

ANDHRA PRADESH DISTILLERY RULES, 1970

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ANDHRA PRADESH DISTILLERY RULES, 1970

In exercise of the powers conferred by Section 72 of the Andhra Pradesh Excise Act, 1968 (A.P. Act 17 of 1968), the Governor of Andhra Pradesh hereby makes the following Rules, the same having been previously published, as required by sub-section (1) of Section 72 of the said Act.

1. . :-

(1) These rules may be called the Andhra Pradesh Distillery Rules, 1970.

(2) They shall extend to all areas where the Andhra Pradesh Excise Act, 1968 is in force.

(3) They shall come into force at once.

(4) The provisions of these rules insofar as they relate to establishing continuing, or licensing a distillery shall apply only to those distilleries which manufacture spirits for potable purpose only. Other provisions relating to regulation and supervision shall be applicable to all distilleries.

2. . :-

In these rules, unless the context otherwise requires :

(a) 'Act' means Andhra Pradesh Excise Act, 1968;

(b) 'bub' means a composition, itself in a state of fermentation prepared for addition to wash or to promote fermentation ;

(c) 'distillery' means the manufactory where spirits are manufactured for potable or industrial purpose or for both by distillation and includes a manufactory where spirits are distilled compounded, blended, processed, fortified and or diluted to produce wines or Indian liquor other than arrack, beer or toddy and includes an operation for bottling of such liquor;

(d) 'distillery officer' in relation to any distillery means the Excise officer incharge of such distillery not below the rank of a Sub-Inspector of Excise;

(e) 'feints' means that portion of the distillate from the low wines which is considered unfit by reason of its impurities to be collected in the spirit receiver;

- (f) 'form' means a form appended to these rules;
- (g) 'guage' means to determine the quantity of spirit contained in or taken from, any casks or receptacle or to determine the capacity of any cask or receptacle;
- (h) 'licence' means a licence in Form D-2 granted for construction and working a distillery for potable purpose only and includes regulatory licence in Form DR-2 granted for regulating and supervising the distilleries which manufacture spirits for industrial purpose wholly or partly under Sections 13 and 16 of the Act, and the word licensee shall be construed accordingly;
- (i) 'low wine' means impure spirit produced from the first distillation of the wash in pot still ;
- (j) 'prove' means to test the strength of spirit by hydrometer or other suitable instrument.;
- (k) 'receiver' means any vessel into which the wort of a still discharges ;
- (kk) 'recommended maximum retail price' means the price to be indicated by the Andhra Pradesh Beverages Corporation Limited for incorporation in each variety of label by the manufactures of Indian liquor for the purpose of consumer awareness;
- (l) 'rectified spirit' means spirit of strength of 50 degrees or more over proof;
- (m) 'spent less' means the residue left after unfinished spirit has been redistilled;
- (n) 'spent wash' means the residue left after the wash has been exhausted of spirit;
- (o) 'spiced spirit' means spirit redistilled after the addition of flavours and spices to plain spirit;
- (p) 'wash' means a sacchrine solution from which spirit is obtained after distillation; and
- (q) 'Excise Superintendent' in relation to these rules includes the Superintendent for distilleries appointed under Section 7(2) of the Act;
- (r) 'Excise Adhesive Label' means the label designed and approved by and printed and supplied under the supervision and control of

the Commissioner of Excise from time to time in different forms for the purposes of its affixure to sealed bottles of different varieties and sizes containing liquor manufactured in a distillery.

3. . :-

(1) An application for grant of a licence to construct and work a distillery to manufacture spirit for potable purpose only shall be in Form D-1 and addressed to the Commissioner within six months from the date of sanction of the Government referred to in Rule 9.

(2) Every such application shall be accompanied by :

(a) description and plans of the building in which the distillery is proposed to be constructed ;

(b) statement specifying the number, size and description of the stills and other permanent apparatus which are proposed to be used ;

(c) an authorisation from the municipality or other local authority concerned that there is no objection on sanitary grounds to the construction of distillery or to the distillation of spirit on the site and in the buildings shown in the accompanying plans; and

(d) a 'no objection certificate' from the Chief Inspector of Factories under the Factories Act, 1948.

(3) The application for grant of Regulatory licence shall be in Form DR-1. The application shall be made to the Commissioner of Prohibition and Excise within two months of obtaining a licence/permission to construct and work a distillery from Government of India. A copy of such licence/permission from Government of India shall be enclosed to the application :

Provided that in case of the Distilleries which manufacture spirits for industrial purpose wholly or partly and which are already existing as on the 29th January, 1997 (the date of judgment of the Supreme Court of India in Bihar Distilleries case in WPNo.322 of 1996), the Application Form DR-1 shall be filed within two (2) months from the date of coming into force of these rules, for granting DR-2 licence with effect from 29-1-1997.

4. . :-

(a) No distillery licence for manufacture of Indian Made Liquor shall be granted unless the applicant deposits security for the fulfilment

of all the conditions of his licence with different capacities in the manner noted below :

I.M.L. Production per annum		Cash deposit	Bank Guarantee of any Scheduled Bank to the satisfaction of Commissioner
		Rs.	Rs. in lakhs
1. Below	1,50,000 pls.	50,000	2.00
2. Above	1,50,000 pls. and	50,000	3.00
Below	3,00,000 pls.		
3. Above	3,00,000 pls. and	75,000	4.00
Below	5,00,000 pls.		
4. Above	5,00,000 pls. and		
Below	10,00,000 pls	1,00,000	5.00
5. Above	10,00,000 pls.	2,00,000	10.00

(b) No distillery licence for manufacture of Rectified Spirit shall be granted unless the applicant furnishes as security for the fulfilment of all the conditions of his licence a sum of Rs.50,000/- (Rupees fifty thousand only) in cash and a counterpart agreement on Non-judicial Stamp paper worth Rs.100/- in the proforma in Form D-10 to the satisfaction of the Commissioner of Excise. [In case of Distilleries for regulatory purpose Rs.5,000/- (Rupees five thousand only) shall be furnished as security.

(c) In case of violation of rule, non-observation of the terms and conditions as prescribed by the Commissioner from time to time, the amounts under deposits made under sub-rules (a) and (b) shall be forfeited to the Government.

