

Chapter 1

Introductory

Section

I	Principle of Excise Administration
II	Kinds of intoxicants, narcotic drugs and psychotropic substances and sources of supply
	A- Liquor
	B- Intoxicating drugs
	C- Narcotic Drugs and Psychotropic Substance
	D- Opium
III	Systems of supply
IV	Systems of Taxation
V	Wholesale Vend and Retail Vend
VI	Limit Of Private Possession
VII	Definitions

PRINCIPLES OF EXCISE ADMINISTRATION

1. Scope of the subject - In Uttar Pradesh the Department of Excise is Controlled by the Governor. It includes the administration of the laws and rules relating to -

- (a) Liquor;
- (b) hemp drugs (and other drugs declared to be intoxicating drugs);
- (c) the possession, transport, inter-State import and export, sale, purchase, consumption and use of poppy straw, opium, manufactured drugs other than prepared opium and of Coca leaf and any preparation containing any manufactured drug under the Narcotic Drugs and Psychotropic Substances Act, 1985;
- (d) the manufactured of medicinal opium or any preparation containing any manufactured drug under the Narcotic Drugs and Psychotropic Substances;
- (e) the control and ultimate suppression of Opium Smoking under the U.P. Opium Smoking Act, 1934;
- (f) the control and distribution of molasses produced by sugar factories under the U.P. Sales of Motor Spirit, Diesel Oil and Alcohol Taxation Act, 1939;
- (h) the levy of and collection of duties of excise on medicinal and toilet preparations containing Alcohol, Narcotic Drugs or Narcotic;
- (i) the inter-State trade and commerce in spirituous medicinal and other preparations under the Spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955 and rules formed thereunder.

2. By whom excise is administered - In each case to the extent detailed in the following Chapters the administration of these laws and rules is entrusted to: -

- (1) the Excise Commissioner;
- (2) Officers of the Excise Department;
- (3) the Controller and Officers of the Land Revenue Department;
- (4) Officers of the Police Department; and
- (5) Officers of the Central Excise, Narcotics Drugs Control and Opium Departments.

3. Fundamental principals - The fundamental policy of Excise Administration as enunciated in Article 47 of the Constitution of India is to promote, enforce and carry into effect the policy of prohibition of the consumption except for medicinal purposes of intoxicating drinks and drugs which are injurious to health. Cf. Government Notification No. 1836 (i) E/XIII-414-46, dated the 31st of July, 1954.

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

5. Authority for rules - The rules in the Excise Manual are framed in exercise of the powers conferred by the under mentioned Acts in respect of articles noted in each case:

(1) The United Province Excise Act, 1910, (Act IV of 1910) in respect of liquor and hemp drugs and such other intoxicating or narcotic substance as may be declared by the State Government to be intoxicating drugs under section 3(12)(iv) of the Act;

(2) The United Provinces Opium Smoking Act, 1931 (Act II of 1934) in respect of control of opium smoking;

(3) The United Provinces Sales of Motor Spirit, Diesel Oil and Alcohol Taxation Act, 1939 (Act I of 1939) in respect of levy and collection of tax on first point of Sales of Purchase of Motor Spirit, Diesel Oil and Alcohol;

(4) The Uttar Pradesh Sheera Nuantran Adhiniyam 1964 (Act No. XXXIV of 1964) in respect of control and distribution of molasses produced in sugar factories;

(5) The Medical and Toilet Preparations (Excise Duties) Act, 1955 (Act 16 of 1964) in respect of levy and collection of duty on and manufacture of medicinal and toilet

preparations containing alcohol, opium, Indian hemp or other narcotic drugs or narcotic;
and

(6) The Spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955 (Act 39 of 1955) in respect of Inter-State import and export, or sale after importation of certain spirituous preparations;

(7) The Narcotic Drugs and Psychotropic Substances Act, 1985 (Act No. 61 of 1985) for the control and regulation of operations relating to Narcotic Drugs and Psychotropic Substances and for matters connected therewith.

This volume deals with liquor and hemp drugs only.

KINDS OF INTOXICANTS, OPIUM AND NARCOTIC DRUGS AND SOURCES OF SUPPLY

6. Intoxicant - An intoxicant as defined in section 3(13) of the United Province Excise Act, means -

- (a) Liquor, and
- (b) Intoxicating drugs.

