirit.**

- All licensed vendors of country spirit, whether wholesale or retail, under the contract system are permitted to stock and sell spiced country spirit in addition to plain country spirit in accordance with the terms of their licences, subject to the following conditions : (1) Spiced country spirit shall be sold in sealed bottles with pilferproof caps and labels intact as received from the distillery, warehouse, wholesale depot or wholesale shop. (2) Sale at retail shops will be made for consumption off the premises only. (3) The wholesale price shall be fixed by the Government while the retail price may be determined by the retail licensee under the auction system and by the Government under the surcharges system. (4) The spirit will be accounted for separately. (5) The licence fees will be assessed separately at the graduated rate given in the booklet entitled scales of monthly fees and realised along with the fees assessed on plain country spirit issued to the shop. Note - (1) For the rate of duty on spiced spirit and the strength at which it will be issued from warehouse. See Appendix B-1. (2) Clause (5) of this rule does not apply to licence held under the auction system. (B) Wholesale Vend

#### **497. Restrictions on wholesale vend.**

- The wholesale vend of country spirit is prohibited save in so far as wholesale depots and wholesale shops may be established under the rules immediately following for the purpose of facilitating supply to retail vendors only.

#### **498. The wholesale depots and their conditions.**

(1) Contract distillers shall open such wholesale depots as may be prescribed by the Excise Commissioner which shall be subject to the following conditions : The depot shall be opened, ordinarily, for sale to retail for sale to retail spirit vendors holding licences in the district in which the depot is situated provided that the shop of the person to whom the sale is made is not situated in an area where the rate of duty is higher than that applying to the place where the depot is situated. (2) Country spirit reduced to issue strength and after payment of duty shall be transported to the depot from any bonded warehouse in the same district. (3) Country spirit shall be sold at the fixed strength of 25° U.P., 35° U.P. subject in each to a margin of 1° below the fixed strength, in quantities of not less than one gallon and at a price, which shall not exceed the total of the following items : (a) Still-head duty. (b) Contract price. (c) Depot rate which shall not exceed - (i) 16 naye paise per gallon in the case of spirit of the strength of 25° U.P. (ii) 12 naye paise per gallon in the case of spirit of the strength of 35° U.P. (iii) 9 naye paise per gallon in the case of spirit of the strength of 50° U.P. : Provided that in special cases the Excise Commissioner may sanction a higher rate. Any flavouring, colouring or noxious or otherwise objectionable substance shall not be added to the spirit. (4) Such minimum stock of spirit as may be fixed by the Excise Commissioner shall be maintained at the depot (As a general rule such minimum shall not be less than the average monthly sales). (5) Each vat or cask in the depot shall have its capacity out branded or printed on it correct to the nearest half gallon. (6) The depot shall be provided with a hydrometer, thermometer and a bung rod, also a gauge for each vat or cask. (7) Only standard issue measures approved by the Excise Commissioner shall be used. (8) Sale shall be made only at the depot premises, which may remain open only during

the hours of sale, on such days and for such hour between sunrise and 6 p.m. as may be prescribed by the Excise Commissioner.(9)Sale shall not be made on credit.(10)All issues from the depot must be duly entered in the pass-book, B.W. L. - 7 of the retail vendors removing the spirit and the entries signed by the person managing the depot on behalf of the contractors.(11)A correct account of all receipts and issue of country spirit shall be kept in the annexed form :

Date	Number of gallons of spirit (in store yesterday)	No. of gallons of spirit received from bonded warehouse or distillery today	Total number of gallons to be accounted for	Number of gallons sold to retail vendors	Number of gallons remaining in store	Details of sales shown in column 5	Actual Balance in hand at end of month	Wastage	Remarks		
1	2	3	4	5	6	7	8	9	10	11	12
35°U.P. 50°U.P.											

Note - In depots situated in Nainital District where spirit of the strength of 25° U.P. is stored and sold the columns provided for 50° spirit shall be utilised for the entry of accounts of 25° U.P. spirit and the heading suitably amended. In depots where spiced spirit is also stored separate accounts shall be maintained for this class of spirit.(12)On the first day of each month a statement in Form C.L. 13 and the total monthly issues of each shop in Form B.W.L. - 10 shall be submitted to the Inspector in-charge of the bonded warehouse at head-quarters of the district in which the shops taking issue are situated. The Excise Inspector of the Headquarters will warehouse include the figures of these issues in the monthly statement in Form B.W.L. - 10 to be prepared by him for the whole district.If the loss by wastage during the month as received by statement Form C.L. - 13 mentioned above exceeds one per cent and the excess is due to neglect, the Excise Commissioner may impose a fine not exceeding five rupees per proof gallon.(13)A wastage allowance, upto the amount permitted by paragraph 814 of the Excise Manual, on the quantity advised in each cask received at the depot will be allowed to wholesale depot keepers, who shall on the first day of each month submit to the Inspector of the circle a statement showing-(1) the number of the cask, (2) the quantity advised, (3) the quantity actually received, and (4) the wastage ascertained. All cases of excess wastage shall be reported to the Excise Commissioner who may impose a fine at a rate not exceeding five rupees per proof gallon.(14)The Excise Inspector of the circle in which the depot is situated shall be allowed every facility for examining the accounts and checking the stock of spirit whenever he visits the depot.(15)A breach of any of the above condition shall render the contractors

liable to the penalties prescribed by Section 64 of the Excise Act (IV of 1910).

#### **499. Wholesale shops.**

- Wholesale shops may be licensed under the following conditions : (1) Licence for wholesale shops may be granted only with the previous sanction of the Excise Commissioner and ordinarily only to the supply contractor of the district or to others with his consent. The licence will be in Form C.L. - 2 and will be granted free of charge. Country spirit reduced to issue strengths and after payment of duty shall be transported to the wholesale shop from any bonded warehouse in the same district. (2) Location of wholesale shops. - Wholesale shops are meant to facilitate distribution and their number and location should be determined with reference to the convenience and reasonable requirements and retail vendors. To prevent wholesale licences being used as a cover for sale of illicit spirit the places should, as far as possible, be at the headquarters of an Excise Inspector's circle, a tahsil or Thana so that licensed premises can be kept under supervision. (3) To whom wholesale vendors may sell. - Wholesale vendors shall be entitled to sell, subject to the conditions of their licence to - (i) retail vendor licensed within the district; (ii) retail vendors licensed in another district with the permission of the Collector of that district. (4) Reduction of spirit prohibited accounts to be kept. - Wholesale vendors are not permitted to reduce spirit below the prescribed strength at which it has been issued to them from a warehouse. They shall maintain regular and accurate accounts in the form prescribed in the licence and shall submit a statement in Form C.L. 14 and the total monthly issues of each shop in Form B.W.L. 10 to the Inspector in-charge of the warehouse at the headquarters of the district in which the shops taking issue are situated on the 1st day of each month without fail. The Inspector will follow the procedure that may be laid down for the maintenance of records. (5) Spiced country spirit shall be sold only in sealed bottles with pilfer-proof caps in tact as received from the distillery, warehouse, or wholesale depot. (6) Issue from wholesale shop to be covered by a pass book. - All issues from a wholesale shop must be duly entered in the pass books, B.W.L. 7 of the retail vendors removing the spirit and the entries signed by the licensed wholesale vendor or his representative. The entries in the pass-book will serve as a pass to protect the consignment in transit. (7) The Excise Inspector of the circle in which the wholesale shop is situated shall be allowed every facility for examining the accounts and checking the stock of spirits whenever he visits the wholesale shops. (C) Retail Vend

#### **500.**

Licences for the retail vend of country spirit under the contract supply system shall be of three classes, viz. : I. Under the graduated surcharge system : (1) for sale in open vessels for consumption both on and off the premises (C.L. 3); (2) for sale in sealed bottles for consumption off the premises only (C.L. 4); (3) for sale for consumption on and off the premises in sealed bottles (C.L. 5). II. Under the auction system : (1) for sale in open vessel for consumption both on and off the premises (C.L. 3-A) : (2) for sale in sealed bottles for consumption off the premises only (C.L. 4-A); (3) for sale for consumption 'on and off' the premises in sealed bottles (C.L. 5-A). [(C.L. - 3A)] Para 500--II  
(i) Licence for the retail sale of country spirit for consumption "on and off" the premises under the contract supply system in district under auction system.

Register No. ....  
 Locality .....  
 Name of Licence-holder .....  
 Name of Salesman .....

Exact description of the licensed premises (with boundaries) .....

Licence for the retail sale of country spirit at a fixed strength of 25 per cent v/v 20 per cent v/v is hereby granted to .....at .....in the district of.....from April 1, 19 .. to March 31, 19 .. subject to the following special and general conditions, the infraction of any of which or a conviction for any offence under the Excise, Opium or Dangerous Drugs Laws shall be render the licensee liable to the forfeiture of his licence and security deposit in addition to any penalties imposed under the above laws.]C.L. 4-A[Paragraph 500-II (2)]Licence for the retail sale for consumption "off" the premises of country spirit in sealed bottles under the contract supply system in districts under the auction system

Register No. ....  
 Locality .....  
 Name of Licence-holder .....  
 Name of Salesman .....

Exact description of the licensed premises (with boundaries) .....

Licence for the retail sale of country spirit in pilfer proof sealed standard 750 millilitre, 500 millilitre and 250 millilitre bottles only at the fixed strength of 25 per cent v/v, 20 per cent v/v is hereby granted to..... .. at in the district of.....from April 1, 19 .. to March 31, 19 .....subject to the following special and general conditions, the infraction of any of which or a conviction for any offence under the Excise, Opium or Dangerous Drugs Laws shall render the licensee liable to the forfeiture of his licence and security deposit in addition to any penalties imposed under the above laws.[C. L. 5-A] [Substituted by Notification No. 630/Licence, dated 17th April, 1978.][Paragraph 500-11 (3)]Licence for the retail sale for consumption "on" and "off" the premises of country spirit in sealed bottles under the contract supply system in districts under the auction system

Register No. ....  
 Locality .....  
 Name of Licence-holder .....  
 Name of Salesman .....

Exact description of the licensed premises (with boundaries) .....

Licence for the retail sale of country spirit in pilfer proof sealed standard bottles only at fixed strength of 25 per cent v/v, 20 per cent, v/v is hereby granted to.....at.....in the district of.....from April 1, 19 .. to March 31, 19 subject to the following special and general conditions, the infraction of any of which or a conviction for any offence under the Excise, Opium or Dangerous Drugs Laws shall render the licensee liable to forfeiture of his licence and security deposit in addition to any penalties imposed under the above laws.]

### **501. Grant of licences.**

- Licences for retail vend of country spirit will be granted for one year. Ordinarily, licences shall be granted in Form C.L. 3, C.L. 3-A, but the Excise Commissioner, with the previous sanction of the State Government may direct that in specified localities or at specified shops spirit may be sold-(a) for consumption off the premises, in sealed bottles (licence Form C.L. 4 or C.L. 4-A), or (b) for consumption on and off the premises in sealed bottles (licence Form C.L. 5 or C.L. 5-A).

### **502. Conditions governing licences.**

- The conditions governing licences are detailed in the forms printed in Volume II.II. Vend of Country Spirit Under the Outstill System

### **503. Outstill system defined and described.**

- Under the outstill system the vendor is licensed to work a single still and to sell the spirit in retail quantities at the place of manufacture. No monopoly of manufacture or vend is granted and no still head duty is levied. The practice of licensing and outstill with one or outlying shops attached thereto is open to serious objection and can only be sanctioned in very exceptional case. No outlying shop shall be permitted without the previous sanction of the Excise Commissioner. Licences under this system shall be granted in Form C.L. 6.

### **504. Collector may limit capacity of still.**

- In any case where this appears to be necessary or desirable the Collector may, with the previous sanction of the Excise Commissioner, restrict the capacity of stills to be licensed under the outstill system having regard to the ascertained local demand for liquor. The licences shall, where such condition is to be enforced, state the maximum capacity of the still to be used.

### **505. Points requiring attention by inspecting officers.**

- The following points of administrative importance should form subjects of inquiry by officer inspecting shops and stills under the outstill system : (1) Whether the allocation of the outstills is convenient and their number adequate for the demand of the circles supplied by them, or on the other hand, whether their number is excessive and needlessly stimulates drinking. (2) Whether the system is leading to increased drinking-(a) among the drinking classes, (b) among those who do not ordinarily drink, or whether the weaker quality of the outstill liquor tends to counteract this. (3) Whether liquor is being taken from outstills into distillery tracts and whether proper precautions are taken in the allocation, of the outstills to prevent this also whether shops are kept at a sufficient distance from the district boundary to prevent undue competition with outstills in adjoining districts. (4) Whether (if the number of capacity of the stills has been limited) there is reason to suppose that more or large stills are used than are licensed, and whether liquor is sold elsewhere than at the authorized place or places. (5) Whether illegal distilling after sunset or before

sunrise is carried on.(6)What, having regard to the cost of manufacture, the out-turn of spirit and the selling price, should be the approximate profits and fair letting value of the outstill ?III-Vend of Tari(A)-General

### **506. System of vend.**

- The system of vend applicable to Tari are :(a)The farming system.(b)The shop to shop system.(c)The tree-tax system.

### **507. Licence required to tax tari-producing tree.**

- No Tari-producing tree may be tapped and no Tari may be drawn within Uttar Pradesh except under the authority and subject to the conditions of a licence granted by the Collector.

### **508. Arrangements for drawing tari.**

- Persons thus licensed must make their own arrangements for drawing Tari with the owners of Tari-producing trees unless they are themselves the owners of such trees.

### **509. Permit required for tapping and transport of tari.**

- No tapping or transport of Tari shall be made by any person on behalf of a licensee under the shop to shop system or of a farmer or his sub-lessee under the farming system, except under a permit in Form C.L. 21 granted by the Excise Inspector of the circle free of charge, on a written application made to him by a licensee, farmer or sub-lessee, as the case may be. If a permit is lost, another permit shall be issued in its place on payment of Re. 1 for each permit. As soon as a tapper or carrier is dismissed from service, his permit shall be treated to have been cancelled from the time when he receives information of his dismissal from the licensee, farmer, or sub-lessee who shall communicate to the tapper or carrier at once the fact of his dismissal and inform the Excise Inspector of the circle in writing without delay the fact of his having done so and also return the permit at the same time. The Excise Inspector shall endorse the word "cancelled" on the permit on receipt and paste it to the original foil in the book of the permits and, if the permit is not received back, he shall similarly endorse the word "cancelled" on the original foil copy in the book or permits with a note about the non-receipt of the permit.

### **510.**

Under the farming system the monopoly of manufacture and vend of Tari in a specified area is leased to a single individual or firm. The number and location of Tari shops is determined by the Collector and the farmer may either sell by retail himself at such shops or he may sublet the right of manufacture and vend at such shops, in which case he will obtain from the Collector the requisite number of shops licences for manufacture and vend of Tari. Note - This system is at present in force in Etawah and Gonda districts.

### **511. Licence forms.**

- The licence granted to the farmer under Section 24 shall be in Form C.L. 7 and the licence for manufacture and retail vend granted either to the farmer or his sub-lessee shall be in Form C.L. 8 in which the locality and period of currency shall be filled up by the Collector and other details will subsequently be entered by the farmer holding licence in Form C.L. 7.

### **512. Person from whom sub-lessee may procure tari.**

- The farmer or sublessee may procure Tari from-(1) any person owning Tari producing tree, (2) any other person licensed to manufacture or sell Tari.

### **513. Lease not to fall into hands of a firm or person interested in country spirit trade.**

- The lease should not be allowed to fall into the hands of a person or firm interested in the country spirit trade.(C)The Shop to Shop System

### **514. Shop to shop system.**

- Under this system each shop is settled separately, the licensee being allowed to make his own arrangements for the manufacture of Tari, Licences for the retail vend of Tari shall be settled by auction and granted in Form C.L. 9. The licence will authorise sale only at the place therein specified.Note - This system is at present in force in the districts noted below : "Saharanpur, Meerut, Aligarh, Agra, Bareilly, Moradabad, Shahjahanpur, Rampur, Allahabad, Jhansi, Lucknow, Sitapur, Hardoi, Kheri, Faizabad, Bahraich and Bara Banki."

### **515. Source of supply.**

(1)A licence-holder shall draw Tari from trees in the district in which his shop is situated or from trees in an adjoining district if specially permitted by the Collector of the later district.(2)Subject to the the provisions of clause (1) no restriction has been placed on the source of supply owing to the possibility of the licensee not being able to come to terms with the tree owners in his immediate vicinity. It is, however, desirable that licensee should be able to obtain his supply of Tari from tree situated near his shop; this print should be considered in determining the location of shops.

### **516. Country spirit vendors to be excluded.**

- In making settlement of Tari shops care should be taken that they do not fall in the hands of country spirit vendors, with whose shops they will come into competition. In order to ensure competition at the settlement it may occasionally be found necessary to hold the sale at the tahsils, but this course should only be adopted where there are a large number of trees in the locality and bidders are unwilling to come to headquarters. To prevent accumulation of large amounts of



irrecoverable arrears, settlement should not be made with persons of low substance from whom collection may be difficult to make.

### **517. Distribution of instalments.**

- The conditions of sales printed at the bottom of the chart (G 35-B), should be strictly adhered to and intending bidders must be given distinctly to understand that one-sixth of the fee must, be paid as security deposit immediately on the provisional acceptance of their bid at the sale by the Collector, one-twelfth after the final acceptance of bid by the Excise Commissioner on or before October 1 and three-fourths in such instalments between November 1, and May 1, as may be determined by the Collector. The last instalment of one-sixth fee shall fall due on June 1, and if the preceding instalments have been paid, the amount deposited in advance as security deposit shall be set off against this instalment.

### **518. Staff.**

- The ordinary tahsil staff will not usually be able to cope with the extra work involved in collection from a large number of petty vendors. With the approval of Government a special staff (ordinarily consisting of a supervisor and constables) proportionate to the requirements of the district will be sanctioned. The supervisor should be literate. The staff should only be retained in so far as, and for so long as, the necessity for its/ entertainments continues. The staff shall not be permitted to have any part in the actual collection of licence fees, and the close supervision of an Excise Inspector of an establishment of this kind. It will not be usually necessary to take security from persons thus appointed.(D)The Tree Tax System

### **519. The tree-tax system.**

- The tree-tax system of Tari and sendhi is analogous to the distillery system of country spirit, and under it the Government revenue is derived from-(1) a fixed tax on every tree tapped, and (2) a surcharge vend fee per tree to be paid by vendors for the privilege of vend. Vendors are to make their own arrangements for procuring trees, and the tree tax levied is quite distinct from the tree owner's fee.Note. - The tree tax system is in force in the following district of the Uttar Pradesh-Gorakhpur, Deoria, Basti, Ghazipur, Azamgarh, Varanasi and Mirzapur.

### **520. Number and location of shops.**

- Where the tree-tax system is introduced for the first time the number and location of existing shops need not be interfered with. It may safely be assumed that under the farming or shop to shop system, whichever may have been in vogue before the switch over, the number and location of shops have, from time to time, been carefully adjusted to serve the best interests of the consumer according to the number of trees and the local demand.

## 521. Settlement.

- Settlement of shops in tree-tax area can be made under any of the following system :Notes - (1) The provisions of the U. P. Settlement of Tari Shops (Tender-cum-Tree Tax or Auction-cum Tree-Tax) Rules, 1955, have been applied with effect from October 1, 1955 to the districts of Ballia and Ghazipur.(2)The provisions to the U. P. Settlement of Tari Shops (Tender-cum-Tree Tax or Auction-cum Tree-Tax) Rules, 1955, have been applied with effect from October 1,

## 1955. to the areas of districts noted below

(i)Municipal and Cantonment areas of Gorakhpur and on places within the distance of four miles from the nearest point of the boundaries of either of the aforesaid areas.(ii)Municipal and Cantonment areas of Varanasi and all places within the distance of two miles from the nearest point of boundaries of the aforesaid areas.(iii)Municipal areas of Basti, Deoria, Azamgarh and Mirzapur District and all places within the distance of two miles from the nearest point of the aforesaid areas.(3)With effect from October 1, 1958 the settlement of tari shops in the areas specified below are to be made by auction as laid down in the U.P. Settlement of Tari Shops (Tender-cum-Tree-Tax or Auction-cum-Tree Tax) Rules, 1955 :(i)Municipal and Cantonment Areas of Gorakhpur and all places within the distance of four miles from the nearest point of the boundaries of either of the aforesaid areas.(ii)Municipal and Cantonment areas of Varanasi and all places within the distance of two miles from the nearest point of boundaries of the aforesaid areas.(iii)Municipal areas of Basti, Deoria, Azamgarh and Mirzapur Districts and all places within the distance of two miles from the nearest point of the aforesaid areas.(iv)Whole of the district of Ballia and Ghazipur.'(i)Under 'The Auction-cum-Tree-Tax System' in areas wherefore the Government may notify the enforcement of the U.P. Settlement of Tari Shops (Tender-cum-Tree-Tax or Auction-cum-Tree-Tax) Rules, 1955 and declare, further that settlement of shops in such areas shall be made by auction.(ii)Under the 'Tender-cum-Tree Tax System' in areas wherefore the Government may notify the enforcement of the U.P. Settlement of Tari Shops (Tender-cum-Tree-Tax or Auction-cum-Tree-Tax) Rules, 1955 and declare, further that settlement of shops in such areas shall be made by inviting tenders.(iii)Under the 'surcharge system' in the remaining areas, enforcement of the Tree-Tax system wherein may have been notified by the Government by inviting application in Form G-28 and effecting settlement under rules governing the settlement of shops under the graduated surcharge system.

## 522. Security deposit.

- For the due observance of conditions of licences granted under the tree-tax systems mentioned in paragraph 527 supra, the licensee shall be required to deposit security as under :(i)For shops settled under 'Auction-cum-Tree-Tax' and 'Tender cum-Tree-Tax' System 1/12th of the amount bid or tendered for the shop either in cash, Government Promissory notes or in such other form the Collector may approve.(ii)For shops settled under the 'surcharge system' an amount deemed sufficient by the Collector having regard to the importance of the shop either in cash, Government Promissory Notes or in such other forms as may be approved by the Collector.

## 523. Kinds of licences.

- The retail licences applicable for shops settled under the three categories of the tree-tax system will be as under : (i) For shops settled under the 'Auction-cum-Tree-Tax' and the 'Tender-cum-Tree-Tax' system in Form C.L. 10-A. (ii) For shops settled under the 'Surcharge System' in Form C.L. 10. [524. A surcharge of Rs. 15.00 for each Tari tree and Rs. 10.00 for each Khajur tree shall be levied for the privilege of vend, on trees tapped by licensed vendors of shops settled under any of the three categories of the Tree-Tax System] [Substituted by Notification No. 7837-E/XII-333 (I)-76-UPA-IV-10-Rule-62-AM (I)-76 dated 11th September, 1976, published in U.P. Gazette, Extraordinary, dated 13-9-1976.]. [525. The rates of Tree Tax on Tar and Khajur trees tapped by licensed vendors or owners of trees in the following areas which shall be governed by the Tree Tax System, shall be as follows :-(1) For consumption in the districts of Gorakhpur, Deoria, Basti, Ghazipur, Azamgarh, Ballia, Mirzapur, Jaunpur, Gonda, Bahraich, Faizabad, Lucknow, Barabanki, Rae Bareilly, Hardoi, Kanpur Nagar, Kanpur Dehat, Farrukhabad, Mainpuri and Etawah-Rs. 50.00 on account of each Tar Tree and Rs. 30.00 on account of each Khajur tree to be tapped. (2) For consumption in the district of Varanasi-Rs. 60.00 on account of each Tar Tree and Rs. 40.00 on account of each Khajur tree to be tapped. Note. - Licensees of low tax areas should as a rule not be allowed to tap trees in high tax areas but if it is necessary to do so, they will be required to pay higher tax per tree.]

## 526. Permit required for tapping.

- In the area under the tree-tax system no tree shall be tapped and no Tari or Sendhi drawn from any tree except under a tapper's permit obtained under the rule hereinafter following.

## 527. Payment of tax.

- (i) Tapper's permit may be issued on the application, -(a) of persons licensed to sell Tari or Sendhi by retail; (b) of tree owners (for not more than five trees in any period of twelve months ending September 30) for drawing Tari or Sendhi for domestic consumption but not for sale. (ii) The applicant for a permit before proceeding to tap any tree, must pay in advance into the sub-treasury the tree-tax prescribed in paragraph 521 together with (if the applicant is a licensed vendor) the surcharge prescribed in paragraph 524 in respect of the trees which he desires to tap. For the purpose he shall present to the officer in-charge of the sub-treasury an application in triplicate in Form C.L. 15 stating -(a) the amount tendered in cash or remitted by money-order; (b) the number and kind of trees to be tapped; (c) the village and Khasra number or other definite description of the fields in which the trees stand; (d) the owner's name, and (in the case of application) by licensed vendors; (e) whether applicant has obtained the owner's permission. The minimum number of trees to be entered on one application shall ordinarily be two, all which should as far as possible, be situated in one village only. (iii) Forms of application may be obtained by applicants free of charge, from the District or Sub-Divisional Officer or from the Excise Inspector or the Tari Supervisor. Applications may be presented personally or forwarded by post to the officer in-charge of the sub-treasury. The challan or the money-order receipt for payment of the sum due on the application must be attached to the application. (iv) If the payment is made by money-order, the money-order

must be addressed to the Collector, and the following details must be entered on the Coupon to be retained by the payee : (a) Amount remitted; (b) a statement that the remittance is on account of tree-tax; (c) name and address of remitter; (d) if the remitter is a vendor, the name of the shop; (e) if the remitter is a tree owner who requires a permit for domestic consumption, the words 'tree owner'.

## **528. Treasury receipt.**

- The officer incharge of the sub-treasury shall receive the application and the amount of tree-tax together with (in the case of licensed vendor) the surcharge calculated at the prescribed rates. If there is no reason to the contrary, he shall grant a receipt for the amount rendered and endorse the amount on each copy of the application under his signature and seal. He will retain one copy, return the duplicate to the vendor and send the triplicate to the Excise Inspector. At the close of each account month the Tahsildar in-charge of the sub-treasury shall prepare and submit to the Collector's office, a statement showing the number of Tar and Khajur trees applied for and the total revenue deposited in respect of them into the treasury during the previous account month.

## **529. Issue of tapper's permit.**

- On receipt of the application the Excise Inspector shall forthwith take steps for the marking of the trees. He shall first enter necessary particulars from the receipted applications received from the treasury under paragraph 528 in the tree-marking register in Form C.L. 20 maintained for the purpose. All the close of each account month the Excise Inspector shall prepare a statement in duplicate containing total figures of Tar and Khajur trees and revenue derived therefrom in that account month (columns 4, 6 and 8 of register C.L. 20) and submit both copies to the Collector's office. The District Officer will cause these figures to be checked by the Excise clerk against the statements submitted by the Tahsildar under paragraph 528 above. After checking, the District Excise Officer will retain one copy of the statement submitted by the Excise Inspector for record in his office and return the other copy to the Excise Inspector after endorsing on it that it has been checked and found to agree with the figures submitted by the Tahsildar. The Excise Inspector shall then forward this copy to the Assistant Excise Commissioner who will again verify the figures at his inspection of Collector's office. The Excise clerk shall also maintain a register in manuscript showing the number of Tar and Khajur trees and the revenue derived therefrom in respect of each circle and the receipted applications will also be sent by the Excise Inspector of each circle to the Collector's office at the end of the month for cross-checkings with the entries made in this register and the siahas by the Excise clerk who will then append a certificate in the register to the effect that he has checked the receipted applications received from the Excise Inspector with the original siahas and found them correct. The Excise Inspector shall prepare the tapper's permit in duplicate in Form C.L. 16 and make over one part to the vendor, noting on both copies the names of the subordinate deputed for the purpose of marking the trees. No subsequent alterations in the number and descriptions of the trees, or in the amounts deposited or the name of the applicant shall be made in the receipted applications or permit except under an order of the District Excise Officer or of the Collector. This order will be passed to the counterfoil of the application or permit. The Excise Inspector may, however, alter the names of the tappers, on the application of the vendors or owners of trees, without the sanction of the Collector or the District Excise Officer. Note. - In the case of

alteration in the numbers and description of the trees or the name of the applicant, the Excise Inspector is authorized to make such alterations within ten days receipt by him of the receipted application.

### **530. Marking of trees.**

- The permit-holder shall point out to the marking officer, when required, the trees which are to be tapped. The mode of marking of trees shall be prescribed by the Excise Commissioner. No tari or sendhi shall be drawn from any tree, nor shall any pot be attached to any tree, until it shall have been marked by the department. The permit-holder and the tappers shall be responsible for the maintenance of the marks so put on the trees and shall not efface or attempt to efface them. Note. - The mode of marking trees and the point for its use in a particular year shall be prescribed by the department from time to time.

### **531. Currency of tapper's permit.**

- The tapper's permit shall be in force from October 1 or any subsequent date to September 30 immediately following, In no case shall tari or sendhi be drawn except during the currency of the permit.

### **532. Commencement of tapping process.**

- Tapper's permits may be issued from September 1, but the preparation of spathes shall not be permitted before September 15 nor shall pots be attached to trees before the evening of September 30. In the case of Khajur trees the process of preparation may be allowed from September 15, but the incision required for the insertion of the drip leaves shall not be allowed before the evening of September 30.

### **533. Night tapping.**

- No trees shall be tapped nor any tari or sendhi containing pot taken down from a tree between sunset and sunrise.

### **534. Transport of tari and sendhi.**

- All tari or sendhi drawn shall, as soon as the pots containing the same are removed from the trees, be conveyed direct to the retail shop without delay.

### **535. Transport pass.**

- The transport of tari or sendhi from the tree to the shop shall be covered by a pass in Form C.L. 16 to be obtained free of charge from the Excise Inspector. Separate passes will be required for transport from each village. These passes will be current up to the end of September, subsequent

changes in the names of carriers may be made on the application of the vendor by the Excise Inspector, who shall note the change on the counterfoil.

### **536. Import of tari and sendhi.**

- The import of tari or sendhi into the area under this system from elsewhere is prohibited.

### **537.**

No tari shall be transported from a low tax area to a high tax area except with the written permission of the Collector and such conditions as are prescribed by him.

### **538. Sale in transit.**

- No tari or sendhi drawn under the rules shall be sold or otherwise transferred except at the retail shop. Sales or transfers under the trees or on the way are prohibited.

### **539. Adulteration of tari and sendhi.**

- Adulteration of tari or sendhi with any noxious or objectionable substance in the course of manufacture, transport, storage or vend is prohibited.

### **540. Persons unfit for employment in tari and sendhi business.**

- The following persons shall not be employed on shops or as tappers or carriers : (1) previous convicts of a non-bailable offence; (2) persons previously found guilty of any serious breach of Excise rules or conditions; (3) excise defaulters and persons of unsatisfactory or suspicious character; (4) persons suffering from any contagious disease.

### **541. Paging of permit and passes.**

- The tapper's permits and the carriers' passes will be bound up in books containing 100 forms serially paged.

### **542. Sale by vendors to one another.**

- One licensed vendor may sell or transfer tari or sendhi to another in quantity exceeding 2 seers (1.86620 kilograms) under a transport pass (Form C.L. 16) to be obtained free of charge from the Excise Inspector.

### **543. Issue of duplicate permit or pass.**

- If a tapper's permit or a carrier's pass is lost or destroyed, a duplicate may be issued on payment of a fee of Re. 1 into the sub-treasury to be credited to "8-Excise Miscellaneous".

### **544. Special staff and its duties.**

- A special staff consisting of one or more Excise Inspectors and number of supervisors and constables proportionate to the requirements of the area under system shall be provided by the Excise Commissioner with the approval of Government. The duties of this staff shall be -(a) to put distinctive marks on trees permitted to be tapped; (b) to prevent and detect illicit tapping; (c) to see that the rules and conditions are duly observed; (d) to ascertain the rent charged by owners of trees, selling price of each vendor and the average produce of trees in different localities; (e) other analogous duties imposed by the department.

### **545. Patrol by the staff.**

- Each area under the system shall be divided into blocks and sub-blocks. Each block shall be patrolled by a supervisor and each sub-block by a constable. Each supervisor shall be required to keep a diary which the Inspector will check and scrutinize for time to time.

### **546. Shop inspection register.**

- The Inspector shall enter his inspection notes in the shop inspection register in Form C.L. 18.

### **547. Village inspecting register.**

- The supervisor shall maintain a village inspecting register in Form C.L. 19, under the supervision and direction of the Inspector, who shall check and sign it once a fortnight. The Excise Inspector shall also keep a copy of this register with him to facilitate his checking of the trees marked on the spot when he and the supervisor are touring in different directions.

### **548. Responsibility of the Excise Inspector.**

- The Excise Inspector shall be personally responsible for the proper marking of trees and for preventing illicit tapping he shall see that supervisors and constables do not harass the vendors, tappers or carriers unnecessarily.

### **549. Verification, etc. of trees by the special staff.**

- After the commencement of each tapping season, the Excise Inspector shall verify the fact that only the trees entered in the list have been tapped. He shall submit the result of his inquiry to the District Excise Officer, returning at the same time his copy of the vendor's application. The Sadar Excise

Ahalmad will verify the credit of the tree-tax from his accounts and report the fact of his having done so.

### **550. Verification of trees by district staff.**

- Members of the district staff should, as opportunity offers, call for the copy of the application returned to the vendor under paragraph 528 and ascertain whether tapping has been confined to the trees shown therein.

### **551. Village register to be up-to-date.**

- Soon after the return of tari constable from tree-marking to head-quarters treasury receipt or receipts in Form C.L. 15 or C.L. 15-A under which marking has been done will be made over to the tari Supervisor, who will write "received on the date....." sign on each treasury receipt and make entries from the receipt or receipts in his village register, C.L. 19 returning the same to the Excise Inspector after making below his first endorsement a further endorsement "Copied and forwarded on date ....., " and sign it. The Excise Inspector will see that the supervisor does not unnecessarily hold up a treasury receipt and that he does not make more than the requisite time to copy it. The supervisor will mention every treasury receipt received from and submitted the Excise Inspector in his appropriate diaries. This is meant to keep the supervisor's village register up-to-date, as the procedure next herein following cannot be followed and its result cannot be verified correct unless the village register is brought up-to-date as early as practicable.

### **552. Checking of trees by supervisor.**

- When checking trees the supervisor will initial and date the number of a tree which he has checked in his village register but he will not tick or initial or date any number which has already once been initialled and dated. In his daily diaries he will mention the serial number of trees checked by him on a date for the first time in a tari year under head IV and the serial number checked on any other occasion than the first under head V. He will also give the total number of trees checked, under heads IV and V. Note - When checking trees for the first time in a year the Tari Supervisor shall inscribe his initial and the date of checking on each tree with the paint prescribed by the Department from time to time. Unless this is done the checking will not be considered as having been actually carried out.

### **553. Fortnightly statement.**

- On receipt of the fortnightly statement hereinafter prescribed and filled in by the Supervisor from column 1 to column 7, the Excise Inspector will before sending it to the Assistant Excise Commissioner, compare its figures with the supervisor's village register, and sign the serial number of the trees in the village register checked by the Supervisor during the fortnight for which the statement has been prepared. He will at the same time give figures from his own village register and diaries in columns 8 and 9 and sign the certificate at the foot of the statement.



## **554.**

A fortnightly statement in Form C.L. 17 shall be submitted by all Tree-Tax Excise Inspectors to the Assistant Excise Commissioner. Note. - Rules in respect of settlement of Tari shops in the tree-tax area of Uttar Pradesh by-(1) inviting tenders, and (2) auction. (E) Tender-Cum-Tree Tax Or Auction-Cum-Tree Tax-System Rules, 1955

## **555. Short title.**

(1) These rules may be called the U. P. Settlement of Tari Shops (Tender-cum-Tree Tax or Auction-cum-Tree-Tax) Rules, 1955. (2) Extent. - These rules shall apply to such districts or part of a district or districts and with effect from such date or dates as the State Government may, from time to time, by notification in the official Gazette, extend. (3) Commencement. - These rules shall have effect from October 1, 1955.

## **556. Definition.**

- In these rules unless there is anything repugnant in the subject or context, -(a) 'Act' means the U.P. Excise Act, 1910; (b) 'Form' means a form appended to these rules; (c) 'Tree' means Tar or Khajur tari capable yielding tari; (d) 'Premises' means licensed premises.

## **557.**

The State Government shall, by notification in the official Gazette, declare whether the settlement of shop in a particular area to which these rules apply shall be made by inviting tenders or by auction.

## **558. Licence required to tap tari.**

- No tree shall be tapped and no tari shall be drawn in the areas, to which these rules apply except under a licence in Form C.L. 10-A granted by the Collector of the district concerned. Note. - The provisions of this rule do not override the general paragraph 526 supra, applicable in respect of tapping of trees under authority of a pass in Form C.L. 16 issued in accordance with the general governing tree-tax system.

## **559. Number and location of shops.**

- The number and location of shops for the retail vend of Tari shall be fixed by the Collector of the district with prior approval of the Excise Commissioner.

## **560. Settlement of shops by inviting tenders.**

(1)(a). Each shop shall be settled afresh every year by the Collector by inviting tenders in Form G-28-A. Each tender shall be accompanied by a treasury receipt of Rs. 2 otherwise it shall not be

considered.(b)Tenders shall be submitted in sealed covers superscribed with the word 'Tender' for licence (C.L. 10-A) for Tari shop under the tree-tax system, and shall reach the Collector by the last date of receipt fixed and notified by him.(c)All the tenders received by the Collector shall be kept by him in his safe custody, and shall soon after the expiry of the last date of receipt be opened by him at one and the same time in the presence of such of the tenderers as may be present on the date notified at least one week in advance but not later than August 31, every year. The date of opening the tenders shall also be intimated in advance to the Assistant Excise Commissioner of the charge.(d)A settlement report shall be submitted to the Excise Commissioner on or before September 15 every year in Form G-11-A for his sanction.(2)Shops shall be settled with the person offering the highest tender but tenders may be invited afresh if the highest offer made is considered to be inadequate of the person who has submitted the tender is disqualified from holding Tari shops under the rules or is of a doubtful solvency or is otherwise considered undesirable.(3)The tenderer with whom a shop is settled shall be required to deposit one-sixth of the total tendered amount as advanced before August 31. This amount shall be adjusted towards tree-tax and surcharge on trees marked after April 30 one third of the tendered amount shall be payable till January 31 and the remaining half till April 30. In case the advance deposit of one-sixth of the total tendered amount is not deposited by the date fixed the licence shall not be granted by the Collector and the shop shall be settled with another tenderer considered suitable by the collector. The deficit, if any, shall be recoverable from the defaulting tenderer as arrears of land revenue.In case of default in depositing the two remaining instalments by the date fixed, the licence shall be cancelled and the shop settled afresh at the risk of the defaulter with the least possible delay any loss arising from the re-settlement shall be recovered by adjustment in the advance deposit. Balance, if any, shall be recovered as arrear of land revenue. If a licensee is not able to get the total number of trees covered by an instalment marked within the period fixed for its payment he shall be allowed to utilize the balance of instalment in marking trees after April 30.Note. - Particulars of advance deposits made by the licensee shall be communicated by the Collector to the Excise Inspector concerned.(4)Marking of trees in excess of amounts covered by an instalment shall be permitted against additional deposits which may be adjusted towards subsequent instalments.(5)Surcharge and trees-tax fixed by the Government for each Tar and Khajur tree for the area concerned shall be leviable in the case of shops settled under this system.(6)(a)For the due observance of the conditions of his licence, the licensee shall deposit security, either in cash, Government Promissory notes or in such other form as the Collector may approve, of an amount equal to 1/12th (one-twelfth) of the amount tendered for the shop by the licensee.(b)Licence for vend shall be granted in Form C.L. 10-A. The licensee shall be bound by the conditions of this licence.

## **561. Settlement of shops by auction.**

(1)(a). Shop shall be settled by the Collector under Tree-Tax System by auction with the person offering the highest bid but a fresh auction may be held if the highest bid made is considered to be inadequate or the person offering the bid is disqualified from holding Tari shops under the Excise Rules or is of a doubtful solvency or is otherwise considered undesirable by the Collector.(b)The person offering the highest bid shall be required to deposit one-twelfth of the total bid offered by him as advance immediately on the provisional acceptance of the bid at sale by the officer conducting the sale. The other one-twelfth shall be paid immediately after the final settlement of the

shop by the Collector but not later than September 30. This amount of advance deposit of one-sixth shall be adjusted towards tree-tax and surcharge on the trees marked after April 30. One-third of the total amount offered shall be payable latest by January 31, and the remaining half by April 30. (c) In case the entire amount of any of the instalments mentioned in sub-clause (b) is not deposited by the date fixed, the licence shall be cancelled and shop settled afresh by resale by the Collector by auction at the risk of the defaulter. If there is any loss on resale, it shall be recovered by adjustment of the advance deposit and balance, if any, shall be recovered as arrears of Land Revenue. (d) It shall be open to the officer conducting the auction to demand one-twelfth advance deposit by the second or third highest bidder if he thinks that the bid of the highest bidder may not be accepted owing to reasons mentioned under sub-clause (a) supra. (e) If a successful bidder due to greater demand of Tari wants to register trees of the value over and above the amount offered at auction, he can do so by depositing extra tree-tax and surcharge for such trees during any of the periods specified above. (2) Every person bidding shall be held to his bid, whether it be the highest or not and it will be distinctly understood that any remission of the entire or part of the sum of the bid shall under no circumstances be considered. (3) No person shall be allowed to bid at auction on behalf of another person for a shop unless he holds a duly written authority from such other person to do so, or such person is present at the auction and authorizes or ratifies the bid made on his behalf. (4) On default of payment of the advance money either at the time of the sale or after the final settlement of the shop by the Collector the shop shall be resold by auction. Should the price offered at the resale be less than that offered at the first sale the difference will be recoverable as arrears of land revenue from the person who made the original bid. (5) Every shop for which a licence is issued shall be kept open throughout the Tari season and a supply of Tari, sufficient to meet the demand of consumers, shall be maintained. (6) Whenever for any reason the final decision regarding the selection of licensees is likely to be delayed, it shall be open to the Collector to settle the shop provisionally with one of the bidders subject to the following conditions which shall be entered in the licence : (a) That the licence shall be terminable at will if the shop is eventually settled with another person and the licensee shall not be entitled to claim any remission in licence fee or to any compensation. (b) The provisional licensee shall be bound to register such number of trees by paying tree-tax and surcharge on them as the Collector think sufficient taken into consideration the bid offered by such licensee. (c) The condition regarding the deposit of advance mentioned in subclause (d) of clause (i) supra shall be applicable to the provisional licence issued under this clause, but this deposit shall be refunded, if the licence is eventually refused before May 1 and the licensee has not committed any breach or a report regarding breach of licence conditions is not pending against him. If the licence is refused later on the whole or part of deposit can be refunded by Collector in consultation with Excise Commissioner. (7) If a licensee is not able to get the total number of trees covered by one instalment marked within the period fixed for its payment, he shall be allowed to utilize the balance of instalment in marking tree after April 30. Note. - Particulars of advance deposits made by the licensees shall be communicated by the Collector to the Excise Inspectors concerned. (8) The provisions of sub-rule (5) of rule 9 [Paragraph 560 (5)] supra in regard to surcharge and tree-tax leviable shall apply in the case of shops settled by auction as well. (9) The provisions of Rule 6, paragraph 560 (6) supra shall apply in regard to the deposit of security for due observance of the conditions of the licence. (10) Vend licence shall be granted in Form C.L. 10-A. The licensee shall be bound by the conditions of the licence.

**562.**

Balance of advance money or instalments remaining utilized shall not be refunded to the licensee.

**563.**

Shops falling vacant during the course of a year shall be settled by inviting tenders or by auction, as the case may be. The amount of advance deposit and the instalments shall be fixed by the Collector having regard to the importance of the shop and the Tari season.

**564.**

The details for deposits or unutilized amounts will be communicated by the licensees in Form C.L. 15-A to the Excise Inspector when he applies for marking of trees. The Excise Inspector shall return one copy to the licensee, submit one copy to the District Excise Officer, and retain one copy for his record which shall be utilized for marking of trees.

**565.**

The Excise Inspector shall report to the Collector in the first week of February the amount remaining to the licensee's credit unutilized out of instalment payable till the 31st January, giving reference to the number and date of treasury challans under which they were deposited. A similar report shall also be submitted in the first week of May in respect of the instalment payable till the 30th April. The District Excise Officer shall cause the entries about unutilized balance to be made in the accounts maintained by the Excise clerk. Monthly reports in respect of trees marked after April 30 against advance deposit and balance of instalments, if any, will be submitted to the Collector in the manner mentioned in foregoing paragraphs of this rule. In the remarks column the number and date of treasury challan under which the amounts utilized during the month were deposited should be entered in the register C.L. 20 and in the statement submitted to Collector.

**566.**

Rules contained in Chapters II, III, V and VII of the U. P. Excise Manual, Volume I, shall also apply mutatis mutandis, to the manufacture, transport, storage and sale of Tari.[The U.P. Nira (Or Sweet Toddy) Rules, 1979] [Vide Notification No. 1304-E/XIII-501-79, dated February 19, 1979, published in U.P. Gazette, Extraordinary, dated 19th February, 1979, pp. 23-41.]In exercise of the powers under Sections 42 and 47 read with Section 40 of the U.P. Excise Act, 1910 (Act No. IV of 1910) the Governor of Uttar Pradesh is pleased to make the following rules to regulate the tapping of Nira-producing trees, the drawing of Nira therefrom and the grant of Nira Licences :

## **567. Short title, extent and commencement.**

- (i) These Rules may be called the [U.P. Nira (or Sweet Toddy) Rules, 1979.] [For full details, see Appendix 24](ii)They shall extend to the whole of Uttar Pradesh.(iii)They shall come into force with effect from the date of their publication in Official Gazette.

## **568. Definitions.**

- In these rules, unless there is anything repugnant in the subject or context,-(a)"Act" means U.P. Excise Act, 1910 (Act No. IV of 1910);(b)"Form" means a form appended to these rules;(c)"Licence" means a licence granted under these rules;(d)"Nira" (Sweet Toddy or unfermented toddy) means unfermented juice drawn from tar, khajur or any other kind of palm tree;(e)"Premises" means licensed premises;(f)"standard quality Nira" means the Nira which is-(1)Transparent,(2)Syrupy,(3)Sweet in smell and taste,(4)Without the slightest foam on its surface,(5)Without any tinge, and(6)Without any acid or alcoholic fermentation.(g)"tree" means Tar or Khajur tree or any other kind of palm tree capable of yielding 'Nira'.

## **569. Purpose for which licence to be granted.**

(1)Licence to tap tree and draw Nira therefrom shall be granted by the Collector for the following purposes :(a)manufacture of Gur or other similar product which is not an intoxicant;(b)storage and supply of Nira to retail licensees;(c)bona fide private consumption.(2)Licence may also be granted by Collector to sell Nira by retail for consumption on premises.

## **570. Kinds of licences.**

- Licences shall be of the following four kinds :(i)Form S.T. I to tap tree and draw Nira therefrom for the manufacture of Gur or other similar product which is not an intoxicant.(ii)Form S.T. II to tap tree and draw therefrom for the storage and supply of Nira-(a)to licensee who manufactures Gur or other similar product which is not an intoxicant from Nira, or(b)to licensee, who sells Nira by retail for consumption on premises.(iii)For S.T. Ill to sell Nira by retail for consumption on premises;(iv)Form S.T. IV to tap own tree for bona fide private consumption of Nira and not for sale, with the prior approval of the Excise Commissioner.

## **571. Eligibility for licence.**

- Suitable applicants, whether an individual or an institution shall be eligible for the licence. The comparative merit where necessary among various applicants shall be considered by the Collector in consultation with the district level Committee constituted for the purpose by a State Government from time to time and regard being had to the following :(1)Honesty and ability to supervise the working under the licence personally.(2)Weightage to-(a)local residence,(b)institution,(c)specific training to tap, draw and preserve Nira undergone by the applicant.

## **572. Ineligibility for licence.**

- No applicant shall be eligible for the licence :(1)Who is an excise licensee connected with or having interest in business of any intoxicant.(2)Who has been convicted by a criminal court for a non-bailable offence.(3)Who is in arrears of Government revenue.(4)Whose conduct as an Excise licensee has been found unsatisfactory.(5)Who has earlier been guilty of any serious breach of the condition of licence relating to Nira.(6)Who on the date of the application is below the age of twenty-one years.(7)Who is suffering from any infectious or contagious disease.

## **573. General principles to be observed in granting licences.**

- The following general principles are to be observed in granting Licences under these rules :(1)Licence to tap tree and draw Nira therefrom shall be granted to an applicant who makes arrangement for sterilization referred to in Rule 14 and licence for storage and supply or sale of Nira shall be granted to an applicant who makes arrangements for refrigerator/ice-box to the satisfaction of the Collector to prevent fermentation in Nira.(2)Licence to tap tree and draw Nira therefrom for the manufacture of Gur of similar product or from the storage and supply of Nira shall not be granted to an applicant holding licence for the retail vend of Nira.(3)Only institution may be granted more than one licence in such a manner that the licence for storage and supply of Nira and the licence for retail vend of Nira shall not co-exist.(4)Settlement shall be made of individual licence and the licence will be granted for a period not more than a year.(5)Licence to tap own tree for bona fide private consumption of Nira shall be only for and up to the limit to the genuine need of the licensee.

## **574. Procedure for the grant of licence for the storage and supply of Nira or/and manufacture of gur.**

- The following procedure shall apply for the grant of licence to tap tree and draw Nira therefrom for the manufacture of Gur or other similar product which is not an intoxicant or/and for the storage and supply of Nira :(1)Any person who is eligible under these rules may apply to the Collector in the appropriate form appended hereto for a licence of the above category not later than one month before the date of tapping tree. An application for tapping tree situated on any Government land shall be supported with a certificate of the Government department concerned indicating that the applicant has been granted permission to tap the tree.(2)The Collector after making such enquiries as he thinks fit shall consider the application in the light of the provisions of Rule 5 and having regard to the following :(a)Nira is expected to be consumed in the area in question in substantial quantity.(b)The grant of licence is not likely to be inconsistent with the prohibition policy of the State Government.(c)The grant of licence envisages scientific and economic exploitation of tree and provides employment to tappers and persons genuinely interested in establishing and developing village industries.

## **575. Procedure for the grant of licence for retail vend of Nira.**

- The following procedure shall apply for the settlement of licence for the retail vend of Nira for consumption on the premises : (i) Whenever a new licence is proposed to be granted the Collector shall invite applications for the purpose after giving publicity at the office of the Zila Parishad, Nagar Mahapalika or the Nagar Palika, the Collector's office, the office of the Deputy/Assistant Excise Commissioner and in such other manner as it considered reasonable by the Collector. (ii) A list of licences for the retail vend of Nira for which the Collector proposes to select licensees shall be exhibited at the Collector's office. (iii) Applications for the grant of licence shall be in appropriate form appended hereto and shall be addressed to the Collector. Note. - The last date to be fixed for the receipt of applications shall not be earlier than fifteen days after the date of exhibition at the Collector's Office of the invitation of the applications. (iv) The District Excise Officer shall scrutinise all the applications received for grant of licence and draw up a list of eligible applicants whom he considers suitable. In preparing the list, he may make or cause to be made such enquiries as he may consider necessary and shall be guided by the principles, laid down in Rules 5 to 7. He shall also prepare a second list containing the names of those applicants whose names could not be included in the list of suitable candidates and record against each name his reasons for omitting them from the first list. Both these lists shall be forwarded by him to the Deputy/Assistant Excise Commissioner of the Charge concerned. The Deputy/Assistant Excise Commissioner shall forward these lists to the Collector after recording his views in regard to the suitability of each of the applicants. The Collector may then make or cause to be made such further enquiries as he considers necessary and may, for reasons to be recorded, grant the licence to any applicant whom he considers suitable having regard to the principles laid down in these rules.

## **576. Number and location of Nira licences.**

(1) The number and location of Nira licences for storage and supply of retail vend of Nira or for the manufacture of Gur (jaggery) or other similar product which is not an intoxicant shall be such as fixed by the Collector with the prior approval of the Excise Commissioner. (2) Sites for the premises under the licence for storage and supply of Nira or retail vend of Nira or manufacture of Gur or other similar product which is not an intoxicant should be approved by the Collector with a view to ensuring that sanitation, etc. is maintained and they are enclosed or otherwise so located that the use of Nira for unauthorised purpose can be easily detected or prevented. (3) The Collector may grant purely temporary licence for the establishment of temporary Nira selling centre on special, occasion like exhibition, fair, conference, if he is satisfied that there is genuine need for such centre and that misuse of Nira is not likely to occur at such centres.

## **577. Period of licences.**

- The licence shall ordinarily be granted for a period of one year commencing from the first day of the October to 30th day of September following : Provided that the licence granted on date subsequent to the 1st day of October shall be granted only for the period from such date to the 30th day of September following (both days inclusive).

## 578. Arrangement for drawing Nira from tree.

- The licensee shall make his own arrangement with the owner of tree for drawing Nira unless he is himself the owner of such tree.

## 579. Making and numbering of tree.

(1) No tree shall be tapped unless it is marked by blue with 25 centimetres square in which shall be prominently painted in white the number of the tree, the licence year and the appropriate figures as provided in sub-rule (2). The marking and numbering should be at height of 75 centimetres measured from the bottom of the tree, and on the northern or southern side of the trunk of the tree as the tapping will be done on the eastern or western side of the crest of tree. (2) The licensee shall paint the figures specified in column (2) of the table below to indicate that the tree is intended to be tapped for any of the purposes specified against them in column (1) of the said table :

Manufacture of Gur or other similar product which is not an intoxicant	... I
Storage and supply of Nira	... II
Bona fide private consumption	... III

The marking should be distinct and such that it cannot be effaced easily through rain water or similar natural cause.

