

# Office of Excise Commissioner, Uttar Pradesh, Allahabad

## NOTIFICATION

No. **73548** /X-Licence-326/PD-1 & PD-2/2018

Dated 31-3-2018

In exercise of the powers under section-41 of the United Provinces Excise Act, 1910 (UP Act no. IV of 1910) read with section 21 of the Uttar Pradesh General Clauses Act, 1904 (U.P. Act no.1 of 1904), the Excise Commissioner, Uttar Pradesh with previous sanction of the State Government, makes the following rules with a view to amending rules regarding licences for working distilleries in private premises or in premises owned by Government, as published under the Board of Revenue notification no. 423-V/284-B dated 26 September 1910, as amended from time to time.

### **The Uttar Pradesh Excise (Establishment of Distilleries) (Twelfth Amendment) Rules, 2018**

<b>Short title and commencement</b>	1. (1) These rules may be called the Uttar Pradesh Excise (Establishment of Distilleries) (Twelfth Amendment) Rules, 2018.  (2) They shall come into force with effect from 01-04-2018.
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- Amendment of rule-1.**
2. In the Uttar Pradesh Excise (Establishment of Distilleries) Rule 1910 hereinafter referred to as said rules, for the existing rule-1 set out in Column-1 below the rule as set out in column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<b>1(1)</b> 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 application for the orders of the Excise Commissioner.	<b>1(1)</b> 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 application for the orders of the Excise Commissioner <b>and upload application on designated Portal also.</b>
<b>1(2)</b> On his application being entertained, the applicant shall file for approval description and plans of the building 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	<b>(2)</b> On his application being entertained, the applicant shall file for approval, the description and plans of the building <b>along-with Geo tagging showing latitude and longitude</b> 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

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, such as the receiver room and the warehouse.

**1(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 Rs. 1,00,000 (One Lac 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.

**1(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 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.

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, 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.

**(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 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.

**Insertion of rule 1-A.**

**3.** In the said rules, after rule 1, the following rule shall be inserted namely;

	<p>(a) "<b>Feints</b>" means impure spirit produced from the distillation of low wines;</p> <p>(b) "<b>Low Wines</b>" means impure spirit produced from the distillation of wash;</p> <p>(c) "<b>Obscuration</b>" means the difference, caused by matter in solution, between the true strength of spirit and the apparent strength as indicated by the hydrometer;</p> <p>(d) "<b>Officer-in-charge</b>" means the Assistant Excise Commissioner, In-charge of distillery;</p> <p>(e) "<b>Receiver</b>" means any vessel into which the worm of a still discharges;</p> <p>(f) "<b>Receiver Room</b>" means the part of a distillery where the receivers are kept;</p> <p>(g) "<b>Spent less</b>" is the residue left after impure spirit has been redistilled;</p> <p>(h) "<b>Spent wash</b>" is the residue left after wash has been exhausted of spirit;</p> <p>(i) "<b>Vat</b>" means any fixed vessel used for the storage of spirit;</p>
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	<p>(j) <b>"Warehouse"</b> means the part of a distillery in which spirit in a fit state for consumption is stored;</p> <p>(k) <b>"Wash"</b> means saccharine solutions from which spirit is obtained by distillation; it includes also fermented wash or wort.</p> <p>(l) <b>"Wash back"</b> means a vessel in which fermentation is carried on.</p> <p>(m) <b>"Portal"</b> means the electronic platform created specifically for the purpose of uploading informations in the prescribed form with regard to the process of manufacturing liquor upto the terminal stage of its distribution.</p>
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**Amendment of rule-2**

**4-** In the said rules for the existing rule 2 set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<p>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.</p> <p>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.</p> <p>2(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.</p> <p>2(4) No licence in Form P.D.1 or PD.2 shall be granted until the applicant has-</p> <p>(a) satisfied the Excise Commissioner that</p>	<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(4) No licence in Form P.D.1 or P.D.2 shall be granted until the applicant has-</p> <p>(a) satisfied the Excise Commissioner that the</p>

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 (Rupees Twenty Five) per kilolitre of the installed production capacity in advance for the year or part thereof for which the licence is to be granted.

2(5) The aforesaid licence 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.

(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.

2(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.

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 kilolitre 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 licence 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.

(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 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.

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 licenced permission may be granted to continue operations temporarily, for a reasonable time pending appeal.

**Amendment of rule-4.**

5. In the said rules for the existing rule 4 set out in Column-1 below, the rule as set out in column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>			<b>Column-2 (Rule as hereby substituted)</b>																										
<p><b>4-</b> The Security Amount of P.D.1/2 licences in vogue and P.D.1/2 licences shall be as follows :-</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Annual Gross installed capacity of distillery (In lac B.L.)</th> <th>Payable Security Amount (In Rupees)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>upto 500</td> <td>20 lakh</td> </tr> <tr> <td>2</td> <td>more than 500 upto 1000</td> <td>40 lakh</td> </tr> <tr> <td>3</td> <td>more than 1000</td> <td>60 lakh</td> </tr> </tbody> </table> <p>Seventy five percent 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 percent shall be deposited in cash in Government Treasury under concerning head account.</p>			S.No.	Annual Gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rupees)	1	upto 500	20 lakh	2	more than 500 upto 1000	40 lakh	3	more than 1000	60 lakh	<p><b>4-</b> The Security Amount of P.D.1/2 licences in vogue and P.D.1/2 licences shall be as follows :-</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Annual Gross installed capacity of distillery (In lac B.L.)</th> <th>Payable Security Amount (In Rupees)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>upto 500</td> <td><b>25 lakh</b></td> </tr> <tr> <td>2</td> <td>more than 500 upto 1000</td> <td><b>45 lakh</b></td> </tr> <tr> <td>3</td> <td>more than 1000</td> <td><b>65 lakh</b></td> </tr> </tbody> </table> <p>Seventy five percent 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 percent shall be deposited in cash in Government Treasury under concerning head account.</p>			S.No.	Annual Gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rupees)	1	upto 500	<b>25 lakh</b>	2	more than 500 upto 1000	<b>45 lakh</b>	3	more than 1000	<b>65 lakh</b>
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**Amendment of rule 10-**

