

## Chapter VII

### Order relating to Country Liquor

#### Sections

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#### SECTION XXXII- Systems of Supply

**343.** The system of supply in Uttar Pradesh are:-

#### System of supply:

Kind of country liquor		System of supply
1		2
(1) Country spirit	..... ..	(1) The contract supply system; and (2) The outstill system (in outlying areas only).
(2) Tari	..... ..	(1) The tree-tax system; (2) The auction-cum tree system; (3) The tender-cum-tree system. (4) The farming system; and (5) The shop-to-shop system.

Contract supply system (country spirit):

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

**345. Contractors how selected-** The firm is selected in the following manner:

Tender in Form C.L. 23 are invited by the Excise Commissioner vide notice in Form C.L. 22 for the rates at which the different categories of spirit will be supplied at all specified bonded warehouses and wholesale depots in the area indicated. These tenders are submitted for the orders of Government. The contract will ordinarily be awarded to the firm tendering at the lowest rates, but full power is reserved to accept such tender as may be deemed best in public interest, and to reject any of those received without reasons being assigned.

No payment is required for the exclusive right of supply, the object being to secure to the retail vendors a supply of good spirit at a cheap and fixed rate. Spirit may be supplied from any distillery, whether situated within the State or outside.

The detailed conditions of the contract are given in the notice in form C.L. 22 calling for tenders and in the form of licence C.L. 1.

**346. Condition of the contract-** The contractor is bound to sell spirit to licensed vendors at all the bonded warehouses and wholesale depots, if any, in his contract area, at such strengths as may be prescribed, and at the price fixed per bulk gallon of spirit of specified strength.

The selling price does not include the duty, which Government is at liberty to vary at any time during the contract.

### **SECTION XXXIII-COUNTRY SPIRIT BONDED WAREHOUSES**

**347. Bonded warehouses fittings and apparatus-** (1) Bonded warehouses may be established by the Excise Commissioner at the headquarters of tahsils in such places as form convenient centres of supply. No rent shall be charged from the contractor for the use of supply. No rent shall be charged from the contractor for the use of such buildings. All fittings or articles concerned with the supply, storage, gauging, handforms, hydrometers and bung rods used by the Excise Inspector shall be supplied by Government. A stock register of Government property shall be maintained in form P.D. 4.

(2) *Inspections by Collectors and District Excise Officers-* Collectors and District Excise Officers should inspect the bonded warehouses in their districts at least once a year, and record the result of their inspection in the inspection book of the warehouse.

The Excise Inspector incharge shall submit a copy of the inspection note to the Excise Commissioner through the Assistant Excise Commissioner.

**348. Transaction to be performed under the direction of the Excise Inspector-** All transactions inside the bonded warehouse in respect of receiving, transferring, reducing and issuing spirit will be performed under the direction of the Excise Inspector incharge, who will also do all gauging and proving, keep up all

registers, issue passes and made periodical returns. All manual labour will be performed by the contractor's servant.

**Note-** On no account should the Excise Inspector absent himself from the warehouse while it is open and transaction are in progress. Serious notice will be taken in cases of noncompliance of this instructions. Cf. E. C's Order No. 319. dt. April 7, 1952.

**349. Lock-** Except when transactions are actually in process, the Excise Inspector will keep his locks on the door , on all issue cocks and on the cocks fixed to the pipes leading to and from the pump. Cf. E.C's Order No. 1083/XI-298, dated April 25, 1936.

**Note-** When an Excise Inspector incharge of a bonded warehouse proceeds on leave or on tour, an if a consignment of spirit is expected to arrive during his absence, he should hand over the key of the warehouse gate to the Tahsildar or Naib-Tahsildar who may be at headquarters. The key should be taken back when the Inspector returns to headquarters. On the arrival of the consignment the TAhsildar or Naib-Tahsildar incharge of the key will admit it into the warehouse, but it will be taken into stock only after verification by the Excise Inspector on his return to the headquarters.

**350. Time of opening bonded warehouse-** Excise Inspector, will attend for the receiving and issuing of spirit on such days and at such hours as may be prescribed by the Excise Commissioner. These will ordinarily increased by order of the Assistant Excise Commissioner. In cases of emergency issues may be made on other days with special sanction of the Collector or District Excise Officer.

**Note-** If any day fixed for giving issues falls on a Treasury holiday, issues will be made either on the day preceding the holiday or that following it. Excise Inspectors incharge of warehouses should provide themselves with a list of Treasury holidays at the very begining of each year and promptly secure orders of their Excise Officer whether issues will be made on the day preceding or the day following all fixed issues days which might coincide with Treasury holidays. Consequential changes in issue days, if any, should be intimated to licensed vendors before the beginning of each month.

**351. Gauging of vats-** All vats must be gauged so that their contents may at any time be ascertained by means of a gauging rod marked in inches and tenths of an inch. The result of the gauging will be recorded in Form P.D.6, and the Assistant Excise Commissioner must satisfy himself as to its correctness.