## 580. Condition for tapping.

- (i) No tree which is less than 150 centimetres in height from the ground level shall be tapped nor Nira drawn therefrom. No tree shall be tapped nor shall any pot attached to any tree for the purpose of drawing Nira therefrom until the licence therefor has been issued and until the tree has been marked and numbered by the licensee in the manner specified in the rules. (ii) No juice from any Tar, Khajur or any other kind of palm tree shall be drawn except in a receptacle. Such receptacle before it is used for drawing and collecting Nira shall be washed with a freshly prepared solution of permanganate of potash and water. After it is so washed it shall be washed again with pure water in order to make it absolutely clean. After the receptacle is washed and rewashed as provided above fresh milk of lime shall be put in such receptacle in the proportion of 3 cubic centimetres for every 900 millilitres of Nira to be drawn therein for the purpose of sterilization. (iii) When the receptacles are hung to collect Nira, their mouths should be covered with clean muslin cloth. Explanation. - In this sub-rule, - (a) "milk of lime" means the solution of water and pulp of quicklime in the proportion of 4 : 1. (b) "pulp of quicklime" means the pulpy precipitate obtained by gradual addition of water to quicklime. (iv) For better results, 0.2 per cent, by volume of Sodium Benzoate solution may be put in the receptacle before they are hung upon the tree. (v) After the receptacles have been sterilized and dried, calculated amount of solution of Sodium Benzoate to make concentration of 0.1 per cent, in the expected amount of Nira should be added to the receptacle just before they are hung up on the tree. The juice so collected should be pooled and the final concentration of Sodium Benzoate should be made up to 0.2 per cent.



### **581. Night tapping prohibited.**

- No tree shall be tapped nor any receptacle containing Nira be taken down from a tree between sunset and sunrise except with the prior permission of the Collector.

### **582. Authorisation certificate.**

- Every agent or tapper employed by the licensee in connection with his licence shall be provided with an authorisation certificate signed and dated by the licensee. The name of such employee together with the date on which he is appointed shall be communicated forthwith in writing by the licensee to the Excise Inspector having charge of the area in which the premises is situated, within two months of the date of appointment of such employee, the licensee shall get such authorisation certificate countersigned by the said Excise Inspector and if he fails to do so, such authorisation certificate shall cease to be valid. No authorisation certificate shall be issued to any person under 21 years of age; and any such authorisation certificate if issued shall not be valid.

### **583. Adulteration of Nira prohibited.**

- Nira drawn under these rules shall be not mixed or adulterated with any substance or liquid other than the prescribed preservative or taken to any place other than those mentioned in the conditions of. licence.

### **584. Transport of Nira.**

- Nira drawn under these rules shall not be taken to any place except under a valid transport pass.

### **585. Inspection of tree.**

- Any person tapping tree for drawing Nira under these rules shall bring down the receptacles attached to any tree so tapped, for inspecting on the demand by any Officer of the Excise, Revenue or Police department.

### **586. Fees for licence.**

- No fee shall be charged for a licence to tap tree for the manufacture of gur or other similar product which is not an intoxicant but a fee of Rs. 10 shall be charged for a licence for sale of Nira by retail and a fee of Rs. 100 for a licence for storage and supply of Nira.

### **587. Place of manufacture or of sale.**

(1)The manufacture of gur or other similar product which is not an intoxicant shall be carried on at the premises.(2)No licence for the tapping of tree beyond a radius of half a mile from the place of manufacture shall be granted :Provided that the Collector may in his discretion grant licence for the

tapping of tree beyond such radius if he is satisfied that for any special reason such licence is necessary.(3)Nira shall be sold at the premises.(4)No licence for the storage and supply of Nira shall be granted if the tree to be tapped for drawing Nira for storage and supply is situated beyond 16 kilometres of the place of storage and supply :Provided that this limit may not apply when adequate refrigeration arrangement to the satisfaction of the Collector is made by the transporter to prevent fermentation in Nira during transit.

### **588. Undertaking for the observance of Act etc.**

- No licence under these rules shall be granted unless the applicant has given an undertaking in writing to the satisfaction of the Collector for the proper observance of the provisions of the Act and rules, regulations and orders made thereunder.

### **589. Regulation of sale etc.**

- Sale, utilization and destruction of Nira shall be regulated according to the licence granted for-(i)Storage of supply of Nira;(ii)Manufacture of gur (jaggery) or other similar product which is not an intoxicant from Nira;(iii)Retail vend of Nira.

### **590. Hours of sale of Nira.**

- (Rule 24). Sale of Nira shall be made during the following hours :From April 1 to September 30 : From 6 a.m. to 10 a.m.From October 1 to March 31 : From 7 a.m. to 11 a.m.

### **591. Minimum stock of Nira to be maintained.**

- (Rule 25). The licensee shall during the first hour of opening of the shop on each day, maintain minimum stock of Nira which shall be fixed and entered in the licence by the Collector. The Collector shall have the right to vary this limit to within 50 per cent, at his discretion after giving written notice of at least 4 weeks on the expiry of which the licensee shall be bound to maintain the minimum stock so fixed, unless the Collector, after hearing the objection (if any), cancels or modifies the notice so issued.

### **592. Registers.**

- (Rule 26). (1) A person holding a licence in Form ST-I, ST-II and ST-III shall maintain register in Forms ST-I/R, ST-II/R and ST-III/R respectively and write therein true accounts from day to day of all Nira transactions.(2)A person holding licence in Form ST-II shall also maintain a register of persons holding a licence in Forms ST-I and ST-III and Nira supplied to them from day to day in Form ST-II/NR.(3)The pages of registers maintained under sub-rules (1) and (2) shall be numbered and sealed with the seal of the District Excise Officer, Superintendent of Excise of the district or Assistant Excise Commissioner of the district, as the case may be.(4)A person holding a licence in Form ST-I, ST-II or ST-III shall submit to the Excise Inspector of the circle concerned not later than

the 7th of each month, monthly returns in Forms ST-I/S, ST-I1/S and ST-III/S.

### 593. Inspecting of the premises for manufacture of Nira.

- (Rule 27). Officer of the Excise Department not below the rank of an Excise Inspector, officers of the Industries and Revenue Departments of the corresponding rank duly authorised by the district officers of the Industries and Revenue Departments and officer-in-charge of police station may enter and inspect the premises for manufacture and the premises for sale and inspect the accounts maintained. The Inspecting Officer shall record his observations in the inspection book maintained by the licensee.

### 594. to 604. Penalty.

- In the event of any breach of any of the provisions of these rules or of any of the terms or conditions of the licence granted under these rules the licence shall be liable to be cancelled or suspended in accordance with Section 34 or Section 35 of the Act without prejudice to any penalty to which the licence may be liable under the Act or any other law for the time being in force. Form A (See Rule 8) To The Collector, Sir, I, the undersigned ..... son of ..... residing at ..... desire : I. To tap the Nira producing trees mentioned in the Schedule hereto and draw Nira therefrom-(a) for the manufacture of Gur (jaggery) or other similar product which is not an intoxicant. (b) for the storage and supply of Nira. (i) to persons manufacturing Gur (jaggery) or other similar product which is not an intoxicant; (ii) to persons licensed to sell Nira by retail for consumption on premises. II. To sell Nira for consumption on premises. I accordingly apply for the necessary licence. I hereby undertake to strictly follow all the rules on the subject and observe all conditions of the licence.

Number and kind of trees to be tapped	Situation of trees to be tapped (village and pargana)	Name and signature of the owner of trees in token of his consent for trees being tapped	Remarks
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Notes. - (1) Retain only that which is necessary and cancel the remaining items. (2) In the case of trees standing on Government lands no signature are required but a separate certificate from the Department concerned should be appended. Signature of the applicant Address ..... Date ..... Form ST-I (See Rule 4) Licence for the tapping of Nira-producing tree and drawing Nira therefrom for the manufacture of Gur or other similar product which is not an intoxicant Licence is hereby granted under and subject to the provisions of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910), the U.P. Nira (or Sweet Toddy) Rules, 1979, and the conditions of this licence to Sri ..... son of ..... residing at ..... authorising him during the period commencing from ..... to (both days inclusive), to tap and draw Nira for the manufacture of Gur or other similar product, at ..... (hereinafter called the premises) from the trees specified in the Schedule hereinafter appended (hereinafter referred to as "the said tree") growing within the limits of village in the police station ..... of the district of ..... The licence is granted subject to the following conditions : Conditions

- 1. The licensee shall not tap any tree other than the said trees nor shall he allow any Nira drawn under this licence to ferment.**
- 2. Each of the said trees shall be marked and numbered at the expenses of the licensee either by the licensee or by any agent duly authorised by him in this behalf in the manner specified in Rule 13 of U. P. Nira Rules. The licensee shall not tap or cause to be tapped any of the said trees or draw or cause to be drawn Nira therefrom until the said trees are marked and numbered as aforesaid. No juice from any tar, khajur or any kind of palm tree shall be drawn except in a receptacle, such receptacle before it is used for drawing and collecting Nira shall be washed with a freshly prepared solution of permanganate of potash and water. After it is so washed, it shall be washed again with pure water in order to make it absolutely clean. After the receptacle is washed and rewashed as provided above, fresh milk or lime shall be put in such receptacle in proportion of 3 cubic centimetres for every 900 millilitres of Nira to be drawn therein.**

Explanation. - In this condition-(i)"milk lime" means solution of water and pulp of quicklime in the proportion of 4 : 1; and(ii)"pulp of quicklime" means the pulpy precipitate obtained by the gradual addition of water to quicklime.
- 3. The licensee shall carry the entire quantity of the Nira drawn by him from the said trees under this licence to the premises by a direct route and to no other place.**
- 4. Nira shall be drawn only twice a day and that only between sunrise and sunset.**
- 5. Nira after being drawn, shall not be kept for unreasonably long time, without being used for the manufacture of Gur (jaggery) or other similar product which is not an intoxicant. The manufacture of Gur (jaggery) or other similar product which is not an intoxicant should be started as soon as possible after the Nira is drawn in order to avoid fermentation.**
- 6. No fermentation Nira shall be possessed by the licensee and if Nira has undergone fermentation, he shall promptly destroy it or cause it to be destroyed by persons under his employment.**

**7. No Nira shall be kept at the premises beyond the day on which it is drawn unless the licensee has made adequate arrangements for freezing the Nira and the Nira is cooled and frozen under the temperature at or below 4° C or unless it is boiled, provided that no such boiled Nira shall be kept for more than 24 hours.**

**8. The licensee shall carry on the business either personally or by an agent duly authorized by him in this behalf by written authorisation certificate signed by himself. The name of each agent and the date of his appointment shall be communicated forthwith in writing by the licensee to the Inspector of Excise having charge of the area in which the premises is situated. The licensee shall be responsible for the breach of any of the conditions of this licence by any person so authorised.**

**9. The licensee shall abide by the conditions of the licence, the provisions of the U.P. Excise Act, 1910 and the rules, regulations and orders made thereunder and shall give an undertaking to the effect.**

**10. The licensee, his heirs, legal representatives or assignees shall have no claim whatsoever to the continuance or renewal of licence granted. It shall be entirely within the discretion of the Collector to permit or not, the assignee of the licensee, in case of sale or transfer, or heir or legal representative of the licensee, in case of death or have the benefit of the licence for the unexpired portion of the term for which it is granted.**

**11. This licence may be suspended or cancelled in accordance with the provisions of Section 34 or 35 of the said Act.**

**12. The licensee shall take all precautions to ensure that Nira does not get contaminated and in particular shall strictly follow the following instructions :**

(1)All persons holding Nira shall be medically examined before the commencement of Nira seasons. They should cut their nails short.(2)Before starting work, the workers should put on clean clothes and wash their hands with clean water.(3)Antifly measures should be taken.(4)Tapping area of the tree should be cleaned properly.(5)When the earthen pots are hung to collect Nira, their mouths should be covered with clean muslin cloth.

## Schedule

Particulars of trees in respect of which the licence is granted :

Village and Pargana	Khasra number or other definite description of the fields in which the trees stand	Name of owner of trees	Number and kind of trees to be tapped	Remarks
1	2	3	4	5

Note. - In case licensee obtains Nira from a ST-II licence, this Schedule will stand deleted. Licensing Authority Form ST-II (See Rule 4) Licence to tap and draw Nira-producing trees for storage and supply of Nira-(1) to person manufacturing gur (jaggery) or other similar product which is not an intoxicant; or (2) to persons licensed to sell by Nira retail for consumption on premises Licence is hereby granted under and subject to the provisions of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910), the U.P. Nira or (Sweet Toddy) Rules, 1979 and the conditions of this licence to Shri....., son of ..... (hereinafter called the licensee) residing at ..... on payment in advance into the treasury at..... of a sum of Rs..... authorising him during the period commencing from ..... to ..... (both days inclusive) to tap and draw Nira from the trees specified in the Schedule hereinafter appended (hereinafter referred to as the said trees) growing within the limits of the district of ..... for the purpose for storage and supply thereof to -(1) persons manufacturing Gur (jaggery) or other similar product which is not an intoxicant from Nira, or (2) to persons licensed to sell Nira by retail for consumption on premises. The licence is granted subject to the following conditions, namely : Conditions

**1. Each of the said trees shall be marked and numbered at the expense of the licensee either by the licensee or by any agent duly authorised by him in this behalf in the manner specified in Rule 13 of the U.P. Nira Rules. The licensee shall not tap or cause to be tapped any of the said trees or draw or cause to be drawn Nira therefrom until the said trees are marked and numbered as aforesaid.**

**2. The licensee shall not carry Nira drawn by him from the said trees to any place except the premises where Gur or other similar product which is not an intoxicant is manufactured therefrom or the premises where Nira is sold in retail and in respect which licence in Form ST-I or ST-III as the case may be, is held :**

Provided that he may, with the written permission of the Collectors as the case may be, collect Nira drawn from trees in different fields of groves at convenient central place before carrying it to such premises. The licensee may, with a like written permission, collect the Nira drawn by him at a place where arrangements are made by him for freezing it before carrying it to the premises for sale. The

licensee shall not draw Nira from the said trees after sunset or before sunrise and shall not carry Nira from the said trees at any time after 8.00 p.m. (standard time).

**3. No juice from a Khajur or Tar tree shall be drawn except in a receptacle. Such receptacle, before it is used for drawing and collecting Nira shall be washed with a freshly prepared solution of permanganate of potash and water. After it is so washed, it shall be washed again with pure water in order to make it absolutely clean. After the receptacle is washed and rewashed as provided above, fresh milk of lime shall be put in such receptacle in the proportion 3 cubic centimetres for every 900 millilitres of Nira to be drawn therein.**

Explanation. - In this condition-(i)"milk of lime" means the solution of water and pulp of quick lime in the proportion of 4 : 1.(ii)"pulp of quick lime" means the pulpy precipitate obtained by the gradual addition of water to quick lime.

**4. The licensee shall carry on business either personally or by an agent duly authorised by him in this behalf by a written authorisation certificate signed by himself. The name of each agent and the date of his appointment shall be communicated forthwith in writing to the Inspector of Excise having charge of the area in which the premises is situated. Within two months of the date of appointment of such agent, the licensee shall get the authorisation certificate issued to such agent countersigned by the said Inspector of Excise and if he fails to do so, such authorisation certificate shall cease to be valid.**

No authorisation certificate shall be issued to any person under 21 years of age, and such authorisation certificate, if issued, shall not be valid. The licensee shall be responsible for breach of any of the conditions of this licence committed by any person so authorized.

**5. The licensee shall not adulterate or mix Nira with any foreign substance or liquid whatsoever. He shall supply the Nira to persons holding a licence in Form ST-I or ST-III at a rate not exceeding that prescribed by the State Government from time to time under the Act.**

**6. The unsold balance of Nira may be used for manufacturing Gur or other similar product, which is not an intoxicant before it is fermented. Nira which is fermented shall be destroyed forthwith.**

- 7. Any officer of the Excise, Revenue, Industries or Police Department, shall have free access at any time by day or by night to the trees hereby licensed to be tapped.**
- 8. No Nira shall be kept beyond day on which it is drawn unless the licensee has made adequate arrangements for freezing Nira and the Nira is cooled and frozen under the temperature at or below 4° C or unless it is boiled, provided that no such boiled Nira shall be kept for more than 24 hours.**
- 9. The licensee shall abide by the conditions of this licence, the provisions of the U.P. Excise Act and the rules, regulations and orders made thereunder and shall give undertaking to that effect.**
- 10. The licensee shall not do anything which would have the effect of directly or indirectly defeating the prohibition policy adopted by the Government of U.P.**
- 11. The licensee, his heirs, legal representatives or assignee shall have no claim whatsoever to the continuance of renewal of this licence after the expiry of the period for which it is granted. It shall be entirely within the discretion of the Collector to permit or not the assignee of the licence, in case of sale or transfer, or the heir or legal representative of the licensee, in case of death, to have the benefit of the licence for the unexpired portion of the term for which it is granted.**
- 12. This licence may be suspended or cancelled in accordance with the provisions of Section 34 or 35 of the Act.**
- 13. The licensee shall take all precautions to ensure that Nira does not get contaminated and in particular shall strictly follow the following instruction :**
  - (1) All persons handling Nira shall be medically examined before the commencement of Nira seasons. They should cut their nails short.
  - (2) Before starting work the worker should put on clean clothes and wash their hands with clean water.
  - (3) All utensils i.e., earthen pots, cans, stainless steel, containers etc. shall be properly washed and cleaned with chlorinated water before use. It should be seen that utensils should not smell of Nira at all after cleaning.
  - (4) A table or platform should be provided for keeping the containers and implements. Galvanised iron jars, stainless steel cans, etc. should be cleaned with clean water and then steamed.
  - (5) Antifly measures should be taken.
  - (6) Nira should be strained on tables or wooden platforms. A clean muslin cloth should be used for



straining.(7)The cans should be closed properly before despatch.(8)No ice should be put in Nira to cool it.Licensing Authority

## Schedule 2

Number and kind of trees to be tapped	Place and situation of trees, pargana and village	Number of Khasra or other definite description of the field in which the trees stand	Name of the Owner
1	2	3	4

Form ST-III(See Rule 4)Licence for the retail sale of Nira for consumption on premisesMinimum stock prescribed licence is hereby granted under and subject to the provisions of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910), U.P. Nira (or Sweet Toddy) Rules, 1979 and the conditions of this licence to Sri ..... (hereinafter called the licensee), son of..... residing at..... on payment of fee of Rs..... authorising him during the period commencing from ..... to..... (both days inclusive) to sell Nira by retail for consumption on premises situated at .....The licence is granted subject to the following conditions namely :Conditions

### 1. The licensee shall not sell to keep for sale Nira unless-

(i)it is Nira of standard quality;(ii)it has been obtained from a supplier approved and licensed by the Collector and at a rate not exceeding that prescribed by the State Government from time to time under the Act.

**2. That the licensee shall not keep, sell or expose for sale any Nira which has begun to ferment or which was not drawn on the same day or which is adulterated. The licensee shall forthwith destroy all Nira which is not in accordance with the standard prescribed and he shall not be entitled to any compensation thereof.**

**3. The licensee shall not keep or store Nira in any place other than the licensed premises entered in his licence above nor shall he allow any one to remove any quantity of Nira from the said premises :**

Provided that the unsold Nira may be removed to the premises for manufacture of Gur (jaggery) or other similar product which is not an intoxicant (if a separate premises is licensed for the purpose) and stored therein after it is boiled, in the manner prescribed :Provided further that the licensee may under the cover of a transport pass remove Nira to the premises for sale in respect of which a licence in Form S.T. Ill is granted.

**4. No Nira shall be sold or served outside the premises licensed for the sale of the same. The premises for sale of Nira should be kept clean and no one should be allowed to remove Nira sold to him outside the premises.**

**5. (a) The licensee shall charge reasonable price for the Nira. The Excise Commissioner may regulate the price, if necessary.**

(b) Sales of Nira shall be conducted during the following hours only : From April 1 to September 30, from 6 a.m. to 10 a.m. From October 1 to March 31, from 7 a.m. to 11 a.m.

**6. (a) The unsold balance of Nira at the end of closing hours may be used for the manufacture of Gur (jaggery) or other similar product which is not an intoxicant in the same city before it ferments at a price to be settled mutually. Transport of Nira from the premises for retail sale shall be covered by a permit to be granted by the Excise Inspector.**

(b) Nira which is fermented shall be destroyed forthwith. (c) No Nira which is not of standard quality or which is fermented shall be sold. No Nira shall be kept beyond the day on which it is received at the said premises for sale of Nira unless refrigeration arrangements to the satisfaction of the Collector are made for storing Nira to prevent fermentation and Nira is preserved in good condition in cold storage or unless it is boiled, provided that no such boiled Nira shall be kept for more than 24 hours.

**7. The licensee shall be bound to supply at his cost whenever required for analysis sealed samples of Nira drawn and sold by him. The result of analysis shall be binding on him for his being dealt with under conditions of this licence or under the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910) or rules framed thereunder.**

**8. The licensee shall provide himself with all the requisite receptacles, vessels, containers and glasses and standard measures of such metal and capacity as may be prescribed by the Excise Commissioner. All the metal pots used in the storage or sale shall be properly cleaned from inside and kept clean.**

**9. A signboard shall be hung in a conspicuous place at entrance of the shop on which the following words shall be painted in Hindi "Licensed Nira Stall". (Nira ki Phutkar Bikri ki Adhikrit Dukan)**

**10. The licensee shall enter every day in the book of the supplier the quantity of Nira received by him daily from such of supplier or suppliers and shall sign his name under such entry for having received such quantity of Nira. Similarly, the licensee shall enter such quantity in the book maintained by him and obtained below such entry the signature of the supplier or his authorised agent.**

**11. The licensed premises, all stocks of Nira contained therein, and all accounts relating to the sale of Nira shall at all reasonable time, be open to inspection by the officers of Excise, Industries, Revenue and Police department duly authorised in this behalf.**

**12. (a) The licensee shall keep in the prescribed register serially paged regular and day-to-day accounts of-(i) Receipts; (ii) Sales; (iii) Utilisation ; and (iv) Destruction of Nira. He shall also maintain a separate Inspection Book similarly paged for the remarks of Inspecting Officers. The licence must be available at the premises of the shop for being produced before the Inspecting Officer on demand.**

**(b)The licensee shall submit to the Excise Inspector before the seventh day of every month, correct abstracts of receipts, sales, utilisation and destruction of Nira during the preceding month.**

**13. The licensee shall furnish 2 sureties for rthe sum of Rs. 500 each, of guarantee for his due observance of terms and conditions of his licence.**

**14. No partnership entered into by the licensee after the grant of the licence shall be recognised for the purpose of this licence under the Collector on receipt of an application from the licensee agrees in writing to allow the partnership and enter the name of the partner in the licence.**

**15. The licensee shall not do anything which would have the effect of directly or indirectly defeating the prohibition policy adopted by the Government of Uttar Pradesh.**

**16. The licensee shall carry on the business personally or by an agent duly authorised by him in this behalf by a written authorisation signed by himself and approved by the Collector. The name of each agent and the date of his appointment shall be communicated forthwith in writing by the licensee to**

**the Excise Inspector having charge of the area in which the premises is situated. No authorisation certificate shall be issued to any person under 21 years of age and any such authorisation certificate shall not be valid. The licensee shall be responsible for the breach of any of the conditions of the licence committed by any person so authorised.**

**17. The licensee, his heir, legal representative or assignee shall have no claim whatever to the continuance or renewal of this licence after the expiry of the period for which it is granted. It shall be entirely within the discretion of the Collector to permit or not, the assignee (in case of sale or transfer) or the heir or legal representative of the licensee (in case of death) to have the benefit of the licence for the un-expired portion of the term for which the licence is granted.**

**18. The licence may be suspended or cancelled by the Collector in accordance with the provisions of the U.P. Excise Act, or Rules made thereunder.**

**19. The licensee shall take all precautions to ensure that Nira does not get contaminated at any stage before consumption and in particular shall follow the following instructions :**

(1)All persons handling Nira shall be medically examined before the commencement of Nira season. They should cut their nails short.(2)Before starting work the workers should put on dean clothes and wash their hands with clean water.(3)All utensils, i.e. earthen pots, cans, stainless steel containers, glasses, etc. shall be properly washed and cleaned with chlorinated water, before use. It should be seen that utensils do not smell Nira at all after cleaning.(4)Antifly measures should be taken.(5)Nira should be strained on tables or wooden platforms. A clean muslin cloth should be used for straining.(6)Glasses should be cleaned with water and proper solution.(7)No ice should be put in Nira to cool it.  
Form ST-IV(See Rule 4)Licence to tap own Nira producing trees and draw Nira therefrom for bona fide private consumption of Nira and not for saleLicence is hereby granted subject to the provisions of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910), the U.P. Nira (or Sweet Toddy) Rules, 1979 and the conditions of this licence to Shri .....

S/o.....(hereinafter called "The Licensee") residing at ..... authorising him during the period commencing from ..... to (both days inclusive) to tap and draw Nira from the ..... trees specified in the schedule hereinafter appended (hereinafter referred to as "the said trees") growing within the limits of village of ..... in the police station ..... of district of ..... for the purpose of using Nira for bona fide private consumption on premises only by the licensee and the persons of his household and not for sale.The licence is granted subject to the following conditions :Conditions

**1. Each of the said trees shall be marked and numbered by the licensee at the own expenses in the manner specified in Rule 13 of the U.P. Nira Rules, 1979. The licensee shall not tap or cause to be tapped any of the said trees or draw or cause to be drawn Nira therefrom, until the said trees have been marked and numbered as aforesaid.**

The licensee shall not tap or cause to be tapped or draw Nira from any trees not licensed to be tapped by him. Juice from any Tar, Khajur or any kind of palm tree shall not be drawn except in a receptacle. Such receptacle before it is used for drawing and collecting Nira shall be washed with a freshly prepared solution of permanganate of potash and water. After it is so washed it shall be washed again with pure water in order to make it absolutely clean. After the receptacle is washed and rewashed as provided above, fresh milk of lime shall be put in such receptacle in the proportion of 3 cubic centimetres for every 900 millilitres of Nira to be drawn. Explanation. - In this condition : (i) "milk of lime" means solution of water and pulp of quicklime in the proportion of 4 : 1; and (ii) "pulp of quicklime" means the pulpy precipitate obtained by the gradual addition of water to quicklime.

**2. The licensee shall carry the entire quantity of the Nira drawn by him under this licence to his place of residence (premises) by a direct route. The licensee shall not draw Nira from the said trees before sunrise or after sunset and shall not carry the Nira from the said trees after sunset. The licensee shall not carry or allow to be carried any Nira drawn under this licence, to any place other than his place of residence (premises). He shall use such Nira only for the purposes of domestic consumption and shall not sell or supply Nira to others. The unconsumed balance of Nira may be used for the manufacture of Gur or other similar product which is not an intoxicant before it is fermented. Nira which is fermented shall be destroyed forthwith. No Nira shall be kept till the day following that on which it is drawn unless it is boiled, provided that no such boiled Nira shall be kept for more than 24 hours.**

**3. The licensee shall not sell Nira to anybody, nor shall he give it to anybody except to a person belonging to his household for such person's personal consumption only on his premises.**

**4. The licensee may, by a written authorisation certificate signed by him, authorise any other person to tap the trees hereby licensed and to transport the Nira drawn from them. The licensee shall communicate such person's name and date of his appointment to the Excise Inspector of the circle in which the said trees are situated.**

**5. The licensee shall abide by the conditions of the licence, the provisions of the U.P. Excise Act, 1910 and the rules, regulations and orders made thereunder and shall give an undertaking to that effect.**

**6. The licensee, his heirs, legal representatives or assignees shall have no claim whatsoever to the continuance or renewal of this licence after the expiry of the period for which it is granted. It shall be entirely within the discretion of the Collector to permit or not the assignee of the licensee in case of sale or transfer or the heir or legal representative of the licensee, in case of death, to have the benefit of the licence for the unexpired portion of the term for which it is granted.**

**7. This licence may be suspended or cancelled in accordance with the provisions of Section 34 or 35 of the said Act.**

Explanation. - For the purpose of this licence, a household shall mean a group of persons residing and messing jointly as the members of one domestic unit.

### **Schedule 3**

Number and kind of trees to be tapped	Place and situation of trees, pargana and village	Number of Khasra or other definite description of the field in which the trees stand	Name of the Owner
1	2	3	4

Form ST-I/R(See Rule 26) Register of Nira drawn and used in the manufacture of Gur and other similar product which is not an intoxicant of the Palm Gur Centre No.....in the Police Station of..... in the district of ..... during the month of .....Name of licensee holding licence in Form ST-1

Month and Year	Quantity of Nira drawn or obtained from ST-I licence	Quantity of Nira destroyed	Quantity of Nira used for manufacture of Gur and other similar product which is not an intoxicant
Total No. of trees tapped	L. M.L.	L. M.L.	L. M.L.
1	2	3	4

Products from Nira	Signature of the licensee or his authorised servant
Gur	Sugar
	Sweets

		Rab(Sugar Syrup)			
Kg.	G.	Kg.	G.	Kg.	G. Kg. G.
5	6				

Form St-II/R(See Rule 26)Register of Nira drawn and supplied from the Nira Storage and SupplyCentre No..... at in the Police Station of..... in the district of during the month of .....Name of person holding licence in Form ST-II

Date	Quantity of Nira drawn	Quantity of Nira destroyed	Quantity of Nira used for manufacture of Gurandother similar product which is not an intoxicant
Total No. of trees tapped	L.	M.L. L.	M.L. L. M.L.
1	2	3	4

Quantity of Nira sold to ST-III	Products from Nira	Signature of the licensee or his authorisedservant
L. M.L.	Gur Kg. G.	SugarKg. G. SweetsKg. G. RabKg. G. (Sugar Syrup)Kg. G.
5	6	7

Form ST-III/R(See Rule 26)Register of receipts and sales of Nira at the Nira Retail Sales CentreNo..... at in the Police Station of ..... in the district of ..... during the month of.....Name of the licensee holding licence in Form ST-III

Date	Quantity of Nira received	Quantity of Nira sold	Quantity of Nira destroyed
L.M.L.	Pass or note No. and date	Name of the supply centre from which recived	Time of receipts
Hrs. Min.	L.M.L.	L.M.L.	
1	2	3	4

Quantity of Nira used for manufacture of Gur andother similar product which is not an intoxicant	Products from Nira	Closing time	Signature of the licensee or his authorisedservant
GurKg. G.	SugarKg. G. SweetsKg. G. RabKg. G.	(Sugar Syrup)Kg. G.	Hrs. Min.

L.	M.L.		
5	6	7	8

Form ST-II/NR(See Rule 26)Register of Nira Retail Sale licence holders and Gur manufacturing licence holders to whom Nira is supplied from the.....Supply Centre No. .... at ..... in the Police Station of.....in the district of.....Name of the licensee holding licence in Form ST-II

Date	Nira Supplied Quantity	Pass No.
Name of the person holding a Nira retail sale licence and name of the retail sale centre	L. M.L.	
1	2	3
		4

Name and address of the person holding a licence and manufacture Gur and other similar product which is not an intoxicant from Nira	Quantity	Pass No.	Signature of the licensee or his authorised servant
L. M. L.			
5	6	7	8

Form No. ST-I/S(See Rule 26)Return of showing Nira drawn and used in manufacture of Gur and other similar product which is not an intoxicant at the Palm Gur Centre No.....at.....in the Police Station of..... in the district of .....Name of the person holding licence in Form No. ST-I/S

Date	Quantity of Nira drawn or obtained from ST-I licence	Quantity of Nira destroyed	Quantity of Nira used for manufacture of Gur and other similar product which is not an intoxicant
Total No. of trees tapped	L.	M.L. L.	M.L. L.
1	2	3	4

Products from Nira	Signature of the licensee or his authorised servant	
Gur	Sugar	Sweets Rab(Sugar Syrup)
Kg.	G.	Kg. G. Kg. G.
5	6	

Form ST-II/S(See Rule 26)Return showing Nira drawn and supplied from the Nira Storage and Supply Centre No.....at.....in the Police Station of.....in the district of ..' during the month of..Name of person holding licence in Form ST-II/S



Month and Year	Quantity of Nira drawn	Quantity of Nira supplied to persons holding licence	Quantity of Nira destroyed
Total of No. of trees tapped	L. M.L.	Retail saleL. M.L.	Manufacturing of Gur and other similar product which is not an intoxicantL. M.L.
1	2	3	4
<p>Quantity of Nira used for manufacture of Gur and other similar products which is an intoxicantL. M.L.</p> <p>Products from Nira</p> <p>Signature of the licensee or his authorised servant</p>			
GurKg. G.		SugarKg. G. SweetsKg. G.	Rab(SugarSyrup)Kg. G.
5		6	7

Form ST-III/S(See Rule 26)Return showing the receipts and sales of Nira at the Nira Retail SalesCentre No..... at in the Police Station of ..... in the district of ..... during the month of .....Name of the person holding licence in Form ST-III/S

Month and Year	Quantity of Nira received	Quantity of Nira sold	Quantity of Nira destroyed
Pass or Note Nos.	Name of the supply centre from which received	L. M.L.	L. M.L.
1	2	3	4

<p>Quantity of Nira used for manufacture of Gur and other similar products which is an intoxicantL. M.L.</p> <p>Products from Nira</p> <p>Signature of the licensee or his authorised servant</p>			
GurKg. G.		SugarKg. G. SweetsKg. G.	Rab(SugarSyrup)Kg. G.
5		6	7

## Chapter VIII

### Rules Relating To Foreign Liquor

Section XXXVIII-Import, export and transport of foreign liquor other than denatured spirit

#### 605.

Foreign liquor is defined in paragraph 12 of Chapter I and is classified in paragraph 7 of the same Chapter.

## **606. Quantitative limits of import etc.**

(1) No quantitative limit is prescribed for the export, transport or possession of foreign liquor (other than denatured spirit) obtained from overseas. Note. - No duty paid foreign liquor imported from foreign countries (other than denatured spirit) exceeding 6 quart bottles shall be imported in Uttar Pradesh in the local areas mentioned in the following Schedule except under a pass issued in accordance with paragraphs 609 to 610 infra.

### **Schedule 4**

(1) All Municipal areas, (2) all town areas, (3) all cantonment areas, (4) all notified areas, and (5) all railway stations. (2) A bona fide traveller coming into Uttar Pradesh may import for his own personal use, Indian-made foreign liquor not exceeding two quart bottles in all Indian-made foreign liquor may be imported in larger quantities only in accordance with the rules hereinafter following. There is no quantitative limit for transport of Indian-made foreign liquor. (3) No denatured spirit in excess of limit of retail sale shall be imported, exported or transported except under a pass as provided for in Sections 15 and 16 of the Act.

## **607. Denatured spirit governed by special rules.**

- Denatured spirit, though classed as foreign liquor, is governed by special rules. There are three varieties of denatured spirit at present permitted for use in Uttar Pradesh. A full description of the process of denaturation is given in paragraphs 779 to 785 of Chapter IX. The ordinary variety for general use commonly known as methylated spirit is so-called from the fact that originally spirit was denatured by the addition of methyl alcohol only. This variety alone may be imported, transported or exported for sale or for private use, and the rules in this

## **Chapter about**

**denatured spirit refer to the variety only. The two special varieties are intended only for use in manufacture of shop.**

A-I. Import Indian-made foreign liquors

## **608. Methods of import.**

- Indian-made foreign liquor may be imported either-(1) in bond for payment of duty in Uttar Pradesh; (2) on repayment of duty in Uttar Pradesh; or (3) on repayment of duty in the State or Union Territory of export, at the rates leviable in Uttar Pradesh to be subsequently transferred to this State by book transfer; (4) free duty or a reduced rate of duty under the conditions laid down in the rules hereinafter following. (1) Import in Bond

## **609. Conditions to be fulfilled by importer.**

- Any person holding a licence for the vend of foreign liquor and also regimental units in Uttar Pradesh may import Indian-made foreign liquor from a distillery, brewery, bonded warehouses or bonded laboratory in another State or Union Territory under a bond for payment of the duty imposed under Section 28 of the United Provinces Excise Act, 1910 (Act V of 1910) after he or his agent has-(a)obtained a permit from the Collector of the district of import in prescribed Form (F.L. 22);(b)executed a bond (which may be either general or special) in favour of the Collector of the district of import for payment of the duty leviable on the liquor to be imported;(c)obeyed all the rules in force in the district, State or Union Territory from which the export is to be made.

## **610. Permit for import.**

(a)The importer shall present an application to the Collector of the district of import specifying-(1) the quantity and description of the Indian-made foreign liquor to be imported, (2) the name of the distillery, brewery, bonded warehouse or bonded laboratory from which the liquor is to be imported, (3) the quantity of liquor to be imported in terms of L.P. and the amount of duty leviable thereon in this State, and (4) the name of the bonded warehouse to which the liquor is to be consigned.(b)The licensed retail vendor shall also deposit in the treasury a fee at the rate of rupees five per quart bottle on spirits, cordials and wines and sixty paise per quart bottle or beer, stout and other fermented liquors, in advance and shall attach the treasury challan with his application presented to the Collector of the district of import. The Collector shall issue a permit as laid down in sub-rule (d) only when the treasury challan evidencing payment of the fee is produced.(c)The importer shall also execute (unless a general bond previously executed by him still in force) either a general or a special bond in the prescribed form in favour of the Collector of the district of import for the payment of duty leviable under Section 28 on the actual import and on the excess loss in transit according to the rule in force in the exporting State or Union Territory.(d)The Collector shall, unless there is any reason to the contrary, prepare a permit in triplicate in Form F.L. 22 sanctioning the import under bond. The permit shall contain all the particulars specified in sub-clause (a) and shall clearly specify that a bond for payment of duty has been executed in the district of import. One copy of the permit shall be made over to the importer, the second copy shall be forwarded to the Chief Revenue Authority of the district of export and the third shall be retained by the Collector for record and verification of the consignment on arrival. The permit shall remain in force up to the date specified therein.

## **611. Procedure at place of export.**

- The importer shall present his copy of the permit before the Chief Revenue Authority of the district or place of export or the officer in-charge of the distillery, brewery, bonded warehouse or bonded laboratory from which export is to be made, who after comparing it with the copy received direct shall authorise the export and grant a pass in the prescribed form. The pass shall specify the number and date of the permit authorising import into Uttar Pradesh and copy of it shall be forwarded direct to the Collector of the district of import.

## 612. Procedure on arrival.

- On arrival in Uttar Pradesh the Indian-made foreign liquor shall be taken direct to the bonded warehouse or distillery, as the case may be, mentioned in the permit where it shall be tested and measured by the officer in-charge of the bonded warehouse, and shall be taken into store and entered in the importer's accounts.

## 613. Pass to be verified by Assistant Excise Commissioner.

(1) As soon as may be after such arrival the officer in-charge of the bonded warehouse shall certify on the importer's copy of the pass full details regarding the liquor received in such form as may be prescribed in the pass or required by the authorities of the district or place of export and shall return it to the officer who granted it after verification by the Assistant Excise Commissioner. (2) Within fifteen days of the date of receipt of the warehouse the importer shall clear the whole consignment on payment of duty in the treasury of the district of import. If he fails to do so, the Collector may charge storage fees at such rates as he thinks fit for the period it remains in the warehouse in excess of 15 days. The Collector may dispose it of as he thinks proper, at the risk of the importer, if it is not cleared within three months from the date of receipt. (3) The importer shall also be liable to pay duty on excess transit wastages according to the rules in force in the State or Union Territory of export. Note. - Clause (2) of this rule does not apply to cases where spirit has been imported by distillers and stored in the distillery building. (2) Import on pre-payment on duty in Uttar Pradesh

## 614.

Indian-made foreign liquor may be imported by a person holding a licence for the vend of foreign liquor, regimental units and private individuals in Uttar Pradesh on prepayment of duty at the rates in Uttar Pradesh on such liquor, and in the case of private individuals and licensed retail vendors, a permit fee also at the rate specified below into the treasury of the district into which it is desired to import the liquor. Such import can be made only from-(1) a distillery, (2) a brewery, (3) a bonded warehouse, or (4) a bonded laboratory in the exporting State if the payment of the duty of the exporting State is to be avoided. No claim for the refund of this duty will ever be entertained except as provided for in Rule 8 (10). Notes. - (1) The rate of permit fee shall be according to the following scale :

R.P.

- |  |                                 |
|--|---------------------------------|
| 1. Spirits, wines, liquors, cordials etc. of all kinds | 10.00 per reputed quart bottle. |
| 2. Beer, stout and other fermented liquors             | 0.90 per reputed quart bottle.  |

Retail vendors of foreign liquor shall be exempted from the permit fee given in this 'Note' but they shall pay the permit fee laid down in Rule 3 (b). (2) Private individuals mentioned in this rule include clubs and messes also. (3) For the purposes of this rule the word 'club' shall not include a regimental mess.

## 615. Permit to be obtained from Collector.

(1) A licensed vendor of foreign liquor a regimental unit, or a private individual desiring to import Indian-made foreign liquor under the above rules in Uttar Pradesh shall present personally or through his agent an application in Form F.L. - 21 to the Collector of the district in which the liquor is desired to be imported stating-(a) the name of the distillery, brewery, bonded warehouse or bonded laboratory, from which the import is to be made, (b) the name, complete description and quantity of each kind of liquor which is to be imported and whether the import is to be made in bulk or in bottles, (c) the route by which it is proposed to import the liquor, and (d) the amount of duty leviable on the total quantity of liquor to be imported, and (e) in the case of import by private individuals and licensed retail vendors also the amount of permit fee leviable vide paragraphs 614 and 610 (b), respectively, on the total quantity of liquor to be imported. A separate application shall be necessary in respect of each consignment. (2) If the application is in order and the amount of duty and in the case of the private individuals and licensed retail also permit fee as laid down in paragraphs 614 and 610 (b) respectively, entered therein is correct the Collector shall endorse the application with an order directing the applicant to pay the amount into the treasury. (3) On receipt of the application so endorsed, the Treasury Officer shall receive the sum payable by the applicant in respect of duty or duty and permit fee as the case may be and shall credit the duty to head "X-Excise Wines and Spirits, still head-Duty on wines and Spirit locally manufactured" and the permit fee to the head "Licence fee". The account so paid shall not be refunded to the applicant in any circumstances, nor shall any application for a refund on the ground of neglect by the consignor or carrier of the liquor or on account of wastage in transit be entertained. (4) The Treasury Officer shall return the application endorsed by him to the applicant and shall furnish him with a receipt in duplicate. The applicant shall then present the application and one copy of the receipt to the Collector. (5) The Collector shall receive and keep the application and shall issue a permit in triplicate in Form F.L. 22 sanctioning the import by the applicant of foreign liquor of the kind and quantity specified in the application the applicant's licensed premises or the authorised place if he is not a licensed vendor. One copy of the permit shall be given to the applicant to cover the import of the liquor from the place of export. The second copy shall be sent to the Chief Revenue Authority of the place of export. The third copy shall be retained by the Collector for record and for verification (if deemed necessary) of the consignment on its arrival. The details shall be entered in the register F.L. 24 maintained in the District Excise Officer. (6) The applicant shall also comply with all rules and regulations in force in the place of export. (7) On receipt of the consignment the applicant shall at once notify its arrival to the Excise Inspector of the circle in which his licensed premises or authorised place is situated and shall allow him to check the consignment, and to examine, and if necessary, test the contents or to take a sample thereof for test. (8) The Collector may cause the contents of the consignment to be checked with the original application and with the permit issued by him. (9) The importer shall be liable to pay duty on excess transit wastage, if any, to the exporting State or Union Territory, if a claim is made therefor. In that case he will be allowed to set off against that claim the amount of duty prepaid by him on the quantity representing the excess loss in transit. (10) If the person authorised to import Indian-made foreign liquor under paragraph 614 does not import the liquor for which he has deposited either the duty or the permit fee or both, he will be entitled to a refund of the full amount deposited by him after the facts have been verified from the exporting States or Union Territories. Note. - Private individuals mentioned in this paragraph

include clubs and messes also.(3)Import on pre-payment of duty in the exporting State or Union Territory

## **616. By whom to be imported.**

(1)Indian-made foreign liquor may be imported by a person holding a licence for the vend of foreign liquor and also regimental units in Uttar Pradesh, from any distillery, brewery, bonded warehouse or wholesale premises in other State or Union Territory to which this provision may be applied by the State Government by notifications on pre-payment of duty in his exporting State or Union Territory at the rates enforced in Uttar Pradesh.Note. - (a) The provisions of this paragraph have been applied to the import of beer from the Solon and Kasauli Breweries, with effect from July 29, 1936 foreign liquor from Cox's Distillery, Naogaon with effect from December 1, 1929 and from the States of Maharashtra and Gujarat with effect from October 1, 1935.(b)The State of Uttar Pradesh has entered into reciprocal arrangement for the adjustment of excise duty on foreign liquor, by book transfer, with the States or Union Territories detailed below : (i)The States of Assam, Bihar, Maharashtra, Gujarat, Madhya Pradesh, Orissa, Punjab and West Bengal.(ii)The Union Territory of Delhi (erstwhile Part C State of Delhi).The licensed retail vendor shall deposit into the treasury a fee at the rate of 25 naye paise per quarts bottle on spirits, cordials and wines and 4 naye paise per quart on beer, stout and other fermented liquor in advance and shall attach the treasury challan evidencing payment of duty with his application presented to the Collector of the district of import.(2)How imported. - The importer, unless generally or specially exempted by the Excise Commissioner to this effect, shall first apply to the Collector of the district of import for the issue of a permit in accordance with paragraph 615 (1).(3)The Collector, if he sees no objection, shall issue a permit in Form F.L. 22 in triplicate containing the particulars given in the application referred to in the previous sub-clause. The permit shall be in force upto the date noted therein. One copy of the permit shall be made over to the importer, the second copy shall be forwarded to the Chief Revenue Authority of the district or place of export, and the third shall be retained for record. The permit shall clearly specify that import is authorised on pre-payment of duty in the exporting State or Union Territory at the rates prevailing in Uttar Pradesh.(4)The importer shall present his copy of the permit before the Chief Revenue Authority of the district or place of export or the officer in-charge of the distillery, brewery, bonded warehouse or bonded laboratory from which export is to be made together with a treasury receipt for the amount of duty paid by him. The said officer, after satisfying himself that the import is duly authorized and that the amount of duty paid is correct, shall authorize export and issue a pass to cover the same. A copy of the pass shall be sent direct to the Collector of the district of import.(5)The Collector shall send the copy of the pass received by him to the Excise Inspector of the circle, who will check the consignment and endorse the result on the pass and return it to the Assistant Excise Commissioner who shall consolidate all such passes received during the quarter and send them to the Excise Commissioner by the end of the month following the quarter.(6)The Chief Excise Authority of the exporting State or Union Territory will furnish or cause to be furnished as soon after the close of a month as possible a statement to the Excise Commissioner, Uttar Pradesh showing for the month concerned, all exports from that State to Uttar Pradesh and the amount of duty realised on such exports giving the number and date of the export passes covering the assignments.(4)Import free of duty or at a reduced rate of duty

## **617.**

(a) Indian-made rectified spirit including absolute alcohol may be imported free of duty by the persons and institutions mentioned in Appendix C after securing a permit in Form F.L.  
 32.(b) Indian-made rectified spirit may be imported at the reduced rate of duty by persons holding licence in Form F.L. - 2 granted under the Toilet Preparations (Excise Duties) and Medical Rules, 1955.(c) The provisions contained in clauses (1) to (8) of paragraph 615 shall also apply mutatis mutandis, to all imports under this paragraph.

## **618. Prohibition of import.**

- Except as provided for by the foregoing paragraphs, the import of Indian-made foreign liquor into Uttar Pradesh by any person in any quantity whatsoever is prohibited. Notes. - These rules shall not apply to denatured spirit. (A-II) Import Of Overseas Foreign Liquor In Scheduled Areas In Uttar Pradesh

## **619.**

In these rules, unless there is something repugnant to the context, - (1) "Overseas foreign liquor" means liquor imported into India from overseas countries which has paid duty on its importation under the Indian Tariff Act, 1894 or the Sea Customs Act, 1875, but does not include Denatured Spirit; (2) "Private individuals" means all persons, or firms not holding a licence from the Collector for the wholesale or retail vend of foreign liquor; (3) "Clubs" means a society of persons associated together for social intercourse or for any purpose except the acquisition of gain and includes a club registered under the Indian Companies Act, 1943, co-operative societies, regimental clubs, messes and railway Notes. - The association must be private and have some element of permanence. The purpose of social intercourse may be combined with and other purpose subject to the exception mentioned. The acquisition of a gain does not destroy the nature of a club, if it is merely incidental to its main purpose. (4) "The Act" means the United Provinces Excise Act of 1910 as subsequently amended; (5) "Scheduled Area" means local area mentioned in the schedule in note to paragraph 606 (1).

## **620.**

Overseas foreign liquor may be imported into the scheduled areas in Uttar Pradesh either direct from overseas countries or from any State or Union Territory in India by - (a) licensed vendors, or (b) clubs, or (c) private individuals, in accordance with the rules immediately hereinafter following. I-Import by licensed vendors

## **621.**

A licensed vendor desiring to import overseas foreign liquor in the scheduled areas from the places specified in paragraph 620 above shall present personally or through his agent an application to the

Collector or the District Excise Officer or the Excise Inspector of the place where the liquor is to be imported stating-(a)the name and address of the firm from which the import is to be made;(b)complete description and the quantity of each kind of liquor which is to be imported;(c)the route by which it is proposed to import the liquor;(d)in the case of import by a licensed retail vendor that a treasury challan evidencing payment of permit fee at the rate of twenty-five naye paise per quart bottle of overseas foreign spirits, cordials and wines and four naye paise per quart of overseas bear, stout and other fermented liquors on the quantity to be imported has been attached to the application. The permit fee should be deposited under the head 'VIII-D-State Excise Wines and Spirits-(b) other licence fees'.The application shall be in Form F.L. - 33. A separate application will be necessary in respect of each consignment.

## **622.**

The Collector or the District Excise Officer or the Excise Inspector of the place where the liquor is to be imported may receive the application and the Collector, District Excise Officer or Excise Inspector, unless he sees any reasons to the contrary, shall issue pass for the import of the liquor. The pass shall be in triplicate in Form C.L.-34. One copy shall be given to the applicant to cover the import of the liquor from the place of import, the second copy shall be sent to the Collector or such other officer as may be authorised in this behalf in the district of export and the third copy shall be retained by the Excise Inspector for record and for verification of the consignment on its arrival.A register of passes shall be maintained by the Excise Inspector in Form F.L. 35 and details of each pass issued shall be immediately entered in it together with the result of verification of the consignment.

## **623.**

On receipt of the consignment the applicant shall at once notify its arrival to the Excise Inspector of the place where the liquor is imported and shall allow him to check the consignment and examine its contents or to take sample thereof for test, if necessary.II-Import by clubs

## **624.**

A club, desiring to import overseas foreign liquor into the scheduled areas in Uttar Pradesh from any place specified in note 2 above, shall observed the procedure prescribed in rules 3 to 5 above provided that the application in Form F.L. 33 to the Collector or the District Excise Officer or the Excise Inspector as in paragraph 3 is accompanied by a treasury receipt showing that the importer has paid the pass fee at the rates specified below.The Collector, District Excise Officer or Excise Inspector shall not issue any import pass to the importers unless he has satisfied himself that the pass fee has been correctly paid.Notes. - (1) The rates of permit fee shall be according to the following scale :

Rs.

1. Spirits, wines, liquors, cordials etc. of all kinds 10.00 per reputed quart bottle.



2. Beer, stout and other fermented liquors                      0.90 per reputed liquor bottle on import by clubs. Retail vendors of foreign liquor shall be exempted from the permit fee given in this 'Note' but they shall pay the permit fee laid down in Rule 3 (b). (2) Private individuals mentioned in this rule include clubs and messes also. (3) For the purposes of this rule the word 'club' shall not include a regimental mess. III-Import by private individual

## **625.**

A private individual desiring to import overseas foreign liquor into the scheduled area in the Uttar Pradesh from places mentioned in paragraph 620 shall submit an application in Form F.L. 33 to the Collector or the District Excise Officer or Excise Inspector or the place where the liquor is to be imported for a pass stating the particulars required by paragraph 621. The application shall be accompanied by a treasury receipt showing that the importer has deposited into the treasury the pass fee mentioned in note to paragraph 624 above. The Collector, District Excise Officer or the Excise Inspector, shall after satisfying himself that the fee has been correctly paid, grant a pass in Form F.L. 34 and enter its details in the register in Form F.L. 35.

## **626.**

On receipt of the consignment the importer shall at once notify its arrival to the Excise Inspector of the place where the liquor is to be imported and shall allow him to check the consignment and examine its contents, or take a sample thereof for test, if necessary : Provided that if the consignment is not verified by the Excise Inspector within 48 hours of the notice of arrival, the importer shall have the option of opening the consignment himself.

## **627.**

If an importer authorized to import overseas foreign liquor under paragraphs 624 and 625 does not use the entire quantity of overseas foreign liquor imported by him and wishes to return it either to the exporter or sell it to a licensed vendor he may do so with the permission of the Collector who may also allow the importer a refund of pass fee on the quantity thus returned or sold. No refund will, however, be made after three months of the date of import of the consignment. In case the importer does not utilize the permit for importing overseas foreign liquor he may return the permit to the Collector within three months from the date of the permit and apply to the Collector for refund of the permit fee. The Collector may allow a refund of permit fee deposited by the importer provided he is satisfied after necessary enquiry that no transaction has taken place and no consignment has been received under the permit. The Collector, however, may within the sanction of the Excise Commissioner, allow refund even after the expiry of three months, if he is satisfied that the delay in applying for refund was due to unavoidable causes.