6. In the said rules, for the existing rule 10 set out in Column-1 below, the rule as set out in column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<p><b>10</b> - 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:</p> <p>(a) for an Excise Inspector at a rent not exceeding 10 percent of his salary or Rs. 16 per mensem whichever is less;</p> <p>(b) for a distillery clerk at a rent not exceeding Rs. 2 mensem</p> <p>(c) for a distillery peon at a rent not exceeding fifty naya paise per mensem.</p> <p>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.</p>	<p><b>10</b> - 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:</p> <p><b>(a) For an Excise Inspector of distillery at a rent not exceeding ten percent of his salary or Rs. 10,000 (Ten thousand) per mensem whichever is less;</b></p> <p><b>(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;</b></p> <p><b>(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;</b></p> <p><b>(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;</b></p> <p>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.</p>

**Amendment of rule 11-**

7. In the said rules, for the existing rule 11 set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<p><b>11- Hours of attendance of excise officials-</b> 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.</p>	<p><b>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 &amp; 10.00 PM to 6.00 AM. Additional Excise Staff will be provided as per requirement of the operations of the distillery.</b></p>

**Amendment of rule 12-**

8. In the said rules, for the existing rule 12 set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<p><b>12 - Holidays- The holidays allowed to Inspectors and Clerks at distillers are:</b> Sundays; Republic day (26th 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.</p> <p>Other Gazetted holidays will only be allowed if the distillers themselves close down on special grounds with the sanction of the Excise Commissioner.</p> <p>In case, the Excise staff stationed at a distillery is required to attend the distillery on any of the such holidays or in night, the distillers shall be required to pay to Government an amount per hour or part thereof which shall not be less than 15 minutes, equal to four times of average salary of the employee concerned. But such amount will be only two times of average</p>	<p><b>12 - Holidays- The holidays allowed to Inspectors and Clerks at distillers are:</b> Sundays; Republic day (26th 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.</p> <p>Other Gazetted holidays will only be allowed if the distillers themselves close down on special grounds with the sanction of the Excise Commissioner.</p>

salary of the employee concerned on overtime done during day time of working days.  
The distillery may avail the services of the staff on holidays or in additional time only on deposition of amount due in the head "0039 State Excise other receipt"

**Amendment of rule 15 B-**

**9.** In the said rules, for the existing rule 15 B set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<p align="center"><b>Column-1 (Existing rule)</b></p>	<p align="center"><b>Column-2 (Rule as hereby substituted)</b></p>
<p><b>15-B (1)</b> 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 or other specially sanctioned substance consumed for production of alcohol as may be prescribed by the Excise Commissioner.</p> <p>NOTE:- The minimum fermentation and distillation efficiencies and recovery of alcohol from molasses, cane, juice, gur, mahua, barley, wheat, maize or other specially sanctioned substance prescribed by the Excise Commissioner are as follows;</p> <p>(i) <b>Fermentation Efficiency.</b> 84 percent of fermentable sugars present in molasses, cane, juice, gur, mahua, barley, wheat, maize or other substance specially sanctioned.</p> <p>(ii) <b>Distillation Efficiency-</b> 97 percent alcohol present in the wash.</p> <p>(iii) <b>Minimum recovery of alcohol-</b> 52.5 liters of alcohol per quintal of fermentable sugars present in the molasses, cane, juice, gur, mahua, barley, wheat, maize, or other specially sanctioned substance consumed for production of alcohol.</p> <p>(2) Failure to maintain the prescribed minimum efficiency and recovery of alcohol shall render the Distillers liable to cancellation of license and forfeiture of security deposit in addition to any other penalties imposed under the UP Excise Act, 1910.</p>	<p><b>15-B (1)</b> 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, <b>Potato</b> or other specially sanctioned substance consumed for production of alcohol as may be prescribed by the Excise Commissioner.</p> <p>NOTE:- The minimum fermentation and distillation efficiencies and recovery of alcohol from molasses, cane, juice, gur, mahua, barley, wheat, maize, <b>potato</b> or other specially sanctioned substance prescribed by the Excise Commissioner are as follows;</p> <p>(i) <b>Fermentation Efficiency.</b> 84 percent of fermentable sugars present in molasses, cane, juice, gur, mahua, barley, wheat, maize, <b>potato</b> or other substance specially sanctioned.</p> <p>(ii) <b>Distillation Efficiency-</b> Ninety Seven (97) percent alcohol present in the wash.</p> <p>(iii) <b>Minimum recovery of alcohol-</b> 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, <b>potato</b> or other specially sanctioned substance consumed for production of alcohol.</p> <p>(2) Failure to maintain the prescribed minimum efficiency and recovery of alcohol shall render the Distillers liable to cancellation of license and forfeiture of security deposit in addition to any other penalties imposed under the U.P. Excise Act, 1910.</p>

The officer in-charge of the distillery shall draw composite sample of molasses, cane, juice, gur, mahua, barley, wheat, maize 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.