All wooden vats shall be re-gauged once in two years. Iron wats shall be re-gauged when the Assistant Excise Commissioner considers it necessary.

**352. Receipt of spirit-** When Spirit is received inside the bonded warehouse from the distillery, the Excise Inspector should carefully examine

the state of the casks and seals calling the attention of the agent, to any apparent defects. He should then enter the particulars of the consignment in columns 1 to 5 of register B.W.L. 1 and proceed to take the gauge and proof of each cask entering the results in the remaining columns of the register.

**353. Contents of vessels how to be ascertained-** The contents of each vessel may be ascertained by any of the following methods:

(a) by weighing, if the contractor has supplied a weighing machine for the purpose, otherwise,

(b) by actual measurement in gallon measures.

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

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

**356. Grogging-** After the cask has been drained as completely as possible, five gallons of water should be placed in it. The bung should then be fixed in and cask well rolled. This should be respected three times after intervals of an hour or so, the cask on each occasion being in a different position, in order that all the internal surface may come under the action of water. If the original spirit was about 80% alcohol v/v the resulting mixture will be about 40% alcohol v/v this grogged liquor should be pumped into the store vat (or reduction vat if such is used), and the quantity in term of alcohol entered in column 17 of register B.W. L.I. Under the orders of the Excise Commissioner the above proceedings may be omitted and instead thereof the bung will be replaced in the empty cask and securely factened by wire and lead seal.

**Note-** This rule applies only to cases in which spirit is received in wooden casks Grogging is not permitted in the case of metal drums.

**357. Issue to shops to be made from fixed strength vats-** Issues to shops must be made only from the fixed strength issue vats.

**358. Reductions-** (1) Reduction is permitted in the store vats to the strength of 57% alcohol v/v. Any further reduction must either be effected in the fixed strength issue vats or in a special reducing vat. In the latter case the

reduced spirit must be removed to the issue vats before issue.

(2) In superintending the reduction of spirit in a vat the Excise Inspector will be careful to observe the directions given in Appendix X at pages 327 to 330 and Chapter VIII of Technical Excise Manual.

(3) After ascertaining the quantity and strength of the spirit to be reduced he will make the necessary calculation to find the quantity of water to be added. He will carefully check the quantity of water added, and then see that contents of the vat are thoroughly stirred.

(4) When he is satisfied, that admixture has been properly effected, he will, by taking samples from the bottom and top of the spirit, proceed to satisfy himself by proving the spirit that reduction has been made to the strength required.

(5) After reduction the spirit in the vat should remain undisturbed for a period of at least 24 hours. In cases of emergency this rule may be relaxed but under no circumstances must the spirit be issued until after the lapse of two hours.

(6) It is advisable that all reduction of spirit especially in the issue vats, should be made after all issues for the day are finished, so that no delay occurs in making issues when the warehouse is opened next.

**359. Margin of strength-** In reducing spirit to the fixed strengths care should be taken to bring the strength down to the exact prescribed strength or within half a degree above it. The issue of spirit either below the prescribed strength or more than half a degree above is prohibited.

**360. Dip book-** In order that wastages may be correctly traced, the contents, of a vat must be gauged and proved before and after the addition of any spirit or water. Also before a spirit is transferred or issued from a vat, a gauge and proof must be taken and a gauge taken immediately after. All such gauge and proof must be recorded in a 'dip book' prescribed in form B.W.L.4. Cf. E. C's Order dt. June 28, 1939 on file IX-249

**361. Payment of duty and price-** (1) Licensed vendors or their agents authorized in writing wanting spirit shall present to the treasurer of the sub-treasury situated in the same place as the bonded warehouse an application in Form B.W.L. 6 in duplicate, duly filled in together with the price of the spirit and the duty. Fractions of a gallon will not be issued. The treasurer will fill up the figures in the endorsements in both copies of the application, and shall then present. The applications to the officer in charge of the sub-treasury. This officer shall sign both copies of the application and at headquarters of the district in which the shops taking issues are situated on the 1st day of each month without fail. The Inspector will follow the procedure that may be laid down for the maintenance of records. Cf. G.O. No. 361/XIII-231, dated Aug. 7, 1928.

(2) Regimental units desirous of obtaining supply of country spirit shall deposit the full contract price and duty at the prescribed rate. The amount may be paid either in the treasury or sub-treasury and the receipt produced before the officer in-charge of the bonded warehouse. The officer in-charge of the bonded warehouse shall after satisfying himself that the amount has been correctly paid issue the spirit under a pass in Form P.D.-25. The pass shall be in triplicate, two copies of which shall be given to the person in-charge of the consignment and one copy retained for record. On arrival of the consignment at its destination, one copy of the pass shall be returned to Excise Inspector of the warehouse duly counter signed by the Commanding Officer of the Unit to which the spirit is supplied or any Commissioned Officer empowered the Commanding Officer in this behalf. This part shall be pasted on the counter foil by the Excise Inspector.