(d) The licences referred to in sub-rules (a) and (b) above shall not be granted unless the applicant satisfies the Commissioner that the proposed buildings, plant and apparatus to be used in connection with the distillation, storage and issue of spirit are built in accordance with the regulations and that due precaution has been taken against fire.

5. . :-

(1) Where the Commissioner is satisfied that the applicant has

fulfilled the conditions specified in Rule 4, he may grant a licence to the applicant. Every licence granted under these rules shall be in Form D2 and shall be issued in the name of the applicant and shall not be transferable.

(a) The annual licence fee for D2 licence for manufacture of Rectified Spirit shall be paid as prescribed hereunder :

Licensed capacity of production per annum in Bulk Litres	Annual Licence Fee
(1)	(2)
Upto twenty lakhs	Rupees three lakhs and seventy five thousand.
Above twenty lakhs ...	Rupees five lakhs.

(b) The annual licence fee for D2 licence for manufacture of Indian Made Liquor shall be paid as prescribed hereunder :

Licensed capacity of production per annum in bulk Litres	Annual Licence Fee
(1)	(2)
Below one lakh.	Rupees Five lakhs.
From one lakh to five lakhs.	Rupees seven lakhs and fifty thousands.
From five lakhs to twenty lakhs.	Rupees twelve lakhs and fifty thousands.
From twenty lakhs to forty lakhs.	Rupees twenty five lakhs.
From forty lakhs and above.	Rupees fifty lakhs.

Provided that in case of a new licence, the licence fee payable shall be limited to Rupees five thousand only till the manufacture commences. However before commencing manufacture, licence fee as prescribed under clauses (a) and (b) shall be paid proportionately for the remaining period of the licence year. Provided further that till the time the licensed capacity of production per annum is fixed by the Government, the maximum production of any previous year or the actual production in the current year whichever is higher, shall be treated as the licensed capacity of production.

(bb) the annual regulatory fee for DR-2 for manufacture of rectified spirit for industrial purpose wholly or partly shall be paid as prescribed hereunder or the actual expenses incurred in deploying the excise staff by the Commissioner for supervision depending on the capacity of production per annum and the size of industry. The

annual regulatory fee for DR-2 for manufacture of rectified spirit for industrial purpose wholly or partly shall be paid as prescribed hereunder :] [Licensed capacity of production in bulk litres Annual Regulatory fee Upto twenty lakhs Rupees three lakhs seventy five thousand. Above twenty lakhs Rupees five lakhs.

(2) The licensee shall, within a year from the date of grant of the licence, report to the Commissioner, the date on which the construction of the building, plant and machinery of the distillery is completed and the date from which its working started.

(3) In case the licensee fails to construct the building and work the plant and machinery and manufacture the liquors within a period of one year from the date of the grant of the licence granted to him it shall be liable for cancellation without compensation for any damage of loss :

Provided that where the Commissioner is satisfied that there is sufficient cause for the licensee for not constructing and working the plant and machinery and commencing the manufacture within such period of one year, the Commissioner may for reasons, to be recorded in writing extend the said period of one year for such further period or periods, not exceeding one year in the aggregate, as he may deem fit.

6. . :-

(1) The Excise duty shall be paid at such rate as the Government may specify from time to time. Every licensee shall immediately before starting production, furnish to the satisfaction of the Commissioner a bank guarantee which shall not be less than Rs.25,000 for every one lakh litres of estimated monthly production, provided that the maximum bank guarantee to be furnished shall not exceed Rs.75,000 : Provided further that a licensee executes an agreement binding himself, his heirs, legal representatives and assignees to observe the conditions of licence hypothecating the buildings, machinery, apparatus together with the stock as security for the payment of money which may be due to the Government towards duty, it shall not be necessary for the licensee to furnish the bank guarantee.

(2) In addition to the Excise duty mentioned in sub-rule (1) cost of adhesive labels required to be used by a licensee shall be paid at such rate as the Commissioner may specify from time to time.

7. . :-

Where the licence is not granted or revoked under sub-rules (3) of Rule 5 the licence fee and the security deposit or part thereof shall be refunded to the applicant.

8. . :-

(1) If the licence is granted, the applicant shall furnish a duplicate copy of the descriptions, plans and statements as approved by the Commissioner to the Excise Superintendent concerned for record in his office.

(2) No alteration or addition shall be made without the prior permission of the Commissioner in or to the buildings in which the distillery is constructed or to the plant, stills or the permanent apparatus used for working therein. But Excise Superintendent concerned may authorise the distillery officer to permit minor alterations to be made in or to such buildings or apparatus subject to the final approval of the Commissioner :

Provided that where the alteration or addition to the plant or machinery have the effect of enhancing the annual production capacity of the distillery, they shall be carried out by the licensee only after obtaining the prior permission of the Government.

9. . :-

(1)

(a) A distillery licence in Form D-2 for manufacture of spirits for potable purpose only shall be granted to an applicant having the sanction of the Government therefor.

(b) A regulatory licence in Form D-2 for distilleries for manufacture of spirits for industrial purpose wholly or partly shall be granted only on obtaining a licence or permission to construct and work a distillery from the Government of India.

(2) The following procedure shall be followed for securing the sanction of the Government, _

(a) The person intending to construct and work a distillery shall notify his scheme to the Government by an application in Form D-1 (A) ;

(b) No application mentioned in clause (a) shall be entertained unless a fee of Rs.200 is paid into Government Treasury and the

challan in original in support of payment is produced along with the application;

(c) When the Government are satisfied of the proposed scheme of the applicant they may accord the sanction and communicate it in the form of Letter of Intent in Form D-9 stipulating a condition that the applicant should furnish security deposit of the Commissioner of Excise in the shape of a Demand Draft for Rs.50,000/- (Rupees fifty thousand only) obtained in favour of the Commissioner of Excise from a Scheduled Bank within one month from the date of issue of Letter of Intent failing which the Letter of Intent stands cancelled. The Letter of Intent shall be valid initially for a period of two years from the date of issue. The security deposit will be forfeited to the Government in case the holder of Letter of Intent fails to convert it into a licence. In case the applicant desires to construct and work the distillery on the same Letter of Intent another security deposit for Rs.50,000/- has to be deposited with the Commissioner of Excise. On receipt of such security deposit the Government can extend the validity of Letter of Intent for a further period of two years, within which, the holder should convert it into the licence after securing the land, buildings, plant, machinery and equipment required for construction and working a distillery as per the schemes notified to the Government or as modified by the Government as the case may be under clause (a).