A - LIQUOR

7. Liquor-fermented or distilled - For excise purposes all liquor is either country liquor or foreign liquor.

Country liquor and foreign liquor have been defined by the State Government by issue of Notification under sub-section (2) of Section 4 of the U.P. Excise Act, 1910. (see Part III)

8. For definitions of Country Liquor and Foreign Liquor see Part III of this volume.

9. Sources of supply of country spirit - The chief variety of country liquor is country spirit (containing alcohol obtained by distillation) which is produced from the Mahua flower (*basia latifolia*) or from molasses (shira) or from crude sugar (gur), or from and admixture of these substances in varying proportions. These ingredients or "bases" can easily be obtained in nearly all parts of India. All country spirit supplied in Uttar Pradesh, is manufactured by private distillers under contract Government.

10. Spiced Spirit - Spiced Spirit means flavored country spirit in which the flavoring agents are either added during the course of distillation or reduction. These flavoring agents or essences are generally selected from among the following-

Aniseed, cardamom, coriander, ginger, orange, mundi (*Spharanthus indica*) nim, peppermint, mango, jasmine, khas-khas, pineapple, rose, etc.

11. Other forms of country liquor - Tari (or Toddy) in Uttar Pradesh means usually the sap, whether fermented or "fresh" (unfermented), of the Palmyra palm (Tar) or of the date tree (Khajur) Sendhi, a kindred drink, is made from the sap of the wild date tree. Trees of this species are to be found in greater or less abundance in the majority of the districts in Uttar Pradesh.

Pachwai is a variety of beer usually obtained by firming rice. It is manufactured, under license, for domestic consumption only, in part of Tarai.

12. Source of supply - The source of supply of foreign liquor are -

(1) Imports from countries overseas. Under the Tariff Act of the Sea Customs Act, duty is leviable on such imports at the ports of India on their entry into the country.

(2) Rum and spirits sophisticated to resemble whisky, brandy and gin, are manufactured at distilleries in this and in other States.

(3) In certain State or Union Territories "foreign" liquor consisting of overseas liquor consisting of overseas liquor and locally manufactured liquor blended together is sold. The import of such liquor into Uttar Pradesh is forbidden. Vendors of liquor in Uttar Pradesh are also forbidden to blend overseas liquor with liquor of Indian manufacture.

NOTE - The classification and nomenclature of various kinds of foreign spirits wines and beer are given in Part IV of this volume.

13. There are 35 distilleries in Uttar Pradesh, of these the following six distilleries manufacture potable spirit only :-

1. Mohan Meakins Breweries Ltd., Lucknow.
2. Co-operative Co. Ltd. Distillery, Saharanpur.
3. Karam Chand Thaper and Brothers (C.S.) Distillery, Unnao.
4. Mohan Meakins Breweries Ltd., Ghaziabad.
5. Carew and Co. Ltd., Rose, Shahjahanpur.

6. Doon Valley Distillery, Kuanwala, Dehradun.

The following fifteen distilleries manufacture non-portable spirits :-

1. Ough Sugar Mills Ltd., Distillery, Gargaon, Sitapur.

2. Captainganj Distillery, Captainganj, Deoria.

3. Kesar Sugar Works Ltd., Distillery, Gola, Kheri.

5. Upper Ganges Sugar Mills Ltd., Distillery Bijnor.

6. Vainu Organics Co. Ltd., Gajraula, Moradabad.

7. U.P. Co-operative Sugar Factories Federation Ltd., Anupshahr Distillery, anupshahr, Bulandshahr.

8. U.P. Co-operative Sugar Factories Federation Ltd., Nalanda Distillery, Nanauta, Saharanpur.

9. India Guycol Ltd., Kashiour, Naunital.

10. M/s. Indian Turpentine and Rogin Co. Ltd., Bareilly.

11. M/s. U.P. Co-operative Sugar Mills Ltd., Distillery Unit, Nanpara, Bahraich.

12. M/s. U.P. Co-operative Sugar Mills Ltd., Distillery Unit, Kayamganj, Farrukhabad.

13. M/s. U.P. Co-operative Sugar Mills Ltd., Distillery Unit, Sampuranagar, Khiri.

14. Dhampur Distillery, Bijnor.

15. Suntherics Distillery, Bareilly.

The following 14 distilleries manufacture both potable and non-potable spirits :

