

Chapter XII

State Management System

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SECTION XLII- Instructions for the Management of State Excise Shops

SECTION -A

Introduction

529. The introduction of the system of the State Management of Excise shops, particularly in urban area, has been taken in hand by the state Government in pursuance of their policy of enforcing prohibition and reducing consumption of all intoxicants. The primary object of the State Management System is the absence of any incentive for sharing profit accruing from the excise shops on the part of salesmen who are employees of the State Government and through whom conduct of sales of country spirit, hemp drugs, treasury opium and medicinal opium is envisaged wherever the system is enforced. The country spirit is sold only in sealed bottles and no consumption is allowed at the premises of the State Shops which are managed directly by the Excise Department through paid agency.

PART I

General

530. Definitions- (1) In these instruction unless there is anything repugnant in the subject or context-

(i) Assistant Excise Commissssioner- "Deputy Excise Commissioner" means the officer appointed by the State Government under section 10(2) (d) of the Excise Act, designated as such and exercising jurisdiction in the area.

(ii) Assistant salesman- "Assistant Salesman" means person selected and appointed by the Collector for carrying on sales at a shop under State Management either independently or in subordination to a Head Salesman.

(iii) Collector- "Collector" means the Chief officer incharge of the Revenue Administration of a district and includes Deputy Commissioner where the collector is so designated.

(iv) District Excise Officer- "District Excise Officer" means Assistant Excise Commissioner or Superintendent Excise incharge of the district and an Assistant Collector subordinate to the Collector and placed by him in executive charge of the Excise Administration of the whole or part of a district, in districts where no such Assistant Excise Commissioner or Superintendent Excise has not been posted.

(v) Excise Commissioner- "Excise Commissioner" means the officer appointed by the State Government under section 10(2)(a) of the Uttar Pradesh Excise Act IV of 1910.

(vi) Excise Inspector- "Excise Inspector" means an officer appointed by the Excise Commissioner and designated as such, exercising jurisdiction in the area.

(vii) Government- "Government" means the Government of Uttar Pradesh.

(viii) Head Salesman- "Head Salesman" means a person selected and appointed by the Collector for carrying on sales at a shop under State Management with the assistance of Assistant Salesman.

(ix) Salesman- "Salesman" means the person selected and appointed for a shop where there is no head Salesman.

(x) Shop - " Shop" means a State Management shop.

(xi) State Management- "State Management" means the System under which vend of intoxicants, opium or medicinal opium is carried on through the agency of paid salesman.

(xii) State Managed shop- "State Managed Shop" means an Excise/opium/ medicinal opium shop under the State Management System.

(xiii) Supply Contractor- "Supply Contractor" means a person or firm approved by the Government for supplying country spirit or hemp drugs to retail shops of a particular district or area.

PART II

Establishment of Shops

531. Selection of areas for opening State Managed Shops- (2) State Managed excise shops may be opened under the direction of State Government in any district or districts or part of a district selected for the purpose of vend of intoxicants/opium/medicinal opium under licences to be issued by the Collector concerned to approved. Head Salesmen or Salesmen in forms S.M.1, S.M.2, S.M.3 and S.M.4, as the case may be who shall also comply with the general conditions given in "Schedule" to these instructions.

"One and the same premises shall house shops of different categories catering for the same area."

532. Country spirit to be sold in sealed bottles and opium and drugs in sealed packets- (3) Sale of country spirit shall be made only in pilfer-proof bottles of standard size of 750ml., 375 ml. and 187ml. which shall be properly labelled and securely sealed with pilfer-proof caps. Opium and hemp drugs shall be sold in only sealed packets which shall be impressed with a seal showing the name of the State management shop. Medicinal opium shall be sold in the form of pills or in such other forms the State Government may, from time to time, approve.

533. Supply of furniture- (4) Necessary furniture, weights, scales, other articles and a time-piece may be provided for each shop according to need. the requirements of each shop shall be reported to the Excise Commissioner who will place necessary funds for the purpose at the disposal of the Collector.

PART III

Appointment of Salesmen

534. Procedure and guiding principles governing appointment of Head Salesmen etc.- (5) The Collector shall invite applications and select Head Salesmen, Salesmen and Assistant Salesman, if any. while no particular educational qualifications are prescribed for any post it would be desirable that preference is given to the educated unemployed provided that they are otherwise suitable. The Collector shall have full discretion in making appointments:

Provided that no person shall be appointed as Head Salesman, Salesman or Assistant Salesman who is an old licensee or is related to any sitting or previous excise/opium licensee or had any previous connection with excise/opium business in any capacity other than of a paid employee at a State managed shop.