(d) The Letter of Intent communicated under clause (c) shall not confer any right or privilege for grant of a licence and is liable to be revoked or withdrawn at any time in the public interest, after giving its holder a notice to show cause against such action and after hearing him, if he so desires; and

(e) No compensation for damage or loss shall be payable when a Letter of Intent is revoked or withdrawn under clause (d).

(f) Where the management of the Distillery intends to shift the Distillery from the place to another place, it shall notify the same to the Government by an application in Form D-11 after remitting an amount of Rs.200/- (Rupees two hundred only) in the Government Treasury and enclose challan in original in support of such payment along with the application.

10. :-

Every licence granted under these rules shall_

(1) commence on such date as may be specified therein ; and

(2) be in force for a period of one year unless the Commissioner in any case fixes a different period : Provided that no such licence shall be granted for a period longer than one year unless the fee specified for each year or part of a year comprising in such period has been deposited.

(3) A licence may be renewed on application to the Commissioner for a period of one year at a time or for such other period as the Commissioner may direct.

10A. . :-

Where the licence has not been renewed either due to any change in the Policy of the Government and subject to the new policy adopted by the Government on a subsequent date, and further subject to such inspection or verification as may be taken up by the Commissioner to satisfy himself that the manufacturing facilities on ground are not modified in any manner in deviation of the provisions of the previous licence, the said previous licence if he applies, may be issued with a fresh licence and Government may, by issue of Notification exempt the applicant from obtaining Letter of Intent from Government. No Objection Certificate from Municipality or other Local Body, and No Objection Certificate from the Chief Inspector of Factories as prescribed under Rules 3 and 9. However, the liability of the licensee including payment of any arrears in the licence fee or any kind of dues to Government, if any, payable and subsisting prior to the issue of fresh licence shall remain unaffected; and shall stand payable to the Government.

11. . :-

The licensee shall not hypothecate the whole or any part of the licenced premises without the previous written sanction of the Commissioner. 11A. No licensee shall except with the prior permission of the licencing authority get any other person included as a partner to his business or get an existing partner excluded :

Provided that where there was dissolution of partnership, it shall be notified to the Commissioner and in such case no further transactions shall be effected until they receive orders from Commissioner.

12. . :-

Every application for the grant or renewal of a distillery licence shall bear the court fee stamp of the value of Rs.2 or any other value

which may be specified by the Government from time to time.

13. . :-

The licensee shall at any time permit the Commissioner or any officer authorised by him in that behalf to inspect and examine the licensed distillery premises and warehouses connected therewith and the spirit made and stored therein and shall afford to the Commissioner or the officer all proper assistance in making such inspection and examination.

14. . :-

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15. . :-

(a) The licensee shall, if required by the Commissioner provide within the premises of the distillery or at such site as may be approved by the Commissioner buildings for the office and residence of the staff posted under Rule 14.

(b) [x x x x]

16. . :-

The licensee shall, when required, permit samples of the material used or spirit manufactured in the distillery to be taken for analysis under the orders of the Commissioner or by any officer authorised by him to take samples or by the Excise Superintendent or the Inspector of Excise. Each sample shall be taken in three 750 ml. or 600 ml. bottles or when the materials cannot be placed in bottles, in three parcels, in the presence of a representative of the licensee; each bottle or parcel shall be immediately and securely sealed in t h e presence of the Distillery Officer and the licensee's representative. One bottle or parcel shall then be made over to the licensee's representative the second shall be sent for analysis and the third be kept by the Distillery Officer, pending disposal of the case.

17. . :-

The licensee shall afford all reasonable assistance to the Distillery Officer in carrying out his duties.

18. . :-

The licensee, unless he personally acts as manager, shall appoint a competent person as manager to act as his agent or on his behalf and the information of such appointment shall be intimated to the

Commissioner through the Excise Superintendent.

19. . :-

Every person shall on leaving the distillery be liable to be searched under the Distillery Officer's order but the Distillery Officer shall not have any person searched, except upon reasonable grounds for suspicion and he shall record in his dairy the details of each such search made.

20. . :-

The licensee shall not close the distillery for more than three days in any month, exclusive of Sundays and holidays, without the previous written permission of the Excise Superintendent concerned.

21. . :-

If it is intended to close the distillery for a period of 15 days or more at a time, the licensee shall give notice in writing, to the Excise Superintendent concerned of his intention to do so not less than 15 days prior to the date on which it is intended to be closed.

22. . :-

Except as hereinafter provided the distillery shall be kept open during the ordinary working hours.

23. . :-

Where the distillery is to be worked at hours other than the ordinary working hours, the licensee may do so only upon giving a general notice to the Distillery Officer in that behalf, or if night work is only occasional, upon giving notice to the Distillery Officer of not less than four hours before the ordinary closing hours of the day after which night working is to be done.

24. . :-

If stills in any distillery are so worked that there is ordinarily no period on an ordinary working day in each week during which the stills are simultaneously silent the licensee shall, atleast once a week on any day other than a Sunday or other public holiday and at any time during the ordinary working hours, after giving to the Distillery Officer 24 hours' notice of the day and hour fixed by him, work off every still in the distillery, after arranging that no distillation is in progress for one hour in order that the Distillery Officer may take an account of the working of the distillery.

25. . :-

No distillery shall be open for work on a Sunday or other public holiday except with the sanction of the Excise Superintendent concerned which may be given either generally or obtained specially atleast one day in advance.

26. . :-

If the distillery works at other than the ordinary hours or on Sunday or other public holiday, Distillery Officer shall be present within premises of the distillery and shall make adequate arrangements with the sanction of the Excise Superintendent concerned, for regulating the entry or exit of persons at fixed hours in connection with the working of the distillery.