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.

**Amendment of rule 17-**

**10.** In the said rules, for the existing rule 17 set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<b>17 - Bases from which spirits may be made</b> - Spirits may be made from cane juice, Gur, molasses, Mahua, barley, wheat, maize or other substances specially sanctioned.	<b>17 - Bases from which spirits may be made</b> - Spirits may be made from cane juice, Gur, molasses, Mahua, barley, wheat, maize, <b>potato</b> or other substances specially sanctioned <b>for this purpose from time to time by the State Government.</b>

**Amendment of rule 18A-**

11. In the said rules, for the existing rule 18 A set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<b>Column-1 (Existing rule)</b>	<b>Column-2 (Rule as hereby substituted)</b>
<p><b>18-A Manufacture of Indian made foreign spirit-</b> 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:</p> <p>(1) The Aldehyde content of the original sample must not exceed 6 parts per 1,00,000 reckoned as Acetaldehyde.</p> <p>(2) The acid contents of the original sample must not exceed 6 parts per 1,00,000 reckoned as Acetic Acid.</p> <p>(3) The details of the Permagnate Test as given in the United States Pharmacopoeia, which the rectified spirit should satisfy, are as follows:</p> <p>"Place 20 c.c. Alcohol in a glass stoppered cylinder that has been throughly 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 permagnate (3.16 gm. per litre), noting the exact time of addition. Mix. atonce by inverting the stoppered cylinder, and allow it to stand at 15°C for five minutes. The pink colour must not entirely disappear."</p> <p>(4) Sample must be a clear water white liquid.</p> <p>(5) Miscible with water in all proportions without precipitate or "Opalescence"</p> <p>(6) Characteristics spirit odour.</p> <p>(7) Free from solid matter in suspension or solution; when 10 ml. are evaporated should leave only an unweighable stain.</p>	<p><b>18A Manufacture of Indian made foreign spirit-</b> 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 <b>Extra Neutral Alcohol</b>, which does not conform to the following specification:</p> <p><b>(1) The Aldehyde content of the original sample must not exceed .004gm/100ml reckoned as Acetaldehyde.</b></p> <p><b>(2) The acid contents of the original sample must not exceed .002 gm/100ml reckoned as Acetic Acid.</b></p> <p>(3) The details of the Permagnate 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:</p> <p>"Place 20 c.c. Alcohol in a glass stoppered cylinder that has been throughly 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 permagnate (3.16 gm. per litre), noting the exact time of addition. Mix. atonce by inverting the stoppered cylinder, and allow it to stand at 15°C for thirty minutes. The pink colour must not entirely disappear."</p> <p>(4) Sample must be a clear water white liquid.</p> <p>(5) Miscible with water in all proportions without precipitate or "Opalescence"</p> <p>(6) Characteristics spirit odour.</p> <p>(7) Free from solid matter in suspension or solution; when 10 ml. are evaporated should leave only an unweighable stain.</p>

**Amendment of rule 21.**

12. In the said rules, for the existing rule 21 set out in Column-1 below, the rule as set out in column-2 shall be substituted, namely:-

<p style="text-align: center;"><b>Column-1 (Existing rule)</b></p>	<p style="text-align: center;"><b>Column-2 (Rule as hereby substituted)</b></p>
<p>21(i) <b>Control over persons entering distilleries.</b></p> <p>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.</p> <p>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.</p> <p>(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-</p> <p>(1)- There shall be only one gate for entrance and exit in the distilleries.</p> <p>(2)- CCTV Cameras shall be installed by the distiller at the gate of entrance/exit.</p> <p>(3)- CCTV Cameras shall remain conducted at operative all through every four hours.</p> <p>(4)- CCTV Camera shall be installed in distilleries in such a way that all the vehicles carrying liquor/molasses/other produce could be recorded along-with its number while entering and going outside the distillery</p>	<p>21(i) <b>Control over persons entering distilleries.</b></p> <p>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.</p> <p>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.</p> <p>(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-</p> <p>(1)- There shall be only one gate for entrance and exit in the distilleries.</p> <p>(2)- CCTV Cameras with <b>IP address</b> shall be installed by the distiller at the gate of entrance/exit.</p> <p>(3)- CCTV Cameras <b>with IP address</b> shall remain operative throughout twenty four hours.</p> <p>(4)- <b>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/ Tetrapack/ 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.</b></p>

(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 internet of Head Quarter.

(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 office 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.

