

¹ [the punjab distillery rules]

PRELIMINARY

9.0. In these rules unless a different intention appears from the subject or context --

- (a) **“license”** means a license granted for a distillery under section 21 of the Punjab Excise Act, 1 of 1914.
- (b) **“Inspector”** includes sub-inspector.
- (c) **“Wash”** means a saccharine solution from which, after distillation, spirit is obtained.
- (d) **“Bub”** is a composition itself in a state of fermentation prepared, for addition to wash, to promote fermentation.
- (e) **“Low wines”** means impure spirit produced from the first distillation of the wash in a pot-still.
- (f) **“Feints”** means that portion of the distillate from the low wines which is considered unfit by reason of its impurities to be collected in the spirit receiver.
- (g) **“Spirit”** means both finished and unfinished spirit.
- (h) **“Rectified spirit”** means spirit of strength of 60 degrees or more over proof.
- (i) **“Receiver”** means any vessel into which the worm of a still discharges.
- (j) **“Spent wash”** means the residue left after the wash has been exhausted of spirit.
- (k) **“Spent lees”** means the residue left after unfinished spirit has been redistilled.
- (l) **“Spiced spirit”** means spirit redistilled after the addition of flavours and spices to plain spirit

¹ The Punjab Distillery Rules were notified under Financial Commissioner’s notification No. 1474-E. & S.dated 5th May, 1932, in exercise of the powers conferred by section 21 and 59 of the Punjab Excise Act, I of 1914.

¹[(m) **“Special spiced spirit”** means spiced spirit approved by the Financial Commissioner for issue as special spiced spirit. It includes matured spirit more than two years old.]

²[(n) **“Malt whisky”**, means whisky manufactured from malt only.]

(o) **“Matured Whisky”** means whisky matured in week for a period of not less than two years.

(p) **“Distillation”** includes redistillation.

³[(q) **“Collector”** means the Deputy Excise and Taxation Commissioner Incharge of the Distilleries and includes the Joint/Deputy Excise and Taxation Commissioner Incharge of the Zone concerned.]

GRANT OF LICENSES

9.1. The Financial Commissioner has full power to grant or refuse applications for licenses with reference to the requirements of the ⁴[State]

9.2. Any person desiring to obtain a license for a distillery under section 21 of the Punjab Excise Act, (I of 1914), may apply to the Collector.

9.3. Every application for a license for a distillery shall be in writing in the form D-1 and shall be accompanied by ---

- (a) a correct plan of the premises which the applicant proposes to use for the purposes of his business under his license and of the buildings existing or to be erected thereon, for the said purposes;
- (b) a list and plans of all warehouses, store-rooms and other places appertaining thereto, or to be used in connection therewith; and
- (c) a certificate from the Civil Surgeon that there is no objection on sanitary grounds to the construction of distilling premises, or to the distillation of spirit on the site and in the building shown in the accompanying plans.

1. Vide Financial Commissioner's notification No. 1279-Ex, dated the 10th March, 1937.

2. Vide Financial Commissioner's notification No. 4215-Ex, dated the 3rd November, 1938, and No. 4276-Ex, dated the 7th October, 1939.

3. Added vide Notification No. 7-72/92-EXN-1555-99 dated 2nd February, 1994 published on 9.2.1994.

4. Substituted by the Adaptation of Lones, 1950.

¹[9.4. No license shall be granted unless and until the applicant therefore has:

- (a) deposited a sum of Rs. 50,000/- in cash as license fee;

- (b) deposited as security (in cash or in National Saving Certificates) for the fulfilment of all the conditions of license a sum, to be fixed by the Financial commissioner which shall not be less than Rs. 2,000/- or more than 5,000/- in amount; and
- (c) satisfied the Collector that the proposed buildings, plant and apparatus to be used in connection with the business of distillation, storage and issue of spirit are build in accordance with the prescribed regulations and that due precaution has been taken against fire; but in respect of the present buildings plant and apparatus of existing distilleries, which do not conform with the provisions of these rules, the Financial Commissioner may, in writing, grant, exemption from the operation of any of these Rules.]

- ² [9. 5. (1) The license shall be in form D-2 and shall not be transferable except with the approval of the Financial Commissioner.
- (2) The license in form D-2 shall be granted or renewed for the period specified in rule a.7 subject to payment of license fee specified in sub-rule (3).
- (3) The license fee for a license in form D-2 shall be payable on Indian Made Foreign Spirit at the rate of ³ [Re. 0.90] per unit of 750 Mls. and on Country Liquor at the rate of ³ [Re. 0.70] per unit of 750 Mls., subject to a minimum of Rs.75,000 per annum :

Provided that in addition to the fee specified earlier in this sub-rule, there shall be payable a further license fee at the rate of ³ [Rs. 0.50] per unit of 750 Mls. on bottling of brands of Indian Made Foreign Spirit of any other distillery or bottling plant and such fee shall be paid in the same manner as laid down in sub-rule (4).

Explanation. -- For the purpose of payment of license fee under this sub-rule, the quantity of Indian Made Foreign Spirit and Country liquor shall be converted into units of 750 Mls. each irrespective of capacity of the container wherein it is filled.]

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1. Substituted,-vide Notification No. 7-59/73-E&T. dated 21st February 1974
 2. Substituted,-vide Notification No. 7-58/93-EXN-5783 dated 31st March, 1994 published in RHP (Extra ordinary) dated 31.3.1994.
 3. Substituted,-vide Notification No. 7-51/97 EXN-5615-60 dated 30th March, 1998 published in RHP (Extra ordinary) dated 31.3.1998

² Provided further that in the case of liquor meant for export outside the Himachal Pradesh the license fee shall be payable on Indian Made Foreign Spirit at the rate of Re.0.40 per unit of 750 Mls. ,and such fee shall be paid in the same manner as laid down in sub –rule (4). No such fee shall be payable on Country Liquor meant for export outside the Himachal Pradesh.

[(4) The license fee payable in sub-rule (3), except the minimum amount of Rs. 75,000 shall be chargeable on the quantity of the stocks of Indian Indian Made Foreign Spirit and Country Liquor deposited in the bottled spirit store room :

Provided that the license fee, except the minimum amount of Rs. 75,000 shall be payable quartely within seven days from the expiry of each quarter of the financial year and the Excise Officer Incharge of the distillery shall calculate and raise the charge for each quarter on the last working day of such quarter of the financial year.]

(5) The Excise Officer Incharge of the distillery shall calculate the amount of license fee on the last working day of every ¹ [quarter] for which the fee is payable and maintain the account of its payment in a register in form D-15-A. He shall at first adjust the amount of Rs. 75,000 paid by the licensee, in advance, and the payment of license fee shall thereafter be accordingly to clause (ii) of sub-rule (6).

¹ [(6) (a) The licensee shall pay into the Government treasury :--

(i) the minimum amount of Rs. 75,000 at the time of making application for the grant of renewal or the license; and

(ii) the amount chargeable according to the units of 750 Mls. quartely, within seven days of the expiry of each quarter of the financial year :

(b) The licensee shall within two days of the date of making the payment into Government treasury, submit to the Excise Officer Incharge of the distillery a copy of the treasury receipt in token of having made the payment under clause (a) of this rule along with a statement showing the quantity of Indian Made Foreign Spirit or Country Liquor as the case may be deposited in the bottle spirit store room and quantity issued from the distillery.

(7) The licensee shall have the option to pay the license fee in advance for the following week. The Excise Officer Incharge shall maintain a statement in form D-15-B showing such payments and the fee debitale against them, and he shall balance this statement on the last day of every week and also inform the licensee of the balance standing to his credit. The Excise Officer Incharge shall require the licensee to replenish the amount of the advance immediately when the balance is exhausted.

1. Substituted vide Notification No. 7-58/93-EXN.8877 dated 31st May 1994 published in RHP(Extra ordinary) dated 18.6.1994

2. Substituted Vide Notification No.7-41/ 2002-EXN-5584-5631 dated 31.3.03

(8) In the event of failure to pay the fee or part thereof by the due date interest at the rate of ³12% per annum for a period of one month or a part thereof from the date of default in the payment of fee and if the default in the payment of fee exceed one month the interest at the rate of ³18% per annum from the intial date of default in payment shall be payable till the default continued.

¹[(9) (a) In this rule ----

(i) "each quarter" in a financial year shall be taken to end on 30th June, 30th September, 31st December and 31st March; and

(ii) "week" shall be taken to commence on Sunday and conclude on Saturday.]

³(10) The letter of intent for the establishment of Distillery shall be granted subject to payment of Rs.10,000/- and every extension allowed thereafter shall be subject to payment of Rs.2000/- each.

[9.5-A. Notwithstanding anything contained in any other rule, if the licensee does not comply with any order passed under the provisions of the Punjab Excise Act, 1914 or the rules framed thereunder he shall, in addition to any other penalty, payment or action to which he may be liable, pay additional license fee at the rate of Rs.500/- per day or part thereof for the period of non-compliance of such order. The fee shall become payable forthwith on the quantity of Indian Made Foreign Spirit or Country Liquor as the case may be deposited in the bottle spirit store room and quantity issued from the distillery.

Explanation.---- In this rule, the expression "any order" means an order which :-

(i) any Excise Officer, Collector or Financial Commissioner is competent to pass under the Punjab Excise Act, 1914 and the rules framed thereunder; and

(ii) has become final whether with or without appeal or otherwise.]

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1. Substituted, -vide Notification No. 7-58/93-EXN-5783 dated 31st March, 1994 published in RHP(Extra ordinary)31.3.1994.
 2. Inserted vide Notification No. 7-56/95-EXN-9218-9262 dated 23rd March, 1996 published in RHP (Extra ordinary) dated 30.3.1996.
 3. Substituted vide Notification No. 7-304 /2006-EXN-6888-6941 dated 30-3-07

¹[9.5-AA (1) Subject to the conditions as he may specify, the Financial Commissioner may for establishment and working of still(s) for re-distillation of spirit for manufacture of spiced spirit grant a license in form D-2-A subject to payment of license fee as specified in rule 5.

(2) The provisions of these rules shall, mutatis mutandis, apply in relation to the manufacture of spiced spirit by re-distillation in the still licensed under rule (1).]

9.6. The licensee shall execute a bond in Security ¹[prescribed Form D-3] pledging the premises, stock of spirit, stills, all apparatus and utensils employed in the manufacture and storage of spirit for the due discharge of all payments which may become due to Government. With the sanction of the Financial Commissioner, the licensee may, in lieu of executing such a bond, deposit Government promissory notes ²[or in National Saving

Certificates] of such value as the Financial Commissioner may direct. A deposit made under this rule shall be separate and distinct from the security deposit required by rule 9.4.

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1. Inserted vide,-Notification No. 7-41/96-EXN.19779-19824 dated 26th July 1996 published in RHP (Extra ordinary) dated 3-8-1996.
 2. Inserted ,-vide E&T Commissioner's Notification No. 1137-XS, dated the 10th April,1952.

PERIOD OF LICENSES

¹ [9.7. (1) A license granted under these rules shall be valid for a period of one year from the date of issue unless it is cancelled, determined or surrendered earlier and shall be renewable annually by the Financial Commissioner on the application of the licensee on payment of an amount of Rs. 75,000 specified in clause (i) of sub-rule (6) of rule 9.5

Provided that such a license may be cancelled for breach of terms thereof or may be determined by the Financial Commissioner after giving a notice to the licensee.