1. Ajudhia Distillery, Rojaka Sahaspur, Moradabad.

2. Daurala Sugar Works, Daurala, Meerut.

3. Rampur Distillery and Co. Ltd., Rampur.
4. Shamli Distillery and Chemical Works, Shamli, Distt. Muzaffarnagar.
5. Saraiya Distillery Ltd., Sardarnagar, Gorakhour.
6. Central Distillery, Meerut.
7. Pilkhani Distillery and Chemical Works, Pilkani, Saharanpur.
8. Narang Industries Ltd., Distillery, Nawabganj, Distt. Gonda.
10. Sir Shadilal Distillery, Mansurpur, Muzaffarnagar.
11. Modi Distillery, Modinagar, Ghaziabad.
12. Bazpur, Co-operative Distillery, Bazpur, Nainital.
13. P.V.K. Distillery, Nandganj, Ghazipur.
14. Kisan Co-operative Sugar Factory Distillery Majhola, Pilibhit.

B-INTOXICATING DRUGS

14. Intoxicating drugs - Intoxicating drugs are defined in section 3(12) of the Excise Act as amended by the Dangerous Drugs Act, 1930, and include at present -

- (1) ganja
- (2) charas, and
- (3) bhang, and any mixture of these three hemp drugs with or without neutral materials.

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

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

17. Charas - Charas is defined in section 3(12) (ii) of the United Provinces Excise Act and its appearance is a dark green or brownish paste of high consistency.

Various transactions relating to Ganja, and Charas are now governed by the provisions of the Narcotic Drugs and Psychotropic Substances Act, 1985.

Marijuana - It is a drug that comes from the Indian hemp plant (*Cannabis sativa*). It is prepared from the dried leaves and flowering tops of the female hemp plant, crushed and chopped. It can be smoked in a pipe or rolled into a cigarette. At times it is mixed with tobacco. It has a sweet odour while smoking otherwise it has the smell of burnt rope.

Hashish - This also comes from hemp plant and is prepared from the following parts. When the cannabis plant is ripe, a sticky yellow resin covers the flowering tops and some of the leaves close to it. The resin contains the ingredients that caused the effect on the mind. On account of the presence of resin in greater quantity in hashish than marijuana, it is stronger than marijuana.

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

19. Sources of supply - (1) The cultivation of the hemp plant is forbidden throughout Uttar Pradesh.

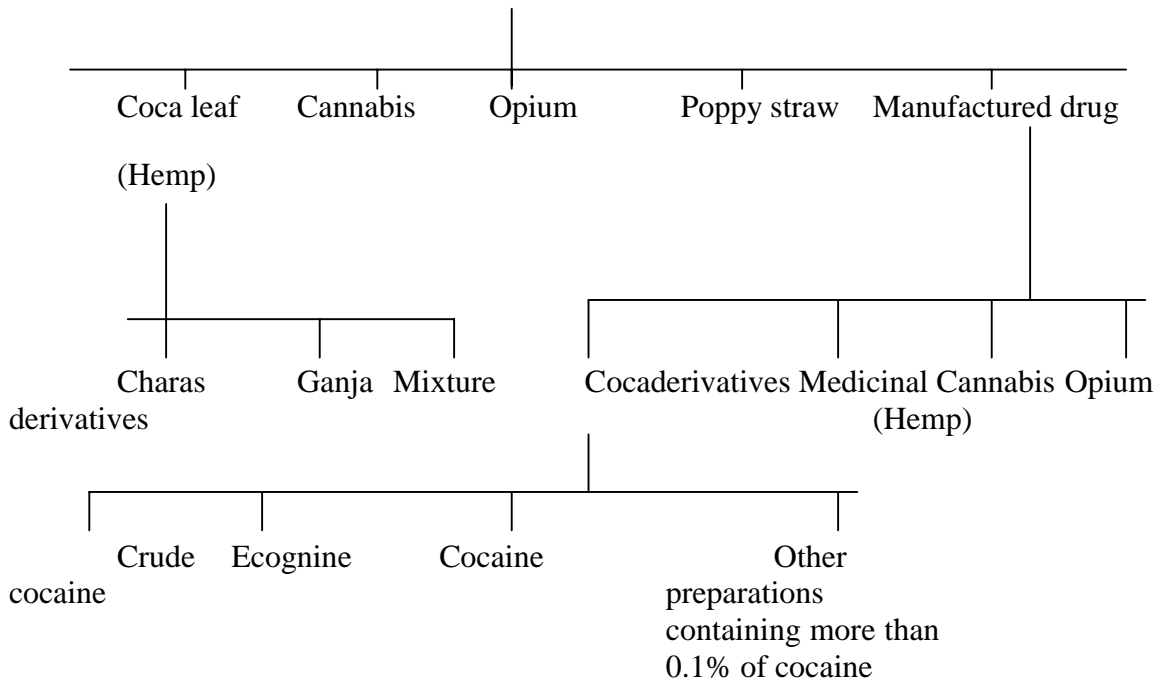
(2) Bhang may be collected only under license in Form I.D. 15 from the spontaneous clusters of the hemp plant in the districts of Saharanpur, Muzaffarnagar, Bijnor, Bareilly, Pilibhit, Nainital, Kheri, Baharaich, Gonda, Basti, Gorakhpur and Deoria.

