

U.P. EXCISE (Establishment of Distilleries) Rules

(Till 16th Amendment)

Rule 1.

(1) Any person desiring a licence to establish a distillery shall submit an application in Form PD-32 to the Collector of the district in which he wishes to establish his distillery and the Collector will forward his *acknowledgement of Industrial*

(2) On his application being entertained, the applicant shall file for approval, the description and plans of the building along-with Geo tagging showing latitude and longitude in which he proposes to construct his distillery and also an inventory giving the description and size of the stills and all other permanent apparatus. These plans shall be drawn to scale on 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

From 15th amendment With the rules on the subject, together with the elevations of all the more important parts of the distillery, 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 PD-33 authorizing the establishment of the distillery on payment of fee of Rs. 5,00,000 (Five Lakh only).

NOTE- The Excise Commissioner shall have power to grant or refuse any application for licence having regard to the actual requirement in the State.

(5) In case the licence holder fails to operate the distillery according to 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 No compensation for damage or loss shall be payable when the licence is so revoked or withdrawn.

specifications and quality standards, within the time granted under sub

(4) The aforesaid licence shall be valid for two years from the date of issue, within which period the holder thereof shall arrange to secure the land, buildings, plant machinery and other equipments 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not confer any right or privilege for grant of a licence for the manufacture of spirit and is liable to be revoked or withdrawn at any time, in public interest, after giving the

rule (4), the licence holder may apply for extension of licence for one year by paying an additional fee of Rs. 2,50,000/-(Two Lac Fifty

From 15th
amendment

Thousand only).

(6)Notwithstanding anything contained in any other rules the licensee who has been granted a Licence in Form PD-33 for potable purpose may purchase, possess and consume Extra Neutral Alcohol from other distilleries for manufacture of potable liquor under terms and conditions as specified in bottling rules.

Rule 1.– A

(a)"**Feints**" means impure spirit produced from the distillation of low wines;

(b)"**Low Wines**" means impure spirit produced from the distillation of wash;

(c)"**Obscuration**" means the difference, caused by matter in solution, between the true strength of spirit and the apparent strength as indicated by the hydrometer;

(d)"**Officer-in-charge**" means the Assistant Excise Commissioner, In-charge of distillery;

(e)"**Receiver**" means any vessel into which the worm of a still discharges;

(f)"**Receiver Room**" means the part of a distillery where the receivers are kept;

(g)"**Spent lees**" is the residue left after impure spirit has been redistilled;

(h)"**Spent wash**" is the residue left after wash has been exhausted of spirit;

(i)"**Vat**" means any fixed vessel used for the storage of spirit;

(j)"**Warehouse**" means the part of a distillery in which spirit in a fit state for consumption is stored;

(k)"**Wash**" means saccharine solutions from which spirit is obtained by distillation; it includes also fermented wash or wort.

(l)"**Wash back**" means a vessel in which fermentation is carried on.

(m)"**Portal**" means the electronic platform created specifically for the purpose of uploading information in the prescribed form with regard to

the process of manufacturing liquor upto the terminal stage of its distribution.

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.2. A licence to work a distillery in premises owned by the Government shall be granted in Form P.D.1 where as 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 specifically 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-

(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.

(b) Deposited security as required by Rule-4; and

(c) Deposited the licence fee at the rate of Rs. 25.00 (Twenty Five) per kiloliter per year of the installed production capacity in advance for the two years or part thereof for which the licence is to be granted.

(5) The aforesaid license shall, be granted subject to the following conditions:

(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 filed

in the office of the Distillery Inspector concerned and uploaded on designated Excise Department portal.

- (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 permission of the Excise Commissioner.

If alterations are sanctioned fresh descriptions and plans of the same must be filed, if the Excise Commissioner so directs,

Officers-in-charge of distillery may permit minor alterations to be made to such buildings or stills and other permanent apparatus subject to his subsequent approval.

Provided that the following minor alterations or additional works may be sanctioned by the Deputy Excise Commissioner of the concerned charge :-

1. Repair work of molasses tanks.
2. Repair work of pipe lines.
3. To categories molasses storage tank and ethanol storage tanks installed in distilleries and molasses storage tanks installed in sugar mills for use of C-heavy and B-heavy molasses and ethanol.
4. Repair work of building of distillery.
5. Other works of routine nature.

Provided further that such works shall not affect the production capacity and are as per approved drawing under intimation to the Excise Commissioner.