(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 if 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.**

**Amendment of rule 24-**

13. In the said rules, for the existing rule 24 set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely :-

<p style="text-align: center;"><b>Column-1 (Existing rule)</b></p>	<p style="text-align: center;"><b>Column-2 (Rule as hereby substituted)</b></p>
<p><b>24 - Accounts to be kept by distillers -</b> 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.</p> <p>NOTE - Distillers may keep accounts in whatever form they like but the account must contain the particulars specified above.</p>	<p><b>24 - Accounts to be kept by distillers -</b> 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. <b>A digital record will be maintained also and be submitted online on designated portal of Excise Department daily.</b></p> <p>NOTE - Distillers must keep accounts in form whatever form they like but the account must contain the particulars specified above.</p>

**Amendment of rule 26.**

14. In the said rules, for the existing rule 26 set out in Column-1 below, the rule as set out in column-2 shall be substituted, namely :-

<p style="text-align: center;"><b>Column-1 (Existing rule)</b></p>	<p style="text-align: center;"><b>Column-2 (Rule as hereby substituted)</b></p>												
<p><b>26 - The free wastage allowances for different kinds of (excluding bottled spirit) stored in a distillery shall be as follows:</b></p> <p>Percent</p> <table border="0"> <tr> <td>1. Plain and spiced Spirit</td> <td style="text-align: right;">.. 0.7</td> </tr> <tr> <td>2. Rectified Spirit and Sophisticated Spirit</td> <td style="text-align: right;">.. 0.4</td> </tr> <tr> <td>3. Denatured Spirit</td> <td style="text-align: right;">.. 0.5</td> </tr> </table> <p>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:</p>	1. Plain and spiced Spirit	.. 0.7	2. Rectified Spirit and Sophisticated Spirit	.. 0.4	3. Denatured Spirit	.. 0.5	<p><b>26 - The free wastage allowances for different kinds of (excluding bottled spirit) stored in a distillery shall be as follows:</b></p> <p>Percent</p> <table border="0"> <tr> <td>1. Plain and spiced Spirit</td> <td style="text-align: right;">.. 0.7</td> </tr> <tr> <td>2. Rectified Spirit and Sophisticated Spirit</td> <td style="text-align: right;">.. 0.4</td> </tr> <tr> <td>3. Denatured Spirit</td> <td style="text-align: right;">.. 0.5</td> </tr> </table> <p>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:</p>	1. Plain and spiced Spirit	.. 0.7	2. Rectified Spirit and Sophisticated Spirit	.. 0.4	3. Denatured Spirit	.. 0.5
1. Plain and spiced Spirit	.. 0.7												
2. Rectified Spirit and Sophisticated Spirit	.. 0.4												
3. Denatured Spirit	.. 0.5												
1. Plain and spiced Spirit	.. 0.7												
2. Rectified Spirit and Sophisticated Spirit	.. 0.4												
3. Denatured Spirit	.. 0.5												

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

Sl. 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	At the highest rate of purchase tax leviable on such denatured or specially denatured spirit.
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.

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

Sl. 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	<b>on excess wastage in transit (offence under section 64) will be compoundable as prescribed in under section-74.</b>
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.

<p>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 Assistant Excise Commissioner/Deputy Excise Commissioner of the charge.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
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**Amendment of rule 27 A.**

15. In the said rules, for the existing rule 27 A set out in Column-1 below, the rule as set out in Column-2 shall be substituted, namely:-

<p align="center"><b>Column-1 (Existing rule)</b></p>	<p align="center"><b>Column-2 (Rule as hereby substituted)</b></p>
<p><b>27-A-(1)</b> 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 or prohibit the appointment of any person whom he considers undesirable:</p> <p>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.</p> <p>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.</p>	<p><b>27-A-(1)</b> The appointment of agents and all other servants by the Distillers shall be subject to the approval of the <b>Deputy</b> 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:</p> <p>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.</p> <p>Provided further that in the event of a difference of opinion between the Labour Commissioner and the <b>Deputy</b> 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.</p>

<p>(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.</p> <p>(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.</p>	<p>(2) The order of removal passed by the <b>Deputy</b> Excise Commissioner or his decision to prohibit employment of any person shall be appealable to the Excise Commissioner, Uttar Pradesh.</p> <p>(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.</p>
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**Insertion of rule 28.**

16. In the said rules, after rule 27-A the following rule shall be inserted namely;

	<p><b>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.</b></p>
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**Amendment of Form PD-1.**

17. In the said rules, for existing form PD-1 set out in Column-1 below, as set out in Column-2 shall be substituted, namely:-

<p align="center"><b>Column-1 (Existing form)</b></p>	<p align="center"><b>Column-2 (Form as hereby substituted )</b></p>
<p>Licence to work distilleries in a premises owned by Government.</p> <p>Licence No..... Dated</p> <p>Licence is hereby granted to M/s ..... resident (s) of ..... for the period.....</p> <p>(1) to manufacture spirit in the distillery situated at .....</p> <p>(2) to supply it to warehouse within his/their contract area, and</p>	<p>Licence to work distilleries in a premises owned by Government.</p> <p>Licence No..... Dated</p> <p>Licence is hereby granted to M/s ..... resident (s) of ..... for the period.....</p> <p>(1) to manufacture spirit in the distillery situated at .....</p> <p>(2) to supply it to warehouse within his/their contract area, and</p>

(3) to sell it to such licensed vendors and other persons as are entitled to purchase spirit direct from distillery subject to:

(i) rules relating to import, export and transport of spirit, contained in Chapters IV and V of Part-II of the Excise Manual, Volume-I (1995 edition)

(ii) rules relating to manufacture of spirit in distilleries, contained in chapter VIII of Part-II of the Excise Manual, Volume-1(1995 edition)

(iii) such other rules and orders as may, from time to time be made or issued by the Excise Commissioner, for the security of Excise Revenue and for regulating manufacture, sale, supply and prices of Indian made foreign liquor (including rectified spirit and denatured spirit)

(iv) to the following condition, the infraction of any of the rules hereinbefore enumerated or condition noted below shall involve forfeiture of the licence in addition to such other penalties as may prescribed, under the U.P. Excise Act, 1910.