The Excise Inspector will be held strictly responsible if in any case it is found that the correct amount of duty had not been paid before the issue was made.

**362.** Price and duty of intoxicants of which issues are sought by a licenced vendor on any issue day, should be tendered through one, treasury chalan only. Issues must be made by the Excise Inspector in a single installment, unless inadequacy of stock compels issues being made otherwise. When such a contingency arises, Excise Inspector shall report to the District Excise officer accordingly {after giving issues of the maximum possible quantity of intoxicants} and keep a copy of his report for record.

The Excise Inspector should insist upon the licensee taking issues not later than the day following that on which issue price is tendered, and in case that day be a holiday, the day be a holiday, the day the warehouse is opened next for transacting work, whenever, a licensee deposits issue price through more than one treasury challan or fails to in time the issues to him without price approval of the District Excise Officer.

**363.** If a licenced vendor fails to produce his pass-book at the time of taking issues, the Excise Inspector Incharge of the warehouse will draw up, in duplicate. In the same form as the pass-book, a temporary permit for possession and transport of the intoxicant issues, the original being given to the vendor and the duplicate kept carefully for record. The excise Inspector will transcribe entries from the temporary permit in the pass-book both of which must be presented by the vendor when he appears the warehouse next, for issues, an entry being made simultaneously in the last column to the effect "copied from temporary permit no.-----"

In case the vendor fails to bring his pas-book on the next issue day also issues will be given to him after entries in respect thereof and in respect of the previous issues have been made in fresh pass-book to be issued to him as laid down under rules governing issue of a fresh pass-book.

**364.**Procedure for deposit of issue price and obtaining issues from country spirit bonded warehouses:-

The following procedure shall be followed for the deposit of the prescribed issue price and obtaining issues from the country spirit bonded warehouses in the case of shops of country spirit settled under tender cum auction and minimum guaranteed quota system:-

(1)Every licensee of a country spirit shop or group of shops shall submit to the District Officer of the district in which his shop is situated, a statement showing the monthly break up of the issue price for the year. After due consideration the District Officer shall fix the monthly instalments of issue price. The decision of the District Officer in fixing the instalments shall be binding.

(2)The licensee shall deposit in the treasury the instalment of issue priced fixed for the month of April of an excise year upto March 30 under head "039". Thereafter the remaining instalments from May to March shall be deposited in the treasury by 5th of every month concerned.

{3}The licensee shall present the challan of issue price deposited to the District Excise Officer. The District Excise officer shall make the entry of the treasury challan in the prescribed register I.P.I on the page allotted for the shop or group of shops.

(4)The licensee shall present an indent in Form I.P.2 for the issue of country spirit. In this indent will be given the details of the total issue price deposited in the month in question, the balance of issue price and the quantity required to be issued.

(5)The District Excise Officer shall issue Nirgamadesh to the officer in charge of warehouse in Form I.P.4 for giving issues.

The licensee shall deposit the prescribed cost price in the treasury under head "843" and for present the "Nirgamadesh" of the District Excise Officer along with the treasury challan of the cost price in charge of the warehouse.

(6) After the receipt of "Nirgamadesh" and the treasury challan of the cost price, the officer in charge shall cancel the "Nirgamadesh" and give issues after making entry in the prescribed register in Form BWL 2. Entries in the prescribed register shall be made as necessary according to rules. The provisions of paragraph 479{5}, 480 to 493 of Excise Manual Vol. I shall also apply to the above cases.

(7) In no month the issues of country spirit shall be given in excess of the instalment of issue price but the licensee may obtain issues exceeding the monthly quota after depositing duty and cost price on the quantity in excess of the above quantity .

(8) The officer in charge of Bonded warehouse shall enter the details of the issues given to the vendor on the basis of issue price in a register in Form I.P.5.

(9) The licensee of CSpt. Shall make payment of the price of bottles , capsules and labels etc. to the supply contractor.

**365. Issue of Spirit -** After the entries in the pass-book have been made, signed and recorded in the register B.W.L.-2. Excise Inspector will proceed to have the spirit measured and issued, having first proved the actual strengths of the spirits in the . vat for the purpose of filling the figures in columns 7,8,9 and 10 of the said register.

**366. Special instructions for bottling and issue of bottled spirit-** In a warehouse where country spirit is bottled the following special instructions should be observed: -

(1) Bottling shall be done at such warehouses as shall be prescribed by the Excise Commissioner and the contractor shall be found to supply suitable machines and the necessary labour required for carrying out the operations.

(2) The bottling of spirit must be done in the presence of the warehouse inspector and on the days of the week to be fixed by the Assistant Excises Commissioner in consultation with the supply contractors. But when the presence of the Excise Inspector on any of these days, is unavoidably required elsewhere the bottling shall be



done in the immediate presence of the warehouse clerk, provided the spirit has been gauged and proved by the Excise Inspector.