535. Number of Salesmen to be appointed- (6) Consistent with efficiency of management the minimum possible Salesman shall be appointed for a particular shop.

536. Salesman liable to transfer and responsible for observance of conditions- (7) Head Salesman and Assistant Salesman may be transferred from one State managed shop to another, if any, at the discretion of the Collector. The Head Salesman of a particular shop where in more than one salesman is employed, and in the case of a shop manned by a single hand, its Salesman, shall be responsible for due observance of the rules and orders as well as of the conditions of licence. The Assistant Salesman, if any, shall be subordinate to the Head Salesman and shall be bound to carry out all his lawful orders.

537. Head Salesman and his assistants, jointly and severally responsible- (8) The Head Salesman and Assistant Salesman shall all be jointly and severally responsible for any loss, misappropriation, wilful damage, theft and unnecessary wastage, etc. at the shop and the Collector may realise from all or one or more of them the entire amount of any such loss caused to Government. In case of a shop manned by a single salesman the responsibility and liability shall devolve on its Salesman.

538. Security to be furnished by Head Salesman, Salesman and assistant Salesman- (9) The Head Salesman and other Salesmen shall have to furnish securities amount whereof shall be fixed by the Collector after taking in to consideration the value of the maximum stock which may be prescribed for the particular shop. Head Salesman should generally be made to furnish a higher amount of security than Assistant Salesman of a shop shall in no case be less than the value of the maximum stock prescribed for the shop.

The following scales of securities will be found suitable in most cases:

Head Salesman Rs. 300 to Rs. 500

Other Salesman Rs. 100 to Rs. 300

539. Extent and manner of securities to be demanded- (10) Where shops of various kinds have been combined the amount of total securities shall not be less than the value of the maximum stocks of various intoxicants or opium prescribed for such shops. Securities may be taken in cash, or in the shape of Government securities or on hypothecation of immovable property. Security bonds shall be executed in Form 2-A of Financial Hand book, Volume V.

540. Scale of pay- (11) The scale of pay of the Head Salesman, Salesmen, Assistant Salesman and the inferior staff shall be as sanctioned from time to time by the Excise Commissioner, U.P. on recommendation, if any, of the Collector concerned, and with the previous approval of the State Government.

PART IV

Proceedings Against Salesmen

541. Salesmen to be dealt with like other Government Servants- (12) Head Salesman, Salesmen and Assistant Salesmen etc. employed at State managed shops,

being salaried employees of the State Government, shall be liable to treatment as Government servants and not as licensees. In particular, any irregularity committed by them shall not be treated as a breach of condition of irregularity committed by a Head Salesman, Salesmen etc. appears necessary department proceedings against him shall be taken and formalities prescribed for subordinate services in the Manual of Government Orders and the Punishment and Appeal Rules, fully observed. They shall be liable to punishment by reprimand, adverse entry in service roll, fine, removal or dismissal according to the seriousness of the irregularity committed.

They shall be also be liable to punishment by recovery from their pay or security, any pecuniary loss (in whole or in part) caused to Government by negligence or breach of rules or orders. They may, however, be dealt with leniently when the irregularities or mistakes are trivial and appear to be due to inexperience. On the other hand if inquiry reveals some criminal intention on their part they shall be liable to prosecution, should the merit of the case justify recourse to such action.

Subject to the general control of the Collector, the District Excise Officer will be competent to pass all orders of punishment excepts an order of removal or dismissal. An order of removal or dismissal shall be passed only by the Collector.

PART V

Attendance at the Shops

542. Attendance on working days obligatory- (13) The head salesman and other salesmen shall attend the shop during prescribed hours on days the shop remains open.

543. Maintenance of attendance register- (14) A register shall be maintained at each shop in which the Head Salesman and other Salesmen shall note their daily attendance.

PART VI

Procedure for Issues to Shops

544. Issue to be made against permit- (15) Issues of country spirit and hemp drugs from a Bonded warehouse or of excise opium and medicinal opium from a treasury to a shop under state management shall be made free of duty and cost price on the authority of a permit (in form S.M.8, S.M.9 or S.M. 10 as the case may be) granted by the District Excise Officer or by an Excise Inspector specially authorised in this behalf. In the case of issues of country spirit in bottles with pilfer-proof caps the price of bottles and charges for providing pilfer-proof caps and labels shall not be realised at the time of issues. Payments in respect thereof shall be made to the supply contractors by the District Excise Officer along with the price of spirit.