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

C - NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

21. The term "Narcotic Drug" is defined in clause (xiv) of section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985. It means Coca leaf, Cannabis (hemp), opium, poppy straw and includes all manufactured drugs. The following table shows the classification of the various forms of narcotic drugs.

Narcotic Drugs



	M	P	Phenathorene	Diacet	Other
edicinal opium	repared opium	alkaloids	(Morphine, Codeine and the baine)	yl Morphine (Heroin)	preparations containing more than 0.1% of morphine or containing any diacetyle morphine

22. The term "Psychotropic Substances" as defined in clause (xviii) of section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985, means any substance, natural or synthetic or any material or any salt or preparations of such substance or material included in the list of psychotropic substances specified in the Schedule to the Act.

C- OPIUM

23. Opium is defined in clause (xi) of section 2 of the Narcotic Drugs and Psychortopic Substances Act, 1985. Primarily opium is the spontaneously coagulated juice obtained from the poppy capsules (poppy heads) of poppy plant. The Principal alkaloid of opium is morphia or morphine. Opium varies considerably in form in toxic strength according to the process to which it is subjected and the use which it is intended.

24. Expression in common use denoting different origins stages and use of opium - The following expressions are in common use to indicate the different stages and uses of opium.

Crude opium is opium taken from the poppy and not submitted to fruing and other manipulations for packing and transport.

Raw opium is opium as defined in section 2(xv) of the Narcotic Drugs and Psychotropic Substances Act, 1985.

Excise Opium is raw opium purchased by the State Govt. form the Government Opium and Alkaloid Works, Ghazipur for sale under the U.P. Narcotic Drug Rules, 1986 within Uttar Predesh, Excise Opium is also known as treasury opium because it is kept at Government treasuries.

Medicinal opium is defined in sub-clause (9) of clause (xvi) of the Narcotic Drugs and Psychotropic Substance Act, 1985 and refers to opium which has undergone the processes necessary to adapt it for medicinal use in accordance with the requirements of the Indian Pharmacopoeia or any other pharmacopoeia whether in power from or granulated or otherwise or mixed with neutral materials.

Prepared opium is defined in sub-clause (b) of clause (xvi) of Section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985 and means any produt of opium such as Chandu, Madak, Inchi and Joge (dross and residue) as obtained by any series of operations designed to transform opium into an extract suitable for smoking and the dross or other residue remaining after opium is smoked.

Kafa is a form of opium used medicinally. The sides of a vessel package which contained raw opium are scoured with a wet cloth which contained raw opium are scoured with a wet cloth which is then dried. The particles of opium adhering to the cloth are then collected. The preparation and use of Kafa have become rare.

25. The cultivation of the Coca plant is totally prohibited except on account of the Central Government. Cocaine is produced from the Coca plant and is also produced synthetically by chemists, in certain countries. The manufacture of cocaine is forbidden in Uttar Pradesh.

26. Rules relating to opium poppy cultivation and production of opium and poppy straw are contained in Chapter III of Narcotic Drugs and Psychotropic Substances Rules, 1985, framed by the Central Government in exercise of the powers conferred by section 9 of the Narcotic Drugs and Psychotropic Substances Act. The poppy is cultivated in tracts notified by the Central Government under the control of the Narcotics Department.