- (c) Approval of new capacity for manufacture of potable liquor shall be granted on the following terms and conditions:

(i) A capital investment of minimum Rs. fifty Crores is made in setting up the distillery and have applied for Industrial Entrepreneurs Memorandum (IEM) to Department of Industrial Policy and Promotion (DIPP) Ministry of Commerce and Industry Government of India.

(ii) No Government dues are pending against the applicant.

- (d) Industrial /Captive distilleries will be granted permission to utilize ninety per cent of their installed capacity to manufacture potable liquor, who have cleared all excise revenue dues.

- (e) Such distilleries which are manufacturing both the industrial and potable liquor (mixed distilleries) may be allowed to manufacture potable liquor upto ninety per cent of their total installed capacity subject to the following terms and conditions:

(i) The distillery has consumed at least sixty per cent of its installed potable capacity in the immediate preceding year or sixty per cent of proportionate installed potable capacity in the preceding months of current financial year.

(ii) The distillery has cleared all dues payable to the Government

Provided that on the documentary evidence provided by Assistant Excise Commissioner of such distilleries in which quantity of impure spirit has been less than 5.0 per cent during three previous successive years, increase in potable capacity up to 95.0 per cent of the installed capacity shall be allowed after examination by the Excise Commissioner and with prior approval of the Government.

(ee)(1) Distilleries manufacturing potable liquor are allowed to purchase Extra Neutral Alcohol for manufacture of potable liquor within the sanctioned potable capacity.

(2) Distilleries sanctioned for capacity enhancement are allowed to purchase Extra Neutral Alcohol for manufacture of potable liquor for the period specified in rule-2(5)(f).

(f) Such distilleries which have been allowed to enhance their installed capacity can utilize sixty percent of proposed enhanced capacity for production of potable liquor, through purchase of ENA on depositing two year's license fees and with the condition of ensuring commencement of production of Alcohol/ENA after commissioning of plant and machinery as per enhanced installed capacity within two years, failing which, their enhanced potable capacity shall remain suspended automatically.

Provided that distillery has utilised 90% of its total installed capacity and has utilised 90% of its installed potable capacity in the immediate preceding year or proportionate capacity in the preceding months of the current financial year.

(g) Necessary environmental clearance from Ministry of Environment, Forest and Climate Change, Government of India and online clearance from Uttar Pradesh Pollution Control Board and the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control Pollution) Act, 1974 and the subsidiary Rules shall be taken for setting up new potable liquor capacity or enhancement of existing potable liquor capacity under sub-rule (c) and (f).

(h) The distillery shall adopt good manufacturing practices through regular gradation of technologies for enhancing productivity, energy

efficiency and meeting environmental standards. It shall also install track and trace system prior to operation for ensuring proper traceability of products.

(i) Distillery shall utilize every year at least ten per cent of its potable capacity.

(j) To establish new Potable Distillery and to sanction permission for production/capacity enhancement of potable alcohol to the Industrial distilleries/ Captive Distilleries, the Committee constituted under the Chairmanship of Additional Chief Secretary/Principal Secretary, Excise Department, Uttar Pradesh Government after considering the merits of the applications received from the Excise Commissioner with his consent and recommendation, shall give recommendation on which the final decision shall be taken by the Hon'ble Excise Minister.

The Constitution of the Committee shall be as follows:

1. Additional Chief Secretary/Principal Secretary, Excise Department, Uttar Pradesh Government - *Chairperson*
2. Excise Commissioner, Uttar Pradesh - *Member*
3. Officer not less than rank of Special Secretary, Finance Department - *Member*
4. Officer not less than rank of Special Secretary, Industrial Development Department - *Member*
5. Officer not less than rank of Special Secretary, Sugar Industry & Cane Development Department - *Member*
6. Special Secretary/Joint Secretary, Excise Department - *Member/Convener*.

(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 corresponding 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 application for renewal of the licence.

A licence fee prescribed in sub-rule (4)(c) shall be payable in advance for such renewal for two years or part thereof. If the application for renewal of 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 the event of a licence being refused for a distillery which had previously been licensed permission may be granted to continue operations temporarily, for a reasonable time pending appeal.

Rule 3. On the expiry of his license (unless a fresh license shall have been granted to him), or if his license shall be cancelled or suspended, every distiller shall be bound forthwith to pay the duty on, and to remove all spirit 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 forfeited at the discretion of the Excise Commissioner.

Rule 4.