545. Mode of obtaining permit- (16) The head salesman and, in case there is no head salesman, the Salesman of a shop requiring issues of country spirit, hemp drugs, excise or medicinal opium shall present an application (in form S.M. 5, S.M. 6 or S.M. 7, as the case may be) to the District Excise Officer or the Excise Inspector authorized in this behalf mentioning the quantity of each of the above commodities required to be issued without payment of duty and cost price from a bonded warehouse or treasury, as the case may be. Should the District Excise Officer or the Excise Inspector concerned be satisfied that the stock of any one or more of these commodities in hand at the shop requires being replenished, he shall grant a permit in the prescribed form authorising issues in such quantity or quantities as may be considered necessary by him. Care shall be taken that the total of the stock in hand at the shop and fresh supply allowed under the permit does not exceed the maximum stock of intoxicant, opium or treasury opium permitted by the Collector to be kept at the shop. The permit shall be prepared in duplicate. One copy will be given to the Head Salesman or the Salesman and the other kept in office for record.

546. Stock not to exceed the maximum fixed-(17) The quantity of issues permitted at a time shall ordinarily be limited to one week's probable requirement. The Collector shall prescribe the maximum stock permitted to be kept at a shop at any time which shall not be allowed to be exceeded.

547. Issue how to be made- (18) The Head Salesman, Salesman, or Assistant Salesman as the case may be, shall present the permit to the Excise Inspector incharge of the bonded warehouse or the officer incharge of the treasury from which the issues are to be taken. The officer concerned shall retain the permit and make the issues. The number and date of the permit shall be noted in the Issue Register as if it were a receipted application. The issues made on the authority of the permits and those made on payment of duty and price shall be reported to the collector, separately by the 5th of the month following.

In case of issues of bottled country spirit the Excise Inspector incharge of the bonded warehouse shall also report the number of quarts, pints and half-pints issued to State managed shop during the kind returned to the Supply Contractor as also the calculated amount which remains to be paid to the Supply Contractor on account of labels. A receipt in form S.M. 15 shall be obtained by every Head Salesman, Salesman or Assistant Salesman returning empty bottles to the Supply Contractor or his agent. This receipt shall be produced by the Head Salesman, Salesman or the Assistant Salesman Concerned before the Excise Inspector Incharge of the bonded warehouse who shall take a note of the number of each kind of bottles returned and initial the receipt in token of verification.

548. Form of pass-book covering issue and transport of commodities- (19) The Current form of (B.W.L.-7, I.D.-7 and Q 13) pass-book for country spirit, drugs and opium, respectively, shall be utilised for covering the issue and transport of these commodities from the bonded warehouse on treasury, as the case may be.

Duties of Head Salesman/Salesmen with regard to maintenance of accounts

549. Sale Registers to be maintained- (20) Registers of daily sale proceeds of country spirit, hemp drug and opium (excise and medicinal) shall be in form S.M. 11, S.M. 12 and 13, respectively. These registers shall be maintained carefully by the Head Salesman/Salesman who shall enter the daily accounts immediately before closing the shop.

Procedure for deposit of Sale-Proceeds- The collector shall fix the dates whereon the Sale-proceeds of intoxicants or opium/medicinal opium at each shop shall be deposited in the treasury or sub-treasury or the Head Salesman or the Salesman as the case may be. In case the sale proceeds exceed the amount of security furnished by the Head Salesman/Salesman/Assistant Salesman at any time before the date fixed for deposit, the Head Salesman/Salesman/Assistant Salesman shall deposit the same in the treasury or sub-treasury, immediately. The sale proceeds shall be deposited in treasury challan form no. 209 to be credited to head 10 State Excise Receipts' showing the various amounts to be accounted for under the following sub-heads:

- (i) Cost price including charges for pilfer-proof caps and labels.
- (ii) Duty.
- (iii) Licence fee (sale price minus issue price will be considered to be licence fee).

In case of country spirit, charges for pilfer-proof caps and labels from customers shall be added to the cost price of spirit sold and the total amount deposited in the treasury under sub-head (i). The price of bottles will not be deposited into the treasury on fixed dates or at regular intervals but shall be utilised in making refunds for empty bottles received from the customers. The Excise Inspector of the circle shall carefully scrutinize the working of the shop and form an India of the amount of money required to be kept in hand for refund of price of empty bottles. Any surplus amount accumulated under the head 'Price of Bottle' shall be deposited by the Head Salesman/Salesman immediately at the close of the month into the treasury or sub-treasury under the head 10 State Excise Receipts Miscellaneous.' The amount so deposited shall be entered in the remarks column of the register along with the number and date of the treasury receipt which shall be produced for verification before the inspecting officer at his next inspection.