27. . :-

Naked lights of any description shall not be used within the distillery.

28. . :-

The licensee shall have always stock of raw material in the store to be provided by him and approved by the Commissioner in a quantity sufficient for the preparation of wash for the full working of all his stills, for ten full working days in the months from October to March (inclusive of both the months) and 7-1/2 full working days in the other months. The licensee shall, on the 1st and 15th day of each month, report to the Distillery Officer the quantity then in stock, and shall permit the Distillery Officer to verify the quantity if he so desires.

28A. . :-

The licensee shall lift molasses or any other material required for distillation in accordance with the rules and instructions issued by the Government and the Commissioner of Prohibition and Excise, from time to time subject to the following conditions namely :_

(i) A transit wastage not exceeding 1% of the quantity of molasses transported by weight shall be allowed.

(ii) Storage loss of molasses shall not exceed 1% by weight of the average quantity stored in the distillery during the year.

28B. . :-

(1) Production of Rectified Spirit shall be as per Rectified Spirit yield norms to be communicated from time to time by the Government subject to the following conditions, namely :_

(a) The molasses shall not contain more than 5% of non-fermentable sugars. If on chemical analysis non-fermentable sugars are found to be more than 5% the same shall be reported to the Commissioner of Prohibition and Excise immediately.

(b) The fermentation efficiency shall not be less than 83%.

(c) The distillation efficiency of the Distillery shall not be less than 98%.

(d) The alcohol content in the spent wash shall not be more than 0.15%

(2) The licensee shall draw samples of molasses periodically as would be prescribed by the Commissioner of Prohibition and Excise and get them analysed in Chemical Laboratory (Excise) and maintain all the Total Reducing Sugar and above four Rectified Spirit yield details in the proforma register to be prescribed by the Commissioner of Prohibition and Excise. The Distillery Officer in-charge shall attest the register so maintained.

28C. . :-

The maximise Rectified spirit yield the licensee shall in phases take the following measures :-

(1) While continuing the present volumetric method of assessing the weight, the licensee shall install a weight bridge attached with a tachometer, which should be sealed by the Excise Officer to ensure recording of weight of molasses received and utilisation thereof in a systematic and fool-proof manner.

(2) Licensee shall have a laboratory at his distillery and formalize the working of Chemical Laboratory on regular basis.

(3) Any licensee shall necessarily adopt the technology of continuous fermentation process, which would give more efficient production of Rectified Spirit.

(4) To restrict the growing problem of pollution, the Licensee shall necessarily go for Effluent Treatment of the Plant adopting more efficient technologies like Anaerobic dissection technology, bio-search technology etc.

29. . :-

The licensee shall maintain the registers which are required by these rules and shall submit them for inspection by Excise Officers

concerned when required.

30. . :-

(1) The licensee shall be allowed to inspect the registers maintained by the Distillery Officer which relate to the operation of distillation and to the issue and stock of materials used therefor and where the distillery officer makes any correction in the entries of those registers, he shall give notice to the licensee, of the correction so made.

(2) The licensee may, within one week from the date of the entries or corrections made in the registers aforesaid, send any objection in writing to the Distillery Officer in respect of such entries or corrections. Any dispute regarding such entries or corrections which cannot be settled mutually between the Distillery Officer and the licensee, shall be referred to the Excise Superintendent for decision. Where no such objection is raised within the time specified, the entries or the corrections in the registers shall be presumed to be correct.

31. . :-

(1) If the licensee requires spirit for use in the laboratory attached to his distillery, he shall be entitled to remove to the laboratory from the distillery, duty free, from either the safes of the stills or the spirit receivers or the spirit store, finished spirit and unfinished spirit to the extent of 5 litres per month:

Provided that the spirit so removed shall not be used in the distillery laboratory otherwise than for experimental work connected with distillery operations.

(2) The licensee shall keep a regular account of the disposal of such duty-free spirit which will be subject to examination of Excise Officers. All spirit which becomes waste in the laboratory and does not by the addition of any chemicals or otherwise become deleterious shall be returned to the distillery for redistillation.

(3) An application for every quantity of spirit required to be removed from the distillery under this rule must be made in writing to the Distillery Officer, who shall record thereon the quantity and the strength of the spirit taken, and make a note of the same in his diary and other relevant distillery registers.

(4) If spirit removed under this concession is used otherwise than

as permitted by sub-rule (1), the spirit may be made liable for excise duty.

32. . :-

All buildings, plant and machinery used for the manufacture and storage of wash and spirit shall be situated within the distillery premises, where no other business except that of the manufacture, storage and issue of spirit, shall be carried on. The premises shall be enclosed by a compound wall with sufficient protection to prevent undue access into the distillery premises from outside.

33. . :-

The buildings, plant and machinery specified in the licence, shall be maintained properly and cleanly to the satisfaction of the Commissioner.

34. . :-

The licensee shall provide for use in measuring spirit in the distillery and at the time of issue such measures, gauging machines weighing machines and other appliances as the Commissioner may direct him to provide.

35. . :-

Where the Commissioner is not satisfied as to the maintenance of the buildings, plant and machinery including the measures and other appliances, he may require the licensee to stop working of the distillery within one week after receipt of notice to that effect.

36. . :-

If any still, vat, pipe or other part of the plant is at any time found to be defective or leaking, and the Commissioner orders the discontinuance of its use, it shall not be used again until it has been repaired to the Commissioner's satisfaction.

37. . :-

(1) The licensee shall not make any alterations in the buildings, plant or machinery specified in his licence without the sanction of the Commissioner :

Provided that any minor and urgent alteration or repair may be made with the consent of the Distillery Officer, who shall forthwith report to the Excise Superintendent concerned:

Provided further that where the alteration and addition to the plant or machinery have the effect of enhancing the annual production

capacity of the Distillery, they shall be carried out by the licensee only after obtaining prior permission of the Government.

(2) Before applying to the Commissioner for sanction of any alteration or repair of substantial nature, the licensee shall obtain the permission or other authorisation from the Chief Inspector of Factories and the municipality or other local authorities, as the case may be, required for carrying out any such alteration or repair and every such alteration or repair so sanctioned shall be noted in the licence.

