

Chapter VIII

DISTILLERIES (Manufacture of spirit)

Sections

XXV

(1) Rules framed by Excise Commissioner under Section 41

- A- Establishment of distilleries
- B- Arrangement , management and control
- C- Issue of spirit
- D- Denaturation of spirit
- E- General

(2) Rules framed by State Government under Section 40

SECTION XXV

RULES

(Framed by Excise Commissioner under section 41)

A-Establishment of Distilleries

Cf. B.O. No. 423/V-28/ B dated, Sep. 26, 1910. Rule 1- (1) any person desiring a licence to establish a distillery shall submit an application in Form P.D. 32 to the Collector of the district in which he wishes to establish his distillery and the Collector will forward his application for the orders of the Excise Commissioner.

Cf. E.C's Notification No. 29371/R-II, dt. Feb 6 1963 (2) On his application being entertained, the applicant shall file for approval description and plans of the building in which he propose to construct his distillery and all other

Cf. E.C's Notification No. 1961, dt. May 15 1974 permanent apparatus. These plans shall be drawn to scale or tracing cloth, showing the exact position and dimensions of each vessel to be used, and tracing course of all pipes or channels in the colours which would be actually used in accordance with the rules on the subject, together with the elevations of all the more important parts of the distillery as such as the receiver room and the warehouse.

(3) If after such enquiry as he may deem necessary, the Excise Commissioner is satisfied, he shall subject to such conditions as the State Government may deem fit to impose grant a licence in Form P.D. 33 authorizing the establishment of the distillery on payment of fee of Rs. 25,000 (Rupees: Twenty-Five Thousand).

NOTE- The Excise Commissioner shall have power to grant or refuse any application for licence having regard to the

actual requirement in the State.

(4) The aforesaid licence shall be valid (unless specifically extended for a year from the date of issue, within which period the holder thereof shall arrange to secure the land buildings, plant, machinery and other equipment required for the establishment of the distillery. It shall not confer any right or privilege for grant of a licence for the manufacture of spirit and is liable to be revoked or withdrawn at any time, in public interest, after the giving the holder a notice to show cause against such action and after hearing him, if he so desires. No compensation for damage or loss shall be payable when the licence is so revoked or withdrawn.

Rule 2- (1) No spirit shall be manufactured and no person shall use, keep or have in his possession any material, still implement and

apparatus whatsoever, for the purpose of manufacturing spirit except under the authority and subject to terms and conditions of a licence granted by the Excise Commissioner in Form P.D. 1 or P.D. 2A licence to work a distillery in premises owned by the Government shall be granted in Form P.D. 1 whereas a licence to work a distillery in a premises owned by any person other than the Government shall be granted in Form P.D.2.

(2) An application for the grant of the aforesaid licences shall be in Form P.D. 34 and shall be submitted to the Excise Commissioner within one year from the date of grant of licence in Form P.D. 33 unless specially permitted otherwise.

(3) Before the licence in Form P.D. 1 or P.D. 2, as the case may be, is granted, an Excise Officer authorised by the Excise Commissioner shall inspect the premises, etc. and compare the same with the plans and certify accordingly.

(4) No licence in Form P.D. 1 or P.D. 2 shall be granted until the applicant has I.V.P.

(a) satisfied the Excise Commissioner that the proposed building vessels, plant and apparatus to be used in connection with the manufacture of spirit and its storage and issue are strictly in accordance with the rules made in this behalf and are in conformity with the plans submitted by the applicant and further that due precaution has been taken against fire;

(a) deposited security as required by rules and

(b) deposited the licence fee at the rate of Rs. 10.00 (Rupees ten only) per kilolitre of the installed production capacity in advance for the year of part thereof for which the licence is to be granted.

Cf. E.C's Notification
No. 16397/Sanasdhan
91-92 dt. March 26,
1991.

Cf. E.C's Notification
No. 1961 dt. May 15m
1974

(5) The aforesaid licence shall, be granted subject to the following

conditins:

- (a) It will be open to the Excise Commissioner to verify at any time the description and plans mentioned in sub-rule (4) and on proof of error, to require fresh ones to be submitted, such verification may be made by any officer deputed for the purpose and such officer shall be allowed full access to the premises. A duplicate of the distillery plans approved by the Excise Commissioner shall be provided by the distillery, to be filled in the office of this distillery Inspector concerned.
- (b) No alteration or addition shall be made in or to such buildings or in or to such stills and other permanent apparatus, without the premission of the Commissioner.

If alterations are sactioned fresh descriptions and plans of the same must be filled, if the Excise Commissioner so directs, officers incharge of distillery may permit minor alterations to be made to such buildings or stills and other permanen appratus subject to his subsequent approval.

Cf. E.C's Notification
No.1961 dated May 15,
1974

(6) Application for the renewal of licence for the following excise year shall be made to the Excise Commissioner through the Collector on or before February 28 each year. If there have been alterations in either plant or building, fresh plans must be submitted. If there have been no alterations, a certificate to this effect from the officer-in-charge should be forwarded with the applicant for renewal of the licence. A licence fee prescribed in sub-rule (4)(c) shall be payable in advance for such renewal for a year or part thereof. If the application for the renewal of the licence is not properly submitted in time and the renewal is delayed, the spirit produced in the distillery will be liable to seizure and confiscation, or the parties working the distillery to the penalties provided by law of the illicit manufacture of spirit, Provided that in event of a licence being refused for a distillery which had previously been licenced, permission may be granted to continue operations temporarily, for a reasonable time pending appeal.

Cf. E.C's Notification
No.29371/R-II, dt. Feb.
6, 1962

Rule 3- On the expiry of his licence (unless a fresh licence shall have been granted him), or if his licence shall be cancelled or suspended, every distiller shall be bound forthwith to pay the duty on and to remove all spiri remaining within the distillery in accordance with the rules in force; and if he shall fail to do so within ten days of receipt of written notice from the Collector, the cost of any establishment, which it may be necessary to employ at the distillery or warehouse, may be recovered from the defaulter. In the event of continuous neglect the spirit shall be liable to be fofeited at the discretion of the Excise Commissioner.

Rule 4- Every distillery shall deposit a security of Rs. 50,000 (Rupees fifty thousand) in Government promissory notes or other

Cf. E.C's Notification
No. 425/DEC, dt. Dec.
11, 1989.

Government securities of equivalent market value for fulfillment of all conditions of his licence and for the payment of all sums which may become due to Government by way of duty, rents, penalties fines and taxes made under the provisions of his licence or to which the distillery may be liable by law or by rules having the force of law or under any engagement or bond into which he may have entered. The notes or other securities shall on deposit, be endorsed to the Collector of the district by designation. The distiller shall be allowed to draw, as it falls due, the accruing on them.