550. Saving in transactions of empty bottles to accrue to the State- (21) The Supply contractor supplying country spirit in sealed bottle to State managed shops shall be entitled, besides bottling charges, to the price of bottles at the rate of 37 paise per quart, 31 paise per pint and 22 paise per-half pint. On return of undamaged empty bottles at his warehouse, he shall have to pay back to the Head Salesman/ Salesman or Assistant Salesman as the case may be, at the same rates. The consumer, however, while returning undamaged empty bottles at the State managed shops, shall be entitled to get only 36 paise, 30 paise and 21 paise per quart, pint and half-pint, shall under the State management system accrue to the State. The gain on this account shall be calculated every month and the calculated amount deposited in the treasury under the head 10 State Excise Receipts Miscellaneous. The amount so deposited together with the number and date of the treasury receipts shall be noted in the remarks column of the "Register of

account of empty bottles", in Form S.M. 14 and the receipt maintained for verification of the entries by the Excise Inspector.

The District Excise officer may write-off breakages not exceeding Rs. 10 in value and the Collector those exceeding Rs. 10 but not exceeding Rs. 50. Losses involving high amounts shall be referred to the Excise Commissioner for orders.

551. Wastages allowed and mode of dealing with excess wastages- (22) Wastages at shops not exceeding 0.2 percent in the case of opium and 0.5 percent in that of ganja and bhang may be written off by the Collector on satisfaction after such enquiry as he may consider necessary that they are genuine working wastages. The Head salesman/Salesman/Assistant Salesman shall otherwise be required to make good the loss to the Government on account of these wastages. If the wastage exceeds the allowable percentage fixed under the rule in any case but the Collector is of opinion that the same be written off, recommendation to the effect along with reasons therefore shall be submitted by him for orders to the Excise Commissioner. In all other cases where in the genuineness of the cause of wastage is not proved to the Collector's satisfaction the Head Salesman/Salesman/ Assistant Salesman shall be required to make good the loss and suitably punished if suspected of dishonesty or misappropriation.

552. Forms of registers of sales to be maintained- (23) The forms prescribed for the maintenance of accounts of receipts and sales of hemp drugs and country spirit at shops under the auction system (Excise Series Nos. 12B and 14D) shall also be maintained at State managed shops along with other forms and registers specially prescribed for shops under the State Management.

553. Sale-proceeds of only specified quantities to be deposited - (24) The sale-proceeds of only complete bulk litres in case of country spirit, of complete half kilograms in case of opium, of full kgms in case of Bhang and 250 gms. in case of ganja shall be deposited at a time in the treasury of sub-treasury. The quantity of opium, intoxicant or intoxicants for which the deposit is made as well as the amount of deposit shall be noted in the remarks column of the Sales proceeds Register and the balance remaining with the Head Salesman/Salesman noted separately in the same column. Treasury receipts in respect of the amounts deposited shall be carefully preserved for scrutiny by Inspecting Officer.

554. Other Duties of head Salesman/ Salesman- (25) It shall be the duty of the Head Salesman/Salesman to keep all the registers prescribed for the shop properly and correctly posted up-to-date and to perform such other duties of the Head Salesman/Salesman as may be assigned to him by any general or special orders. No over writing in the accounts shall be allowed. Mistakes, if any, shall be corrected and initialled. The total sale-proceeds deposited by the Head Salesman/Salesman during the month shall be reported by him to the price, duty and licence fee deposited shall be shown therein. The numbers and dates of the treasury receipts under which the deposits have been made shall also be noted in the statements prescribed by the Excise Commissioner. These statements shall be checked with care in the Collectorate.

PART VIII

Shop expenses and other connected charges

555. Imprest money for meeting miscellaneous expenses and maintenance of contingent register- (26) A small amount shall be given as imprest money to each Head Salesman/Salesman in order to meet miscellaneous and contingent expenses. The actual amount to be allotted to each shop for the purpose shall be fixed by the Collector after taking into consideration the likely requirements of each shop when the imprest money is required to be recouped the Head Salesman/ Salesman should apply to the District Excise Officer enclosing the vouchers of the money spent by him and only such amount shall be allowed to him as is covered by the Vouchers. Bills for contract contingent charges shall be drawn in Treasury Form no. 277 and those for non-contract contingent charges in Treasury Form no. 301. Attention is drawn in this connection to rule 177 of the Financial Handbook, Volume V, Part I, provisions whereof shall be carefully observed.

A contingent register in Form S.M. 16 shall be maintained by the Head salesman/Salesman of the shop.

557. Travelling expenses involved in taking issues- (27) Where a Head Salesman/Salesman/Assistant Salesman is required to travel a distance of over 5 miles for taking issues from a warehouse or treasury, he will be granted actual travelling expenses as well as halting expense at the discretion of the Collector, should halt be essential.