38. . :-

Every process connected with the manufacture, issue and sale of liquor shall be conducted within the distillery premises.

39. . :-

The licensee shall so arrange his spirit receivers and store vats that the spirits are conveyed through closed pipes from the receivers into the vats by gravitation or where this is not practicable, provide apparatus whereby the spirits can be pumped from the receivers into the vats through closed pipes. The licensee shall be responsible for preventing any leakage from pipes and for arranging facility to examine the pipes intended for the conveyance of wash and spirit throughout the entire length.

40. . :-

All pipes and covered drains shall be coloured indicating the matter for which they are intended for conveyance, as shown below :
Wash Green. Spirit Red. Water or steam White. Spent wash Yellow.
Gas used for purposes of illumination or power Black. Molasses Blue.

41. . :-

No wash shall be prepared except within the distillery or removed from the distillery on any account. All wash shall be kept securely locked up in such places as the Commissioner may approve. The licensee shall see that the saccharine material used by him is thoroughly dissolved when he sets up the wash submit a declaration in writing in Form D7 to the Distillery Officer giving the actual saccharometric gravity corrected for temperature before fermentation commenced and the total quantity of wash made and generally furnish him with all the information which he may require bearing on the question of the practicability of levying a charge from attenuation of wash.

42. . :-

The licensee shall so arrange the stills that the worts shall discharge into closed and locked receivers, to be provided by the licensee and approved by the Commissioner and shall so construct that no spirits can be removed from them until they are unlocked. The licensee shall also provide and maintain suitable and secure fastenings to all stills, spirit, receivers, fermentation rooms, doors and the like to the satisfaction of the Commissioner, for the attachment of lock to be provided by the Government except the cost of such locks as are attached to any of the fittings of a distillery for the convenience of the licensee. The keys of all locks shall be retained by the Distillery Officer and the licensee shall also be at liberty to attach his own locks to all the fastenings to which the Government locks are attached :

Provided that he shall, on the requisition of the Commissioner or of the Distillery Officer or any excise officer superior in rank to the Distillery Officer, remove his locks so as to allow the inspection of all stills, receivers and rooms and of all the contents thereof.

43. . :-

Except for a bona fide purpose, the licensee shall not use or permit the use of bottles or other vessels having the capacity of less than twenty litres each into the distillery premises.

44. . :-

Vats shall ordinarily be used for the storage of spirits, but a limited number of casks may, subject to the provisions of Rule 49, be kept in the store-room for the storage of special kinds of spirit, such as whisky and for use in collecting quantities withdrawn from store vats in slight excess of requirements and the like, and a limited number not exceeding 30, of casks filled according to Rule 71 may be kept temporarily in the store room for issue to purchasers.

45. . :-

The vessels used as receptacles may be of any material. They shall be of regular shape. Large covered vessels shall be fitted with mantles of a size approved by the Commissioner and every vessel shall be provided with proper approved arrangements for gauging with rods and with tables showing the number of litres contained in them, when filled to every tenth of centimetre, by either the wet or the dry method of gauging, according as the Commissioner decides to apply one or the other method to such vessel. When the wet method of gauging is applied to any vessel a permanent dipping

rod of a pattern approved by the Commissioner shall be fixed in a manner approved by him to that part of the vessel where there is the greatest depth of liquid in it.

46. . :-

Each vessel shall have legibly painted on it in English or in Telugu language its number, capacity and the use to which it is applied, and its details shall be properly registered by the Distillery Officer.

47. . :-

Except with the special sanction of the Commissioner in the case of a receptacle sunk under the ground level, each vessel shall be fixed so as to permit of examination all round it, it shall slope slightly down to its cock, and its cock shall be so fitted that the vessel can drain entirely through the cock without being moved.

48. . :-

No receptacles of which the contents are estimated by a guage rod, shall be brought originally into use, till it has been guaged and passed by the Distillery Officer and a table book has been prepared for it; and if any guaged receptacle is repaired or moved, it may not be brought again into use till it has been re-guaged and passed by the Distillery Officer and a revised table-book has been prepared.

49. . :-

Fermentation vats shall be placed in a room or building specially set apart for them.

50. . :-

The licensee shall provide vats for the fermentation of wash having a capacity sufficient for the continuous working of all the stills in the distillery, upto the maximum of their capacity as recorded in the licence based upon the calculation that it requires five days to ferment wash.

51. . :-

No wash, except that manufactured within the distillery shall be used, nor shall any wash be removed from the distillery.

52. . :-

All vessels in the warehouse whether used as spirit vats or water vats, shall be so placed as to admit of the contents being accurately guaged or measured and shall be fitted, to the satisfaction of the Commissioner, with proper dipping rods so adjusted to fix dipping

places that the contents may, at any time, be ascertainable. These vessels shall be guaged in such manner as the Commissioner, may, from time to time, direct, and no vessel shall be used as a spirit vat or water vat until it has been guaged and the guaging has been checked by the Excise Officer posted at the Distillery, not below the rank of a Sub-Inspector.

53. . :-

The licensee shall not draw off or use the attenuate wash until it has been guaged and proved by the Distillery Officer, and when he draws it off, the Distillery Officer shall enter in a register in Form D-8 particulars regarding the quantity drawn off and the still into which it is drawn off.

54. . :-

A safe furnished with a hydrometer or specific gravity heads, capable of showing the strength of the distillate, shall be provided between every still and its receiver or receivers. There may be separate safes between each still and its receiver or receivers, or a central safe which controls the worm ends communicating between a number of stills and their receivers

55. . :-

Two or more receivers may be fitted to the same still in order to enable the distillate to be collected in separate portions and one receiver may work in connection with more than one still. There should be a separate receiver for feints. The receiver or receivers attached to each still or set of stills shall be of a capacity enabling them to contain in all the distillate which can be produced by the still or set of stills in 36 hours full working.

56. . :-

The spirit containing alcohol and obtained by distillation whether it is denatured or not produced by any one distillation shall be run into an empty receiver or receivers, and such spirit shall be guaged and proved by the Distillery Officer in the receiver or receivers of the still or set of stills in which it is produced before it is passed out of such receiver or receivers or mixed with spirit produced by any other distillation.