## **628.**

A bona fide traveller coming into the scheduled area in Uttar Pradesh may import for his own personal use overseas foreign liquor not exceeding six quart bottles in all.

## **629.**

Except as provided for by the foregoing rules, the import of overseas foreign liquor into the scheduled area in Uttar Pradesh exceeding six quart bottles by any person is prohibited.

## **630.**

These rules shall not be applicable in the case of import of overseas foreign liquor on behalf of Government Department and charitable institution with the previous permission of the Excise Commissioner. (B) Export (a) General

## **631.**

(i) A duty of 25 paise per L.P. litre shall be levied on spirit made in India and sophisticated or coloured so as to resemble in flavour or colour, liquor imported into India : Provided that the rate on such spirit shall be 15 paise per L.P. litre when exported in a bottle; and (ii) A duty of 25 paise per L.P. litre shall be levied on rectified or perfumed spirit made in India : Provided that this duty shall not be levied on rectified spirit supplied free of still head duty to charitable dispensary or an educational institution.

## **632. How levied.**

(1) The export duty will be levied by pre-payment at the district treasury of the district of export or by credit against the distiller's advance duty deposit before the spirit is exported from the distillery bonded warehouse or wholesale premises of the distiller. (2) No pass covering the export of any such consignment will be issued by the District Officer or by any Excise Officer of the district of export until the duty above referred to has been paid. (b) From distilleries in bond

## **633. Pass required for export in bond.**

- Any person may export in bond foreign liquor manufactured at a distillery in Uttar Pradesh to any place in India under a pass in Form P.D. 25 granted as provided in the following rules

:(1) Application to be made to Collector. - When any person desires to export in bond spirit manufactured at a distillery in Uttar Pradesh, he shall present a written application in Form P.D. 18 to the Collector of the district in which the distillery of manufacture is situated. The application must specify - (i) the name of the consignor; (ii) the name of the consignee; (iii) the description, quantity and strength of the spirit to be exported. (2) Exporter must produce permit from Collector of importing district. - Every application must be accompanied by - (i) a permit from the Collector, Deputy

Commissioner, or other officer specially appointed in this behalf of the district to which the spirits are to be exported authorizing the import of spirit; and(ii)a duly executed special bond in Form P.D. 16 or a reference to a general bond in Form P.D. 15.(3)Pass granted by Collector of exporting district. - The pass granted by the Collector of the exporting district or the Excise Inspector to whom the Collector may have delegated his power vide paragraph 8 (c) of this Manual, shall be in triplicate in Form P.D. 25. One copy of the pass shall be delivered to the exporter, the second forwarded to the Collector. Deputy Commissioner, or other officer specially appointed in this behalf of the district to which the spirits are to be taken, and the third retained for record. Note. - This will usually be the officer in-charge of the bonded warehouse which the spirit is consigned. An advice in Form P.D. 26 must also be sent by the officer incharge direct to the authority granting the import permit who will return the same duly filled in as soon as possible after receipt and verification of the consignment. Within a reasonable time to be fixed by the Collector of the exporting district and specified in the bond or pass the importer shall produce before the Collector of the exporting district his copy of the pass endorsed with a certificate signed by the Collector, Deputy Commissioner or other officer specifically appointed in this behalf, of the importing district certifying the due arrival or otherwise of the spirit at its destination.(4)Particulars to be pointed on casks. - On each cask or other vessel containing spirit for export there shall be legibly cut or pointed-(i)the name and mark of the exporting distillery;(ii)the number of the cask or other vessel and its capacity;(iii)the nature, quantity and strength of its contents. These particulars shall correspond with those entered in the pass.(5)Collector of exporting district may grant extension of time. - On a written application being made to the Collector of exporting district establishing sufficient cause for the grant of an extension of time or on the production before him of a certificate from the Collector, Deputy Commissioner, or other officer specially appointed in this behalf, of the district of destination, to the effect that there are good and sufficient reasons for extending the currency of the pass or bond, it shall be competent for the Collector of the exporting district, if he thinks fit, to extend the time specified in the pass or bond for the due arrival of the spirit at its destination.(6)Bond when to be discharged. - In the case of spirit exported under special bond the Collector of the exporting district shall discharge the bond on receipt of the pass in Form P.D. 25 and certificate mentioned in clause (3), provided that none of the conditions of the bond have been infringed. The duty on consignment issued under a general bond shall be written off on receipt of the pass and certificate mentioned in clause (3), provided that none of the conditions of the bond have been infringed.(7)If certificate not received within time or conditions of bond infringed penalty to be realised. - If the certificate be not received within the time mentioned in the bond, or pass or if on receipt of the certificate it appears that any of the conditions of the bond have been infringed, the Collector of the exporting district or the Excise Inspector who granted the pass shall forthwith take necessary steps to recover from executant of his surety the penalty due under the bond.(c)From distilleries on payment of duty

### **634. Duty paid export.**

- Any person may export duty paid foreign liquor manufactured at a distillery in Uttar Pradesh to any place in India under a pass in Form P.D. 25 granted as provided in the following rules ;(1)The exporter shall present an application for a pass in Form P.D. 25 to the Excise Inspector in-charge of the distillery, together with a permit authorising the import signed by the Chief Revenue Authority of the importing State or Union Territory, or by an officer duly authorized in this behalf, specifying

the rate of duty chargeable on the foreign liquor, and a treasury receipt for the amount of duty on the total quantity of foreign liquor to be exported.(2)The Inspector may thereupon grant in a pass in Form P.D. 25 authorizing the export of the foreign liquor and endorsing the rate of duty specified in the permit and the total amount of duty recovered. One copy of the pass shall be sent to the authority granting the permit.

### **635. Special rule for export of rum for troops.**

- Rum manufactured at a distillery in Uttar Pradesh and intended for troops may be exported to any part of India in accordance with paragraph 634 :Provided that it shall be the duty of the exporter to obtain on the back of the pass a certificate signed by the Commanding Officer of the Unit to which the rum is supplied or any Commissioned Officer empowered by the Commanding Officers in this behalf certifying the receipt of the consignment. The exporter shall produce the pass endorsed with this certificate before the Excise Inspector in-charge of the period specified in the pass.

### **636.**

A distiller holding licences for bottling Indian-made foreign liquor of his own manufacture and for selling it by wholesale may export such foreign liquor bottled on his wholesale premises, to any other State or Union Territory in India subject to the following conditions ;(1)The exporter shall obtain from the importer a permit authorizing the import signed by the Chief Revenue Authority of the importing State or Union Territory or by an officer duly authorized in this behalf.(2)The permit shall specify-(a)the name and address of the person or firm authorized to import,(b)the description and quantity of the foreign liquor to be imported,(c)the rate of duty chargeable in the importing State or Union Territory with which the State of Uttar Pradesh has entered into reciprocal arrangements for the adjustment of the excise duty by book transfer.Note. - The State of Uttar Pradesh has such reciprocal arrangements with the State and Union Territories detailed below :(i)The States of Assam, Bihar, Maharashtra, Gujarat, Madhya Pradesh, Orissa, Punjab and West Bengal.(ii)The Union Territory of Delhi (erstwhile part C State of Delhi).(d)the rate of duty charged in the importing State or Union Territory and the fact that it has been realised in advance in case of import other than those covered by clause (c).(3)On receipt of the permit the exporter shall deposit into the treasury-(a)export duty on the total quantity of liquor to be exported; and(b)where the export is made to a State or Union Territory with which the State of Uttar Pradesh has entered into a reciprocal arrangement for the adjustment of the excise duty by book transfer, and the rate of duty in the importing State) or Union Territory is higher than that enforced in the State of Uttar Pradesh, and that payable in the importing State or Union Territory on the total quantity of liquor to be exported.(4)On receipt of the permit and the treasury receipt the wholesale vendor shall prepare a pass in Form F.L. 23 in quadruplicate and submit it to the Excise Inspector in-charge of the distillery. The Excise Inspector shall, after satisfying himself that duty has been correctly realized affix his signature to the pass. The exporter shall then send one copy of the pass to the Collector of the district of export, one copy to the Chief Revenue Authority of the place of import or such other officer as may be authorised in this behalf, one copy to the consignee and shall retain the fourth copy. The treasury receipt shall always accompany the copy of thdl pass sent to the Collector of the exporting districts.(5)The pass in Form F.L. 23 shall state clearly-(a)the name and address of the

consignor;(b)the name and address of the consignee;(c)the exact description and quantity of each kind of foreign liquor despatched under the pass;(d)the route by which it is despatched;(e)the date of despatch; and(f)in case of export against duty paid permit, the fact that the duty has been prepaid in the State of import.(6)a separate pass in Form F.L. 23 shall be issued in respect of each consignment. The Chief Revenue Authority or other officer of the place of import should send the copy of the pass received by him duly countersigned, to the Excise Commissioner, Uttar Pradesh, in support of the claim for refund of duty annually after the close of the excise year.(7)Should the rate of duty in the importing State be lower than that in force in Uttar Pradesh, exporter shall be entitled to a refund of the difference in duty. If the duty has been prepaid in the State of import at the rate in force at the time of issuing import permit, the exporter shall be entitled to a refund of duty deposited by him in the state of export on verification of the claim by the Excise Inspector in-charge of the distillery on the basis of export passes in Form F.L. 23 duly countersigned by the Chief Revenue Authority of the State or Union Territory of import or the officer appointed in this behalf in token of receipt of the consignment of Indian-made foreign liquor.

### **637. Refund of duty on export.**

- The duty, other than export duty, on foreign liquor manufactured at any distillery in Uttar Pradesh and exported therefrom on prepayment of duty to any State or Union Territory of India shall be credited by book transfer to the Government of the importing State or Union Territory after the close of the excise year.

### **637A. Registration claims for refund on export of Indian-made foreign liquor.**

- By the 10th of January/April/July/October each year, every distiller making exports of Indian-made foreign liquor to other States shall submit a statement showing all such exports made during the preceding quarter, in form P.D. 31 to the Excise Commissioner, duly verified by the officer in-charge, distillery, despatching simultaneously a copy thereof to the Assistant Excise Commissioner of the charge. For this purpose he should send statements in Form P.D. 31 in quadruplicate to the Excise Inspector in-charge of the Distillery who shall verify the entries made therein. The Excise Inspector concerned shall return three verified copies of the statement to the distillers and retain the fourth copy for his own use.

### **637B. Register of refunds against exports of Indian-made liquor.**

- The Excise Inspector in-charge of the distillery shall enter all the details given by the distillers in the statement in Form P.D. 31, in a register to be maintained by him in Form P.D. 31-A. As and when refunds are allowed by the Excise Commissioner, he shall make entries about refund in this register in relevant columns under his signature. Similar entries shall also be made by the Office of the Assistant Excise Commissioner concerned, on the copies of P.D.-31 statement received from the exporters, and be initialled by the Assistant Excise Commissioner after verification.(d)Transport

**638.**

(1) Transport of foreign spirit manufactured at a distillery shall be governed by the rules relating to issues from distilleries. (2) The transport of foreign liquor from a wholesale shop shall be covered by a pass in Form F.L. 36, granted by the wholesale licensee. Section XXXIX-Vend of Foreign liquor (other than denatured spirit) (A) Wholesale vend [639. (1) Licences for wholesale vend of foreign liquor shall be of four classes, viz. - (a) in Form F.L. 1 for wholesale vend by manufacturers of their own produce to wholesale vendors save that brewers holding licence in Form F.L. 1 may issue beer to troops or regimental units and to canteen tenants licence, directly under their licence. Note. - Beer when issued as above to troops will be assessed at the rate of three paise per litre. No fee will, however, be levied on issues to canteens. (b) In Form F.L. 2 (appended) for wholesale vend to wholesale and retail vendors. (c) In Form F.L. 2-A (appended) for wholesale vend to military wholesale and retail vendors. (d) In Form F.L. 2-B (appended) for wholesale vend of beer only to wholesale and retail vendors.] (2) [Licence in Form F.L. 1, F.L. 2, F.L. 2-A or F.L. 2-B shall be granted by the Collector in accordance with the general or particular directions issued by the Excise Commissioner on payment of the fixed fee notified by the State Government from time to time in this behalf. Notes. - (a) A licensee holding a licence in Form F.L. 2 or F.L. 2-A or F.L. 2-B can hold a licence, for retail vend of foreign liquor in the district in which he holds a licence for wholesale vend of foreign liquor. (b) In the case of grant of new licence in any of the Form F.L. 1 or whenever any existing licence of any of the above categories is vacated (including the mutation of names) and its continuance and settlement with some other party is considered necessary the case should first be referred to the State Government with full justification for the same for their approval. After receipt of State Government's approval further action may be taken for the selection of the grantee strictly in accordance with rules on the subject. (c) Licence in Form F.L. 2 shall be granted district wise to one or more licensees holding F.L. 5 licence on the basis of licence fee payable by them for F.L. 5 licence, preference being given to one who has offered highest licence fee : Provided that if a F.L. 5 licensee who has obtained F.L. 2 licence desires to obtain issues of foreign liquor for the F.L. 5 shops of the district form F.L. 2 licence of any other district situated within the jurisdiction of the same "Deputy Excise Commissioner charge his F.L. 2" licences may be affiliated to any one of the F.L. 2 licences of that other district with the prior permission of the Excise Commissioner. (d) (i) A licensee holding a licence in Form F.L. 2 shall sell Foreign Liquor within the limits of the district for which licence is granted unless otherwise permitted by the Deputy Excise Commissioner charge to sell it to any other district under his charge. (ii) A licensee holding a licence in Form F.L. 2 may sell Foreign Liquor to a retail vendor holding bar licence in Form F.L. 6 composite, F.L. 6-A Composite, F.L. 7, F.L. 7-B or F.L. 7-C (Club Bar Licence), within the jurisdiction of the Deputy Excise Commissioner charge concerned unless otherwise permitted by the Deputy Excise Commissioner Charge to sell it anywhere in Uttar Pradesh to retail vendor holding bar licence in Form F.L. 6 Composite, F.L. 6-A Composite, F.L. 7, F.L. 7-B or F.L. 7-C (Club Bar Licence).] [F.L. 2] [Substituted by Notification No. 15415/Licence/Sansodhan-93-94, dated 31st March, 1994, published in the U.P. Gazette, Part I (ka), dated 25th. June, 1994] (See Paragraph 639) Licence for wholesale vend of foreign liquor (other than denatured spirit) to licensed vendors. Register No.....Name of licence holder .....Licence for the wholesale vend of foreign liquor, other than denatured spirit, is hereby granted to.....at.....in the district of.....from.....to.....and for which Rs.....as licence fee has been deposited in advance by treasury challan/Bank Draft

No.....dated.....and Rs. 50,000 has been deposited as security, details of which are given on the last page of the licence, subject to the following conditions, the infraction of any of the condition or a conviction for any offence under United Provinces Excise Act, 1910, or Narcotic Drugs and Psychotropic Substances Act, 1985 shall render the licensee liable to the forfeiture of his licence and security deposited in advance in addition to penalties, imposed under the above laws. Conditions

- 1. Sales shall be made only at the licensed premises. Country spirit shall not be kept stored in the same premises, and if the Excise Commissioner has prohibited the sale of any particular foreign brand as being unwholesome, that brand shall not be kept and sold under this licence.**
- 2. The licensee shall store all his stock of foreign liquor pertaining to his shop in the premises for which he holds this licence.**
- 3. Sales shall only be made in quantities exceeding nine bulk litres or twelve reputed quart bottles in the case of Indian made Whisky, Brandy, Rum or Gin and 12 or 24 bottles of 650 or 325 ml. in the case of Beer, respectively.**
- 4. No sale of Indian made Brandy, Whisky, Gin or Rum shall be allowed except in bottles having capacity of 750 ml., 375 ml. or 180 ml.**
- 5. The guaranteed fluid contents of the bottles shall be clearly indicated in bold letters on the label and also whether the liquor is bottled in India or abroad.**
- 6. The sale strengths of Brandy, Whisky and Rum shall not be weaker than 42.8 per cent v/v. Reduction of strength of spirit, except under special orders of the Excise Commissioner, prohibited.**
- 7. Sales shall not be made before 10.00 a.m. or after 6.00 p.m.**
- 8. The bottling of foreign liquor is prohibited.**
- 9. The compounding of foreign liquor is prohibited.**
- 10. No drug or deleterious substances shall be added to the liquor.**

- 11. The business covered by this licence shall not be sublet or transferred.**
- 12. At the entrance to the shop signboard shall be affixed on which shall be painted the name of the vendor and designation of licensed wholesale vendor of foreign liquor, authorised to sell to licensed vendors.**
- 13. The licensee shall maintain regular and accurate accounts in the prescribed Register to be obtained from the office of the Collector on payment, and shall produce the same for inspection as and when demanded by the Officer authorised by the State Government.**
- 14. The transport of foreign liquor from the licensed premises shall be covered by a pass in Form F.L. 36 which shall be duly signed by the Excise Inspector of the circle concerned.**
- 15. The licensee shall not allow any person to conduct sales in his licensed premises unless the name of such person has been previously submitted to the Collector for approval and endorsed by him on the licence.**
- 16. The licensee shall not employ any person suffering from any contagious or infectious disease for any purpose in his licensed premises.**
- 17. The licensee shall produce for inspection his licence on demand by officers who are duly authorised to do so under the rules.**
- 18. The licensee shall receive supply of foreign liquor from the Bonded warehouses or distilleries situated in Uttar Pradesh.**
- 19. The licensee shall not sell Indian made Brandy, Whisky and Rum to the licensee of Bar Licences in Forms F.L. 6, F.L. 6-A, F.L. 7, F.L. 7-A, F.L. 7-B and F.L. 7-C (Club Bar Licence), except in bottles having capacity of 750 ml.**
- 20. The licensee shall be liable to supply Foreign Liquor according to the demands of licensed retail vendors.**
- 21. The licensee shall sell Foreign Liquor to the licensed retail vendors holding F.L. 5, C.L. 4-B or C.L. 5-B licence of the district for which the F.L. 2 licence has been granted or to a retail vendor holding bar licence in Form**



**F.L. 6, F.L. 7, F.L. 7-A, F.L. 7-B or F.L. 7-C (Club Bar Licence) within the limits of the jurisdiction of Deputy Excise Commissioner in Charge unless otherwise permitted by the Deputy Excise Commissioner in Charge concerned to sell it elsewhere in accordance with the rules.**

**22. The licensee shall provide exhaustive list of brands of Foreign Liquor to be supplied and their rates before the commencement of the Excise year, which shall be circulated amongst all concerned. No change in the rates shall be allowed during the year of operation unless specially permitted by the Excise Commissioner.**

Collector(Seal)DateParticulars of security money deposited by the licensee :The licensee has deposited fifty thousand rupees as security in this office, the particulars of which are as follows :

Serial No.	Type of security	Particular	Value
------------	------------------	------------	-------

1

2

3

4

Collector(Seal)Premises of shop and details of vendors, as approved by the Collector of the concerned district.

(A) (i) Particulars of premises : House No. and situation

(ii) Boundary ..... North

South

East

West

(B) Vendors .....

Serial No.	Father's name	Address
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Collector(Seal)]Dated : .....F.L. 2-A(See Paragraph 639)Licence for wholesale vend of foreign liquor (other than denatured spirit) to licensed military wholesale and retail vendorsRegister No .....Locality .....Name of licence-holder.....Licence for the wholesale vend of foreign liquor, other than denatured spirit, is hereby granted to ..... at..... in the district of..... from ..... to for which Rs..... has been paid in advance subject to the following conditions, the infraction of any of which or a conviction for any offence under the Excise, Opium or Dangerous Drugs Laws, shall render the licensee liable to the forfeiture of his licence and licence fees paid in advance in addition to any penalties imposed under the above laws.Conditions

**1. Sales shall be made only at the licensed premises, country spirit shall not be kept in the same premises, and if the Excise Commissioner, has prohibited the sale of any particular foreign brand as being unwholesome, that brand shall not be kept and sold under this licence.**

**2. The licensee shall store all his stock of foreign liquor pertaining to his shop in the premises for which he holds this licence.**

**3. Sales shall only be made in quantities exceeding 9 litres or twelve reputed quart bottles of any one kind of liquor, e.g. whisky, brandy, rum.**

Note. - The minimum limit must be -strictly adhered to in the case of each kind of liquor sold.

**4. No sale of Indian-made Brandy, Whisky, Gin and Rum shall be allowed except in bottles of capacity of 750 ml., 600 ml., 500 ml., 375 ml., 300 ml., 250 ml. and 180 ml.**

**5. The guarantee fluid contents of the bottles shall be clearly indicated in bold letters on the label, whether the liquor is bottled in India or abroad.**

**6. The sale strength of brandy, whisky and rum shall not be weaker than 42 per cent v/v and that of gin not weaker than 36 per cent v/v. Reduction of strength of spirit, except under special orders of the Excise Commissioner is prohibited.**

Note. - The sale strengths prescribed for whisky, brandy, rum and dry gin are the apparent strength indicated by the Hydrometer. A margin up to 1° below the prescribed minimum is, however, allowed in the case of spirit contained in sealed or capsuled bottles.

**7. Sales shall not be made before sunrise or after 9.00 p.m.**

**8. The bottling of foreign liquor is prohibited, except under separate bottling licence granted by the Excise Commissioner.**

**9. The compounding of foreign liquor is prohibited, except under the special sanction of the Excise Commissioner.**

- 10. No drug or deleterious substances shall be added to the liquor.**
- 11. No sales shall be made on the day following the burning of the Holi and on the principal Dewali day.**
- 12. The business covered by this licence shall not be sub-let or transferred.**
- 13. At the entrance to the shop a signboard shall be affixed on which shall be painted the name of the vendor and designation of "Licensed wholesale vend of foreign liquor authorised to sell to licensed wholesale and retail vendors".**
- 14. The licensee shall maintain regular and accurate accounts in the prescribed register to be obtained from the Collector's office on payment, and shall produce the same for inspection on the requisition of any officer authorised by Government to demand their production, and shall furnish to the Collector, not later than ten days after the close of each financial year, an accurate abstract showing the transactions of the preceding year under this licence and such other returns as may be required from time to time.**
- 15. The transport of foreign liquor from wholesale premises shall be covered by a pass in Form F.L. 36 which shall be prepared by the wholesale licensee in triplicate who shall retain one copy thereof for record and issue the second copy to the purchaser and the third copy to the Excise Inspector of the circle concerned. The period of validity of the pass shall not exceed one month.**
- 16. The licensee shall not allow any person to conduct sales in his licensed premises unless the name of such person shall have been previously submitted to the Collector for approval and endorsed by him on the licence.**
- 17. The licensee shall not employ any person suffering from any contagious or infectious disease for any purpose in his licensed premises.**
- 18. The licensee shall receive no articles but money in barter for liquor.**
- 19. If the licence-holder is also a manufacturer of Indian-made Foreign liquor, only he may export duty paid Indian-made Foreign liquor to any part of India subject to the following conditions :**

(a)The exporter shall obtain from the importer a permit authorising the import signed by the Chief Revenue Authority of the State of Import or by an officer duly unauthorised in this behalf.(b)The permit shall specify-(i)the name and address of the person or firm authorised to import;(ii)the description and quantity of the foreign liquor to be imported;(iii)the rate of duty chargeable in State of import in the case of Indian-made foreign liquor is imported in a State with which the State of Uttar Pradesh has entered into reciprocal arrangement for the adjustment of duty by book transfer;(iv)the rate of duty charged in the State of import and the fact that it has been realised in advance in cases of import other than those covered by clause (iii).(c)On receipt of the permit, the exporter shall deposit into the treasury-(i)where the export is made to a State covered by clause (b) (iii) above and the rate of duty in the importing State be higher than that in force in Uttar Pradesh, the differences in duty payable in Uttar Pradesh and that payable in the State of export together with the export duty on the total quantity of the liquor to be exported;(ii)if the rate of duty in the importing State covered by clause (b) (iii) above is the same as or less than that in force in Uttar Pradesh the export duty.(d)On receipt of the permit and the treasury receipt the wholesale vendor shall prepare a pass in Form F.L. 23 in quadruplicate and submit it to the Excise Inspector in-charge of the distillery. The Excise Inspector shall after satisfying himself that duty has been correctly realised, affix his signature to the pass in Form F.L. 23. The Exporter shall then send one copy of the pass to the Collector of the district of export, one copy to the Chief Revenue Authority of the place of import or such other officer as may be authorised in this behalf, once copy to the consignee, and shall retain the fourth copy. The treasury receipt shall always accompany the copy of the pass sent to the Collector of the exporting district.

## **20. The licensee shall produce for inspection this licence on demand by officer who are duly authorised to do so.**

District.....Date.....Collector.][F.L. 2-B] [Inserted vide U.P. Gazette, Part 4, Section ka, dated 28-3-1992 (w.e.f. 1-4-1992).](Paragraph 639)Licence for wholesale Vend of Beer onlyRegister No .....Name of licence holder .....Licence for the wholesale vend of Beer other than denatured spirit, is hereby granted to ..... at in the district of from . to . for which Rs. 3,00,000(Rupees three lacs) has been paid in advance by treasury Challan No./DraftNo ..... dated..... and security of Rs. 15,000 (Fifteen thousand) has been deposited the details of which are given on the last page of this licence, subject to the following conditions, the infraction of any of which or a conviction for any offence under the U.P. Excise Act, 1910 or Narcotic Drugs and Psychotropic Substances Act, 1985, shall render the licensee liable to the forfeiture of his licence and security deposited in advance in addition to any penalties imposed under the above laws.Conditions

**1. Sales shall be made only at the licensed premises, foreign liquor country spirit shall not be kept /stored in the same premises, and if the Excise Commissioner has prohibited the sale of any particular foreign brand as being unwholesome, that brand shall not be kept and sold under this licence.**

- 2. The licensee shall store all his stock of Beer pertaining to his shop in the premises for which he holds this licence.**
- 3. No sale of Beer shall be allowed except in bottles of 650 ml and 325 ml.**
- 4. The guaranteed fluid contents of the bottles shall be clearly indicated in bold letters on the label, whether the liquor is bottled in India or abroad.**
- 5. Sales shall not be made before 10.00 a.m. or after 6.00 p.m. on the day.**
- 6. The bottling of Beer is prohibited except under separate bottling licence granted by the Excise Commissioner.**
- 7. The compounding of Beer is prohibited, except under the special sanction of the Excise Commissioner.**
- 8. No drug or deleterious substance shall be added to the liquor.**
- 9. The business covered by this licence shall not be sublet or transferred.**
- 10. At the entrance to the shop a signboard shall be affixed on which shall be painted the name of the vendor and designation of "Licensed wholesale vend of Beer authorised to sell to licensed vendors".**
- 11. The licensee shall maintain regular and accurate accounts in the prescribed register to be obtained from the Collector's office on payment and shall produce the same on demand for inspection by any officer authorised by Government.**
- 12. The transport of Beer from wholesale premises shall be covered by a pass in Form F.L. 36 which shall be signed by Excise Inspector of the circle concerned. These passes shall be deemed as invalid in absence of the signature of Excise Inspector concerned.**
- 13. The licensee shall not allow any person to conduct sales in his licensed premises unless the names of such person has been previously submitted to the Collector for approval and endorsed by him on the licence.**

**14. The licensee shall not employ any person suffering from any contagious or infectious disease for any purpose in his licensed premises.**

**15. The licensee shall produce his licence for inspection to the officers, authorised to do so under the rules.**

**16. The licensee shall receive supply of Beer from the Breweries or Bonded warehouses of Foreign liquor/Beer, situated in U.P.**

**17. The licensee shall be bound to supply Beer as per demand.**

**18. The licensee shall sale Beer to the licensed retail vendors of foreign liquor situated within the region of the Deputy Excise Commissioner concerned.**

Date .....Collector(Seal)Details of security money deposited by licenseeThe licensee has deposited the security of Rs. 15,000 (Rs. fifteen thousand) in this office, the particulars of which are as follows :

Serial No.	Type of security	Particulars	Value
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1

2

Collector(Seal)The premises of shop and details of vendors, as approved by the Collector of the concerned district.

(A) (i) Details of premises : House No. and situation

(ii) Boundary ..... North

South

East

West

(B) Vendors .....

Serial No. Father's name Address

Date .....Collector(Seal)Excise Commissioner, U.P.][640. The fee for a licence for the wholesale vend of foreign liquor in Form F.L. 2-A, shall be sanctioned annually in April by the Excise Commissioner on the basis of a return in Form F.L. 13 to be submitted by the Deputy/Assistant Excise Commissioner concerned as early as possible after the close of the excise year in the manner indicated in paragraph 644 infra.The return submitted shall show the total quantity of each kind of foreign liquor sold under the licence during the preceding excise year and also the licence fee payable by the vendor according to rules.] [Substituted by Notification No.

10759, dated 10-3-1976, published in the U.P. Gazette, Extraordinary, dated 10th March, 1976.][641. The fee for the manufacturers licence in Form F.L. 1 shall be fixed but in the case of beer supplied to troops of regimental units directly, a surcharge of three paise per litre shall also be liable in addition to the fixed fee. The fee for a licence in Form F.L. 2-A shall be passed on the basis of scales of surcharge fee prescribed in the next paragraph following and shall be payable strictly in advance. The fee for a licence in Form F.L. 2 shall be the amount of money accepted at the auction of the licence as fixed fee together with an assessed fee charged on the basis of scales of surcharge fee prescribed in the next paragraph following.] [Substituted by Notification No. 27/Licence-3, dated 14-4-1976][642. The scales of licence fee applicable to wholesale licences for the vend of foreign liquor shall be as follows :] [Substituted by Notification No. 27/Licence-3, dated 14-4-1976](1)[ Fixed fee :

(a) F.L. 1 licence	Rs. one lakh and fifty thousand per annum or partthereof.
(b) F.L. 2 licence-	
(i)	for districts having total licence fee up to Rs.one crore for all F.L. 5 shops for the entire excise year or partthereof Rs. three latch per annum or part thereof.
(ii)	for districts having total licence fee more thanRs. one crore and up to Rs. three crore for all F.L. 5 shops forthe entire excise year or part thereof Rs. five lakh per annum or part thereof.
(iii)	for districts having total licence fee more thanRs. three crore and up to Rs. five crore for all F.L. 5 shops forthe entire excise year or part thereof Rs. eight lakh per annum or part thereof.
(iv)	for districts having total licence fee more thanRs. five crore for all F.L. 5 shops for the entire excise year orpart thereof Rs. ten lakh per annum or part thereof.
(c) F.L. 2-A licence	Rs. two thousand and five hundred per annum or partthereof.
(d) F.L. 2-B licence	Rs. three lakh per annum or part thereof.]

[Substituted by Notification No. 661-E-2/XIII-97-508-83, dated 21st March, 1997, published in the U.P. Gazette, Extraordinary, dated 21st March, 1997.]Notes. - (1) The fixed fee in respect of licences F.L. 1 and F.L. 2-A is payable in advance before licence is granted or renewed while in respect of licence F.L. 2 one fourth of the licence fee as obtained in the auction shall be payable in advance immediately on the acceptance of the bid and the balance of such instalments as may be specified in the licence to be granted.(2)The assessed fee on these licences shall be payable in advance with the rule contained in paragraph 644 of the Excise Manual, Volume 1, 1962 edition.[643. Unless the fee or any part thereof is in arrears and unless the Collector sees good reason to the contrary, wholesale

licence in Form F.L. 1 or F.L. 2-A may be renewed from year to year.] [Substituted by Notification No. 10759, dated 10-3-1976, published in the U.P. Gazette, Extraordinary, dated 10th March, 1976.][644. (a) In the case of new licence in either F.L. 1 or F.L. 2-A the Collector may realise in advance for the year or part thereof an amount sufficient to cover the licence fees on the volume of business likely to be transacted, subject to such adjustment either by way of increase or by way of decrease at the end of the year as may be directed by the Excise Commissioner on the basis of sales actually made during the year. For this purpose, a statement showing the sales made during the year under the licence and the licence fees payable by the licensees according to the prescribed scale of surcharge fee should be submitted in Form F.L. 13 as early as possible after the close of the year to the Excise Commissioner for his sanction. As regards the manner of submission the Excise Inspector of the circle shall submit the statement relating to shops in his circle in Form F.L. 13 by April 7 to the Deputy Assistant Excise Commissioner of the charge, who after consolidation of the statement district-wise, shall submit to the Excise Commissioner, the statement for each district of his charge as soon as possible. The fee payable in subsequent years, will be the same as those paid during the previous year and will be realised in advance subject to adjustment at the end of the year on the basis of actual sales made during the year. The further procedure for the submission of the return and assessment of licence fees will be the same as described in paragraph 640.(b) In the case of licence in Form F.L. 2 the Collector may realise in advance for the first quarter of the year, an amount sufficient to cover the assessed licence fees on the volume of business likely to be transacted, subject to such adjustment either by way of increase or by way of decrease at the end of the quarter as may be directed by him on the basis of sales actually made during the quarter. For this purpose a statement showing the sales made during the quarter under the licence and the licence fees payable by the licensees according to the prescribed scale of surcharge fee should be submitted to the Collector in Form F.L. 13 within one week of the close of the quarter. The fee payable in subsequent quarters of the year will be the same as those paid during the previous quarter and will be realised in advance subject to adjustment at the end of the quarter on the basis of actual sale made during the quarter. The annual assessment fee for a licence of this category shall be sanctioned at the end of the year in April by the Excise Commissioner on the basis of a statement in Form F.L. 13 to be submitted by the Excise Inspector of a circle through the Deputy/Assistant Excise Commissioner concerned who after consolidation of the statement district wise shall submit to the Excise Commissioner for his final sanction].

#### **645. Bottling licence.**

- A bottling licence in Form F.L. 3 may be granted to-(1) a distiller or wholesale vendor; and (2) a brewer by the Collector with previous sanction of the Excise Commissioner. The licence fee in the case of a distiller or a wholesale vendor shall be assessed at the uniform rate of six naye paise per quart point or half point bottle of foreign spirit and wine subject to a minimum of Rs. 100 a year or part thereof. No separate fee for the bottling of beer will be charged in this case. The licence fee in the case of brewer shall be fixed by the Excise Commissioner subject to a minimum of Rs. 100 and maximum of Rs. 300 fee a year or any portion thereof. (B) Retail vend of foreign liquor other than denatured spirit



**646. [ Shops licences. [Substituted by Notification No. 10756, dated 10-3-1976, published in the U.P. Gazette, Extraordinary, dated 10th March, 1976.]**

(1)Licences for retail vend of foreign liquor other than denatured spirit at shop for consumption off the premises shall be in Form F.L. 5 (appended), licences.(2)This licences cover the right to sell rectified spirit provided that the maximum limit of retail sale at one time to the same person shall be restricted to the following quantities :(a)375 millilitres when sold to a private individual;(b)1,500 litres in the case of sale to a chemist, medical practitioner or a scientific body; and(c)Thirteen litres and five hundred millilitres to any Government, Local Fund or Municipal Hospital.]Notes. - [(1) The licensees for this licence will be selected by public auction or tender-cum-auction system and the provisions of Rules 5, 6 and 7 of the Uttar Pradesh Settlement of Country Liquor Licence (Tender-cum-Auction) Rules, 1965 shall apply mutatis mutandis to such tender-cum-auction, system. [Substituted by Notification No. 16719/97-B, dated 24th March, 1985, published in the U.P. Gazette, Part 1-Ka, dated 30th March, 1985.](2)Before proposing the creation of a new licence of this class, the Collector shall obtain the views of the Deputy/Assistant Commissioner of the charge.(3)In the case of creation of a new licence in Form F.L. 5 whenever any existing licence of the categories is vacated (including the mutation of names) and their continuance and settlement with some party is considered necessary, the case shall be referred to the State Government with full justification for the same for their approval. After receipt of Government's approval, further action may be taken for the selection of the grantee in accordance with rules on the subject.][Form F.L. 5] [Substituted by Notification No. 10756, dated 10-3-1976, published in the U.P. Gazette, Extraordinary, dated 10th March, 1976.](See Rule 8)Shop licence for retail vend of foreign liquor (other than denatured spirit) for consumption "OFF" the premises only-

Register No. ....

Name of Licence-holder ....

Description of premises ....

Licence for the retail vend of foreign liquor, other than denatured spirit is hereby granted to ..... at in the district of..... from ..... to..... for which

Rs.....has been paid in advance, subject to the following special and general conditions and the provision of the U.P. Excise Act and Rules framed thereunder the infraction of any of which, or a conviction for any offence under the Excise Opium or Dangerous Drugs Laws shall render the licensee liable to the forfeiture of his licence and advance deposit in addition to any penalties under the above laws.Special Conditions

**1. (a) The licensee shall pay the Government an amount equal to three months' licence fees as security deposit immediately on the provisional acceptance of bid at a sale by the Collector and the balance excluding the last three instalments of licence fees in the following instalments as may be fixed by the Collector. The security deposit will ordinarily be adjusted towards the payment of tenth, eleventh and twelfth instalments unless it has**

## already been

forfeited or any report regarding breach of condition of licence or a prosecution under the Excise, Opium or Dangerous Drugs laws is pending against the licensee. In such cases it will be open to the Collector to proceed to realise the last three instalments separately :

On April 1,	Rs. ... ..
On May 1,	Rs. ... ..
On June 1,	Rs. ... ..
On July 1,	Rs. ... ..
On August 1,	Rs. ... ..
On September 1,	Rs. ... ..
On October 1,	Rs. ... ..
On November 1,	Rs. ... ..
On December 1,	Rs. ... ..

(b) Whenever for any reason the final decision regarding the acceptance of a bid is likely to be delayed, it shall be open to the Excise Commissioner to direct the Collector to settle the shop provisionally with one of the bidders subject to the following further conditions : (i) The licence shall be terminable at will and if the sanction is eventually refused, the licensee will not be entitled to claim any compensation or remission of licence fee. (ii) In case the licence is so terminated, the licensee will pay an amount proportionate to his bid as licence fee for the period during which he retained the licence of the shop. (iii) the condition in clause (a) regarding the deposit of security will be applicable to provisional licence issued under clause (b). (c) If the security deposit under conditions I (a) and (b) is not in cash but consists of Government Promissory Notes, Bonds or similar other valuable documents, such as, security on forfeiture shall vest in Government and shall not be reclaimable by the licensee.

**2. It shall be competent to the Collector, on cancellation of the licence to re-sell the licence at the risk of the licensee and after deducting the deposit, if not forfeited, for loss arising from the re-sale, to recover in remainder, if any, from the licensee as if it were an arrear of land revenue.**

**3. Sale shall be made only at the licensed premises.**

**4. No quantity, less than 189 millilitres shall be sold to any person at one time.**

**5. Sales shall be made only in bottles securely corked and either sealed or capsuled or in a closed jar, cask or other similar vessel, which is securely sealed.**

**6. No liquor shall be drunk on the premises.**

**7. The licence-holder shall not allow sales to be made by any woman, except his wife, daughter or other near relation living with him.**

**8. The licence-holder shall maintain regular and accurate accounts, in the prescribed register (Form F.L. 25) to be obtained from the Collector's office on payment and shall produce the same for inspection on the requisition of any officer authorised by Government to demand their production,, and shall furnish to the Collector such returns of sales as may be required.**

**9. At the entrance to the licensed premises a signboard shall be affixed on which shall be painted the name of the vendor and designation "Licensed Retail Vendor of Foreign Liquor".**

**10. The following hours of sale are prescribed :**

"12 noon to 10 p.m."

**11. No sales shall be made on the day following the burning of the Holi, on the principal Diwali day, Independence Day (August 15), Mahatma Gandhi's Birth Day (October 2), and on the day of Mahatma Gandhi's tragic death (January 30), on all Tuesdays and also on the first day of every month and if the same falls on a holiday then on the following working day.**

The licensees will not be granted any remission of licence fees and compensation on the account.

**12. Licensees desirous of carrying on any business other than the sale of foreign liquor on the premises approved by the Collector for such sale shall be required to keep the shop of foreign liquor in a separate section of the premises from where no other business will be conducted.**

**13. The licensee is strictly forbidden from taking recourse to any form of advertisement, blandishment, or inducement to the customers with a view to increasing his sales.]**

## **647. Hotel and dak-bungalow licence.**

- Hotel and staging or dak-bungalow licence in Form F.L. 6 may be granted with the previous sanction of the Excise Commissioner to the proprietors or lessees of premises which are bona fide places for lodging and entertainment of travellers, and to persons incharge of staging or dak-bungalows. They cover retail sale for consumption on the premises only to persons actually residing in the hotel for their own use or for that of their guests and bona fide travellers making a temporary halt at the hotel or staging or dak-bungalows. They do not cover the right of sale to the general public residing in the place where the hotel or staging of dak-bungalow is situated. Such sales, where permitted, must be covered by an additional licence in Form F.L. 7 or F.L. 4. Notes. - (1) If the licensee of a hotel or staging or dak-bungalow situated in a small station holding a licence in Form F.L. 6 only desires to sell to a resident or bona fide traveller wishing to take a certain quantity of liquor with him for refreshment on his journey the Collector on the licensee's application, may, in his discretion, add a condition to the licence authorising such sales in quantities not exceeding two quart bottle to any individual, but this shall be done only in the case of places where no licence exists for the sale of liquor for consumption off the premises. (2) In the case of grant of new licence in Form F.L. 6 or whenever any existing licence is vacated (including the mutation of names) and its continuance and settlements with some other party is considered necessary, the case should first be referred to the State Government with full justification for the same, for their approval. After receipt of Government's approval further action may be taken in accordance with the rules on the subject.

## **648. Restaurant or hotel bar licence.**

(a) Restaurant or hotel bar licence in Form F.L. 7 covers retail sale to all customers for consumption on the premises, subject to the conditions of the licence. Such licence may be granted with the previous sanction of the Excise Commissioner only to the proprietors or lessees of premises, which are maintained for the main purpose of supplying the public with meals served in European fashion, or to the proprietors or lessees of bona fide hotels. With this consideration in view the Collector must carefully scrutinize all applications for this class of licence ; and in forwarding any such application to the Excise Commissioner he should state whether, in his opinion, the application is made with the object of securing the licence as a necessary adjunct to a genuine hotel or restaurant business or is one made with the main object in view of supplying, under the guise of a bogus hotel or restaurant business, liquor to the general public. Notes. - (1) Before proposing the grant of a new licence of this class the Collector shall obtain the views of Deputy Excise Commissioner/Assistant Excise Commissioner of the charge. (2) In the case of grant of a new licence in Form F.L. 7 or whenever any existing licence is vacated (including the mutation of names) and its continuance and settlement with some other party is considered necessary, the case should first be referred to the State Government with full justification for the same, for their approval. After receipt of Government's approval, further action may be taken in accordance with the rules on the subject. (b) Beer bar licence in Form F.L. 7-A (herewith appended) covers retail sale of beer only to customers for consumption both on and off the premises subject to the conditions of the licence. Explanation. - "Premises" shall also include temporary structures, sheds, etc. duly approved by the Collector. [F.L. 7-A] [Substituted vide U.P. Gazette, Part 4-Ka, dated 28-3-1992.] (See Para 648) Licence for retail vend of foreign liquor (other than denatured spirit) for consumption in the

premises of restaurants of 3, 4 or 5 star hotels. Register No..... Locality  
 ..... Name of Licence holder ..... Licence for the retail vend of  
 foreign liquor, other than denatured spirit is hereby granted to ..... at in the district  
 of..... from ..... to for which Rs. has been paid in advance, subject to the following special  
 and general conditions the infraction of any of which, or a conviction for any offence under the  
 Excise Act, 1910 or Narcotic Drug and Psychotropic Substances Act, 1985, shall render the  
 licence-holder liable to the forfeiture of his licence and advance deposit in addition to any penalties  
 imposed under the above laws. Special Conditions

**1. Sale shall be made only at the licensed premises and the liquor shall be drunk on those premises.**

**2. The licence holder shall maintain regular and accurate accounts in the prescribed register (Form F.L. 25) to be obtained from the Collector's office on payment, and shall produce the same for inspection on the requisition of any officer authorised by Government to demand their production, and shall furnish to the Collector such returns of sales as may be required.**

**3. Sales shall be made from Noon 12 to 11 p.m. on week days except Saturdays and up to 12 midnight on Saturdays.**

Exemption. - 1. Sales may be made at any hour to persons holding a prescription signed by a registered medical practitioner.

**2. Sales may be made at any time to bona fide passengers by air by licensees holding a restaurant licence at an aerodrome.**

**4. At the entrance to the licensed premises a signboard shall be affixed on which shall be painted the name of the licence holder and designation "licensed F.L. 7-A, Bar of foreign liquor."**

**5. Liquor shall be sold only in pegs (one peg equal to 50 ml.). No sale shall be made in sealed bottles.**

**6. The licensee shall be entitled to get supplies in 750 ml. Quarts only from F.L. 2. They shall not be allowed to keep Nips and Pints in their stock.**

**7. Details of premises.**

A. East. B. West. C. North. D. South.

## 8. Details of approved Manager/Salesmen/Barmen.

District .....Dated .....Collector.Excise Commissioner, Uttar Pradesh.

### 649. Railway refreshment room or dining car licence.

- Railway refreshment room or dining car licence shall be granted with the previous sanction of the Excise Commissioner in Form F.L. 8 and shall cover retail sale in railway refreshment rooms and dining cars maintained by or under the supervision and control of railway administration. It covers the right of retail sale only to bona fide railway passengers, either in course of transit by train or making a temporary halt at the railway station at the beginning or end of railway journey, for consumption on the premises, or for consumption off the premises in quantities not exceeding two quarts of liquor to any one bona fide railway passenger. It does not cover the right of retail sale either for consumption on or off the premises to persons other than bona fide railway passengers. Such sales where permitted must be covered by additional licence in Forms F.L. 4, F.L. 5 or F.L. 7. In the case of cars or trains running through the territories administered by more than one State Government the licence shall be issued by the State Government within whose territories the headquarters of the refreshment contracting firms are situated and shall be held to cover the whole extent of the journey of the train in respect of which it is granted. Intimation of the issue of the licence shall be given to every State Government or Administration through whose territories the train passes in the course of its journey. Note. - Grant of licence in Form F.L. 8 has been discontinued with effect from April 1, 1949 under orders from the Government.

### 650. [ [Substituted by Notification No. 17830/Licence/Sansadhan-98-99, dated March 24, 1998.]

(1) Canteen tenant licence may be granted and issued by the Collector in connection with the grant of contract for the retail vend of foreign liquor under the Military Canteen System but the Excise Commissioner shall be informed whenever such a licence is issued. Sales under this licence can only be made at the canteen or place appointed for the purpose by the Military authorities and only to persons who are attached to the regiment for which the licence is granted or who are duly authorised under Army Regulations to use such canteen. (2) The licence shall be in Form F.L. 9 and a separate licence shall be required for each place of vend. It will make no difference whether the place of vend belongs to the same or different contractors and whether they pertain to the same or different military units. A fee assessed on the basis of sales under a canteen licence in Form F.L. 9 will be realised at the following rates :

- |       |  |                                    |
|-------|--|------------------------------------|
| (i)   | Spirits, wines, liquors, Cordial etc. of all kind of Indian Made Foreign Liquor                          | Rs. 14.00 per reputed quart bottle |
| (ii)  | Beer, stout and other fermented liquors having strength up to 5% v/v of alcohol                          | Rs. 2.00 per 650 ml. bottle.       |
| (iii) | Beer, stout and other fermented liquors having strength more than 5% v/v but less than 8% v/v of alcohol | Rs. 3.00 per 650 ml. bottle.       |

(3)(a) Military Units Canteen licence in Form F.L. 9-A may be granted and issued by the Collector to the 'Unit Canteen' for the retail vend of concessional duty Rum to the defence personnel but the Excise Commissioner shall be informed whenever such a licence is issued. This licence is to be granted on the request of the Officer Commanding of the unit after proper enquiry and scrutiny. Sales under the licence shall only be made at the 'Unit Rum Canteen' or place specially earmarked by the Military authorities and only to persons attached to the unit or regiment for which the licence is granted or who are duly authorised under the Army Regulations to make purchases from the Canteen. A separate licence in Form F.L. 9-A will be required for each place of vend. (b) Canteen licence in Form F.L. 9-A may also be granted and issued by the Collector to the Indo-Tibetan Border Police Canteens/Units authorised by Director General, Indo-Tibetan Border Police for the retail vend of concessional duty Rum to the Indo-Tibetan Border Police Personnel's but the Excise Commissioner shall be informed whenever such licence is issued. This licence is to be granted on the request of the Deputy Inspector General, Indo-Tibetan Border Police after proper enquiry and scrutiny. Sales under this licence shall only be made at the 'Rum Canteen' or place specially earmarked by the Deputy Inspector General, Indo-Tibetan Border Police and only to person attached to the unit for which licence is granted. (c) A fee assessed on the basis of sales under the licence referred to in sub-clauses (a) and (b) shall be realised at the rate of Rs. 14.00 (Rupees Fourteen) per reputed quart bottle of concessional duty Rum. Note. - It is not necessary for canteen licensee to take out a licence in the case of troops on manoeuvres the line of march, or at temporary stations where called out in aid of civil power, provided the sales at these places are incorporated in the accounts kept at the main licensed place.]

## **651. Auctioneer's licence.**

- An auctioneer's licence may be granted to cover the sale by auction, by any person charging fee or commission for his services, of foreign liquor, whether the property of private persons or consignee in the ordinary course of trade for sale by auction. Sales under this licence may be held at any place within the State. Such a licence may be granted by the Collector, and will cover also the issue, on payment of sample to intending purchasers not exceeding in bulk one reputed quart bottle. Sales shall be made in wholesale quantities only. The licence shall be in Form F.L. 10. The fee shall be Rs. 10 per diem, payable strictly in advance.

## **652. Occasional licence.**

(1) Where a licence is required for races, sports, dances or other forms of public entertainment of a purely temporary nature, the Collector may issue an occasional licence in Form F.L. 11 to cover retail vend of foreign liquor on the premises in which the entertainment is held for such hours as he considers advisable. The licence may be granted for the whole period during which the entertainment may last up to a maximum of ten days. The fee shall be Rs. 8 for 64 hours or part thereof payable strictly in advance. In the case of licensees holding licences in Forms F.L. 4, 6, 7, 8, 9 and 12 the licence fee shall be further assessed on the combined sales made both under the occasional and permanent licence at the rate given in paragraph 654 (a) in addition to the fee on the occasional licence paid in advance. (2) Theatre bar licence. - Where a licence is required for a public place of entertainment more or less permanent, such as, a theatre or cinema occupying permanent

premises, the Excise Commissioner may sanction the issue, by the Collector of a theatre or cinema bar licence in Form F.L. 12 subject to such special conditions in each case as may appear necessary to him and for such term as may seem to him advisable to cover the retail sale of foreign liquor on the premises on which the entertainment is held, sales under cover of such a licence shall be made only during an actual performance other than a rehearsal and for not more than half an hour after its conclusion provided that sales shall under no circumstances be made after midnight. The fee shall be as follows : (a) Rupees 5 per diem for first class cities and Rs. 3 per diem for second class cities, if the licence is taken for a period of less than a month. (b) If the licence is taken for a month or over, but not for a full year, the fee shall be assessed monthly by the Collector according to the scale laid down in clause (a) of paragraph 654 and shall be subject to minimum rates of Rs. 50 per mensem for first class cities and Rs. 25 per mensem for second class. (c) In the case of annual licence the fee shall be assessed according to paragraph 653. The daily fee or the minimum fee prescribed shall always be payable in advance. Note. - (1) Allahabad, Lucknow, Kanpur, Meerut, Jhansi, Varanasi, Bareilly, Dehradun, Naini Tal, Gorakhpur, Mussoorie, Aligarh, Chakrata, Mathura, Muradabad and Agra shall be first class cities and the rest shall be second class cities for the purpose of assessment, provided that the Excise Commissioner may at his discretion charge the classification of any city at any time. (2) In future the licences in Form F.L. 12 will be granted to bars attached to theatre or cinema only and not to restaurant, dance halls or other places of public entertainment. (3) Grant of cinema and theatre bar licence in Form F.L. 12 has been discontinued with effect from April 1, 1947.

### **653. [ [Substituted by Notification No. 10759, dated 10-3-1976.]**

(a). The fee for any retail licence in Form F.L. 5 may be fixed by public auction. (b) The fee for any retail licence in Forms F.L. 6, F.L. 7, F.L. 7-A, F.L. 8 or F.L. 12 when taken for full year shall be sanctioned annually in April by the Excise Commissioner on the basis of a return in Form F.L. 13 to be submitted by the Deputy/Assistant Excise Commissioner as early as possible after the close of the Excise year in the manner indicated in para 644 supra. The return shall show the total quantity of each kind of foreign liquor sold under the licence during the preceding excise year and also the licence fee payable by the vendor according to scale of surcharge fees prescribed in the next rule and shall be payable strictly in advance.]