B-Arrangement, Management and Control

Rule 5- Arrangements of stills, etc. - Distillers shall so arrange their stills that the worms shall discharges into closed and locked receivers, of pattern approved of by the Excise Commissioner. Every pipe used for conveying spirits or feints must be so fixed and placed that it can be examined throughout its whole course. They shall also provided and maintain suitable and secure fastenings to all stills, spirit receivers, fermentation rooms or sheds, doors & c. to the satisfaction of the Excise Commissioner, for the attachment of locks to be provided by Government. But when locks are attached to any of the fittings of distillery, for the making alterations, the cost of such locks shall be borne by them. The keys of all such locks will be retained by the Government officers-in-charge of the distilleries, but distillers will at liberty to affix their own locks also on all stills, recovers, & C. on which Government locks are placed: provided that they shall always, on the requisition of the Collector or the office-in-charge of the distilleries, or of other gazetted officers of the Excise Department immediately remove their locks so as to allow the free inspection of the stills and receivers on which, and of the rooms on doors which, such locks are placed and of all the contents of such stills, receivers and rooms.

B.O. No. 423/V-284B,
dt. Sep, 26, 1910.

Rule 6 - Distillers shall provided between the still and the spirit receivers a glass "safe" by which the quality and strength of the spirits which are running will as any moment be visible to the operator, or a sampling apparatus so constructed that for every sample drawn off an exactly equal quantity shall be discharged into a closed and locked receptacle. If desired, both a "safe" and a sampling apparatus may be used. The distillers shall also if so required, provide branch pipes fitted with cocks by means of which the spirits of different strength and qualities may be diverted into separate receivers.

-Do-

Rule 7- Distillers shall so arrange their spirit receivers and store vats that the spirits may be conveyed through closed pipes from the former into the latter by gravitation, or, where this is not practicable, shall provide apparatus whereby the spirits can be pumped from the former to the latter through closed pipes.

-Do-

Rule 8- All receivers and vats in the distillery shall be so placed as to admit of the contents being accurately gauged or measured and must be fitted to the satisfaction of the Excise Commissioner with proper dipping rods so adjusted to fixed dipping places that the contents may at any time be ascertainable. The receivers and vats shall also be gauged in such manners as the Excise Commissioner may from time to time direct; and no vessel shall be used as a receiver or store vat until it has been gauged and the gauging has been checked by such officer as the Excise Commissioner may appoint.

-Do-

Rule 9 - The Excise Commissioner to appoint officers to the

charge of distilleries- The Excise Commissioner will appoint such officers of the Excise Department as he may see fit to the charge of distilleries. The pay of such officials will be met by Government; provided that when the annual establishment charged exceed 10 per cent of the duty leviable on the issues made from the distillery during the year, this excess will be realised from the distiller.

Cf. B.O. No. 428-V/284-B dated Sep. 26, 1910.

Rule 10 - Distiller shall provide office furniture for the use of the Office in-charge of the distillery and his staff. If a distillery is established at a place where suitable quarter for such officers are not available for hire at reasonable rate, the distiller shall provide quarters to the satisfaction of the Excise Commissioner:

Cf. E.C's Notification No. 29870/R-II, dt. Feb. 6, 1962

(a) for an Excise Inspector at a rent not exceeding 10 percent of his salary or Rs. 16 percent mensem whichever is less;
(b) for a distillery clerk at a rent not exceeding Rs. 2 mensem
(c) for a distillery peon at a rent not exceeding fifty naya paise per mensem.

The distiller shall be bound to keep the quarters and their appurtenances in proper repair, and not to interrupt or annoy any officer residing therein, in his use or enjoyment thereof. In case any question should arise as to whether the rent demanded by the owner or such quarters is just and reasonable taking into consideration the nature and sufficiency of the accommodation, the question shall be referred to the Excise Commissioner whose decision thereupon shall be final and binding on the distillery concerned.

Cf. B.O. No. 423/V-284-B, dated Sep. 26, 1910.

Rule 11- Hours of attendance of excise officials- The hours of attendance of the inspectors posted to a distillery will be fixed by the Assistant Excise Commissioner. The Senior Inspector posted to the distillery will fix the hours of the attendance for clerks and constables Ordinarily each official will be on duty for a total period not exceeding eight hours a day.

Cf. E.C's Notification No. 18463/II-538, dt. Feb. 4, 1948 and E.C's Notification No. 16152/II-338, dated Dec. 21., 1948.

Rule 12 - Holidays- The holidays allowed to Inspectors and Clerks at distillers are: Sundays; Republic day (16th January); Good Friday; Mahatma Gandhi Birthday (official); Independence day; Christmas day; Holi (the day following the burning of Holi); Janam Asthami; Deshehra (principal day); Diwali (principal day); Idul Fitr (principal day); Idul-Zuha, Moharram (10th day) and Shab-I-Barat.

Other Gazetted holidays will only be allowed if the distillers themselves close down on special grounds with the sanction of the Excise Commissioner.

E.C's Notification No. 7570/II-338, dated May 29, 1959

In case, the Excise staff stationed at a distillery is required to attend the distillery on any of the above mentioned holidays the distillers shall be required to pay to Government an overtime fee according to the following scale : -

Cf. No. 13718 dated Nov. 16, 1904.

Rs. 4 per hour Excise Inspector
Re. 1 per hour Excise Clerk
Re. 0.25naya paisa per hour Excise Constable.
The overtime fee so realized, shall be credited to Government under the head "039 State Excise other receipts"

Rule 13- Distillers to give notice of beginning of distillation- Distillers shall geive the Excise Commissioner fifteen days' notice in writing of the date on which they propose to began to distil.

B.O. No. 433/V-284-B, dt. Sep. 26, 1910.

Rule 14 - Power to withdraw establishment - In case a distiller shall cease distilling or issuing spirit for a period exceeding one month, the Excise Commissioner may withdraw the establishment stationed at the distillery may prohibit all further distillation and issue of spirit until the distiller has given the Excise Commissioner fifteen days notice in writing of the date on which he propose to recommence distilling or issuing spirit, as the case may be.

Cf B.O. No. 423/V-284-B dated Sep. 26, 1910.

Rule 15 - Government not liable for loss of spirit in distilleries - Government shall not be liable for the destruction, loss or damage of any spirit stored in distilleries by fire or theft, or by gauging, or proof, or by any other cause whatsoever. Inc case of fire or other accident officers-in-charge of distilleries shall immediately attend, to open the premises at any hour by day or nights.

Cf B.O. No. 423/V-284-B dated Sep. 26, 1910.

Rule 15 B- Fermentation and distillation efficiencies and minimum recovery of alcohol -(1) The distillers shall be responsible for maintaining such minimum fermentation and distillation efficiencies and such minimum recovery of alcohol from molasses consumed for production of alcohol as may be prescribed by the Excise Commissioner.

Cf B.O. No. 423/V-284-B, dated Sep. 26, 1910.