**Conditions**

1- The Government will erect and maintain in proper order all permanent building, walls, wells, water channels and drains necessary for a distillery.

2- The Licensee shall, subject to the previous approval of the Excise Commissioner, supply and erect all plant and appliances necessary for the production, storage and transport of spirit. which shall include installation and maintenance of CCTV Cameras at the entrance/exit gate of the distillery.

3- No alterations in the building or fixed plant shall be made without the previous sanction of the Excise Commissioner.

4- The Licensee shall make such arrangements as may be directed to remove waste water and refuse or to abate nuisance caused in working the distillery.

5- The licensee shall pay rent at the rate of

(3) to sell it to such licensed vendors and other persons as are entitled to purchase spirit direct from distillery subject to:

(i) rules relating to import, export and transport of spirit, contained in Chapters IV and V of Part-II of the Excise Manual, Volume-I (1995 edition)

(ii) rules relating to manufacture of spirit in distilleries, contained in chapter VIII of Part-II of the Excise Manual, Volume-1(1995 edition)

(iii) such other rules and orders as may, from time to time be made or issued by the Excise Commissioner, for the security of Excise Revenue and for regulating manufacture, sale, supply and prices of Indian Made Foreign Liquor (including rectified spirit and denatured spirit)

(iv) to the following condition, the infraction of any of the rules hereinbefore enumerated or condition noted below shall involve forfeiture of the licence in addition to such other penalties as may prescribed, under the U.P. Excise Act, 1910.

**Conditions**

1- The Government will erect and maintain in proper order all permanent building, walls, wells, water channels and drains necessary for a distillery.

2- The Licensee shall, subject to the previous approval of the Excise Commissioner, supply and erect all plant and appliances necessary for the production, storage and transport of spirit. which shall include installation and maintenance of CCTV Cameras **with IP Address** at the entrance/exit gate of the distillery.

3- No alterations in the building or fixed plant shall be made without the previous sanction of the Excise Commissioner.

4- The Licensee shall make such arrangements as may be directed to remove waste water and refuse or to abate nuisance caused in working the distillery.

5- The licensee shall pay rent at the rate of Rs.

Rs. 1,000 or such rate as may be fixed by the Government from time to time, per annum in quarterly instalments.

6-(a) The licensee shall be responsible for all damage to Government property beyond that done by fair wear and tear

(b) Bottles of Foreign liquor and country liquor shall not be issued from the bottling warehouse of distillery for sale in Uttar Pradesh without application of Hologram/Holographic Shrink Sleeves duly approved by the Excise Commissioner.

(c) The licensee shall submit the Security Hologram/Holographic Shrink Sleeves in tact received from the approved supplier with Hologram Removal pass to officer incharge of the Distillery. In case of shortage in Security Hologram/Holographic Shrink Sleeves the licensee shall be liable to deposit the excise duty / consideration fee involved in the missing Hologram/Holographic Shrink Sleeves.

(d) The Licensee shall maintain daily correct detailed account of Security Hologram/Holographic Shrink Sleeves the licensee shall be responsible for the Security Hologram/Holographic Shrink Sleeves which will be damaged and rendered un-useable during the process and also keep such security Hologram/Holographic Shrink Sleeves in safe of custody so long the competent authority as deputed by the Excise Commissioner to destroy them after inspection. For discrepancies in the account

1,000 or such rate as may be fixed by the Government from time to time, per annum in quarterly instalments.

6-(a) The licensee shall be responsible for all damage to Government property beyond that done by fair wear and tear.

(b) Bottles of Foreign liquor and country liquor shall not be issued from the bottling warehouse of distillery for sale in Uttar Pradesh without application of **Security Code as approved by the Excise Department on packed carton (case) with specific number of bottles of different volume, strength, brand and packaging type in addition to each and every bottle/tetrapack or any other container of Spirit/Foreign Liquor /Country Liquor immediately after bottling and before issue of Spirit/Foreign Liquor /Country Liquor as a proof of payment of consideration fee and the distillers shall ensure compliance of necessary arrangement in this regard. A digital record will be maintained also and be submitted online on designated portal of Excise Department daily.**

(c) **The licensee shall print the Maximum Retail Price fixed by the Excise Commissioner on the labels of the bottles of Country Liquor which should not be less than 16 font size.**

(d) **The licensee shall print the maximum retail price on the labels of Indian Made Foreign Liquor to be sold in Uttar Pradesh which shall be easily visible.**

of Security Hologram/Holographic Shrink Sleeves the licensee shall himself be responsible and he will be liable to pay penalty to the tune of Excise duty/ consideration fee leviable on liquor of concerned category.

(e) The licensee shall print the Maximum Retail Price fixed by Excise Commissioner on the labels of the bottles of Country Liquor.

(f) The licensee shall print the Maximum Retail Price for the Indian Made Foreign Liquor on the labels of the bottles, approved by the Excise Commissioner from time to time.

7- At the expiration of the contract for the supply of country spirit in connection with which this licence is granted, the licensee will be entitled to demand that all sanctioned plant used at the distillery in connection with the manufacture and storage of country spirit be bought from him by the succeeding contractor at a valuation made either by mutual settlement or under the orders of the Excise Commissioner:

Provided -

(i) That if the licensee wishes to claim the benefits of this clause, he shall give notice of his intention six months before the expiry of the contract;

(ii) That the claim under this clause shall be permissible of only such plant as was necessary and storage of country spirit for supply under this agreement.