### **654. [ [Substituted by Notification No. 3/79-B, dated 1st April, 1989, published in U.P. Gazette, Part 1-Ka, dated 10th June, 1989.]**

[(a) Hotel or restaurant bar licences shall be of the following categories- (i) Composite bar licence for retail vend of foreign liquor for consumption in the premises duly approved by the licensing authority within the limits of a hotel, other than 4 or 5 starred hotels, which is maintained for providing accommodation and supplying meals in European fashion. This licence shall be in Form F.L. 6 Composite. (ii) Composite bar licence for retail vend of foreign liquor for consumption in the premises duly approved by the licensing authority within the limits of 4 or 5 starred hotels, which is maintained for providing accommodation and supplying meals in European fashion. This licence shall be in Form F.L. 6-A Composite. Note. - The licences in Form F.L. 6 Composite or in Form F.L. 6-A Composite of 3, 4 and 5 starred hotels shall cover the retail vend of draft beer for consumption in the premises of the licence with previous permission of the Excise Commissioner. (iii) Restaurant



bar licence for retail vend of foreign liquor to the customers for consumption in the premises of restaurant not covered in category (i) or (ii), which is maintained for supplying meals in European fashion. This licence shall be in Form F.L. 7.(b)(i)The fee for a licence in Form F.L. 6 Composite shall be as under :

Classification of hotel on the basis of number of rooms.	Hotel situate in the area of Nagar Nigam ofAgra including the areas of Cantonment Board and Development Authority, if any-	Hotel situate in the area of Nagar Nigam orNagarpalika Parishad of Kanpur, Allahabad, Varanasi, Noida,Lucknow, Gorakhpur, Bareilly, Meerut, Moradabad, Ghazibad,Aligarh, Bulandshahr, Dehra Dun, Jhansi, Mathura, Muzaffarnagar,Saharanpur including the areas of Cantomnent Board andDevelopment Authority, if any-		Hotel situate in area other than thearea specified in Column No. 2
1	2	3	4	
	Rs.	Rs.	Rs.	
(i)	Up to 30 rooms.	4,45,000	4,50,000	3,50,000
(ii)	Exceeding 30 rooms but less than 100 rooms.	5,75,000	5,75,000	4,00,000
(iii)	100 and exceeding 100 rooms.	7,00,000	7,00,000	6,50,000]

(ii)The fee for a licence in Form F.L. 6-A Composite shall be Rs. 7,00,000.(c)The fee for a licence in Form F.L. 7 in respect of a restaurant situate-(i)in an area mentioned in Column 2 of the table given in clause (b) (i) shall be Rs. 4,00,000.(ii)in the area mentioned in Column 3 of the table given in clause (b) (i) shall be Rs. 3,00,000.(d)The fee for a licence in Form F.L. 7-B referred to in Rule 8 (iii) (b) in respect of a hotel dak bungalow or restaurant situate-(i)in the area mentioned in Column 2 of the table given in clause (b) (i) shall be Rs. 55,000.(ii)in the area mentioned in Column 3 of the table given in clause (b) (i) shall be Rs. 38,500.(e)The licence fee for F.L. 6 Composite, F.L. 6-A Composite, F.L. 7 and | F.L. 7-B specified in clauses (b), (c) and (d) shall be paid in advance and shall be for one excise year or part thereof.Explanation. - For the purposes of this rule, 'Development Authority' means a development authority constituted under the Uttar Pradesh Urban Planning and Development Act, 1973.]] [Substituted by Notification No. 27/Licence-3, dated 14th April, 1976.] [Substituted by Notification No. 11158/Licence-96-97, dated 12th March, 1996, published in U.P. Gazette, Part 1, Section ka, dated 30th March, 1996.]F.L. 6 Composite(See Para 648)Licence for retail vend of foreign liquor (other than denatured spirit) for consumption in the premises of residential hotels and 1, 2 and 3 starred hotels.Register

No.....Locality .....Name of licence-holder  
 .....Licence for retail vend of foreign liquor, other than denatured spirit, is hereby granted to ..... at..... in the district of..... from to for which Rs..... has been paid in advance subject to the following special and general conditions the infraction or any of

which, or conviction for any offence under the Excise Act, 1910 or Narcotic Drugs and Psychotropic Substances Act, 1985 shall render the licence-holder liable to the forfeiture of this licence and advance deposit in addition to any penalties imposed under the above laws. Special Conditions

**1. Sale shall be made only at the licensed premises and the liquor shall be drunk of those premises.**

**2. The licence-holder shall maintain regular and accurate accounts in the prescribed register (Form F.L. 25 ) to be obtained from the Collector's office on payment, and shall produce the same for inspection on the requisition of any officer authorised by Government to demand their production and shall furnish to the Collector such returns of sales as may be required.**

**3. Sales shall be made from noon 12 to 11 p.m. on week days except Saturdays and up to midnight on Saturdays.**

Exception - (1) Sales may be made at any hour to persons holding prescription signed by a registered medical practitioner. (2) Sales may be made at any time to bona fide passengers by air by licensees holding a restaurant licence at an aerodrome. (3) At the entrance to the licensed premises a signboard shall be affixed on which shall be painted the name of the licence-holder and designation "Licensed F.L. 6 Composite, Bar of foreign liquor".

**4. Liquor shall be sold only in pegs (one peg equal to 50 ml). No sale shall be made in sealed bottles.**

**5. The licensee shall be entitled to get supplies in 750 ml. Quarts only from Form F.L. 2. They shall not be allowed to keep nips and pints in their stock.**

**6. Details of premises as earmarked or endorsed by the licensing authority within the limit of the hotel.**

A. East. B. West. C. North. D. South

**7. Details of approved Manager/Salesmen/Barmen.**

District:.....Dated:..... Collector F.L. 6-A  
Composite [See Para 648] Licence for retail vend of foreign liquor (other than denatured spirit) for consumption in the premises of 4 or 5 starred Hotels. Register No. .... Locality .....  
..... Name of licence-holder ..... Licence for retail vend of foreign liquor, other than denatured spirit, is hereby granted to ..... at ..... in the district of ..... from ..... to for which ..... Rs. .... has been paid in advance

subject to the following special and general conditions the infraction or any of which, or conviction for any offence under the Excise Act, 1910 or Narcotic Drugs and Psychotropic Substances Act, 1985 shall render the licence-holder liable to the forfeiture of this licence and advance deposit in addition to any penalties imposed under the above laws. Special Conditions

**1. Sale shall be made only at the licensed premises and the liquor shall be drunk of those premises.**

**2. The licence-holder shall maintain regular and accurate accounts in the prescribed register (Form F.L. 25) to be obtained from the Collector's office on payment, and shall produce the same for inspection on the requisition of any officer authorised by Government to demand their production and shall furnish to the Collector such returns of sales as may be required.**

**3. Sales shall be made from noon 12 to 11 p.m. on week days except Saturdays and up to 12 midnight on Saturdays.**

**1. Exemption-Sales may be made at any hour to persons holding prescription signed by a registered medical practitioner.**

**2. Sales may be made at any time to bona fide passengers by air by licensees holding a restaurant licence at an aerodrome.**

**3. At the entrance to the licensed premises a signboard shall be affixed on which shall be painted the name of the licence-holder and designation "Licensed F.L. 6 Composite, Bar of foreign liquor".**

**4. Liquor shall be sold only in pegs (one peg equal to 50 ml). No. sale shall be made in sealed bottles.**

**5. The licensee shall be entitled to get supplies in 750 ml. Quarts only from Form F.L. 2 They shall not be allowed to keep nips and pints in their stock.**

**6. Details of premises as earmarked or endorsed by the licensing authority within the limit of the hotel.**

A. East.B. West.C. NorthD. South

## **7. Details of approved Manager/Salesmen/Barmen].]**

### **655.**

In all cases where two or more licences, whether wholesale or assessment of retail fees are granted to a person for the same premises, the licence fees shall be assessable on the entire sales made under the various licences at the highest scale applicable to any of these licences. Notes. - (1) Premises should be considered separate even though they may join each other or belong to the same house or block houses, provided there is no private inter communication between them. Access from one to the other should only be possible, viz., a public road, pathway or roofed corridor. No. access should be possible through verandah or courtyard. (2) Any foreign liquor in possession of a wholesale or retail licence for vend of such liquor which has gone bad will be excluded from the calculation of licence fees under the Collector in the presence of Excise Inspector or other responsible officer deputed by the Collector, and that such officer has certified that the liquor was destroyed in his presence.

### **656. [ [Substituted by Notification No. 10759, dated 10-3-1976.]**

Unless the fees or any part thereof is in arrears, a licence for the retail vend of foreign liquor other than the licence in Form F.L. 5 may be renewed from year to year. In the case of a new licence in Forms F.L. 6, F. L. 7, F.L. 7-A, F.L. 8 or F.L. 12, the Collector may realise in advance, for the year or part thereof an amount sufficient to cover the licence fees on the volume of business likely to be transacted subject to such adjustment and to the minimum prescribed in paragraph 654 (c) (Rule 10) either by way of increase or by way of decrease at the end of the year, as may be directed by the Excise Commissioner on the basis of the sales made during the year. For this purpose a return showing the sales made during the year under the licence and the licence fees payable by the licensee according to the prescribed scale of surcharge fee should be submitted as early as possible after the close of the year to the Excise Commissioner or for his sanction. The fees payable in subsequent years will be the same as those paid during the previous year and will be realised in advance subject to the adjustment at the end of the year on the basis of the actual sales made during the year. Further procedure for the submission of return and assessment of licence fees will be the same as described in paragraph 653 [Rule 9 (a)] [Substituted vide U.P. Gazette, Part 4 (kha), dated 28th March, 1992 (w.e.f. 1-4-1992).].

### **657. Accounts to be maintained by all licensees.**

- Every licensee (wholesale or retail) shall maintain a correct account of all his daily transaction in liquor in a register in Form F. L. 25 which he shall procure from the Collector's office on payment. The register is divided into four parts :

**Part I – . - In this part inspecting officers will record the result of their inspection.**

**Part II – . - In this part will be entered all receipts by the licensee. Entries should invariably be made on the date on which supplies are received. A separate line should be given to each consignment and if the consignment consists of liquors of various kinds a separate line should be given to each kind of liquor also.**

**Part III – . - In this part sales shall be entered. In the case of sales to other vendors each item of sales should be shown separately. In other cases total sales during the day should be entered in columns 3 to 20. Part III will also be available separately for the use of licensees holding a licence for wholesale vend of foreign liquor in Form F.L. 2 or those holding more than one licence. Separate accounts in respect of sales made under each licence held must be maintained.**

**Part IV – . - In this part will be entered the total receipt of each kind of liquor during the day and the total sales. The figures of receipt will be obtained from Part II and those for sales will be obtained by totalling the entries for the day as shown in Part III.**

Exception. - (a) This paragraph does not apply to persons holding an auctioneer's licence, or an occasional licence. In the case of the former no accounts are necessary, and in the case of the latter the form is prescribed in the licence. (b) Military Unit Canteen licensee in Form F.L. 9-A shall maintain account of all his daily transactions in concessional duty Rum in a register in Form F.L. 25-A (four parts) which he shall procure from the Collector's office on payment.

**658.**

The transport of foreign liquor from wholesale premises shall be covered by a pass in Form F.L. 36 which shall be prepared by the wholesale licensee in quadruplicate. He shall retain one copy thereof for record and issue the second copy to the purchaser, the third copy to the Excise Inspector of the

Circle in which the wholesale shop is situated and the fourth copy to the Excise Inspector of the circle in which the purchaser resides. The third and fourth copies of the pass shall be sent by the wholesale licensee by registered post to the Excise Inspectors concerned. The purchaser shall retain his copy of pass till the consignment has reached the destination and has been examined by the Excise Inspector of his circle. The purchaser shall return his copy of pass to the wholesale licensee within four weeks with an endorsement of the Excise Inspector of the circle certifying receipt of consignment having been received and entered in Part II of the sale register in Form F.L. 25 in case of foreign liquor vendors or in stock register in case of other purchasers. The wholesale licensee shall retain his copy of pass for three years or for further period if ordered by the Collector of his district. The period of validity of pass shall not exceed one month. (C) Licences for the vend of rectified spirit and medicated wines

### **659. Licence for the sale of rectified spirit.**

- The Collector may grant to an approved chemist or druggist a licence in Form F.L. 14 for the sale of rectified spirit. The quantity of rectified spirit which may be possessed under this licence shall not exceed ten imperial gallons at one time, or such larger quantity as the Excise Commissioner may authorize by special order. Rectified spirits of wine must not be sold under this licence for other than bona fide medical, industrial and scientific purposes, and the maximum limit of sale at one time to the same person is restricted to one reputed pint in case of sale to a private individual, two reputed quarts in case of sale to a chemist, medical practitioner or scientific body, and three imperial gallons to any Government, local fund or municipal hospital. The fee leviable for such licence shall be Rs. 10 per annum, payable strictly in advance.

### **660.**

(1) A licence in Form F.L. 15 may be granted by the Collector for the sale of such tonics or medicated wines imported into Uttar Pradesh as contain 20 per cent or over but under 42 per cent, of proof spirit and which are not listed in the Schedule of restricted preparations appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 : Provided that when not imported into Uttar Pradesh from outside the sale of all such tonic or medicated wines can be made under licence in Form F.L. 15. (2) Tonics or medicated wines containing 20 per cent or over but under 42 per cent of proof spirit and included on the list of Restricted Preparations specified in the Schedule appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956, if imported into Uttar Pradesh from outside, can be sold only under the licence in Form 'F' appended to the U.P. Spirituous Preparations (Inter-State Trade and Commerce) Control Rules, 1957 and in accordance with the provisions of these rules. (3) (i) Tonics or medicated wines containing 20 per cent or over but under 42 per cent of spirit and which are not listed in the Schedule of Restricted Preparations appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 are given in Appendix E-11, Excise Manual, Volume II. (ii) Medicated wines classed as Restricted Preparations are given in the Schedule appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956. (iii) Tonics or medicated wines containing 42 percent and over of proof spirit are in Appendix E-1, Excise Manual, Volume II. (iv) Tonics or medicated wines containing less than 20 per cent of proof spirit are given in Appendix E-III, Excise Manual, Volume II. Chemists and Druggists selling medicated wines

under licence F.L. 15 shall obtain copies of the above lists from the Collector, and in case of a preparation not on the list shall move the Collector to obtain information regarding its alcoholic strength or category from the Excise Commissioner. Note. - (a) Tonic or medicated wines containing less than 23 per cent of proof spirit may be sold without a licence. (b) Tonic or Medicated wines containing 20 per cent or over but under 42 per cent proof spirit [excluding those medicated wines which were included in the list of restricted preparations specified in the Schedule appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956] are treated as foreign liquor and can only be sold by licensed vendors of foreign liquor or by Chemists or Druggists holding licence in Form F.L. 15. (c) Tonic or medicated wine containing 42 per cent and over proof spirit can be sold by a foreign liquor vendor only. (d) Duty on Indian-made medicated wines excluding those contained in the Schedule, appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 will be charged at the rates given in item 6 of Appendix B-1I. (e) Duty on medicated wines classed as restricted preparations contained in the Schedule appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 will be charged Rs. 17.50 n.p. per L.P. gallon. (4) The fee for a licence in Form F.L. 15 shall be Rs. 50 per annum payable strictly in advance.

### **661. No restriction on sale on prescription.**

- Nothing in these rules shall be held to prevent sale by chemists and druggists of excisable liquor when such liquor forms an ingredient in a bona fide prescription given by a qualified medical practitioner in the quantity ordered in the prescription. Section XL-Import, Export, Transport and possession of Demutured Spirit Rules, 1930I-Import

### **662. By whom imported.**

- Denatured spirit may be imported into Uttar Pradesh from any other part of India by-(a) licensed wholesalers and vendors of denatured spirit in accordance with paragraphs 664 to 666 on payment in Uttar Pradesh of a permit fee of rupee one and ten paise per bulk litre of the quantity of the denatured spirit to be imported, except that in the case of hospitals, dispensaries and other charitable and educational institutions no permit fee shall be charged up to a quantity allowed to be imported by the Excise Commissioner provided the indent is countersigned by the Collector; (b) private individuals up to the limit of retail sale without pass or permit, or in larger quantities in accordance with paragraphs 667 and 668.

### **663. Application for permit.**

- A wholesale retail vendor of denatured spirit desiring to import denatured spirit shall apply to the Collector of the district of import for a permit in Form F.L. 26. The application in Form F.L. 23 shall be accompanied by the treasury receipt in proof of prepayment in Uttar Pradesh of the required permit fee and shall specify-(a) the place from which the spirit is to be imported; (b) the name of the distillery or the firm which the spirit is to be obtained; (c) the quantity of the spirit which is proposed to be imported; and (d) amount of permit fee deposited in the treasury.

#### **664. Permit to be granted by Collector.**

- The Collector may, after making necessary inquiry regarding maximum quota (if any) grant a permit. The permit (Form F.L. 26) shall be in triplicate, one copy shall be sent to the Chief Excise Authority of the exporting district, or shall be given to the importer, and the third shall be retained in the office for record.

#### **665. Procedure at place of export.**

- The importer shall then present his copy of the permit or cause it to be presented to the Chief Excise Authority of the exporting district, who will subject to rules there in force, grant a pass covering the import of the spirit into this State.

#### **666. Procedure on arrival.**

- On receipt of the consignment and the pass above mentioned the importer shall record on the pass the receipt of the consignment and shall submit it to the Collector of the importing district, who shall return it to the officer who granted it.

#### **667. Import by private individuals.**

- Private individual desiring to import denatured spirit in excess of the limit of retail sale shall apply to the Collector of the district into which they propose to import the spirit. The application shall specify, in addition to particulars (a), (b) and (c) as required by paragraph 663, the purposes to which the spirit is to be applied.

#### **668.**

The procedure indicated in paragraphs 664, 665 and 666 above shall apply to imports of denatured spirit by private individuals, except that in such cases no permit shall be granted at all for a quantity exceeding four gallons.II-Export

#### **669. Export permitted by distillers and wholesale vendors.**

- Denatured spirit may be exported from a distillery or by licensed wholesale vendors of denatured spirit.[670. Permit of export. - Any person desiring export shall obtain a permit in his name from the Chief Revenue Authority or Officer appointed in that behalf of the district or place of import authorising the import of denatured spirit and/or special denatured spirit and/or rectified spirit and/or absolute alcohol (not for human consumption and specifying the quantity to be imported.)] [Substituted by Notification No. 201-E/XIII-331-10-UPA-6-1940-Rule 31-31-AM (2)-81, dated 4th March, 1981.].



**671. [ Application for pass or permit. [Substituted by Notification No. 1836-E-2/XIII-97-8-95-T.C. III, dated 1st July, 1997, published in U.P. Gazette, Part 4 (Ka), dated 1st July, 1997.]**

(1) Such person who has obtained permit under Rule 9 shall then in case of export from wholesale shop, present an application in duplicate to the Excise Commissioner specifying, - (a) the name of consignee, and (b) the quantity of denatured spirit, special denatured spirit, rectified spirit, absolute alcohol or extra natural alcohol to be exported. After obtaining permission from the Excise Commissioner the applicant shall submit an application to the Collector concerned. The application shall be accompanied by the permit obtained under Rule 9, permission of the Excise Commissioner and a receipt showing that the applicant has deposited into Government treasury, situated in the district of export, a permit fee calculated at the rate of 50 paise (fifty paise only) per bulk litre of the quantity of denatured spirit or special denatured spirit and a permit fee calculated at the rate of Rs. 2.00 (Rupees two only) per bulk litre of the quantity of absolute alcohol, rectified spirit and extra natural alcohol for which permit fee is required. (2) The Excise Commissioner in the event of giving permission for the grant of pass or permit under Rule 11 shall forward one copy of the said application to the Collector concerned indicating the wholesale shop and the district of export. [Substituted by Notification No. 2135-E-1/XHI-400 (9)-94, dated August 4, 1994, published in the U.P. Gazette, Extraordinary, Part 4, Section (ka), dated 4th August, 1994.]

**672. [ Grant of pass. [Substituted by Notification No. 653-E-2/XIII-503-83, dated 25th February, 1988, published in U.P. Gazette (Extraordinary), Part IV, Section Ka, dated 25th February, 1988.]**

- The Collector on receipt of the permission of the Excise Commissioner may grant a pass authorizing the export. The pass (Form P.D. 25) shall be in triplicate, one copy shall be delivered to the person who has obtained the permit under Rule 9, the second shall be forwarded to the officer who granted the permit under Rule 9 and the third shall be retained for record. [Substituted by Notification No. 10758, dated 10-3-1976, published in U.P. Gazette, (Extraordinary), dated 10th March, 1976.]

**673. Export from distilleries.**

- If the spirit is to be exported from a distillery at which it has been manufactured - (a) the application, the permit and the treasury receipt (referred to in paragraphs 671 and 670, respectively) should be presented to the officer in-charge of the distillery to whom the Collector may have delegated his powers to grant passes ; and (b) in the case of exports of the State of Maharashtra and Gujarat in addition to the procedure laid down above, a certified copy of the certificate of test by the Chemical Examiner to Government, Uttar Pradesh, of denaturing agents and of the spirit from the bulk of which the consignment is taken shall also be forwarded to the Chief Revenue Authority or to the officer specially appointed in that behalf of Maharashtra and Gujarat States, as the case may be. The consignment shall be sealed with the departmental seal.

## **674.**

In the case of denatured spirit exported outside the State by a wholesale vendor who has already paid vend fee, the vend fee levied shall be refunded on a claim, supported by a certificate (of the denatured spirit having reached its destination) from responsible officer of the importing State of Union Territory being made in that behalf and established to the Excise Commissioner's satisfaction.III-Transport

## **675. Transport from distilleries.**

- Denatured spirit may be transported from a distillery on payment of the prescribed vend fee by licensed wholesale vendors of denatured spirit provided that the said vendors shall not obtain denatured spirit in excess of the quantity if any specified on the licence.The licensee shall have endorsed by the Excise Inspector-in-charge of the distillery particulars regarding the quantity of denatured spirit and the number and date of pass under which the issues are made.

## **676. Pass for transport.**

- Such transport shall be made under cover of a pass in Form P.D. 25 granted by the Collector of the district in which the distillery is situated or by the officer in-charge of the distillery to whom the power to grant transport passes may have been delegated by the Collector. The pass shall be in triplicate, one part being given to the transporter, one being retained for record and one sent to Collector of the district to which transport is to be made.

## **677. Transport from a wholesale or retail shop.**

- Denatured spirit may be transported from the premises of a wholesale or retail vendor under paragraphs 675 and 676, mutatis mutandis, provided that the Collector of the district in which the wholesale or retail vendor is licensed may delegate him, his power to grant transport passes. Notes. - (1) A retail vendor is allowed to obtain denatured spirit from wholesale dealer of his own district only and if there is no wholesale dealer in his district he will obtain his requirement of denatured spirit from a wholesale dealer of the adjoining district under permission of the Excise Commissioner, Uttar Pradesh.(2)Transport of denatured spirit may also be made from such premises by a private individual up to the quantity which he is allowed to possess under a permit in Form F.L. 18 granted by the Collector in accordance with paragraph 678.(3)No pass shall be required for the transport of denatured spirit in quantities not exceeding the limit of retail sale.IV-Possession

## **678. Possession in excess of limit of retail sale.**

- No person not being a licensed wholesale or retail vendor of denatured spirit may possess denatured spirit in excess of the limit of retail sale, unless he holds a permit from the Collector authorising him to possess the spirit in a larger quantity.

## 679. Permit for possession.

(1)The Collector may grant a permit in Form F.L. 18 for the purchase from the wholesale or a retail vendor where there is no wholesale vendor, and for the possession of the denatured spirit in excess of limit of retail sale-(a)to person requiring denatured spirit for industrial or scientific purposes for such quantity as the Collector may deem sufficient on consideration of reasonable requirements of the case ; and(b)to a person requiring denatured spirit for private purposes for quantity not exceeding four gallons.Note. - Any attempt on the part of the permit-holder to obtain denatured spirit fraudulently in excess of the quantity fixed for him shall make him liable to cancellation of the permit in addition to the penalties that may be imposed under the Excise and other Acts for the time being in force.(2)[ In the case of issues from a distillery vend fee of Rs. 1.25 (one Rupees Twenty-five Paise) per bulk litre will be payable in advance before the Spirit is issued ;] [Substituted by Notification No. 2254-E-2/X1II-283-8 (T.C.), dated March 9, 1989, published in U.P. Gazette (Extraordinary), Part 4-Kha, dated 9th March, 1989.]Provided that in case of supply under F.L. 39 licences, the vend fee shall be charged at the rate of ten paise per bulk litre. The vend fee will not be charged on denatured spirit in the case of-(a)issues to hospitals, dispensaries, charitable and educational institutions and other State Government Departments :Provided that the denatured spirit so issued is used purely for research work by those departments, up to the quantity allowed to be issued by the Excise Commissioner and the indent is countersigned by the Collector.(b)issues for export out of the State provided the export is made under the authority of a permit granted by a responsible Officer of the importing State by Union Territory.(c)the alcohol-based industrial units holding F.L. 39 licence, which started lifting industrial alcohol for production on or after December 20, 1986 ;Provided that-(I)the amount of exempted vend fee added with the amount of purchase-tax and Sales Tax exempted under other relevant Acts/ Rules shall not exceed the total capital investment of the unit in the original or first phase of the project but not in the second and subsequent phases.(II)the exemption shall be allowed for a maximum period of five, four or three years, respectively for the districts of 'A', 'B' and 'C' categories as given in the Schedule below;(III)the exemption shall cease on the equalisation of the amount of tax and fee exempted with the amount of total capital investment under condition (I) above or on the expiration of the period under condition (II), whichever is earlier.Explanation. - For purposes of this sub-rule-(A)'Unit' means a factory or workshop which has started lifting industrial alcohol for production on or after December 20, 1986 and using totally new plant, machinery, equipments and apparatuses and includes a factory or workshop set up by a F.L. 39 licence already having an industrial unit manufacturing the same goods at any other place in the State or any other goods on or adjacent to, the site of any existing factory or workshop but does not include-(a)any factory or workshop on or adjacent to the site of which any other project has been established by the same licensee for the manufacture of the same goods;(b)any addition to or extension of an existing factory or workshop entitle for vend fee exemption under Rule XVII, sub-rule 2(c) above.:(c)'capital Investment', means investment in land on which the project is established, buildings and totally new plant, machinery, equipments and apparatuses.

## Schedule 5

Category "A" districts	Category "B" districts	Category "C" districts	
1.	Banda	1.	Azamgarh
2.	Jalaun	2.	Bahraich
3.	Hamirpur	3.	Ballia
4.	Jaunpur	4.	Barabanki
5.	Fatehpur	5.	Basti
6.	Pauri-Garhwal	6.	Badaun
7.	Tehri-Garhwal	7.	Bulandshahr
8.	Chamoli	8.	Deoria
9.	Uttar Kashi	9.	Etah
10.	Sultanpur	10.	Etawah
11.	Kanpur Dehat	11.	Faizabad
12.	Almora	12.	Farrukhabad
13.	Pithoragarh	13.	Ghazipur
14.	Nainital	14.	Gonda
15.	Dehra Dun	15.	Hardoi
		16.	Jhansi
		17.	Lalitpur
		18.	Mainpuri
		19.	Mathura
		20.	Moradabad
		21.	Pilibhit
		22.	Pratapgarh
		23.	Rae Bareili
		24.	Rampur
		25.	Shahjahanpur
		26.	Sitapur
		27.	Uanno and
		28.	Dadri Tehsil of Ghaziabad
		1.	Agra
		2.	Aligarh
		3.	Allahabad
		4.	Bareilly
		5.	Bijnore
		6.	Ghaziabad(excluding Dadri Tahsil)
		7.	Gorakhpur
		8.	Kanpur Nagar
		9.	Lakhimpur Kheri
		10.	Lucknow
		11.	Meerut
		12.	Mirzapur
		13.	Muzaffamagar
		14.	Saharanpur
		15.	Varanasi

Note. - Dadri Tehsil-Dadri Tehsil of Ghaziabad' means the area which was a part of district Bulandshahr before it was included in district Ghaziabad. The units established in the area of Dadri Tehsil which was the part of Meerut District before its inclusion in Ghaziabad district shall not be entitled for the benefit of admissible exemption. Section XL-Vend of Denatured Spirit(a)Wholesale

Vend

## **680. Wholesale licence.**

- [The Collector may grant to a distiller who denatures spirit and to approved dealers of denatured spirit licence in Form F.L. 16 for the wholesale vend of denatured spirit. The licence shall also cover the right to bottle denatured spirit. The scale of fee for such licence shall be 18 per cent ad valorem on the sale made by a distillery to the wholesale vendor. Such a licence may not be combined with one for the retail vend in Form F.L. 17] [Substituted by Notification No. 7588/X-97-B, dated 15th February, 1997, published in the U.P. Gazette, Part 1-Ka, dated 22nd February, 1997, p. 257.].(b)Retail Vend

## **681. Retail licences.**

(1) If satisfied that there is a reasonable demand for denatured spirit in any locality, the Collector may grant to a suitable applicant a licence, which also covers the right to bottle denatured spirit, in Form F.L. 17 for the retail vend of denatured spirit. The licence shall cover the sale of denatured spirit in quantities not exceeding the limit of retail sale to the public and in quantities exceeding the limits of retail sale to persons holding permits from the Collector provided there is no wholesale licence in the district. Note. - In the case of grant of a new licence in Form F.L. 17 or whenever an existing licence is vacated (including the cases of mutation of names) and its continuance and settlement with some other party is considered necessary, the case should be first referred to the State Government with full justification for the same for their approval. After receipt of Government's approval, further action may be taken for the selection of the grantee strictly in accordance with the rules on the subject: Provided that in the case of grant of a new licence in Form F.L. 17 in a 'wet' district and provided the particular case falls within the number of licences of that category allotted for the district, the Excise Commissioner may sanction the grant without reference to the Government. The Collector may then take further necessary action in the matter. (2) Issues exceeding the limit of retail sale will be made under a pass in Form F.L. 27. (3) [The scale of fee for a licence for the retail vend of denatured spirit shall be 15 per cent ad valorem on the sale made by a wholesale vendor to the retail vendor] [Substituted by Notification No. 7588/X-97-B, dated 15th February, 1997, published in the U.P. Gazette, Part 1-Ka, dated 22nd February, 1997, p. 257.]. (4) Any attempt on the part of the retail licensee to obtain denatured spirit fraudulently in excess of the monthly or annual quota fixed, if any, for him shall make him liable to cancellation of the licence in addition to penalties that may be imposed under the Excise and other Acts for the time being in force.

## **682.**

All containers including bottles, jars, drums or casks, etc. containing denatured spirit shall bear a label, printed in red and containing skull and cross-bones, with a warning 'not to be taken internally' in Hindi and Urdu. The design and style of the label in Hindi and Urdu rendering of the words of warning shall be as approved by the Excise Commissioner, Uttar Pradesh.

## **683. Possession of specially denatured spirit.**

- Any person or firm engaged in the manufacture of transparent soap who wishes to use the second or third kind of denatured spirit (vide paragraph 779) in the process of soap manufacture shall apply to the Collector of the district for a licence in Form F.L. 19, and unless there are any reasons why the licence should be refused, the Collector shall grant it. The licence shall not cover the right of sale. The maximum quantity which the licensee may possess at any one time shall be determined and stated in the licence by the Collector. The licence shall be granted free of charge. The licensee shall be required to execute a bond in Form F.L. 20 for such amount as may be fixed by the Collector for fulfilment of all the conditions mentioned in the licence, and also those prescribed in the rules.

## **684. to 700.**

[Deleted].For Section XLII, see Excise Manual, Volume IV.

# **Chapter IX Distilleries**

Section XLIII-General Rules Governing all Distilleries

## **701. Definitions.**

- In these rules, unless the contrary appears from the context, -"Feints" means impure spirit produced from the distillation of low wines;"Low wines" means impure spirit produced from the distillation or wash;"Obscuration" means the difference, caused by matter in solution, between the true strength of spirit and the apparent strength as indicated by the hydrometer;"Officer-in-charge" means the Excise Inspector in-charge of distillery;"Receiver" means any vessel into which the worm of still discharges;"Receiver room" means the part of a distillery where the receivers are kept;"Spent less" is the residue left after impure spirit has been redistilled;"Spent wash" is the residue left after wash has been exhausted of spirit;"Vat" means any fixed vessel used for the storage of spirit;"Warehouse" means the part of a distillery in which spirit in a fit state for consumption is stored;"Wash" means a saccharine solution from which spirit is obtained by distillation; it includes also fermented wash or wort;"Wash back" means a vessel in which fermentation is carried on.

## **702.**

(1)Any person desiring a licence to establish a distillery shall submit an application in Form P.D. 32 to Collector of the district in which he wishes to establish his distillery and the Collector will forward his application for the orders of the Excise Commissioner.(2)On his application being entertained, the applicant shall file for approval , description and plans of the building in which he proposes to construct his distillery and also an inventory giving the description and size of the stills and all other

permanent apparatus. The plans shall be drawn to scale on tracing cloth, showing the exact position and the dimension of each vessel to be used, and tracing course of all pipes or channels in the colours which would be actually used in accordance with the rules on the subject, together with the elevations of all the more important parts of the distillery, such as the receiver room and the warehouse.(3)If after such enquiry as he may deem necessary, the Excise Commissioner is satisfied, he shall subject to such conditions as the State Government may deem fit to impose grant a licence in Form P.D. 33 authorising the establishment of the distillery on payment of fee of [Rs. 1,00,000 (Rupees one lakh)] [Substituted by Notification No. 11185/IX-PD-2/Navinikaran, dated March 31, 1995.].Note. - The Excise Commissioner shall have power to grant or refuse any application for licence having regard to the actual requirement in the State.(4)The aforesaid licence be valid, unless specifically extended for a year a from the date of issue, within which period the holder thereof shall arrange to secure the land, buildings, plant, machinery and other equipment required for the establishment of the distillery. It shall not confer any right or privilege for grant of licence for the manufacture of spirit and is liable to be revoked or withdrawn at any time, in public interest, after giving the holder a notice to show cause, against such action and after hearing him, if he so desires. No compensation for damage or loss shall be payable when the licence is so revoked or withdrawn.

### 703.

(1)No spirit shall be manufactured and no person shall, use, keep or have in his possession any material, still implement and apparatus whatsoever, for the purpose of manufacturing spirit except under the authority and subject to terms and conditions of licence granted by the Excise Commissioner in Form P.D. 1 or P.D. 2. A licence to work a distillery in premises owned by the Government shall be granted in Form P.D. 1 whereas a licence to work a distillery in a premises owned by any person other than the Government shall be granted in Form P.D. 2.(2)An application for the grant of the aforesaid licences shall be in Form P.D. 34 and shall be submitted to the Excise Commissioner within one year from the date of grant of licence in Form P.D. 33 unless specially permitted otherwise.(3)Before the licence in Form P.D. 1, or P.D. 2, as the case may be, is granted, an Excise Officer authorised by the Excise Commissioner shall inspect the premises, etc. and compare the same with the plants and certify accordingly.(4)[ No licence in Form P.D. 1 or P.D. 2 shall be granted until the applicant has-] [Substituted by Notification No. 2323/97-B-88-89, dated March 31, 1989, published in U.P. Gazette, Part I-ka, dated 10th June, 1989.](a)satisfied the Excise Commissioner that the proposed building, vessels, plant and apparatus to be used in connection with the manufacture of spirit and its storage and issue are strictly in accordance with the rules made in this behalf and are in conformity with the plans submitted by the applicant and further that the precaution has been taken against fire;(b)deposited security of [Rs. 1,00,000 (Rs. one lakh)] [Substituted by Notification No. 11185/IX-PD-2/Navinikaran, dated March 31, 1995.]; and(c)deposited the licence fee at the rate of [Rs. 15.00 (Rs. fifteen)] [Substituted by Notification No. 11185/IX-PD-2/Navinikaran, dated March 31, 1995.] only per kilolitre of installed production capacity in advance for the year or part thereof for which the licence is granted.For distilleries having an yearly installed production capacity of 1,000 kilolitres or less a licence fee at the rate of Rs. 3 (Rupees three only) per kilolitre of installed production capacity shall be less than Rs. 2,000 (Rupees Two thousand) and for the distilleries having an yearly installed production capacity of over 1,000 kilolitres, a licence fee at the rate of Rs. 2.50 paise (Rupees two and fifty paise only) per

kilolitre of installed production capacity shall be payable subject to a minimum of Rs. 4,000 (Rupees Four thousand only). (5) The aforesaid licence shall be granted subject to the following conditions : (a) It will be open to the Excise Commissioner to verify at any time the description and plans mentioned in sub-rule (4) and on proof of error, to require fresh ones to be submitted, such verification may be made by any officer deputed for the purpose and such officer shall be allowed full access to the premises. A duplicate of the distillery plans approved by the Excise Commissioner shall be provided by the distillery, to be filed in the office of this distillery Inspector concerned. (b) No alteration or addition shall be made in or to such buildings or in or to such stills and other permanent apparatus, without the permission of the Excise Commissioner. If alterations are sanctioned fresh descriptions and plans of the same must be filed. If the Excise Commissioner so directs, officer-in-charge of distillery may permit minor alterations to be made to such buildings or stills and other permanent apparatus subject to his subsequent approval.

## **704.**

Application for the renewal of licence for the following excise year shall be made to the Excise Commissioner through the Collector on or before February 28 each year. If there have been alterations in either plant or building, fresh plans must be submitted. If there have been no alterations, a certificate to this effect from the officer-in-charge should be forwarded with the application for renewal of the licence. A licence fee prescribed in sub-rule (4) (c) shall be payable in advance for such renewal for a year or part thereof. If the application for renewal of licence is not properly submitted in time and the renewal is delayed, the spirit produced in the distillery will be liable to seizure and confiscation, or the parties working in the distillery to the penalties provided by law for the illicit manufacture of spirit : Provided that in the event of a licence being refused for a distillery which had previously been licensed, permission may be granted to continue operations temporarily, for a reasonable time pending appeal.

## **705. Removal of spirit, etc. after expiry of licence.**

- On the expiry of his licence (unless a fresh licence shall have been granted to him) or his licence shall be cancelled or suspended, every distiller shall be bound forthwith to pay the duty on, and to remove all spirits remaining within the distillery in accordance with the rules in force and if he shall fail to do so within ten days of receipt of written notice from the Collector, the cost of any establishment which it may be necessary to employ at the distillery or warehouse may be recovered from the defaulter. In the event of continuous neglect, the spirit shall be liable to be forfeited at the discretion of the Excise Commissioner.

## **706.**

Every distiller shall deposit a security of Rs. 20,000 (Rupees Twenty thousand) in Government Promissory notes or other Government securities of equivalent market value for fulfilment of all conditions of his licence and for the payment of all sums which may become due to Government by way of duty, rents, penalties, fines and taxes made under the provision of his licence or to which the distillery may be liable by law or by rules having the force of law or under any engagement or bond



into which he may have entered. The notes or other securities shall, on deposit, be endorsed to the Collector of the district by designation. The distiller shall be allowed to draw, as it falls due, the interest accruing on them.

## **707.**

Distiller shall provide office furniture for the use of the Officer-in-charge of the distillery and his staff. If a distillery is established at a place where suitable quarter for such officers are not available for hire at reasonable rates, the distiller shall provide quarters to the satisfaction of the Excise Commissioner-(a)for an Excise Inspector at a rent not exceeding 10 per cent of his salary, or Rs. 16 per mensem whichever is less;(b)for a distillery clerk at a rent not exceeding Rs. 2 per mensem;(c)for a distillery peon at a rent not exceeding fifty naye paise per mensem.The distiller shall be bound to keep the quarters and their appurtenances in proper repair, and not to interrupt or annoy any officer residing therein, in his use or enjoyment thereof. In case any question should arise as to whether the rent demanded by the owner of such quarters is just and reasonable taking into consideration the nature and sufficiency of the accommodation, the question shall be referred to the Excise Commissioner whose decision thereupon shall be final and binding on the distillery concerned.

## **708. Government not liable for loss of spirit in distilleries.**

- Government shall not be liable for the destruction, loss or damage of any spirit stored in distilleries by fire or theft, or by gauging, or proof, or by any other cause whatsoever. In case of hire or other accident officer-in-charge of distilleries shall immediately attend, to open the premises at any hour by day or nights.

## **709. Distillers responsible for loss etc. of spirit in distilleries.**

- Distilleres shall be responsible for the safe custody of stock of spirit in their distilleries and shall be liable to make good any loss of revenue caused to Government by their negligence.

## **710. Fermentation and distillation efficiencies.**

- [(1) The distillers shall be responsible for maintaining such minimum fermentation and distillation efficiencies and such minimum recovery of alcohol from molasses consumed for production of alcohol, as may be prescribed by the Excise Commissioner.] [Substituted by Notification No. 10908/IX-241-A, dated 8th February, 1978, published in U.P. Gazette, Part 1-Ka, dated 4th March, 1978.]Note. - The minimum fermentation and distillation efficiencies and recovery of alcohol from molasses prescribed by the Excise are as follows :

- (i) Fermentation Efficiency ... 84 per cent of fermentable sugars present in molasses.
- (ii) Distillation Efficiency ... 97 per cent of alcohol present in the wash.

- (iii) Minimum recovery of alcohol ... 52.5 litres of alcohol per quintal of fermentable sugars present in the molasses consumed for production of alcohol.

(2)[ Failure to maintain the prescribed minimum efficiency and recovery of alcohol shall render the Distillers liable to cancellation of licence and forfeiture of security deposit in addition to any other penalties imposed under the U.P. Excise Act, 1910.] [Substituted by Notification No. 9474, dated 9th March, 1992, published in U.P. Gazette, Part 1-A, dated 4th April, 1992.]The Officer-in-charge of the Distillery shall draw composite sample of molasses consumed in three successive out-turns and divide it into three equal parts which shall be sealed by the Officer-in-charge with his seal. Two parts of the sample duly sealed shall be handed over to the Distillers who shall send one of the parts to the Chemical Examiner to the U.P. Government or any officer authorised by the Excise Commissioner, Uttar Pradesh, Allahabad or any officer or agency authorised by the State Government, as the case may be, for determination of the percentage of fermentable sugars and retain the other with them. The third part of the sample duly sealed shall be kept by the Officer-in-charge. On the basis of the report furnished by the Chemical Examiner or any officer authorised by the Excise Commissioner, Uttar Pradesh, Allahabad or any officer or agency authorised by the State Government, the Officer-in-charge of the Distillery shall calculate the minimum quantity of alcohol which should have been produced by the Distillers on the basis of minimum recovery prescribed by the Excise Commissioner. In case the recovery of alcohol is below the prescribed minimum, the Officer-in-charge shall call for the explanation of the Distiller and forward the same along with his comment to the Deputy/Assistant Excise Commissioner of the charge concerned. The Deputy/Assistant Excise Commissioner of the charge shall, if necessary, make inquiries in the matter and furnish his report to the Excise Commissioner for necessary orders].

## **711. Noxious materials not to be used.**

- The materials to be used in distilling shall be of good quality and no ingredients noxious to health shall be used in the distillation or be put into the spirit. The spirit shall be liable to analysis on the order of the Excise Commissioner and the distiller shall be bound to take steps to remedy defects which the Excise Commissioner may consider material. If spirit is found to be of inferior quality and unsuitable for the purpose for which it was made, it may be rejected and destroyed or otherwise dealt with under the order of the Excise Commissioner. Officer-in-charge of distilleries are empowered to stop pending the orders of the Excise Commissioner the issue of spirit which they consider bad, and are required to send samples of such spirit for analysis without delay.

## **712. Manufacture of Indian-made foreign spirit.**

- The distillers holding a licence in Form P.D. 1 or P.D. 2 shall not be allowed to manufacture in their licensed distilleries, Indian-made foreign spirit for potable purposes from rectified spirit, which does not conform to the following specification : (1)The Aldehyde content of the original sample must not exceed 6 parts per 1,00,000 reckoned as Acetaldehyde. (2)The acid contents of the original sample must not exceed 6 parts per 1,00,000 reckoned as Acetic Acid. (3)The details of the Permanganate Test as given in the United States Pharmacopoea, which the rectified spirit should satisfy, are as follows : "Place 20 c.c. of Alcohol in a glass stopped cylinder that has been thoroughly cleaned with hydrochloric acid, then rinse with distilled water and finally with the alcohol to be

tested. Cool the contents to approximately 15° C; and add, by means of a carefully cleaned pipette, 0.1 c.c. of tenth normal potassium permanganate (3.16 gm. per litre), noting the exact time of addition. Mix at once by inverting the stoppered cylinder, and allow it to stand at 15° C, for five minutes. The pink colour must not entirely disappear.(4)Sample must be a clear water white liquid.(5)Miscible with water in all proportions without precipitate or "Opalescence".(6)Characteristic spirit odour.(7)Free from solid matter in suspension or solution; when 10 ml. are evaporated should leave only an unweighable stain.

### **713. Flavouring and Colouring.**

- It shall be necessary for a distiller holding licence in Form P.D. 1 or Form P.D. 2 to obtain prior permission of the Excise Commissioner for the addition of any flavouring, colouring or any other matter whatsoever to spirit and no such licensee shall add flavouring or any other matter whatsoever except to the extent permitted by the Excise Commissioner. The licensee shall not bring into the premises to the distillery any substance for purposes of colouring, flavouring of spirit except with prior intimation to the Excise Inspector and the Excise Inspector shall keep a register in Form P.D. 32 and all such substances or material brought within the premises of distillery shall be duly entered in that register. All such substance or material brought into the distillery premises shall be kept in its original container or capsules with seal, kept in tact, and the process of colouring, flavouring shall be carried out under the supervision of the Excise Inspector. No colouring, flavouring or addition of any substance shall be done unless the Chemical Examiner to the Government of Uttar Pradesh has examined the sample thereof and has approved the same provided that if any such substance manufactured by a firm approved by the Excise Commissioner is brought into the distillery premises and kept there with the original level and capsules in tact, it shall be required to be examined under the rule only once a year.

### **714. Distiller bound to report breaches of law, etc. committed by their servants.**

- If it comes to the knowledge of a distiller that any person employed by him has committed any breach of the excise laws or of the engagements entered into by him, it shall be his duty to report the matter to the Collector and to comply the directions of the latter officer respecting the continued employment of such person.

### **715. Accounts to be kept by distillers.**

- Distillers shall keep regular daily accounts. The account shall show the quantities and descriptions of the materials used, the quantities of wash and of spirit manufactured, the quantity of spirit passed out and the quantities of wash and of spirit in store in each vat or other receptacle.Note. - Distillery may keep accounts in whatever forms they like but the accounts must contain the particulars specified above.

## **716. Distillers' accounts to be open to inspection.**

- Such accounts shall be open at all time to the inspection of the officer-in-charge and of all superior officers.

## **717. Distillers bound to obey all rules already in force or which may hereafter be prescribed.**

- Distillers shall be bound by all the general rules for the management of distilleries and for the issue of spirit therefrom which may already be in force or which may hereafter be prescribed under the existing excise law, or under any law which may hereafter be enacted, and by all special orders issued by the Excise Commissioner with regard to individual distilleries, and shall cause all persons employed by them in the manufacture, issue, etc. of spirit to obey all such rules.

## **718. Appointment of agents and other servants.**

(1)The appointment of agents and all other servants by the distiller shall be subject to the approval of the Assistant Excise Commissioner of the Charge, who will have the power to order the removal from service or prohibit the appointment of any person whom he considers undesirable :Provided that no order for the removal from service of person, covered by the definition of the term, "workman" as given in Section 2 (s) of the Industrial Disputes Act, 1947 (Act No. XIV of 1947), shall be passed without prior consultation with the Labour Commissioner, Uttar Pradesh :Provided further that in the event of a difference of opinion between the Labour Commissioner and the Assistant Excise Commissioner on any particular point relating to the removal of a person from service, the matter shall be referred immediately through the Excise Commissioner to the State Government for orders.(2)The order of removal passed by the Assistant Excise Commissioner or his decision to prohibit employment of any person shall be appealable to the Excise Commissioner, Uttar Pradesh.(3)Whenever any workman is suspected of pilferage of excisable goods and his immediate removal from the distillery is considered necessary to safeguard revenue interests or in the interest of discipline, the contractors may be asked to depute the defaulting workman to some other section, which does not involve his entry into the Distillery pending the receipt of the Labour Commissioner's concurrence for his removal.[Form P.D. 1] [Substituted by Notification No. 11488/19 (55), dated 16th October, 1978, published in U.P. Gazette, Part 1-Ka, dated 18th November, 1978.][See Rule 2 (1)]Licence to work a distillery in a premises owned by the GovernmentLicence No.....Date .....Licence is hereby granted to..... resident(s) of..... for the period .....(1)to manufacture spirit in the distillery situate at .....(2)to supply it to warehouses within his/their contract area, and(3)to sell it to such licensed vendors and other persons as are entitled to purchase spirit direct from distillery subject to the following conditions :Conditions

**1. The licence shall be subject to-**

(i)rules relating to import, export and transport of spirit, contained in Chapters VII and VIII of the Excise Manual, Volume I.(ii)rules relating manufacture of spirit in distilleries, contained in Chapter IX of the Excise Manual, Volume I.(iii)such other rules as may, from time to time, be made by the Excise Commissioner for the security of Excise Revenue and for regulating the manufacture, sale, supply and prices of Indian-made Foreign Liquor (including rectified spirit and denatured spirit).

**2. The Government will erect and maintain in proper order all permanent buildings, wells, water channels and drains necessary for a distillery.**

**3. The licensee shall, subject to the previous approval of the Excise Commissioner, supply and erect all plant and appliances necessary for the production, storage and transport of spirit.**

**4. No alterations in the buildings or fixed plant shall be made without the previous sanction of the Excise Commissioner.**

**5. The licensee shall be bound to maintain such minimum stock of absolute alcohol, rectified spirit, denatured spirit, country spirit and denaturants as may be prescribed by the Excise Commissioner, U.P., keeping in view the quantum of normal demand.**

**6. The licensee shall pay rent at the rate of Rs. 1,000 or such rate as may be fixed by the Government from time to time, per annum in quarterly instalments.**

**7. The licensee shall be responsible for all damages to Government property beyond that done by fair wear and tear.**

**8. At the expiration of the contract for the supply of country spirit in connection with which this licence is granted the licensee will be entitled to demand that all sanctioned plant used at the distillery in connection with the manufacture and storage of country spirit be bought from him by the succeeding contractor at a valuation made either by mutual settlement or under the orders of the Excise Commissioner :**

Provided-(1)that if the licensee wishes to claim the benefits of this clause, he shall give notice of his intention six months before the expiry of the contract;(2)that the claim under this clause shall be permissible of only such plant as was necessary and regularly used for the manufacture and storage

of country spirit for supply under this agreement.

**9. Similarly the licensee shall be bound to purchase the above-mentioned articles from the outgoing contractor on the above conditions. If he fails to pay up the price either amicably settled or fixed by the Excise Commissioner, the contract shall be liable to be cancelled and the Excise Commissioner may pay the price to the outgoing contractor from any sum which may be lying to the credit of the new contractor in any Government Treasury in Uttar Pradesh.**

**10. As security for the due fulfilment of the conditions of this licence the licensee shall deposit with the Excise Commissioner Rs. 20,000 in Government Promissory Notes or other Government securities of equivalent market-value or in such other form as the Excise Commissioner may approve.**

**11. The licensee shall be responsible for maintaining proper cleanliness within the premises of the distillery and shall observe all the provisions of subsection (1) of Section 11 of the Factories Act, 1948 and rules made and orders, if any, issued thereunder, unless specially exempted by the State Government from any of these provisions.**

**12. The licensee shall make effective arrangements for the disposal of wastes and effluents from the manufacture of alcohol and shall make all such arrangements as prescribed by the State Government in this behalf under the provisions of sub-section (2) of Section 12 of Factories Act, 1948.**

**13. Any contravention of the rules or conditions hereinbefore enumerated shall invoke cancellation of the licence in addition to such other penalties as may be prescribed under the U.P. Excise Act, 1910.**

Excise Commissioner, Uttar Pradesh. Counterpart Agreement I, ..... the abovenamed licensee, for myself, my heirs, legal representatives and assigns hereby agree to all terms and conditions hereinbefore written and expressed. Dated ..... 19..... Witnesses :

**1.**

## 2.

Excise Commissioner, Uttar Pradesh. Form P.D. 2[See Rule 2 (1)]Licence to work a distillery in a premises owned by any person other than the Government Licence No.....Date .....Licence is hereby granted to..... resident(s) of for the period .....(1)to manufacture spirit in their distillery situate at .....(2)to supply it to warehouses within his/their contract area, and(3)to sell it to such licensed vendors and other persons as are entitled to purchase spirit direct from distillery subject to the following conditions :Conditions

### **1. The licence shall be subject to-**

(i)rules relating to import, export and transport of spirit, contained in Chapters VII and VIII of the Excise Manual, Volume I.(ii)rules relating manufacture of spirit in distilleries, contained in Chapter IX of the Excise Manual, Volume I, and(iii)such other rules as may, from time to time, be made by the Excise Commissioner and the Government for the security of Excise Revenue and for regulating the manufacture, sale, supply and prices of Indian-made Foreign Liquor (including rectified spirit and denatured spirit, power, fuels and alcohols).

### **2. The licensee shall erect and maintain in proper order all permanent buildings, wells, water channels and drains necessary for a distillery.**

### **3. The licensee shall, subject to the previous approval of the Excise Commissioner, supply and erect all plant and appliances necessary for the production, storage and transport of spirit.**

### **4. No alterations in the buildings or fixed plant shall be made without the previous sanction of the Excise Commissioner.**

### **5. The licensee shall be bound to maintain such minimum stock of absolute alcohol, rectified spirit, denatured spirit, country spirit and denaturants as may be prescribed by the Excise Commissioner, U.P., keeping in view the quantum of normal demand.**

### **6. The licensee shall be responsible for maintaining proper cleanliness within the premises of the distillery and shall observe all the provisions of sub-section (1) of Section 11 of the Factories Act, 1948 and rules made and orders, if any, issued thereunder, unless specially exempted by the State Government from any of these provisions.**

**7. The licensee shall make effective arrangements for the disposal of wastes and effluents from the manufacture of alcohol and shall make all such arrangements as prescribed by the State Government in this behalf under the provisions of sub-section (2) of Section 12 of the Factories Act, 1948.**

**8. As security for the due fulfilment of the conditions of this licence the licensee shall deposit with the Excise Commissioner Rs. 20,000 in Government Promissory Notes or other Government securities of equivalent market-value or in such other form as the Excise Commissioner may approve.**

**9. Any contravention of the rules or conditions hereinbefore enumerated shall invoke cancellation of the licence in addition to such other penalties as may be prescribed under the U.P. Excise Act, 1910.**

Excise Commissioner, Uttar Pradesh. Counterpart Agreement I, ..... the abovenamed licensee, for myself, my heirs, legal representatives and assigns hereby agree to all terms and conditions hereinbefore written and expressed. Dated ..... 19 Witnesses :

**1.**

**2.**

Excise Commissioner, Uttar Pradesh. B-Control of Distilleries

### **719. The Excise Commissioner to appoint officer to the charge of distilleries.**

- The Excise Commissioner will appoint such officers of the Excise Department as he may see fit to the charge of distilleries. The pay of such officers, will be met by Government provided that when the annual establishment charges exceed the sum of total of 10 per cent, of the duty leviable of the issues made from the distillery to districts in the State, plus 60 per cent, of the export duty levied on all exports of liquor during the year, this excess shall be realized from the distillers.