- (2) An application for the renewal of license shall be made by the licensee to the Financial Commissioner so as to reach him at least 90 days before the expiry of the year for which the license has been granted or renewal.]
- 9.8. If the licensee ceases to work the distillery without giving notice as required in his license, or if he ceases to work the distillery within the period of such notice, the Collector may take possession of the distillery and its plant and work it by himself or by the agency of any person authorized by him in that behalf for a period equivalent to the period of notice or unexpired period of notice as the case may be.
- 9.9. In the case mentioned in the foregoing rule the licensee shall be entitled to receive from Government such reasonable rent for the use of the buildings and plant as shall be determined by the Financial Commissioner.
- 9.10. If a license be revoked, cancelled or determined the licensee shall dispose, under the conditions of his license of his stock of spirit, apparatus, storage vessels and other distilling plant in such manner as the Financial Commissioner may direct.
- 9.11. The licensee may not hypothecate the whole or any part of licensed premises without the previous written sanction of the Financial Commissioner.
- 9.12. The licensee shall at any time permit the Collector or any officer authorized by the Collector in that behalf, to inspect and examine his licensed distillery, the premises and warehouses connected there with and the spirit made and stored therein, and shall render to the Collector or officer (as aforesaid) all proper assistance in making such inspection and examination.

1. Substituted vide Notification No. 7-58/93-EXN.5783 dated 31st March, 1994 published in RHP (Extra ordinary) dated 31.3.1994.

INSPECTION

- ¹[9.13. The licensee shall agree to the posting of a Government Excise Establishment to his distillery for the purpose of ensuring the due observance of these rules and for watch and ward. The establishment shall consist of an Inspector and as many sub-Inspectors and peons as the Financial Commissioner shall deem sufficient for the requirements of the distillery. This staff shall be subject to the inspection by the Financial Commissioner and the Collector and be under the Administrative control of the Collector.]
- 9.14. The licensee shall provide within his distillery enclosure an office for the inspector, as well as quarters, to be approved by the Financial Commissioner, for the inspector and the peons, who will be required to remain within the distillery enclosure on night duty.

- 9.15. The licensee shall, if required by the Financial Commissioner, provide residential quarters for the Government excise establishment posted to the distillery.
- 9.16. The licensee shall, if required by the Financial Commissioner make into the Government treasury such payment as may be demanded on account of the salaries of the Government excise establishment posted to the distillery, but he shall not make any direct payment to any member of such establishment.
- ²[9.17. The licensee shall, when required, permit samples of the materials used or spirit prepared in the distillery to be taken for analysis under the orders of the Collector or the Financial Commissioner, or by any officer authorized by them to take samples or the Inspector. Each sample shall be taken in three bottles, each of the capacity of 750 millilitres or of any other capacity permissible under the rules or (when the materials cannot be placed in bottles) in three parcels, in the presence of the licensee or a responsible representative deputed by him for this purpose. Each bottle or parcel shall be immediately and securely sealed in the presence of the Inspector and the licensee or his representative. Both of them shall sign a label which shall be affixed to the bottles or parcel and describe the contents thereof as accurately as possible. One bottle or parcel shall then be made over to the licensee's representative, the second shall be sent for analysis and the third retained by the Officer concerned pending the disposal of the case.]
- 9.18. The licensee shall afford all reasonable assistance to the Inspector in carrying out his duties.
- 9.19. The licensee, unless he personally acts as manager, shall be bound to appoint a competent manager as his agent whose appointment shall be subject to the approval of the Financial Commissioner.

1. Substituted vide Notification No. 7-9/63-E&T dated 9th August, 1965.

2. Substituted vide notification No. 7-9/63-E&T, dated the 9th August, 1965.

MANAGEMENT AND WORKING OF THE DISTILLERY

- 9.20. The licensee shall furnish to the Inspector, a list containing the names of any manager or assistant manager employed by him and of all employees whose duties require them to enter the distillery enclosure. The inspector shall forward a copy of this list to the Collector, and the licensee shall not employ on such duties persons to whom the Collector objects.
- 9.21. If the licensee desires to employ any person temporarily on duties requiring him to enter the distillery, e.g., to replace a servant, who is absent on leave or for sickness or otherwise or to perform any special duty in the distillery, he shall inform the Inspector, who shall add the name of such person to the list mentioned in rule 9.20 above.

- 9.22. If any servant leaves the service of the licensee or is no longer employed on duties requiring him to enter the distillery, the licensee shall give notice to The Inspector and have his name removed from the list. The Inspector shall inform the Collector accordingly.
- 9.23. No person shall be allowed to enter the distillery except the licensee, any director of a company owing the distillery, any Government official or police officer, whose duties require him to enter the distillery, any person introduced by the licensee or director, the manager and any person whose name has been entered on the list mentioned in rule 9.20 above.
- 9.24. Every person entering the distillery shall, on leaving the distillery, be liable to be searched under the inspector's order, but the Inspector shall not have any person searched, except upon reasonable grounds for suspicion, and he shall record in his diary the details of every search made.
- 9.25. The licensee shall not close the distillery for more than three days in any month, exclusive of Sundays and holidays, without the previous written permission of the Collector.

THE COMMENCEMENT AND CLOSURE OF DISTILLERY WORK AND WORKING ARRANGEMENTS

- 9.26. If it is intended to close the distillery for a period of 15 days or more, the licensee shall give notice, in writing, to the Collector of his intention not less than 15 days prior to the date on which it is intended to close.
- 9.27. Before a distillery commences work or recommences work after a closure of 15 days or more, the licensee shall give notice, in writing, to the Collector at least 10 days prior to the date fixed for the commencement or recommencement of work.
- 9.28. The ordinary working hours of a distillery by day shall be from 6.30a.m. to 6.00 p.m. in each month from April to September, inclusive, and from 7.00 a.m. to 5.00 p.m. in each other month.

Provided that a distillery may be worked in double shifts permission to that effect is granted by the Financial Commissioner and a fee of Rs.¹100.00 for every extra shift beyond the ordinary working hours prescribed herein, shall be paid to commencement. In every such case, the working hours of the distillery are as under:--

²Summer

to 4 p.m.
to 1 a.m.

Winter

to 5 p.m.
to 2 a.m.

- 9.29. During the ordinary working hours, if the distillery is working, the outer door shall, except as provided in rule 9.33 below, be kept continually unlocked.

- 9.30. Upon giving a general notice to the Inspector, or, if night work is only occasional, upon giving notice to the inspector not less than four hours before the ordinary closing hours of the day after which night working is to be done, the distillery may be worked at hours other than the ordinary working hours.
- 9.31. If stills in any distillery are so worked that there is ordinarily no period on an ordinary working day in each week during which the stills are simultaneously silent, the licensee shall, at least once a week on any day other than a Sunday or a holiday gazetted under the Negotiable Instruments Act and at any time during the ordinary working hours by day after giving to the inspector 24 hours notice of the day and hours fixed by him, work off every still in the distillery and arrange that no distillation shall be in progress for one hour in order that the inspector may take an account of the working of the distillery.

¹ Substituted, vide Notification No.7-235/2005 –EXN-II-30264-334 dated 16-11-05 Pub. on 29-11-05
2. Substituted, vide Notification No.7-235/2005-EXN-28744-792 dated 28.10.05 Pub. on 8.11.05

- ¹ [9.32 (1). A distillery may remain open for work on public holiday as defined in the Explanation to section 25 of the Negotiable Instruments Act, 1881, or on any other day being a holiday in Government Offices provided a written approval of the Excise and Taxation Officer, Incharge of the distillery or in his absence approval of the Excise and Taxation Inspector of the distillery has been duly obtained atleast 24 hours before the holiday in question and a fee of Rs. 500/- per day² or in cases where the distillery remain open after normal working hours in any day other than the public holiday a fee of Rs.100 per hour or a part thereof.
- (2) An account of the overtime fee thus paid shall be maintained by the Excise and Taxation Officer, Incharge in a register in Form D -- 23.

Explanation. ---The expression "open for work" shall mean any normal operation connected with distillation and bottling and includes the fermentation of bub or wash and issue of spirit for re-distillation;]

²Provided that in case of public holidays a fee of Rs.100 per hour or part thereof shall also be payable in case the distillery remain open after normal working hour in addition to the fee payable for a day as prescribed in sub-rule (i) above.

[9.32-A. An account of overtime fee charged under rule 9.32 above, shall be maintained in the distillery register in form D-23, and the amount due for each month shall be payable within seven days of the closure of the month concerned. Intimation as regards the amount due during the month shall be sent by the Distillery Inspector to the Manager of the Distillery at the close of each month.]

1.Substituted, -vide Notification No. 7-56/95-EXN-9218-62 dated 23rd March, 1996 published in RHP (Extra ordinary) dated 30.3.1996.
2. Substituted/ Added Vide Notification No.7-43/2003-EXN-6373-6419 dated 26.3.04 Pub.On 29.3.04

²[9.33. If the distillery works at other than the ordinary hours by day, the Inspector shall remain present within the distillery enclosure, but except in case of emergency, the licensee shall not require him to lock or unlock any receiver, vat or other part of the plant; and he shall lock the outer door of the distillery and shall not allow any person to enter or leave the distillery enclosure, except in accordance with the arrangements to be made with the sanction of the Collector for the convenience of persons, who may be permitted to enter or leave the distillery at fixed hours, in connection with the operations being carried on.]

²[9.33-A. If the distillery works on a Sunday, or a gazetted holiday, the Inspector shall remain present for duty within the distillery enclosure, but unless so authorized by the Collector, he shall not be require to take any action for the bottling or issue of spirit;

and he shall lock the outer door of the distillery and shall not allow any person to enter or leave the distillery enclosure, except in accordance with the arrangements to be made with the sanction of the Collector for the convenience of persons, who may be permitted to enter or leave the distillery at fixed hours, in connection with the operations being carried on.]

- 9.34 (1) The use of naked lights of any description within the distillery is prohibited.
- (2) Smoking in any portion of the excise enclosure where spirit is manufactured, stored, bottled or issued, is strictly prohibited.

1. Vide Financial Commissioner's notification No. 4140-Ex, dated the 23rd September, 1935.
2. Vide Financial Commissioner's notification No. 321-Ex, dated the 21st January, 1937.

PRESCRIBED OUTTURN OF SPIRIT AND STOCKS OF SPIRIT AND DISTILLING BASE

¹[9.35. The licensee shall, if there is a demand upon his distillery for such a quantity, produce during each calendar year at least 90 percent of the outturn of plain and spiced country spirit which his stills are capable of producing according to the estimate of their charge capacity entered in his license. The calculation of the outturn shall be based on the assumption that 100 gallons of wash whether of *gur*, *molasses* or *mahua*, will yield 12 proof gallons of spirit, that each continuous still will work on an average 12 hours a day, and that each pot-still will be charged with wash one and a half times a day, and that all stills will work for an average of five days a week throughout the year.

²[9.35-A. The calculation of the outturn of whisky prepared from malt shall be based on the assumption that 19 kilograms of Malt will yield 8.200 proof litres of whisky.

³[9.36. Subject to the provisions of the preceding rules, the licensee shall maintain a stock of plain and spiced country spirit, in bottled form, so that such stock shall, at the beginning of each month after allowing for compliance with all orders in hand at the time, be equal to one half of the average issued during that month in the three preceding years. If, on

account of an emergent and unexpected demand during the last days of the preceding month, the stock on the first day of any month is below the quantity required by this rule the licensee shall in the beginning of the month, make it good with the least possible delay. In the beginning of the month, make it good with the least possible delay. In case of serious or continued failure to comply with this condition, the licensee may be required to pay a penalty determined by the Financial Commissioner and persistent failure to comply with this condition will entail the cancellation of the licensee's license.]

¹[9.37. The licensee shall have always in stock, in a *gur, molasses or mahua* store to be provided by him and approved by the Financial Commissioner, a quantity of *gur, molasses or mahua* sufficient for the preparation of wash for the full working of all his stills, calculated upon the data set forth in rule 9.35 above for 10 full working days in the month from October to March, inclusive, and for 7 1/2 full working days in the month from April to September. The stock shall be calculated on the basis that it requires 3 maunds of *gur* or 4 maunds of *molasses or mahua* prepare 100 gallons of wash, provided that if the licensee maintains a stock of country spirit over and above the quantity required by rule 9.36 above, then the stock of *gur, molasses or mahua* may be correspondingly reduced. In making this calculation one maund of *gur, molasses or mahua* shall be considered equivalent to 5, 3.5 and 3 Landon Proof gallons of country spirit respectively. The licensee shall, on the 1st and 15th day of each month, report to the inspector the quantity then in stock and shall permit the inspector to verify the quantity if he desires to do so.]