E. C's Notification No. 29370/R-II, dt. Feb. 6, 1962.

E. C's Notification No. 10908/IX-241-A, dt. Feb. 8, 1978,

NOTE - The minimum fermentation and distillation efficiencies and recovery of alcohol from molasses prescribed by the Excise Commissioner are as follows:

- | | |
|-----------------------------------|--|
| (i) Fermentation Efficiency | 84 percent of fermentable sugar present in molasses |
| (ii) Distillation Efficiency | 97 percent of alccohol present in each wash. |
| (iii) Minimum recovery of alcohol | 52.5 litres of alcohol per quintal of fermentable sugars present in the molasses consumed for production od alcohol. |

E. C's Notification No. 396/dt. Oct. 16, 1989.

Rule 15-B- (2) Failure to maintain the prescribed minimum efficiency and recovery of alcohol shall render the Distillers

E. C's Notification No. 1974, dt. March 9, 1992.

liable to cancellation of licence and forfeiture of security deposit in addition to any other penalties imposed under the U.P. Excise Act, 1910.

The officer Incharge of the Distillery shall draw composite sample of molasses consumed in three successive out-turns and divide it into three equal parts which shall be sealed by the officer Incharge with his seal. Two parts of the sample duly sealed shall be handed over to the Distillers who shall send one of the parts to the Chemical Examiner to the U.P. Government or any officer authorised by the Excise Commissioner. Uttar Pradesh, Allahabad or any officer or agency authorised by the State Government as the case may be, for determination of the percentage of fermentable sugars and retain the other with them. The third part of the sample duly sealed shall be kept by the officer Incharge. On the basis of the report furnished by the Chemical Examiner or any officer authorised by the Excise Commissioner, Uttar Pradesh, Allahabad or any officer or agency authorised by the State Government, the officer Incharge of the Distillery shall calculate the minimum quantity of alcohol which should have been produced by the Distillers on the basis of minimum recovery prescribed by the Excise Commissioner. In case of the recovery of alcohol is below the prescribed minimum the Officer Incharge shall call for the explanation of the Distiller and forward the same alongwith his comment of the Deputy/Assistant Excise Commissioner of the charge concerned. The Deputy/Assistant Excise Commissioner of the charge shall, if necessary, make enquiries in the matter and furnish his report to the Excise Commissioner for necessary orders.

Cf. B.O. No. 423/V-284-B dated Sep 26, 1910.

Rule 16 - Preparation of wash. Wash not to be removed- No wash shall be repaired except within the distillery not shall any wash be on any account removed from the distillery; and all wash shall be kept securely locked up in approved places, if the Excise Commissioner so direct, Distillers must see that the saccharine material, used by them are thoroughly dissolved when they set up the wash, submit a declaration in writing in the prescribed form to the distillery officer, and generally afford him all the information which he may require.

Rule 17 - Bases from which spirits may be made - Spirits may be made from cane juice, Gur, molases, Mahua, barley, wheat, maize or other substances specially sactioned.

Cf. B.O. No. 423/V-284-B dated Sep. 26, 1910.

Rule 18 - Noxious material not be used - The material to be used in distilling shall be of good quality and no ingredients noxious to health shall be used in the distillation or be out ito the spirit. The spirit shall be liable to analysis onteh order of the Excise Commissioner and the distiller shall bebound to take steps to remedy defects which the Excise Commissioner may consider material. If spirits is found to be of inferior quality and

Cf. B.O. No. 423/V-284-B, dated Sep. 26, 1910.

unsuitable for the purpose for which it was made, it may be rejected and destroyed or otherwise dealt with under the order of the Excise Commissioner. Office-in-charge of distilleries are empowered to stop pending the orders of the Excise Commissioner the issue of spirit which they consider bad, and are required to send samples of such spirit for analysis without delay.

Rule 18-A- Manufacture of Indian made foreign spirit - The distillers holding a licence in Form P.D. 1 or P.D. 2 shall not be allowed to manufacture in their licensed distilleries, Indian-made foreign spirit for potable purposes from rectified spirit, which does not conform to the following specification:

Cf. E. C's Notification No. 169/II-863, dt. April 8, 1947.

- (1) The Aldehyde content of the original sample must not exceed 6 parts per 1,00,000 reckoned as Acetaldehyde.
- (2) The acid contents of the original sample must not exceed 6 parts per 1,00,000 reckoned as Acetic Acid.
- (3) The details of the Permanganate Test as given in the United States Pharmacopoea, which the rectified spirit should satisfy, are as follows:

"Place 20 c.c. Alcohol in a glass stoppered cylinder that has been thoroughly cleaned with hydrochloric acid, then rinse with distilled water and finally with the alcohol to be tested Cool the content approximately 15^o C, and add, by means of a carefully cleaned pipette, 0.1 c.c. of tenth normal potassium permanganate (3.16 gm. per litre), noting the exact time of addition. Mix. at once by inverting the stoppered cylinder, and allow it to stand at 15^o C, for five minutes. The pink colour must not entirely disappear."

- (4) Sample must be a clear water white liquid.
- (5) Miscible with water in all proportions without precipitate or "Opalescence"
- (6) Characteristics spirit odour.
- (7) Free from solid matter in suspension or solution; when 10 ml. are evaporated should leave only an unweighable stain.

Cf. E.C's Notification No. G-126/XI-213C, dated Sep. 29, 1969 and Notification No. Nil dt. Nil. published in U.P. Gazette dated 23rd Sep. 1972 Part Ka

Rule 19- It shall be necessary for a distiller holding licence in P.D.1 form or P.D. 2 form to obtain prior permission of the Excise Commissioner for the addition of any flavouring, colouring or any other matter whatsoever except to the extent permitted by the Excise Commissioner. The licensee shall not bring into the premises of the distillery any substances for purposes of colouring, flavouring Form of spirit except with prior intimation to the Excise Inspector and the Excise Inspector shall keep a register in Form P.D. 32 and all such substances or material brought within the premises of distillery shall be duly entered into that register. All

such substances or material brought into the distillery premises shall be kept in its original container or capsules, with seal kept intact and the process of coloring, flavoring shall be carried out under the supervision of the Excise Inspector. No colouring, favouring or addition of any substance shall be done unless the Chemical Examiner to Government of Uttar Pradesh has examined the sample thereof and has approved the same:

Provided that if any such substances manufactured by a firm approved by the Excise Commissioner is brought into the distillery premises and kept there with the original label and capsules intact, it shall be required to be examined under this rule only once a year.

Cf. B.O. No. 423/V-284-B dated Sep. 16, 1910.

Rule 20- The admittance into distilleries of person not having business there in forbidden - Distilleries shall be open only for the entrance and exit of person who have business within them. No one except officers of the Excise Department and superior officers of other Government Departments, distillers, their shall be allowed to enter the premises of any protext. Others may only enter with the permission of the officer-in-charge, provided that permission shall not be granted to persons, whose admission to the distillery may be objected to by the distillers.

Rule 21- Control over persons entering distilleries - All persons entering a distillery or warehouse shall be under the orders of the officer-in-charge in respect of their conduct and proceedings within the distillery or warehouse, and shall be liable to search on their quitting the premises, at the discretion of the officer-in-charge.

Cf. B.O. No. 423/V-284-B dated Sep. 26, 1910.

NOTE- Officers-in-charge must understand that the power of the search is to be used with discretion. No respectable person subjected to search except on very good grounds for suspicion. All cases of search of persons other than Class IV servants should be entered in the diary, with a statement of the officers reason for his action.