### **720. Control.**

- The officer-in-charge will unless otherwise directed, work under the supervision of and correspond with the Assistant Excise Commissioner in whose territorial charge the distilleries lie. In all ordinary matters regarding the working of distilleries, the proprietors should in the first instance apply to the officer-in-charge, who will, if necessary apply for orders.



## **721. The admittance into distilleries of persons not having business therein forbidden.**

- Distilleries shall be open only for the entrance and exit of person who have business with them. No one except officers of the Excise Department and superior officers of other Government Departments, distillers, their servants and licensed vendors who have come to purchase spirit shall be allowed to enter the premises on any pretext. Others may only enter with the permission of the officer-in-charge, provided that permission shall not be granted to persons, whose admission to the distillery may be objected to by the distilleries.

## **722. Control over persons entering distilleries.**

- All persons entering a distillery or warehouse shall be under the orders of the officer-in-charge in respect of their conduct and proceedings within the distillery or warehouse, and shall be liable to search on their quitting the premises, at the discretion of the officer-in-charge. Note. - Officers in charge must understand that the power of search is to be used with discretion. No respectable person should be subjected to search except on very good grounds for suspicion. All cases of search of persons other than class IV servants should be entered in the diary, with a statement of the officers reason for his action.

## **723. Guard posted to distilleries holding P.D. 2 licence.**

- In the case of distilleries working within Government buildings : (1) If the Excise Commissioner considers it necessary a police guard, consisting of one naik and three constables, may be stationed at the distillery for watch and ward duty. It shall furnish a sentry to guard the gate day and night. A sheet prescribing the duties of the guard shall be in the possession of the naik commanding the guard. (2) The gate of the distillery to unlocked as day break for the admission of the distillery officials, distillers and workmen and shall be locked at sunset when all persons must leave the distillery. The key of the distillery gate shall remain during the day with the sentry on the duty, and at night in charge of the naik. Ordinarily, the gate of the distillery shall be kept closed, and it shall only be opened to allow authorized persons to pass in and out, for the admission of materials, fuel, or plant and for the passing out of spirit and waste products. (3) A list of persons authorized to enter the distillery shall be made over to the naik-in-charge of the guard by the officer-in-charge of the distillery.

## **724. Ejection of riotous persons, etc.**

- The officer-in-charge of a distillery or warehouse may reject and exclude from the premises any person as to whom he has reason to believe that he has committed or is about to commit any breach of these rules or of the provisions of the Excise Act, or who is intoxicated or disorderly. All actions taken by any such officer under this rule shall forthwith be recorded by him in writing in his official duty for the information of his official superiors.

## **725. Smoking prohibited.**

- Smoking in any portion of a building used for fermentation, distillation or for storage of spirit forbidden. The use of naked lights within a distillery is strictly prohibited.

## **726. Hours of attendance of excise officials.**

- The hours of attendance of the inspectors posted to a distillery will be fixed by the Assistant Excise Commissioner. The Senior Inspector posted to the distillery will fix the hours of attendance for clerks and constables. Ordinarily each official will be on duty for a total period not exceeding eight hours a day.

## **727. Holidays.**

- The holidays allowed to Inspectors and Clerks at distilleries are-Sundays; Republic Day (26th January); Good Friday; Mahatma Gandhi's Birthday (official); Independence Day; Christmas Day; Holi (the day following the burning of Holi); Janam Ashtami; Desehra (principal day); Diwali (principal day); Idul Fitr (principal day); Idul Zuha; Moharram (10th day) and Shab-e-Barat. Other Gazetted holidays will only be allowed if the distillers themselves close down on special grounds with the sanction of the Excise Commissioner. In case, the Excise staff stationed at a distillery is required to attend the distillery on any of the above-mentioned holidays the distillers shall be required to pay to Government an overtime fee according to the following scale :Rs. 4 per hour per Excise Inspector. Re. 1 per hour per Excise Clerk. Re. 0.25 Naye paise per hour per Excise Constable. The overtime fee so realized, shall be credited to Government under the head "0.39 State Excise other receipts".

## **728. Powers to withdraw establishment.**

- In case a distiller shall cease distilling or issuing spirit for a period exceeding one month, the Excise Commissioner may withdraw the establishment stationed at the distillery and may prohibit all further distillation and issue of spirit until the distiller has given the Excise Commissioner fifteen day's notice in writing of the date on which he proposes to recommence distilling or issuing spirit, as the case may be. C- General Arrangement and Management of Distilleries

## **729. Wash and spirit to be conveyed through closed pipes.**

- Wash shall be conveyed from the wash back to the stills in closed pipes. The distilling apparatus shall be so arranged that from the time of distillation to the time when the spirit is issued from the store vats the distillate shall be contained in closed receptacles and conveyed through closed pipes. Spent wash and spent less shall be carried off in closed pipes or covered drains.

### **730. Pipes to be visible throughout.**

- Pipes intended for the conveyance of wash and spirit must be so fixed that they can be examined throughout their entire length.

### **731. Joints to be rivetted or bolted.**

- All joints in spirit pipes must either be rivetted or be joined with bolts. In the latter case flanges bolted together must have in addition to the bolts, at least two holes for depart-wires to pass through, which shall be secured with a lead disc bearing a metal seal.

### **732. Ends of pipes to be securely fixed.**

- The ends of still worms, and all pipes which convey spirit or serve spirit receptacles shall be firmly fixed into the receptacles they serve.

### **733. Pipes to be painted.**

- Pipes in distilleries must be painted as follows :If intended for the conveyance of wash, green; if for the conveyance of spirit, red; if for the conveyance of feints, brown; if for the conveyance of water or steam, white; if for the conveyance of spent wash or molasses, blue. The officer-in-charge will be held strictly responsible for the colour of every pipe being correct and the paint bright. Note. - By gas is meant gas used for the purpose of illumination power only. A vapour pipe is not a gas pipe and must be painted red.

### **734. Distillers responsible for leakage from pipes.**

- The distiller shall be responsible for preventing any leakage from pipes.

### **735. Lock fastenings to be on all spirit pipes and vessels.**

- The charging and discharge pipes of stills, all spirit safes, all manddoors, cocks or other openings in stills, spirit vats, receivers and other receptacles for spirit shall be so fitted as to enable them to be secured by an excise lock of a pattern approved by the Excise Commissioner.

### **736. Storage rooms to be provided with double locks.**

- The doors of all buildings or rooms which are used for the storage of spirit shall be provided with double locks, the keys of which are not interchangeable, and of which one lock shall be an excise lock in the charge of the Inspector and the other a distillery lock in the charge of the proprietor.

### **737. Openings and cocks not opened for long periods may be secured by wire and lead excise seal.**

- With the approval of the Assistant Excise Commissioner openings and cocks in still, receivers, vats or connecting pipes, which are not likely to be opened for long periods may be secured by means of wire and lead excise seals.

### **738. Locks on fastening to be changed once a month.**

- The locks used for several parts of the distillery, etc. should be changed once a month at irregular intervals, so that the same lock may not be known to be continuously in use in any particular fastening.

### **739. Lock fastenings to be constructed.**

- Lock fastenings are to be constructed as much as possible in one piece. Then hinges in them are necessary. The hinges must be formed by welded joints and not by rivetted pins; if a part of any fastening is attached to a vessel or utensil, it must be by rivets and not by screws. The fastenings for cocks must be fitted so closely as not to admit of any cock being partially turned or opened, or the plug or key lifted up or taken out, after the fastening is applied. Chain fastenings are not to be used except in case where it would be impracticable to apply fastening of any other description.

### **740. Working fastenings.**

- When it is necessary for the distillers operations the cocks upon closed pipes be left open when the Inspector is not present, working fastening must be provided. Such fastening must be so constructed that the excise lock shall not interfere with the free use of the cock, and so fitted that no abstraction of spirit is possible.

### **741. Locks not to be picked or forced but filed.**

- Should it happens at any time that a lock cannot be opened in the usual manner, it is not to be picked or forced, but must be removed by filing through the hasp, or if the distiller has no objection, through the fastening. All defective locks should be sent with the keys to the Excise Commissioner for examination and repair. On no account are they to be given out locally for repair.

### **742. Supply to ticket books.**

- Officer-in-charge of distilleries will be supplied with books of tickets in Form P.D. 3 for use with the excise locks. Tickets must be used in the consecutive orders of their number.

### **743. Instructions regarding use of lock ticket.**

- Whenever an excise lock is affixed to any pipe, cock, receptacle, door, etc. the officer affixing it shall first take a ticket out of the book and enter on it and its counterfoil with his initial the date, hour and minute of the affixing of the lock, after the word 'on' with the description of the pipe, etc. on which he is about to affix it. The hours should be numbered 1 to 24 and counted from midnight. He will then place the ticket in space provided for the purpose under the part of the flap which is hinged on to the front of the lock, taking care that the ticket is pierced by the spikes which stand up in the space in question. The flap should then be firmly closed on to the top of the ticket and the lock be looked on the pipe, cock, etc. as the case may be.

### **744. Entries on lock ticket and counterfoils to be abbreviated.**

- The entries on tickets and their counterfoils should be abbreviated thus-For still, write SI. For receiver, write R. For receiver room, write R. R. and so on, the number of the still, etc., being added when there is more than one. Care should be taken to make the entries on the tickets in such part thereof shall they may be defaced as little as possible by the revolution of the spikes and tearing of the tickets on the opening of the locks.

### **745. Instructions for removing lock from any pipe, etc. and for dealing with a case of tampering.**

- When an excise lock has to be removed from any pipe, etc. the officer should first move the key-hole cover to one side so as to expose the ticket, which will be visible through the upper hole in the flap and which he should carefully examine to ascertain if it has in any way been tampered with. If it should appear to have been tampered with, he should at once send for his own immediate superior, if at hand, or for an officer of police or a superior officer of some other department or other trustworthy person, and should cause such officer or person to make a careful note of the exact state of the ticket, after which the lock may be opened. In every case when a lock has been opened the officer will at once remove the ticket, enter on it the date, hour and minute of removal with his initials, as shown after the word 'off' carefully smooth it out, and gum it on the blank space left for the purpose at the edge of its counterfoil. A full report should at once be made by the officer to the Excise Commissioner in every case in which a ticket has been found to be tampered with, a careful examination having previously been made as to whether any spirit has been removed or other infraction of the law committed.

### **746. Number of ticket put on and taken off to be entered.**

- In the form of diary (P.D.5) prescribed for use by officer-in-charge, columns has been provided for entry of the numbers of the tickets put on and taken off in connection with all operations. These columns must be filled up at the time when the various transactions take place.

#### **747. Ticket books and keys of locks to be kept in personal custody of officer-in-charge.**

- All ticket books and the keys of all locks whether in use or not, must invariably be kept in the personal custody of the officer-in-charge when not actually in use they must be locked in the iron-safe provided for the purpose. This safe must be secured with one of the locks, so that the officer-in-charge may have one key only to carry about with him. Tickets will be used with this lock as with all others, according to the above directions; the officer-in-charge will be held personally responsible for the safe custody of the key and for its proper use.

#### **748. Failure to use lock without ticket or make proper entries in diary treated as very serious offence.**

- The use of a lock without a ticket or the failure to make the proper entries in a ticket or its counterfoil or fully to account for the use of ticket will be treated as very serious offences. Such occurrences must invariably be reported to the Excise Commissioner for orders. It will be the duty of inspecting officers to see that these orders are most strictly carried out and that all pipes, cocks, etc. are so made and secured as to render the abstraction of spirit impossible without immediate detention. They should also examine the lock to see that no means have been resorted to by which the ticket box might be opened without breaking the ticket.

#### **749. Receptacles to be used for wash and spirit.**

- Vessels used as receptacles for wash and spirit may be constructed of any material approved by the Excise Commissioner; they shall be of regular shape and covered vessels shall be fitted with proper manholes. In the case of every vessel proper arrangements shall be made for gauging by dipping rod and tables shall be provided showing the number of gallons contained in each vessel when filled to every tenth of an inch. When the wet method of gauging is applied to any vessel a permanent dipping rod of pattern approved by the Excise Commissioner must be provided by the distiller and fixed by him to such vessel in a manner approved by the Excise Commissioner. No gauging rod shall be brought into use till it has been verified and approved by the officer-in-charge.

#### **750. Rooms and vessels to be marked and numbered.**

- The distiller shall cause to be painted with oil colour and shall keep so painted upon the outside of every room or place and upon a conspicuous part of every vessel and utensil, the name of such room, place, vessel or utensil, according to the purpose for which it is used and when more than one room, place of utensil, is used for the same purpose, he shall also paint a progressive number on each beginning with the number one. Each vessel or utensil also have its capacity per painted on it.

### **751. Receptacles to be gauged and passed.**

(a) No receptacle, whose contents are to be estimated by a gauged rod shall be brought originally into use till it has been gauged and passed by the officer-in-charge and if any gauged receptacle is repaired or moved it may not be brought again into use until it has been regauged and passed by the officer-in-charge. (b) Dipping place or level of vessel not to be altered. - The distiller shall not cause or allow the dipping place or level of any vessel to be altered or any device to be used to deceive the officer-in-charge in taking the gauge or any vessel, or to prevent him from taking a true account of all wash or spirit in any vessel.

### **752. Receptacles to be fixed at proper height and fitted with cocks.**

- Receptacles must be fixed at a proper height and be fitted with cocks so that they can be emptied without being moved. It is better that they should be placed on slightly sloped stand on foundations, so that they may drain dry through the cocks without difficulty. The use of casks for storage purposes is forbidden except with the special permission of the Excise Commissioner.

### **753. Wash backs.**

- The wash backs for the fermentation of wash shall be placed in room or building exclusively set apart for them, which shall be kept securely locked if the Excise Commissioner so directs.

### **754. No wash except that prepared in distillery to be used : no wash to be removed from distillery.**

- No wash shall be used except such as has been prepared within the distillery nor shall any wash be removed from the distillery.

### **755. Notice to be given to officer-in-charge when wash is to be prepared.**

- When wash is about to be prepared the distiller shall give notice to the officer-in-charge and as soon as the wash is ready for gauging and proving, submit to him a declaration in writing on the prescribed form (P.D. 8) specifying the kind and quantity of materials used, the number of gallons of wash made, and its initial specific, corrected for temperature.

### **756. Officer-in-charge to verify wash declaration.**

- The officer-in-charge on receipt of the distiller's declaration, shall proceed to verify the same and enter the result in his diary.

### **757. Wash ready for distillation to be gauged by officer-in-charge.**

- As soon as the wash is fully attenuated and is ready for distillation the distiller shall again inform the officer-in-charge and that officer shall again, by gauging and the use of saccharometer, and the alcoholometer (where one has been supplied), ascertain the quantity and specific gravity of the attenuated wash and record the particulars in his diary. The initial gravity shall be determined by adding the degrees of attenuation ascertained by the alcoholometer to the actual gravity indicated by the saccharometer. Note. - If the Excise Inspector is off duty at the time a sample shall be kept for his examination. Care should be taken that in the sample acetic fermentation does not set in.

### **758. Stills to be securely closed.**

- There shall be no opening into any still except those in connection with the charging and discharging pipes, condensers, manddoors, and air cocks or valve upon the breast of head. The external orifice of an air valve must be so constructed and covered by a perforated metal plate as to make it impracticable by means of it either to introduce wash or abstract spirit, or to convey spirit vapour away for condensation elsewhere.

### **759. Redistillation in pot-stills to be supervised by officer-in-charge.**

- When a pot-still is being used for the redistillation of unfinished spirit the mandoor and the charging and discharge pipes shall be secured by the officer-in-charge with closed fastening and such still shall be charged and discharged only after notice has been given to the officer-in-charge and under his supervision. The officer-in-charge, on being required to open the discharge cock for the discharge of spentless, shall satisfy himself that the spirit contained in the unfinished spirit with which the still was charged has been completely extracted by distillation. In the case of continuous stills, redistillation may be allowed by feeding the spirit to be redistilled in the rectifying column or mixing the spirit with the wash which has been fully attenuated and the alcoholic contents of which have been calculated or determined before mixing. In case unfinished spirit is not mixed with it should be put into and locked up into the wash charger wash for redistillation, or other vessel in which the pump works. The distillers are free to carry out such redistillation in separate still, specially meant for the purpose, to avoid the risk of excess wastage.

### **760. Redistillation wastages.**

(1) Apart from simple rectification of weaker spirit produced in a pot-still, redistillation of spirit may become necessary as under : (a) on account of the manufactured spirit not conforming to the prescribed specifications, due to the negligence and inefficiency of the distillers or bad and defective storage conditions resulting in discolouration of spirit, fall in strength, or such other defects. (b) For the purposes of manufacturing fruit-spiced spirit or 'silent' spirit required for Indian-made foreign liquor. For distillation of spirits mentioned in sub-rules (a) and (b) proper and correct accounts of spirit sent for redistillation and the finally distilled spirit shall be maintained by the officer-in-charge of the distillery. Due notice of such redistillation shall be given to the Distillery



Inspector and the operation carried out under his supervision.(2)Limit of wastage allowance. - Actual wastage in redistillation as given below may be allowed :(a)For wastages under clause (a) of sub-rule (1) above, if-(i)patent stills up to a maximum of 1.5 per cent.(ii)in post-stills up to a maximum of 2.0 per cent.(b)For wastage under clause(b) of sub-rule (1) above, if-(i)in patent stills up to a maximum of 2.0 per cent.(ii)in post-stills up to maximum of 2.5 per cent.(3)The duty on such excess wastage shall be liable to be charged at the following rates :(a)For the manufacture of plain spirit. - At the highest rate of duty leviable on country spirit in Uttar Pradesh.(b)For the manufacture of special spirit. - At the highest rate of duty leviable on such spirit in Uttar Pradesh.(c)For the manufacture of rectified spirit. - At rate of duty leviable on Indian-made liquor in Uttar Pradesh.(4)When the total wastage calculated in terms of London proof at the end of the month does not exceed the prescribed limit of sub-rule (2) no action need be taken by the officer-in-charge but when wastage exceeds the total wastage so calculated the officer-in-charge must obtain a written explanation from the distiller and forward the same with his comments to the Assistant Excise Commissioner of the charge. The Assistant Excise Commissioner after proper scrutiny will send the necessary papers with his recommendations to the Excise Commissioner for order.

### **761. Safes to be fitted to stills.**

- There shall be placed between every still and the receivers into which it discharges, a glass "safe" furnished with a hydrometer capable of showing the strength of liquor down to the zero of water. There may be separate safes between each still and its receiver or receivers, or a central safe which controls the warm ends between a number of stills and their receivers.

### **762. Sampling apparatus.**

- If desired, a sampling apparatus may also be used provided that it .is so constructed that for every sample drawn off, and exactly equal quantity is discharged into a closed and locked receiver. The samples shall be produced before the officer-in-charge, who on finding that they agree in measurement and strength with the corresponding quantity discharge into the receiver, shall pass them into store. Should any deficiency occur the matter must be reported for orders.

### **763. Arrangement for stills, etc.**

- The distiller shall also arrange his stills that spirit shall discharge into closed and locked receivers of such pattern that no spirit can be removed from them unless they are unlocked. The Excise Commissioner may require the distiller to affix to any receiver an apparatus which will prevent the supply and discharge cocks being open at the same time.

### **764. Receivers, size and position of.**

- Receivers should ordinarily be of sufficient size to hold all the spirit likely to be made in the stills during the 72 hours of continuous working, and must be placed so that a free passage is left round

them and a clear space below them to permit of their being easily examined.

### **765. Working of cocks on charging and discharge pipes of receivers.**

- Both the charging and the discharge pipes of receivers must be fitted with cocks which can be locked. The cock on the charging pipe must be shut and locked whenever that on the discharge pipe is open and vice versa, except when both are required to remain open simultaneously for repairs for other proper reason, in which case either the whole apparatus must be disengaged from the still and be so secured and locked, that it cannot be used again until the officer-in-charge has removed the lock, or the still itself must be locked up so that it cannot be used. When spirit runs from the receiver into the warehouse, use discharge cock of the receiver is to be frequently tested to see that it does not permit any leakage when shut, by shutting for half an hour or longer the inlet cocks at the vats while spirit is collecting in the receiver, ascertaining whether any accumulation takes place in the pipe. The date of such tests and their results should be entered in the diary.

### **766. All spirits to be run in empty receiver.**

- The spirit, whether finished or unfinished produced by any one distillation, shall be run into an empty receiver or receivers and such spirit shall be gauged and proved by the officer-in-charge in the receiver or receivers of the still in which it is produced, before it is passed out of such receiver or receivers or mixed with spirit produced by any other distillation. The particulars of such gauging and proof will be recorded in the diary.

### **767. Produce of distillation.**

- The produce of a single distillation should | not exceed the quantity that can be held in a single receiver, nor shall such produce consist of the distillate of the contents of a large number of complete wash back than has been run into the still for a longer period than seventy two hours.

### **768. Store vats to be kept in warehouse.**

- Store vats shall be kept in a room or building set apart entirely for them and provided with only one door, such rooms or building will be designated "the warehouse".

### **769. Separate store vats to be used for different kinds of spirit.**

- Separate store are to be used for the storage of different kinds of spirit. If issues are made direct to vendors, of country spirit special vats must be provided for the issue of such spirit at the fixed strengths prescribed for such issues.

### **770. Grogged liquor to be destroyed.**

- Water which has been poured into empty liquor vats to prevent shrinkage of the wood, and has become alcoholic by abstraction of the spirit absorbed by the wood should be run off into a sewer in the presence of the officer-in-charge. When water is added to a vat to prevent shrinkage, the vat should be kept locked.

### **771. Minor alteration in distillery arrangement.**

- The previous sanction of the Excise Commissioner should be obtained to all alterations in and additions to buildings or permanent apparatus actually used in the preparation, conveyance or storage of liquor, except in the following cases, in which officer-in-charge may sanction the alterations, subject to immediate report to and subsequent approval by the Excise Commissioner : (a) Additions, alterations or repairs to wash vessels, pipes used for the conveyance of wash, steam, gas or water, stills not actually in use, furnaces and flushes, mixing apparatus and wash or water pumps. (b) Necessary repairs to gauge vessels or to spirit pipes. (c) Repairs of an emergent nature. As regards works coming under head (a) the officer-in-charge may, on receipt of 'twenty-four hours' written notice from the distiller or his authorized agent, permit the work to be proceeded with, but in any case of doubt he should refer the matter to the Excise Commissioner. All such applications should be filed for future reference. In the case of works coming under head (b) the officer-in-charge may, on similar notice being given permit the work to proceed if he is convinced that any delay in proceeding with it would cause inconvenience. He will be held responsible that the work is performed without risk of loss to the revenue. Repairs of an ostensibly urgent nature may be allowed to proceed immediately on receipt of a written application. Care must be taken to see that no risk to the revenue is involved.

### **772. Repairs to be reported.**

- In all cases full report detailing the repairs, additions or alterations that have been permitted should be submitted to the Excise Commissioner within twenty-four hours of the grant of the permission, and the matter should also be noted in the diary of the officer-in-charge.

### **773. Blending and reduction of spirit.**

- Blending and reduction of plain spirit is permitted in the store vats, provided such blending and reduction is done in the presence of the officer-in-charge and under his supervision. The officer-in-charge must see that thorough admixture has been effected and may then, if the distiller so desires, prove the spirit to see that the required strength has been obtained. He should, however, take no proof for the purpose of issue from a vat in which blending or reduction has taken place, until the lapse of at least twenty-four hours after such blending or reduction. In cases of emergency this rule may be relaxed, but in no case can a proof for issue be taken until after lapse of two hours.

**774. Colouring in store vats not permitted.**

- The colouring of spirits in the store vats is not permitted.

**775. Coloured rum warehouse.**

- Spirit to which it is desired to add caramel at the time of storing, instead of at the time of issue, must be stored in a separate "Coloured rum" warehouse. After the gauging and proving of the plain spirit, the caramel will be added in such quantities as the distiller may desire. The volume of the caramel added will be noted by the officer-in-charge in Form P.D. 14 and on the following day, the contents of the vat will again be gauged and proved. The apparent loss in proof gallons due to obscuration will be shown as an "Issue" in columns 8 and 16 of the Form P.D. 14. Duty will be assessed on this apparent loss and will be debited against the distiller's advance in Form P.D. 23. The fact that this has been done will be noted in the column of remarks in Form P.D. 14. The item must also be shown in Register P.D. 11, although no pass is actually issued. When spirit has been coloured and duty charged in the above manner, no further addition of spirit can be made to the vat previous to its being emptied. All spirit finally issued from the coloured rum warehouse will pay duty on the apparent strength at the time of issue. Notes. - (1) The difference, caused by the caramel in solution, between the true strength of spirit and that indicated by the hydrometer is termed 'obscuration'. The percentage of obscuration can be easily ascertained by taking the hydrometer strength before and after the addition of caramel or any other soluble substance likely to cause same. For example :

	U.P. (1)	U.P. (2)
To the strength of plain spirit	18.5	20.0
Apparent strength indicated by hydrometer after addition of soluble matter to plain spirit	20.0	18.5
Degree of obscuration	1.5	1.5

The degree of obscuration remains constant and must be added to the apparent strength found at any subsequent test in order to ascertain the true strength. For this reason it is essential that the degree of obscuration should be noted, for future reference, in column 19 of Register P.D. 14 at the time when plain spirit changes its denomination by addition of caramel in vat or in cask at time of issue. (2) The addition of water to obscured spirit does not materially affect the degree of obscuration. In the case, therefore, of reduction of column coloured rum of in cask at time of issue, the degree of obscuration ascertained when caramel was first added, will be treated as unchanged. (3) In the case of blending of 'obscured' spirit of different degree of obscuration the degree for the bulk may be ascertained by calculations thus :

Bulk gallons	Obscuration
83.0X8.2	265.60
68.7X1.4	96.18
103.0X2.8	288.40
182.2X1.8	327.60

436.7                      977.78

then  $977.78/436.7 = 2.2$  = average degree of obscuration.(4)In the case of "obscured" spirit exported to other States under bond, the degree of obscuration must be noted on the pass P.D. 25 in column 7 and in column 9 of Form P.D. 27 immediately below the apparent strength indicated by the hydrometer in the final proof before issue.

## **776. Observation and mode of taking sample for analysis.**

- Great care must be taken that no sugar, salt or other matter soluble in spirit and heavier than water, is added to the spirit before it is proved so as to effect the action of the hydrometer, or in other words to 'obscure' the strength. If anything of the kind is suspected three samples of the spirit (of about 4 ounces each) should be taken, whereof, one should be sealed and sent for analysis, one sealed and kept under lock and key until the result of the analysis is known, and one sealed and handed over to the distiller or his manager. Each of the three samples should be marked with the same distinctive mark or number and should be dated and be verified by the initials or signature of the officer-in-charge. The officer-in-charge must not in any case make the distiller aware of his intentions to take samples, but he should request the distiller or his manager to be present at the time of taking them, and inform him that the samples are taken for the purpose of examination. These instructions as to the mode of taking samples apply also to cases in which Collectors desire to take samples in order to ascertain whether substance deleterious to health although not such to affect the indications of the hydrometer, are present in spirit.

## **777. Calculation of duty in case of obscuration.**

- When it is known or suspected that saccharine or other matter of such a nature as to prevent the true strength being ascertained by means of the hydrometer, is present in spirit, the number of degree to be added to the apparent strength on account of obscuration shall be certified by the Chemical Examiner to the Government of Uttar Pradesh on analysis of a sample of the spirit submitted to him and duty shall be calculated on the quantity and strength of such spirit after the addition of the number of degrees of proof certified as necessary to be added to the apparent strength, as ascertained by the hydrometer.

## **778. Tests for ascertaining presence of foreign matter.**

- In cases in which an officer-in-charge suspect that salt, sugar or other substance likely to affect the indications of the hydrometer has been dissolved in the spirit, but his suspicions are not sufficiently definite to warrant his taking samples he should from time to time evaporate a small quantity of spirit in a watch glass when the presence of solid matter will be easily detected. Vegetable substance such as sugar may be distinguished from salt by their being blackened and dissipated by heat after the spirit and water have been driven off. From the ordinary impurities in the water used in the manufacture of spirit few samples will be found which do not leave some traces of solid matter after evaporation, but these may also be distinguished from foreign matter added in such quantities as would affect the strength indicated by the hydrometer. It will be for officer-in-charge occasionally to

apply this simple test even when they have no suspicions that such substances as sugar, etc. have been dissolved in the spirit made in the distillery under their charge.(D)Denaturation of spirit

## **779. [ [Substituted by Notification No. 9733-E/XIII-523(I)-75, dated 25th October, 1975.]**

Spirit may be denatured in the following three ways namely : (1) with crotonaldehyde, pyridine and methylene blue or pyridine and caoutchoucine; or (2) with wood naphtha; or (3) with one per cent, of castor oil and 5 per cent, of caustic soda solution by volume. The first kind of denatured spirit is meant for general use and may be issued to all wholesale vendors of denatured spirit for sale in retail to the public. It shall be prepared by adding 0.6 per cent, crotonaldehyde, 0.5 per cent, pyridine and .001 per cent, methylene blue or 0.5 per cent, by volume of light caoutchoucine and 0.5 per cent, by volume of mineral pyridine bases of the whole volume of rectified spirit of a strength not less than 60° over proof. The second kind of denatured spirit is intended for use in the manufacture of transparent soap only and may be issued to any manufacturer of transparent soap to whom a licence in Form F.L. - 19 has been issued by the Collector, in accordance with the conditions of his licence. It shall be prepared by the addition of 5 per cent, of approved wood naphtha to the whole volume of rectified spirit of strength not less than 60° over proof. The third kind of denatured spirit is also intended for use in the manufacture of transparent soap only and may be issued to a holder of a licence in Form F.L. - 19. It shall be prepared by the addition of 1 per cent of castor oil and 0.5 per cent, of caustic soda to the whole volume of rectified spirit of a strength of not less than 60° over proof : Provided that, if it be proved to the satisfaction of the Government that the above specified denaturants will render the spirit unsuitable for the industrial process or other purpose for which it is required, special sanction may be given to the use of some other denaturant, subject to such additional safeguards and conditions as may be deemed necessary under the special circumstances of the case.] [Substituted by Notification No. 628-Anubhag-3-Licence, dated 17th April, 1978, published in .U.P. Gazette, (Extraordinary), dated 17th April, 1978.] Specification of prescribed denaturants

## **780.**

The specification of the denaturants crotonaldehyde, pyridine, methylene blue, caoutchoucine, and naphtha prescribed in Rule 779 above shall be those as published from time to time by Excise Commissioner.

## **781. Denatured to be tested.**

- All ingredients intended for denaturing spirit shall be lodged with the officer-in-charge of the distillery denaturant is brought into use that officer shall send samples (one pint from each cask or drum in a separate bottle sealed and labelled to the Chemical Examiner to Uttar Pradesh Government, Agra or such other officer as the State Government may appoint in that behalf), for examination and report : Provided that if each cask or drum is presented to the officer-in-charge duly sealed with seal of the said Chemical Examiner or other officer duly appointed and

accompanied by a certificate from the officer that the denaturant contained therein complies with the specifications referred to in the preceding paragraph the sending of a sample will not be necessary. But all the denaturants which have been in storage for a period exceeding six months after their test by the Chemical Examiner, Uttar Pradesh (or other officer duly appointed), shall not, in any case, be allowed to be used unless they are re-examined by the abovementioned officer and certified to be fit for use. A copy of the report shall be submitted to the Excise Commissioner. The denaturant passed for use shall remain in excise custody until consumed, while those rejected shall be returned to the distiller. A correct account of all denaturants received into and issued from the stores shall be maintained by the officer-in-charge.

## **782. Special process of denaturation for spirit used in manufacture of soap.**

- The following additional rules are prescribed for the preparation of the second kind, denatured spirit to be used in the manufacture of transparent soap only : (1) All wood naphtha submitted for approval as suitable for denaturing purposes shall consist of substance derived from the destructive distillation of wood and shall not contain any substance of mixture obtained from any other source. (2) The wood naphtha must be sufficiently impure to impart to denatured spirit prepared by mixing 5 per cent of it with 95 per cent of spirit such an amount of nauseousness as will, in the opinion of the Chemical Examiner to Government of Uttar Pradesh, Agra, render such spirit incapable of being used as a beverage or of being mixed with the potable spirits of any kind without rendering them unfit for human consumption. Wood naphtha submitted for approval should confirm to the following test : (a) Not more than 30 c.c. of the naphtha should be required to decolourise a solution containing 0.5 gram of bromine. (b) The naphtha which must be natural or only slightly alkaline to litmus should require at least 5 c.c. of decinormal acid to neutralize 25 c.c. of the spirit when methylorange is used as the indicator. (3) No wood naphtha will be approved which contains - (a) less than 72 per cent, by volume of methyl alcohol; (b) more than 12 grams per 100 c.c. of acetone, aldehyde, and higher ketones estimated as 'acetone' by the formation of Iodoform according to Messenger's Method; (c) More than 3 grams per 100 c.c. of esters estimated as methyl acetate by hydrolysis. Wood naphtha, which when fractionally distilled in the following manner, gives the indications stated below, will, as a rule be found to contain a sufficient proportion of methyl alcohol, and to be free from an excess of "acetone" on methyl acetate.

**100. c.c. of the sample are to be slowly heated in a small copper flask fitted with a glass fractionating column 7 inches high and 3-1/4th inches in diameter, filled to the extent of 4 inches of its height with small glass beads provided with a thermometer placed opposite the exit tube about an inch above the beads, and connected with a spiral condenser. Not more than 10 c.c. of distillate should be collected in a receiver when the thermometer in the fractionating column marks a temperature of just under 149° F. (65° C) from 80 c.c. to 85 c.c. should pass over between 149° F. (65° C) and 162° F. (72.2° C) and a total quantity of 97 c.c. to 98 c.c. should have passed over before the thermometer marks 212° F. (100° C).**

(4) Wood naphtha may be miscible or immiscible with water, but must be of a strength not lower than 60 O.P. as indicated by Hydrometer and must not be used until a sample has been proved. (5) The spirit denatured with wood naphtha must be stored in a separate receptacle and accounted for separately.

### **783.**

The third kind of denatured spirit to be used in the manufacture of transparent soap only shall contain one part of castor oil and 0.5 part of caustic soda solution in 100 parts of spirit, all by volume. The caustic soda solution is to be prepared by dissolving one part of solid caustic soda of 98.99 per cent (NaOH) in 3 parts of water. Take the castor oil, add to it 1-1/2 times its volume of alcohol while stirring and finally add the soda solution. A clear solution will be obtained which is to be added to the bulk of the alcohol.

### **784. Separate premises to be provided for process of denaturation and for storage of the denaturing agents.**

- Separate premises previously approved for the purpose by the Excise Commissioner shall be provided for the process of denaturation and for the storage of denaturing agents and the vessel and receptacles used in the process. Denaturation shall take place in these premises only and issue and storage of denatured spirit shall only be made from or in these premises. The premises shall be secured by an excise lock, and denaturation shall take place under the direct supervision of the officer-in-charge.

### **785. Spirit denatured to be stated.**

- For the purpose of ascertaining that the spirit has been denatured in the prescribed manner the officer-in-charge of the distillery shall on each occasion that spirit is denatured, cause to be taken from each separate bulk of denatured spirit, a sample, amounting to one pint, in a bottle sealed and labelled and shall send such sample to the officer referred to in paragraph 781 for examination and report. The label on the bottle shall bear the number and date of the Chemical Examiner's report passing the denaturants used. A copy of the report shall be submitted to the Excise Commissioner, who will issue orders as to the disposal of spirit not denatured in the prescribed manner. Note. - Spirit denatured with approved denaturants, other than those prescribed in paragraph 779 may be issued from the distillery for bona fide industrial purposes without getting the samples of specially denatured spirit examined by the officer referred to in paragraph 745, provided the previous sanction of the Excise Commissioner, U.P. is obtained. (E) Issue of Spirit

### **786. Spirit not to be removed unless gauged and proved.**

- No spirit shall be removed from a distillery until it has been gauged and proved by the officer appointed for the purpose. Such gauging must be by actual measurement or by weighing.



### **787. Spirit not to be removed except under a pass.**

- No spirit shall be removed except under a pass granted by the officer empowered in this behalf. Note. - Where issue of country spirit are made direct from the distillery to shops within the contract area of the distillers the pass-book accompanying any such issue will be deemed to be a pass with the meaning of this rule.

### **788. Maintenance of account of rectified and denatured spirit and absolute alcohol issued to purchasers.**

- The Excise Inspector in-charge, distillery shall maintain an accurate and up-to-date account of issue of rectified and denatured spirits and absolute alcohol made from the distillery in respect of all purchasers in the Form F.L. 29. The register in Form F.L. 29 shall have separate pages allotted for individual purchasers arranged in alphabetical order. The Excise Inspector, distillery while issuing rectified spirit, denatured spirit or absolute alcohol to the purchaser shall see that the issues of such spirit already taken do not exceed the monthly or annual maximum quota, if any, prescribed for the purchaser. A copy of the entry in the above form shall also be made by the Excise Inspector immediately after making issues to the purchaser on the back of the licence or the permit. Any attempt on the part of the licensee or permit-holder to obtain spirit fraudulently in excess of the monthly or the annual quota fixed for him shall make him liable to cancellation of the licence, or permit in addition to the penalties that may be imposed under the Excise and other acts for time being in force.

### **789. When pass may be issued.**

- A pass shall be issued only either on proof of full payment of duty on proof of execution of a bond by persons permitted to remove spirit under bond and may be for any quantity up to the quantity covered by the duty paid or the bond subject to a minimum of five gallons. Duty may be paid either by cash payment at the treasury in respect of such issue or by debit against advance deposit : Provided that spirit which, by general or special order, is issuable free of duty or at a reduced rate of duty, may be issued in quantities of not less than one gallon on production of the general or special order, permit or pass, as the case may be, to the officer-in-charge of the distillery.

### **790. Strength under issue.**

- Issues may be made at any strength subject to the following exceptions : (a) Issues of country spirit to shops, when a portion of the distillery has been constituted a bonded warehouse, must be made at the prescribed strengths of 25, 35 and 50 U.P. only. A margin of 0.5 above these fixed strengths is allowed for error. (b) The minimum strength for whisky, brandy and rum is 25 U.P. gin 35 U.P. rectified spirit 60 O.P. and denatured spirit 60 O.P. Note. - The strengths prescribed for whisky, brandy, rum and gin are the apparent strengths as indicated by the hydrometer after the addition of the colouring and flavouring materials.

## **791. Minimum stock for distillery and warehouse attached to it.**

- The Excise Commissioner may prescribe the minimum stock of each kind of spirit to be maintained in distilleries and warehouses attached to them to ensure regular supply of spirit to the licensees.

## **792. What spirit may be issued.**

- Issues may be made by distillers as follows : (1) Plain spirit, excised as country spirit for consumption in Uttar Pradesh may be issued only to bonded, warehouses in the areas for which the distillers hold the supply contract. If a portion of the distillery has been constituted a bonded warehouse, the issue therefrom shall be in accordance with the rules applicable to bonded warehouses. (2) Plain spirit may be exported to any State or Union Territory in India (which has entered into reciprocal arrangement with the Uttar Pradesh Government for refund of duty) on payment of duty as provided in paragraph 440. (3) Plain spirit may be exported to any State or Union Territory in India in bond as laid down in paragraphs 432 to 439. (4) Rectified spirit may be issued in bond to persons holding L-1 licence under the Medicinal and Toilet Preparations Act, 1955 and Rules, 1956 made thereunder for the manufacture of medicinal and toilet preparations. (5) Foreign spirit may be issued in bond to persons and places as provided in the rules governing the export and transport of foreign liquor. (6) Foreign spirit may be issued on payment of duty to- (i) the premises in respect of which the distiller holds a wholesale licence for the vend of foreign liquor; (ii) Troops in India, as provided in the export and transport rules, on payment of duty at the prescribed rates; (iii) Persons holding L-2 licence for the manufacture of Medicinal and Toilet Preparations entitled to purchase rectified spirit at the reduced rates of duty on production of licence. (7) Rectified spirit and absolute alcohol may be issued duty free to officers and institutions as may from time to time be (specified) in Appendix 'C' of Excise Manual, Volume II or to such officers and institutions in other States or Union Territories as may have been permitted by the Chief Revenue Authority of the States or Union Territory to possess such spirits without payment of duty. (8) Denatured spirit may be issued to- (i) Licensed wholesale vendors of denatured spirit in the State on payment of the prescribed vend fee, provided that the issues shall not exceed the quantity, if any, specified on the licence : Note. - The Collector of a district may, in very exceptional circumstances and for reasons to be recorded in writing, order issue of denatured spirit, not exceeding the quantity if any, specified in the licence from a distillery if there is any of his district or from the distillery of the nearest district to a retail vendor of denatured spirit of his district on payment of prescribed vend fee. Provided further that the Collector shall intimate the quantity allowed to the retail dealer, the name of the distillery and the reasons therefor to the Excise Commissioner within a week of his order. (ii) Hospitals, dispensaries, charitable and educational institutions and other State Government departments free of vend fee up to a quantity allowed by the Excise Commissioner, provided the indent is countersigned by the Collector as laid down in paragraph 680. (iii) A person or firm, holding licence in Form F.L. 19 for the possession and use of specially denatured spirit in the manufacture of soap, on payment of the prescribed vend fee. (iv) Persons or institutions allowed to possess and use specially denatured spirit by the Excise Commissioner for special purposes on payment of the prescribed vend fee. (9) (a) If the distiller has a laboratory attached to the distillery and requires spirit for use in the laboratory he shall be entitled to remove to the laboratory from the

distillery free of duty from either, the safes of the still or the spirit receivers or the spirit store, finished spirit or unfinished spirit, to such extent as may be authorised by the Excise Commissioner in each case; provided that the spirit so removed shall not be used in the laboratory of the distillery otherwise than for experimental work connected with the distillery operations only. The distiller shall keep a regular account of the disposal of such duty free spirit which will be subject to examination by excise officers. All spirit which becomes waste in the laboratory and does not by the addition of any chemicals or otherwise becomes deleterious shall be returned to the distillery for redistillation.(b)An application for every quantity of spirit required to be removed from the distillery under this rule must be made in writing to the officer-in-charge of the distillery who shall record thereon the quantity and strength of the spirit taken and make a note of the same in his diary and other relevant distillery registers.(c)If spirit removed under this concession is used otherwise than as permitted by sub-rule (a) of this rule, the concession may be withdrawn.

### **793. Issue of country spirit under bond to contract supply areas.**

- Issues of country spirit under bond to bonded warehouses in the contract supply areas of a distiller are regulated as follows : (1)The distiller shall execute a general bond in Form P.D. - 15 in respect of each contract for such sum as the Excise Commissioner shall in each case direct. Applications for issue of passes shall be made to the officer-in-charge of the distillery in Form P.D. 18.(2)The officer-in-charge will then prepare a pass in triplicate in Form P.D. - 25 and issue the spirit. One copy of the pass will be given to the distiller and one copy will be posted to the officer-in-charge of the bonded warehouse who will endorse the results of his gauge and proof of the consignment on the back of the pass, and return the same to the Inspector of the issuing distillery. The counterfoil of the pass will remain at the distillery.(3)In the case of issues in bond to contract bonded warehouses an advice in Form P.D. - 26 will also be sent with Form P.D. - 25, and will be retained at the bonded warehouse until the necessary certificate on the back thereof has been obtained. The date of its return to the distillery should be noted in column 17 of Form P.D. - 11.

### **794. Issues to vendors in distiller's contract area may be made from distillery warehouse.**

- Where a distillery is situated in the district in distiller's contract area, issues to shop-keepers in that district will generally be permitted from the distillery bonded warehouse direct.

### **795. Issues under bond for export.**

- Issues under bond for export are governed by the paragraphs in Chapters VII and VIII. The officer-in-charge will issue pass in Form P.D. - 25. The duplicate copy of the pass will be sent direct to the officer-in-charge of the bonded warehouse to which export takes place and an advice in Form P.D. - 26 will be sent to the officer granting to the authority to import.

### **796. Issues of duty paid foreign spirit to be made on passes and only to the distiller's wholesale premises.**

- Except in the case of foreign spirits (other than denatured spirits) issued free of duty or at a reduced rate of duty, all foreign spirit on which duty is prepaid, will be made on passes and only to the premises in connection with which the distiller holds a licence for the wholesale vend of foreign spirit. The subsequent treatment of such spirit will be the same as that applying to imported foreign spirit.

### **797. Procedure for payment of duty.**

- If the distiller wishes to prepay the duty in cash, he will present an application in Form P.D. - 19 in triplicate to the treasury clerk (accountant), and will tender the duty to the treasurer of the headquarters treasury. The accountant shall, after verifying that the amount tendered has been deposited with the treasurer fill up the figures in the endorsement in all the copies of the application. He shall then present them to the officer-in-charge of the treasury who shall sign them in token of the Receipt of the amount tendered and stamp them with the stamp of the treasury. One copy of the application shall then be given to the applicant, the second forwarded to the officer-in-charge of the distillery and the third copy retained in the treasury.

### **798. Issue of spirit on production of receipted application.**

- On production of the application duly receipted by the treasury officer, the officer-in-charge of the distillery shall verify that the duty deposited is correct before issuing the spirit and shall make out a pass in triplicate in Form P.D.-25, one copy being given to the distiller, the second being forwarded to the officer concerned at the destination and retaining the counterpart.

### **799. Issues against advance deposit of duty.**

- Distillers are permitted to make advance payments on account of excise duty on spirit to be removed from time to time from their distilleries. Such removals are permitted up to the limit of the advances, without separate payment of duty on account of each separate consignment of spirit removed. No original deposit advance payment shall be less than Rs. 2.00 and each time an advance is replenished, it must be by a sum which will bring it up to not less than that amount. Application for the removal of spirit the duty on which will be debited against the advance, will be in Form P.D. - 20.

### **800. Advances to be paid into headquarters treasury.**

- Advances must be paid at the headquarters of the district in which the distillery is situated, by means of Form P.D. - 19 omitting the particulars as to rate of duty, description of spirit, etc., and inserting the words 'advance duty'.

**801.**

(a) Institutions or persons authorized to receive supplies of rectified spirit free of duty (Appendix C) desiring to obtain it shall send their permit together with their indent to the distillers who shall present it along with the application in Form P.D. - 21 to the officer-in-charge of the distillery. The officer-in-charge, if satisfied, will make the issue under a pass in Form P.D. - 25. One part of it will be given to the distillers, the duplicate will be sent to the Collector of the district to which the spirit is consigned and the counterpart will be retained for record. The officer-in-charge will also make necessary endorsement on the permits as required under paragraph 788, supra. (b) On arrival of the spirit at the destination, the Excise Inspector of the district in whose jurisdiction the premises are situated or such other officer as may be authorised by the Collector in this behalf shall examine and verify the contents. The officer after recording the result of his verification on the pass will return it to the officer-in-charge of the distillery who, if he finds that there is an excess transit wastage, will report the case to the Assistant Excise Commissioner under whose charge the distillery lies. The Assistant Excise Commissioner will report the case with the explanation of the distillers and his own views to the Excise Commissioner for orders. (c) A register of duty free issues will be maintained in Form P.D.-24 which will enable the officer-in-charge to see that the quantity sanctioned is not exceeded. (d) Permits in Form F.L.-32 will be issued by the Excise Commissioner, Uttar Pradesh in favour of officers and institutions authorised to receive duty free supplies of rectified spirit except-(i) where indents have to be countersigned by heads of departments, or (ii) under rules in force in other States or Union Territories, permits are issued by officers in those States or Union Territories under the authority of their respective Government. (e) Duty-free issues of both finished and unfinished spirit may also be made to distillers for experimental work connected with distillery operations only in accordance with the provisions of paragraph 792 (9).

**802.**

The officer granting passes in respect of issue must-(a) in the case of issue of duty-paid spirit, see that the correct amount of duty has been prepaid or debited against the advance deposit before issue; (b) in the case of issue of spirit under bond or duty-free, see that no spirit leaves the distillery, the issue of which is not covered by the bond executed or by the entry in Appendix C or by a general or special permission of the Chief Revenue Authority of the importing State of Union Territory; (c) in all cases where an export duty is to be levied (as laid down in paragraphs 428 and 631), see that the export duty has been correctly levied and paid; and (d) in all cases where vend fee is to be levied see that the vend fee has been correctly levied and paid. Any case of neglect of these instructions will be taken serious notice of.

**803. Vessel in which spirit may be issued.**

- Spirit other than denatured spirit may be issued from distilleries in-(1) casks, and (2) metal tanks or drums, but in quantities not less than 5 gallons unless issued duty-free or at a reduced rate of duty. Bottling of liquor in bond is permitted only in the case of-(a) spiced country spirit, and (b) plain country spirit; provided that such bottled spirit shall be issued only to warehouse in the area for which the distiller holds a contract for supply.

#### **804. Proving of spirit before issue.**

- If the casks or other receptacles in which removal is to be made are to be filled from a vat, it will suffice to prove the strength of the spirit in such vat, once for all, before any of the receptacles are filled. But in this case the officer-in-charge must be careful to see that no addition to the contents of the vat is made while the filling of the receptacles is in progress. If such vat is in communication with any other room or part of the distillery, by a pipe through which liquor can be passed into it, such pipe must, during the operation of filling cask, etc. for issue, be securely closed by a valve or stop cock on which an excise lock has been fixed. If these conditions are not complied with, the liquor in every cask or receptacle must be separately proved before it is passed out.

#### **805. Margin of strength allowed.**

- In proving spirit issued at fixed strengths of 25°, 35° and 50° U.P., it will be sufficient for the officer-in-charge to satisfy himself that the strength is with 0.5° over the reputed strength. The issue of spirit below the fixed strength is not permitted.

#### **806. Gauging of issues.**

- The gauging of issues may be by the gallon measure, by other authorized measuring appliance or by weightment. All gallon measures must be compared with the standard gallon measure at least once a month. Other sanctioned measuring appliances must be tested at the beginning of each week. Where gauging is made by weightment, distillers must provide the necessary scales and weights, the correctness of which should be frequently tested by officer-in-charge and by inspecting officers. In testing platform weighing machines, the arm weights should be adjusted as accurately as possible against standard dead weights placed on the platform. No machine in which the error amounts to or exceeds 0.5% should be permitted to be used until it has been properly adjusted.

#### **807. Marking of casks and metal drums.**

- Casks or metal drums after being filled for issue, must have legibly cut, branded or marked in oil paint on one head the capacity in gallons, the consecutive number of the cask, and the name or other distinctive mark or trade mark of the distillery.

#### **808. Registering of casks, etc.**

- Numbers may be assigned to casks in series in the order that they are filled for issue thus A-1 to A-1,000 B-1 to B-1,000 and so on, instead of from 1 to 10,000 or higher number. The full capacity may be determined by actual measurement of the contents or by weightment.

## **809. Casks and drums returned to distillery to be regauged and renumbered.**

- Any cask or drum on being returned to the distillery for refilling must be gauged and numbered as if an entirely new receptacle.

## **810. Procedure in gauging by weight.**

- The procedure to ascertain the capacity of a cask or drum by weighment is given in the Technical Excise Manual, paragraph 187. The register referred to therein is prescribed in Form P.D.-10.

## **811. Sealing of issue vessels.**

- All vessels containing spirit, other than duty-paid foreign spirit, shall, before issue, be sealed by the officer-in-charge before issue of a pass. When spirit passes through a higher duty zone to a lower duty area, issues shall only be allowed in sound cask free from unnecessary holes. The holes actually in use in all casks must be sealed in all cases. The duty of preparing the casks for sealing to satisfaction of the officer-in-charge falls upon the distiller. The duty of the officer-in-charge is simple to do the sealing. The seal used should be a hollow lead disc, which, on compression in the sealer supplied by a department, will confine the strands of wire and will be impressed with the excise mark. Where the bung is cut level with the staves, instead of using stretched wire and lead seal, it is permissible to use a tape or string stretched across the bung, and sealed at both ends by impressed sealing wax. The wax must lie in counter-sunk holes and the tape and seals must be protected by having a piece of tin tracked over them. (F) Stock-taking and Wastage

## **812. 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 the warehouse, denaturing room and coloured rum warehouse, in order to verify the stock and ascertain the wastage on each class of spirit.

## **813. Wastage allowance.**

- [The free wastage allowances for different kinds of spirit (excluding bottle spirit) stored in a distillery shall be as follows :

	Per cent
(1) Plain and spiced spirit	... .. 0.7
(2) Rectified spirit and sophisticated spirit	... .. 0.4
(3) Denatured spirit	... .. 0.5

If the total wastage on any kind of spirit does not exceed 1.5 per cent duty will be charged on the net wastage in excess of the free allowance. But if the total wastage exceeds 1.5 per cent duty shall be liable to be charged on the whole wastage (without allowing for the free allowances) at the following

rates : (1) Plain and rectified spirit. - At the highest rate of duty leviable on country spirit in the case of plain spirit and at the highest rate of duty leviable on I.M.F.L. in the case of rectified spirit. (2) Sophisticated spirit. - At the rate of duty leviable on such spirit. (3) Denatured spirit. - A penalty at the highest rate of purchase tax leviable on such spirit : Provided that if it is proved to the satisfaction of the Excise Commissioner that the deficiency or wastage in excess of the prescribed limit has been caused by an accident or other unavoidable cause, the payment of duty on such deficiency or wastage shall not be required. 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 must obtain a written explanation from the distiller and forward the same together with full report of the circumstances, to the Assistant Excise Commissioner/Deputy Excise Commissioner of the charge. The Assistant Excise Commissioner/Deputy Excise Commissioner shall charge the duty on excess wastage if he is satisfied that the wastage in excess of the prescribed limit is not on account of an accident or any unavoidable cause. In case the excess wastage is due to an accident or unavoidable cause, the matter will be referred to the Excise Commissioner for orders.] [Substituted by Notification No. 10910/IX-241-A, dated 8th February, 1978, published in U.P. Gazette, Part 1-Ka, dated 4th March, 1978.]