The warehouse Inspector shall keep an account of the all the bottled spirit in form B.W.L.2-A.

(3) The bottles used must have a permanent distinguishing mark "U.P. Excise with their necks grossed for screwing on pilfer-proof caps. The spirit bottles must be securely sealed with pilfer-proof caps.

(4) The colour of pilfer- proof caps and lables shall be as prescribed by the Excise Commissioner from time of time.

(5) The contractor shall be bound to observe all directions given by the Excise Commissioner from time to time for carrying out the bottling operation in a sanitary, neat and proper manner.

(6) The contractor shall be bound to supply spirit in pilfer-proof bottles of standard size of 750 ml., 500 ml. and 250 ml. properly labelled and securely sealed with pilfer-proof caps according to the specifications prescribed by the Excise Commissioner from time to time being in force and to which it may be extended under the orders of the Excise Commissioner during the currency of his contract at the rates and bottling charges specified in the licence, provided that spiced spirit shall be issued to the shops for the retails vend of country spirit in his contract area in sealed pilfer-proof bottles only.

(7) The rates sanctioned for the cost of bottle and bottling charges shall be as sanctioned by Government from time to time. The retail vendor shall have to pay these in addition to the price of spirit at the time of taking issue of spirit. But he shall be entitled to a refund of the cost charged if the bottle from the contractor, provided he returns it in a sound condition.

(8) Labels will have inscribed on them the following particulars in Hindi.

- (i) Quality and strength of spirit.
- (ii) Quantity of spirit contained in the Bottle.
- (iii) Price of the bottle fill.

(iv) Amount claimable by the consumer on return of the empty .

(9) Supply contractors of spirit shall dispatch consignments of pilfer-proofs caps to the Excise Inspector incharge of the warehouse where bottling of country spirit is done; and the pilfer-proof caps shall be stored in the bottling room in a box which shall bear an excise lock and a lock of the supply contractor who must provide the box.

(10) The contractor's agent must keep an account of the pilfer- proof caps and every item of receipt and withdrawal must be attested by the Excise Inspector.

(11) For the purpose of issue and stock taking 6.quart bottles,12 pint bottles should each be taken to be equivalent to a litre of alcohol equivalents should be calculated at the nominal issue strength.

**367.Pass book to be compared with accounts on inspection -**

When an Excise Inspector visits a shop he shall compare the entries in pass-book with those in the account register .If no irregularity is discovered, he shall make a note to this effect on the vendor's account register.

**368.Register of issues-**A register of all issues shall be kept in Form B.W.2. An abstract giving separately the totals of columns 3,4,5,6,11 and 12 for the calendar month will be sent by the second day of the following month to the collector supported by the receipted applications which should after examination be returned to the warehouse to be deposited there.

**369.Abstract of issues to shops-** The Excise Inspector shall maintain register in form B.W.L-9 showing the issues of spirit to each shop. When there are more warehouses than one in the district, or when any vendor of the district takes issues from a warehouse of neighbouring district, the Inspector incharge of such an outlying warehouse shall enter in Form B.W.L-10 the comparative figures of issues from his register B.W.L-9 for the month and forward it to the Inspector incharge of the warehouse at the headquarters of the district concerned not later than the first day of the following month. The Inspector of the warehouse at district headquarters shall prepare an abstract for the whole district in form B.W.L-10 summarising the figures therefore, from his own register B.W.L-9 from statements received from all wholesale shops and depots (situate whether within or without the district) supplying spirit to retail shops of the district.

Copies of this abstract shall be sent to the Assistant Excise Commissioner and to the Collector by the fifth day of each month at the latest .Extracts from it shall be forwarded to the Excise Inspectors in whose circles the shop are situated by the tenth day of the month.

**NOTE**-separate entries will be made in register B.W.L-9 in respect of issue of spiced spirit which will also be separately shown in the abstract B.W.L1.

**370.Importance of Abstract-** The preparation of the abstract B.W.L-10 is one of the most important duties of the Excise Inspector at district head headquarters. On its accuracy and prompt submission depend the assessment and recovery of the monthly licence fees under the surcharge system. The Excise Inspector of the warehouse at headquarters must arrange that the monthly statements required under the rules, to be submitted to him by Inspector of outlying warehouses, wholesale vendors and depot agents should reach him in good time for compilation of the abstract. The Assistant Excise Commissioner should in variably take the explanation of the persons concerned for any inaccuracy in the abstract or delay in its submission.