Rule 21 A- Guard posted to distilleries holding P.D.- 2 licence - In the case of distilleries working within Government buildings:

Cf. E.C's Notification No. 4352/IX-241-A, dt, Sep. 6 1924 as amended by Notification No. 5898/II-180 dated Oct. 3 1924.

- (1) If the Excise Commissioner considers it necessary a police guard, consisting of one naik and three constables, may be stationed at the distillery for watch and ward duty. It shall furnish a sentry to guard the gate day and night. A sheet prescribing the duties of the guard shall be in the possession of the Naik commanding the guard.
- (2) The gate of the distillery shall be unlocked as day break for the admission of the distillery officials, distilleries and workman and shall be locked at sunset when all persons must leave the distillery. The key of the distillery gate shall remain during the day with the

sentry on duty, and at night in-charge on the naik, Ordinarily, the gate of the distillery shall be kept closed. and it shall only be opened to allow authorized persons to pass in and out, for the admission of materials fuel, or plant and for the passing out of spirit and waste products.

- (3) A list of persons authorized to enter the distillery shall be made over to the naik in-charge of the guard by the officer-in-charge of the distillery.

Rule 22 - Distiller bound to report breaches of law etc. committed by their servants -If it comes to the knowledge of a distiller that any person employed by him has committed any breach of the excise laws or of the engagements entered into by him, it shall be his duty to report the matter to the Collector and to comply the directions of the latter officer respecting the continued employment of such person.

Cf. B.O. No. 423/V-284-B, dated Sep. 26, 1910.

Rule 23 - Ejection of riotous persons, etc. - The officer-n-charge of a distillery or warehouse may reject and exclude from the premises any person as to whom he has reason to believe that he has committed or is about to commit any breach of these rules or of the provisions of the Excise Act, or who is intoxicated or disorderly. All action taken by any such officer under this rule shall forthwith be recorded by him in writing in his official diary for the information of his official superiors.

Cf. B.O. No. 423/V-284-B, dated Sep. 26, 1910.

Cf. B.O. No. 423/V-284-B, dated Sep. 26, 1910

Rule 24 - Accounts to be kept by distillers - Distillers keep regular accounts. The accounts shall show the quantities and descriptions of the materials used, the quantities of wash and of spirit manufactured the quantity of spirit passed out and the quantities of wash and of spirit in store in each vat or other receptacle.

NOTE - Distillers may keep accounts in whatever form they like but the account must contain the particulars specified above.

Cf. B.O. No. 423/V-284-B, dated Sep. 26, 1910.

Rule 25 - Distillers' accounts to be open to inspection - Such accounts shall be open at time to the inspection of th officer-in-charge and of all superior officers.

E.C's Notification No. 10908/IX-A, dt. Feb. 6, 1978, published in U.P. Gazette, Part -Ka dt. 4-3, 1978.

Rule 26 - The free wastage allowances for different kinds of (excluding bottled spirit) stored in a distillery shall be as follows:

	Percent
1. Plain and spiced Spirit	.. 0.7
2. Rectified Spirit and Sophisticated Spirit	.. 0.4
3. Denatured Spirit	.. 0.5

If the total wastage on any kind of spirit does not exceed 1.5 percent, duty will be charged on the net wastage in excess of the free allowances. But if the total wastage exceeds 1.5 percent duty shall be liable to be charged on the whole wastage without allowing for the free allowances at the following rates:

- | | |
|--|---|
| (1) Plain and rectified Spirits, | At the highest rate of duty leviable on country spirit in the case of plain spirit and at the highest rate of duty leviable on I.M.-F.L. in the case of rectified spirit. |
| (2) Sophisticated Spirit including Spiced Country Spirit | At the rate of duty leviable on such spirit. |
| (3) Denatured Spirit | A plenty at the highest rate of purchase tax leviable on such spirit. |

Provided that if it is proved to the satisfaction of the Excise Commissioner that the deficiency or wastage in excess of the prescribed limit has been caused by an accident or other unavoidable cause, the payment of duty on such deficiency or wastage shall not be required.

When the wastage does not exceed the prescribed limit, no action need be taken by the Officer Incharge but when an excess is found in any case at the time of monthly stock-taking the Officer Incharge must obtain a written explanation from the Distiller and forward the same together with full report of the circumstances, to the Assistant Excise Commissioner/Deputy Excise Commissioner of the charge. The Assistant Excise Commissioner/ Deputy Excise Commissioner shall charge the duty on excess wastage if he is satisfied that the wastage in excess of the prescribed limit is not on account of an accident or unavoidable cause. In case the excess wastage is due to an accident or unavoidable cause, the matter will be referred to the Excise Commissioner for orders.

Rule 27 - Distillers bound to obey all rules already in force or which may hereafter be prescribed - Distillers shall be bound by all the general rules for the management of distilleries and for the issue of spirit therefrom which may already be in force or which may hereafter be prescribed under the existing excise law, or under any law which may hereafter be enacted and by all special orders issued by the Excise Commissioner with regard to individual distilleries,

Cf. B.O. No. 423/V-284-B, dt. Sept. 26, 1910.

Cf. G.O. No. 411/XIII-29, dt. Aug. 26, 1929.

and shall cause all persons employed by them in the manufacture, issue etc. of spirit to obey all such rules.

Rule 27-A- (1) The appointment of agents and all other servants by the Distillers shall be subject to the approval of the Assistant Excise Commissioner of the charge, who will have the power to order the removal from service of prohibit the appointment of any person whom he consider undesiarable:

Cf. E.C's Notification
No. 4531/XV-27,
dated July 31, 1935.

Provided that no order for the removal from service of a person, covered by the definition of the term 'workman' as given in section 2 (s) of the Industrial Disputes Act, 1947 (Act XIV of 1947), shall be passed without prior consultation with the Labour Commissioner, Uttar Pradesh.

Provided further that in the event of a difference of opinion between the Labour Commissioner and the Assistant Excise Commissioner on any particular point relating to the removal of a person from service the matter shall be referred immediately through the Excise Commissioner to the State Government for orders.

Cf. E.C's Notification
No. 4257/XV-841,
dated June 8, 1956.

(2) The order of removal passed by the Assistant Excise Commissioner or his decision to prohibit employment of any person shall be appealable to the Excise Commissioner, Uttar Pradesh.

(3) Whenever any workman is suspected of pilferage of excisable goods and his immediate removal from the Distillery is considered necessary to safeguard revenue interests in the interests of discipline, the contractors may be asked dto depute the defaulting workman to some other section, which does not involve his entry into the Distillery, pending the receipt of the Labor Commissioner's concurrence for his removal.

NOTE - These rules were notified under B.O. No. 423/V-284-B dated September 26, 1910, published in U.P. Gazette 1910, Part II

RULES RELATING TO ISSUE OF SPIRIT FROM
DISTILLERIES
C-Issue of Spirits

B.O. No. 423/V-284-B, dt. September 26, 1910.

Rule 1- Spirit not to be removed unless gauged and proved - No spirit shall be removed from a distillery until it has been gauged and proved by the officer appointed for the purpose. Such gauging must be by actual measurement or by weightment.