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1. Vide Financial Commissioner's notification No. 3035-Ex, dated the 26th June, 1935.
 2. Added vide Notification No. 7-4/79-EXN-7538 dated. 4th June, 1979 published in RHP (Extra ordinary) dated 28.7.1979.
 3. Substituted, -vide Notification No. 2536-XP. Dated the 5th November, 1952.

¹[9.37-A. The licensee shall always have in stock empty quart, pint and half pint bottles pale as well as dark, so that after complying with all orders in hand, the stock of empty bottles shall be equal to the amount of bottles issued, during the corresponding month of the last year. The licensee shall, on the 1st and 15th day of each month, report to the inspector the quantity of empty bottles, in gross numbers, then in stock, and shall permit the inspector to verify the said quantity if he desires to do so.

9.38. The licensee shall keep up the registers which are by these rules prescribed for maintenance by the licensee, and shall submit them for inspection when required.

9.39. The licensee is entitled to inspect those registers maintained by the inspector which relate to the operation of distillation and issue and to stock-taking, and notice should be given to him of any corrections made in them.

ACCOUNTS AND REGISTERS

²[9.40. (1) If the licensee has a laboratory attached to his distillery and requires spirit for use in the laboratory, he shall be entitled to remove to the laboratory, from the distillery duty free, from either the safes of the stills, the spirit receivers, the spirit store, or

from the maturing warehouse, finished spirit and unfinished spirit to the extent of 3 gallons per month; provided that not more than two quart bottles shall be so removed at any time and the spirit so removed shall not be used in the distillery laboratory otherwise than for experimental work connected with the distillery operations only. The licensee 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 become deleterious, shall be returned to the distillery for redistillation.

- (2) An application for every quantity of spirit required to be removed from the distillery under this rule must be made in writing to the Distillery Inspector, 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.
- (3) If spirit removed under this concession is used otherwise than as permitted by sub-rule (1) of this rule, the concession may be withdrawn.]

1. Vide Financial Commissioner's notification No. 3035-Ex, dated the 26th June, 1935.

2. Vide Financial Commissioner's notification No. 4492-Ex, dated the 23rd November, 1938 and No. 1579-Ex, dated the 28th March, 1939.

¹[9.40-A. The licensee shall also be entitled to remove once a year duty free Indian Made Foreign Liquor and country spirit not exceeding one gallon or with the permission previously obtained of the Financial Commissioner in specified quantities in excess of one gallon from the distillery for laboratory examination in a foreign country; provided that he shall keep a regular account of the disposal of such duty free spirit, which will be subject to examination by Excise Officers. He shall also produce within ² [Six months the customs receipt in respect of the duty paid on such consignment on its entry into a foreign country. In default the licensee shall be required to make good the duty which otherwise would have been levied on the quantity of liquor, when it left the distillery. The licensee shall, if required to do so, produce a certificate showing that the liquor in question was duly examined.]

9.41. The licensee, within one week of their being made, but not later, may call in question, by an objection in writing presented to the inspector, any entries in those of the inspector's registers which are open to his inspection. Any dispute regarding such entries which cannot be settled by discussion between the inspector and the licensee shall be referred to the Collector. If no objection is raised the entries shall be presumed to be correct.

THE UPKEEP OF BUILDINGS AND PLANT

- 9.42. All buildings and plant used directly for the manufacture and storage of wash and spirit must be situated in a distillery enclosure in which no business shall be carried on except that of the manufacture, storage and issue of spirit. The enclosure shall be surrounded by a wall having one opening only and so built as to prevent communication between the distillery enclosure and outside, except through the opening provided.
- 9.43. The building and plant shall be specified in the license, and shall be properly maintained to the satisfaction of the Collector. Particular attention shall be given to their cleanliness.
- 9.44. The licensee shall provide for use in measuring spirit in the distillery, and at the time of issue such measures, gauging machines, weighing machines and other appliances, as the Financial Commissioner may direct him to provide.
- 9.45. If the building and plant (including the measures, etc. referred to in the preceding rule) are not properly maintained and the premises and plant are not kept properly clean, the licensee may be required to stop all work in the distillery within one week after receipt of notice to that effect from the Collector.
- 9.46. If any still, vat, pipe or other part of the plant is at any time found to be defective or leaking, and the Financial Commissioner or Collector orders the discontinuance of its use, it shall not be used again till it has been repaired to the Financial Commissioner's or collector's satisfaction

1. Vide Financial Commissioner's notification No. 2661-Ex, dated the 27th June, 1938, and Financial Commissioner's Notification No. 3827-Ex, dated the 27th September, 1938.

2. Substituted. , vide financial Commissioner Notification No. 2380-EX, dated the 1st May, 1940.

- 9.47. The licensee shall not alter the building or plant specified in his license without the Financial Commissioner's permission, provided that any minor and urgent alteration or repair may be made with the consent of the inspector, who shall forthwith report to the Collector. Any important alteration sanctioned shall be noted on the license.
- ¹[9.48. All processes for the manufacture and, issue of Indian foreign spirit, country spirit, rectified spirit, denatured spirit, must be conducted within the distillery enclosure.

STILLS AND OTHER PLANT PIPES

- 9.49. The distillery and its apparatus shall be so arranged that from the time when the fermented wash is passed into a still to the time when the spirit is issued from the store vats, the distillate shall be contained in closed receptacles and be conveyed to stills, receivers and other receptacles only through closed pipes, preferably by force of gravitation, but, when this cannot be arranged, by pumping. Water required for the distillery working shall also be conveyed into the receptacles where it is required, and waste water shall be carried off only through closed pipes. Wash shall be conveyed from the fermentation vats to stills and spent wash and spent lees shall be carried off in closed pipes or covered drains.

- 9.50. The ends of still worms and all pipes which carry spirit or serve spirit receptacles shall be firmly fixed into the receptacles they serve.
- 9.51. If a spirit pipe is required to charge or discharge one or other of a series of receptacles, the pipe shall be connected with each of the receptacles, by half unions of the same pattern fixed in the receptacles, the other half of the union, common to all, being fixed to the connecting pipe.
- ²[9.52. All the joints in spirit pipes must either be riveted or be joined with bolts. In the latter case, the flanges bolted together must have, in addition to the bolts, at least two rivets made of a composition of lead and tin, and sealed with a revenue seal, or, in the case of certain joints when this is specially permitted by the Financial Commissioner, the flanges may be pierced by a bolt carrying a revenue lock, inserted through a hole, at one end of the bolt. Alternatively the flanges may be drilled with a hole 1/8th of an inch in diameter through which a wire should be twisted together, and sealed with a revenue seal.
- 9.53. The licensee shall be responsible for preventing any leakage from pipes.
- 9.54. Pipes intended for the conveyance of wash and spirit must be so fixed that they can be examined throughout their entire length.

1. Substituted vide E&T Commissioner Notification No. 3335-XP, dated the 19th December, 1951.
2. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.

- ¹[9.55. All pipes and covered drains shall be coloured with a colour indicating the purpose for which they are used, as follows :---

If intended for the conveyance of wash, green; if for the conveyance of spirit, red; if for the conveyance of water or steam, white, if for the conveyance of spent wash, yellow; if for the conveyance of gas or electric wires used for the purpose of illumination or power, black; if for the conveyance of molasses, blue.]

LOCKS

- 9.56. The charging and discharging pipes of pot-stills, all spirit safes and all manddoors, cocks or other opening in still, spirit vats, spirit receivers, spirit chargers and other receptacles for spirit, and in spirit pipes with branches, the point where each branch joins the pipes and the doors of all buildings and rooms used for the storage of spirit, shall be so fitted as to enable them to be closed with two locks, the keys of which are not interchangeable, and of which one lock shall be a revenue lock, in charge of the inspector and the other a distillery lock in charge of the licensee.
- 9.57. Revenue locks supplied by the Financial Commissioner will invariably be put on whenever necessary under these rules, but the licensee may dispense with his own locks, except in the case of such as must be affixed to all receptacles or rooms used for the storage of spirit.

- 9.58. Locks shall be so arranged as to render it impossible to use any pipe or part of a pipe unless the locks are either removed or else closed only with working fastenings, or to extract any of the contents of any building, pipe, receiver or other receptacles concerned, without opening both the locks which control such building, pipe or receptacles.
- 9.59. Lock fastenings must be constructed as much as possible in one piece. When hinges on them are necessary, the hinges must be formed by welded joints, and not by riveted pins. If a part of any fastening is attached to a door or a receptacle, 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 fastening must not be used, except in cases where it would be impracticable to apply any other description of fastening.
- 9.60. When it is necessary for the licensee's operations that cocks upon closed pipes be left open when the inspector is not present, working fastening must be provided. Such fastenings must be so constructed that the revenue lock shall not interfere with the free use of the cock and so fitted that no abstraction of spirit is possible.

1. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.

GENERAL RULES AS TO RECEPTACLES FOR WASH, BUB, SPIRIT AND DENATURED SPIRIT

- ¹[9.61. Except for the *bonafide* purposes mentioned below the licensee shall not introduce or permit the introduction of bottles or other vessels having a capacity of less than 4 gallons each into the distillery enclosure.]

EXCEPTIONS

- (i) Bottles required for bottling country spirit or Indian made Foreign spirit under rule 9.93.
- ¹[(ii) Bottles or other vessels, in such number as may be determined by the Financial Commissioner, containing essences, colours and the like, needed for the licensee's legitimate operations, but they should be stored in the colouring and compounding materials room referred to in rule 9.92.]
- (iii) Bottles or other vessels intended for use as containers of rectified or denatured spirit, to be supplied to Civil Surgeons or to scientific institutions approved by the Financial Commissioner,] ²[and bottles approved for bottling Of rectified spirit under 9-93 A of these rules.]
- ³[(iv) Bottles or other vessels for removal of products by the distiller for purpose enumerated in rule 9.40, 9.40-A and 9.115 (g) of these rules.]

- 9.62. Vats shall ordinarily be used for the storage of spirit, but a limited number of casks or drums may, subject to the provisions of rule 9.64 below, be kept in the store room for the storage of special kinds of spirit, such as whisky, and for the use in collecting quantities withdrawn from store vats in slight excess of requirements and the like, and a limited number, not exceeding 30, of casks or drums filled according to rule 9.106 of these rules for issue, may be kept temporarily in the store room for issue to purchasers.
- 9.63. The vessels used as receptacles may be of any material they shall be of regular shape; large covered vessels shall be fitted with manholes of a size approved by the Financial Commissioner, and every vessel shall be provided with proper approved arrangements, for gauging with rods and with tables showing the number of gallons contained in them, when filled to every tenth of an inch, by either the wet or the dry method of gauging, according as the Financial Commissioner decides to apply one or other method to such vessel. When the wet method of gauging is applied to any vessel, a permanent dipping rod of a pattern approved by the Financial Commissioner shall be fixed in a manner approved by him to that part of the vessel where there is the greatest depth of liquid in it.

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1. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936.
2. added vide Financial Commissioner, notification No. 2332-EX, dated 29th April, 1940.
3. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.

- 9.64. Each vessel shall have legibly painted on it in English its number, its capacity and the use to which it is applied and its details shall be properly registered by the inspector.
- 9.65. Except, with the special sanction of the Financial Commissioner, in the case of a receptacles, sunk under the ground level, each vessel shall be fixed so as to permit of examination all round it; it shall slope slightly down to its cock, and its cock shall be so fitted that the vessel can drain entirely through the cock without being moved.
- 9.66. No receptacle of which the contents are estimated by a gauge rod, shall be brought originally into use till it has been gauged and passed by the inspector and a table book has been prepared for it, and, if any gauged receptacle is repaired or moved, it may not be brought again into use till it has been regauged and passed by the inspector and a revised table books has been prepared.
- 9.67. Fermentation vats shall be placed in a room or building specially set apart for them alone.