8- Similarly the licensee shall be bound to purchase the above mentioned articles from the outgoing contractor on the above-conditions. If he fails to pay up the price either amicably settled or fixed by the Excise Commissioner, the contract shall be liable to be cancelled and the Excise Commissioner may pay the price to the outgoing contractor from any sum which may be lying to the credit of the new contractor in any Government Treasury in Uttar Pradesh.

**9- The Security Amount of P.D.1 licences in vogue and P.D.1 licences shall be as**

7- At the expiration of the contract for the supply of country spirit in connection with which this licence is granted, the licensee will be entitled to demand that all sanctioned plant used at the distillery in connection with the manufacture and storage of country spirit be bought from him by the succeeding contractor at a valuation made either by mutual settlement or under the orders of the Excise Commissioner:

Provided -

(i) That if the licensee wishes to claim the benefits of this clause, he shall give notice of his intention six months before the expiry of the contract;

(ii) That the claim under this clause shall be permissible of only such plant as was necessary and storage of country spirit for supply under this agreement.

8- Similarly the licensee shall be bound to purchase the above mentioned articles from the outgoing contractor on the above-conditions. If he fails to pay up the price either amicably settled or fixed by the Excise Commissioner, the contract shall be liable to be cancelled and the Excise Commissioner may pay the price to the outgoing contractor from any sum which may be lying to the credit of the new contractor in any Government Treasury in Uttar Pradesh.

**9- The Security Amount of P.D.1 licences in vogue and P.D.1 licences shall be as**

**follows :-**

S.No.	Annual Gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rupees)
1	Upto 500	20 lac
2	More than 500 upto 1000	40 lac
3	More than 1000	60 lac

Seventy five percent 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 percent shall be deposited in cash in Government Treasury under concerning head account.

10- Potable Liquor Manufacturers P.D.-1 Licence holder distilleries shall be bound to supply the country liquor as demanded by wholesale licensees of country liquor within reasonable time as fixed by the Excise Commissioner, U.P.

#### **COUNTERPART AGREEMENT**

I .....the above named licensee, for myself, my heir, legal representatives and assigns hereby agree to all terms and conditions hereinbefore written and expressed.

Date  
Licensee

witness

1-

2-

Excise Commissioner  
Uttar Pradesh

**follows :-**

S.No.	Annual Gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rupees)
1	Upto 500	<b>25 lac</b>
2	More than 500 upto 1000	<b>45 lac</b>
3	More than 1000	<b>65 lac</b>

Seventy five percent 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 percent shall be deposited in cash in Government Treasury under concerning head account.

10- Potable Liquor Manufacturers P.D.-1 Licence holder distilleries shall be bound to supply the country liquor as demanded by wholesale licensees of country liquor within reasonable time as fixed by the Excise Commissioner, U.P.

**11. The licensee shall comply with the relevant checkpoints of inspection issued as per G.O. No. 1/201/-29E/1-terah 2018-Lucknow, dated January 08, 2018 and abide by the general or specific instructions issued by the Excise Commissioner or licensing authority from time to time.**

#### **COUNTERPART AGREEMENT**

I .....the above named licensee, for myself, my heir, legal representatives and assigns hereby agree to all terms and conditions hereinbefore written and expressed.

Date  
Licensee

witness

1-

2-

Excise Commissioner  
Uttar Pradesh

**Amendment of Form PD-2.**

**18.** In the said rules for existing Form PD-2 set out in column-1 below, the form as set out in column-2 shall be substituted, namely;

<p align="center"><b>Column-1 (Existing form)</b></p>	<p align="center"><b>Column-2 (Form as hereby substituted )</b></p>
<p>Licence to work distilleries in a premises owned by any person</p> <p>Licence No..... Dated</p> <p>Licence is hereby granted to M/s..... resident (s) of ..... for the period .....</p> <p>(i) to manufacture spirit in the distillery situated at .....</p> <p>(ii) to supply it to warehouse within his/their contract area, and</p> <p>(iii) to sell it to Government or to such licensed vendors and other persons as are entitled to purchase spirit direct from distillery subject to the following conditions:</p> <p align="center"><b>Conditions</b></p> <p>1- The Licence shall be subject to-</p> <p>(i) rules relating to import, export and transport of spirit, contained in Chapters IV and V of Part-II of the Excise Manual, Volume-I (1995 edition)</p> <p>(ii) rules relating to manufacture of spirit in distilleries, contained chapter VIII of Part-II of the Excise Manual, Volume-1 (1995 edition)</p> <p>(iii) such other rules and orders as may, from time to time be made or issued by the Excise Commissioner and the Government, for the security of Excise Revenue and for regulating manufacture, sale, supply and prices of Indian made foreign liquor including rectified spirit, denatured spirit, power and fuel alcohols.</p> <p>2-The Licensee shall erect and maintain in proper order all permanent building, walls, wells water channels and drains necessary</p>	<p>Licence to work distilleries in a premises owned by any person</p> <p>Licence No..... Dated</p> <p>Licence is hereby granted to M/s..... resident (s) of ..... for the period .....</p> <p>(i) to manufacture spirit in the distillery situated at .....</p> <p>(ii) to supply it to warehouse within his/their contract area, and <b>or wholesale licensee.</b></p> <p>(iii) to sell it to Government or to such licensed vendors and other persons as are entitled to purchase spirit direct from distillery subject to the following conditions:</p> <p align="center"><b>Conditions</b></p> <p>1- The Licence shall be subject to-</p> <p>(i) rules relating to import, export and transport of spirit, contained in Chapters IV and V of Part-II of the Excise Manual, Volume-I (1995 edition)</p> <p>(ii) rules relating to manufacture of spirit in distilleries, contained chapter VIII of Part-II of the Excise Manual, Volume-1 (1995 edition)</p> <p>(iii) such other rules and orders as may, from time to time be made or issued by the Excise Commissioner and the Government, for the security of Excise Revenue and for regulating manufacture, sale, supply and prices of Indian made foreign liquor including rectified spirit, denatured spirit, power and fuel alcohols.</p> <p>2-The Licensee shall erect and maintain in proper order all permanent building, walls, wells water channels and drains necessary for</p>