57. . :-

The admixture of sugar or such other substance in the spirit after it has been drawn from the still and before it is tested is prohibited.

58. . :-

The Distillery Officer shall arrange ordinarily to discharge into a still or charger, as chosen by the licensee, directly after each distillation all unfinished spirit run into the receiver or receivers connected with such alcohol and obtained by distillation and to pass into the store vats each evening all spirit finished during the day and each morning all spirits finished during the night, and he shall by the use of guage and hydrometer, verify and record in the register in Form D-3 the quantity and strength of all spirit so discharged or passed in.

59. . :-

Store vats shall be kept in a room or building set apart entirely for them and provided with only one door. Such room or building shall be designated as the store-room or a warehouse, and shall be under the lock and key of the licensee as well as the Distillery Officer. Any spirit that may be brought from outside the distillery for bending, fortification, compounding or any other process and purpose shall be deposited in the store-room or the warehouse.

60. . :-

The licensee shall provide store vats, having an aggregate capacity equal atleast to one half of the maximum spirit issued in a month during the year. If the existing capacity at any time appears from the average of the issues recorded during the previous three years to be materially deficient, the licensee shall, if required by the Commissioner make good the deficit.

61. . :-

A store vat or vats may be separately set apart and used for the storage of each of the following different kinds of spirit :

- (1) Plain spirit.
- (2) Spiced spirit.
- (3) Plain spirit compounded with caramel.
- (4) Malt Whisky.

Provided that any vessel set apart and used for the storage of any one of the above kinds of spirit shall not be used for the storage of any other kind.

62. . :-

With the previous sanction of the Commissioner, liquor intended to undergo the process of maturing may be stored, without

prepayment of duty in an unlimited number of casks in a room to be called the "matured spirit warehouse" within the distillery premises specially set apart and used only for this purpose and secured under the double-lock of the Distillery Officer and the licensee.

63. . :-

(1) An application for the removal of spirit from the store-room to the matured spirit warehouse shall be made in writing to the Distillery Officer. The application shall specify the serial number of each cask and its full capacity and the quantity and strength of the spirit it contains.

(2) Spirit of any strength, not below the strength specified for the issue of spirit, may be removed under this rule.

(3) No cask of less than 40 litres may be removed for deposit in the matured spirit warehouse.

(4) While removing spirit, the tare or the empty weight of each cask shall first be ascertained and the cask shall thereafter be filled to the bung hole with the spirit intended for removal and the capacity determined in the manner specified by the Commissioner. It shall be open to draw off any quantity by metric measures from the full cask before the removal is made. In that case, the quantity remaining in the cask i.e., ullage quantity, shall be reckoned by deducting the measured quantity from the ascertained full capacity.

(5) All particulars of guage and proof shall be recorded at the time of removal in the appropriate column of the warehouse register instead of on the pass, as in the case of ordinary issues. The quantity removed in proof litres shall be shown as transferred to the warehouse in the appropriate column of the issue register but the removal shall not be classed with the issue.

(6) Upon both sides of the head of every cask removed from the store room for deposit in the matured spirit warehouse, there shall be legibly printed with oil colour, the progressive number of the cask, beginning with number one on the first of January of each year, and the calendar year in which the deposit is made, and the full capacity in litres.

(7) No pass shall be necessary to cover transport from the spirit Store-room to the matured spirit warehouse.

(8) Immediately after preparation for removal has been completed, the Distillery Officer shall see the cask or casks safely deposited in the said warehouse.

(9) Each cask deposited in the said warehouse shall be closed with a bung of hard wood, fitted flush with the outside of the bung stave.

(10) Casks shall be so arranged in the said warehouse as to allow easy access to them, in order that a correct account of their contents may be taken at any time and leakage may be readily discovered.

(11) Reduction of the contents of a cask shall not be permitted in the said warehouse. Removals from the said warehouse shall be made to the store-room, where reduction can be effected before the spirit is finally issued from the distillery.

(12) No removal of part of the contents of a cask is permitted from the said warehouse to the store-room.

(13) Removal shall be made from the said warehouse to the store room on the written application of the licensee specifying the progressive number of the cask, the year in which it entered the said warehouse and ullage quantity and strength.

(14) The deficiency of spirit allowed in storage in an Indian made liquor

manufacturing distillery including storage for maturation, storage after reduction and as blend, shall not exceed 2% (two percent) for each period of three months :

Provided that if the spirit is drawn from storage for manufacturing operations during the course of a period of three months the stock taking of spirit shall be done as and when it is removed from the storage and the loss shall be determined proportionately against the ceiling of two percent for three months. The manufacturing operations shall include filtration, colouring, bottling and the like.

64. . :-

(1) Blending or reduction of plain spirit may be permitted in the store vats, provided the blending or reduction is done in the presence of the Distillery Officer and under his supervision. Blending or reduction of any other essential ingredient of a high quality may be done at the time of issue in the special issue room

as hereafter provided. Essence used for blending or water used for reduction must be pure; and the licensee shall comply with the directions of the Commissioner issued in respect of maintaining the quality of essential ingredients including water or any other material used for the purpose. The licensee shall manufacture the liquors maintaining the quality, strength and purity as specified by the Commissioner from time to time; and shall not manufacture any other liquor other than the liquors approved or specified by the Commissioner.

65. . :-

The colouring or compounding of spirit, except in the case of spirit coloured or compounded in the store-room in a special vat set apart and used only for the storage of such spirit, shall take place only at the time of issue and in a special room to be provided for the purpose by the licensee near the exit from the distillery premises. All colouring and compounding materials brought into the distillery shall be kept in this room and registered as to their quantity and character and shall be subject to check and the licensee shall not use any materials which are disapproved by the Commissioner.

66. . :-

(1) Operations concerned with the filling of bottles with liquors for issue shall be conducted in bond under the supervision of the Distillery Officer in separate room called the Bottling room for liquor set apart for the purpose, within the distillery premises near the spirit store. Bottled spirit shall be stored in separate rooms called the "bottled spirit store for liquor" set apart for the purpose within the distillery premises near the bottling rooms. The bottling rooms and the bottled spirit store-rooms shall be secured in such manner as the Commissioner may approve. In the bottling room, bottling vats may be erected and spirits stored therein.