FERMENTATION VATS

- 9.68. The licensee shall provide vats for the fermentation of wash having a capacity sufficient for the continuous working of all the stills in the distillery, upto the maximum of their capacity, as recorded in the license, upon the calculations that it required ¹ [48 hours] to ferment wash.
- ²[9.69. No wash shall be used, except such as has been prepared within the distillery, nor shall any wash be removed from the distillery :

Provided that if so desired the licensee may be allowed to remove samples of wash from each vat in quantity not exceeding half a gallon per vat for use in the distillery laboratory;

Provided further that in the case of the preparations of wash for the manufacture of malt whisky, the said wash may be prepared in the Brewery and then pumped into a distillery for purposes of distillation.

9.70. ¹ [* * * *]The licensee shall enter in the register prescribed for the purpose the exact quantity of the *gur*, *molasses*, *mahua* or other substance used, and shall give the inspector an opportunity of verifying this quantity whenever he may deem it desirable to do so.

9.71. (a) If wash is prepared from a malt base, it must be collected in the fermenting vat and be ready for gauging and proving within six hours, after it has begun to run into the vat.

1. Omitted, -- vide Financial Commissioner's notification No. 177-Ex, dated the 9th January, 1942.

2. Vide Financial commissioner's notification No. 926-Ex, dated the 24th February, 1936, and No. 4918-Ex, dated the 20th December, 1938.

¹[(b) In the case of wash prepared from *gur* or liquid *molasses*, the Inspector shall take the readings, as regards quantity and specific gravity as soon as complete solution has been attained. The solution may be effected in the fermentation vat or in dissolving vat separate from the fermentation vat.

(c) In certain distilleries, *gur* or *molasses* wash, prepared in a dissolving vat, is run into a fermentation vat after the necessary quantity of bub has already been introduced into the fermentation vat. In such cases, the specific gravity of the wash in the dissolving vat immediately before transference to the fermentation vat, should be treated as the initial specific gravity of the wash. Where the contents of two or more dissolving vats are transferred to the fermentation vat, the initial specific gravity of the wash will be the mean of the specific gravities of the wash in the several dissolving vats used, calculated where necessary according to example II on page 124 of the Technical Excise Manual. It would be an advantage to maintain a fixed specific gravity in the dissolving vats.]

(d) If *mahua* is used, the initial quantity and specific gravity of the wash shall be ascertained in such manner as the Financial Commissioner may specially prescribe.

¹[9.72. (i) No substance of any kind shall be added to the wash after it has been gauged and proved, except water or chemicals or bub added under the procedure set forth in the next succeeding clause, provided (1) that due notice of such addition is given by the licensee to the Inspector, (2) that the requisite entries regarding it are made by the licensee in the prescribed register; and (3) that no addition of any kind is made to wash more than 24 hours after it was first gauged and proved. After the lapse of this period of 24 hours, the wash shall remain undisturbed in the

fermentation vat until fermentation is completed and the wash is removed to the still.

- (ii) In some distilleries wash is prepared in a dissolving vat or vats separate from the fermentation vat and is (a) gradually added to bub already collected in the fermentation vat or (b) collected simultaneously with bub running into the fermentation vat. In the case of such distilleries no substance of any kind shall be added to the mixture of bub and wash in the fermentation vat. Water and chemicals may, however, be added to the wash in the dissolving vat or vats, before it has been gauged and proved. The initial quantity and specific gravity of the mixture of the bub and wash in such cases should be calculated from the initial quantities and specific gravities of wash and bub ascertained immediately before they are run into the fermentation vat.]

1. Substituted, -- vide Financial Commissioner's notification No. 5733-Ex, dated the 16th December., 1941.

¹[9.73. (a) The preparation of bub shall be conducted in a special bub vat or vats set apart only for such preparation; and the registration of the materials used and of solution and other matters connected with it, shall be carried out in the register specially prescribed for the purpose. The bub vats used may be smaller than the ordinary fermenting vats if desired, and there may be connected with it an auxiliary vessel for dissolving the material used for setting up the bub, but fermentation must not be allowed to proceed to a close in this vessel. Ordinarily the whole of the bub must be conveyed in to the fermentation vat or vats to which it is to be added within 24 hours of first beginning to make, or dissolve or set it up.

(a) With the special permission of the Financial Commissioner any licensee, who is able to declare the alcoholic percentage and the original specific gravity of a bub may keep such bub for more than 24 hours after the time when its making solution or setting up commences, and he may be permitted to make such a bub and keep it going continuously by adding to it fresh saccharine substance and water from time to time. In such a case he must, at the time of adding any of such continuously maintained bub, to the contents of any fermentation vat containing wash, record the quantity in bulk gallons and the original specific gravity of the addition. The Inspector shall enter a copy of these particulars in his register and make the necessary alteration in the records of the wash, to which it is added.]

²[(c) The licensee shall give notice to the Inspector with details of the registered numbers of the vessels concerned, before any conveyance of bub from the vat in which it is prepared to the main wash, or to a fermentation vat.]

9.74. As soon as wash is fully attenuated and ready for distillation, the licensee shall inform the inspector, and the inspector shall again, by gauging and the use of the saccharometer, ascertain the quantity and specific gravity of the attenuated wash and

- record these in his prescribed register. The licensee shall record the final quantity and specific gravity in the register prescribed for maintenance by him.
- 9.75. The licensee shall not draw off or use the attenuated wash until it has been gauged and proved by the inspector, and, when he does draw it off, the inspector shall enter in the prescribed register particulars regarding the quantity drawn off and the still into which it is drawn off.

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1. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.
2. Substituted, --vide Financial Commissioner's notification No. 5733-Ex, dated the 16th December, 1941.

STILLS

- 9.76. Stills may be of any form or construction the licensee may think proper and for which he has a license, but the still power of the distillery shall not be increased without the special sanction of the Financial Commissioner.
- 9.77. The Financial Commissioner may authorize the replacement of any still by another of equivalent distilling capacity, or the reuse of any still which has been dismantled and thrown out of use without its place being taken by another still.
- ¹[9.78. There shall be no opening into any still, except those in connection with the charging and discharging pipes, pipes for the conveyance of vapors or fluids from one part of the still to another, condensers, manddoors and air cocks or valves upon the breast or 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 its either to introduce wash or to abstract spirit or to convey away, spirit vapor for condensation elsewhere.
- 9.79. When wash is being distilled in a pot-still, and in all distillation by a continuous still, the still need not be secured by the inspector with a revenue lock.
¹ [80=A. The distillation of whisky from malt shall be in a separate room set a part for this purpose and the patent still or pot still used for the distillation of spirit from molasses shall not be used for the distillation of whisky from malt.]
- 9.80. When a pot-still is being used for the redistillation of unfinished spirit, the manddoor and the charging and discharging pipes shall be secured by the inspector with closed fastening, and a pot-still used for redistillation shall be charged and discharged only after notice has been given to the inspector and under his supervision.

SAFES

- 9.81. A safe furnished with a hydrometer or specific gravity beads, capable of showing the strength of the distillate, shall be provided between every still and its receiver or receivers. There may be separate safes between each still and its receiver or receivers, or a central safe which control the worm ends communicating between a number of stills and their receivers.
- 9.82. Two or more receivers may be fitted to the same still in order to enable the distillate to be collected in separate portions, and one receiver may work in connection with more than one still. There should be a separate receiver for feints,

1. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.

2. Added by E&T Commissioner Notification No. GSR-47/PAI/14/ss 21 and 59/and(3) 65, dated the 15th March, 1965.

RECEIVERS AND CHARGERS

- 9.83. The receiver or receivers attached to each still or set of stills shall be of a capacity enabling them to contain all the distillate which can be produced by the still or the set of stills in 36 hours' full working.
- ¹[9.84. 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 Inspector, in the presence of the licensee or a responsible representative deputed by him for this purpose, in the receiver or receivers of the still or set of stills in which it is produced, before it is passed out of such receiver or receivers or mixed with spirit produced by any other distillation.]
- 9.85. The admixture of sugar or other foreign substance in the spirit after it has been drawn from the still and before it is tested is prohibited.
- 9.86. The inspector shall arrange ordinarily to discharge into a still or charger, as desired by the licensee, directly after each distillation, all unfinished spirit run into the receiver or receivers connected with such distillation, and to pass into the store vats each evening all spirit finished during the day and each morning all spirit finished during the night, and he shall, by the use of the gauge and hydrometer, verify and record in the prescribed registers the quantity and strength of all spirit so discharged or passed in.
- 9.87. Store vats shall be kept in a room or building set apart entirely for them and provide with only one door. This room or building will be designated the store room.
- 9.88. The licensee shall provide store vats, having an aggregate capacity equal at least to half of the demand of the month in which most spirit is issued during the year. If the existing capacity at any time appears from the average of the issues, recorded during

the previous three years, to be materially deficient, the licensee shall, if required by the Financial Commissioner, make the necessary increase to it.

1. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936.

STORE VATS

¹[9.89. A store vat or vats may be separately set apart and used for the storage of each of the following kinds of spirit, viz :-

- (1) Plain spirit,
- (2) Spiced spirit including special spiced and matured spirit,
- (3) Indian made foreign spirit,
- (4) Denatured spirit;

Provided that, excepting denatured spirit, any vessel set apart and used for the storage of any one of the above kinds of spirits shall not be used for the storage of any other kind of spirit, unless the vessel is properly cleaned and filled with water for at least 24 hours so that no smell, taste or colour of a previous spirit is imparted to a fresh spirit.

Any vessel or vessels set apart for the storage of denatured spirit shall be in a separate room or building set apart solely for such spirit. That room or building shall be called the denaturing room.]

9.90. With the previous sanction of the Financial Commissioner, country spirit or Indian made foreign spirit intended to undergo the process of maturing may be stored, without prepayment of duty, in an unlimited number of casks in a room within the distillery enclosure specially set apart and used only for this purpose and secured under the double lock of the inspector and the licensee. The spirit for maturation may, with the special permission of the Financial Commissioner, be kept in wooden vats and in spirit store room, which shall for the purpose of this rule be deemed to be matured spirit warehouse. The room will be designated the matured spirit warehouse. Deposits in, and withdrawals from, the warehouse will be governed by the following regulations :-

- (1) An application for the removal of country spirit or Indian made foreign spirit from the store room to the matured spirit warehouse must be made in writing to the inspector.

The application, on presentation, must specify the serial number of each cask, and,

- before removal takes place, must be completed by specifying for each cask its full capacity and the quantity and the strength of the spirit it contains.
- (2) Removals may be made at any strength not below the strength prescribed for the issue of spirit.
 - (3) No cask of less than 8 gallons capacity shall be removed for deposit in the matured spirit warehouse.
 - (4) In preparation for removals, the tare or weight empty, of each cask must first be ascertained, the cask thereafter filled to the bung hole with the spirit intended for removal and the capacity determined in the manner prescribed by the Financial Commissioner. No objection need be raised if it is desired to draw off any quantity by imperial measures from the full cask before the removal is made. In that case, the quantity remaining in the cask, i.e. ullage quantity, will be reckoned by deducting the measured quantity from the ascertained full capacity
 - (5) All particulars of gauge and proof must be recorded at the time of removal in the appropriate columns of the warehouse register, instead of on the pass, as in the case of ordinary issues. The quantity removed in London proof gallons will be shown as transferred to the warehouse in the appropriate column of the issue register, but it is important that the removal should not be classed with the issue.

1. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936, and No. 4276-Ex, dated the 7th October, 1939.

- (6) Upon the outside of both of the heads of every cask removed from the store-room for deposit in the matured spirit warehouse must be legibly printed with oil colour the progressive number of the cask, beginning with number one on the 1st of January in each year, also the calendar year in which the deposit is made, and the full capacity to the nearest tenth of a gallon.
- (7) No pass will be necessary to cover transport from the spirit store-room to the matured spirit warehouse.
- (8) Immediately preparation for removal has been completed, the inspector must see the cask or casks safely deposited in the warehouse.
- (9) Each cask deposited in the warehouse must be closed with a bung of hard wood, fitted flush with the outside of the bung stave. ¹ [The licensee may, in his discretion, insert a spigot into the hard & wood bung, serve as a safety value]
- (10) Casks must be so arranged in the warehouse as to allow easy access to them, in order that a correct account of their contents may be taken at any time and leakages may be readily discovered.