27. Rules relating to the manufacture of opium are contained, in Chapter IV of the aforesaid Rules. All excise opium is obtained from the Central Government Opium Factory, Ghazipur.

SECTION III - SYSTEMS OF SUPPLY

28.-- The contract supply system - The contract supply system has been applied to :-

(a) the supply of country spirit throughout Uttar Pradesh save for a few inaccessible outlying tracts;

(b) The supply of hemp drugs, ganja and bhang, throughout Uttar Pradesh.

Under this system the exclusive privilege of supplying country spirit or hemp drugs (as the case may be) at fixed rates to a particular tract of the State, is granted for a certain period to a contractor.

The supply contractor is selected by calling for tenders quoting the rates at which country spirit, hemp drugs (as the case may be) will be supplied at all stated bonded warehouses in the tract specified. Usually the contract is awarded to the contractor or firm tendering at the lowest rates, but full power is reserved to Government to accept or reject any tender without assigning reasons. No payments is required for the exclusive right of supply. The system aims at securing for the retail vendors an adequate supply of intoxicants of good quality at reasonable and constant rates.

In each tract Government maintains a certain number of bonded warehouses for the safe custody of country spirit or hemp drugs. Every retail vendor of country spirit or hemp drugs must as a rule, draw his supplies from a bonded warehouse situated in the tract within which his shop lies. The supply contractor is responsible for keeping bonded warehouses in his tract replenished with country spirit or with hemp drugs (as the case may be) of the prescribed description and quality. On the days fixed for issue of supplies to retail vendors from a bonded warehouse the supply contractor must supply the intoxicant or intoxicants which he has stored at the warehouse at the price determined by Government as the issue price of such intoxicants for that tract, to any licensed retail vendor whose shop is situated within that tract.

Agreements between Government and supply contractors usually contain stipulations relating to such matters as the quality, safe custody, etc. of the intoxicant supplied to the bonded warehouse, and the opening of wholesale depots where such depots are necessary.

Issue by the supply contractor or his agent from the bonded warehouses to retail vendors must invariably be made under the control and supervision of an Excise

Inspector. Each bonded warehouse is secured under double locks, one belonging to the Excise Department and the other to the supply contractor.

Rules relating to bonded warehouses are continued in Part II of this Volume.

29.-- The Government supply system -- The Government supply system applies only to the wholesale supply of opium. From the Opium Factory at Ghazipur, Excise Opium is supplied at cost price to the State Government. Opium is stored in the district treasuries, whence it is issued to persons holding licenses and authorized to obtain opium from treasuries under the U.P. Narcotics Rules, 1986.

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

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

33--The tree-tax system described -- The tree-tax system applies to the supply of Tari to certain districts only. The right of supply manufacture and vend is granted on payment of a fixed tax (or "duty") plus a fixed surcharge on each tree to be tapped. The fixed surcharge fee is not levied in the case of trees to be tapped. The fixed surcharge fee is not levied in the case of trees tapped by owners for personal consumption. Settlement of shops are made individually under any of the following systems:

- (a) The Auction-cum Tree-Tax System.
- (b) The Tender-cum Tree-Tax System.
- (c) The Surcharge System.

34.-- Special circumstances relating Tari -- It may be noted that there are five methods of settling Tari shops, *viz.* (a) under the farming system, (b) under shop-to shop system by auction, (c) under the auction-cum-tree tax system, (d) under the tender-cum-tree tax system, and (e) under the surcharge system. In all cases however, suppliers and vendors of Tari have to make their own arrangements for procuring permission to tap trees from persons who by ownership, possession or otherwise have the right to dispose

of trees. Where the production of Tari is taxed such persons owing trees, or otherwise having a right to dispose of them, may give the right to tap Tari only to licensed vendors of Tari. At present only surcharge system is prevalent in Uttar Pradesh.

SECTION IV- SYSTEM OF TAXATION

35. Explanatory- How the cost of an intoxicant or of opium to the consumer is determined- Factors determining the retail price of an intoxicant or opium are:-

(a) the supplier's price, covering the cost of production, manufacture or import, the cost of distribution to bonded warehouse or to shops, and to profit of the producer, manufacturer, or importer;

(b) the excise duty, if any, levied on the article produced, manufactured or imported, or; in the case of an article imported into India, the customs of tariff duty if any;

(c) the licence fee levied by the Government from the vendor in return for the grant of the right to sell article; and

(d) the vendor's profit.