#### **814. Allowance for loss in transit.**

- [An allowance up to 0.5 per cent will be made for the actual loss in transit, by leakage, evaporation or other unavoidable cause, of spirit transported or exported under bond in wooden casks or metal vessels. The allowance to be made under this rule will be determined by deducing from the quantity of spirit despatched from the distillery, the quantity received at the place of destination, both quantities being stated in terms of litres of alcohol. The allowance will be calculated on the quantity contained in each cask or metal vessel comprised in a consignment. If the report of the officer by whom the consignment of spirit has been gauged and proved at its destination shows that the wastage has occurred above the limit allowable, the person executing the bond shall be liable to pay duty on so much of the deficiency as is in excess of the allowance. The rate of duty leviable shall be highest rate of duty leviable on such spirit in this State. When the wastage does not exceed the prescribed limit, no action need be taken by the Officer Incharge of the Distillery or Bonded Warehouse, as the case may be, but when the wastage exceeds the allowable limit, the Officer Incharge of the Distillery shall obtain the explanation of the Distillers or the person executing the bond and forward the same together with a full report of the circumstances to the Assistant Excise Commissioner or the Deputy Excise Commissioner of the Charge in which the Distillery is situated. The Assistant Excise Commissioner or the Deputy Excise Commissioner shall charge duty on excess wastage provided that when the total wastage in a consignment is within the allowable limit, Deputy/Assistant Commissioner of the Charge may write off the excess wastage in any particular wooden cask or metal vessel : Provided further that the Deputy Excise Commissioner may write off the duty up to Rs. 5.00 if he is satisfied that the excess wastage in a consignment was on account of an accident or other unavoidable cause but in other cases, the matter shall be referred to the Excise Commissioner for orders. Cases in which the Deputy Excise Commissioner writes off duty shall be reported by him to the Excise Commissioner.] [Substituted by Notification No. 10909/IX-241-A, dated 8th February, 1978, published in U.P. Gazette, Part 1-Ka, dated 4th March,



## 1978.]G-Instruction for Maintaining Forms and Registers

### **815. General rules to be observed.**

- The prescribed registers and forms of accounts are not to be deviated from or added to without the special orders of the Excise Commissioner. All fractions of gallons and of degree of strength are to be shown to the nearest first point of decimals. To preserve uniformity, the system of increasing the first figures of decimals by one when the second is 5 or more should be adopted in proof conversions. Over-writing and erasures are forbidden : any necessary corrections must be clearly made and must be initialled.

### **816. Certain registers open to distillers.**

- Distillers or their authorized agents should, on a written requisition to the officer-in-charge be permitted to see the registers P.D. 6, 7, 9, 10, 11, 13, 14 and B.W.L. 2. They are at liberty to bring to notice and to appeal in writing against any entry therein to which they may object, but this must be done within one week of the date of the entry having been made. If any corrections are necessary in these registers, they must be made in red ink, and must be initialled and dated by the officer-in-charge, and the distillers, or his authorised agents, must be simultaneously invited by written notice to note them.

### **817. Stock-register of Government property.**

(1) A stock book of all property belonging to Government and kept at the distillery must be maintained in Form P.D. - 4. Separate pages should be allotted to-(a)furniture;(b)Excise locks;(c)hydrometers, saccharometers, thermometers, alcoholometers test glasses;(d)gallon measures, bungrods and other measuring appliances;(e)books; and(f)Miscellaneous. All sets of instruments in boxes should be recorded as complete set and not by items. No items is to be written off except under the order and signature of the Assistant Excise Commissioner.(2)Whenever an Excise Inspector takes over charge of distillery, he must verify each article in the stock register and give a formal certificate that this has been done, should any article be missing or be unfit for use, he should report accordingly to the Assistant Excise Commissioner.(3)All loss, damage or breakage should be reported at once to the Excise Commissioner.(4)At his periodical inspections the Assistant Excise Commissioner should examine the stock book and he should compare not less than once a year all appliances used for proving and gauging with the standard instruments and measures in his possession. A note showing the result of the comparison should be made in the column of "remarks".

### **818. Inspector diary [Forms P.D.-5].**

- A diary in Form P.D. - 5 is to be kept by the officer-in-charge. In it he will be record in ink the date, the exact hour of his arrival at, and departure from, the distillery and of his opening and closing of the warehouse. He will also, in the same manner, record therein all gauges, proofs and gravities

taken, in surveying the manufacturing operations of the distillery, the various transactions in connection with lock tickets, the particulars of his night visits to the distiller (which should be made not less often than twice a week at irregular intervals and between the hours of 10 p.m. and 6 a.m.) and all other action taken by him in reference to his duties. Particular attention must be given to this book as it forms the basis for the maintenance of Form P.D. - 9. The various entries must be made on the spot at the time, a short explanatory note being made in the "remarks" column opposite each. One line must be allotted to each entry and no interlineation or erasure is allowed. Alterations must be made in red ink and initialled. Superior officers inspecting distilleries should invariably initial the diary after entry of such remarks as they find necessary and should append to their initials the hour and date of their visit.

### **819. Monthly round by the officer-in-charge.**

- The Excise Inspector in-charge of a distillery shall, once in every month, carefully inspect the entire distillery enclosure to ensure that there is no opening passage or crack in any building, receptacle or pipe through which liquor could be extracted unlawfully. Every such inspection should be noted in the Inspector's diary. Any defect noted in the course of the inspection should be reported immediately to the Assistant Excise Commissioner.

### **820. Gauges register of receivers vats and wash-backs [Forms P.D.-6 and 7].**

- Gauge registers of receivers, vats and wash-backs must be compiled from the figures obtained in the gauging of the vessels. Receiver and vats will be entered in register P.D.-6 whilst in the case of wash-backs, where the measurement are in dry inches from the top, registers, P.D.-7 will be used.

### **821. Distillers declaration of wash [Form P.D.-8].**

- Distillers must thoroughly dissolve the saccharine materials used by them when they set-up the wash; and declared in Form P.D. - 8 the kind and quantity of material used, the actual saccharometric gravity corrected for temperature fermentation commenced at the total quantity for wash made.

### **822. Wash and spirit out-turn [Form P.D.-9].**

- All data for the maintenance of the wash and spirit out-turn register will be got from records P.D. 5 and 8 results of each distillation being entered from time to time as it is completed. Unless otherwise directed, the officer-in-charge need only ascertain the gravities on the day when the wash is set-up and when it goes to the still. The "attenuation" of the wash is the number of degree on the saccharometer by which the highest or initial gravity and the final or lowest one differ. Thus in the case of a wash with initial gravity 66° and final one of 20° the attenuation would be 40° and the calculation for column 20 would be as follows : Multiply the proof gallons of spirit out-turned (column 18) by 100; divide the product by the number of gallons of wash made (column 4); by the figures thus obtained divide the degrees of attenuation (column 5 minus column 6) the quotient will

be the required, i.e. the degree of attenuation for each gallon of proof spirit per 100 gallons of wash. Example ; 1,200 gallons of wash initial gravity 60° final gravity 20" proof spirit out-turned 96 gallons.

Thus  $96 \times \frac{100}{1,200} = 8$ ;  $60 - 20 = 40$ ;  $\frac{40}{8} = 5$

In other words the out-turn of proof spirit is 8 per 100 gallons of wash, and as the production of this percentage is accompanied by a loss of gravity of 40° the wash has attenuated 5° for each gallon of proof obtained. Where the working is satisfactory and the wash thoroughly exhausted of its spirit, the results should invariably be between 4 and 5, never above the latter figure. In other words, the out-turn should never be below the minimum yield. Any great variation from this standard should be explained in column 21, as should also any considerable variation in the spirit out-turn from either single or combined distillation. When the spirit from two or more lots of wash is collected in one receiver, the quantity of wash used (column 4) should be bracketed together, and the spirit out-turn be shown, together with all the necessary calculation on one line only. The average attenuation would, of course, be calculated on the whole of the wash used. Officer-in-charge should ensure the thorough mixing of the raw materials in the wash before taking the initial gravity. The highest gravity, as declared by the distiller, or found by the officer-in-charge is to be taken as the basis of account. In order to ascertain the yield from a single distillation, the number of gallons of wash distilled should first be multiplied by the degrees of attenuation; the product should then be divided by 400 to give the maximum yield and by 500 to give the minimum yield. Thus the example given above, if the out-turn had not been known : (a) the maximum yield should be 120 L.I. (b) the minimum yield should be 96 L.P. Note. - Paragraphs 729 to 735, 755 to 758 and Rule 822 may be relaxed in the case of distillers working with pot still by the permission of the Excise Commissioner.

### **823. Fermentation and distillation register [P.D. 9-A] and the monthly statement in respect thereof.**

- With a view to improve the efficiency of distilleries, all the distillers will maintain a 'Fermentation and Distillation Register' in Form P.D. 9-A. In order to ensure watch over the improvement in the working of distilleries, relevant information from this register will be furnished to the Excise Commissioner. Accordingly a monthly statement of 'fermentation and distillation efficiency' in the distillers in the form prescribed shall be submitted to the Excise Commissioner, Uttar Pradesh by every distiller.

### **824. Weighment register [Form P.D.-10].**

- Issues by weighment are recorded in the weighment register, the object being to ascertain the contents of each cask or drum as consigned. Before any spirit is put into a drum or cask, the weight of each cask empty with its screw plug or bung should be ascertained and recorded in column 3 of the register. After the cask or drum is filled to the bung, the distiller may be permitted to draw off a measured quantity from the full cask before the bung is finally inserted. In such cases the quantity drawn off should be recorded in column 9. The gross weight of the cask or drum shall then be ascertained and recorded in column 4. The other columns are self-explanatory. Columns 11 and 12

need not be filled in when issues are made in metal drums.

## **825. Register in Form P.D.-11.**

- All issues other than at fixed strengths, whether on pass or not, will be recorded in register P.D.11. Gauge and proof of each issue must be recorded therein immediately after they are taken. After issues are completed, the appropriate entries in registers P.D. 12, 13 and 14 must be made. Issues at fixed strengths will be recorded in registers B.W.L. 2 and the totals thereof in the P.D. - 12. Abstracts of registers, P.D.11 and B.W.L. 5 will be forwarded to the Collector of the district in which the distillery is situated at the close of each month. They must show the total issues ex-distillery to the districts and be supported by receipted application in Forms B.W.L. 6 or P.D.-19, by the distiller's application in Forms P.D. - 18, 20 and 21 and by the "accounts current" in Form P.D.-23. These enclosures will after examination be returned by the Collector to the distillery and deposited there. Issues to other districts must be shown underneath the district abstract in full detail.

## **826. Warehouses/ ledger for plain and rectified spirit [Form P.D.-12].**

- The register for plain and rectified spirit is maintained to show how plain and rectified spirits are disposed off after receipt into the warehouse stock. The entry in column 2 must be made in Form P.D.-9. other columns need no instructions. At the end of each calendar month actual balance must be taken in Form B.W.L. 5 and monthly wastage ascertained and recorded.

## **827. Ledger for denatured spirit [Form P.D.-13].**

- In maintaining the ledger for denatured spirit the figures of column 1 are obtained from Form B.W.L. 5. Issues of spirit from the warehouse or from the spirit receiver to the denaturing room or denaturation will, in the first place, be recorded in the appropriate column of register P.D. - 11 the total L.P. gallons being recorded thereafter in column 5 of the register P.D.-12, and column 6 of this register (P.D.-13). Account taken for issues, after denaturation will be recorded in the appropriate columns of P.D.-11, after which the entries appropriate to each issues will be recorded in the columns provided for the purpose in this register (P.D. 13). Stock is taken monthly in accordance with paragraph 81.

## **828. Ledger for sophisticated spirit [Form P.D.-14].**

- The figures for column 1 of P.D. 14 will be obtained from register B.W.L. 5. Issue of plain spirit from the warehouse of sophisticated either in cask at time of issue or in vat for subsequent issue, will in the first place, be recorded in columns 5, 8, 9, 10 and 11 of register P.D.-11 the appropriate entries being made, thereafter, in column 5 of register (P.D.-12) and columns 2 to 8 of his register (P.D.-14). Issue after sophistication will be recorded in columns 7, 8, 9, 10 and 13 of P.D.-11 and afterwards in the appropriate columns of this register (P.D. 14). The stock of sophisticated spirit remaining at the end of each month will be taken in accordance with paragraph 812 and a balance struck in this register.

### **829. Stock book [Form B.W.L. 5].**

- The particulars of the gauges, etc. taken at the monthly stock taking in accordance with paragraph 812, will be recorded in Form B.W.L. 5. A total will be made of the L.P. gallons remaining of each class of spirit to enable a balance to be struck in Forms P.D.-12, 13 and 14.

### **830. Register of bonds [Form P.D. 17].**

- A register of bonds, will be maintained in Form P.D. 17 and every issue in bond will on the day it is made, be entered in this register. On the receipt of intimation that the consignment has duly arrived, column 6 of the register will be filled in, and the bond, so far as the consignment is concerned, will be discharged. As soon as the entries relating to a consignment are complete, the officer-in-charge will draw a red line through them. He will thus be able to see at a glance the quantity of spirit that is in transit, and to restrict issues to the amount covered by the rule.

### **831. Register of issue of spirit against advance deposit of duty [Form P.D.-22].**

- The following instructions are to be observed in maintaining Form P.D.-22. On the strength of the receipt granted at the foot of Form P.D.-19, the officer-in-charge of the distillery will make the necessary entries in Form P.D.-22, by crediting the distiller with the amount of the advance and debiting him with the duty on the quantity of spirit removed from time to time. As each entry is made, the amount of all the issues entered on the same will be totalled; and it will be the duty of the officer-in-charge to see that such total is not allowed to exceed the total of the entries of balance and of fresh advance appearing at the head of the page. He should also daily send a memorandum to the manager of the distillery of the amount standing to the distiller's credit, so that the latter may replenish his advance, if necessary. No balance need ever be struck in this register except when at the bottom a page is reached in which the balance then standing to credit will be carried forward to a fresh page. Particulars of issues made against advance payments will be entered in the register of issues P.D.-11, in the casual course. In column 16 the word 'advance' will be noted. At the end of each month the officer-in-charge will submit to the Collector, together with the abstract of register P.D.-11 an 'account current' of excise duty paid in advance in Form P.D.-23.

### **832. Dip-book.**

- Particulars of all gauges and proofs taken in connection with all transactions in receivers and vats should be recorded in Form B.W.L. 4. Separate pages should be allotted to each receiver or vat and all entries will be made by the Excise Inspector as soon as the gauges and proofs are taken. In addition to the above, B.W.L. 2 and 9 will be maintained where issues are made direct from the warehouse to shops in the distiller's contract area under paragraph 794.

### **833. Abstract of issues.**

- A return of issue in Form P.D. - 27 showing in abstract, the total issue for the month under each head will be forwarded monthly to the Excise Commissioner, the date for filling in the form will be obtained from register P.D. - 12, 13 and 14. Section XLIV-Power Alcohol Distilleries I-Introductory

### **834.**

Besides being used as an intoxicant and for medicinal purposes alcohol, after denaturation has been used for industrial purposes, also, since long. Taxation on alcohol when diverted for industrial as also for medicinal use has to be much lower for obvious reasons. For reasons equally obvious, great vigilance is needed that alcohol, ear-marked for industrial or medicinal purposes, is not misused for potation. Ordinarily distilleries rule governing the working whereof have been given in the foregoing Section XLII, are of two types : Pot-still and Patent-still distilleries. The distillate of the former type being a product of comparatively lower strength is used for potable purposes only. The distillate of other type viz., the patent-still distillery, though higher in strength is generally below 90 per cent and never higher than 95 per cent in alcoholic content. The product of patent-still distilleries has been used both for potable and industrial purposes (other than use as motor fuel) as the extent to which moisture remains in the distillate of Patent-still does not vitiate its use for such industrial purposes as indicated above.

### **835.**

That was a position obtaining till about 1940, prior to which alcohol of strength higher than 95 per cent, was obtained in only laboratories or in small scale plant at a comparatively higher cost. The ideal of using alcohol as motor fuel received encouragement during World War II, when need for production, of a motor fuel from indigenous sources was deeply felt consequent on great shortage of petrol then experienced. Discovery was, however, soon made that alcohol when used as motor fuel did not work quite satisfactorily.

### **836.**

During the War, power alcohol known as a fuel alcohol was used for propelling heavy vehicles. Fuel alcohol as such was, however, found to cause damage to lighter vehicles. The presence of moisture, hindered satisfactory working of machinery, attempts were, therefore, made to remove the last traces of water from alcohol by using benzene as a dehydrating agent. Such dehydrated alcohol, after being blended with petrol, worked satisfactorily as motive power in lighter vehicles also.

### **837.**

Within a few years, two main types of dehydrating plants were designed so efficient that alcohol containing less than 1 per cent, water was obtainable therefrom at only slightly higher cost. Distilleries installed with dehydrating plants enabling them to produce alcohol above 99 per

cent, in strength are termed power alcohol distilleries. The types of dehydrating plants with which they are installed can be divided and sub-divided as under : (1) Dehydrating plants using dehydrating agents such as- (a) Solid drying agents- Calcium oxide and calcium sulphate. (b) Liquid hydrating agents- Such as acetates of sodium and potassium in the ratio of 30 : 70. (2) Dehydrating plants using azeotropic methods. "Entraining liquid" such as benzene is used therein for separating water from high strength alcohol. Previously, solid or liquid drying agents used for the production of absolute alcohol.

### **838.**

Most power alcohol distilleries are now fitted with plants using azeotropic methods and utilise benzene as the 'entraining liquid' for dehydrating alcohol. The process consist in the addition of benzene to aqueous alcohol and distillation of the ternary azeotropic mixture so warmed. Water is exhausted first and a binary alcohol benzene azeotrope is left. The remnant mixture is then distilled at a slightly higher temperature until all benzene is also exhausted and pure alcohol alone is finally left. This is absolute alcohol of strength over 74.4 O.P. The entire process is a continuous one and through out the operation careful control is maintained at all points by means of thermometers, pressure gauges and testing of samples drawn from various flow streams.

### **839.**

Plants with arrangements technically known as the 'fourth technique' are the most economical for producing dehydrated alcohol. II-General

### **840. Applicability of distillery rules to power alcohol distilleries.**

- The manufacture of power alcohol and bye-products, storage, denaturation, issues, wastage within distillery premises and transport of power alcohol besides being governed by the Indian Power Alcohol Act, 1948 and Rules 1950 framed thereunder as amended up-to-date, shall also be governed by the U.P. Excise Act and Rules framed thereunder regarding distilleries in general given in the foregoing Section XLIII.

### **841. Power alcohol authority.**

- The Excise Commissioner, Uttar Pradesh, appointed in accordance with Rule 2 (q) of the Indian Power Alcohol Rules, 1950 by the State Government as the Power Alcohol Authority for Uttar Pradesh shall perform all functions as such throughout the Pradesh.

### **842. Licences in Forms P.D. 1 and P.D. 2 required by Power Alcohol Distilleries.**

- Every Power Alcohol Distillery within the State shall have to obtain under the U.P. Excise Act and Rules framed thereunder a licence in Form P.D. 1 from the Excise Commissioner, Uttar Pradesh, as

well as a licence in Form P.D. 2 under the Indian Power Alcohol Act, 1948 and Rules, 1950 framed thereunder from the Power Alcohol Authority, Uttar Pradesh for the manufacture of Power Alcohol.

### **843. Storage of power alcohol.**

- Every distiller shall set apart a building within the distillery for the storage and issue of power alcohol.

### **844. Minimum stock.**

- Every distiller shall maintain such minimum stock of power alcohol, as may be fixed from time to time by the Power Alcohol Authority, Uttar Pradesh.

### **845. Control of manufacture.**

- The distiller shall set apart two receivers exclusively for the receipt of power alcohol. The officer-in-charge of the distillery shall maintain a manufacture account of power alcohol or dehydrated alcohol separate from that of industrial alcohol in a manner approved by the Central Government.

### **846. Pipelines for power alcohol to separate from those of weaker spirit.**

- Every distiller shall be bound to provide and maintain separate set of pipelines for power alcohol and for weaker spirit, manufactured in the distillery.

### **847.**

Every Power Alcohol Distillery besides maintaining register and submitting returns prescribed by the Indian Power Alcohol Rules, 1950, shall also maintain registers and submit statements prescribed in the foregoing Section XLIII of this Chapter.

### **848.**

In addition to returns prescribed under the Indian Power Alcohol Rules, 1950 and in Section XLIII of this Chapter, every Power Alcohol Distillery will submit the following statements, to the Power Alcohol Authority so as to reach him by the 5th of the month following that they relate to-(1)A statement in Form P.D. 28, showing stock return of coal for the month.(2)A consolidated statement of raw materials, production and working in Form P.D. 29.(3)A statement showing production and issues of spirit in Form P.D. 30.The officer-in-charge of the Power Alcohol Distillery shall scrutinize these statements very minutely and remove discrepancies, if any, before submitting them.



## **849. to 859.**

[Deleted],

## **Chapter X Breweries**

Section XLV-Breweries U.P. Brewery Rules, 1961

### **860. Short title and commencement.**

- These rules may be called the Uttar Pradesh Brewery Rules, 1961, and shall come into force with effect from date of publication in the Gazette.

### **861. Definitions.**

- In these rules, unless there is anything repugnant in the subject or context, -(i) "Beer" includes ale, stout, port and all other fermented liquor made from malt; (ii) "Brewer" means a person holding licence in Form B-I for running a brewery; (iii) "Brewery" means a building where beer is brewed and includes every place therein where beer is stored or wherefrom it is issued; (iv) "Copper" means any vessel in which either worts or water is boiled or heated in the course of brewing; (v) "Excise year" means the period from April one to March thirty-one following; (vi) "Fermenting vessel" means any vessel in which worts are fermented by the action of yeast; (vii) "Gravity" means the proportion which the weight of a liquid Beers to that of an equal bulk of distilled water, the gravity of distilled water at 60° F being taken to be 1,000°; (viii) "Hops" means the ripe female flowers of the hop plant or its other parts used in brewing for giving bitter taste to beer and for preserving and clarifying it; (ix) "Hop back" means any vessel into which worts are run after boiling for removal of the spent hops; (x) "Malt" means the basic germinated grain used for brewing obtained as a result of diastatic fermentation or subjecting grain to the process of steeping and couching; (xi) "Malt substitutes" means sugars or starches mixed in proper proportion for being used as a substitute for malt for brewing purposes; (xii) "Mashtun" means any vessel in which malt or grain is exhausted of its fermentable content in the course of brewing; (xiii) "Officer-in-charge" means the Excise Inspector or any other officer of the Excise Department not below the rank of an Excise Inspector, appointed by the Excise Commissioner to hold charge of a brewery; (xiv) "Racking or Settling back" means any vessel into which worts are passed from a fermenting vessel and run off ("racked"), either at once or after a time into store vats or casks; (xv) "Under back" means any vessel into which worts are run, either from the mashtun or hop back; (xvi) "Worts" means the liquor obtained by the exhaustion of malt or grain or by the solution of saccharine matter in the process of brewing. A-Establishment of Breweries

## **862. Application for licence.**

- [(1) Any person desiring to obtain a licence to establish a brewery in the State of Uttar Pradesh shall apply for a licence therefor to the Excise Commissioner, Uttar Pradesh through the Collector of the district in which the brewery is proposed to be established. The application shall be in Form B-19.] [Substituted by Notification No. 1962, dated 19th April, 1974, published in U.P. Gazette (Extraordinary), dated 26th April, 1974.](2)On his application being entertained, the applicant shall file a plan and full description (hereinafter called the entry) of his premises and vessels, clearly specifying the purpose of, and the distinguishing mark on each room and vessel. The plan shall be drawn to scale on tracing cloth showing the exact 'position and dimension' of each room and vessel proposed to be used.(3)If, after such enquiry as he may deem necessary, the Excise Commissioner is satisfied, he shall subject to such conditions as the State Government deem fit to impose, authorise the establishment of brewery and issue a licence in Form B-20. The fee for grant of such a licence shall be Rs. 25,000 (Rupees Twenty-five thousand) only payable in advance for the year or part thereof for which the licence is granted.Note. - The Excise Commissioner shall have power to grant or refuse any publication for licence having regard to the actual requirement in the State.(4)The aforesaid licence shall be valid for a year from the date of issue, unless specifically extended and during the period of validity, the holder thereof shall arrange to secure the land, building, plants, machinery and other equipment for establishment of brewery. It shall not confer any right or privilege for grant of a licence for the manufacture of beer and is liable to be revoked or withdrawn at any time, in the public interest, after giving the holder a notice to show cause against such action and after hearing him, if he so desires. No compensation for damage or loss shall be payable when the licence is so revoked or withdrawn.

## **863. Inspection of premises before grant of licence.**

- [(1) No beer shall be manufactured and no person shall use, keep or have in his possession any material, utensil, implement and apparatus whatsoever, for the purpose of manufacturing beer except under the authority and subject to terms and conditions of a licence granted in Form B-1 by the Excise Commissioner.(2)An application for the grant of the aforesaid licence shall be in Form B 21 and shall be submitted to the Excise Commissioner within one year from the date of grant of licence in Form B-20 unless specifically permitted otherwise.(3)Before the licence in Form B-1 is granted any Excise Officer authorised by the Excise Commissioner, shall inspect the premises, etc., and compare the same with the plan and entry aforesaid and certify accordingly.] [Substituted by Notification No. 1962, dated 19th April, 1974, published in U.P. Gazette (Extraordinary), dated 26th April, 1974.]

## **864. Conditions precedent to grant of licence.**

- [No licence in Form B-1 shall be granted until the applicant has-(a)satisfied the Excise Commissioner that the plant is capable of producing not less than 2,500 litres of beer per day;(b)satisfied the Excise Commissioner that the proposed building, vessels, plant and apparatus to be used in connection with the business of brewing, storage and issue of beer are built in accordance with the rules in this behalf and that due precaution has been taken against fire;(c)deposited as

security for fulfillment of all conditions of his licence and for the payment of all sums which may become due to Government by way of duty, penalties, fines and taxes under the provisions of his licence or to which the brewery may be liable by law or by rules having the force of law, or under any engagement or bond into which he may have entered, a sum of Rs. 20,000 (Rupees Twenty Thousand) only in Government promissory notes or other Government securities of equivalent market value. The notes or other securities shall, on deposit, be endorsed to the Collector of the district by designation. The brewer shall be allowed to draw, as it falls due, the interest accruing on them; and (d) deposited the licence fee prescribed under Rule 7 (1) in advance and proof of such deposit is furnished to the licensing authority for grant of the licence for the year or part thereof.]

### **865. Power to refuse or grant licence.**

(1) Subject to provisions of sub-rule (2), the Excise Commissioner shall have power to grant or refuse any application for licence or for renewal of a licence having regard to actual requirements in the State. (2) Any person aggrieved with any order of the Excise Commissioner refusing to grant or renew a licence may, within thirty days of the order apply to the State Government for revision and the Government may make such order in the case as it thinks fit.

### **866. Form of licence and licence fee for running a brewery.**

- [(1) The fee for the grant or renewal of a licence in Form B-1 shall be as under : (i) For breweries having an yearly production upto 5,000 kilo litres .... Rs. 5,000 (Rs. Five thousand only). (ii) For breweries, having an yearly production of over 5,000 kilolitre and upto 10,000 kilolitre .... Rs. 10,000 (Rs. Ten thousand only). (iii) For breweries having an yearly production of over 10,000 kilo litres, the fee shall be increased by Re. 1 (Rupee One only) per kilo litre. (2) No brewer shall bottle the beer produced in his brewery without having obtained a licence for the bottling of foreign liquor.] [Substituted by Notification No. 1962, dated 19th April, 1974, published in U.P. Gazette (Extraordinary), dated 26th April, 1974.]

### **867. Forfeiture of and deduction from the security deposit.**

- In the event of any breach of the Excise laws for the time being in force proved before an officer of the Excise Department not below the rank of the Assistant Excise Commissioner the whole or part of the security deposits, as State Government may determine, shall be forfeited together with the brewery licence. The Excise Commissioner may also direct deduction therefrom of all sums which may become due to the Government by way of duty, licence fee, penalty or fine.

### **868. Renewal of licence.**

- Application for renewal of licence for the following Excise year shall be made to the Excise Commissioner through Collector on or before February 28, each year in Form B-2. If there has been alteration in either plant or building, fresh plans must be submitted. If there has been no alteration, a certificate to this effect from the officer-in-charge should be attached with the application for

renewal of the licence.

### **869. Unrenewed licenses to be void.**

- Unrenewed licences shall be null and void and the beer produced in the brewery after the expiry of the licence shall be liable for seizure and confiscation and the parties working the brewery to the penalties provided by law for illicit brewing :Provided that in the event of renewal of licence being refused, permission may be granted for continuing operations temporarily, for a reasonable time, pending revision before the State Government.

### **870. Removal of beer, etc. after expiry of licence.**

- On the expiry of his licence (unless a fresh licence has been granted to him), or if his licence is cancelled or suspended, the brewer shall be bound forthwith to pay the duty on and to remove all beer remaining within the brewery in accordance with the rules in force. Failure to do so within ten days of receipt of written notice from the Collector shall entail on the brewer the liability of meeting the cost of any establishment which it may be necessary to employ at the brewery. In the event of the failure continuing for more than three weeks, the beer shall be liable to be forfeited at the discretion of the Excise Commissioner.

### **871. Office for officer-in-charge to be provided by the brewer.**

- The brewer shall provide, within the brewery enclosure, an office for the officer-in-charge duly equipped with office furniture.

### **872. Residential quarters for Excise Supervisory staff to be provided by the brewer.**

- The brewer shall also, provide residential quarters to the satisfaction of the Excise Commissioner for the Government Excise Establishment posted to the brewery. The rent chargeable from the staff and other conditions of the tenancy shall be such as may be determined by the Excise Commissioner.

### **873. Government not liable for loss, etc. of beer in a brewery.**

- (Rule 14). Government shall not be liable for the destruction, loss or damage of any beer stored in a brewery by fire or theft, or by gauging or by any other cause whatsoever. In case of fire or other accident, the officer-in-charge of brewery shall immediately attend to open the premises at any hour of the day or night.

#### **874. Appointment of brewer's agents and other servants.**

- (Rule 15). Rule governing the appointment of distiller's agents and other servants in distilleries shall apply, mutatis mutandis, to agents and other servants in breweries. B-General Arrangements and Management of Breweries

#### **875. Distinguishing mark to be painted on each room, place and vessel.**

- On the outside of the door of every room and place in which business is carried on, and on some conspicuous part of each vessel, there shall be legibly painted in oil colour the name of vessel, utensils, room or place according to the purpose for which it is intended to be used. If more than one room or vessel is used for the same purpose, each shall be distinguished by a progressive number.

#### **876. Manner of fixing of vessels.**

- Mashtuns, under backs, wort receivers, coppers and collecting and fermenting vessels shall be so placed and fixed that contents of each can be accurately gauged or measured.

#### **877. All mashtuns and other vessels to be gauged.**

- All mashtuns and fermenting vessels shall be gauged jointly by the officer-in-charge and the licensee. Tables in Form B-3 shall be prepared by the officer-in-charge showing the total capacity of each vessel in imperial gallons (or in case of mashtuns, in imperial bushels) and the capacity of each tenth of an inch depth.

#### **878. Placement of mashtuns, etc. to admit of gauging and alterations to be intimated to the officer-in-charge.**

- All mashtuns, underbacks, coolers, fermenting vessels and settling backs shall be so placed and fixed as to admit of their contents being accurately ascertained by gauge or measure and shall not be altered in shape, position or capacity without two days' notice in writing to the officer-in-charge.

#### **879. Regauging necessary after alteration in placement of mashtuns, etc.**

- (Rule 20). No vessel which has been altered in shape, position or capacity shall again be taken into use unless it has been regauged by the officer-in-charge and new tables worked out by him, if necessary.

#### **880. Brewers to provide weights, scales and other appliances.**

- (Rule 22). The brewer must provide and maintain adequate number of scales in good working order and weights of correct specification and other necessary and reasonable appliances to enable the officer-in-charge and other officers to take account of or check by weight gauge or measure, all

materials and liquids produced in brewing and provide sufficient lights, ladders, facilities to enable the Excise staff to perform their duties.C-Control of Breweries

### **881. Excise Commissioner to appoint officer-in-charge of brewery.**

- Every brewery shall be placed by the Excise Commissioner under the charge of an Excise Inspector to be designated as officer-in-charge of the brewery. The Excise Commissioner will, further, appoint such other officer of the Excise Department as he may deem fit to the charge of breweries. The pay of all such officers shall be met by the Government; provided that when the annual charges exceed ten per cent of the duty leviable on the issues made from the brewery to districts within the State, the excess shall be realised from the brewer.

### **882. Control.**

- The officer-in-charge will, unless otherwise directed work under the supervision of, and correspond with the Assistant Excise Commissioner in whose territorial charge of the brewery lies. In all ordinary matters regarding the working of the breweries, the brewers should, in the first instance, apply to the officer-in-charge, who will, if necessary secure orders.

### **883. Control of officer-in-charge over admittance and behaviour of persons to brewery premises.**

- Rules governing admittance and behaviour of persons within distillery premises, shall apply, mutatis mutandis, to admittance within brewery premises of persons and their behaviour within the premises.

### **884. Hours of attendance and holidays allowed to excise officials.**

- Rules governing the hours of attendance of Excise officials posted to distilleries holidays allowed to them and overtime work by them, shall govern Excise officials posted to breweries also.

### **885. Special duties of officer-in-charge posted to brewery.**

- It shall be the special duty of the officer-in-charge to see that-(i)the brewer's licence in the prescribed Form B-1 is renewed in time;(ii)the brewer makes entry of his premises and utensils in the prescribed Form B-2;(iii)the vessels and rooms in the brewery are properly numbered and marked;(iv)the entries made by the brewer in the brewing book in Form B-4 are promptly and correctly made;(v)no materials other than those entered by the brewer in the brewing book are used;(vi)no worts are removed from the brewery until an account of them has been taken; and(vii)the rules prescribed for the management of breweries are strictly followed.

### **886. Instrument to be supplied.**

- The officer-in-charge shall place indent to the Excise Commissioner through the Assistant Excise Commissioner for instruments, such as saccharometers and thermometers, as are necessary, and will maintain an account thereof in Form B-5. He will be responsible for their safe custody, and if any instrument is broken or lost for want of proper care, may be required to make good such loss or damage.

### **887. Brewery open to inspection by officers.**

- The brewer shall, at any time permit the Collector, the District Excise Officer, or any officer of the Excise department, not below an Excise Inspector in rank, in whose jurisdiction the brewery lies, to inspect and examine his brewery, the premises, warehouses, utensils connected therewith, any room, place or utensil and the beer made or stored therein and shall render the inspecting officer all proper assistance in making such inspection and examination.

### **888. Notice before brewing.**

- The Excise Commissioner may require any brewer to send to the officer-in-charge, 48 (forty-eight) hours before brewing, a written notice of his intention to brew. Note. - Please see Rules 885 onward in Vol. VII.

### **889. Use of deleterious matter prohibited.**

- The Excise Commissioner may prohibit the use of any material in the manufacture of beer, which in his opinion, is of deleterious nature.

### **890. Analysis of sample.**

- The officer-in-charge or any inspecting officer may take without payment, for the purpose of analysis, samples of any beer of material used in the manufacture thereof.

### **891. Sampling.**

- All samples taken will be recorded by the officer-in-charge in the register in Form B-6 and will be forwarded by him direct to the Chemical Examiner, Uttar Pradesh Government, Agra, alongwith an advice note, stating the nature of the examination or analysis required. Note. - The samples should be prepared for despatch in accordance with instructions contained on page 125 of the Technical Excise Manual. D-Mode of Working

## **892. Brewer's book.**

- The brewer shall keep a book in Form B-4 and shall observe the following rules in relation to it and to the entries to be made therein : (1) He shall keep the book in some part of his licensed premises, ready at all times, for the inspection of the Collector, the officer-in-charge or any other officer of the Excise Department, and shall permit any such officer who is authorised to inspect the brewery, at any time to inspect the same and take extracts therefrom. (2) He shall enter separately in the book the quantity of malt, corn, sugar, hops and hop substitutes which he intends to use in his next brewing and also the day and hour when such next brewing is intended to take place. (3) He shall make such entry, so far as respects the day and hour of brewing, at least twenty-four hours before he begins to mash any malt or corn or dissolve any sugar, and so far as respects the quantity of malt, corn, sugar, hops and hop substitutes at least two hours before the hour entered for brewing. (4) He shall, at least two hours before the hour entered for brewing, enter the time when all the worts will be drawn off the grains in the mashtun. (5) He shall, within one hour of the worts being collected in the fermenting vessels or, if the worts be not collected before six in the after-noon, before eight in the forenoon on the following day, enter the dip and gravity of worts produced from each brewing, and also the description and number of the vessel into which the worts have been conveyed. (6) He shall, at the time of making any entry, insert the date when the entry is made. (7) He shall not cancel, obliterate or alter any entry in the book, or make therein any entry which is untrue in any respect. Should it be necessary to correct any entry a line shall be drawn through the incorrect entry in such a manner as to leave it distinctly visible, and the amended entry shall be inserted above it; every correction shall be initialled by the person making it at the time.

## **893. Produce of any brewing not to be mixed with that of another unless accounted for.**

- The brewer shall keep the produce of any brewing separate from the produce of any other brewing unless an account (regarding bulk and gravity) of each has been taken by the officer-in-charge.

## **894. Notice to be given when mixing to take place.**

- The brewer shall not mix the produce of one brewing with that of another except in store vats or casks, unless he shall have given previous notice in writing to the officer-in-charge. When mixed, the brewer shall specify the quantity and gravity of the resultant mixture.

## **895. Time prescribed for grain to remove in mashtuns after the worts are drawn off.**

- All grain in a mashtun must be kept untouched for one hour after the time entered in the book as the time for the worts to be drawn off, unless the officer-in-charge has attended and taken account of each grain.



### **896. Worts to be drawn off in the order of production.**

- All worts shall be removed successively, and in the customary order of brewing to the underback, coppers, coolers and fermenting vessels, and shall not be removed from the last named vessel until an account has been taken by the officer-in-charge or until after the expiry of twenty-four hours from the time at which the worts are collected in these vessels.

### **897. Time fixed for collection of the product of brewing.**

- When worts shall have commenced running into a fermenting vessel, the whole of the produce of the brewing shall be collected within eighteen hours.

### **898. Extraction of spirit from refuse prohibited.**

- No liquor except beer shall be manufactured within the brewery premises. No attempt shall be made to extract spirit from grain or the refuse of the brewery.

### **899. Addition to beer of materials other than findings prohibited.**

- The brewer shall not dilute, adulterate, or add anything to be, exact findings of other matters sanctioned by the Excise Commissioner. E-Issues of Beer

### **900. Beer not to be issued until duty paid or bond executed.**

- No beer shall be removed from the brewery until the duty imposed under Section 28 of the U.P. Excise Act, 1910 (Act No. IV of 1910) has been paid or until a bond under Section 19 of the Act in Form B-7 or B-8 has been executed by the brewer for export outside the State, direct from the brewery.

### **901. Modes of realising duty.**

- Duty shall be realised in either of the two ways, viz. : (i) by payment in cash either in the local sub-treasury or in the Sadar treasury of the district, if there is no sub-treasury in the station; (ii) by book credit from any advance account kept for the purpose.

### **902. Mode of tendering duty in cash.**

- If the brewer wishes to pay duty in cash he shall present an application in Form B-9 in triplicate at treasury or sub-treasury, as the case may be, correctness whereof shall be duly verified by the officer-in-charge. The accountant of the treasury or sub-treasury shall, after verifying the amount tendered has been deposited with the treasurer, fill up the figure in the endorsement in all the copies of the application. He shall then present them to the officer-in-charge of the treasury or sub-treasury who shall sign them in token or receipt of the amount tendered and stamp them. Once copy of the

application shall then be given to the applicant, the second copy forwarded to the officer-in-charge of the brewery and the third copy retained for record.

### **903. Payment of duty from brewer's advance deposit.**

- Brewers are permitted to make advance payments on account of excise duty on beer to be removed from time to time from the brewery. Such removals shall be permitted up to the limit of the advance, without separate payment of duty on account of each consignment of beer removed. No original advance deposit shall be of less than Rs. 2,000 and each time an advance is replenished, it must be of a sum which brings it up to not less than that amount.

### **904. Form of applications for removal of beer against advance deposit.**

- (Rule 45). Applications for the removal of beer the duty on which will be debited against the advance will be in Form B-10. Form of register of advance deposit. - The register of advance deposit will be in Form B-11.

### **905. Removal of beer from brewery not permitted save under a pass.**

- (Rule 46). No beer shall be removed except under a pass in Form B-12 granted by the officer-in-charge empowered in this behalf. The pass shall be issued either on proof of full payment of duty or on proof of execution of bond. It shall be in triplicate, one copy shall be made over to cover the transport or export, the second forwarded to the Chief Revenue Authority of the district of import or transport, and the third retained for record.

### **906. Mode of issue of beer from brewery.**

- Issues may be made from the brewery under-(i) on pre-payment of duty for transport to the wholesale premises of the brewers; (ii) for export under bond to other State in India.

### **907. Pass required for export under bond.**

- Any person may export under bond beer manufactured at a brewery in Uttar Pradesh to any place in India under a pass in Form B-12 granted by the officer-in-charge of the brewery empowered in this behalf and in accordance with rules relating to export of foreign spirit under bond. The general bond to be executed shall be in Form B-7 and the special bond in Form B-8. F-Allowable wastage and Refund to Duty

### **908. Destruction by accident.**

- When any malt liquor on which duty has been charged or paid is destroyed by accidental fire or other unavoidable causes while the same is on the specified premises of brewers, as given in his entry, the State Government may, on proof of such loss to their satisfaction, remit or order to be

repaid the duty so charged or paid.

## **909. Refund of duty.**

(1)When beer on which duty has been charged and paid becomes unfit for consumption as such, the Excise Commissioner may on receipt of formal claim from the brewer, through the Collector, order a refund of duty, provided such claim is preferred within six months of payment of duty.(2)If the beer has been returned, the fact must be reported to the officer-in-charge as soon as the invoice is received. The consignment shall on receipt be not checked by the officer-in-charge and claim preferred shall be got attested by him.(3)The claim must contain-(a)a declaration that the beer which is the subject of claim was brewed by the brewer;(b)a statement of the circumstances to which the claim is due;(c)a statement of date or dates on which the beer was brewed, and the quantity and the original gravity of each lot of beer referred to in the claim; and(d)a statement that it is proposed to dispose of the beer either (i) by destroying, or (ii) by conveying it into vinegar.(4)When required to do so the brewer must give satisfactory proof of any fact mentioned in the claim.(5)When the Excise Commissioner's order regarding refund has been received the Collector shall make the refund as soon as the Assistant Excise Commissioner of the charge furnishes a certificate in Form B-13 or B-14 that the beer has been-(i) destroyed in his presence, or (ii) turned into vinegar.

## **910. Beer on which refund of duty is claimed may be examined.**

- (Rule 51). In the case of refunds on beer returned to the brewery of issue, the Collector may require the applicant to produce, in whole or part the beer on which refund of duty is claimed and may have any portion of the beer on which refund is claimed tested, or analysed in any way the thinks fit; and may depute any officer to make any inquiry or examination concerning the said beer which the Collector may consider necessary.

## **911. Quarterly account.**

- On the 7th of the first month after the close of each quarter of the excise year on account, in Form B-15 shall be forwarded by every brewer to the Assistant Excise Commissioner of the charge, in which shall be shown the total quantity of beer returned unsold to the brewery, and the amount claimed or received as refund of duty. The Assistant Excise Commissioner shall, after testing the correctness of the entries forward a copy to the Excise Commissioner for record in his office on the 15th of the month succeeding the close of the quarter.

## **912. [ Quarterly examination of stocks. [Substituted by Notification No. 343, dated July 19, 1975.]**

- On the last working day of every calendar month after all the issues for that day are made, the officer-in-charge shall examine the accounts of brewery and take the stock of beer in hand in the brewery. If the quantity of the beer in stock in the brewery on such examination be found to exceed the quantity shown as in hand in the stock account the brewer shall be liable to pay duty on such

excess at the rate prescribed for ordinary issue if the quantity be found less than that shown in the stock account and such deficiency does not exceed nine per cent of the total stock of beer in the month the same may be disregarded allowance so that extent being made to cover losses due to evaporation, sullage and other contingencies within the brewery. But if the deficiency in stock be found to exceed nine per cent, the cause shall be enquired into and the result reported to the Excise Commissioner who may direct, the levy of duty on such deficiency as may be found in excess of nine per cent at the rate prescribed for ordinary issue. This nine per cent free allowance shall be calculated upon the quantity represented by the actual ascertained balances in hand at the close of the last stock taking together with the total quantity since manufactured or received as shown in columns 2 and 3 of the register of manufacture and issue (Form B-12).] [Substituted by Notification No. 1962, dated 19th April, 1974, published in U.P. Gazette (Extraordinary), dated 26th April, 1974.]G-Supervision

### **913. Inspection by Assistant Excise Commissioner.**

- The Assistant Excise Commissioner of the charge will inspect the brewery at least once in every two months.

### **914. Trade secrets.**

- The officer-in-charge is strictly enjoined to abstain from divulging to any person the nature or extent of the brewer's operations.

### **915. Gauging of mashtun.**

- Mashtuns should be gauged by the dry method, the measurements being taken above the false bottom, but the tables should be worked out by the wet method, that is from the top of the false bottom, and no drip need be taken into account.

### **916. Intermediate gauges and gravities in breweries to be check only.**

- (Rule 57). Gauges and gravities taken during the course of a brewing are to be deemed checks only, and should not form the basis of any charge for duty or calculation of out-turn.

### **917. Officer-in-charge not to ascertain dips and gravities for licensee.**

- (Rule 58). The officer-in-charge may not ascertain for the licensee the quantity or gravity of any worts collected.H-General

### **918. Registers to be maintained by the officer-in-charge and the brewer.**

- The following registers shall be maintained in a brewery :(a)by the officer-in-charge :(i)Register in Form B-6 of samples of malts and worts taken for analysis.(ii)Register of gauge tables : Form

B-3.(iii)Register in Form B-11 of issues of beer against deposits of duty.(iv)Register of manufacture and issue of beer in Form B-16.(v)Register in Form B-17 of beer returned unsold to the brewery.(b)by the brewer :(i)Register in Form B-2 showing details entry regarding premises and utensils;(ii)Brewing book in Form B-4.

## **919. Submission of annual statement of breweries.**

- Every brewer shall submit to the Collector through the officer-in-charge a statement in duplicate, in Form B-18 relating to his brewery in respect of the excise year by December 5. The Collector after satisfying himself that the entries made are correct, shall forward one copy of the statement to the Excise Commissioner, by December 15. The Excise Commissioner shall submit to the State Government by January 15, a consolidated statement in Form B-18.

## **920.**

The brewer shall be bound to report to the officer-in-charge any case in which any person employed by him has been found to have committed any breach of the excise laws or of the terms and conditions of service regulating his employment.

## **921. to 929.**

[Deleted].

# **Chapter XI**

## **Hemp Drugs**

Section XLVI-Sources and Supply SystemI-General rules to the Contract Supply of Bhang

## **930.**

The nature and uses of the three hemp drugs, charas, ganja and Bhang, and the sources from which these drugs can be obtained have been generally described in paragraphs 14 to 20 of Chapter I of this Manual. For the purposes of import from and exports to places outside India, these drugs as dangerous drugs as defined by the Dangerous Drugs Act. Extracts and tinctures prepared from them are dangerous drugs for all purposes. Rules under the Dangerous Drugs Act framed by the Government of India and the State Government, will be found in Volume III. The manufacture of medicinal and toilet preparations, not containing alcohol, but containing Indian Hemp excluding medicinal hemp is, however, governed by the medicinal and Toilet Preparations (Excise Duties) Act, 1955 and the Medicinal and Toilet Preparation Rules, 1956 framed thereunder which are incorporated in Volume IV of the Manual.

**931.**

(1)The contract supply system as applied to bhang. - The contract supply system for the supply of Bhang is in force throughout Uttar Pradesh. The rules governing its application are as follows :  
 (1)The exclusive privilege of supplying Bhang at fixed rate to a particular tract is granted for a certain period to a contractor.  
 (2)The contractor is selected as follows :  
 (2)Selection of supply contractors. - Tenders in Form I. D-2 are invited vide notice in Form I. D-I for supply of Bhang at fixed rate, for the terms of the contract, at all the stated bonded warehouses in the area specified. These tenders are submitted for the orders of Government. The contract will ordinarily be awarded to the person or firm tendering at the lowest rate, but full power is reserved to accept such tender as may be deemed best in the public interest and to reject any of those received without reasons being assigned. In order to decide which is the lowest, the rate rendered is multiplied by the estimated consumption of Bhang within the area tendered for, and the multiple so obtained is taken to represent the value of the tender. No licence fees are imposed on the grant of these supply contracts, the object being to secure to the retail vendors of the contract area supply of Bhang at constant rates. The detailed conditions of the contracts are given in the form of licence (I.D. 3).  
 Note. - Wholesale supply of Ganja. - Supply contractors whose tenders are finally accepted for wholesale supply of Bhang, shall be required to supply Ganja also to the Drugs, warehouses in their contract area. For this purpose, tenders will be submitted in such form and on such conditions as the Excise Commissioner may from time to time prescribe keeping in view the requirements of Ganja for sale to addicts on permits. Quantity needed would obviously not be large, nevertheless, all possible assistance will be given by the Excise Department to supply contractors selected for procuring Ganja from other States.  
 (3)Arrangement of contract bonded warehouses. - The contractor is required to maintain, for the supply of the requirements of the retail vendors of the contract area, sufficient stock of Bhang at each bonded warehouse of the contract area.  
 (4)Rates of supply to vendors. - The contractor is bound to sell Bhang to licensed retail vendors at all the bonded warehouses established in his contract area, at his contract rate per seer. The price does not include the duty prescribed for Bhang. The rates of duty prescribed from time to time will be found in Appendix B-IV.

**932. Contractor not permitted any interest in retail vend.**

- The contractor, and if the contractor be a corporation or a company registered or otherwise, every member or shareholder of it for the time being is not permitted to hold any interest in the retail vend of Ganja and Bhang within the area of his contract.

**933. Restrictions on the import and manufacture of hemp drugs.**

(1)The cultivation of the hemp plant is prohibited throughout Uttar Pradesh. Note. - The district of Almora, Garhwal and Naini Tal (excluding the Tarai and Bhabar) have been exempted from the provisions of Section 17 (1) (b) of the Act. The cultivation of the hemp plant is, therefore, permitted in those areas. They have not however, been exempted from the provisions of Section 17 (1) (c) of the Act. Hemp drug can, therefore, not be prepared from the hemp plant so cultivated.  
 (2)Save as provided in paragraph 972 as the import for personal use the import of Bhang into Uttar Pradesh is prohibited.  
 (3)The manufacture or preparation of Ganja or Charas is prohibited throughout Uttar

Pradesh.(4)The import of Charas into Uttar Pradesh in any quantity, whatsoever, is prohibited.

### **934. Lawfull sources of supply of ganja and bhang.**

- From these restrictions it follows that the only lawful sources of supply of ganja and Bhang are :  
(1)Bhang. - by collection from the spontaneous growth of the hemp plant in certain districts (paragraphs 935 to 938).  
(2)Ganja. - by import from any State or Union Territory under the rules governing import (paragraphs 973 and 975 to 981).  
II-Collection of Bhang from the Spontaneous Growth of Hemp Plants

### **935. Collection prohibited save in twelve districts.**

- The collection of Bhang or of any portion of the hemp plant from which intoxicating drug can be prepared is prohibited throughout Uttar Pradesh except that the spontaneous growth of the hemp plants may be collected for the production of Bhang only in the districts of Saharanpur, Muzaffarpur, Bijnor, Naini Tal, Bareilly, Pilibhit, Kheri, Bahraich, Gonda, Basti, Gorakhpur and Deoria subject to the following provisions.

### **936. Grant of licence for the collection of bhang.**

- Licences for the collection of the spontaneous growth of the hemp plant for the production of Bhang therefrom and for the storage of Bhang only so produced may be granted by the Collector to supply contractors of Bhang authorized in this behalf by the owners and occupiers of land on which such growth occurs in the districts mentioned in the preceding paragraph.