**371.Gauge and proof on last working day of month-** On the last working day of every calendary month , after all transactions for the day are over the Excise Inspector shall gauge and prove the spirit in each vat and record the particular of such gauge and proof in register B.W.L.-5 . The total L.P. gallons in column 8 will be transferred to column 3 , register B.W.L.-3. The figures for column 7 of register B.W.L.-3, will be the total of column 1 plus column 4 minus column 6. The wastage on the month's transaction will be column 7 minus column 8 and the percentage will be calculated on the total of column 1 plus colmn4. Gauge and proof of each vat will be similarly taken on each occasion when charge of the warehouse is transferred.

**NOTE :-** Rules relating to country spirit bonded warehouse are given in Part II, E.M. Vol. 1

## ISSUE FROM WHOLESALE SHOP

### 372. Issue from wholesale shop to be covered by a passbook -

(1) All issues from a wholesale shop must be duly entered in the pass-books, B.W.L.-7, of the retail vendors removing the spirit and the entries signed by the licensed wholesale vendor or his representative. The entries in the pass-books will serve as a pass to protest the consignment in transit.

(2) The Excise Inspector of the circle in which the wholesale shop is situated shall be allowed every facility for examining the accounts and checking the stock of spirit whenever he visits the wholesale shop.

**NOTE :-** Rules relating to wholesale depot and wholesale shop of country spirit are given in Part- II E.M. Volume 1.

### सामान्य

*आबकारी लाइसेंसों में एकाधिकार को समाप्त करने के प्रयास की नीति*

३७३. प्रदेश में इस प्रकार के कई व्यक्ति हैं जिन्होंने कई जिलों में अपने या अपने परिवार के लोगों के नाम से अथवा पार्टनरशिप के रूप में आबकारी के विभिन्न लाइसेंस प्राप्त कर रखे हैं। इन लाइसेंसों को एक ही व्यक्ति द्वारा विभिन्न रूपों में इस प्रकार विभिन्न जिलों में प्राप्त किये जाने से एकाधिकार को बढ़ावा मिलता है जिससे वितरण व्यवस्था में कुरीतियाँ उत्पन्न होती हैं और अनेक दुष्परिणाम प्रतिफलित होते हैं।

२- ऐसा अनुभव किया जा रहा है कि वर्तमान नियमों के रहते हुए भी इस दिशा में सुधार लाया जा सकता है। अतः शासन ने इस संदर्भ में निम्नलिखित कदम बढ़ाये जाने का निर्णय लिया है।

(9) प्रत्येक जिलाधिकारी अपने जिले के प्रत्येक आबकारी लाइसेंसों से शपथ-पत्र पर यह सूचना प्राप्त करें कि उसके तथा उसके परिवार के सदस्य के नाम अथवा पार्टनरशिप में प्रदेश में आबकारी के कितने लाइसेंस / ठेके हैं। इस प्रकार के मामले जहाँ सामने आयें कि एक से अधिक इस प्रकार के लाइसेंस हैं ,

आगामी १ अप्रैल, १९७६ से इनमें से केवल एक ही लाइसेंस उस व्यक्ति के नाम नवीकृत (रिनिव ) किया जाय । यह सुविधा उस व्यक्ति को दे दी जाय कि वह वर्तमान लाइसेंसों में से किसी भी एक को जारी रखने के विषय में अपनी प्राथमिकता बता सकता है । जिन -जिन लाइसेंसों को नवीकृत (रिनिव) नहीं करना है उनके सम्बन्ध में जिला अधिकारी को आबकारी आयुक्त तथा सम्बन्धित जिला अधिकारियों को सूचना दे देनी चाहिए ।

(२) भविष्य में जितने भी लाइसेंस दिये जायें उनके विषय में प्रार्थना-पत्र पर विचार करते समय एक शपथ-पत्र प्रार्थी से यह सूचना अवश्य माँग ली जाय कि उसके अथवा उसके परिवार के किसी व्यक्ति के नाम अथवा पार्टनरशिप में प्रदेश में कोई भी आबकारी लाइसेंस ठेका नहीं है । जिन व्यक्तियों के पास इस प्रकार के लाइसेंस / ठेके हों उनको विचार में नहीं लाया जाय ।

(३) ऐसा करना वर्तमान नियमों के अनुकूल ही होगा जिनमें कहा गया है कि एक से अधिक आबकारी लाइसेंस किसी एक व्यक्ति को नहीं दिये जाने चाहिए । लाइसेंस जारी करते समय एक बार फिर से इसी प्रकार शपथ-पत्र पर चेक कर लेना चाहिए कि लाइसेंस दिये जाने वाले व्यक्ति के नाम अथवा उसके परिवार के सदस्य के नाम अथवा पार्टनरशिप में कोई आबकारी लाइसेंस / ठेका कहीं नहीं है जिससे कि यह सम्भावना बिल्कुल न रहेगी कि प्रार्थना-पत्र देने की तिथि तथा लाइसेंस स्वीकृत करने की तिथि के बीच उस व्यक्ति ने किसी और जिले में कोई लाइसेंस / ठेका प्राप्त कर लिया हो । लाइसेंस / ठेका की शर्तों में यह समावेश कर लेना चाहिए कि यदि किसी भी समय यह पाया जायेगा कि उस व्यक्ति ने अपनी या अपने परिवार के किसी सदस्य के नाम से या पार्टनरशिप में कोई अन्य आबकारी लाइसेंस प्राप्त कर लिया है तो उसका लाइसेंस तुरन्त निरस्त करने के अलावा गलत शपथ-पत्र दाखिल करने के सम्बन्ध में कानूनी कार्यवाही भी हो सकेगी ।