The Security Amount of P.D.-1/2 licenses in vogue and P.D.-1/2 licenses shall be as follows:-

Sl. no.	Annual gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rs.)
1	Up to 500	25 lakh
2	More than 500 & up to 1000.	45 lakh
3	More than 1000	65 lakh

Seventy five per cent of the security amount shall be deposited as a fixed deposit receipt pledged under designated name as Excise Commissioner, U.P. and the remaining twenty five per cent shall be deposited in cash in Government Treasury under concerning head account.

Rule 5. Arrangement of stills, etc.— Distillers shall so arrange their stills that the worms shall discharge into closed and locked receivers, of a 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 provide and maintain suitable and secure fastenings to all stills, spirit receivers, fermentation rooms or sheds, doors, etc., to the satisfaction of Excise Commissioner, for the attachment of locks to be provided by Government. But when locks are attached to any of the fitting of a distillery, for the convenience of the distillers, and to save them the expense of 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 be at liberty to affix their own locks also on all stills, receivers, etc., on which Government locks are placed. Provided that they shall always, on the requisition of the Collector or the officers 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 of which, such locks are placed and of all the contents of such stills, receivers and rooms.

Rule 6. Distillers shall provide between the still and the spirit receiver a glass "safe" by which the quality and strength of the spirits which are running will at 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 receptable. 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 strengths and qualities may be diverted into separate receivers

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.

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 manner as the Excise Commissioner may from time to time direct; and no vessel shall be used as receiver or store vat until it has been gauged and the gauging has been checked by such officer as the Excise Commissioner may appoint.

Rule 9. The Excise Commissioner to appoint officers to the distilleries—The Excise Commissioner will appoint such officers of charge 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 charges 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.

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:

(a) For an Excise Inspector of distillery at a rent not exceeding ten percent of his salary or Rs. 10,000 (Ten thousand) per percent whichever is less;

(b) For a distillery Clerk at a rent not exceeding ten percent of his salary or Rs. 5,000 (Five thousand) per mensem whichever is less;

(c) For a distillery peon at a rent not exceeding ten percent of his salary or Rs. 2,000 (Two thousand) per mensem whichever is less;

(d) For an Assistant Excise Commissioner at a rent not exceeding ten percent of his salary or Rs. 16,000 (Sixteen thousand) per mensem whichever is less;

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.

Rule 11. Hours of attendance of excise officials - The Shift of attendance of the inspectors, Clerks and Constables posted to the distillery will be fixed by the Assistant Excise Commissioner of the concerned distillery. Ordinarily each official will be on duty for a total period not exceeding eight hours in a day i.e. in twenty four hours. The shift time will be from 6.00 AM to 2.00 PM, 2.00 PM to 10.00 PM & 10.00 PM to 6.00 AM. Additional Excise Staff will be provided as per requirement of the operations of the distillery.

Rule 12.. Holidays - The holidays allowed to Inspectors and Clerks at distillers are: Sundays; Republic day (26th January); Good Friday; Mahatma Gandhi Birthday (official); Independence day; Christmas day; Holi (the day following the burning of Holi); Janam Ashtami; Dussehra (principal day); Diwali (principal day); Idul Fitr (principal day); Id-ul-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.

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

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 and 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 proposes to recommence distilling or issuing spirit, as the case may be.

Rule 15.— A

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. In 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.

Rule 15.— B

(1) The distiller shall be responsible for maintaining such minimum fermentation and distillation efficiencies and such minimum recovery of alcohol from molasses, cane juice, gur, mahua, barley, wheat, maize, potato or other specially

sanctioned substance consumed for production of alcohol as may be prescribed by the Excise Commissioner.

NOTE - The minimum fermentation and distillation efficiencies and recovery of alcohol from molasses, cane juice, gur, mahua, barley, wheat, maize, potato or other specially sanctioned substance prescribed by the Excise Commissioner are as follows:

(i) Fermentation Efficiency-

(84) percent of fermentable sugars present in molasses, cane juice, gur, mahua, barley, wheat, maize, potato or other substance specially sanctioned.

(ii) Distillation Efficiency-

Ninety-Seven (97) percent alcohol present in the wash.

(iii) Minimum recovery of alcohol-

Fifty two and half (52.5) Liters of alcohol per quintal of fermentable sugars present in the molasses, cane juice, gur, mahua, barley, wheat, maize, potato or other specially sanctioned substance consumed for production of alcohol.