² [(11) It will be unnecessary to take account of the spirit in stock in the matured spirit warehouse monthly as in the case of spirit in the store-room. The stock of spirit in the warehouse will invariably be the total quantity in Proof litres as shown in the warehouse register in Form D-21. The Financial Commissioner and the Collector at their periodical visits should, however, check the quantity of spirit in a few of the casks in the warehouse, and record result briefly in the warehouse register in Form D-21. Where they find that the deficiency is in excess of the scale prescribed by the Financial Commissioner, they should enquire into the cause and satisfy themselves that no illicit abstraction from the cask has occurred. The Inspector will be responsible that the casks, while in the warehouse are not

tempered with, unless, in his presence, for necessary repairs, or for examination of the spirit the by Financial Commissioner or The Collector, the licensee or his manager]. [The Inspector should make, each month, a careful inspection of the apparent condition of each cask lying in the matured spirit warehouse and arrange for the immediate transference of the contents of a cask found leaking. The result of each inspection should be briefly recorded in the warehouse register and a note, that the usual inspection has been made, should also be entered in the Inspector's diary in form D-9.]

- (12) Reduction of the contents of a cask is not permitted in the warehouse. Removals from the warehouse will be made to the store-room, where reduction can be effected before the spirit is finally issued from the distillery. No objection need be raised, however, to the introduction of a new cask, whose full capacity has been first ascertained, for reception of the contents of a defective cask in the warehouse. When this is necessary, the inspector will attend, have the spirit transferred to the new cask, which must be marked and numbered similarly to the old one, and make a note of the transfer in the warehouse register.
 - (13) No removal of the part of the contents of a cask is permitted from the warehouse to the store room.
 - (14) Removal will be made from the warehouse to the store-room on the written application of the licensee specifying the progressive number of the cask, the year when warehoused and (on its removal) the ullage quantity and strength.
 - (15) On receipt of the licensee's application, the inspector will, after taking account of the spirit in the cask by means of the bung rod in the manner prescribed by the Financial Commissioner, see the cask removed to the store-room from which the issues of matured spirit will be made under the ordinary rules and procedure. The actual quantity of spirit in London proof gallons removed from the warehouse to the store room will be recorded in the warehouse register as passing into the stock of the latter.
- ³ [(16) The deficiency allowable during the period of storage in the warehouse is calculated according to the scale prescribed by the Financial Commissioner. In the event of the deficiency being in excess of the prescribed scale, the inspector will make a brief report in the warehouse register in form D-21 on the condition of the cask on delivery, i.e. "no apparent cause" in cases where the cask is in an apparently sound condition, and a few brief remarks where such causes as leaks, defective staves, broken hoops, porous wood, etc. might account for the excess. Any Officer specially authorized by the Financial Commissioner to inspect the distilleries in Himachal Pradesh at his inspection will enquire into the reasons given for the excess, and, if he is satisfied, will initial the inspector's entry in the warehouse register in Form D-21. If he is not satisfied that the excess is due to natural or accidental cause, he will submit a report, recording his reasons at full length to the Collector so that action for recovery of duty on the excess may be taken under rule 9.102 if necessary.]

1. Added, -vide RC'S Notification No.5757.-EX., dated 23rd November, 1940.

2. Substituted , - vide Notification No. 7-9/63-E&T, dated 9th August, 1965.

3. Substituted , -vide Notification No. 7-9/63-E&T., dated 9th August, 1965.

MANUFACTURE, STORING AND PASSING OUT OF SPIRIT

9.91. Blending or reduction of plain spirit is permitted in the store vats, provided the blending and reduction is done in the presence of the inspector and under his supervision. Any other blending or reduction as is desired may be done at the time of issue in the special issue- room mentioned in rule 9.103 below. Water used for reduction must be pure, and the licensee must comply with the directions of the Collector regarding the water supply.

¹[9.92. The colouring and/or compounding of spirit with materials not specifically prohibited by the Financial Commissioner is permitted ---

(a) in store vats, ² [X X X]

(b) in the special issue room (rule 9.103) at the time of issue; ² [and]

²[(c) in bottling vats or other vessels in which spirit is stored before transference to the bottling room.]

Provided this is done in the presence of the Inspector and under his supervision.

All colouring and compounding materials brought into the excise enclosure shall be entered by the Inspector in the register in form D-16 and be kept thereafter in the colouring and compounding materials room. Their quality and character shall be subject to check as occasion may require.

³[9.93. Subject to the approval of the Financial Commissioner, operations connected with the filling of bottles with country spirit and Indian made foreign spirit for issue shall be conducted in bond under the supervision of the Distillery Inspector, in separate rooms called bottling rooms for country spirit and Indian made foreign spirit, respectively, set apart for the purpose, within the distillery enclosure, near the spirit store [for the duration of the present war, the bottling of Indian made Foreign Spirit may be carried on in the bottling room for country spirit, provided that a separate charger and bottling machine shall be provided for the bottling of Indian made Foreign Spirit in such room]. In these rooms the licensee may set up such apparatus for filtering, bottling and processes connected therewith as may be needed. Bottled spirit shall be stored in separate rooms

called the bottled spirit store for country spirit and Indian made Foreign Spirit, respectively, set apart for the purpose within the distillery enclosure near the bottling rooms. The bottling rooms and the bottled spirit store-rooms shall be secured in such manner as the Financial Commissioner may approve. In the bottling rooms, bottling vats may be erected and spirit stored therein. The following rules shall be observed for the conduct of bottling operations :--

(a) Country spirit and Indian made Foreign Spirit shall be bottled at the strength from time to time prescribed by the Financial Commissioner.

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1. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936.
 2. Omitted/ Added, -- vide Financial Commissioner's Notification No. 6975-Ex, dated the 8th December, 1942.
 - 3.. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.

¹[(b) Bottling shall be done during the ordinary working hours of the distillery. If the licensee has reduced the strength of spirit by blending or otherwise, he shall not bottle the spirit until 12 hours after operations are complete, unless arrangements approved by the Financial Commissioner have been made to cool the spirit to a normal issue temperature thereby preventing shrinkage in bottles after issue.]

(c) No bottles shall be filled with spirit except in the joint presence of the Inspector and a representative of the licensee.

(d) spirit required for bottling shall be measured out and brought into the bottling rooms by a permanently fixed pipe (bearing, within the spirit store, a cock and fastening for an Excise lock) or such other means as may be approved by the Financial Commissioner.

²³ [(e) Bottles and flasks of the following sizes only shall be used :--

⁷(i) (a) Bottles of the capacity of 180 millilitres.

(b) Bottles of the capacity of 375 millilitres.

(c) Bottles of the capacity of 750 millilitres.

(d) P.E.T. bottles of the capacity of 750 millilitres.

(ii) Reputed pint bottles of the capacity of 13 1/3 ounces.

(iii) Reputed quart bottles of the capacity of 26 2/3 ounces.

[Provided that the licensee may bottle and sell Indian made foreign liquor in glass bottles of ⁷2000 millilitres, 1000 millilitres, 750 millilitres and 500 millilitres sizes ⁸ P.E.T bottles of 1000 millilitres, 750 millilitres, and 500 millilitres sizes also.

Provided further that the licensee may bottle and ⁹ miniatures upto 60 millilitres sell the country liquor in polythene packs/pouches of the following sizes also.-

(i) 750 Millilitres ;

(ii) 375 Millilitres ;

The licensee shall not use for bottling spirit any bottles or flasks bearing the name or trade mark of any other bottler or any other distillery. The Financial Commissioner may accord permission to a licensee for a period not exceeding six months to use such bottles or flasks of another distillery with the consent of that distillery.

⁵ (f) The bottles and flasks, mentioned in sub-clause (e) above shall be of standard pattern

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1. Vide Financial Commissioner's notification No. 1567-Ex, dated the 27th March, 1939.
 2. Vide Financial Commissioner's notification No. 2696-Ex, dated the 29th June, 1938.
 3. Vide Financial Commissioner's notification No. 4276-Ex, dated the 7th October, 1939.
 4. Vide Financial Commissioner's notification No. 7-6/93-EXN-20583 dated 16th November , 1993 published in RHP (Extra ordinary) dated 27.11.93.
 5. Provision added vide Notification No. 7-77/92-EXN-6027-6064 dated 26th March, 1993 published in RHP (Extra ordinary) dated 31.3.1993 and substituted vide Notification No. 7-58/93-EXN-5783-dated 31st March, 1994 published in RHP (Extra ordinary) dated 31.3.1994.
 6. Vide Financial Commissioner's notification No. 2043-Ex, dated the 23rd April, 1937.
 7. Substituted vide Notification No. 7-41/2002-EXN-5584-5631 Dated 31.3.03
 8. Notification No. 7-304/2006-EXN-6888-6941 dated 30.3.07
 9. Added vide Notification No. 7-43/99 –EXN-6374-6409 dated 29.3.2000 Pub. on 31.3.2000

For the bottling of country spirit they shall bear the following specifications moulded or sand blasted on the glass :--

(i) the word “¹ [H.P. Excise]

(ii) the figures and words “26 & 2/3 ounces,” “13 1/3 ounces” or “6 2/3 ounces” in the case of reputed quarts, pints and quarter bottles, respectively,

(iii) the name or mark of manufacturer of the bottles, and

(iv) a line across the neck up to which the bottles shall be filled, in order to contain the proper quantity.

For the bottling of Indian made foreign spirit they shall either bear the same specifications moulded on the glass as prescribed for country spirit or shall have a monogram moulded or sand blasted on them consisting of the letters “P.E.” and figures and letters “26 2/3 ozs,” “13 1/3 ozs” or “6 2/3 ozs.”

(ff) Notwithstanding the provision contained in sub rule (f) above the Financial Commissioner may, in case of emergency permit the use of non-standing pattern bottles without the name or mark of the manufacturer of the bottles or a line across the neck and also to sand-blast letters “P.E” instead of the words “Punjab Excise” on ³ [bottles of the capacity of ¹ [375] milliliters and ¹ [189.25/180] milliliters] to be used for the bottling of country spirit] ⁴ [Such non standard bottles shall be of the capacity approved by the financial commissioner.]

³ [(g) All bottles mentioned in sub-rule (e) above, shall unless otherwise allowed by the Financial Commissioner be securely sealed with Pilfer proof seals such a way as to make it impossible to remove the seals without its being cut and broken . The seals to be used on various kind of liquor shall be one coloured, of standard sizes and shall bear on top thereof the name of the distillery or warehouse printed in cut-out letterings. In addition to above, the seals used on country liquor shall bear on top thereof the words “Himachal Excise”.

Provided that any other additional printing may be done if so desired by the licensee at the sides only.]

⁴[(h) The licensee shall use the following kinds of capsules for the different kind of liquor :-

- (i) For plain spirit --- Plain capsules.
- (ii) For spices spirit --- Brilliant capsules of different colours.
- (iii) For special spiced spirit --- Wax finished capsules.
- (iv) For Indian - made Foreign spirit. --- Wax finished capsules.

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1. Substituted vide Notification No.EX-38-28/52(1) dated the 27th November, 1952 published in RHP. On 13.12.1952
 2. Inserted vide Notification No.5594-EX, dated in 11th December, 1939.
 3. Substituted vide Financial Commissioner's notification No. Ex. 9-11/-x , dated the 2nd January, 1963.
 4. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936 and No. 1549-Ex, dated 25th March, 1939 and No. 4276-ex, dated the 7th October, 1939.

³(i) Symbol of vegetarian or non –vegetarian.

The word 'capsule' appearing in this clause includes aluminum capsules of good quality.