B.O. No. 423/V-284-B, dt. September 26, 1910.

Rule 2- Spirit not to be removed except under a pass- No spirits shall be removed except under a pass granted by the officer empowered in this behalf. Such pass shall only be issued (save in the case of persons authorized to remove spirit free of duty) either on proof of full payment of duty or on proof of execution of bond by person permitted to remove spirit under bond, and may be for any quantity upto the quantity covered by the duty paid or the bond.

Cf. B.O. No. 423-A-284-B dt. Sept. 16, 1910.

Cf. E.C's Notification No. 29609/R-II, dated Feb. 8, 1932,

Cf. E.C's Notification No. 2063/IX-241-A, dt. May 11, 1932.

Duty may paid either by cash payment at the treasury in respect of such issue or by debt against an advance deposit.

Rule 3- Strength under issue- Issues may be made at any strength subject to the following exceptions:

(a) Issues of country spirit to shops, when a portion of the distillery has been constituted a bonded warehouse, must be made at the prescribed strengths of 25.85 and 50 U.P. only. A margin of 0.5 above these fixed strengths is allowed for error.

(b) The minimum strengths for whisky, brandy and rum is 25 U.P. gin 35 U.P. retified spirit 60 O.P. and denatured spirit 60 O.P.

NOTE - The strengths prescribed for whisky, brandy, rum and gin are the apparent strengths as indicated by the hydrometer after the addition of the colouring and flavoring materials.

Rule 4- What spirit may be issued - Issue may be made by distillers as follows: -

Cf. E.C's Notification No. 29609/R-II dated Feb. 8, 1962.

- (1) Plain spirit, excised as country spirit for consumption in Uttar Pradesh may be issued only to bonded warehouse in the areas for which the distillers hold the supply contract. If a portion of the distillery has been constituted a bonded warehouse, he issue therefrom shall be in accordance with the rules applicable to bonded warehouse.
- (2) Plain spirit may be exported to any State Union Territory in India (which has entered into reciprocal arrangement with the Uttar Pradesh Government for refund of duty) on payment of duty as provided in rules on the subject.
- (3) Plain spirit may be exported to any State or Union Territory in India in bond as laid down rules on the subject.
- (4) Rectified spirit may be issued in bond to persons holding L-1 licence under the Medicinal and Toilet Preparations Act, 1955 and Rules, 1956 made thereunder for the manufacture of medicinal and toilet preparations.
- (5) Foreign spirit may be issued in bond to persons and places as provided in the rules governeing the export and transport of foreign liquor.
- (6) Foreign spirit may be issued on payment of duty to:-
 - (i) the premises in respect of which the distiller holds a wholesale licence for the vend of foreign liquor
 - (ii) Troops in India, as provided in the export and transport rules, on payment of duty at the prescribed rates;
 - (iii) Persons holding L-2 licence for the manufacture of Medicinal and Toilet Preparations entitled to purchase rectified spirit at the reduced rates of duty on production of licence.
- (7) Rectified spirit and absolute alcohol may be issued duty free to Officers and institutions as may from time to time be (specified) in Appendix 'C' of Excise Manual, Volume II or the such offices and institutions in other states or Union

Territories as may have been permitted by the Chief Revenue Authority of the State or Union territory to possess such spirits without payment of duty.

E.C's Notification No. 251 licence Anbhag 3, dated may 18, 1990. (8) denatured spirit may be issued to :-
(i) Licensed wholesale vendors of denatures spirit in the State provided that the issues shall not exceed the quantity, if any, specified on the licence.

NOTE - The Collector of a district may, in very exceptional circumstances and for reasons to be recorded in writing, order issue of denatured spirit, not exceeding the quantity, if any, specified in the licence from a distillery if there is any of this district or from the distillery of the nearest district to a retail vendor of denatured spirit of his district on payment of prescribed vend fee.

Provided further that the Collector shall intimate the quantity allowed to the retail dealer, the name of the distillery and the reasons therefor to the Excise Commissioner within a week of his order.

- (ii) Hospitals, dispensaries, Charitable and educational institutions and other State Government departments free of vend fee up to a quantity allowed by the Excise Commissioner, provided the indent is countersigned by the Collector as laid down in paragraph 680.
- (iii) A person or firm, holding licence in Form F.L. 19 for the possession and use of specially denatured spirit in the manufacture of soap, on payment of the prescribed vend fee.
- (iv) Persons or institutions allowed to possess and use specifically denatured spirit by the Excise Commissioner for special purposes on payment of the prescribed vend fee.

(9) (a) If the distiller has a laboratory attached to the distillery and requires spirit for use in the laboratory he shall be entitled to remove to the laboratory from the distillery free of duty from either, the safes of the stills or the spirits receivers or the spirit store, finished spirit or unfinished spirit, to such extent as may be authorized by the Excise Commissioner in each case; provided that the spirit so removed shall not be used in the laboratory of the distillery otherwise than for experimental work connected with distillery operations only. The distiller shall keep a regular account of the disposal of such duty-free spirit which will be subject to examination by excise officers. All spirit which becomes waste in the laboratory and does not by the addition of any chemicals of otherwise becomes deleterious shall be returned to the distillery for redistillation.

(b) An application for every quantity of spirit required to be removed from the distillery under rule must be made in writing to

the officer-in-charge of the distillery who shall record thereon the quantity and strength of the spirit taken and make a note of the same in his diary and other relevant distillery registers.

(c) If spirit removed under this concession is used otherwise than as permitted by sub-rule (a) of this rule, the concession may be withdrawn.

Rule 5- An allowance up to 0.5 percent will be made for the actual loss in transit by leakage, evaporation or other unavoidable cause, of spirit transported under bond in wooden casks or metal vessel.

E.C's Notification
No. 10909/IX-241,
dated Feb. 8, 1978.

The allowance to be made under this will be determined by deducting from the quantity of spirit despatched from the distillery, the quantity received at the place of destination, both quantities being stated in terms of litres of alcohol. The allowance will be calculated on the quantity contained in each wooden cask for metal vessel comprised in a consignment.

If the report of the Officer by whom the consignment of spirit has been gauged and proved at its destination shows that the wastage has occurred above the limit allowable, the person executing the bond shall be liable to pay duty on so much of the deficiency as is in excess of the allowance. The rate of duty leviable shall be the highest rate of duty leviable on such spirit in this State.

When the wastage does not exceed the prescribed limit, no action need be taken by the Officer Incharge of the Distillery or Bonded Warehouse, as the case may be, but when the wastage exceeds the allowable limit, the Officer Incharge of the Distillery shall obtain the explanation of the Distillers or the person executing the bond and forward the same together with a full report of the circumstances to the Assistant Excise Commissioner or the Deputy Excise Commissioner of the Charge in which the Distillery is situated. The Assistant Excise Commissioner shall charge duty on excess wastage provided that when the total wastage in a consignment is within the allowable limit, Deputy/Assistant Excise Commissioner of the Charge may write off the excess wastage in any particular wooden cask or metal vessel:

Provided further that the Deputy Excise Commissioner may write off the duty up to Rs. 5.00 if he is satisfied that the excess wastage in a consignment was on account of an accident or other unavoidable cause but in other cases, the matter shall be referred to the Excise Commissioner for order. Cases in which the Deputy Excise Commissioner writes off duty shall be reported by him to the Excise Commissioner.