<p>for a distillery.</p> <p>3- The Licensee shall, subject to the previous approval of the Excise Commissioner, supply and erect all plant and appliance necessary for the production, storage and transport of spirit which will include installation and maintenance of CCTV Cameras at the entrance/exit gate of the distillery.</p> <p>4- No alterations in the building or fixed plant shall be made without the previous sanction of the Excise Commissioner.</p> <p>5-The Licensee shall be bound to maintain such minimum stock of absolute alcohol, rectified spirit, denatured spirit, country spirit and denaturants as may be prescribed by the Excise Commissioner, U.P. keeping in view the quantum of normal demand.</p> <p>6- The licensee shall be responsible for maintaining proper cleanliness within the premises of the distillery and shall observe all the provisions of sub section (1) of section 11 of the factories Act, 1948 and rules made and orders if any issued there under, unless specially exempted by the State Government from and of these provisions.</p> <p>7-(a) The licensee shall make effective arrangements for the disposal of wastes and effluents from the manufacture of alcohol and shall make all such arrangements as prescribed by the State Government in this behalf under the provisions of sub-section (2) of section 12 of Factories Act. 1948.</p> <p>(b) Bottles of Foreign liquor and country liquor shall not be issued from the bottling warehouses of distillery for sale in Uttar Pradesh without application of hologram/ holographic Shrink Sleeves duly approved</p>	<p>a distillery.</p> <p>3- The Licensee shall, subject to the previous approval of the Excise Commissioner, supply and erect all plant and appliance necessary for the production, storage and transport of spirit which will include installation and maintenance of CCTV Cameras <b>with IP Address</b> at the entrance/exit gate of the distillery.</p> <p>4- No alterations in the building or fixed plant shall be made without the previous sanction of the Excise Commissioner.</p> <p>5-The Licensee shall be bound to maintain such minimum stock of absolute alcohol, rectified spirit, denatured spirit, country spirit and denaturants as may be prescribed by the Excise Commissioner, U.P. keeping in view the quantum of normal demand <b>and additional demands too.</b></p> <p>6- The licensee shall be responsible for maintaining proper cleanliness within the premises of the distillery and shall observe all the provisions of sub section (1) of section 11 of the factories Act, 1948 and rules made and orders if any issued there under <b>and relevant provisions regarding water and air pollution</b>, unless specially exempted by the State Government from and of these provisions.</p> <p>7-(a) The licensee shall make effective arrangements for the disposal of wastes and effluents from the manufacture of alcohol and shall make <b>all such arrangements as prescribed in notification dated 8-4-2016 issued by Ministry of Environmental, Forest and Climate change under Solid Waste Management Rules, 2016 and also prescribed by the State Government in this behalf under the provisions of sub-section (2) of section 12 of Factories Act. 1948 and under the relevant provisions regarding water and air pollution.</b></p> <p>(b) Bottles of Foreign liquor and country liquor shall not be issued from the bottling warehouse of distillery for sale in Uttar Pradesh without application of <b>Security Code as approved by the Excise Department on packed carton (case) with specific number of bottles of</b></p>
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by the Excise Commissioner.

(c) The Licensee shall submit the security hologram/holographic Shrink Sleeves in tact received from the approved supplier with Hologram Removal pass to officer-in-charge of the Distillery. In case of shortage in security hologram/ holographic Shrink Sleeves the licensee shall be liable to deposit the excise duty/ Consideration fee involved in the missing hologram/holographic Shrink Sleeves.

(d) The licensee shall maintain daily correct detail account of security hologram/ holographic Shrink Sleeves, the licensee shall be responsible for security hologram/ holographic Shrink Sleeves, which will be damaged and rendered un-useable during the process and also keep such security hologram/holographic Shrink Sleeves in safe custody so long the competent authority as deputed by the Excise Commissioner to destroy them after inspection. For discrepancies in the account of security hologram/holographic Shrink Sleeves the licensee shall himself be responsible and he will be liable to pay penalty to the tune of Excise duty/ Consideration fee leviable on liquor of concerned category.

(e) The licensee shall print the Maximum Retail Price fixed by the Excise Commissioner on the labels of the bottles of Country Liquor.