36- Nature of excise taxation- The State excise revenue consists of-

(a) duties imposed on intoxicants and on opium;

(b) licence fees imposed on vendors in return for the grant of the right to sell intoxicants or opium or narcotic drugs;

(c) revenue derived from the sale of alcohol for use as motor fuel;

(d) duties on medicine and Toilet preparations containing alcohol levied under the Medicinal and toilet preparations; (Excise Duties) Act, 1955;

(e) licence fees derived from licences relating to medicinal and toilet preparations;
and

(f) revenue from miscellaneous sources-rents, forfeitures, penalties (other than fines imposed by a court of law), etc.

37. The following duties are imposed in Uttar Pradesh:

(1) On Indian-made foreign liquor imported or manufactured in, and issued from distilleries, a fixed still-head duty calculated on either the litrage in terms of alcohol or per litre at fixed strength.

(2) On plain and spiced spirit imported or manufactured in, and issued from distilleries and bonded warehouses, a fixed still-head duty calculated per bulk litre at fixed strength.

(3) on spirits manufactured in distilleries and exported to places outside this State, a fixed export duty calculated on the litrage in terms of the alcohol.

(4) On Indian-made beer imported or manufactured in, and issued from breweries, a fixed duty per litre irrespective of alcohol strength.

(5) On Indian-made wines, cordials, liquors, etc. imported or manufactured in and issued from distilleries or breweries, a fixed duty according to rates detailed in Part III of this

Volume.

(6) On Medicinal and toilet preparations containing alcohol, duties at the rates given in the schedule attached to the Medicinal and Toilet Preparations (Excise Duties) Act, 1955.

(7) In areas where the tree tax system is in force, a fixed tax on every tree tapped for

the production of tari.

(8) Fixed duties by weight on ganja and Bhang issued to licensed vendors from warehouses.

(9) On bhang exported from warehouses or places of collection in certain districts, on prepayment of a fixed duty by weight or, in certain cases, after execution of a bond for subsequent payment.

(10) On ganja exported from warehouses on prepayment of a fixed duty by weight.

(11) Once excise opium issued from a Government treasury, a fixed duty by weight collected before issue.

38- Licence-fee system- The following licence fee systems are applicable in Uttar Pradesh:

(1) *The graduated surcharge fee system-* Under this system the amount of licence fee leviable from a retail vendor depends upon the quantity of an article issued to him in the course of a calendar month. The licence fee for any month is assessed after the close of the month as soon as the quantity of the article issued to the vendor during such month is known to the Collector. The amount of the fee assessed is the amount of fee prescribed for such quantity of the article in the scale of licence fees in force relating to the article and to the area concerned. The scale is a graduated one i.e. the greater the issues taken by the vendors, the higher is the incidence of the licence fee per unit of the article issued.

(2) *The uniform surcharge fee system-* Under this system licence fees are levied in the form of a uniform surcharge paid along with the fixed duty. This system applies to the manufacture and vend of Tari at shops under the tree-tax system of supply of Tari.

The same system, in a slightly modified form, applies to licences granted for the wholesale of retail vend of foreign liquor.

(3) *The fixed fee system-* Under this system a fixed fee is levied for the right of vend during the year, or for a shorter period, or for a particular occasion.

This system applies to a variety of licences for special uses of intoxicants.

(4) *The auction fee system-* Under this system the amount of licence fees is determined by competition among bidders for the right to sell.

This system formerly applied to:-

- (a) fees for the retail sale of country spirit under the distillery system;
- (b) fees for the manufacture and retail sale of country spirit under the outstill system;
- (c) fees for the exclusive privilege of manufacture and retail sale of Tari within areas where the farming system of supply of tari is in force;
- (d) fees for the manufacture and vend of Tari at individual shops settled under the shop-to-shop system;
- (e) fees for the retail vend of Bhang; and
- (f) fees for the wholesale vend and retail vend of foreign liquor for consumption off the premises.

(5) *The tender-cum-auction system*- Under this system at first sealed tenders are invited and then the shops are put to auction. When satisfactory bid is obtained in auctions, tenders are opened. The bid or tender which is best in the interest of revenue is accepted.