RULES RELATING DENATURATION OF SPIRIT D-Denaturation of Spirit

Rule 1- Spirit may be denatured in the following three ways namely:-

(1) With crotonaldehyde, pyridine and methylene blue or pyridine

Cf. B.O. No. 423/V284-B, dated Sept. 26, 1910.
Cf. E.C's Notification No. 29605/R-II. dated Feb. 17, 1962.
Cf. E.C's Notification No. 12421/IX-379, dated Oct. 7, 1967.
Government Notification No. 9733-E/XIII-523(1) 75 dated Oct. 25, 1975.

- and caoutchoucine; or
(2) with wood nautha; or
(3) with 1 per cent castor oil and 5 percent of caustic soda solution by volume.

The first kind of denatured spirit is meant for general use and may be issued to all wholesale vendors of denatured spirit for sale in retail to the public. It shall be prepared by adding 0.6 percent crotonaldehyde, 0.5 per cent pyridine and .001 per cent by volume of mineral pyridine bases to the whole volume of rectified spirit of a strength not less than 60⁰ over proof.

The second kind of denatured spirit is intended for use in the manufacture of transparent soap only any may be issued to any manufacturer of transporter soap to whom a licence in Form F.L. 19 has been issued by the Collector, in accordance with the conditions of his licence. It shall be prepared by the addition of 5 per cent of approved wood naphtha to the whole volume of rectified spirit of strength not less than 60⁰ over proof .

The third kind of rectified spirit is also intended for use in the manufacture of transport soap only and may be issued to a holder of a licence in Form F.L. 19. It shall be prepared by the addition of 1 per cent of castor oil and 0.5 per cent caustic soda to the whole volume of rectified spirit of a strength of not less than 60⁰ over proof.

Provided that, if it be proved to the satisfaction of the Government that the above specified denaturants will render the spirit unsuitable for the industrial process or other purposes for which it is required special sanction may be given to the use of some other denaturant, subject to such additional safeguards and conditions as may be deemed necessary under the special circumstances of the case.

Specification of prescribed denaturants - The specification of the denaturants crotonaldehyde, pyridine methylene blue caoutchoucine, and naphtha prescribed in Rule 779 above shall be those as published from time to time by the Excise Commissioner.

Rule 2- (1) A licence in Form DS-1 (Appended) may be granted by the Collector within his district to a distillery holding licence in Form PD-1 or PD-2 for denaturation of spirit supply to persons holding licences in Form FL-16, FL-39, FL-40 and FL-41.

(2) A licence fee in respect of the licence Form DS-1 shall be payable in advance at the rate of 7 paise per litre of spirit so denatured by the distillery for supply to persons referred to in sub-rule (1).

E.C's Notification No. 25/licence Anubhag 3, dated May 18, 1990.

(3) Separate premises previously approved for the purpose by the

Excise Commissioner shall be provided for the process of denaturation and for the storage of denaturing agents and the vessels and receptacles used in the process. Denaturation shall take place in these premises only and issue and storage of denatured spirit shall only be made from or in these premises. The premises shall be secured by an excise lock, and denaturation shall take place under the direct supervision of the officer-in-charge.

Rule 3- Spirit denatured to be tested- For the purpose of ascertaining that the spirit has been denatured in the prescribed manner the officer-in-charge of the distillery shall on each occasion that spirit is denatured, cause to be taken from each separate bulk of denatured spirit, a sample, amounting to one pint, in a bottle sealed and labelled, and shall send such sample to the officer referred to in Rule 4 for examination and report. The label on the bottle shall bear the number and date of the Chemical Examiner's report passing the denaturants used. A copy of the report shall be submitted to the Excise Commissioner, who will issue orders as to the disposal of spirit not denatured in the prescribed manner.

Cf. B.O. No. 429/V-284-B dated Sept. 26, 1910 as amended by No. 185/V-1363-B, dt. April 26, 1912 and No. 38/V-E-1910-B dt. Jan. 31, 1918.

NOTE- Spirit denatured with approved denaturants, other than those prescribed in Rule 1 may be issued from the distillery for bonafide industrial purposes without getting the samples of the such specially denatured spirit examined by the officer referred to, in Rule 4 provided the previous sanction of the Excise Commissioner, U.P. is obtained.

Cf. E.C's Notification No. 8310/XIX-153, dated Sept. 9, 1959.

Rule 4- Denatured to be tested- All ingredients intended for denaturing spirit shall be lodged with the officer incharge of the distillery and before any denaturants is brought into use that officer shall send samples (one pint from each cask or drum in a separate bottle sealed and labelled to the Chemical Examiner to Uttar Pradesh Government, Agra or such other officer as the State Government may appoint in that behalf), for examination and reports:

Cf.B.O. No. 423/V-284-B dated Sept. 26, 1910 as amended by No. 158/VE-368-B, dt. April 1, 1912 and No. 38/VE 910-B, dated Jan. 31, 1918.

Provided that if each cask or drum is presented to the officer incharge duly sealed with seal of the said Chemical Examiner (or other officer duly appointed and accompanied by a certificate from the officer that the denaturant contained therein complies with the specifications referred to in the preceding paragraph the sending of a sample will not be necessary.

Cf. E.C's Notification No. 12905/II-632, dated March 9, 1939.

But all the denaturants which have been in storage for a period exceeding six months after their test by the Chemical Examiner, Uttar Pradesh (or other officer duly appointed), shall not, in any case be allowed to be used unless they are re-examined by the above mentioned officer and certified to be fit for use.

A copy of the report shall be submitted to the Excise Commissioner. The denaturant passed for use shall remain in excise custody until consumed, while those rejected shall be

returned to the distiller. A correct account of all denaturants received into and issued from the stores shall be maintained by the officer incharge.

Cf. E.C's Notification No. 377/II-92, dt. April 10, 1980.

Rule 5- Special process of denaturation for spirit used in manufacture of soap- The following additional rules are prescribed for the preparation of the second kind of denatured spirit to be used in the manufacture of transparent soap only.

- (1) All wood naptha submitted for approval as suitable for denaturing purpose shall consist of substances derived from the destructive distillation of wood and shall not contain any substances or mixture obtained from any other source.
- (2) The wood naptha must be sufficiently impure to impart to denatured spirits prepared by mixing 5 per cent of it with 95 per cent of spirit such as amount of mauseousness as will, in the opinion of the Chemical Examiner to Governemnt of Uttar Pradesh, Agra, render such spirit incapable of being used as a beverage or of being mixed with potable spirits of any kind without rendering them unfit for human consumption. Wood naptha submitted for approval shouls conform to the following tets: -
 - (a) Not more than 30 c.c. of the naptha should be required to decolourise a solution containing 0.5 gram of bromine.
 - (b) The naptha which must be neutral or noly slightly alkaline to litmus should require at least 5 c.c. of decinormal acid to neutralise 25 c.c. of the spirit when methyl orange is used as the indicator.
- (3) No wood naptha will be approved which contains: -
 - (a) less than 72 per cent by volume of methyl alcohol;

The degree of a obscuration remains constant and must be added to the apparent strength found at any subsequent test in order to ascertain the true strength. For this reason it is essential that the degree of obscuration should be noted, for future reference, in column 19 of register P.D. 14 at the times when plain spirit changes its denomination by addition of caramel in vat or in cash at time of issue.