### **937. Conditions of licence.**

(1)Bhang so collected shall be stored in bags of uniform size and capacity of 25 seers or one maund each in a secure place and in a locality fixed and approved by the Collector until lawfully disposed off.  
(2)The place of storage shall, at all times, be open to inspection by an officer of the Excise Department not below the rank of an Excise Inspector or other officer authorized by the collector in this behalf and shall be under Government lock; the key of which shall remain in the custody of the Excise Inspector of the circle. The licensee shall, however, be responsible for the safe custody of the stock of Bhangs, and may put his own lock on along with the Government lock or take such other precautions for the safety of his stock as he thinks. All Bhang shall be stored as to be free from damp.  
(3)An account of all receipts and issues shall be maintained in the Form I.D. 17, and an abstract of this account shall be submitted to the collector on the first day of each month.  
(4)No issues shall be made from any place of storage of Bhang fixed under clause I save on pass in Form I.D. 13 granted in accordance with rules relating to transport of Bhang (Paragraphs 988 to 996).The officer authorized to grant the transport pass referred to in paragraph 988 shall have the power to order the detention of any bag or package of Bhang which, in his opinion, is either unfit for issue or has been packed at the time of issue in old patched up or unsound bag or package.  
(5)Any Bhang rendered unfit for issue in any place of storage, whether by reason of age or of unfitness for

consumption or for any other reason shall be destroyed in the presence of the Assistant Excise Commissioner after obtaining the orders of the Excise Commissioner.

### **938. Form of licence and method of making application.**

- The licence shall be in Form I.D. 15. The application shall be exempted from court-fees and, the licence shall be granted free of charge by the Collector, unless he considers that there are adequate reasons for refusing an application. Every application shall be presented in writing by the supply contractor or by his duly authorised agent in person. The supply contractor can remove the Bhang so collected and stored only in accordance with paragraph 937 to warehouses in his contract area or sell it to any other supply contractor, but not export it. Note. - The Collector's office shall inform the Assistant Excise Commissioner whenever a new licence is granted under this paragraph. Section XLVII-Hemp Drugs Bonded Warehouses

### **939. All hemp drugs to be stored in bonded warehouses.**

- All hemp drugs to be supplied by a supply contractor must be deposited direct into a hemp drugs bonded warehouses. Such bonded warehouses are ordinarily situated in the same buildings as those at present provided for the supply of country spirit under the contract system. The bonded warehouses situated at Allahabad, Varanasi, Lucknow, Bareilly, Agra and Saharanpur may also be utilized for the purpose of storage and issue of hemp drugs to other bonded warehouses. Where the accommodation at a bonded warehouse is insufficient for the storage of a sufficient quantity of Bhang to meet the requirements of a contractor, he must provide and maintain, at his own expense, private warehouses at places and in buildings approved by the Collector for the purpose convenient of access to officer of the Excise Department and so constructed that the Bhang stored therein shall be secured against fraud and depredation. A private warehouse shall be deemed a contract bonded warehouse for the purpose of these paragraphs, but it shall only be used for the storage of Bhang required for issue to the warehouses of the contract area or to other contract bonded warehouses. All issues to licensed vendors shall be made at the warehouses provided by Government.

### **940. Inspection and supervision of bonded warehouses.**

- The rules in force for the inspection and supervision of bonded warehouses for spirit, shall so far as may be, apply to warehouses for the storage of drugs.

### **941. Verification of stock on transfer of charges.**

- These bonded warehouses will usually be in-charge of an Excise Inspector. The procedure to be observed on taking charge and for the verification and safe custody of the stock of bonded warehouses will be as follows : (1) An inspector when taking charge of drug warehouse must- (a) count the packages, (b) compare the entries of the cards with those in the register, (c) weigh each package and bring to the notice of the Assistant Excise Commissioner or Collector any case of short weight, and (d) examine the packages and bring to the notice any package which seems to have been



tampered with.(2)When taking stock at the end of each month the Inspector must comply with (a), (b) and (d) in clause (1).(3)The key of the warehouse must not, under any circumstances, be handed over to a peon or any other person, and no one except the Inspector must lock and unlock the warehouse, which must never be opened except in his presence.(4)The stock should be checked not less than once a quarter by the Assistant Excise Commissioner of the charge.

## **942. Admittance to warehouse.**

- No unauthorised person shall be admitted into the warehouse between sunset and sunrise without the written authority of the Collector.

## **943. Persons to be admitted in the warehouse.**

- No person except the following, shall be admitted into the warehouse at any time; and these only in the presence of the officer-in-charge of the warehouse : (1)Contract suppliers and retail vendors or their authorized agents when storing or removing drugs.(2)Members of the sanctioned staff of the warehouse, including weighmen and carriers, who may be engaged in the deposit or removal of drugs on behalf of contract suppliers or retail vendors, and in such numbers only as the officer-in-charge may consider absolutely necessary.(3)(a)The appointment of agents and other servants by the supply contractors shall be subject to the approval of the Assistant Excise Commissioner of the charge, who will have the power to order the removal from service or prohibit the appointment of any person whom he considers undesirable :Provided that no order for the removal from service of a person, covered by the definition of the term "workman" as given in Section 2 (s) of the Industrial Disputes Act (Act No. XIV of 1947) shall be passed without prior consultation with the Labour Commissioner, Uttar Pradesh :Provided further that in the event of a difference of opinion between the Labour Commissioner and the Assistant Excise Commissioner on any particular point relating to the removal of a person from service, the matter shall be referred immediately through the Excise Commissioner to the State Government for orders.(b)The order of removal passed by the Assistant Excise Commissioner or his decision to prohibit employment of any person shall be appealable to the Excise Commissioner, Uttar Pradesh.(c)Whenever any workman suspected of pilferage of excisable goods and his immediate removal from the bonded warehouse is considered necessary to safeguard revenue interest or in the interest of discipline, the supply contractor may be asked to depute the defaulting workmen to some other section which does not involve his entry into the bonded warehouse, pending the receipt of the Labour Commissioner's concurrence for his removal.

## **944. Watch and ward of warehouse.**

- The contractor is wholly responsible for the safe custody of intoxicating hemp drugs stored in his warehouses. He may, therefore, put his own lock on the door and keep a watchman on the premises.

#### **945. Storage fees not charged.**

- No rent or storage fees shall be charged from a contractor for the use of the Government bonded warehouses he is required or permitted to utilize for the purpose of his contract. All fittings or articles connected with the supply, storage, weighments, handling and issue of intoxicating hemp drugs must, however, be supplied by him. Registers and forms used by the Excise Inspector in-charge shall be supplied by Government.

#### **946. Warehouse transactions to be supervised by Excise Inspector.**

- All transactions inside the bonded warehouses in the receipt, transfer, weightment and issue of intoxicating hemp drugs will be performed under the supervision and direction of the Excise Inspector in-charge who will maintain all registers, issue permit and passes and make periodical returns. All manual labour will be performed by the contractor's servants.

#### **947. Door to be kept locked.**

- Except when transactions are actually in progress, the Excise Inspectors in-charge shall keep his lock on the door.

#### **948. Contractor entitled to examine accounts, etc.**

- The contractor, or his agent shall be entitled to see the registers and receipted applications on a written requisition to the Excise Inspector. Any objection which he may have to the entries should be made in writing to the Assistant Excise Commissioner.

#### **949. Warehouse to be opened on fixed days.**

- The Excise Inspector incharge shall attend for the receipt and issue of intoxicating hemp drugs on such days and at such hours as may be prescribed by the Excise Commissioner. These will ordinarily be fixed and notified for the whole year but may be temporarily increased by order of the Assistant Excise Commissioner in cases of festivals, marriage seasons, etc. Note. - If any day fixed for giving issues falls on a Treasury holiday, issues will be made either on the day preceding the holiday or that following it. Excise Inspectors in-charge of warehouse should provide themselves with a list of Treasury holidays, at the very beginning of each year and promptly secure orders of their Excise Officer whether issues will be made on the day preceding or the day following all fixed issue days which might coincide with treasury holidays. Consequential changes in issue days, if any should be intimated to licensed vendors before the beginning of each month.

#### **950. Minimum stock to be prescribed.**

- A minimum stock of Bhang shall be prescribed for each contract bonded warehouse. When the quantity in stock is approaching this limit, Excise Inspector in-charge shall call the attention of the

Contractor's agent to this fact. If there appears any likelihood of the supply running short, the Excise Inspector shall without delay, inform the Collector who may procure Bhang from elsewhere, the cost of which shall be recoverable from the amount, if any, due to the contractor or from the contractor's deposit.

### **951. Prompt supply and penalty on default.**

- On proof of payment of the Government duty and contract price thereon, a licensed vendor is entitled to be supplied promptly with a reasonable quantity of Bhang for which the contract has been granted. In the event of the contractor failing to supply Bhang within a time judged by the Collector to be reasonable, shall be procured from elsewhere by the Collector and the cost and any loss accruing to Government shall be recovered from the contractor in the manner prescribed in the preceding paragraph. In addition, the contractor will be liable, at the discretion of the Excise Commissioner, to a penalty of double the rate of duty of Bhang demanded but not supplied.

### **952.**

Bhang issued from the warehouse shall be pure, fresh and of the best quality. Bhang harvested in any year shall be permitted to be issued after October 1 of that year and up to September 30 of the following year. It shall be of the spontaneous growth.

### **953. Destruction of drugs unfit for consumption.**

- If the Excise Inspector in-charge considers any Ganja or Bhang stored in the bonded warehouse to be bad, he shall abstain from issuing it. Samples shall be taken in the presence of the supply contractor or his agent and shall be submitted immediately, with a report to the Assistant Excise Commissioner, who, if he agrees with the opinion of the Inspector, shall send the sample of Ganja and Bhang to the Chemical Examiner to the Uttar Pradesh Government, Agra for examination and report. If the Chemical Examiner's report shows the sample to be of good quality the Assistant Excise Commissioner shall forthwith order issue of the suspected stock. If the sample is pronounced by the Chemical Examiner to be unfit for consumption, the Assistant Excise Commissioner shall call upon the supply contractor to show cause why the stock from which the sample was taken should not be destroyed. If he fails to show cause or if the causes advanced by him are clearly insufficient the stock shall be ordered to be destroyed by the Assistant Excise Commissioner in his own presence. In cases of doubt, he shall report the matter to the Excise Commissioner whose orders shall be final.

### **954. Verification of receipts.**

(1) Immediately on arrival of a consignment of drugs at a warehouse, the Excise Inspector shall, in the presence of the contractor or his agent, ascertain by personal inspection, that the seals of the bags or packages are intact, and by weighment, that the gross weight of each bag or package corresponds with that noted in the pass. (2) If the covering of any bag or package appears to have been tampered with, or if any be received without the original seal, or if the gross weight as

ascertained by weighment be less than that given in the pass or railway receipt by one seer or more than, Excise Inspector shall open such bag or package and examine the contents with special care and if there is reasons to believe that the bag or package has been tampered with, he shall immediately report the case to the Excise Commissioner through the Assistant Excise Commissioner for recovery of duty on any deficiency in weight in accordance with paragraph 971.(3)When a deficit exceeding 0.6 per cent is found in the gross weight of a Ganja, package, the Ganja and the box shall be weighed separately, and if the net weight of Ganja still shows any serious deficiency over 0.6 per cent, the fact together with full details of gross weight and separate weight of the box and the contents shall be reported immediately through the Assistant Excise Commissioner to the Chief Excise Authority of the exporting State or Union Territory for inquiry as to the excessive shortage.(4)If there be any increase in weight, the full quantity delivered including such increase shall be entered in the register or receipts.(5)At the time of examination and weighment the full particulars of each bag or package shall be clearly and carefully entered in the Register, I.D. 18 by the Excise Inspector in-charge whose initials and those of the contractor or the agents certifying to the correctness of the examination and weighment shall be affixed in columns 14 and 15 opposite the entries relating to each bag or package. No alteration shall be made in the entries without the previous sanction of the Assistant Excise Commissioner.

### **955. Card to be attached to each bag or package.**

- After examination, weighment and registration in the appropriate columns of the receipt register, each bag or package shall be given a serial number corresponding to that recorded in column 13 of the register. Numbers assigned for the two varieties of the drugs shall be in separate running serial in the order that the bags or packages are received during a calendar year. Each bag or package shall have a card in Form I.D. 20 attached to it before it is stored.

### **956. Storage and issue of drugs.**

- The two varieties of drugs shall be separately stored, bags or package being arranged in the order of the numbers allotted to them. When a bag or package is required for issue under bond to another contract bonded warehouse, or to be opened for making issues, the next in numerical order to that last withdrawn shall unless there is sufficient reason to the contrary, be taken, the contents of a bag or package opened for issue must be completely issued before another is opened. The following procedure shall then be carefully followed :(a)In the case of an issue of an unopened bag or package under bond, the Excise Inspector in-charge, after satisfying himself that the withdrawal is authorized under the paragraph 990, shall in the presence of the contractor or his agent, ascertain by actual weighment the gross weight of and storage wastage on each bag or package, The storage wastage shall be calculated by deducting the gross weight at time of withdrawal from that recorded at time of first arrival at the warehouse. The Excise Inspector shall then record necessary entries in Register I.D. 18, and after his initials and those of the contractor or his agent have been added to the account, a pass shall be prepared in Form I.D. 13 in accordance with the procedure prescribed by paragraph 994.Note. - Issues under bond to another warehouse shall ordinarily be made in complete bags or packages but in case of necessity a smaller quantity may also be similarly issued under bond to a bonded warehouse established within the same contract area. This issue shall be

made from a bag or package opened for making issues to retail vendors and the drugs before issue shall be securely packed, sealed and labelled.(b)In the case of withdrawal of a bag or package to be opened for issue the gross weight and storage wastage shall be ascertained in the manner prescribed in clause (a). Before issues are made from the bag or package, it shall be opened in the presence of the Excise Inspector and the contractor or his agent, the contents separated from the packing, the actual net weight of the contents ascertained by actual weighment, and the necessary entries made in Registers I.D. 18 and I.D. 19.Note. - All empty Bhang bags and all empty packages of Ganja shall be removed from the warehouses immediately after the contents have been issued. Where however, an excess storage wastage has been discovered on withdrawal, empty Ganja packages are to be retained in the warehouse till the next visit of the Assistant Excise Commissioner, who will, after examination pass such orders as he deems fit.(c)Issue may then be commenced. After all the contents of a bag or package have been issued, a total will be made in column 8 of Register I.D. 19, and wastage in the issue ascertained by deducting the total thus found from the weight recorded in column 5. The percentage of wastage will be recorded in column 13 opposite the total, and will be calculated on the weight recorded in column 5.

### **957. Payment of duty and price.**

- Licensed vendors of their agents authorised in writing wanting Ganja or Bhang from a contract bonded warehouse shall present to the treasurer of the sub-treasury situated at the same place as the bonded warehouse an application in Form I.D. 6 in duplicate, duly filled in, together with the price of the drug and the duty. Ganja in a quantity lesser than four Chattaacks 233.276 grams or other than a multiple thereof and Bhang in a quantity lesser than one seer or 0.93310 kilograms or other than a multiple thereof shall not be issued. The treasurer shall fill in the endorsement on both copies of the application and shall then present the application to the officer-in-charge of the sub-treasury. This officer shall sign both copies and stamp them with the stamp of the sub-treasury. One copy shall be retained in the sub-treasury whilst the other copy shall be handed back to the applicant who shall tear off the second receipt endorsement and retain it as a receipt for the amount paid in the sub-treasury. In case of doubt, licensed vendors should apply to the Excise Inspector in-charge of the bonded warehouse, whose duty it will be to help them in preparing the application correctly.

### **958. Receipted application.**

- The applicant shall then present the receipted application to the Excise Inspector in-charge of the warehouse, who after satisfying himself that the price and duty fully cover the quantity of drugs to be removed, shall after making the necessary entries in the vendor's pass-book, cancel the receipted application under his initials.Note. - Issues of Ganja and Bhang to persons holding L-1 and L-2 licence under the Medicinal and Toilet Preparation (Excise Duties) Rules, 1956, and entitled to obtain these drugs free duty may be made on production of indent in Form I.D.I (M. and T.P. Series) on payment of cost price only.

## **959. Pass-book.**

- The pass-book will be in Form I.D. 7 and will remain in the custody of the person removing the drugs, who will, on demand by an officer authorised in this behalf, produce it as his authority for transport. A pass-book will be issued to each licensed retail vendor when a licence is first granted to him. The pass-book shall be kept in safe custody by the vendor, and he shall not alter nor erase any entry therein. When the pass-book is filled up, it shall be returned to the bonded warehouse by the vendor for record and he will be supplied with a new pass-book. When a pass-book has been mutilated or lost by the vendor, the Excise Inspector shall issue duplicate on payment of fee of Re. 1 into the local treasury or sub-treasury. Intimation of issue of duplicate pass-book shall be given by the Excise Inspector to the Assistant Excise Commissioner. The Excise Inspector shall maintain an account of all pass-books received and issued by him and the Assistant Excise Commissioner shall verify this account at his inspections.

## **960. Weighment for issue.**

- After the entries in the pass-book have been made and recorded in Register I.D. 19, the Excise Inspector will proceed to have the drugs weighted and issued. After issues are completed he shall make the necessary entries in Register B.W.L. 9.

## **961.**

The licensed vendor shall provide the packing material or receptacle in which the drugs are to be transported. The drugs shall be securely packed in the packing or receptacle which shall thereafter be sealed with the Excise Inspector's seal. The card used for securing and sealing shall be provided by the vendors and the wax by the contractor.

## **962.**

All drugs issued to a strop shall be taken from the warehouse to its destination by the shortest route and consignment shall not be broken nor the seal of package on receptacle tampered with in transit. No drug shall be disposed of in any way whatsoever in' the course of its transport from the warehouse to the shop. Note. - (1) In the case of transport by a railway the drug issued shall be taken direct to the railway station concerned unless a written permission of the Excise Inspector Incharge. Warehouse has been duly obtained to keep the drug at any specified place till the train time which shall be specified in the pass-book along with the particulars of the train. (2) The time at which issue is made shall also be entered in the pass-book in all cases.

## **963. Supply of hemp drugs to Garhwal and Almora districts.**

- Sealed packets of Ganja of four chhataks or 233.276 grams each and of Bhang of one seer or 0.93310 kilograms each sufficient for the requirements of a year shall be supplied by the supply contractor of drugs from the bonded warehouse at Najibabad and Haldwani, respectively, at his own

cost for storage at the Lansdowne and Pauri sub-treasuries of the Garhwal District and Almora and Ranikhet sub-treasuries of the Almora district for issue to licensed vendors on payment of duty and price. The work of issue and of maintenance of accounts shall be entrusted to an official of the tahsil selected by the district officer of Almora or Garhwal, as the case may be. Packets shall be issued to licensed vendors without being opened in any case, and no refund shall be claimable on account of shortage by dryage. Paragraphs 949 to 970 governing maintenance of accounts, issue to vendors, payment of price to supply contractor and submission of returns of issues, etc., shall so far as may be, apply to issues from the aforesaid sub-treasuries. Note. - Supplies of Ganja and Bhang required for Tehri-Garhwal District shall similarly be made from Roorkee warehouse to Narendra Nagar treasury.

#### **964. Scales and weights to be provided by contractor.**

- The contractor must provide correctly beam-scales and standard weights in maunds, seers and chhataks, which will remain in the charge of the Excise Inspector in-charge of the warehouse for the purpose of making issues and checking consignments on arrival. In the contractor's option a weighing machine may be provided for checking receipts in lieu of a beam-scale and weights. The inspector shall be held primarily responsible for the correctness of such weighing apparatus as may be supplied which he shall test at least once a quarter in the manner prescribed by paragraph 965 and shall report any defect to the Assistant Excise Commissioner. The Assistant Excise Commissioner, at his inspections must also satisfy himself of their correctness, using the weights which are supplied to him for this purpose.

#### **965. Weighing machine.**

- The weighing machines supplied to bonded warehouses for the weighment of drugs shall be tested at least once a year by the Assistant Excise Commissioner. Any defect in the weighing machine should be immediately reported to the Excise Commissioner. Testing may conveniently be done by placing standard weights, or a package exact weight, of which has been previously ascertained by means of standard weights, and a beam-scale, on the weighing machine and observing if the indications coincide. The weighing machine must be kept free from rust, the index arm and bearing being occasionally oiled. Where beam-scales have been supplied, the latter should be used in preference to the weighing machines.

#### **966. Time to be allowed for transport.**

- The Assistant Excise Commissioner shall determine the periods to be allowed for transport to the different shops, and a list of periods so determined shall be maintained in the bonded warehouse. The period shall be specified in each pass-book.

#### **967. Register and monthly statement.**

- Register in Form I.D. 19 shall be maintained of all issues. An abstract giving the totals of columns

8, 9, 10 and 11 for the account months, supported by the receipted applications, shall be sent not later than the second day of the following month to the Collector. The receipted applications should, after examination, be returned to the warehouse to be deposited there.

### **968. Refund of price to contractor.**

- After the necessary checking of the abstract referred to in the preceding paragraph with the treasury accounts at headquarters, a cheque shall be made out in the Collector's office in favour of the contractor for the amount of drugs supplied to vendors from the bonded warehouse of the district during the accounts month. This should be made over to the contractor not later than the 15th of succeeding month.

### **969. Shop register of issues and its monthly extracts.**

- The Excise Inspector in-charge of the warehouse shall maintain register in Form B.W.L. 9, showing the issues of each kind of drugs to each shop. Where there are more warehouses than one in the district the Inspector-in-charge of such an outlying warehouse shall enter in Form I.D. 21 the comparative figures of issues from his registers in Form B.W.L. 9 for the month and forward it to the Inspector in-charge of the warehouse at the headquarters of the district not later than the first day of the following month. The Inspector of the warehouse at the district headquarters shall prepare an abstract for the whole district in Form I.D. 21, summarizing the figures therefor, from his own register B.W.L. 9, and from the statement received from outlying warehouses. Copies of this statement shall be sent to the Assistant Excise Commissioner and to the Collector by the fifth day of each month at the latest. Extracts from it will be forwarded to the Excise Inspector in whose circle shops are situated by the tenth day of the month. Note. - The instructions contained in paragraph 490 apply 'mutatis mutandis' to this rule also.

### **970. Stock taking at close of month.**

- On the last working day of every calendar month, after all transactions, for the day are over the Excise Inspector in-charge of the warehouse shall, after verifying the stock of drugs in the warehouse, proceed to close the accounts of the month. The actual stock should consist of the unopened bags and packages standing as unopened in Register I.D. 18 and the quantity remaining in any bag or package from which issues are being made. The Inspector shall verify the stock by comparison of entries opposite the unopened bags and packages in Register I.D. 18 with the entries on the cards attached to the bags or packages.

### **971.**

(a) Transit wastage. - If the Excise Commissioner is satisfied that a package has been tampered with, he may levy duty from the contractor on the entire deficiency in the gross weight of Bhang and in the net weight of any package of Ganja discovered at the time of verification of consignments as provided in Rules 954 (2) and (3). In such case no free allowance is permissible. In all other cases



the contractor may be held responsible for the payment of duty on any difference in excess of 0.6 per cent. In the case of Ganja and 1.5 per cent in that of Bhang between the gross weight of any bag or package recorded at date of despatch to the warehouse and that found at date of weighment on arrival at the warehouse for deposit.(b)Storage wastage. - Duty is also chargeable at the direction of the Excise Commissioner on any difference in excess of one per cent in the case of Ganja and of 2 per cent in that of Bhang between the gross weight recorded at the time of deposit and that found at the time of withdrawal either for removal of another warehouse or for issue to vendors. The calculation shall be made respectively on gross weight at date of deposit (column 8 of Register I.D. - 18) and gross weight at date of withdrawal (column 20 of Register I.D. - 18).(c)Issue wastage. - The contractor may also be held responsible for the duty on any difference in excess of 0.5 per cent up to 10 days, 1.0 per cent of a period exceeding 10 days, but not exceeding 30 days, and 1.5 per cent for a period exceeding 30 days; between the net weight of the drugs ascertained by actual weighment, to be contained in the package or bag when opened for issue to vendors and the actual weight of drugs recorded as having been issued therefrom when emptied, if such excess is due to his neglect, the calculation shall be made on the net weight of drugs before issue (column 5 of Register I.D. - 19).(d)In cases falling under clause (a) above the officer-in-charge of the warehouse shall submit a report immediately after verification of a consignment to the Excise Commissioner through the Assistant Excise Commissioner in Form I.D.-22. In cases falling under clauses (b) and (c) the officer-in-charge shall submit at the close of the month a report in Forms I.D.-23 and 24 to the Assistant Excise Commissioner along with a full explanation from himself and the agent of the supply contractor. Separate reports should be submitted in respect of each variety of drugs. The Assistant Commissioner, after such inquiry as he may deem necessary shall submit the report to the Excise Commissioner together with the own recommendations as to the levy or remission of the amount of duty chargeable (For the manner in which duty is to be realized see paragraph 226).Note. - In cases falling under clause (a) Assistant Excise Commissioners are empowered to write off the duty chargeable if they are satisfied that the loss is not due to pilfering and if the total wastage in the entire consignment does not exceed the quantity allowable.Section XLVIII-Import, Export and TransportI-ImportNote. - The words import and export as used in this section mean respectively, inter-provincial import and inter-provincial export as defined in Sections 2 (j) and (i) of the Dangerous Drugs Act.

## **972. Import of bhang for personal use.**

- Bhang not exceeding 5 totals or 58.319 grams in weight may be imported in person by a bona fide traveller for his own personal use coming into Uttar Pradesh.No Ganja for personal use shall be imported into Uttar Pradesh in any quantity whatsoever.

## **973. General prohibition of import.**

(1)No person shall import any Bhang whatsoever except as provided in paragraph 972.(2)No person other than a contractor holding a contract from the State Government of the Excise Commissioner for the supply of Ganja shall import any Ganja whatsoever.

## **974.**

No person shall import Charas into Uttar Pradesh in any quantity whatsoever.

## **975. Supply contractors may import ganja.**

- Any supply contractor may import Ganja into Uttar Pradesh in bond for deposit in any of the bonded warehouses of his contract area, provided that a permit be obtained from the Collector or the District Excise Officer of the district in which the bonded warehouse is situated.

## **976. Conditions.**

- The conditions on which supply contractors may import Ganja are : (1) Ganja shall be imported from any State or Union Territory in India as directed by the Excise Commissioner. (2) All import shall be under bond for payment of duty in Uttar Pradesh. (3) All import shall be by railway only. (4) All import shall be subject to all rules made by the authorities of the State or Union Territory from which export is made and to the rules prescribed in this Chapter in regard to bonded warehouses and to import, and such other rules as he may hereafter from time to time be made in this behalf.

## **977. Application for permit.**

- The importer shall apply in writing for a permit to the Collector or the District Excise Officer of the district in a bonded warehouse of which the Ganja is to be stored. The application, which may be sent by post, shall be in Form I.D. - 8.

## **978. Permit for import of ganja.**

- The Collector or District Excise Officer, shall unless he sees reasons to the contrary, grant a permit in quadruplicate in Form I.D. 10. The first part shall be given- to the importer or sent to him by registered post if he so desires, the second shall be sent by post to the appointed officer in the district of export, with one additional copy to the Excise Inspector in-charge, bonded warehouse of the exporting State or Union Territory, the other shall be retained as a counterfoil in the office of issue, and it shall be pasted in the first and second parts when returned under these rules. Note. - The careful preparation of these permits is a matter of great importance and should be entrusted whenever possible, to an Excise Inspector and not to a clerk or subordinate officer. In default of the Excise Inspector, this duty may be entrusted to the Excise ahalmad to the Collector's Office. The Excise Inspector In-charge shall be responsible for seeing that these permits are correctly prepared.

## **979. Permit to be endorsed with quantity of ganja.**

- The person named in the permit shall present it to the Collector or other appointed officer of the dispatching district, who will return it to him after endorsing on it the quantity of Ganja to be

exported. Similar entries shall also be made by the appointed officer on the back of the copy of the pass received by him, which shall be returned by post direct to the Collector of the importing district.

### **980. Ganja to be consigned to Collector of importing district.**

- The person named in the permit, after making his purchase shall have the Ganja securely packed, sealed and consigned direct to the Collector of the importing district, and shall forthwith send his pass together with the railway receipt, by post under registered cover to that officer, who shall cause the consignment on receipt to be conveyed in the charge of some responsible official, ordinarily the Excise Inspector, to the bonded warehouse, to be subsequently dealt with under the rules provided for bonded warehouse.

### **981. Cost of conveying ganja to warehouse to be borne by importer.**

- The cost of conveying the consignment from the railway to the bonded warehouse and all risks incidental to such transport shall be borne by the importer. II-Export

### **982.**

(1) No Ganja, shall be exported to any other State or Union Territory in India unless it is sent direct from a bonded warehouse. (2) Bhang may be exported to places in India from a bonded warehouse or from a place of storage in district mentioned in paragraph 935, provided it is purchased from a supply contractor holding licences in Forms I.D. 15 and ID. 16. Note. - Export of charas from Uttar Pradesh is totally prohibited.

### **983.**

Export of Ganja and Bhang shall only be allowed on the production by the exporter of a permit granted by the Collector or such other officer as may be authorized by the Government of the importing State or Union Territory to grant such permits. Duty at the prescribed rates shall be deposited into the sub-treasury of the district from where the export is to be made. The application for payment of duty to be presented in duplicate, duly filled in, at the sub-treasury shall, be in Form I.D. 12. One copy shall be retained in the sub-treasury whilst the other copy shall be handed over to the applicant who shall tear off the second receipt endorsement and retain it as a receipt for the amount paid in sub-treasury.

### **984.**

(1) The exporter shall make his own arrangement to purchase the drugs. He shall then obtain from the Collector of the district authority to export the drugs. The Collector shall, unless he sees any reason to the contrary-(i) authorize the Excise Inspector in-charge of the bonded warehouse from which the drugs are to be exported to issue the drugs, or (ii) where Bhang is to be exported from a

place or storage, authorize the Excise Inspector in whose circle the place of storage lies to issue the Bhang.(2)The exporter shall produce before the Excise Inspector so authorised his permit to export, the authority of the Collector of the exporting district and the receipted application (I.D. 12) in proof of payment of duty.(3)The Excise Inspector shall cause the drugs to be weighed in his presence, and after satisfying himself that the duty has been correctly paid, issue a pass. The pass shall be in triplicate (Form I.D. 13), one part being retained for record one given to the exporter and one sent to the officer who granted the import permit.

## **985.**

All drugs shall be consigned to the Collector of the importing district or to such other officer as may be authorised by him.

## **986.**

Bhang may also be exported under bond to places in India from the places mentioned in paragraph 982 (2) read with paragraph 935 subject to the following conditions :(1)A bond for the payment of duty imposed must be executed in favour of either the Collector of the importing district or the Collector of the exporting district.(2)Sanction to export must be obtained from the Collector of the district of export as well as from the Collector of the district of import.(3)The Collector of the district of import will grant a permit in such form as may be prescribed by the Government of the importing State or Union Territory and forward a copy thereof to the Collector of the district of export. Where the bond has been executed in the district of importing State or Union Territory the permit shall bear a certificate to the effect that the amount mentioned in the bond covers the duty on Bhang to be exported.(4)The exporter or his agent shall produce his copy of the permit before the Collector of the district of export who may then grant the necessary permission.(5)The exporter shall obtain the Bhang from a person holding licenses in Form I.D. 15 and I.D. 16.(6)The procedure prescribed in Rules 12 and 13, paragraphs 984 and 985 for the export of drugs on prepayment of duty shall be followed, mutatis mutandis, in the case of export of Bhang under bond.Notes. - (1) In the case of export to the State of Maharashtra and Gujarat the permit shall be granted by the Deputy Commissioner of Excise, Bombay. The pass granted shall be in the form sub-joined to the permit.(2)The bond shall not be discharged unless intimation- of the arrival of the Bhang at the destination has been received.III-Transport

## **987. Transport of hemp drugs in excess of certain quantities prohibited except under pass.**

- No hemp drug in excess of the quantities hereinafter specified shall be transported except under a pass as provided in Section 15 of the Act, provided that Bhang shall not be transported to any area in which a higher duty is levied in any quantity whatsoever :Bhang or any admixture thereof-10 tolas or 116.738 grams.Ganja or any admixture thereof-no quantity whatsoever save by permit-holders up to quantity allowed in their permits.Note. - Transport of Charas in any quantity whatsoever is prohibited in Uttar Pradesh.

### **988. Transport of bhang under bond to bonded warehouses.**

- Transport of Bhang under bond to bonded warehouses is permitted, in consignments of not less than 25 seers, at a time from the districts referred to in paragraph 935. Such transport shall be made only by supply contractors of hemp drugs and under the following conditions : (a) The contractor shall execute a bond for subsequent payment of duty in favour of the Collector of the district in which the warehouse where the Bhang is to be deposited is situated. (b) He shall obtain a permit in Form I.D. 11 from the Collector or the District Excise Officer of the district within or to which Bhang is to be transported. (c) He shall obtain a pass, from the Collector, or Officer specially appointed in that behalf, of the district within or from which the Bhang is to be transported. (d) Transport shall be by rail only and on condition that all the costs and risks attendant to transport shall be borne by the transporter.

### **989. Transport of Bhang under bond within district.**

- Transport of Bhang under bond from the places of storage in the district mentioned in paragraph 935 to bonded warehouse established in the same district is governed by the conditions of the preceding paragraph, except that the condition requiring transport by rail may be dispensed with.

### **990.**

Transport of Ganja or Bhang from one bonded warehouse to another is governed by the provisions of paragraph 988 except that - (1) the permit referred to in clause (b) of the paragraph shall be granted by the Excise Inspector in-charge of the bonded warehouses to which the Ganja or Bhang has to be transported, (2) that the pass mentioned in clause (c) by the Inspector in-charge of the warehouse from which the Ganja or Bhang is to be removed, and (3) that the quantity in which such transport is permissible shall be regulated by the Excise Commissioner.

### **991. Bond to be executed.**

- The bond referred to in paragraph 988 (a) under which transport of Ganja and Bhang within or from outside of a contract area of supply shall be effected shall be in Form I.D. 4. A general bond shall be executed by the contractor in favour of the Collector of each district of the area and for such sum as the Collector, in his discretion, may deem to be sufficient to cover the duty on the quantity of Ganja and Bhang likely to be in course of transport to the contract warehouse of the district. When the sum represented by the bond is likely to be executed the Collector is empowered to insist on the execution of an additional bond in the same form for such additional sum as he may consider necessary.

### **992. Permit for transport under bond.**

- Application for permits to transport Ganja or Bhang under bond shall be made in writing to the officer specified in paragraphs 988 and 990 in Forms I.D. 9 and I.D. 5, respectively. The application

may be sent by post. The officer shall, If he sees no reason to the contrary, grant permit in triplicate in Form I.D. 11. The first part shall be given to the applicant or sent to him by registered post; the second shall be sent by post to the Collector of the district, or, as the case may be, to the Excise Inspector of the warehouse from which the Ganja or Bhang is to be transported; the third shall be retained as a counterfoil and to it shall be pasted the first and second parts when returned under these paragraphs. Note. - The careful preparation of these permits is a matter of great importance and the instructions contained in note of paragraph 978 apply here also.

### **993. Production of permit.**

- The person named in the permit shall present his copy to the Collector or other officer of the district appointed in this behalf from which the Bhang is to be transported or, as the case may be, to the Excise Inspector in-charge of the warehouse from which the Ganja or Bhang is to be transported who shall, after completing the endorsement on the back thereof, return it by post to the officer who issued it. The copy received by post shall be similarly dealt with.

### **994. Despatch of consignments.**

- The person named in the permit shall : (a) In the case of Bhang to be transported from places of storage referred to in paragraph 935 make his own arrangements to obtain the Bhang. He shall then produce the Bhang securely packed in bags or packages which have been approved by the officer authorized to grant the pass, of 25 seers or 1 maund in gross weight inscribed in bold letters in English for purposes of identification with his name and serially numbered and addressed to the Excise Inspector in-charge of the warehouse to which the Bhang is to be consigned before the officer authorised to grant the pass. That officer shall then have each bag of the consignment weighed and sealed in his presence and shall prepare a pass in Form I.D. 13. The pass shall be in triplicate, the first part shall be given to the transporter who shall present it to the Excise Inspector in-charge of the warehouse to which the Bhang is to be consigned; the second part shall be posted to the said Excise Inspector; and third part shall be retained as a counterfoil to which shall be pasted the first and second parts when returned under these rules. (b) In the case of Ganja or Bhang to be transported from one contract bonded warehouse to another present the permit to the Excise Inspector in-charge of the warehouse from which the Ganja or Bhang is to be removed who shall issue a pass in Form I.D. 13. The procedure regarding the pass shall be similar that laid down in the preceding clause (a).

### **995. Arrival of drugs at warehouse.**

- On arrival of the Ganja or Bhang at the warehouse, the Excise Inspector in-charge shall : (a) In the case of transport of Bhang under clause (a) of the preceding paragraph, proceed without delay to verify the consignment in the presence of the contractor or his agent in the manner prescribed in this behalf, the Excise Inspector shall, after filling in the endorsement on the back of the transporter's copy of the pass return it without delay, through the Collector, to the officer who issued it; the Collector, before returning the copy shall cause the date of receipt of the Bhang at the warehouse to be noted on the permit to which the pass has reference; the copy received by the

Excise Inspector direct by post shall be retained by him and returned in the way after examination by the Assistant Excise Commissioner.(b)In the case of transport of Ganja or Bhang under clause (b) of paragraph 994, the Excise Inspector shall follow the procedure prescribed in preceding clause, except that he shall return the transporter's copy of the pass by post without delay direct to the Excise Inspector in-charge of the warehouse from which the Ganja or Bhang was transported; the second copy being retained and similarly dealt with after examination by the Assistant Excise Commissioner.

#### **996. Bad drugs not to be transported.**

- On no account should a pass be granted for the transport of Ganja or Bhang which has been condemned as unfit for consumption unless fitness of which for consumption is under inquiry.

#### **997. Transport from a bonded warehouse to retail shop.**

- Transport of Ganja and Bhang from a bonded warehouse to retail shops within the contract area is regulated by paragraphs 949 to 960.IV-Through Transport

#### **998. Transport of hemp drugs through the State.**

- The transport of hemp drugs despatched under a pass issued by an officer duly authorised in this behalf from any place beyond the limits of Uttar Pradesh to any other place beyond the said limits under the following conditions ;(1)That the transport shall be as far as possible by railway only and by the most direct route which shall be specified in the pass.(2)That each package shall be securely packed and sealed and that bulk shall not be broken during transit.(3)That the pass shall be valid only for a period specified therein; that the consignment shall be conveyed only by the route specified in the pass; and that the package or packages containing the drugs shall in no case be retained in the possession of the consignor or any other person during transit by rail but shall be declared as such drugs, and regularly booked under the bye-laws of the railway accepting them relating to goods or parcel traffic.(4)That except as provided in clause (5) following the consignment shall not be delivered up by the railway authorities to any person whatsoever during its transit through Uttar Pradesh.(5)That the Collector of any district-through which a consignment passes may by order addressed to the Traffic Manager, direct the detention either of specified consignment or generally of all consignments of intoxicating drugs to enable him to examine the same with respect of due observance of these rules, and that on receipt of such an order the railway administration shall afford all reasonable facilities to the Collector or to any officer deputed by him by order in writing for the making of such examination and shall detain such consignment or consignments until the Collector orders their release.(6)That if a consignment while not on the railway is conveyed through any district of Uttar Pradesh, a copy of the pass shall be forwarded by the issuing officer to the Collector of such district.Section XLIX-Vend of Ganja and BhangI-Wholesale Vend

## **999. How far wholesale vend may be allowed.**

- (i) The wholesale vend of Ganja and Bhang by supply contractors to retail vendors is covered by licence in Form I.D. 3 granted to supply contractors by the Excise Commissioner. (ii) The wholesale vend of Bhang by supply contractors holding licence for collection of Bhang from the spontaneous growth of the hemp plant is governed by paragraphs 936 to 938 and 1000. (iii) No other form of wholesale vend of Ganja and Bhang shall be allowed.

## **1000. Wholesale licence for export.**

- With the previous approval of the Excise Commissioner, the Collector may grant to a person holding a licence in Form I.D. 15, another licence in Form I.D. 16 which shall cover the right of sale for export where such export is allowed under the rules. The fee for the licence shall be Rs. 50 per annum payable strictly in advance. In special cases the Collector may propose a reduced fee subject to a minimum of Rs. 25. Note. - The procedure relating to export of Bhang will be found in paragraphs 982 to 986. II-Retail Vend

## **1001. Retail vend of Ganja and Bhang allowed under the surcharge and auction system, respectively.**

(1)(i) Licences in Form I.D. 14 for the retail vend of Ganja to permit-holders only will be awarded in accordance with the rules relating to the surcharge system of licence fees. Ganja at such rate per seer as may from time to time be specified by the Excise Commissioner in consultation with the State Government (Rs. 200 per seer) will be supplied from bonded warehouses to persons selected as licensees who will pay the Government a surcharge (of Rs. 5) for every one-fourth seer of Ganja sold by them at a rate which may from time to time, be similarly specified by the Excise Commissioner. The retail rate for Ganja per tola shall, from time to time, be fixed by the Excise Commissioner (Rs. 3) per tola and Ganja should be sold, subject to prescribed conditions only to persons holding permits under paragraph 1028 of the Manual. (ii) Licences in Form I.D. 14-A for the retail vend of Bhang are granted under the auction system. (iii) The State Government has prohibited the sale of Charas throughout Uttar Pradesh. Note. - No sale of Charas is allowed in Uttar Pradesh. (2) Retail licensees shall be bound to observe the prescribed general conditions bindings on all licensees for the retail vend of intoxicants (Paragraphs 347, 348, 349 and 351 in Chapter VI) and the special conditions mentioned in licenses I.D. 14 or I.D. 14-A whichever is the case. Section L-Possession

## **1002.**

(1) The possession in any quantity whatsoever, of Ganja and Bhang which has not been lawfully manufactured or obtained lawfully is prohibited throughout Uttar Pradesh. Note. - The possession of Charas in any quantity whatsoever is totally prohibited in Uttar Pradesh. (2) Limit of possession and retail sale of Bhang. - The possession of Bhang in excess of the quantity prescribed in Rule 40 as the limit of sale by retail is prohibited by Section 20 of the Excise Act, save under a permit. Note. - The possession of Ganja, in any quantity whatsoever save by permit-holders to the extent specified in



their permits, is prohibited in Uttar Pradesh.

### **1003. Special permits for Bhang how granted.**

- (Rule 27). Persons requiring Bhang in excess of the prescribed limit must submit to one of the officers empowered under paragraph 58 an application bearing a court-fee stamp of the value of twenty-five naye paise stating-(1) the occasion which renders the purchase necessary, (2) the quantity required and the date on which it is to be purchased, (3) the Bhang vendor from whom the purchase is to be made, and (4) the locality where the Bhang is to be consumed. Such officer may grant a permit in duplicate in Form G-30, one copy of which shall be presented at the shop and after the sale returned by the vendor to the officer who granted it. The duplicate shall remain with the consignment in its transit from the shop to the place of consumption, and then be returned by the holder to the officer who granted it.

### **1004. to 1019.**

[Deleted],

## **Chapter XII**

Section LI-Rules relating to Prohibition Area

### **1020. to 1032.**

[Deleted vide Notification No. 4386-E/XHI-510-78, dated 3-5-1978],[The U.P. Intoxicant Prohibition Rules, 1978] [Vide Notification No. 4386/XIII-510-78, dated May 3, 1978, published in U.P. Gazette (Extraordinary), dated 3rd May, 1978, p.p. 6-11.]In exercise of the powers under Section 40 and sub-sections (5) and (6) of Section 37-A of the U.P. Excise Act, 1910 and in supersession of U.P. Intoxicant Prohibition Rules, 1947 notified under Government Notification No. 546-E/XIII-40-46, dated March 31, 1947, as amended from time to time, the Governor is pleased to make the following rules :Section APreliminary

#### **1. - (i) These Rules may be called the U.P. Intoxicant Prohibition Rules, 1978.**

(ii)They shall apply to all prohibition areas in Uttar Pradesh.

#### **2. - In these rules, unless there is anything repugnant in the subject or context,-**

(1)'Prohibition' means a prohibition notified by the State Government in accordance with the provisions of Section 37-A of the U.P. Excise Act, 1910 (Act No. IV of 1910);(2)'Prohibited Area' in relation to any intoxicant means an area wherein prohibition of such intoxicant has been notified by the State Government in accordance with the provisions of Section 37-A of the U.P. Excise Act, 1910

(Act No. IV of 1910).Section B-Exemptions and Permits

### 3. Exemptions from the operation of these rules. - The prohibition shall not apply to the import, export, transport and possession-

(a)of liquor by troops either permanently stationed in the prohibition areas or in transit through such areas, as well as Military Officer Messes and Canteens attached to the troop stationed or in transit through such areas or to the sale of liquor by such canteens and messes to the persons authorised to use them subject to the following conditions : (1)Bottled foreign liquor and draught fermented liquor may be consumed only on the mess premises by Members and Honorary Members of the Mess who are Officers on the Active List of the Regular Defence Forces or Officers of the Reserve Auxiliary Forces and Territories Forces and are attached thereto for training and live in the Mess.(2)The quantity of bottled foreign liquor and draught fermented foreign liquor which the mess may possess at any one time shall not exceed such quantity as may from time to time be fixed, by the Excise Commissioner in consultation with the Station Commander.(3)Canteen may supply liquor to troops under licences in Form F.L. 9 and F.L. 9-A granted under the U.P. Excise Act, 1910 and Rules made thereunder.(4)No quantity of bottled foreign liquor and draught fermented foreign liquor obtained from canteen by troops is kept in any residential area by any member of the troop.(b)of lawfully manufactured or obtained liquor and intoxicating drugs up to the maximum quantities mentioned below by a bona fide traveller, while passing through a prohibition area by air or rails :

(i)	Foreign liquor by Europeans and other foreigners (not being national of India)	Foreign spirit and wine.	1.5 ... litres
	Beer ...	2.6 litres	
(ii)	Foreign liquor by Indians including domiciled Europeans, Anglo-Indians, Jews and Parsis	Foreign spirit and wine.	750 ... Mls.
	Beer ...	1.3 litres	
(iii)	Medicated wine specified in Appendices E-I and E-II of the U.P. Excise Manual, Volume I and in the Schedule appended to the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956.		... 1 litre
(iv)	Ayurvedic and Unani preparations containing self-generated alcohol.		... 1 litre
(v)	Denatured spirit		1.5 ... litres
(vi)	Other spirituous medicinal preparations, besides those mentioned in (iii) and (iv) above.		0.5 ... litres
(vii)	Medicinal and Toilet preparations, containing Indian hemp.		10 ... grams
(viii)	Spiced country spirit		750 ... mls.
(ix)	Plain country spirit		...

750  
mls.

(x) Bhangor any admixture thereof

50  
... grams

(c)of consignments of lawfully manufactured or obtained liquor by rail or by road and of lawfully manufactured or obtained intoxicating drugs by rail from and to outside the prohibition areas, provided the consignments are not tampered with or used during transit;(d)of lawfully manufactured or obtained liquor of intoxicating drugs, for the manufacture of medicinal preparations or by or on behalf of the persons or institutions mentioned in Appendices C and D of the U.P. Excise Manual, Volume II, provided that such import, export, transport or possession does not contravene the provisions of the Dangerous Drugs Act, 1930 (Act No. II of 1930), or Medicinal and Toilet Preparations (Excise Duties) Act, 1955 or any other Act for the time being in force;(e)of lawfully manufactured or obtained denatured spirit not exceeding 1.5 litres;(f)of wine or wine from grapes or Bhang in small quantity for bona fide religious or sacramental purposes;(g)of lawfully manufactured or obtained liquor (including denatured spirit exceeding 1.5 litres) or intoxicating drugs for bona fide industrial, scientific, educational or medicinal purposes, obtained under permits granted by the Collector in accordance with rules made in this behalf.Note. - For the purpose of these rules the word troops shall not include military personnel on leave or/and ex-servicemen not entitled to Mess facility.

**4. - (i) Prohibition shall not apply to a foreigner visiting or residing in the prohibition area who is granted a permit by the Collector to transport did posses foreign liquor excluding denatured spirit for consumption in accordance with the following sub-rules :**

Provided that no such permit for a quantity not exceeding 1.5 litres of foreign spirit and wine, 2.6 litres of Beer or 7.8 litres or 12 bottles of Beer shall be required in the case of a Foreign holding a permit under the All India Liquor Licence Rules visiting prohibition area for a period not exceeding a week.(2)Subject to general or special order as the State Government may make in this behalf a permit under this rule may be granted to a foreigner-(i)who was either born and brought up or domiciled in any country outside India where such liquor is being generally used or consumed, and(ii)who is on the Register of foreigners under the Registration of Foreigners Act, 1939, and(iii)who has been residing and intends to reside in India temporarily with the set purpose of making his sole and permanent home in any country outside India, and(iv)who is ordinarily using or consuming such liquor :Provided that such a person undertakes and in the opinion of the Collector is likely to abide by each one of the conditions of the permit and the rules under the U.P. Excise Act, 1910 (Act IV of 1910) not to do anything which would have the effect of directly or indirectly defeating or frustrating the policy of prohibition adopted by Government.(v)who is an European or other foreigner not being a national of India visiting prohibiting area and staying for more than a week.(3)(i)The application for permit under sub-rule (2) of Rule 4 shall bear a court-fees stamp of Rs. 1.50 paise and state the following :(a)name, age, address, profession and nationality of the applicant,(b)the number of quart/pint bottles of each kind of foreign liquor for which permit is sought,(c)the period of stay in the prohibition area where the application by a foreigner falls under

clause (v) of sub-rule (2), and(d)an undertaking by the applicant that in the event of permit being granted to him, he shall not share the foreign liquor obtained under it with any other person, not entitled to the above permit facility.(ii)Permit under this sub-rule (2) of Rule 4 shall be issued on payment of the fees of Rs. 15 in advance.(4)A permit granted by the Collector, under sub-rule (2) of Rule 4, may allow the possession of foreign liquor to the extent noted below :

- |     |                               |   |
|-----|-------------------------------|---|
| (a) | Limit of possession at a time | 750 mls. of foreign spirit and wines and 1.3 litres of Beer or 3.9 litres or 6 bottles of Beer.   |
| (b) | Limit of possession per week  | 1.5 litres of foreign spirit and wine and 2.6 litres of Beer or 7.8 litres or 12 bottles of Beer. |

(5)A permit-holder will be entitled to obtain his requirements either from-(i)any place outside the district but within Uttar Pradesh, or(ii)any place outside Uttar Pradesh, subject to the conditions hereinafter specified.(6)(i)In case he intends to bring his requirements from any other districts of Uttar Pradesh, he shall make duly stamped application to the Collector of his district for a transport permit giving the name and address of the firm from which the liquor is to be purchased and the quantity which he intends to obtain accompanied with the permit to possess foreign liquor (over-seas or Indian made) obtained under this rule. If the quantity for the transport of which the application is made does not exceed the limit of. the permit-holder's possession, the Collector shall issue a transport permit and at the same time endorse on the permit for possession issued under sub-rule (2) of Rule 4 the quantity in respect of which transport has been allowed. The permit shall be issued in triplicate in the form prescribed by the Excise Commissioner, one copy shall be given to the permit-holder, to cover the transport of foreign liquor, the second copy shall be sent to the Excise Inspector concerned and the third shall be retained by the Collector for record. The permit for possession shall after endorsement be returned to the applicant.(ii)In case he intends to get requirements from any place outside Uttar Pradesh, he shall likewise apply for import permit and the Collector shall issue an import permit in the manner laid down in clause (1) of this sub-rule. In addition to the above the procedure prescribed in paragraphs 614, 615 and 619 to 630 of the U.P. Excise Manual, Volume I for the import of Indian-made and overseas foreign liquor respectively shall be followed mutatis mutandis, in the case of import in the prohibited area.(7)On receipt of a consignment covered by clauses (1) and (2) of sub-rule (6), the permit-holder shall immediately inform the Excise Inspector in whose circle he resides shall allow him to check the consignment and examine its contents. The Excise Inspector after checking the consignment shall endorse the result on the permit for possession and the transport permit and send the latter to the Collector :Provided that if the consignment is not verified by the Excise Inspector within 24 hours of the notice of its arrival, the permit-holder shall be at liberty to open the consignment and utilize the contents.(8)All the permits in the foregoing clauses are strictly personal and not transferable. The foreign liquor covered by the permit is to be used only for the personal consumption of the permit-holder.(9)Any infringement of the above rules or any of the conditions of the permit shall render the permit liable to cancellation and the permit-holder liable to prosecution under the provision of U.P. Excise Act, 1910 (Act No. IV of 1910).

## **5. - (1) Permits required under clause (g) of Rule 3 shall be granted by the Collector in accordance with the following sub-rules :**

Provided that no such permit shall be necessary in case of liquor or intoxicating drugs to be used for administering to patients and kept in a chest at the District Hospital/Medical College with the Chief Medical Officer/ Principal for the quantities which the Excise Commissioner on annual indent of the Chief Medical Officer/Principal of Medical College and on being satisfied after consultation with the Director of Medical and Health Services for the aforesaid purpose.(2)Applications for permits for use of intoxicants under clause (g) of Rule 3 shall be submitted to the Collector bearing the requisite court-fee stamp and stating-(i)the name, address and profession of the applicant;(ii)the purpose for which the intoxicant is required;(iii)the quantity required and whether it is required periodically or at one time;(iv)the name of the licensed shop or the distillery or bonded warehouse from which the purchase is to be made; and(v)the place with sufficient details where the intoxicant would be kept for the proposed use.(3)Where the Collector is satisfied of the bona fide needs of the applicant for the purpose mentioned in his application, he may on payment in advance of a fee of Re. 1 for the whole year or part thereof grant a permit for the purpose or purposes specified in the permit and for such quantities as he may deem fit. One copy of the permit shall be despatched to the licensed shop or the distillery or bonded warehouse from which the purchase is to be made and the other shall be kept for record.Where the permit authorise the applicant to obtain the supply from a distillery, bonded warehouse or a licensed shop outside a prohibition district, or a district other than the one where the applicant is submitted a copy of the permit shall also be forwarded to the Collector of the district for which the supply is to be obtained.(4)Such permit shall authorize the issue of the intoxicant for which the permit has been issued only for the purpose mentioned therein and the permit-holder, unless exempted in writing by the Collector, shall maintain accurate daily account of the receipt, and disposal of the intoxicant.