558. Budget head and sub-heads governing expenditure- (28) All the expenses in connection with the State management of shops fall under the budget head "10 State Excise-B-District Executive Establishment- (b) Prohibition Staff Committee". The following sub-heads of the lump sum grant have been approved by Government.

(1) Contingencies- (a) Contract, (b) Non-contract. Carting charges, hire of labour, initial expenses, etc. will come under (a) and shop rent will come under (b).

(2) Stores

(3) Cost price of intoxicants.

558. Salary how drawn- (29) The pay of the Head Salesman/Salesman/Assistant Salesman, etc. shall be drawn in the ordinary pay bill form, and debited to the budget head "10-State Excise-B-District Executive Establishment (b) Prohibition Staff- Pay of Establishment". The sanction of the Collector appointing the salesmen shall accompany the bill. Payments made shall duly be recorded on the acquittance roll (Treasury Form No. 263.)

PART IX

Payments of cost price to supply contractors

559. Mode of payment of cost price of intoxicants- (30) The price of intoxicants payable to the supply Contractor shall be made primarily from the amount deposited in the treasury as cost price, in case this amount is less than the amount due to the Supply Contractor, the District Excise Officer shall draw upon the amount of the advance for the purpose placed at his disposal. The price of intoxicants issued from the warehouse to the State managed shop shall be paid monthly to the Supply Contractor in the manner it is paid for issues to shops under the auction system.

560. Placement of advance towards cost price account- (31) An adequate sum by way of advance shall be made towards cost price account to be maintained at the treasury in order to facilitate payment to Supply Contractors of cost price (including price of bottles and bottling charges) of country spirit and intoxicating hemp drugs. Suitable amount for the purpose shall be allotted to each Collector. Requisite instructions shall be issued to Treasury officer and the Excise Inspectors of the District.

PART X

Supervision of Excise Shops

561. Points needing special care by inspecting officers- (32) Shop registers shall be checked carefully by inspecting officers. The Excise Inspector concerned in particular, while inspecting shops intoxicants or opium/medicinal opium against the book balance and see that correct prices are charged by the Head Salesman/Salesman/Assistant Salesman. He must further make sure that the amount of sale proceeds in band tallies with that shown in defiance of provisions of the rules. This register as well as the Empty Bottles Register and the Imprest Money Account shall also be carefully scrutinized. The Excise Inspector of the circle must inspect State managed Shops at least once a month.

562. Responsibility of the Assistant Excise Commissioner- (33) The Deputy Excise Commissioner shall inspect State managed shops at least once a quarter and satisfy himself that orders are being properly carried out. He shall promptly report to the Excise Commissioner, Uttar Pradesh, through the Collector, any irregularity that he may detect. He must also check the accounts very carefully and satisfy himself that there is no misappropriation or embezzlement of Government money.

563. Duty of reporting embezzlement etc. primarily of Excise Inspector of the circle-(34) The Excise Inspector shall also be responsible for promptly reporting all cases of embezzlement, misappropriation or theft, both to the Collector and to the Deputy Excise Commissioner. An advance copy of the report shall also be sent to the Excise Commissioner for information. The Collector shall forward the result of his inquiry in each case. to the Excise Commissioner for being reported to the Government and the Accountant General, Uttar Pradesh, as required by the rules.

PART XI

Checking of Periodical Statements in the Collectorate

564. Statements prescribed and checking thereof in the Collectorate- (35) The following monthly statements are prescribed to be submitted to the Collector by the Head Salesman/Salesman incharge of liquor, drugs and opium Shops under State management. These should be submitted by the third of the month following that to which they relate:

(1) Statement of receipts, sales and balances of country spirit, (monthly extract of register of Excise series No. 14-D).

(2) Statement of sale-proceeds of country spirit (extract of register S.M.12).

(3) Statement of empty bottles, cost of bottling realized and refunds allowed (extract of register S.M.15).

(4) Statement of receipts, sales and the balances of hemp drugs (monthly extract of register of Excise Series No. 12-B).

(5) Statement of sale- proceeds of hemp drugs (extract of register S.M. 13).

(6) Statement of receipts, sales and balances of opium (monthly extract of register 0-15).

(7) Statement of sale proceeds of opium (extract of register S.M. 14).

Each statement shall be carefully checked in the Collector's office with a view to ascertaining whether correct prices have been charged and sale-proceeds duly accounted for. A quarterly statement in the prescribed Form G-23 shall be submitted by the Collector at the end of each quarter to the Excise Commissioner, Uttar Pradesh.