(2) The addition of water to 'obscured' spirit does not, materially, effect the degree of obscuration. In the case, therefore, of reduction of column coloured rum of in cask at time of issue, the degree of obscuration ascertained when caramel was first added, will be treated as unchanged.

(3) In the case of blending of 'obscured' spirit of different degree of obscuration the degree for the bulk may be ascertained by calculations thus: -

Bulk gallons	obscuration
83.0 X 8.2	265.60
68.7 X 14	96.18
103.0 X 2.8	288.40
182.0 X 1.8	327.60
436.7	977.78

then $9.77, 78/436.7 - 2.2$ – average degree of obscuration.

(b) More than 12 grams per 100 c.c. of acetone, aldehydes, and higher ketones estimated as 'acetone' by the formation of iodoform according to Messinger's Method;

(c) More than 3 grams per 100 c.c. of esters estimated as methyl acetate by hydrolysis. Wood naphtha, which, when fractionally distilled in the following manner, give the indication stated below, will as a rule, be found to contain a sufficient proportion of methyl alcohol and to be free from an excess of "acetone" or methyl acetate.

100 c.c. of the sample are to be slowly heated in a small copper flask fitted with a glass fractionating column 7 inch high and 3 1/2 inches in diameter, filled to the extent of 4 inches of its height with small glass beads provided with a thermometer placed opposite the exit tube about an inch above the beads, and connected with a spiral condenser. No more than 10 c.c. of distillate should be collected in the receiver marks a temperature of just under 149°F (65°C) from 80 c.c. to 85 c.c. should pass over between 149°F (65°C) and 162°F (72.2°C) and total quantity of 97 c.c. to 98 c.c. should have passed over before the thermometer marks 212°F (100°C).

(4) Wood naphtha may be miscible or immiscible with water, but must be of strength not lower than 60 O.P. as indicated by hydrometer and must not be used until a sample has been proved.

(5) The spirit denatured with wood naphtha must be stored in a separate receptacle and accounted for separately.

Rule 6 – The third of denatured spirit to be used in the manufacture of transparent soap only shall contain one part of castor oil and 0.5 part of caustic soda solution in 100 parts of spirit, all by volume. The caustic soda solution is to be prepared by dissolving one part of solid caustic soda of 98.99 per cent (NaOH) in 3 parts of water. Take the castor oil, add to it 1 1/2

E. C's Notification
No. 8835/II-744,
dated Nov. 2,
1930.

times its volume of alcohol while stirring and finally add the soda solution. A clear solution will be obtained which is to be added to the bulk of the alcohol.

Rule 7 – Possession of specially denatured spirit – Any person or firm engaged in the manufacture of transparent soap who wishes to use the second or third of denatured spirit (vide paragraph 779) in the process of soap manufacture shall apply to the Collector of the district for a licence in Form F.L. 19, and unless there are any reasons why the licence should be refused, the Collector shall grant it. The licence shall not cover the right of sale. The maximum quantity which the licensee may possess at any one time shall be determined and stated in the licence by the Collector. The licence shall be granted free of charge. The licensee shall be required to execute a bond in Form F.L. 20 for such amount as may be fixed by the Collector for fulfilment of all the conditions mentioned in the licence, and also those prescribed in the rules.

Cf. E.C's
Notification No.
377/I-492, dt.
April 10, 1930
and No. 8835/II-
744, dated Nov. 2,
1936

Cf. E.C's No.
29607/R-II, dt. 8-2-
1962

E-General

In exercise of the powers conferred by section 41 of the U.P. Excise Act (Act IV of 1910) and with the previous sanction of the State Government the Excise Commissioner, Uttar Pradesh makes the following rule governing supply by distillers of rectified spirit, free of duty to authorised institutions and persons.

- (a) Institutions or persons authorised to receive supplies of rectified spirit free of duty desiring to obtain it shall send their permit together with their indent to the distillers who shall present it along with the application in Form P.D. 21 to the officer-in-charge of the distillery. The officer-in-charge, if satisfied will make the issue under a pass in Form P.D. 25. One part of it will be given to the distillers, the duplicate will be sent to the Collector of the district to which the spirit is consigned and the counterpart will be retained for record. The officer-in-charge will also make necessary endorsement of the permit as required by the rules on the subject.
- (b) On arrival of the spirit at the destination the Excise Inspector of the district in whose jurisdiction of the premises are situated or such other officer as may be authorized by the Collector in this behalf shall examine and verify the contents. The officer after recording the

result of his verification on the pass will return it of the officer-in-charge of the distillery who, if he finds that there is an excess transit wastage, will report the case to the Assistant Excise Commissioner will report the case with the explanation of the distiller and his own views to the Excise Commissioner for orders.

(c) A register of duty-free will be maintained in Form P.D. 24 which will enable the officer-in-charge to see that the quantity sanctioned is not exceeded.

(d) Permits in Form F.L. 23 will be issued by the Excise Commissioner. Uttar Pradesh in favour of officers and institutions authorized to receive duty-free supplies of rectified spirit except –

(i) Where indents have to be countersigned by heads of departments, or

(ii) under rules in force in other States or Union Territories, permits are issued by officers in those States or Union Territories under the authority of their respective Governments.

(e) Duty-free issues of both finished and unfurnished spirit may also be made to distillers for experimental work connected with distillery operations only in accordance with the provisions of rules on the subject.

In exercise of the powers conferred by section 41 of the U.P. Excise Act (Act IV of 1910) and with the previous sanction of the State Government, the Excise Commissioner, Uttar Pradesh makes the following rule governing maintenance of Fermentation and Distillation on Register by a distiller, working distillery either in private premises owned by the State Government; Cf. E.C's 29608/R-II, dt. 8-2-1962.

"With a view to improve the efficiency of distilleries, all the distillers will maintain a Fermentation and Distillation Register in Form P.D. 9-A, In order to ensure watch over the improvement in the working of distilleries, relevant information from this register will be furnished to the Excise Commissioner. Accordingly, a monthly statement of fermentation and distillation efficiency in the distilleries in the form prescribed shall be submitted to the Excise Commissioner, Uttar Pradesh by every distiller."

In exercise of the powers conferred by section 41 of the U.P. Excise Act (Act IV of 1910) and with the previous sanction of the State Government, the Excise Commissioner, Uttar Pradesh makes the following rules governing issue of spirit from a distillery worked either in private premises or in the premise owned by the State Cf. E. C's No. 29606/R-II, dated

Government on prepayment of duty by the Distiller concerned.