All the capsules shall bear in black letters the information set forth in clause (g) above. The degrees of obscuration shall be shown on the capsule or otherwise on the label mentioned in sun-rule (l) if the obscuration exceeds two degrees. With the previous sanction of the ⁴Deputy Excise and Taxation Commissioner (D) , only to be given in exceptional circumstances of which the ⁴Deputy Excise and Taxation Commissioner(D) shall be the sole judge, a licensee may use plain capsules on bottles containing spiced spirit, or coloured capsules on bottles containing plain spirit, or the capsules of another distillery with the consent of that distillery.

¹[Provided further that with the permission of the Financial Commissioner, the licensee may emboss the required superscription on the capsules in "self colour" instead of in black letters as prescribed above.]

²[Such non-standard bottles shall be of the capacity approved by the Financial Commissioner.]

- (i) Plain country spirit shall be bottled in dark glass bottles or flasks and spiced spirit, including special spiced spirit, whether coloured or uncoloured, in clear glass bottles or flasks.
- (j) The licensee shall not use taper corks for bottling. The licensee shall soak the corks in clean water for 24 hours before corking the bottles.

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1. Added vide Financial Commissioner Notification No-789-EX, dated 18.2.1941.
 2. Added vide Financial Commissioner Notification No.-5639-EX., dated 6-10.42.
 3. Added vide Notification No. 7-62/2007 –EXN-7838-57 dated 31.3.08.
 4. Substituted Vide Notification No. 7-59/2001-EXN-6634-730 dated 30.3.02.

¹[(k) The licensee shall label each bottle after bottling with a label showing the following particulars :--

- (a) the name of the distillery,
- (b) the district in which it is situated,
- (c) the kind of liquor bottled,
- (d) the strength of the liquor in degrees of proof,
- (e) the degree of obscuration, and
- (f) in case the country spirit, the words "Desi Sharab" in ² [Devnagari script]

⁴(g) MRP in respect of L-2, L-14 and L-14A vends as fixed by the Govt. every year shall be printed on the Labels of country liquor IMFL and Beer.

³[Provided that the strength of the liquor and degrees of obscuration need not be shown on labels to be used on bottles containing Indian made foreign spirit :

Provided further that the words "kjkc ihuk LokLF; ds fy, gkfudkjd gS" in Hindi and "Consumption of Liquor is injurious to Health" in English also shall be printed on the label of each bottle of Indian made foreign spirit, and on each bottle or polythene pouch of country spirit, meant for sale in Himachal Pradesh."]

(l)Before bringing any label into use the licensee shall submit exact copies thereof in quadruplicate, to the Collector, who shall forward them to the Financial Commissioner for his approval. The Financial Commissioner, if he approves of the label, shall number it and affix his official seal. One copy will be retained in the Financial Commissioner's office for record; one copy will be sent to the commissioner of the division concerned. The remaining two copies will be returned to the Collector, who will send one copy each to the Distillery Inspector and the licensee for information and record.

1. Vide Financial Commissioner's notification No. 1984-Ex, dated the 3rd May, 1938.

2. Substituted vide Notification No-Ex-38.28/52(1) dated 27.11.52 published on 13.12.1952.
3. Added vide Notification No.-7-38/94-EXN –14830-926 dated 5th August, 1995 published on 7-8-95.
4. Added vide Notification No.7-304/2006 –EXN-6888-6941 dated 30.3.07.

The licensee shall comply with such instructions as the Financial Commissioner may issue regarding any label. If the licensee desires to affix any more labels to the bottles, he shall submit specimens for approval in the manner prescribed above. Secondary labels need not have printed on them all the details required for the main label. In particular the licensee shall carry out the following directions :-

- (i) All labels required to be used on the bottles of spiced spirit shall bear the word "masalahdar " in [Devnagari Script] and Gurmukhi characters and the words "spiced spirit" in English characters.
 - (ii) Labels bearing the words "Superior" or "Special" shall only be used on the bottles of special spiced spirit. Labels bearing the words "Old" or "matured" shall only be affixed to bottles containing spiced spirit that has been kept in the matured spirit warehouse for more two years in bond from the date of distillation.
 - (iii) The words "Rum" or " White Rum" shall not be used on labels to be affixed to bottles containing country spirit.
 - (iv) The words "Malt Whisky" shall only be used on labels to be affixed to the bottles containing malt whisky only, as defined in these rules.
 - (v) The labels on the blended product of malt whisky made in the Punjab distilleries and of imported Scotch Whisky shall describe it as "Indian Malt and Scotch Whisky Blend."
 - (vi) The words "Matured Whisky" shall be used only on bottles containing matured whisky, as defined in these rules.
- (m) Labels must be so affixed as to be easily distinguishable. No label shall be pasted over the words " 1[H.P.Excise]" and the figures and words "26 2/3 ounces " "13 1/3 ounces," "6 2/3 ounces" moulded or sand blasted on the bottles.

1. Substituted vide Notification No. EX.38-28/52(1) dated 27th November, 1952 published on 13.12.1952

The approval of a label by the Financial Commissioner merely implies that there is no objection to the label from the standpoint of the excise administration. It does not grant a copyright.

(n) An account of spirit received that used for bottling shall be maintained in form D.13 B.

¹[(o) Except with the special permission of the Financial Commissioner, the Punjab Excise bottles shall not be used for bottling any country or Indian made foreign spirit, which is intended for export to another province or to an Indian State. Such spirit shall be bottled either in plain bottles or in bottles bearing such marks and indications -- not being those approved for the Punjab -- as may be required by the State or province concerned. Except for the Punjab States, which conform to the Punjab Regulations regarding the saleable strength of spirit and the size of bottles, the spirit bottled for export may be issued at such strength and in bottles of such sizes as may be required by the regulations of the State or province concerned, provided that the strength of spirit thus issued, shall not be lower than that prescribed for the Punjab. Such bottling shall take place on days other than those on which bottling for the Punjab and Punjab States takes place, or if done on the same day, it must be done in a separate room. Such spirit shall also be stored separate from that meant for the Punjab or Punjab States. The capsules and labels to be used on spirit bottled for export to other provinces or States, other than the Punjab States, shall be such design and bear such words as may be required by the Excise authorities of the destination to which the liquor is to be consigned. The label shall clearly state the name of the province or State to which the spirit is to be exported. If the labels used resemble those approved for use in the Punjab, they shall be over- printed with the words "For sale in the -- Province / or State only". The type to be used for such over printing shall not be smaller than two Line Pica.]

1. Vide Financial Commissioner's notification No. 3046-Ex, dated the 30th April, 1937, as amended by Financial Commissioner's notification No. 2728-Ex, dated 22nd June, 1937.

¹ [9.93- A Rectified spirit may be bottled with the previous approval of the Financial Commissioner, Subject to the following conditions :-

- (a) Operations connected with the filling of bottles with rectified spirit shall be conducted in bond in a separate enclosure called "the Bottling Room for rectified spirit."
- (b) bottling shall be done during ordinary working hours of the distillery in the joint presence of the Inspector and a representative of the licensee.
- (c) Spirit required for bottling shall be measured before bottling .
- (d) The shall use such bottles corks, labels and capsules as have been approved by the Financial Commissioner.
- (e) Each bottle shall bear a label showing the following particulars in blue.
 - (i) Name of distillery and name of the district in which it is licensed,
 - (ii) Quantity of rectified spirit contained in each bottles,
 - (iii) Strength of spirit in degrees of proof,
 - (iv) the words "rectified spirit" in English, Gurmukhi and Persian characters and
 - (v) the words "Not intended for internal consumption except under medical advice."
- (f) Bottles and labels used for bottling rectified spirit shall not resemble, in colour or pattern, those permitted for the use of bottling country spirit or Indian made foreign spirit.]

9.94. Manufacture of ginger wine, milk-punch and medicated wine ---

- (i) Ginger wine, milk-punch, and medicated wines shall be manufactured and bottled in the compounding room of the distillery in the presence of the Inspector.
- (ii) The spirit whether plain or sophisticated, required for the manufacture of these wines, shall be measured out from the bonded storeroom of the distillery.
- (iii) The duty on these beverages shall be charged in the same way as in the case of other spirit stored in the distillery. Pending the issue from the distillery, the bottled stock thereof shall remain in bond under lock and key.

DENATURATION OF SPIRIT

¹[9.95 For the purpose of rendering spirit effectually and permanently unfit for human consumption, no substance other than light caoutchoucine and mineral pyridine bases shall be used. They shall be mixed with the spirit to be so rendered unfit for human consumption in the proportion of one-half percent, by volume of caoutchoucine and one-half percent of mineral pyridine bases to the whole volume of spirit which shall be of not less strength than 50 degrees overproof :

Provided that the previous sanction of the Financial Commissioner is obtained in each case, the use of wood naphtha as a sole denaturant is also permitted for denatured spirit to be supplied to the Indian Medical Store Depots. One part by volume of crude wood naphtha of the specifications mentioned in rule 9.126 of these rules and nineteen parts of spirit of a strength of not less than 50 degree overproof shall be mixed to prepare such denatured spirit :

1. Inserted vide Financial Commissioner Notification No. 2332-Ex., date the 29th April, 1940.

2. Substituted vide Notification No. Ex-38-28/52(1) dated 27th November, 1952 published on 13.12.1952.3. Vide Financial Commissioner's notification No. 3658-Ex, dated the 14th September, 1938.

Provided further that if the spirit to be removed is required for use in particular ¹[Processes], the Financial Commissioner, on special application being made to him, may authorise special method of denaturation.]

9.96.The specifications of light caoutchoucine and mineral pyridine bases shall be those from time to time approved by the Financial Commissioner.

¹[9.96-A.Specially denatured spirit of the strength of not less than 60 degree overproof may be issued to soap manufacturers provided that it is denatured with the following denaturants :-

(a)half percent. caustic soda;

(b)three percent. castor oil soap;

(c)one percent. of the volume of wood naphtha or methyl alcohol.

The specifications of caustic soda and castor oil soap and alcohol are given as follows :-

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Caustic soda to be used should contain at least 90 percent. active Sodium Hydroxide and when dissolved in water should form a clear solution.

Castor oil soap should be made from pure filtered castor oil with a filtered caustic soda lye made from 76 percent. N²° or 98 percent caustic soda. The soap should not contain ,more than 28 percent or less than 25 percent of water; 5gms of the soap should be able to dissolve into a clear solution in 50 c.c. of hot distilled water. It should be absolutely free from any fillers whatsoever. A portion of the soap when placed on an unglazed paper should not show any stain. The insoluble free fatty acids obtained from the soap should have an iodine value between 85 and 92 and acid value between 190 and 195 , melting point between 10 and 13 degrees Centigrade and refractive index 1.4525 to 1.4565 at 60° C. The acids should be derived as follows :--

Dissolve the soap in hot distilled water and add a slight excess of Hydrochloric Acid. Heat the mixture on a water bath until the fatty acids form a transparent layer at the top. Separate the fatty acids by means of a separatory funnel and wash them with hot water until the washed waters are neutral when they are treated with Methyl Orange. Transfer the acids in a dry beaker and heat them at 100° C in an oven for about 1 1/2 hours. The acid thus dried should be tested for iodine value acid value, refractive index, etc.

The alcohol or rectified spirit used should be not more than 66° or less than 60° overproof.

For denaturing 100 gallons of rectified spirit the process recommended is as follows :--

Take the rectified spirits in the tank and add to it 30 bs. of castor oil soap as specified above, little at a time and stir the mixture continuously until it is completely dissolved. A slight turbidity may be overlooked. Take 4 bs of caustic soda and dissolve it in 2 gallons of water . After the caustic soda has been completely dissolved allow the solution to cool and settle. When the solution comes to the room temperature add the clear solution to the soap alcohol mixture. stir it well and allow the mixture to settle.

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1. Substituted ,vide Financial Commissioner Notification No. 990-EX., dated 21st February, 1940.
 2. Vide Financial Commissioner's notification No. 4279-Ex, dated the 15th October, 1937.