This system at present applies to:-

- (a) fees for the retail sale of country spirit under the distillery system;
- (b) fees for the retail sale of foreign liquor for consumption "off" the premises;
- (c) fees for the retail sale of Bhang.

SECTION V- WHOLESALE VEND AND RETAIL VEND

39. Meaning of wholesale vend and retail vend- Wholesale vend means vend in quantities exceeding the limit of sale by retail.

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

40. Limit of retail sale- Limit of sale by retail of Various intoxicants are given in Part III of this Volume.

41. Forms of wholesale vend- The following forms of vend by wholesale are permitted within Uttar Pradesh:

(1) *Country spirit*-(a) Sale by a contract supplier under his licence to retail vendors within his contract area of supply; (b) sale by a wholesale vendor from wholesale premises to retail vendors in outlying tract.

(2) *Foreign liquor*- Licence for wholesale vend may be issued by the Collector with the previous sanction of the Excise Commissioner to distillers, brewers, importers, exporters, vendors, and (in certain cases) to auctioners.

(3) *Hemp drugs*- (a) Sale by contract supplier under his licence to retail vendors within his contract area of supply; (b) sale by persons licensed to collect Bhang under Form I.D. 15. or to export the same under Form I.D. 16.

42. What forms of wholesale vend are- The wholesale vend to the public of country liquor or of foreign liquor or of hemp drugs, save under a special permit, is strictly forbidden.

SECTION VI- LIMIT OF PRIVATE POSSESSION

43. Limit of Private possession in certain cases- A private individual may possess-

(a) country spirit, country fermented liquor, and Bhang to the amount prescribed as the limit of retail sale in each case;

Cf. Government Notification No. 5123-E/XIII-275 (B)- 58 dated Jan. 4, 1961. Section 20(2) of U.P. Excise Act.

(b) foreign liquor, other than denatured or rectified spirit to the amount prescribed as the limit of retail sale;

(c) denatured spirit- to the amount prescribed as the limit of retail sale;

Cf. Government Notification No. 6123-E/XIII-278 (8)-58, dated Jan. 4, 1961.

(d) rectified spirit if purchased from a licensed chemist or druggist for a bona fide medicinal, scientific or industrial purpose- the amount of one reputed pint.

NOTES- (1) the possession of ganja by any person in any quantity whatsoever is prohibited vide Government Notification No. 4354 E/XIII-640-70 dated July 22, 1972 published in U.P. Gazette, Extra, dated July 22, 1972.

(2) The possession of Charas by any person in any quantity whatsoever is prohibited throughout Uttar Pradesh, vide Government Notification No. 663-E/XIII, dated July 31, 1946, published in Uttar Pradesh Gazette, dated August 3, 1946, Part I- A Page 267.

SECTION VII- DEFINITION

44. Definition made in enactments- Officers should be thoroughly acquainted with the interpretation of terms essential for the administration of the laws relating to excise revenue, opium, dangerous drugs, power alcohol, molasses, motor spirit and medicinal and toilet preparations containing alcohol, opium, Indian hemp or other narcotic drug or narcotic. Such interpretation will be found in section 3 of the Excise Act 1910, section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985, section 2 of the Opium Smoking Act, 1934, section 2 of the U.P. Sales of Motor Spirit Taxation Act, 1939, section 2 of the Sheera Niyantaran Adhiniyam, 1964, and section 2 of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 and section 2 of the spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955. The extracts from the General Clauses Act, 1904, given in Part I of this Manual are also relevant to a proper understanding of the laws and rules-Some interpretations are also found in the rules framed under the above Acts.

45. Definition made for the purposes of the rules- The following definitions of terms used in the different parts of the Manual are here assembled for convenience. Technical terms are defined in Chapters in which they are used:

(a) General

"Bonded warehouse" means any warehouse or part of a distillery appointed by the Excise Commissioner as a bonded warehouse for the storage of intoxicants brought thither under bond for the payment of duty when issued from such warehouse.

"Issued under bond" means issued under a bond for the subsequent payment of duty.

(b) Relating to Liquor

"Blending" means the mixing together of two or more liquors of different strengths or of different qualities.

"Bulk litre" means a litre with reference to the bulk or quantity of the contents.

"Compounding" means the artificial preparation of foreign liquor by the addition to imported or to country-made spirit, of flavouring or colouring matters; or of both.