Feb. 8, 1962.

"If the distiller wishes to prepay the duty in cash, he will present an application in Form P.D. 19 in triplicate to the treasury clerk (accountant) and will tender the duty to the treasurer of the headquarters treasury. The accountant shall, after verifying that the amount tendered has been deposited with treasurer, fill up the figures in the endorsement in all the copies of the application. He shall then present them to the officer-in-charge of the treasury who shall sign them in token of the receipt of the amount tendered and stamp them with the stamp of the treasury. One copy of the application shall then be given to the applicant, the second forwarded to the officer-in-charge of the distillery and the third copy retained in the treasury.

On production of the application duly received by the Treasury Officer, the officer-in-charge of the distillery shall verify that the duty deposited is correct before issuing the spirit and shall make out a pass in triplicate in Form P.D. 25, one copy being given to the distiller, the second being forwarded to the officer concerned at the destination and relating the counterpart.

Cf. E.Cs No. 29604 In exercise of the conferred by section 41 of the U.P. Excise Act No./R-II. dt. Feb. 8, (Act IV of 1910) and with the previous sanction of the State Government, the Excise Commissioner, Uttar Pradesh makes the following rule in respect of determination of the degree of observation and calculation of duty in case of suspected additions of saccharine or other matter to spirit in distilleries:

"When it is known or suspected that saccharine or other matter of such a nature as to prevent the true strength being ascertained by means of the hydrometer, is present in spirit, the number of degree to be added to the apparent strength on account of obscuration shall be certified by the Chemical Examiner to the Government of Uttar Pradesh on analysis of a sample of the spirit submitted to him, and duty shall be calculated on the quantity and strength of such spirit after the addition to be added of the number of degrees of proof certified as necessary to be added to the apparent strength, as ascertained by the hydrometer."

Cf. B.O. No. 159/V-E-945-15, dated April 3, 1918 All spirit finally issued from the coloured rum warehouse will duty on the apparent strength at the time of issue.

Cf. E.C's Notification No. 29603/R-II, dt. Feb 6, 1962. NOTE – The difference, caused by the caramel solution, between the true strength of spirit and the indicated by the hydrometer is termed "obscuration" The percentage of obscuration can be easily ascertained by taking the hydrometer strength before and after the addition of caramel for any other soluble substance likely on cause same. For example :

U.P.(I) O.P. (2)

To the strength of plain spirit	18.5	or	20.0
Apparent strength indicated by hydrometer after 20.0 or addition soluble matter to plain spirit	18.5		
Degree of obscuration	1.5 1.5		

(2) In the case of "obscured" spirit exported to other State: Cf. Government under bond, the degree of obscuration must be noted on the Notification No pass P.D. 25 in column 7 and 9 of Form P.D. 26 3042-E/XIII-332- immediately below the apparent strength indicated by the 53, dated Sep. 4 hydrometer in the final proof before issue 1957

(2) RULES FRAMED BY THE STATE GOVERNMENT UNDER SECTION 40 Redistillation

Cf. Government Notification No

Rule 1 – " In the case of continuous stills,, redistillation may be 3042-E/XIII-332- allowed by mixing the spirit with the wash feeding the spirit to be 53, dated Sep. 4 redistilled in the rectifying column, which has been fully attenuated 1957. and the alcoholic contents of which have been calculated or determined before mixing. In case the unfinished spirit is not mixed with wash for redistillation, it should be put into and looked the wash charger or other vessel in which the pump or other vessel in which the pump works.

The distillers are free to carry out such redistillation in a separate still, specially meant for the purpose, to avoid the risk of excess wastage."

Cf. Government Notification No

Rule 1-A (1) Redistillation wastage- Apart from the sample 3042-E/XIII-332- rectification of weaker spirit produced in a pot still, redistillation of 53, dated, Sep. 4 spirit may become necessary as under: 1957.

(a) On account of the manufactured spirit not conforming to the prescribed specifications due to the negligence and inefficiency of the distillers or load and defective storage conditions, resulting in discoloration of spirit, fall in strength, or such other defects.

(b) For the purpose of manufacturing fruit spiced spirit or 'silen spirits required for Indian made foreign liquor.

For distillation of spirits mentioned in sub-rules (a) and (b) proper and correct accounts of spirit sent for redistillation and the finally distilled spirit shall be maintained by the officer-in-charge of the distillery. Due notice of such redistillation shall be given to the Distillery Inspector and the operation carried out under his supervision.

(2) Limit of wastage allowance – Actual wastage in redistillation as given below may be allowed:

(a) For wastage under (a) of sub-rule (1) above, if : -

- (i) in patent-stills up to a maximum of 1.5 per cent.
- (ii) in post-stills up to a maximum of 2.0 per cent.

(b) For wastage under clause (b) of sub-rule (1) above, if : -

- (i) in patent-stills upto maximum of 2.0 per cent.
- (ii) in post-still up to a maximum of 2.5 per cent.

(3) The duty on such excess wastage shall be liable to be charged at the following rates: -

(A) For the manufacture of plain spirit – At the highest rate of duty leviable on country spirit in Uttar Pradesh.

(B) For the manufacture of spiced spirit – At the highest rate of duty leviable on such spirit in Uttar Pradesh.

(C) For the manufacture of rectified spirit – At the rate of duty leviable on Indian made liquor in Uttar Pradesh.

(4) When the total wastage calculated in terms of London proof the end of the month does not exceed the prescribed limit of sub-rule (2) no action need be taken by the officer-in-charge but when wastage exceeds the total wastage so calculated the officer-in-charge must obtain a written explanation to the Assistant Excise Commissioner of the charge. The Assistant Excise Commissioner after proper scrutiny will send the necessary papers with his recommendations to the Excise Commissioner for orders.

Cf. Government Rule 2- Maintenance of account, of rectified and denatured spirit and absolute alcohol issued to purchasers – The Excise Notification No. 1771 E/XIII-403-53, dated March 13, 1956. Inspector incharge distillery shall maintain an accurate and up to date account of issues of rectified and denatures spirits and absolute alcohol made from the distillery in respect of all purchasers in the following form.

.....Statement of issues taken by the F.L..... S/Sri..... during the year

Sl. No.	No. of Pass	Date of issue	Quantity of spirit issued in bull gallons	Signature of the E.I. with date and name of the distillery

The register shall have separate pages allotted for individual purchase arranged in alphabetical order.

The Excise Inspector distillery while rectified spirit, denatured spirit or absolute alcohol to the purchase shall see that the issues or such spirit already taken do not exceed the monthly or annual maximum quota, prescribed for the purchaser.

A copy of the entry in the above form shall also be made by the Excise Inspector immediately after making issues to the purchaser on the back of the licence or the permit. Any attempt on the part of the licensee or permit- of the licensee or permit-holder to obtain spirit fraudulently in excess of the monthly or the annual quota fixed for himself shall make him liable to cancellation of the licence or permit in addition to the penalties that may be imposed under the Excise and other acts for the time being in force.