The clear denatured alcohol thus obtained is then ready for distribution. The denatured alcohol should have the following properties :---

10 c.c. of denatured alcohol should require not less than 9.00 and more than 11.00 c.c. of 0.1 normal Sulphuric Acid.

9.97. No consignment of denaturing materials intended for use in rendering spirit permanently and effectually unfit for human consumption, shall be brought into a distillery otherwise than with the permission of, and in the presence of, the inspector.

9.98. The licensee shall provide a special room for the storage of the denaturing agents and vessels and receptacles used in the process of denaturation, and the process shall be carried out in this room only, and in the presence of the inspector. After denaturation is completed; the denatured spirit shall be immediately issued or stored in the special room, which shall be secured by double locks, the keys of which are not interchangeable. The key of one lock shall remain with the inspector, and the key of the other lock shall remain with the licensee.

9.99. For the purpose of satisfying himself that the denaturing materials stored in any licensed distillery are efficacious for the purpose of rendering spirit effectually and permanently unfit for human consumption, the Collector shall, from time to time, but not less than twice in each year, send a sample of every separately stored quantity of such denaturing materials to the Chemical examiner to Government, Punjab, for the purpose of being tested and its quality and efficacy being reported upon.

No spirit stored within a licensed distillery shall be denatured otherwise than with the permission of, and in the presence of, the inspector.

9.100. For the purpose of ascertaining that spirit has been effectively and permanently rendered unfit for human consumption in the manner prescribed, the Collector in whose jurisdiction the distillery is situated shall, not less than once in every three months, and without previous notice to the licensee, cause to be taken from stock a sample of such spirit, amounting to about six fluid

ounces, and shall send such sample to the Chemical Examiner to Government, Punjab, for the examination and report. A copy of the report of the Chemical Examiner shall be submitted to the Financial Commissioner.

WASTAGE AND LOSS

9.101.If it is found that the wastage in any distillery is excessive, the Financial Commissioner may prescribe a scale of wastage, and the licensee shall pay duty, as on issue, in respect of all losses attributed to wastage, in excess of the scale fixed.

¹ [9.101-A.The following scales of wastage allowance for the spirit are prescribed for all the distilleries: --

WASTAGE ALLOWANCE IN CASE OF

Spirit store room	Re-distillation	Bottling operation	Bottled spirit room
2 percent	1.5 percent	1.5 percent`	1 percent

1. The excess wastage in various operations, namely, store room, bottling operation, bottled spirit room and re-distillation, shall be worked out separately in form D-26, D-27, D-28 and D-29 .

2. The above scale shall apply both to Country Spirit and Indian Made Foreign Spirit. Where the wastage of spirit exceeds the prescribed limit, duty on wastage of each kind of spirit, for which a separate rate of duty is fixed shall be calculated separately, but for this purpose, various brands of Indian Made Foreign Spirit chargeable to the same rate of duty, shall be taken up together.

3. For the purpose of this rule wastage shall be calculated for each month for each kind of spirit separately but the charge on account of still head duty for each kind of spirit shall be made at the end of the financial year. The Distilleries , Bottling plant shall be allowed to set off the results of The month/month in which the wastage of spirit was less then the prescribed scale against those of the month/month in which the wastage exceeds.

4. The duty shall be charged at the still head duty rate applicable to particular kind of spirit.]

9.102. In case the extraordinary loss of spirit occurs in a distillery/bottling plant due to accident on calamity, an immediate enquiry into the cause shall be made under the orders of Collector. If it is found that the loss was due to preventable causes, which could be foreseen or guarded against by the licensee, the Collector shall direct the licensee to pay a sum of money equal to the amount of duty as on issue for the negligence if that quantity of spirit had not been wasted due to negligence.]

PREPARATION FOR ISSUE

9.103.A specuial issue-room shall be provided by the licensee near the spirit warehouse for the operations connected with the filling of vessels for issue and their issue from the distillery.

9.104.No vessel shall be filled with spirit for issue, except in the joint presence of the inspector and of a representative of the licensee.

9.105 .In the process of filling vessels for issue, spirit from different store vats may be blended according to calculation, or water may be added for the purpose of producing spirit of a strength required, but the inspector shall record the actual quantity and strength of the spirit actually drawn from each vat.

9.106. Spirit may be measured into a vessel for issue by being passed directly from a store vat into the issue vessel through a pipe or armoured hose attached to the cock of the vat and discharging into a gauging machine placed in the

issue room at a convenient level, to discharge into vessels placed under it, provided that, when this can not be arranged, spirit may, with the Financial Commissioner's sanction, be measured into a vessel for issue by means of gallons measures. Spirit may be passed through a filter before it enters the gauging machine.² [Separate vessels shall be used for measuring potable and unpotable]spirits.

1. Substituted by Notification No. 7-128/85-EXN. Dated 26th February, 1986 published in RHP (Extra ordinary) dated 19.3.1996 and further amended by notification No.7-4/96-EXN-23917-966 dated 4.10.1999 published in RHP (Extraordinary) dated 15.10.1999..

2. Added vide Finance Commissioner Notification No. 3569.EX, dated the 4th August, 1941.

9.107. Before a gauging machine is brought into use, the inspector shall verify its correctness with his standard measures, and he shall with these measures re-verify it on the 1st and 15th day of each month.

9.108. The licensee is responsible for securing the bungs or other openings of all casks and vessels filled for issue and for preparing them, or, if they are packed, preparing their packages, for sealing by the inspector, in such a way that they cannot be opened without damaging the seal.

9.108-A. The inspector shall weigh the empty casks and the casks filled with spirit and record the weight in the register in Form D-22. If the check by weighment shows an excess or deficiency of more than 2 lbs. in 40 gallons, the liquor should be re-measured. As issues are made by measurement and not by weight the result of weighment should not be accepted as final without re-measurement.

9.109. In case the licensee is required to issue spirit of specified strength, he shall, if the Financial Commissioner so directs, have a label of a special colour, prescribed by the Financial Commissioner for each such specified strength, at which spirit is issued by him and shall put the appropriate label on each vessel and package before presentation to the inspector for sealing.

9.110. The licensee shall not decline sale or refuse supplies to any licensed vendor, wholesale or retail, who has obtained a permit for the issue of spirit from his distillery and tenders payment for such spirit at the rate then current. If more than one licensed vendor be applying at one time for supplies, in case of dispute who shall be supplied first, the licensee shall supply them in the order of the dates of the applications received by the inspector, the decision between applications bearing the same date, being made by the inspector by lot, provided that not more than 500 gallons shall be supplied at one issue to a licensed vendor who desires an issue of bottled spirit or in the case of, bulk spirit who desires his issues to be made in casks of capacity of at least 50 gallons each, supplied by himself or by the distillery on his behalf, and tendered at the time to be filled, and that not more than 50 gallons shall be supplied at one time to a licensed vendor tendering vessels of a smaller capacity. If any customer cannot, with due diligence, be supplied before a notified change of price takes place, the licensee may demand payment from him at the changed price in force when he is actually supplied.

GENERAL RULES REGARDING THE ISSUE OF SPIRIT

¹[9.111. No bulk spirit shall be issued in quantities of less than four gallons and no bottled spirit shall be issued ² [X X X] in quantities of less than two gallons, except when spirit is issued as a

sample in accordance with rule 9.115 (g) below. The removal of any spirit other than bottled spirit shall not be permitted in vessels of less than four gallons capacity.

This restriction does not apply to rectified spirit issued duty free to hospitals and dispensaries in the Punjab or other provinces and Indian States, provided that the aggregate quantity issued on any one indent is at least one bulk gallon.]

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1. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936, and Financial Commissioner's notification No. 3638-Ex, dated 13th September, 1938.
 2. Deleted vide Financial Commissioner Notification No. 4248 EX., dated the 23rd September, 1941.

¹ [Notwithstanding anything contained in this rule, for the duration of the present war, the minimum quantity which may be issued in bulk shall be two gallons.]

² [9.112. No spirit shall be issued till its quantity and strength have been verified by the inspector, or, in the case of spirit flavoured and coloured to suit a special Indian taste, under the special arrangements made for verification of its strength. All spiced spirit, except aniseed spiced spirit, which turns milky white on dilution, shall be coloured before issue to licensees in the Punjab.]

9.113. The licensee shall, if required to do so by the Financial Commissioner, issue spirit only in specified strength either in general or for particular classes of purchasers.

[9.114. No spirit shall be issued, except under a distillery pass granted by the inspector.

³ [9.114-A. The inspector shall issue on the same day spirits indented on indents received by him upto 12 noon. No spirit shall, however, be issued outside the hours prescribed in rule 9.28 above. Any indent, which cannot be complied with on the same day, shall be complied on the next working day. Indents received after 12 noon cannot ordinarily be expected to be complied with until the next working day.]

9.115.(1) A distillery pass for the removal of spirit fit for human consumption may be granted in favour of any of the following persons only, namely :-

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1. Added vide Financial Commissioner's Notification No. 2717-Ex., dated the 15th April, 1944.
 2. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936, and Financial Commissioner's notification No. 3638-Ex, dated 13th September, 1938.
 3. Vide Financial Commissioner's notification No. 3965-Ex, dated the 13th October, 1938.

- (a) a person certified to be holding a license in the Punjab ¹ [X X X] or Delhi ² [X X X] to sell such spirit by wholesale or retail, and, when the spirit is to be transported or exported beyond the limits of the district in which the distillery is situated, holding a permit signed by the Collector, or other officer authorised in that behalf, of the district of destination;
- (b) an officer of the Supply and Transport Corps or commanding a regiment of the ³ [X X X] army holding a permit signed by the Collector of the district of destination, or presenting a requisition countersigned by the Brigade Commander or corresponding superior officer, when it is proposed to export spirit for the use of troops serving outside the territorial limits ³ [X X X]
- (c) (c) a person holding a permit signed by the Collector of a district in any other province of British India for the export of such spirit from the Punjab into that district;
- (d) a person holding a permit signed by an Officer duly authorised in that behalf for export of such spirit to an Indian State;
- (e) a person holding a permit from the Collector of any district in the Punjab or ¹ [X X X] Delhi ² [State] to transport, export or remove rectified spirits of wine, to such district for chemical or medical purposes; and
- (f) a Provincial or Divisional Darbari authorised by the Collector to remove specially prepared spirit;
- ⁴[(g) The Manager of a distillery in respect of spirit issued as samples;
Provided that ---
- ⁵(i) Spirit as samples does not exceed ⁶ [45 proof litres]per month and an account is maintained in a monthly register in Form D-24 which will be subject to periodical check by a competent excise authority.]
- (ii) Samples are issued in bottles of the sizes specified in rule 9.93 above or in bottles of any size smaller than the quarter bottle; and]

1. Deleted vide Notification No. Ex., 38.38/52 (1) dated 27th November, 1952 published in the gazette of India dated 13th December, 1952.

2. Substituted., vide Adaplation of law order, 1950.

3. The words(British India) had been Substituted by the words provinces of India by the Independence (Adoption of Bengal and Punjab Acts) orders 1948, and the Schedule, the words province of were omitted by in Adoption of laws order ,1950.

4. Vide Financial Commissioner's notification No. 2045-Ex, dated the 23rd April, 1937.

5. Substituted, vide Excise and Taxation Commissioner's Notification No. 4426-EX dated the 18th September, 1946, and No. 1161-Ex-dated the 31st March, 1948.

¹[(h) an officer of Government in respect of spirit removed by him in his official capacity.]

(2) A distillery pas for the removal of denatured spirit may be granted in favour of any of the following persons only, namely :--

- (a) a person certified to be holding a license in the Punjab, ² [X X X X X X]or Delhi State to sell such spirit;
- (b) a person authorised by the Collector of any district in the Punjab, North-west Frontier Province or Delhi Province to remove such spirit for industrial use; and
- (c) a person holding a permit signed by an officer duly authorised in that behalf for export of such spirit to an Indian State.