(1A) Any stock whether, bottled or in bulk if proved unfit for human consumption after Chemical Analysis due to sedimentation or otherwise in storage and the licensee desires that such stock be re-processed, the licensee shall take the approval of the Commissioner of Prohibition and Excise for reprocessing such stocks to make it fit for human consumption and on receipt of the proposals from the licensee for re-processing, the Commissioner of Prohibition and Excise shall examine the proposals and accord permission for re-processing of such stocks.

(2) Liquor shall be bottled at the strength specified by the Commissioner from time to time. A tolerance of plus minus 0.5 PS is allowed in manufacture of IML with the following conditions :

(a) The tolerance will be purely for the purpose of administering the Act and Rules and for the convenience of the manufacturers but not for the purpose of calculation of Excise Duty.

(b) If the strength of IML is observed to be weaker than 25 degrees UP upto 25.5 degrees the licensee shall not be eligible for any refund of Excise Duty.

(c) If the IML is observed to be stronger than 25 degrees UP upto 24.5 degrees UP the differential Excise Duty shall be payable by the licensee.

(d) Sample of IML from each batch sent to the Chemical Examiner will be passed by the Chemical Examiner if it is within the tolerance limit of 24.5 degrees UP to 25.5 degrees UP. Samples falling beyond the above tolerance limit, will not be passed by the Chemical Examiner.

(3) Bottling shall be done during the ordinary working hours of the distillery.. If the licensee has reduced the strength of spirit by blending or otherwise, he shall not bottle the spirit until 24 hours after operations are completed, unless arrangements approved by the Commissioner, have been made to cool the spirit to a normal issue temperature thereby preventing shrinkage in bottles after issue.

(4) No bottle shall be filled with spirit except in the joint presence of the Distillery Officer and a representative of the licensee.

(5) Spirit required for bottling shall be measured out and brought into the bottling rooms by a permanently fixed pipe (bearing, within the spirit store, a cock and fastening for an excise lock, or such other means as may be approved by the Commissioner.

(6) Bottles of the following capacity only shall be used :

(i) Quart bottles of the capacity of 750 ml. or 600 ml.

(ii) Ounce bottles of the capacity of 375 ml or 300 ml.

(iii) Pint bottles of capacity of 180 ml.

Provided that the Commissioner may in special cases permit the use

of bottles of any other size for the reasons to be recorded. The licensee shall not use for bottling spirit any bottles bearing the name or trade mark of any other bottle or any other distillery.

(7) The bottles mentioned in sub-rule (6) shall be of standard pattern and shall bear the following specifications moulded on the glass :

(i) the words 'Made in India' :

(ii) the figures and words 750 ml or 600 ml or 375 ml or 300 ml or 180 ml as the case may be ;

(iii) the name or mark of manufacturer of the bottles; and

(iv) a line across the neck upto which the bottles shall be filled in order to contain the proper quantity.

(8) All the bottles mentioned in sub-rule (6) above shall be securely sealed with a lead capsule, cemented on to the bottles in such a way as to make it impossible to remove the capsule without damaging it. The capsule shall bear the following :

(i) the name of the distillery;

(ii) the district in which it is licensed;

(iv) the strength of liquor in degrees of proof.

(9) The licensee shall use the following kinds of capsules for the different kinds of liquor :

(i) For plain spirit Plain capsules

(ii) For spiced spirit Brilliant capsules of different colours

(iii) For special spiced spirits Wax finished capsules

(iv) For liquors Wax finished capsules

(10) The licensee shall not use taper corks for bottling. The licensee shall soak the corks in clean water for 24 hours before corking the bottles.

(11) The licensee shall label each bottle after bottling with a label printed in English or Telugu language showing the name of the licensed distillery and the place where the bottling is done.

(12) The labels shall be affixed to the bottles by the licensee only after such labels are duly approved by the Commissioner. For this

purpose the licensee shall submit a copy of the label proposed to be affixed by him in quadruplicate and challan of remittance of a fee of [Rs.50,000/-] for each such variety of label sought to be approved under appropriate head of account at any Government Treasury in the State. The applicant should also get the label reapproved for each Excise year by paying a fee of [Rs.50,000/-] for each variety of label. The application shall be submitted to the Superintendent of Distilleries, who shall forward them to the Commissioner of Excise through Director of Distilleries and Breweries for approval by the Commissioner. One approved copy shall be retained in the office of the Commissioner of Excise and three copies shall be returned to the Superintendent for Distilleries who shall retain one copy in his Office and furnish one approved copy each to the concerned Distillery Officer and the licensee. The licensee shall comply with such instructions as the Commissioner may issue regarding any label. The application shall be in the Form D-10 duly affixed with Court fee stamp of value of Rs.2/-. The format of the label submitted for such approval shall contain the following :

- (a) Name and Address of Manufacturer.
 - (b) Batch Number, Month and Year of Manufacture.
 - (c) Net contents.
 - (d) Proof strength.
 - (e) Kind of liquor.
 - (f) Recommended Maximum Retail Price : Provided that the Recommended Maximum Retail Price shall be incorporated in the label after the same is indicated by the Andhra Pradesh Beverages Corporation Limited.
 - (g) Details of manufacturing under tie-up arrangements.
- (13) All labels required to be used on the bottles of spiced spirit shall bear the words 'Missalahdar' in Hindi and its Telugu equivalent and the words 'spiced spirit' in English.
- (14) Labels bearing the word 'Special' shall be used on bottles of special spiced spirit, Labels containing the 'old' shall only be affixed to bottles containing spirit which has been kept for more than one year in bond from the date of distillation.
- (15) Labels shall be so affixed as to be easily distinguishable. No

lable shall be pasted over the words and figures, 750 ml. or 600 ml. or 375 ml. or 300 ml. or 180 ml. moulded on the bottles.

(16) An account of spirit received and used for bottling shall be maintained in Form D4.

(17) The licensee shall not advertise his products by extolling their merits or in any other objectionable manner.