## SECTION XXXIV VEND OF COUNTRY LIQUOR

**374. General conditions binding on all licensees -** All licenses for the retail vend of country spirit and *tari* shall be bound to observe the general conditions binding on all licensees for the retail sale of these articles contained in relevant rules in Part II of this Volume I and special conditions mentioned in respective licences.

## **1- COUNTRY SPIRIT UNDER THE CONTRACT SUPPLY SYSTEM**

### **(A) General**

**374 A. Conditions relating to sale of spiced spirit** - All licensed vendors of country spirit , whether wholesale or retail , under the contract system are permitted to stock and sell spiced country spirit in addition to plain country spirit in accordance with the terms of their licenses , subject to the following conditions :-

(1) Spiced country spirit shall be sold in sealed bottles with pilfer-proof caps and labels intact as received from the distillery , warehouse, wholesale depot or wholesale shop.

(2) Sale at retail shops will be made for consumption of the premises only .

(3) The wholesale price shall be fixed by the Government while the retail price may be determined by the retail licensee under the auction system and by the Government while the retail price may be determined by the retail licensee under the auction system and by the Government under the surcharge system.

(4) The spirit will be accounted for separately.

(5) The licence fees will be assessed separately at the graduated rate given in the booklet entitled scales of monthly fees and realised along with the fees assessed on plain country spirit issued to the shop.

**NOTE** - Clause (5) of this rule does not apply to licence held under the auction system .

### **(B) Wholesale vend**

**375. Restrictions on Wholesale vend** - The wholesale vend of country spirit is prohibited save in so far as wholesale depots and wholesale

shops may be established under the rules immediately following for the purpose of facilitating supply to retail vendors only.

## **II - VEND OF COUNTRY SPIRIT UNDER THE OUTSTILL SYSTEM**

**376. Outstill system defined and described-** Under the outstill system the vendor is licensed to work single still and sell the spirit in retail quantities at the place of manufacture. No monopoly of manufacture or vend is granted and no still-head duty is levied. The practice of licensing an outstill with one or more outlying shops attached thereto is open to serious objection and can only be sanctioned in very exceptional cases. No outlying shop shall be permitted without the previous sanction of the Excise Commissioner. Licences under this system shall be granted in Form C.L.6.

**377. Collector may limit capacity of stills -** In any case where it appears to be necessary or desirable the collector may, with the previous sanction of Excise Commissioner, restrict the capacity of stills to be licensed under the out still system having regard to the ascertained local demand for liquor. The licences shall, where such condition is to be enforced, state the maximum capacity of the still to be used.

**378. Points requiring attention by inspecting officers-** The following points of administrative importance should form subjects of inquiry by officer inspecting shops and still under the outstill system :

(1) Whether the allocation of the outstill is convenient and their number adequate for the demand of the circles supplied by them , or on the other hand, whether their number is excessive and needlessly stimulates drinking .

(2) Whether the system is leading to increased drinking (a) among the drinking classes (b) among those who do not ordinarily drink, or whether the weaker quality of the outstill liquor tends to counteract this.

(3) Whether liquor is being taken from outstill into distillery tracts and whether proper precautions are taken in the allocation , of the outstills to prevent this , also whether shops are kept at a sufficient

distance from the district boundary to prevent undue competition with outstills in adjoining districts.

(4) Whether ( if the number of capacity of the still has been limited ) there is reason to suppose that more or large stills are used than are licensed, and whether liquor is sold elsewhere than at the authorized place or places.

(5) Whether illegal distilling after sunset or before sunrise is carried on.

(6) What , having regard to the cost of manufacture , the out-turn of spirit and the selling price , should be the approximate profits and fair letting value of the outstill ?

**NOTE** - The outstill system is not in force at present.

## **VEND OF TARI**

### **(A)- General**

**379. System of vend - The system of vend applicable to *tari* are :-**

- (a) The farming system
- (b) The shop to shop system.
- (c) The tree-tax system.

*Arrangement for drawing tari* - Persons thus licensed must make their own arrangements for drawing tari with the owners of tari-producing trees unless they are themselves the owners of such trees.