⁴ [9.115-A. When the licensee desires to remove from bond any quantity of fusel oil, a sample shall be forwarded to the Chemical Examiner for analysis; and if the result of analysis shows the percentage of alcohol to be less than 15 percent-Proof spirit, the fusel oil shall be issued under a pass in form D-20 free of duty.]

⁵[9.116. Subject to the provisions of rule 9.110 the licensee may act as an agent in removing spirit for any licensed vendor (including any wholesale agency licensed in the name of a distillery) who, to enable the licensee to obtain a distillery pass, furnished him with a certificate showing that he is a licensed vendor.]

9.117 Every application for a distillery pass for the removal of spirit shall be made in writing to the inspector, and shall be accompanied by the certificate or permit required under the relevant sub-clause of rule 9.115 above, such certificate or permit being either a general one for the purpose of removals to be made from time to time or a special one for the purpose of a single removal.

⁴[9.118. If the applicant tenders cash in payment of still-head duty, the inspector shall, after ascertaining that the licensee's price has been paid, fill up the challan, for presentation with the cash, at the treasury or sub-treasury of the district in which the distillery is situated. The applicant shall present the treasury receipt in token of his having paid the duty and the inspector shall affix it to the counterfoil of form D.-20]

9.119. The applicant for a distillery pass shall be responsible for the correct calculation and full payment of the still-head duty due upon the spirit to be removed, but, if he is in doubt as to the amount of such still-head duty, he may, prior to its payment in the treasury, apply to the inspector for a revision of the calculation.

In calculating duty on bottled spirit 24 half pints, twelve pints, or six quart bottles shall be reckoned as one gallon.

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1. Vide Financial Commissioner's notification No. 2183-Ex, dated the 18th April, 1935.
 2. deleted vide Notification No. Ex., 38.28/52(i) dated 27th November, 1952 published the gazette of India dated 13th December, 1952
 3. The words(British Indian) had been substituted by the words provinces of Indian by the Independence (Adoption of Bengal and Punjab Acts) orderes, 1948 and the Schedule. The word's provinces of were omitted by the adoption of lands orders.
 2. Vide Financial Commissioner's notification No. 1061-Ex, dated the 5th March, 1936.
 3. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936.
 4. Vide Financial Commissioner's notification No. 3708-Ex, dated the 23rd September, 1936.

9.120. I, in removing spirit from the distillery as an agent for a licensed vendor, the licensee prefers not to pay duty at the time, he may remove the spirit subject to the adjustment of such duty against an advance payment made by him into the Government treasury on account of the duty recoverable on such removals. Such an advance payment shall not be less than Rs. 2,000 and each time an advance is replenished, it must be by a sum that will bring it upto at least Rs. 2,000. The treasury officer will keep the inspector informed of all

payments credited to an advance, and the inspector shall maintain a statement showing such payments and the duty debitale against them. He shall balance this statement on every day on which the distillery is open for the issue of spirit, and on every such day shall inform the licensee of the balance standing to his credit, and he shall permit the removal of spirit of which the duty is debitale against the advance only so long as the balance is not exhausted.

¹[9.121 .In addition to the methods described in rules 9.118 and 9.120 above, spirit may be removed from a licensed distillery (a) free of duty in bond, and (b) on the execution of a bond [in form D-19] for the payment of duty. Removals under (a) require in each case the sanction of the Collector, while payments of duty in arrears under (b) can only be authorised by the Financial Commissioner.

9.122. If the inspector is satisfied that the applicant is entitled under rules 9.115 and 9.117 above to remove spirit, and that the still-head duty has been paid or accounted for in one of the methods prescribed in rules 9.118, 9.120 and 9.121, he shall issue the spirit. At the same time he shall make over a pass in the form prescribed (form D-20), sending a duplicate to the inspector of the district of destination.

PRICES

³[9.123. The licensee shall maintain in the office of the Distillery Inspector a statement of the price-current for plain, spiced and special spiced country spirit, bulk as well as bottled, and shall not alter such price -current except after 24 hours' notice to the Collector. The price-current statement and every notice of alteration of prices shall be conspicuously posted in the general office of the distillery under the Financial Commissioner's orders in forms prescribed by him.]

9.124. The licensee shall duly comply with any directions that may, from time to time, be issued by the Financial Commissioner concerning the price or prices to be charged by him to license vendors, and shall, if and whenever so directed, forthwith reduce or enhance as the case may be, such price or prices.

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1. Vide Financial Commissioner's notification No. 98-E & S, dated the 6th January, 1934.

2. Added vide Financial Commissioner's Notification No. 5528-Ex., dated the 6th December, 1941.
3. Vide Financial Commissioner's notification No. 3035-ex, dated the 26th June, 1935.

¹ [9.125 No holder of a distillery license shall sell country spirit at prices higher than those fixed by the Financial Commissioner from time to time.]

² [9.126. With reference to rules 9.95 and 9.96 of these rules the following specifications of light caoutchoucine and mineral pyridine, bases of wood naphtha for use in the denaturation of spirit, which have been approved by the Financial Commissioner, are published for information :---

(a) *Specification for light caoutchoucine.*

(1) *Nature.*--- By "caoutchoucine" is meant the liquid obtained by the dry distillation of vulcanised rubber. By "light caoutchoucine" is meant the liquid obtained by redistilling "caoutchoucine" and correcting that portion which passes over, at, or below, about 200^o C.

(2) *The specific gravity of light caoutchoucine.* --- The specific gravity of light caoutchoucine at 60^o F, should lie between .835 and .860 referred to water as 1.000.

(3) *Boiling test.* --- For the purpose of this test, 100c.c. of light caoutchoucine should be redistilled in the pyridine testing flask (see specification for pyridine bases). Under those conditions not more than 15 c.c. of distillate should pass over, at, or below, 100^o C., whilst a total (including the foregoing of at least 70 c.c.) should pass over, at, or below 200^o C.

(4) *Absence of soluble constituents.* --- When 25c.c. of light caoutchoucine are shaken with an equal volume of water in a stoppered graduated cylinder, and due time is allowed for the liquids to separate again into two layers, the light caoutchoucine should show no appreciable diminution in volume.

(5) *Neutrality.* --- The aqueous layer obtained from test (4) should show no marked acidity or alkalinity when tested with both red and blue litmus paper.

(6) *Limit of saturated hydrocarbons.*--- At least 70 percent of the light caoutchoucine should be soluble in concentrated sulphuric acid. For testing this 25 c.c. should be measured off into a tapped and stoppered separating cylinder of suitable capacity, and sulphuric acid should be added at first with great care, and in very small quantities. After each addition of acid, the cylinder should be shaken and cooled to avoid loss of volatile constituents. Sufficient acid must be used (usually about 50 c.c.) for the high coloured layer to become fluid so that it can separate readily from the upper layer of unattacked constituents. After a final thorough shaking and cooling, the cylinder should be left for about three hours to effect complete separations of the two layers and the lower layer be then tapped off. The almost colourless upper layer should be again shaken with strong sulphuric acid until it appears free from soluble constituents (as judged by the colour imparted to the sulphuric acid) and separated as before after standing. It should finally measure not more than 7 c.c.'s. The acid used should be specific gravity 1.84, and may be of commercial quality.

(7) *Freedom from water* --- Light caoutchoucine should not contain any appreciable amount of water. Any officer engaged in drawing samples for test should certify on the bottle that he has drawn the samples from the bottom of the containing vessel, where the water, if present, will be found. For this purpose he should employ a siphon tube of which the shorter limb reaches to the floor of the containing vessel. He should also assure himself that the sample is collected in a bottle free from moisture.

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1. Substituted vide Financial Commissioner's notification No. 5471-Ex dated the 4th December.1941.
2. Vide Financial Commissioner's notification No. 1475-E & S, dated the 7th May, 1932.

(b) *Specification for Mineral Pyridine Bases.*

I *Colour.* --- The colour must not be darker than that given by two cubic centimeters of decinormal iodine solution dissolved in one litre of distilled water.

II *Miscibility with water.* --- 20 c.c. of the pyridine bases should give a clear mixture with 40 c.c. of water, or else a mixture only so slightly opalescent that, after standing for five minutes, ordinary newspaper type is clearly visible through a layer 15 c.m. deep.

III *Amount of water present.* --- From 20 c.c. of the pyridine bases mixed with 20 c.c. of caustic soda solution (density 1.4) at least 18.5 c.c. of the bases should separate after having been repeatedly shaken together and allowed to stand.

IV *Titration.* --- Dissolve 1 c.c. of the pyridine bases in 10 c.c. of distilled water. Titrate with normal sulphuric acid until a drop of mixture gives a definite blue spot on congo-red paper (the blue colour should at once disappear). At least 10 c.c. of the normal sulphuric acid should be required to produce this reaction. (To prepare the congo-red paper, dissolve one gramme of congo-red in one litre of distilled water. Soak filter paper in this and then dry).

V *Cadmium Chloride reaction.* --- Vigorously shake together 10 c.c. of a solution of 1 c.c. of pyridine bases in 100 c.c. of distilled water with 5 c.c. of a 5 percent. solution of dry fused Cadmium Chloride. A distinct crystalline precipitate should immediately result.

VI *Boiling-point.* --- Distil 100 c.c. of the pyridine bases in the manner described below. At least 90 percent should distil over, at, or under, 140 degrees C.

Method. --- 100 c.c. of pyridine bases are placed in a short-necked copper flask of about 200 c.c. capacity. The flask is arranged on an asbestos card, which has a circular hole of 30 m.m. diameter cut in it. To the flask is attached a fractionating column (consisting of a tube 13 m.m. wide and 170 m.m. long, provided with one bulb) of which the side-tube (issuing) 1 c.m. above the bulb joins a Leibig's condenser of which the cooled part is at least 400 m.m. long¹. A standard thermometer is placed in the head of the column so that its bulb occupies the centre of the bulb of the column.

The speed of distillation is adjusted to 5 c.c. per minute, the distillate being received in a graduated glass cylinder. At least 90 c.c. should distil over, at, or under, 140 degree C at a barometric pressure of 760 m.m.

If the barometer varies from 760 m.m. a correction of 1 degree C. for each 30 m.m. of variation should be applied (e.g. under 770 m.m. of pressure 90 c.c. of distillate should come over at or under 140.3 degree C., whilst under 750 m.m. the same amount of distillate should come over at 139.7 degrees C.).

(c) Specifications of Crude Wood Naphtha

1. Not more than 30 cubic centimetres of wood naphtha should be required to decolourise 0.5 gram of bromine.

1. The above pattern is that specified in the German Government's regulations and has been suggested for adoption as being a simple form obtainable in every Chemical laboratory. (Messrs. Baird and Tatlock, Limited have been furnished with the details with a view to its supply.) The more modern double surface condensers may, of course, be substituted where available.

2. It should be neutral or slightly alkaline to litmus; 25 cubic centimetres of wood naphtha should require at least 5 cubic centimetres of N/10 acid using methyl orange as indicator.

¹[3. It must contain at least 72 percent by volume of methyl alcohol (Methanol). In order to estimate the amount of methanol the fractional distillation test (Government Laboratory, London) will be taken as standard.]

4. In 100 cubic centimeters of wood naphtha there should not be less than 5 grams of substances present (calculated as acetone), as measured by Messinger's test.

5. There should be not less than 1.5 grams of esters calculated as methyl acetate .

[The fractional distillation test is as follows :-

100 cubic centimeters of the sample are to be slowly heated in a small copper flask fitted with a glass fractionating column, 7 inches high and $\frac{3}{4}$ inch 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 then connected with a spiral condenser. Not more than 10 cubic centimeters of distillate should be collected in the receiver when the thermometer of just under 149 degree F (65 degree C.) from 80 cubic centimeters to 85 cubic centimeters should pass over between 149 degree F (65 degree C.) and 162 degree F. (72.2 degree C.), and a total quantity of 97 cubic centimeters to 98 cubic centimeters should have passed over before the thermometer marks 212 degree F. (100 degree C.).

1. Vide Financial Commissioner's notification No. 3658-Ex, dated the 14th September, 1938.