(2) Failure to maintain the prescribed minimum efficiency and recovery of alcohol shall render the distillers liable to :-

1) imposition of penalty or forfeiture of security deposit or both.

Or

(ii) cancellation of license and forfeiture of security deposit

under the U.P. Excise Act, 1910.

The Officer in-charge of the distillery shall draw composite sample of molasses, cane juice, gur, mahua, barley, wheat, maize, potato or other substance specially sanctioned consumed in three successive out turns and confirming by proper method that there shall be no loss in fermentable sugar of sample during transportation and divide it into three equal parts which shall be sealed by the officer in-charge 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 UP 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 order with them. The third part of the sample duly sealed shall be kept

by the Officer-in-charge 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-in-charge 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 the recovery of alcohol is below the prescribed minimum, the officer in-charge shall call for the explanation of the Distiller and forward the same along with his comment to the Deputy Excise Commissioner of the charge concerned. The Deputy Excise Commissioner of the charge shall, If necessary make enquiries in the matter and furnish his report to the Excise Commissioner for necessary orders.

Rule 16. Preparation of wash, wash not to be removed---No wash shall be prepared except within the distillery nor 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 materials 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, molasses, Mahua, barley, wheat, maize, potato or other substances specially sanctioned for this purpose from time to time by the State Government.

Rule 17.— A Non-molasses raw material, specially grain, potato etc. shall
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 amend used for manufacturing alcohol for potable liquor to the extent that such
 material is available in surplus and is of inferior quality and is unfit for human consumption.

Rule 18. Noxious material not to be used—The materials to be used in distilling shall be of f good quality and no ingredients noxious to health shall be used in distillation or be put into the spirit. The spirit shall be liable to analysis on the order of the excise commissioner and the distiller shall be bound to take steps to remedy defects which the Excise Commissioner may consider material. If spirit is found to be of inferior quality and 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. Officers in-charge of distilleries 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 Extra Neutral Alcohol, which does not conform to the following specification: (i)The Aldehyde content of the original sample, must not exceed 0.004gm/100ml. reckoned as Acetaldehyde.

(ii)The acid contents of the original sample must not exceed 0.002 gm/100ml reckoned as Acetic Acid.

(iii) The details of the Permanganate Test as given in the Indian Standard IS-6613-1972 specification for neutral spirit for alcoholic drink which the extra neutral 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°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°C for thirty minutes. The pink Colour must not entirely disappear."

(iv)Sample must be a clear water white liquid.

(v)Miscible with water in all proportions without precipitate or "Opalescence"

(vi)Characteristics spirit odour.

(vii) Free from solid matter in suspension or solution; when 10 ml. are evaporated should leave only an unweighable stain.

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 to spirit and no such licensee shall add 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 substance for purposes of colouring flavouring 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 substance or material brought into the distillery premises shall be kept in its original container or capsules, with seal kept intact and the process of colouring, flavouring shall be carried out under the supervision of the Excise Inspector. No colouring, flavouring 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 substance 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.

Rule 20. The admittance into distilleries of persons not having business therein forbidden—Distilleries shall be open only for the entrance and exit of Persons who have business within them. No one except officers of the Excise Department and superior officers of other Government Departments, distillers, their servants and licenced vendors who have come to purchase spirit shall be allowed to enter the premises on any pretext. 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.

(i) **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.

NOTE - Officer-in-charge must understand that the power of search is to be issued with discretion. No respectable person should be 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 officer reason for his action. (ii) **Control over issue of spirit from distilleries**- CCTV Cameras shall be installed at the entrance/exit gate of the distilleries by distillery according to the following procedure-

- (1) There shall be only one gate for entrance and exit in the distilleries.
- (2) CCTV Cameras with IP address shall be installed by the distiller at the gate of entrance/exit.
- (3) CCTV Cameras with IP address shall remain operative throughout twenty four hours.
- (4) CCTV Camera with IP address shall be installed in distilleries in such a way that all the vehicles carrying raw materials (Molasses /Grain/Pet bottles/ Tetra pack/ Cartons/ Labels/ Caramels etc.), liquor and other produce could be recorded along-with its vehicle (Tanker/Lorry) number while entering and going outside the distillery. A digital record will be maintained also and be submitted online on designated portal of Excise Department daily.
- (5) Distillery shall made available its IP address of camera /computer to the Excise Commissioner, UP in order to facilitate real time monitoring of CCTV through the designated portal of Excise Department.