**380. Permit required for tapping and transport of tari** - No tapping or transport of tari shall be made by any person on behalf of a licensee under the shop to shop system or of a farmer or his sub-lessee under the farming system , except under a permit in form C.L.21 granted by the Excise Inspector of the circle free of charge , on a written application made to him by a licensee farmer or sub-lessee, as the case may be. If a permit is lost, another permit shall be issued in its place on payment of Rs. 1 for each permit. As soon as a tapper or carrier is dismissed from service, his permit shall be treated to have been cancelled from the time when he receives information of his dismissal from the licensee, farmer, or sub-lessee who shall communicate to the tapper or carrier at once the fact of his dismissal



and inform the Excise Inspector of the circle in writing without delay the fact of his having done so and also return the permit at the same time . The Excise Inspector shall endorse the word "Cancelled" on the permit on receipt and paste it to the original foil in the book of of the permits and , if the permit is not received back, he shall similarly endorse the word "cancelled"on the original foil copy in the book or permits with a note about he non-receipt of the permit.

### **(B)The Farming System**

**381.** Under the farming system the monopoly of manufacture and vend of tari in a specified area is leased to a single individual or firm. The number and location of tari shops is determined by the Collector and the farmer may either sell by retail himself at such shops or he may sublet the right of manufacture and vend at such shops, in which case he will obtain from the Collector the requisite number of shop licences for the manufacture and vend of tari.

**382. Licence forms -** The licence granted to the farmer under section 24 shall be in Form C.L. 7 and the licence for manufacture and retail vend granted either to the farmer or his sub-lessee shall be in Form C.L. 8 in which the locality and period of currency shall be filled up by the Collector and other details will subsequently be entered by the farmer holding licence in Form C.L.7.

**383. Person from who sub-lessee may procure tari -** The farmer of sub-lessee may procure tari from (1) any person owning a tari producing tree, (2) any other person licensed to manufacture or sell tari.

**384. Lease not to fall into hands of a firm or person interested in country spirit trade-** The lease should not be allowed to fall into the hands of a person or firm interested in the country spirit trade.

### **(C)The Shop to Shop System**

**385. Shop to shop system -** Under this system each shop is settled separately the licensee being allowed to make his own arrangements for the manufacture of tari. Licences for the retail vend of tari shall be settled by auction and granted in Form C.L. 9. The licence will authorise sale only at the place therein specified.

**386. Source of Supply** -(1) A licence holder shall draw tari from trees in the district in which his shop is situated or from trees in an adjoining district if specially permitted by the Collector of the later district.

(2) Subject to the provisions of clause (1) no restriction has been placed on the source of supply owing to the possibility of the licensee not being able to come to terms with the tree owners in his immediate vicinity. It is, however, desirable that licensee should be able to obtain his supply of tari from trees situated near his shop; this point should be considered in determining the location of shops.

**387. Country spirit vendors to be excluded** - In making settlement of tari shop care should be taken that they do not fall in the hands of country spirit vendors, with whose shops they will come into competition. In order to ensure competition at the settlements it may occasionally be found necessary to hold the sale at the tahsils, but this course should only be adopted where there are a large number of trees in the locality and bidders are unwilling to come to headquarters. To prevent accumulation of large amounts of irrecoverable arrears, settlement should not be made with persons of low substance from whom collections may be difficult to make.

**388. Staff**- The ordinary tahsil staff will not usually be able to cope with the extra work involved in collection from a large number of petty vendors. With the approval of Government a special staff (ordinarily consisting of a supervisor and constables) proportionate to the requirements of the district will be sanctioned. The supervisor should be literate. The staff should only be retained in so far as, and for so long as, the necessity for its continuance continues. The staff shall not be permitted to have any part in the actual collection of licence fees, and the close supervision of an Excise Inspector will be necessary to guard against the evils incidental to the employment of an establishment of this kind. It will not be usually necessary to take security from persons thus appointed.

### **Tree - Tax System**

**389. Tari shops under the Tree-tax System** -(1) Licensees of tari shops under the tree-tax system are selected in any one of the following manners:-

(a) By inviting tenders in Form G-28 A in areas where the Tender-cum -Tree-Tax system is in force. The settlement of tari shops under this system is made in accordance with the U.P. Settlement of *Tari Shops* ( Tender-cum-Tree-Tax or Auction-cum -Tree-Tax ) Rules, 1955, given in Part II of this Volume.

(b) By putting the shops to auction in areas where the Auction-cum-Tree-Tax System is in force, and settling the same with the highest bidders ( if otherwise not disqualified) in accordance with the rules mentioned in sub-clause(a) *Supra*.

(c) By inviting application in Form G-28 in areas where neither of the two systems mentioned in clauses (a) and (b) above, is in force. The selection is made in accordance with rules governing the settlement of shops under the Graduated surcharge system.

(2) Settlements are made for individual shops and licences are granted for one year commencing from October 1.

(3) A settlement report shall be submitted to the Excise Commissioner on or before September 15, together with statements in Form G-11 or G11-A , as the case may be .

(4) Licence fees are levied in the form of a fixed surcharge per tree realized at the time the tree-tax is deposited.