### **5A. [ (1) The prohibition shall not apply to the transport and possession of foreign liquor (except denatured spirit) for personal consumption by person holding permit issued by the Collector or any officer authorised by him in this behalf.**

(2)Foreign Liquor Permit shall be granted by the Collector or the officer authorized by him for one year to a person, who is not below 21 years of age in accordance with the following sub-rules.(3)Applications for permit for one year for use of foreign liquor shall be submitted to the Collector or the officer authorised by him on plain paper stating the following particulars :(a)The name of the applicant in full;(b)Father's/Husband's name;(c)Residential address in full (for local residents with Ration Card number);(d)Age;(e)If permit holder is not local resident, the temporary period of stay for which permit is needed;(f)Quantity of foreign liquor in bottles (quarts) required during a fortnight;(g)Signature or thumb-impression of the applicant.(4)(i)The Collector or the officer authorised by him will register the name of the applicant and will issue him a permit in Form F.L. 38 under his signature specifying the fortnightly quota and the name of the shop from which the purchase shall be made. A fee of Rs. 15 (Rupees fifteen) will be levied per permit for which payment in cash shall be realized from the applicant. No photograph of the applicant shall be

required to be affixed on the permit issued to him/her.(ii)Permit books containing permits in Form F.L. 38 shall be kept by District Excise Officer which shall be serially numbered and its account shall be maintained in a register.(iii)The Collector or the officer authorised by him, shall obtain permit book from the District Excise Officer on written requisition.(iv)The Collector or the officer authorised by him, shall issue permit from the book to the eligible person after realizing requisite permit fee under clause(i). The amount realized as permit fee shall be deposited in the Government Treasury.(v)The details of number of permits issued, the name and address of permit holders and the amount of permit fees deposited in the treasury along with copy of the challan shall be submitted to the District Excise Officer every month by 15th of the month next following.(vi)The District Excise Officer shall verify the permit fees so deposited in the Government Treasury every month.(vii)The District Excise Officer shall maintain a register of all permit holders of the district and shall keep the details of the amount of permit fees deposited along with the number and date of treasury challans.(viii)The District Excise Officer shall scrutinise and tally the book number and serial number of permits issued to the permit holders by the Collector or the officer authorised by him with the book number and serial number of permit book issued by him.(5)The permit shall be granted subject to the following conditions :(a)Fortnightly quantity shall not exceed 1.5 litres of foreign spirits and wines (2 bottles of 750 M.L.) and 2.6 litres of beer or 7.8 litres (12 bottles) of beer;(b)The permit holder shall not possess at any one time any quantity of foreign liquor in excess of the quantity specified in his permit;(c)The permit holder shall not obtain foreign liquor required by him from any place other than the specified licensed shop of foreign liquor;(d)The permit holder shall not use or consume foreign liquor in any public place or in the room of a hotel or restaurant or institution to which the public may have access;(e)The permit holder shall not share the foreign liquor obtained under the permit with any other person;(f)The permit holder shall abide by the conditions of this permit and the provisions of the U.P. Excise Act, 1910 and the rules, regulations and orders made thereunder;(g)The permit may be suspended or cancelled, in accordance with the provisions of Section 34 of the U.P. Excise Act, 1910;(h)In the case the permit is cancelled or suspended or the permit holder himself surrenders it he shall surrender the whole of the unconsumed stock of foreign liquor forthwith to the Collector for disposal.]

**6. - Subject to the provisions of the Dangerous Drugs Act, 1930 (Act II of 1930), the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, the Spirituous Preparations (inter-State Trade and Commerce) Control Act, 1955 or any other law for the time being in force including the rules framed thereunder a permit granted under Rule 5 for the use of intoxicants-**

(i)for scientific or industrial purposes shall authorize the permit-holder to sale, transport and export articles manufactured therefrom, and(ii)shall authorize the permit-holder to transport and use intoxicants covered by the permit for medicinal purposes for which a permit was obtained, and also(iii)bona fide medicinal preparations manufactured therefrom and to export, dispense and sell the said preparations.

**7. - Subject to the provisions of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, the Spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955 or the rules made under any of the aforesaid Acts, U.P. Transport and Possession of Notified Restricted Spirituous Preparations (Prevention of Misuse) Rules, 1978 and U.P. Sale of Notified Restricted Spirituous Preparations (Prevention of Misuse) Rules, 1978, the prohibition shall not apply to the import, export, transport, possession and sale of Medicinal and Toilet Preparations containing alcohol of Indian hemp.**

**8. - The prohibition shall not apply to the drawing of Neera for sale or for manufacture of Gur (Jaggery) or similar products under a licence granted by the Collector under the provisions of the U.P. Neera (or Sweet Toddy) Rules, 1951 as amended up to date.**

**9. [ Exemptions to the sale of denatured spirit to general public and foreign liquor to persons holding permits there of and to troops by certain shop within the prohibition area. - Subject to the following conditions, the prohibitions shall not apply to such shops as may be licensed by the Collector in accordance with the provisions of the U.P Excise Act, 1910 (Act No. IV of 1910) for the sale of foreign liquor to persons holding foreign liquor permits granted by him and to troops and for the sale of denatured spirit to public :**

(1)The Collector may grant licence for import, transport and sale of denatured spirit to meet the requirments of the public entitled to use and possess denatured spirit in accordance with rules made under Section 41 (a) of the U.P. Excise Act, 1910 (Act IV of 1910).The maximum quantity permitted to sell in a month may be fixed by the Collector.(2)Supplies to permit-holders shall be made strictly in accordance with the quantities specified in the permit and detailed accounts of such sales shall be accurately maintained by the licence-holders in their sale register and also entered on the back of the permit.(3)The sale at these shops shall be allowed in accordance with the conditions of the licence prescribed by the Excise Commissioner.

**10. [ Power of Collector to suspend or cancel licence or permit. - The Collector may cancel or suspend any licence or permit granted by him or any officer authorised by him in this behalf :**

(a)if any fee payable by the holder thereof has been duly paid; or(b)in the event of any breach of condition of the licence or permit by the holder thereof or by his servant or by any one acting with his express or implied permission on his behalf; or(c)if the holder is convicted of any offence against these rules or of any cognizable and non-bailable offence; or(d)if the conditions of such licence or

permit provide for the cancellation or suspension at will; or(e)if the purpose for which the licence or permit is granted ceases to exit."]

**11. - Any order passed by the Collector under these rules shall be subject to an appeal or revision as provided under sub-sections (1) and (2) of Section 11 of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910).**

[Form F.L. - 38] [Inserted by Notification No. 1139-E-2/X1II-355-88, dated July 20, 1989, published in the U.P. Gazette (Extraordinary), Part-4, Section (Kha), dated 20th July, 1989 (w.e.f. 1st April, 1989).] Permit to transport and possess foreign liquor for personal consumption from 1st April in a year to 31st March of the year next following :Sri/Srimati/Kumari.....resident of.....(hereinafter called the "Permit-holder") is hereby granted foreign liquor permit under the U.P. Excise Act, 1910 and the rules, regulations and orders made thereunder authorizing him to buy, possess, transport, consume and use foreign liquor within the prohibited area subject to the following conditions, namely : (1)The permit-holder shall not use or consume more than 1.5 litre of foreign spirits and wines and 2.6 litres of beer or 7.8 litres or 12 quarts of beer during any one fortnight. (2)The permit-holder shall not possess at any one time during any fortnight, foreign liquor exceeding the quantity allowed for a fortnight in condition 1. (3)The permit-holder shall not use or consume foreign liquor in a public place or in the room of a hotel or restaurant or institution to which the public may have access. (4)The permit-holder shall not get drunk in any public place. (5)The permit-holder shall not share the foreign liquor obtained under it with any other person. (6)The permit-holder shall abide by the conditions of this permit and the provisions of the U.P. Excise Act, 1910 and the rules, regulations and orders made thereunder. (7)The permit may be cancelled or suspended in accordance with the provisions of Section 34 of the U.P. Excise Act, 1910. (8)In case this permit is cancelled or suspended or the permit-holder himself surrenders it, he shall surrenders the whole of the unconsumed stock of foreign liquor forthwith to the Collector for disposal.

Collector

Officer District

Seal of the Collector/Officer, Place Dated Specimen Signature of the Permit-holder. Reverse of the permit in Form F.L.-38 (details of purchase of foreign liquor made by the permit-holder). Name of the shop allotted to the permit-holder ..... Quantity of foreign liquor allowed per fortnight .....

Date	Quantity purchased	Running total of quantity of foreign liquor purchased since the 1st/16th of the current month	Difference between the quantity allowed per fortnight and the running total (Column 3) in bottles	Signature of the licensed vendor or his authorised salesman
(1)	(2)	(3)	(4)	(5)



## 1032. to 1040.

[Deleted].

## Chapter XIII State Management System

Section LII-Instructions for the Management of State Excise ShopsSection-AIntroduction

### 1041.

The introduction of the system of the State Management of excise shops, particularly in urban areas, has been taken in hand by the State Government in pursuance of their policy of enforcing prohibition and reducing consumption of all intoxicants. The primary object of the State Government system is the absence of any incentive for sharing profit accruing from the excise shops on the part of salesmen who are employees of the State Government and through whom conduct of sales of country spirit, hemp drugs, treasury opium and medicinal opium is envisaged wherever the system is enforced. The country spirit is sold only in sealed bottles and no consumption is allowed at the premises of the State shops which are managed directly by the Excise Department through paid agency. The system is at present in force in some 'dry' districts or 'dry' areas of the State for catering to permit-holders, and the State managed shops are located at the Headquarters of the 'dry' districts of Etawah, Mainpuri, Farrukhabad, Kanpur, Unnao, Fatehpur, Pratapgarh and at Jawalapur for the dry area of Hardwar Union of Saharanpur District. Instructions for the Management of State Shops

## Part I – General

### 1042. Definitions.

(1) In these instructions unless there is anything repugnant in the subject or context—(i) Assistant Excise Commissioner. - "Assistant Excise Commissioner" means the officer appointed by the State Government under Section 10 (2) (d) of the Excise Act, designated as such and exercising jurisdiction in the area. (ii) Assistant Salesman. - "Assistant Salesman" means a person selected and appointed by the Collector for carrying on sales at a shop under the State management either independently or in subordination to a Head Salesman. (iii) Collector. - "Collector" means the Chief officer-in-charge of the Revenue Administration of a district and includes Deputy Commissioner where the Collector is so designated. (iv) District Excise Officer. - "District Excise Officer" means an Assistant Collector subordinate to the Collector and placed by him in executive charge of the Excise Administration of the whole or part of a district. (v) Excise Commissioner. - "Excise Commissioner" means the officer appointed by the State Government under Section 10 (2) (a) of the Uttar Pradesh Excise Act IV of 1910. (vi) Excise Inspector. - "Excise Inspector" means an officer appointed by the Excise Commissioner and designated as such, exercising jurisdiction in the area. (vii) Government. - "Government" means the Government of Uttar Pradesh. (viii) Head Salesman. - "Head Salesman"

means a person selected and appointed by the Collector for carrying on sales at a shop under State Management with the assistance of Assistant Salesman.(ix)Salesman. - "Salesman" means the person selected and appointed for the shop where there is no Head Salesman.(x)Shop. - "Shop" means a State Managed shop.(xi)State Management. - "State Management" means the system under which vend of intoxicants, opium or medicinal opium is carried on through the agency of paid salesman.(xii)State Managed Shop. - "State Managed Shop" means an Excise/ opium/medicinal opium shop under the State Management System.(xiii)Supply Contractor. - "Supply Contractor" means a person or firm approved by the Government for supplying country spirit or hemp drugs to retail shops of a particular district or area.

## **Part II – Establishment of Shops**

### **1043. Selection of areas for opening State Managed Shops.**

- (2) State Managed Excise Shops may be opened under the direction of State Government in any district or districts or part of a district selected for the purpose of vend of intoxicants/opium/medicinal opium under licences to be issued by the Collector concerned to approved Head Salesman or Salesman in Forms 1, M.I.S.M. 2, S.M. 3 and S.M. 4, as the case may be, who shall also comply with the general conditions given in "Schedule", to these instructions."One and the same premises shall be house shops of different categories catering for the same area."

### **1044. Country spirit to be sold in sealed bottles and opium and drugs in sealed packets.**

- (3) Sale of country spirit shall be made only in pilfer-proof bottles of standard size of one-sixth, one-twelfth and one-twenty-fourth of an imperial gallon, which shall be properly labelled and securely sealed with pilfer-proof caps. Opium and hemp drugs shall be sold in only sealed packets which shall be impressed with a seal showing the name of the State Management Shop. Medicinal opium shall be sold in the form of pills or in such other forms the State Government may, from time to time, approve.

### **1045. Supply of furniture.**

- (4) Necessary furniture, weights, scales, other articles and a time-piece may be provided for each shop according to need. The requirements for each shop shall be reported to the Excise Commissioner who will place necessary funds for the purpose at the disposal of the Collector.

## **Part III – Appointment of Salesman**

#### **1046. Procedure and guiding principles governing appointment of Head Salesman, etc.**

- (5) The Collector shall invite applications and select HeadSalesman, Salesman and Assistant Salesman, if any. While no particular educational qualifications are prescribed for any post it would be desirable that preference is given to the educated unemployed provided that they are otherwise suitable. The Collector shall have full discretion in making appointments :Provided that no person shall be appointed as Head Salesman, Salesman or Assistant Salesman who is an old licensee or is related to any sitting or previous excise/opium licensee or had any previous connection with excise/opium business in any capacity other than of a paid employee at a State managed shop.

#### **1047. Number of Salesman to be appointed.**

- (6) Consistent with efficiency of management the minimum possible Salesman shall be appointed for a particular shop.

#### **1048. Salesman liable to transfer and responsible for observance of conditions.**

- (7) Head Salesman, Salesman and Assistant Salesmen may be transferred from one State managed shop to another, if any, at the discretion of the Collector. The Head Salesman of a particular shop wherein more than one salesman is employed, and in the case of a shop managed by a single hand, its Salesman shall be responsible for due observance of the rules and orders as well as of the conditions of licence. The Assistant Salesman, if any, shall be subordinate to the Head Salesman and shall be bound to carry out all his lawful orders.

#### **1049. Head Salesman and his assistants, jointly and severally responsible.**

- (8) The Head Salesman and Assistant Salesman shall all be jointly and severally responsible for any loss, misappropriation, wilful damage, theft and unnecessary wastage, etc. at the shop and the Collector may realize from all or one or more of them the entire amount of any such loss caused to Government. In case of a shop managed by a single Salesman the responsibility and liability shall devolve on its Salesman.

#### **1050. Security to be furnished by Head Salesmen, Salesman and Assistant Salesmen.**

- (9) The Head Salesmen and other Salesmen shall have to furnish securities amount whereof shall be fixed by the Collector after taking into consideration the value of the maximum stock which may be prescribed for the particular shop. Head Salesman should generally be made to furnish a higher amount of security than Assistant Salesmen but the total of the securities furnished by Head and Assistant Salesmen of a shop shall in no case be less than the value of the maximum stock prescribed for that shop. The following scales of securities will be found suitable in most cases :

## **1051. Extent and manner of securities to be demanded.**

- (10) Where shops of various kinds have been combined the amount of total securities shall not be less than the value of the maximum stocks of various intoxicants or opium prescribed for such shops. Securities may be taken in cash, or in the shape of Government securities or on hypothecation of immovable property. Security bonds shall be executed in Form 2-A of Financial Hand Book, Volume V.

## **1052. Scale of pay.**

- (11) The scale of pay of the Head Salesman, Salesmen, Assistant Salesman and the inferior staff, be as sanctioned from time to time by the Excise Commissioner, U.P. on recommendation, if any, of the Collector concerned, and with the previous approval of the State Government.

Head Salesman ..... Rs. 300 to Rs. 500

Other Salesman ..... Rs. 100 to Rs. 300

## **Part IV – Proceedings Against Salesmen**

### **1053. Salesman to be dealt with like other Government Servants.**

- (12) Head Salesman, Salesman and Assistant Salesman etc. employed at State managed shops, being salaried employees of the State Government, shall be liable to treatment as Government servants and not as licensees. In particular, any irregularity committed by them shall not be treated as a breach of condition of licence which is ordinarily compounded. Whenever action for any irregularity committed by a Head Salesman, Salesman etc. appears necessary departmental proceedings against him shall be taken and formalities prescribed for subordinate services in the Manual of Government Orders and the Punishment and Appeal Rules, fully observed. They shall be liable to punishment by reprimand, adverse entry in service roll, fine, removal or dismissal according to the seriousness of the irregularity committed. They shall also be liable to punishment by recovery from their pay or security, any pecuniary loss (in whole or in part) caused to Government by negligence or breach of rules or orders. They may, however, be dealt with leniently when the irregularities or mistakes are trivial and appear to be due to inexperience. On the other hand if inquiry reveals some criminal intention on their part they shall be liable to prosecution, should the merit of the case justify recourse to such action. Subject to the general control of the Collector, the District Excise Officer will be competent to pass all orders of punishment except an order of removal or dismissal. An order of removal or dismissal shall be passed only by the Collector.

## **Part V – Attendance at the Shops**

### **1054. Attendance on working days obligatory.**

- (13) The head salesman and other salesmen shall attend the shop during prescribed hours on days the shop remains open.

### **1055. Maintenance of attendance register.**

- (14) A register shall be maintained at each shop in which the Head Salesman and other Salesmen shall note their daily attendance.

## **Part VI – Procedure for Issues to Shops**

### **1056. Issues to be made against permit.**

- (15) Issues of country spirit and hemp drugs from a Bonded Warehouse or of excise opium and medicinal opium from a treasury to a shop under State management shall be made free of duty and cost price on the authority of a permit (in Forms S.M. 8, S.M. 9 or S.M. 10 as the case may be) granted by the District Excise Officer or by an Excise Inspector specially authorised in this behalf. In the case of issues of country spirit in bottles with pilfer-proof caps the price of bottles and charges for providing pilfer-proof caps and labels shall not be realized at the time of issues. Payments in respect thereof shall be made to the supply contractors by the District Excise Officer along with the price of spirit.

### **1057. Mode of obtaining permit.**

- (16) The head salesman, and, in case there is no head salesman, the Salesman of shop requiring issues of country spirit, hemp drugs, excise or medicinal opium shall present the application (in Forms S.M. 5, S.M. 6 or S.M. 7, as the case may be) to the District Excise Officer or the Excise Inspector authorized in this behalf mentioning the quantity of each of the above commodities required to be issued without payment of duty and cost price from a bonded warehouse or treasury, as the case may be. Should the District Excise Officer or the Excise Inspector concerned be satisfied that the stock of any one or more of these commodities in hand at the shop requires being replenished, he shall grant a permit in the prescribed form authorizing issues in such quantity or quantities as may be considered necessary by him. Care shall be taken that the total of the stock in hand at the shop and fresh supply allowed under the permit does not exceed the maximum stock of intoxicant, opium or treasury opium permitted by the Collector to be kept at the shop. The permit shall be prepared in duplicate. One copy will be given to the Head Salesman and the other kept in office for record.

### **1058. Stock not to exceed the maximum fixed.**

- (17) The quantity of issues permitted at a time shall ordinarily be limited to one week's probable requirement. The Collector shall prescribe the maximum stock permitted to be kept at a shop at any

one time which shall not be allowed to be executed.

### **1059. Issues how to be made.**

- (18) The Head Salesman, Salesman or Assistant Salesman as the case may be, shall present the permit to the Excise Inspector in-charge of the bonded warehouse or the officer-in-charge of the treasury from which the issues are to be taken. The officer concerned shall retain the permit and make the issues. The number and date of the permit shall be noted in the issue Register as if it were a receipted application. The issues made on the authority of the permits and those made on payment of duty and price shall be reported to the Collector, separately by the 5th of the month following. In case of issues of bottled country spirit the Excise Inspector in-charge of the bonded warehouse shall also report the number of quarts, pints and halfpints issued to State managed shop during the previous month together with the number of empty bottles of each kind returned to the Supply Contractor as also the calculated amount which remains to be paid to the Supply Contractor on account of price of bottles and charges for proving pilfer-proof caps and labels. A receipt in Form S.M. 15 shall be obtained by every Head Salesman, Salesman or Assistant Salesman returning empty bottles to the Supply Contractor or his agent. This receipt shall be produced by the Head Salesman, Salesman or the Assistant Salesman concerned before the Excise Inspector Incharge of the bonded warehouse who shall take a note of the number of each kind of bottles returned and initial the receipt in token of verification.

### **1060. Form of pass-book covering issue and transport of commodities.**

-(19) The current form of (B.W.L. - 7, I.D. 7 and Q. 13) pass-book for country spirit, drugs and opium, respectively, shall be utilized for covering the issue and transport of these commodities from the bonded warehouse or treasury, as the case may be.

## **Part VII – Duties of Head Salesman/Salesman with regard to maintenance of account**

### **1061. Sales register to be maintained.**

- (20) Registers of daily sale proceeds of country spirit, hemp drug and opium (excise and medicinal preparation) shall be in Forms S.M. 11, S.M. 12 and 13 respectively. These registers shall be maintained carefully by the Head Salesman/Salesman who shall enter the daily accounts immediately before closing the shop. Procedure for deposit of sale-proceeds. - The Collector shall fix the dates whereon the Sales-proceeds of intoxicants or opium/medicinal opium at each shop shall be deposited in the treasury or sub-treasury or the Head Salesman or the Salesman, as the case may be. In case the sale proceeds exceed the amount of security furnished by the Head Salesman/Salesman/Assistant Salesman at any time before the date fixed for deposit, the Head Salesman/ Salesman/Assistant Salesman shall deposit the same in the treasury or sub-treasury, immediately. The sale proceeds shall be deposited in treasury challan Form No. 209 to be credited to head '10-State Excise Receipts' showing the various amounts to be accounted for under the

following sub-heads : (i) Cost price including charges for pilfer proof caps and labels. (ii) Duty. (iii) Licence fee (sale price Minus issue price will be considered to be licence fee). In case of country spirit, charges for pilfer proof caps and labels from customers shall be added to the cost price of spirit sold and the total amount deposited in the treasury under sub-head (i). The price of bottles will not be deposited into the treasury on fixed dates or at regular intervals but shall be utilized in making refunds for empty bottles received from the customers. The Excise Inspector of the circle shall carefully scrutinize the working of the shop and form an idea of the amount of money required to be kept in hand for refund of price of empty bottles. Any surplus amount accumulated under the head 'Price of Bottles' shall be deposited by the Head Salesman/Salesman immediately at the close of the month into the treasury or sub-treasury under the head '10-State Excise Receipts-Miscellaneous'. The amount so deposited shall be entered in the remarks column of the register along with the number and date of the treasury receipt which shall be produced for verification before the inspecting officer at his next inspection.

### **1062. Saving in transaction of empty bottles to accrue to the State.**

- (21) The supply contractor supplying country spirit in sealed bottles to State managed shops shall be entitled, besides bottling charges, to the price of the bottle at the rate of 37 paise per quart, 31 paise per pint and 22 paise per half pint. On return of undamaged empty bottles at his warehouse, he shall have to pay back to the Head Salesman/Salesman or Assistant Salesman, as the case may be, at the same rates. The consumer, however, while returning undamaged empty bottles at the State managed shops, shall be entitled to get only 36, 30 paise and 21 paise per quart, pint and half pint, respectively. The gain of one paise per bottle of all kind so effected shall, under the State management system accrue to the State. The gain of this account shall be calculated every month and the calculated amount deposited in the treasury under the head TO-State Excise Receipts-Miscellaneous'. The amount so deposited together with the number and date of the treasury receipt shall be noted in the remarks column of the "Register of account of empty bottles" in Form S.M. 14 and the receipt maintained for verification of the entries by the Excise Inspector. The District Excise Officer may write-off breakages not exceeding Rs. 10 in value and the Collector those exceeding Rs. 10 but not exceeding Rs. 50. Losses involving high amounts shall be referred to the Excise Commissioner for orders.

### **1063. Wastage allowed and modes of dealing with excess wastage.**

- (22) Wastages at shops not exceeding 0.2 per cent in the case of opium and 0.5 per cent in that of Ganja and Bhang may be written off by the Collector on satisfaction after such inquiry as he may consider necessary that they are genuine working wastages. The Head Salesman/Salesman/Assistant Salesman shall otherwise be required to make good the loss to the Government on account of these wastages. If the wastage exceeds the allowable percentage fixed under the rule in any case but the Collector is of opinion that the same be written off, recommendation to the effect along with reasons therefor shall be submitted by him for orders to the Excise Commissioner. In all other cases wherein the genuineness of the cause of wastage is not proved to the Collector's satisfaction the Head Salesman/Salesman/Assistant Salesman shall be required to make good the loss and suitably punished if suspected of dishonesty or

misappropriation.

#### **1064. Forms of registers of sales to be maintained.**

- (23) The Forms prescribed for the maintenance of the accounts of receipts and sales of hemp drugs and country spirit at shops under the auction system of (Excise Series Nos. 12-B and 14-D) shall also be maintained at State managed shops along with other Forms and registers specially prescribed for shops under the State Management.

#### **1065. Sale-proceeds of only specified quantities to be deposited.**

- (24) The sale proceeds of only complete Bulk Gallons in case of country spirit, of complete Half-seers in case of opium of Full-seers in case of Bhang and Quarter seers in case of Ganja shall be deposited at a time in the treasury or sub-treasury. The quantity of opium, intoxicant or intoxicants for which the deposit is made as well as the amount of deposit shall be noted in the remarks column of the Sale-proceeds Register and the balance remaining with the Head Salesman/Salesman noted separately in the same column. Treasury receipts in respect of the amount's deposited shall be carefully preserved for scrutiny by Inspecting Officer.

#### **1066. Other duties of Head Salesman/Salesman.**

- (25) It shall be the duty of the Head Salesman/Salesman to keep all the registers prescribed for the shop properly and correctly posted up-to-date and to perform such other duties of the Head Salesman/Salesman as may be assigned to him by any general or special orders. No overwriting in the accounts shall be allowed. Mistakes, if any, shall be corrected and initialled. The total sale-proceeds deposited by the Head Salesman/Salesman during the month shall be reported by him to the District Excise Officer in his monthly statements and the details of price, duty and licence fee deposited shall be shown therein. The numbers and dates of the treasury receipts under which the deposits have been made shall also be noted in the statements prescribed by the Excise Commissioner. These statements shall be checked with the care in the Collectorate.

### **Part VIII – Shop expenses and other connected charges**

#### **1067. Imprest money for meeting miscellaneous expenses and maintenance of contingent register.**

- (26) A small amount shall be given as imprest money to each Head Salesman/Salesman in order to meet miscellaneous and contingent expenses. The actual amount to be allotted to each shop for the purpose shall be fixed by the Collector after taking into consideration the likely requirements of each shop. When the imprest money is required to be recouped the Head Salesman/Salesman should apply to the District Excise Officer enclosing the vouchers of the money spent by him and only such amount shall be allowed to him as is covered by the vouchers. Bills for contract contingent charges shall be drawn in Treasury Form No. 277 and those for non-contract contingent charges in Treasury



Form No. 301. Attention is drawn in this connection to Rule 177 of the Financial Hand-book, Volume V, Part I, provisions whereof shall be carefully observed. A contingent register in Form S.M. 16 shall be maintained by the Head Salesman/Salesman of the shop.

### **1068. Travelling expenses involved in taking issues.**

- (27) Where a Head Salesman/Salesman/Assistant Salesman is required to travel a distance of over 5 miles for taking issues from a warehouse or treasury, he will be granted actual travelling expenses as well as halting expenses at the discretion of the Collector, should halt be essential.

### **1069. Budget head and sub-heads governing expenditure.**

- (28) All the expenses in connection with the State Management of shops fall under the budget head "10-State Excise-B-District Executive Establishment-(b) Prohibition Staff Contingencies". The following sub-heads of the lump sum grant have been approved by Government : (1) Contingencies-(a) Contract, (b) Non-contract. Carting charges, hire of labour, initial expenses, etc. will come under (a) and shop rent will come under (b). (2) Stores. (3) Cost price of intoxicants.

### **1070. Salary how drawn.**

- (29) the pay of the Head Salesman/Salesman/ Assistant Salesman etc. shall be drawn in the ordinary pay bill form, and debited to the budget head "10-State Excise-B-District Executive Establishment-(b) Prohibition Staff-Pay of Establishment". The sanction of the Collector appointing the salesman shall accompany the bill, payments made shall duly be recorded on the acquittance roll (Treasury Form No. 263).

## **Part IX – Payment of cost price to supply contractors**

### **1071. Mode of payment of cost price of intoxicants.**

- (30) The price of intoxicants payable to the Supply Contractor shall be made, primarily from the amount deposited in the treasury as cost price. In case this amount is less than the amount due to the Supply Contractor, the District Excise Officer shall draw upon the amount of advance for the purpose placed at his disposal. The price of intoxicants issued from the warehouse to the State managed shop shall be paid monthly to the Supply Contractor in the manner it is paid for issues to shops under the auction system.

### **1072. Placement of advance towards price account.**

- (31) An adequate sum by way of advance shall be made towards cost price account to be maintained at the treasury in order to facilitate payment to Supply Contractors of cost price (including price of bottles and bottling charges) of country spirit and intoxicating hemp drugs. Suitable amount for the purpose shall be allotted to each Contractor. Requisite instructions shall be

issued to Treasury Officers and the Excise Inspectors of the district.

## **Part X – Supervision of Excise Shop**

### **1073. Points needing special care by inspecting officers.**

- (32) Shop registers shall be checked carefully by inspecting officers. The Excise Inspector concerned in particular, while inspecting shops shall take special care to verify the stock of different kinds of intoxicants or opium/medicinal opium against the book balance and see that correct prices are charged by the Head Salesman/Salesman/Assistant Salesman. He must further, make sure that the amount of sale proceeds in hand tallies with that shown in the sale-proceeds accounts and that sale-proceeds are never held up in defiance of provisions of the rules. This register as well as the Empty Bottles Register and Imprest Money Account shall also be carefully scrutinized. The Excise Inspector of the circle must inspect State managed shops at least once a month.

### **1074. Responsibility of the Assistant Excise Commissioner.**

- (33) The Assistant Excise Commissioner shall inspect State managed shops at least, once a quarter and satisfy himself that orders are being properly carried out. He shall promptly report to the Excise Commissioner, Uttar Pradesh, through the Collector, any irregularity that he may detect. He must also check the accounts very carefully and satisfy himself that there is no misappropriation or embezzlement of Government money.

### **1075. Duty of reporting embezzlement, etc. primarily of Excise Inspector of the circle.**

- (34) The Excise Inspector shall also be responsible for promptly reporting all cases of embezzlement, misappropriation or theft, both to the Collector and to the Assistant Excise Commissioner. An advance copy of the report shall also be sent to the Excise Commissioner for information. The Collector shall forward the result of his inquiry in each case to the Excise Commissioner for being reported to the Government and the Accountant General, Uttar Pradesh, as required by the rules.

## **Part XI – Checking of Periodical Statements in the Collectorate**

### **1076. Statements prescribed and checking thereof in the Collectorate.**

- (35) The following monthly statements are prescribed to be submitted to the Collector by the Head Salesman/Salesman in-charge of liquor, drugs and opium shops under the Management. These should be submitted by the third of the month following that to which they relate : (1) Statement of receipt, sales and balances of country spirit (monthly extracts of register of Excise series No. 14-D). (2) Statement of sale-proceeds of country spirit (extract of register S.M. 12). (3) Statement of

empty bottles, cost of bottling realized and refunds allowed (extract of register S.M. 15).(4)Statement of receipts, sales and the balance of hemp drugs (monthly extract of register of Excise Series No. 12-B).(5)Statement of sale-proceeds, of hemp drugs (extract of register S.M. 13).(6)Statement of receipts, sales and balances of opium (monthly extract of register S.M. 15).(2)Statement of sale-proceeds of opium (extracts of register S.M. 14).Each statement shall be carefully checked in the Collector's office with a view to ascertaining whether correct prices have been charged and sale-proceeds duly accounted for. A quarterly statement in the prescribed Form G-28 shall be submitted by the Collector at the end of each quarter to the Excise Commissioner, Uttar Pradesh.

## Chapter XIV

### Vintnery

Section LIII-General Rules Governing Vintneries (Manufacture of wine)A. Introductory

#### **1090. Foreign liquor fermented or distilled.**

- Alcohol is produced on fermentation of sacchrine material or of starchy material after saccharification. It is, however, difficult to secure alcoholic concentration in excess of 12-14 per cent, by fermentation alone, whatsoever be the base used. The process of distillation is necessary for obtaining stronger liquor the resulting product being classified as "Spirit" rules in respect of manufacture whereof are given in Chapter IX of this volume.

#### **1091. Fermented foreign liquor of two categories.**

- As pointed out earlier in paragraphs 7 and 12, supra foreign liquor obtained by the process of fermentation is of two categories, viz. wines and beers, depending on the base utilized. Malt liquor, commonly known as beer is obtained on fermentation malted cereals, rules governing manufacture whereof are given in Chapter X. The product of fermentation of fruit worts is termed as "Wine" and the trade in general as "vintnery", rules in respect whereof are given in this Chapter. In common parlance, vintnery is the name given to the premises of Wine manufacture.

#### **1092. Characteristics of wines of different nomenclature.**

- Wine, generally speaking, is the name given to the product obtained on fermentation of grape juice. Products, obtained on fermentation of the pulp or juice of other fruits are termed as "fruit wines". Wines which are the product of natural fermentation caused by yeast naturally present on the skin of fruits, are termed as "natural wines" and generally contains alcohol from 7 to 14 per cent by volume. Sometimes, fortification of the 'natural wine' is effected to prevent from souring in course of transit, particularly to tropical countries, by the addition, as preservation of brandy or some natural spirit. Such 'fortified wines' contain 14-30 per cent, of alcohol by volume. Wines are classified as 'dry' or 'sweet' according to whether sugar content thereof is exhausted by fermentation or not. Wines which effervesce on being poured out of closed containers, either as a result of

secondary fermentation going on in the container itself or as a result of dissolution of carbon-dioxide, under pressure before closing the container, are called 'sparkling wines'. Wines which do not effervesce are called 'Still Wines'.

### **1093. Rules regarding wines other than its manufacture where given.**

-Classification and nomenclature of various varieties of foreign liquor known as wines are given in Rule 7 of Chapter I of this volume and in Appendix I, Volume II. Import, export, transport, possession and sale of wine are governed by rules given in Chapter VIII relating to foreign liquor.B-The U.P. Vintnery Rules, 1961

### **1094. Title.**

- These rules may be called the Uttar Pradesh Vintnery Rules, 1961.

### **1095. Definitions.**

- In these rules unless there is anything repugnant in the subject or context,-(a)"Excise Year" means the period from April one to March thirty-one following;(b)"Fortification" means the addition of brandy or some neutral spirit to wine or to the must, for preventing wine from turning sour;(c)"Lees" means the residue left on straining of wine after completion of the process of fermentation;(d)"Must" means a juice of crushed grapes as expressed for Wine making before fermentation thereof and includes the juice of pulp of any other fruit for production of wine;(e)"Vintner" means a person licensed to work a wine-manufactory;(f)"Vintnery" means a wine-manufactory;(g)"Wine" means the product obtained on alcoholic fermentation of grape juice or pulp or juice of any other fruit, natural or fortified, the alcoholic content whereof does not exceed 42 per cent proof spirit;(h)"Young wine" means the fermented unmaturred wines product obtained immediately after standing off the lees;(i)"Officer-in-charge" means the Excise Inspector appointed as such by the Collector for the purpose of supervising work in a vintnery.Establishment of Vintnery

### **1096. Application for licence.**

- (Rule 3). Any person desiring to establish a vintnery in the State shall apply for a licence to the Excise Commissioner, Uttar Pradesh, through the Collector of the district in which the vintnery is proposed to be set up. The application in Form 3 shall be accompanied by a plan and full description of the premises where the manufacture would be carried on. The plan shall be drawn to scale or tracing cloth indicating the number and full description of fermenting and storage vessels and the exact position and description of each vessel proposed to be used. The Collector shall after such inquiry, as he may deem necessary, forward the application with his recommendation, to the Excise Commissioner, Uttar Pradesh.

**1097.**

(1) Application for licence in Form V-3 shall be granted or refused by the Excise Commissioner having regard to the actual consumption of wine within the State and its availability of supervisory staff. (2) If the Excise Commissioner is satisfied, he shall subject to such conditions as the State Government deem fit to impose, authorize the establishment of a vintnery and issue a licence in the appended Form V-L. The fee for such a licence shall be Rs. 2,500 (Rupees two thousand five hundred only) payable in advance for the year or part thereof for which the licence is granted. (3) The aforesaid licence shall be valid, unless specifically extended, for a period of one year only from the date of issue, within which period the holder thereof shall arrange to secure the land, building, plant, machinery and other equipment required for the establishment of the vintnery. This licence shall not confer any right or privilege for the grant of licence for the manufacture, of wine and it is liable to be revoked or withdrawn at any time, in the public interest. No compensation for a damage or loss shall be payable when the licence is so revoked or withdrawn.

**1098.**

(1) No wine shall be manufactured and no person shall use, keep or have in his possession any material, still, utensil, implement and apparatus whatsoever, for the purpose of manufacturing wine except under the authority and subject to the terms and conditions of a licence granted in Form V-2 by the Collector, with the previous approval of the Excise Commissioner. (2) An application for the grant of licence under sub-rule (1) shall be in Form V-4 and shall be submitted to the Excise Commissioner with the period of validity of the licence in Form V-I. (3) Before, according approval to the grant of a licence in Form V-2 and Excise Officer duly authorised by the Excise Commissioner shall inspect the premises, all apparatus are fermenting and storage, vessels, compare the same with the particulars furnished and certify the same if found to be in order ; (4) No licence shall be granted unless and until the applicant has- (a) satisfied the Excise Commissioner that the building and the plant have been built in accordance with the prescribed regulation and that due precaution against fire has been taken; and (b) deposited as security a sum of Rs. 2,500 (Rupees two thousand five hundred only) in Government Promissory Notes or other Government securities of equivalent market value, for due fulfillment of all conditions of licence and for the payment of all sums which may become due to Government by way of duties, penalties, fines, and taxes under his provisions of licence or to which the vintnery may be liable by law or by rules having the force of law or under any engagement into which he may have entered. The notes or other securities shall, on deposit, be endorsed to the Collector of the district in which vintnery is set up by designation. The vintner shall be allowed to draw, as it falls due, the interest accruing on them; (c) deposited a licence fee of Rs. 500 (Rupees five hundred only) payable in advance for the year or part thereof for which the licence is granted.

**1099.**

The licence shall be valid for the Excise year for which it is issued and shall require renewal annually. The application shall be made to the Collector on or before February 28, every year for the renewal for the licence for the Excise year following. If there has been alteration in either plant or

building fresh plans must be submitted. If there has been no alteration, a certificate to this effect from the officer-in-charge should be attached with the application for the renewal of the licence. A licence fee of Rs. 500 (Rs. five hundred only) for a year or part thereof shall be payable in advance for such renewal.

## **1100.**

The licence fee shall be deposited in the Government Treasury at the time an application for grant of renewal of the licence is made and proof of such deposit shall be furnished to the Collector with the application.

## **1101. Additional licence.**

- (Rule 8). The vintner shall also obtain a bottling licence in Form F.L. 3 for bottling of wine produced in his vintnery and licence in Form F.L. 1 or F.L. 2 for wholesale vend of the same. General Arrangement and Management

## **1102. Establishment charges of permanent staff.**

(a) The Excise Commissioner may post to a vintnery such number of Excise constables as in his opinion the needs of the vintnery may require. (b) The pay of the constables posted to a vintnery under sub-rule (1) shall be borne by the State Government : Provided the total amount on this account does not exceed ten per cent of the total excise duty realized on the issues of wines from the vintnery to the district within the State. When the total amount of the pay of the constables exceeds ten per cent of the total excise duty referred to above, the excess shall be realized from the vintners concerned.

## **1103. Supply of quarters and office furniture.**

- The vintner shall provide - (a) the constable posted at the vintnery under Rule 8, rent-free quarters in the vintnery; and (b) the officer-in-charge of the vintnery, necessary accommodation in the vintnery to be used as office by him and suitable office furniture.

## **1104. Supervising staff.**

- The vintner shall in a week prior to the date on and from which wine is proposed to be manufactured intimate the Collector of his intention so to do whereupon the Collector shall depute an Excise Inspector for supervising the initial operation of wine manufacture.

## **1105. Prior approval of Excise Commissioner necessary regarding material to be used.**

- The vintner shall obtain prior approval of the Excise Commissioner as regards materials to be used for manufacturing wine.

### **1106. General outlay of building.**

- The vintnery building shall have brick walls and a roof of fire-resisting materials. It shall consist of a fermentation room, a bottling room and at least one store room for finished preparations. All rooms shall be well ventilated and all the windows shall be securely barred and wire-netted with a net or not more than one inch mesh. Every room shall bear on the outside, a board on which shall be legibly painted, in oil colour, the name of the room. The bottling room and store room for finished preparations shall have but one entrance each and shall be separately locked by the officer-in-charge and the vintner.

### **1107. Unauthorized alteration in building or fixtures not to be made.**

- No additions and alterations to the vintnery or the permanent fixtures therein shall be made without the previous sanction of the Excise Commissioner :Provided that minor additions and alterations urgently required may, on presentation of a fresh plan of the vintnery, be allowed by the Assistant Excise Commissioner concerned subject to the subsequent approval of the Excise Commissioner.

### **1108. Precaution against fire.**

- (Rule 15). A sufficient number of chemical fire-extinguishers and fire-buckets shall be maintained by the vintner in the premises. Smoking and use of naked lights within the vintnery shall be prohibited. A notice to this effect shall be conspicuously displayed in the vintnery building.

### **1109. Twenty-four hours' notice necessary : Extra charges for overtime work.**

- (a)the vintner shall not keep the vintnery open for more than eight hours on any working day, or between sunset and sunrise except with the prior permission of the officer-in-charge.(b)The vintner shall give in writing to the officer-in-charge at least twenty-four hours' notice of his intention to keep the vintnery open for work beyond the normal eight working hours on any working day or days, stating clearly therein the operation to be carried out. Such a notice shall also be necessary for work to be done on any approved holiday.(c)The vintner shall have to pay such overtime charges for work done on an approved holiday as the Excise Commissioner may prescribe.
- Mode of Working

### **1110. Maintenance of accounts.**

- The vintner shall maintain a correct account of all the materials used in the manufacture of wine, itemwise, together with the total quantity (in imperial gallons) of the resultant liquor with its specific gravity taken by means of a glass saccharometer, in a register to be maintained by him, and signed by him which should also be signed by officer-in-charge.

### **1111. Specific gravity and changes in the bulk of the must to be recorded.**

- Every morning, subsequent to the pitching of the must the vintner himself or his authorised agent shall record its specific gravity and the changes in bulk in the register under his own signature, till the liquor referred to in Rule 17 is ready for casking or racking, after straining off the lees.

### **1112. Specific gravity to be determined by the officer-in-charge.**

- The quantity of the fruit juice placed in each fermenting vessel, the bulk of the fermented must therein add the original and final gravities shall be ascertained by the officer-in-charge. For the first two items he may rely on the figures furnished by the vintner. No fermented must shall be taken out of the vinery or brought in from outside.

### **1113. Finished wine to be sealed by the officer-in-charge.**

- The vintner shall request the Collector to direct the officer-in-charge to be present on the date of the transference of strained liquid to the storage receptacle which should be capable of being properly sealed by the officer-in-charge. The bulk and the final specific gravity of the fermented must shall be recorded after straining by the vintner in register which will be maintained and signed by him and also by the officer-in-charge.

### **1114. Power of Excise Commissioner to fix alcoholic strength discretionary.**

- The Excise Commissioner may if he deems it necessary, fix normal alcoholic strength and allowable margins for the wines to be manufactured.

### **1115. Samples for analysis.**

- The officer-in-charge shall take two samples of the young wine quart bottles in the presence of the vintner or his agent and after duly sealing the same deposit one with the Collector and send the other to the Chemical Examiner to the Government, Uttar Pradesh, Agra for report as to its real alcoholic strength, and as to whether the wine is sparkling or of the other variety. The vintner shall pay the packing charges, freight and the examination fee of the samples sent to the Chemical Examiner. Issue of Wines

### **1116. Wine to be realized on being certified by the Chemical Examiner and after payment of duty.**

- The young wine shall remain in a receptacle, sealed by the officer-in-charge and shall be released after the Chemical Examiner's report is received and the duty on the sealed wine is deposited in the headquarters treasury. The amount of duty deposited together with the number and the date of the treasury challan shall be recorded, under the signatures of the Inspector, together with the date of release of the wine.



### **1117. Rates of duty.**

- Duty on the quantity of wine to be released shall be payable at the rates given against item 6 of Appendix B-II of Volume II of the Excise Manual. The quantity of the wine to be released at one time shall not be less than 5 imperial gallons. If duty paid brandy or any neutral spirit is added for the purpose of fortification of young wine the duty is to be levied on the bulk of the wine before such addition. Note. - Wines containing more than 42 per cent of proof spirit shall be charged duties at the rate given against Item 4 (a) of Appendix B-II of Volume II of the Excise Manual. In such cases duty shall be charged on the proof content of the wine deducting the duty already levied on brandy or any neutral spirit utilized in the fortification thereof.

### **1118. Sale to be made under F.L. 1 or F.L. 2 licence only.**

- (Rule 25). The vintner may sell his duty paid wine to wholesale vendors in the State under F.L. 1 or F.L. 2 licences or to retain vendors (including F.L. 15) under F.L. 2 licence. All such sales shall be covered by a pass in Form F.L. 36 issued by the vintner.

### **1119. Export to be made in accordance with the condition of licences in Form F.L. 1 or F.L. 2.**

- Duty-paid wine may be exported by the vintner from his wholesale licensed premises (F.L. 1 or F.L. 2) to other States or Union Territories in India. Such exports shall be covered by a pass in Form F.L. 23 issued by the vintner.

### **1120. Rules of the importing States to be also observed.**

- Before and while exporting wine to other States or Union Territories in India, the vintner shall comply with the rules and regulations governing import of foreign spirits and wines into the State or Union Territory concerned. Bottling of Wine

### **1121. Bottling to be done under F.L. 3.**

- Bottling of wine shall be carried on in the wholesale premises of the vintner in accordance with the provisions of paragraph 645 of the Excise Manual and conditions of licence in Form F.L. 3.

### **1122. Bottling account to be maintained.**

- The vintner shall maintain accounts of such bottling operations in the form prescribed under condition no. 7 of the licence in Form F.L. 3. Miscellaneous

### **1123. Labelling of wine.**

- The vintner shall not give any name to his wine which may give rise to any ambiguity or trade objection. He shall note on the labels of the containers of the wine "Made in India" and the name of his firm, the place of manufacture and the base from which the wine is manufactured.

### **1124. Liability of vintner for loss.**

- (Rule 31). The vintner shall be held strictly responsible for the safe custody and accounting of all alcoholic liquid under fermentation or other process of manufacture, and of the finished wine at the licensed premises. He shall be liable to pay double the amount of duty on any loss or discrepancy in accounts which he is unable to explain and may be held further liable to penalty not exceeding Rs. 500 at the discretion of the Excise Commissioner. N.B. - The licensee shall maintain a daily accurate account of all transactions (including bottling) of the finished and unfinished wine.

### **1125. Signboard to be affixed.**

- The vintner shall have a proper signboard affixed to the premises licensed for the manufacture of wine.

### **1126. Inspection by officers.**

- The vintner shall allow all Excise Officers of and above the rank of an Excise Inspector to visit the vinery at all hours of day and night to inspect the premises, to check the accounts and pass-books, to measure finished and unfinished wines and to ascertain their specific gravity.

### **1127. Only authorised persons to be allowed in the premises.**

- The names of all persons engaged in the manufacture and disposal of wine shall be duly endorsed on the licence, on approval of the Collector. C-Sacramental Wine

### **1128. Sacramental wine.**

- The use of wine for sacramental purpose for Christian religious worship is customary. Wine for such purposes used to be secured in the past by those concerned in this State, in the open market. With a view, however, to obviate any hardship in the observance of Christian's ritual in the wake of enlistment, by the Union Government, of wine as luxury goods and consequential increase in its price, grant of permission for manufacture of wine for purely Christian religious ritual appears desirable. Rules governing the manufacture of sacramental wine or mass wine are given below. The U.P. Sacramental Wine Rules, 1959

### **1129. Short title.**

- These rules may be called the U.P. Sacramental Wine Rules, 1959.

### **1130. Definitions.**

- Unless there is anything repugnant in the subject or context, -(a) "Act" means the U.P. Excise Act, 1910 (Act No. IV of 1910); (b) "Bishop" means a priest of the Roman Catholic or Anglican Church consecrated as Governor of a diocese; (c) "Manufactory" means the room or building specified in the licence for the manufacture of sacramental wine; (d) "Sacramental Wine" means wine required for offering the Holy sacrifice of Mass in a Roman Catholic Church or Holy Communion in an Anglican Church in U.P. and prepared from raisins.

### **1131. Restriction on grant of licence.**

- No licence for the manufacture of sacramental wine shall be granted unless the licensee is a Bishop or a priest of a Roman Catholic or Anglican Church.

### **1132. Application for licence.**

- (a) An application for a licence for the manufacture of sacramental wine shall be made in writing to the Excise Commissioner through the Collector of the district concerned. (b) The application shall be accompanied by - (i) short description of the place where it is proposed to manufacture sacramental wine; (ii) approximate quantity of sacramental wine which is proposed to be manufactured and the names of the diocese and Churches for which the wine shall be utilized.

### **1133. Issue of licence.**

- The Excise Commissioner may grant a licence in the prescribed form for a period not exceeding one year ending March 31, of the following year on the recommendation of the Bishop of the diocese.

### **1134. Renewal of licence.**

- Application for renewal of licence shall be submitted through the Collector concerned to the Excise Commissioner, U.P. at least one month before its expiry.

### **1135. Transport of sacramental wine.**

- (a) Sacramental wine manufactured under the licence so granted shall not be removed except under the authority of the Bishop of the Diocese concerned. (b) In a prohibition district a priest may obtain a permit for the transport and possession of sacramental wine from the Collector and obtain it from any wet district.

## 1136. Excise duty.

- No Excise duty shall be charged on sacramental wine which is manufactured under these rules. Notifications Notification No. 7831/Sansadhan/98-99-Licence, dated 24th March, 1998. - In exercise of the powers under Section 31 read with clause (c) of Section 41 of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910) and Section 21 of the Uttar Pradesh General Clauses Act, 1904 (U.P. Act No. 1 of 1904) and in supersession of Excise Commissioner's Notification No. 12788/Sansadhan-97-98-Licence, dated March 21, 1997, the Excise Commissioner, with the previous sanction of the State Government, prescribes with effect from April 1, 1998, the following rates of fixed fee to be realised from the wholesale supplier of country spirit holding C.L. I. licence in the State :

- |   |   |
|---|---|
| (a) For district having Minimum Guaranteed Quantity up to Ten Lakhs bulk litres.                                      | Rs. 1,50,000.00 per annum or part thereof for every such district.  |
| (b) For district having Minimum Guaranteed Quantity more than Ten Lakhs bulk litres up to Twenty Lakhs bulk litres.   | Rs. 3,00,000.00 per annum or part thereof for every such district.  |
| (c) For district having Minimum Guaranteed Quantity more than Twenty Lakhs bulk litres up to Forty Lakhs bulk litres. | Rs. 5,00,000.00 per annum or part thereof for every such district.  |
| (d) For district having Minimum Guaranteed Quantity more than Forty Lakhs bulk litres up to Sixty Lakhs bulk litres.  | Rs. 7,00,000.00 per annum or part thereof for every such district.  |
| (e) For district having Minimum Guaranteed Quantity more than Sixty Lakhs bulk litres up to Eighty Lakhs bulk litres. | Rs. 10,00,000.00 per annum or part thereof for every such district. |
| (f) For district having Minimum Guaranteed Quantity more than Eighty Lakhs bulk litres.                               | Rs. 14,00,000.00 per annum or part thereof for every such district. |

Notification No. 17832/X-Licence-Sansadhatt-98-99, dated 24th March, 1998. - In exercise of the powers under clause (a) of Section 31 and clause (c) of Section 41 of the U.P. Excise Act, 1910 (U.P. Act No. IV of 1910) read with Section 21 of the Uttar Pradesh General Clauses Act, 1904 (U.P. Act No. 1 of 1904) and in supersession of Notification No. 11156/X-Licence-Sansadhan-96-97, dated March 12, 1996, the Excise Commissioner hereby directs that on Indian Made Foreign Liquor and Beer imported in bottles by a licensed vendor (except a Military Canteen or C.S.D. Licensee), a permit fee payable by the importer, before the issue of import permit by the officer authorised in this behalf, shall from April 1, 1998, be levied at the following rates :

1. Indian Made Foreign Liquor ... Rs. 8.00 per standard quart bottle of 750 ml.
2. Beer ... Rs. 3.00 per bottle of 650 ml.

[Substituted by Notification No. 766-E-2/XIII-94-355-88, dated 11th March, 1994.] [Substituted by Notification No. 1139-E-2/XIII-355-88, dated July 20, 1989, published in the U.P. Gazette (Extraordinary), Part-4, Section (Kha), dated 20th July, 1989 w.e.f. 1st April, 1989.] [Substituted by Notification No. 766-E-2/XIII-94-355-88, dated March 11, 1994, published in U.P. Gazette, Part 4, Section (Kha), dated 11th March, 1994.]