- (6)After having completed recording of CCTV carried out in the month, its DVD/Hard Disk/Portable Disk shall be prepared and the duration of recording shall be printed on DVD/Hard Disk/Portable Disk.
- (7)DVD/Hard Disk/Portable Disk shall bear the signature of Officer-in-charge of distillery/authorised representative of distillery.
- (8)One copy of aforesaid media shall remain preserved with the Officer-in-charge of distillery second copy with the management of distillery as well as third copy in the office of the Excise Commissioner UP.
- (9) The aforesaid prepared media of a month shall be kept preserved for the next 12 months.
- (10) Spirit/Country Liquor/Foreign Liquor dispatches from distillery must be through GPS enabled vehicles (Tanker/ Consignment) only which will be monitored online on realtime basis.
- (11) In PD-25/FL36 Passes must be mentioned tare weight of the concerned vehicle. A digital record will be maintained also and be submitted online on designated portal of Excise Department daily.
- (12) The entire quantity of intoxicants shall be transported in one consignment and shall not be broken in transit and the movement of consignment shall not be deviated on the route specified in the E-Transit Pass, the infraction of which may entail on the licensee of distillery /brewery, imposition of penalty as laid down by the State Government. If the distillery is found to be involved in deceptive and fraudulent use of E-Transit Pass for transiting consignment more than once on the same valid permit, Officer-in-charge of distillery as well as distillery owner shall be liable to punishment.

Rule 21.— A

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

- (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, distillers and workmen 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 of 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.

Rule 23. Ejection of riotous persons, etc.—The officer-in-charge of a distillery or warehouse may eject 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.

Rule 24. Accounts to be kept by distillers — Distillers shall 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. A digital record will be maintained also and be submitted online on designated portal of Excise Department daily.

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

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

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

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:

(A)Rate of consideration fee on the wastage of spirit stored in distillery and on the transit wastage issued from Distillery:-

SI. No.	Item	Present Consideration fee
1	Plain and rectified spirit.	1- On Plain spirit at the rate of consideration fee leviable on strong country spirit in terms of 36% v/v strength. 2- On rectified spirit at the rate of consideration fee on economy category of Indian Made Foreign Liquor.
2	Sophisticated spirit including spiced country spirit.	1- On sophisticated spirit at the rate of consideration fee on economy category of Indian Made Foreign Liquor. 2- On spiced country liquor at the rate of consideration fee leviable on strong country spirit in terms of 36% v/v strength.
3	Denatured and specially denatured spirit.	on excess wastage in transit (offence under section 64) will be compoundable as prescribed in under section-74.
4	Indian made foreign liquor (Bottled).	At rate of consideration fee leviable on relevant category of Indian Made Foreign Liquor.

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-In-charge but when an excess is found in any case at the time of monthly stock-taking the Officer In-charge must obtain a written explanation from the Distiller and forward the same, together with full report of the circumstances, to the Deputy Excise Commissioner of the charge.

The 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 hereinafter be prescribed by the Excise Commissioner—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 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 Deputy Excise Commissioner of the charge, who will have the power to order the removal from service or prohibit the appointment of any person whom he considers undesirable:

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 Deputy 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.

- (2) The order of removal passed by the Deputy 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 to depute the defaulting workman to some other section, which does not involve his entry into the Distillery, pending the receipt of the Labour Commissioner's concurrence for his removal.

Rule 28. Potable liquor manufacturer PD-2 licence holder distilleries shall be bound to supply the country liquor as demanded by wholesale licensees of country liquor within stipulated time as fixed by the Excise Commissioner, U.P. Indents placed by wholesale licensee shall be disposed of according to principle of first come first served. The infraction of aforesaid peremptory provision may entail on the licensee of distillery, imposition of penalty as laid down by the State Government.

Rule 29. Distilleries holding PD-2 license for manufacturing potable liquor shall deposit consideration fee and additional consideration fee involved in indent received from wholesalers of potable liquor within two working days in

treasury, failing which a penalty of Rupees 5,000/- (Five Thousand) per day shall be imposed on distillery.

Rule 30.Distilleries holding PD-2 license for manufacturing potable liquor shall use pet or glass bottle for bottling liquor with prior permission of the Excise Commissioner, as per conditions imposed by the State Government.

Rule 31.Distilleries shall make all such arrangements for recycling and management of solid wastes as prescribed in Solid Waste Management Rules, 2016.

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