**390. Issue of Tapper's permit** - On receipt of the application the Excise Inspector shall forthwith take steps for the marking of the trees. He shall first enter necessary particulars from the receipted applications received from the treasury in the

tree- marking register in Form C.L.20 maintained for the purpose. At the close of each account month the Excise Inspector shall prepare a statement in duplicate containing total figures of *Tar* and *Khajur* trees and revenue derived therefrom in that account month ( columns 4, 6 and 8 of register C.L.20) and submit both copies to the Collector's office. The District Excise Officer will cause these figures to be checked by the excise clerk against the statements submitted by the Tahsildar. After checking, the District Excise Officer will retain one copy of the statement submitted by the Excise Inspector for record in his office and return the other copy to the Excise

Inspector after endorsing on it that it has been checked and found to agree with the figures submitted by the Tahsildar. The Excise Inspector shall then forward this copy to the Assistant Excise Commissioner who will again verify the figures at his inspection of Collector's office. The Excise clerk shall also maintain a register in manuscript showing the number of *Tar* and *Khajur* trees and the revenue derived there from in respect of each circle and the receipted applications will also be sent by the Excise Inspector of each circle to the Collector's office at the end of the month for cross-checkings with the entries made in this register and the *Siahas* by the Excise clerk who will then append a certificate in the register to the effect that he has checked the receipted applications received from the Excise Inspector with the original *Siahas* and found them correct.

The Excise Inspector shall prepare the tapper's permit in duplicate in Form C.L. 16 and make over one part to the vendor, noting on both copies the names of the subordinate duputed for the purpose of marking the trees.

No subsequent alterations in the number and descriptions of the trees, or in the amount deposited or the name of the applicant shall be made in the receipted applications or permit except under an order of the District Excise Officer or of the Collector. This order will be pasted to the counterfoil of the application or permit This excise Inspector may , however, alter the names of the tappers, on the application of the vendors , or owners of trees, without the sanction of the Collector or the District Excise Officer.

**NOTE** - In the case of alternative in the numbers and description of the trees or the name of the applicant , the Excise Inspector is authorized to make such alterations within ten days receipt by him of the receipted application.

**391.** The supervisor shall maintain a village inspection register in Form C.L. 19 under the supervision and direction of the Inspector who shall ceck and sign it once a fortnight.

The Excise Inspector shall also keep a copy of this register with him to faciliate his checking of the trees marked on the spot when he and the supervisor are touring in different directions.

**392. Village register to be up-to-date-** Sonn after the return of *tari* constable from tree-marking to head-quarters the treasury receipt to receipts in Form C.L.15 or C.L.15-A under which marking has been done will be made over to the *tari* Supervisor, who will write " received on date -----

-----" , sign on each treasury receipt, and make entries from the receipt or receipts in his village register, C.L.19 returning the same to the Excise Inspector after making below his first endorsement a further endorsement "Copied and forwarded on date -----", and sign it. The Excise Inspector will see that the supervisor does not unnecessarily hold up a treasury receipt and that he does not take more than the requisite time to copy it. The supervisor will mention every treasury receipt received from and submitted to the Excise Inspector in his appropriate daily diaries. This is meant to keep the supervisor's village register up-to-date, as the procedure next herein following cannot be followed and its result cannot be verified correct unless the village register is brought up-to-date as early as practicable.

**393. Checking of trees by supervisor-** When checking trees the supervisor will initial and date the number of a tree which he has checked in his village register but he will not tick or initial or date any number which has already once been initialled and dated. In his daily diaries he will mention the serial numbers of trees checked by him on a date for the first time in a *tari* year under head IV and the serial number checked on any other occasion than the first under head V. He will also give the total number of trees checked, under heads IV and V.

**NOTE** - When checking trees for the first, time in a year the *tari* Supervisor shall inscribe his initial and the date of checking on each tree with the paint prescribed by the Department from time to time. Unless this is done the checking will not be considered as having been actually carried out.

**394. Fortnightly statement-** On receipt of the fortnightly statements hereinafter prescribed and filled in by the supervisor from column 1 to column 7, the Excise Inspector will, before sending it to the Assistant Excise Commissioner, compare its figures with the supervisor's village register, and sign the serial numbers of trees in the village register checked by the supervisor during the fortnight for which the statement has been prepared. He will at the same time give figures from his own village register and diaries in column 8 and 9 and sign the certificate at the foot of the statement.

**395.** A fortnightly statement in Form C.L.17 shall be submitted by all Tree-tax Excise Inspectors to the Assistant Commissioner.

**396.** Rules relating tree-tax system are given in Part II of the E.M. Volume 1.

**397.** Rules regarding settlement of tari shops under Tender-cum-tree-tax and Auction-cum-tree-tax, system are contained in Part II of the E.M. Volume.

**398.** Rules relating Neera or Sweet toddy are given in Part II of E.M. Volume 1.