**different volume, strength, brand and packaging type in addition to each and every bottle/tetrapack or any other container of Spirit/Foreign Liquor /Country Liquor immediately after bottling and before issue of Spirit/Foreign Liquor /Country Liquor as a proof of payment of consideration fee and the distillers shall ensure compliance of necessary arrangement in this regard. A digital record will be maintained also and be submitted online on designated portal of Excise Department daily.**

**(c) The licensee shall print the Maximum Retail Price fixed by the Excise Commissioner on the labels of the bottles of Country Liquor which should not be less than 16 font size.**

**(d) The licensee shall print the maximum retail price on the labels of Indian Made Foreign Liquor to be sold in Uttar Pradesh which shall be easily visible.**

(f) The licensee shall print the Maximum Retail Price for the Indian Made Foreign Liquor on the labels of the bottles, approved by the Excise Commissioner from time to time.

**8-The Security Amount of P.D.2 licences in vogue and P.D.2 licences shall be as follows:-**

Sl.No.	Annual Gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rs)
1	Upto 500	20 lakh
2	More than 500 Upto 1000	40 lakh
3	More than 1000	60 lakh

Seventy five percent 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 percent shall be deposited in cash in Government Treasury under concerning head account.

**9-** Potable Liquor Manufacturers P.D.-2 Licence holder distilleries shall be bound to supply, the country liquor as demanded by wholesale licensees of country liquor within reasonable time as fixed by the Excise Commissioner, U.P.

10- Any contravention of the rules or conditions hereinbefore enumerated shall involve cancellation of the licence in addition to such other penalties as may be prescribed under the U.P. Excise Act. 1910.

**8-The Security Amount of P.D.2 licences in vogue and P.D.2 licences shall be as follows:-**

Sl. No.	Annual Gross installed capacity of distillery (In lac B.L.)	Payable Security Amount (In Rs)
1	Upto 500	<b>25 lakh</b>
2	More than 500 Upto 1000	<b>45 lakh</b>
3	More than 1000	<b>65 lakh</b>

Seventy five percent 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 percent shall be deposited in cash in Government Treasury under concerning head account.

**9-** Potable Liquor Manufacturers P.D.-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 licensees shall be disposed off according to principle of first come first served.**

10- Any contravention of the rules or conditions hereinbefore enumerated shall involve cancellation of the licence in addition to such other penalties as may be prescribed under the U.P. Excise Act. 1910.

**11. The licensee shall comply with the checkpoints of inspection issued as per G.O. No. 1/201/-29E/1-terah 2018-Lucknow, dated January 08, 2018 and abide by the general or specific instructions issued by the Excise Commissioner or licensing authority from time to time.**

<b>COUNTERPART AGREEMENT</b>	<b>COUNTERPART AGREEMENT</b>
I .....the above named licensee, for myself, my heir, legal representatives and assigns hereby agree to all terms and conditions hereinbefore written and expressed.	I .....the above named licensee, for myself, my heir, legal representatives and assigns hereby agree to all terms and conditions hereinbefore written and expressed.
Date Licensee	Date Licensee
witness	witness
1-	1-
2-	2-
Excise Commissioner Uttar Pradesh	Excise Commissioner Uttar Pradesh

**Amendment of Form PD-33**      **19.** In the said rules for existing Form PD 33 set out in Column-1 below, as set out in column-2 shall be substituted, namely;

<b>Form PD-33</b> <b>(See Rule 1(3) and 2(2))</b> Licence to establish the Distillery.	
<b>Column-1</b> <b>(Exiting form)</b>	<b>Column-2</b> <b>(Form as hereby substituted )</b>
Name of licence holder(s) ..... licence is hereby granted to ..... resident (s) of ..... on of a licence fee of Rs 1,00,000/- (Rupees one lakh) authorising him/them to establish a distillery at ..... in the district of ..... subject to rule relating to manufacture of spirit in distilleries contained in chapter VIII, Part-II of the Excise manual, Vol.-I (1995 Edition) and to such other rules as may be made by the Excise commissioner and the Government of Uttar Pradesh for the security of Excise revenue on and for regulating the manufacture of spirit. The infraction of any of the rules hereinbefore enumerated shall involve forfeiture of the licence in addition to such other penalty may be prescribed under	Name of licence holder(s) ..... licence is hereby granted to ..... resident (s) of ..... on of a licence fee of <b>Rs 5,00,000/- (Rupees Five lakh)</b> authorising him/them to establish a distillery at ..... on the district of ..... subject to rule relating to manufacture of spirit in distilleries contained in chapter VIII, Part-II of the Excise manual, Vol.-I (1995 Edition) and to such other rules as may be made by the Excise commissioner and the Government of Uttar Pradesh for the security of Excise revenue on and for regulating the manufacture of spirit. The infraction of any of the rules hereinbefore enumerated shall involve forfeiture of the licence in addition to such other penalty may be prescribed under the UP Excise Act,

<p>the UP Excise Act,  This licence shall be valid for the period of the year ..... (the date of in this licence)  The distiller shall apply to the Excise at least thirty days before the expiry of this licence for an extension of the terms of licence.</p> <p>Allahabad                      Excise Commissioner  Dated :-                              Uttar Pradesh</p>	<p>This licence shall be valid for the period of the year ..... (the date of in this licence)  The distiller shall apply to the Excise at least thirty days before the expiry of this licence for an extension of the terms of licence.</p> <p>Allahabad                      Excise Commissioner  Dated :-                              Uttar Pradesh</p>
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**(Dheeraj Sahu)**  
Excise Commissioner  
Uttar Pradesh