"Plain spirit" means spirit to which no flavour has been communicated and to which no flavouring or colouring matter or other material or ingredient has been added.

"Proof" with reference to spirit, means the strength or proof as ascertained by Sykes Hydrometer or by any other hydrometer or means authorized by the Excise Commissioner.

Explanation- "London Proof (L.P.);" denotes the strength of spirit which at the temperature of 51⁰ Fahrenheit weight exactly 12/13th parts of an equal measure of distilled water.

"Over proof (O.P.);" means spirit of a strength greater than that of London Proof.

"Under Proof (U.P.);" means spirit of a strength less than that of London proof.

"Proof litre" means a litre containing liquor of strength of London Proof.

"to gauge" means to determine the quantity of liquid that is, or can be, contained in or taken from a receptacle.

"To prove" means to test the strength of spirit by a hydrometer of other instrument prescribed by the Excise Commissioner.

"Rectified spirit" or "rectified spirits of wine" means plain spirit E.C's Notification of a strength of not less than 66⁰ over proof (66⁰O.P) and of specification No. 427/II-958,

laid down in Part III of U.P. Excise Manual. Volume I, and includes absolute alcohol. dated May 16, 1955

"Reduction of liquor" means the reduction of liquor from a higher to a lower strength by the addition of water.

"Sophisticating" has the same meaning as "Compounding" (See above).

"Still" included any part of a still and any apparatus whatever for distilling or manufacturing spirits.

"Vet" means any fixed vessel used for the storage of liquor.

"Absolute Alcohol" means dehydrated rectified spirit containing not less than 99.5 percent, by volume of ethenol corresponding to 74.43 O.P. strength and of specification as laid down in Part III of this Volume. E.C's Notification No. 427/II-958, dated May 16, 1955

46. The word "Molasses" has been defined in the U.P. sHEERA Niyrantran Adhiniyam, 1964 as under:-

"Molasses" means the heavy, dark coloured viscous liquid produced in the final stage of manufacture of sugar by vacuum pan, from, sugarcane or Gur, when the liquid as such or in any form or admixture contains sugar;

47. " Power Alcohol" as defined in the Indian power Alcohol Act means ethanol alcohol containing not less than 99.5 percent, by volume of ethanol measured at sixty degree Fahrenheit corresponding to 74.4 over proof strength. Before issue from any power alcohol distillery it is denatured in the manner prescribed under the rules.

48. The following terms have been defined as under the U.P. Motor Spirit, Diesel Oil and Alcohol Taxation Act, 1939 as under-

[(a) " motor spirit" means any inflammable hydrocarbon (including any mixture of hydrocarbons of any liquid containing hydrocarbon) with a flash point of or below (130⁰F) which is ordinarily used for providing reasonable efficient motive-power for any form of motor vehicle or for internal combustion engines [but does not include kerosene]; The U.P. Sale of the Motor Spirit, Diesel Oil and Alcohol Taxation Act, 1939.

(b) "diesel oil" means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbon) with a flash point above 130⁰F bu

not exceeding 175⁰F which is ordinarily used for providing reasonable efficient motive-power for any form of motor vehicle or for internal combustion engines;

(c) " alcohol" means Ethyl alcohol not being alcoholic liquor for human consumption, and includes rectified spirit absolute alcohol].

49. The following terms have been defined as under in the Medicinal and Toilet Preparations (Excise Duties) Act, 1955-

(a) "medicinal preparation" includes all drugs which are a remedy or prescription prepared for internal or external use of human beings or animals and all substances intended to be used for or in the treatment, mitigation or prevention of disease in human beings or animals;

(b) "toilet preparation" means any preparation which is intended for use in the toilet of the human body or in perfuming apparel of any description, or any substance intended to cleanse, improve or alter the complexion, skin, hair or teeth, and includes deodorants and perfumes.

"bonded manufactory" means the premises or any part of the premises approved and licensed for the manufacture and storage of medicinal and toilet preparations containing alcohol, opium, Indian hemp and other narcotic drugs or narcotics on which duty has not been paid;

"non-bonded manufactory" means the premises or any part of the premises approved and licensed for the manufacture and storage of medicinal and toilet preparations containing alcohol, opium, Indian hemp and other narcotic drugs or narcotics on which duty has been paid;