(18) The licensee shall affix each sealed bottle of liquor with the Excise adhesive label supplied by the Distillery Officer. The Excise adhesive labels shall be affixed over the cap of the sealed bottle in such a way as to make it impossible to remove the label without damaging it or to remove the cap without damaging the label. The Excise adhesive labels shall be affixed during the ordinary working hours of the distillery in the joint presence of the Distillery Officer and a representative of the licensee. No bottle containing liquor without the Excise adhesive label shall be issued from the distillery.

(19) The Distillery Officer shall maintain an account of the Excise adhesive labels in such form as may be specified by the Commissioner. He shall issue only such number of adhesive labels as are required for affixure on the bottles of liquor produced every day".

67. . :-

(1)

(a) The transit loss of spirit transported to the Indian made liquor manufacturing distillery including losses due to evaporation during transit, shall not exceed 0.5% (half percent) of the quantity transported in each consignment.

(b) Where spirit is subjected to distillation for producing extra natural alcohol or silent spirit, the loss of spirit on account of such a distillation shall not exceed 2% (two percent) of the quantity of spirit redistilled on each occasion.

(2) The loss of spirit in manufacturing operations including filtration, colouring, bottling and the like shall not exceed 2.5% (two and half percent) to be reckoned on the quantity of spirit taken for each batch of manufacture.

(3) The licensee shall pay to Government the excise duty at the then existing rate on deficiencies of spirit in excess of the limit specified above.

67A. . :-

In the case of alcohol producing distilleries the loss of alcohol in storage shall not exceed 0.5% (half percent) for each period of three months. Any deficit in alcohol over and above 0.5% (half percent) shall be indemnified in full by payment of excise duty at the then existing rate.

68. . :-

A special issue room shall be provided by the licensee near the spirit warehouse for the operations connected with the filling of vessels and for issue of the spirit from the distillery.

69. . :-

No vessel may be filled with spirit for issue except in the joint presence of the Distillery Officer and of a representative of the licensee.

70. . :-

In the process of filling vessels for issue, spirit from different store vats may be blended according to calculation, or water may be added for the purpose of producing spirit of a strength required, but the Distillery Officer shall record the actual quantity and strength of the spirit actually drawn from each vat.

71. . :-

Spirit in a vessel for issue may be measured by passing it directly from a store vat into the issue vessel through a pipe or armoured hose attached to the cock of the vat and discharging it into a guaging machine placed in the issue room at a convenient level : Provided that, when such arrangement cannot be made spirit in a vessel for issue may, with the sanction of the Commissioner, be measured by using measures.

72. . :-

Before a guaging machine is brought into use, the Distillery Officer shall verify the correctness with his standard measures, and he shall, with these measures, re-verify it on the 1st and 15th day of each month.

73. . :-

The licensee shall be responsible for securing the bungs or other openings of all casks and vessels filled for issue and for preparing them, or if they are to be packed, for preparing their packages to be sealed by the Distillery Officer, in such a way that they cannot be opened without damaging the seal.

74. . :-

The Distillery Officer shall weigh the empty casks and the cask filled with spirit and record the weight in the register in Form D-5. If the check by weighment shows an excess or deficiency of more than 200 litres the liquor should be re-measured. As issues are made by the measurement and not by weight the result of weighment shall not be accepted as final without re-measurement.

75. . :-

In case the licensee is required to issue spirit of specified strength, or if it is denatured, in the manner specified by the Commissioner, the licensee shall, if the Commissioner so directs, affix a label of a special colour as may be fixed by the Commissioner for each such specified strength at which spirit is issued by him and he shall put the appropriate label on each vessel and package before presentation to the Distillery Officer for sealing.

76. . :-

(a) No spirit or liquor manufactured or stored otherwise than that underbond shall be removed unless the excise duty as specified in Rule 6 (if not reduced or exempted by an order of competent authority) and cost of Excise adhesive labels in respect of Indian Liquor, as specified by Commissioner from time to time has been paid by the Distillery Licensee before such removal.

(b) No spirit shall be issued in quantities of less than twenty litres and no bottled spirit shall be issued in quantities of less than seventy litres. No bottled spirit shall be removed unless it is properly packed to withstand a road journey. The removal of any spirit other than bottled spirit shall not be permitted in vessels of less than the capacity of twenty litres.

77. . :-

No spirit shall be issued until its quantity and strength have been verified by the Distillery Officer or, in the case of spirit flavoured and coloured until arrangements are made for verification of its strength. All spiced spirits except unissued spiced spirit, which turns milky white on dilution, shall be coloured before issue.

78. . :-

The licensee shall, if required to do so by the Commissioner, issue spirit only in specified strength or if it is denatured, in the manner specified by him, either generally or for particular classes of

purchasers.

79. . :-

On payment of the Excise Duty and the cost of Excise adhesive labels by the holder of D-2 licence, a distillery permit for the removal of spirit for human consumption may be granted in favour of the following persons only, namely :

(a) a person holding distributor's licence in Form FL.27 of Andhra Pradesh Foreign Liquor and Indian Liquor Rules, 1970 or a Canteen Stores Department holding licence in Form FL.29 of Andhra Pradesh Foreign Liquor and Indian Liquor Rules, 1970 on production of a valid permit issued by the Excise Superintendent of the District in which the licensed premises of such distributor or Canteen Stores Department is located :

(b) a person holding a licence in any other State for sale of liquor by wholesale or retail on production of a valid permit issued by the Commissioner :

(c) a person holding a valid permit issued by the Competent Authority to transport Rectified Spirit.

(d) a person holding a valid permit issued by the Commissioner to export Rectified Spirit to any other State.

80. . :-

x x x x]OMMITED

81. . :-

Every application for a distillery permit for the removal of spirit or liquor shall be made in writing to the Distillery Officer and shall be accompanied by a challan in original in support of payment of cost of Excise adhesive labels at the rate specified by the Commissioner of Excise from time to time and the certificate or permit required under the foregoing rules; such certificate or permit being either a general or a special one for the purpose of a single removal.

82. . :-

The applicant shall present the treasury receipt in token of his having paid the duty and cost of excise adhesive labels and the Distillery Officer shall affix it to the counterfoil of Form D-6 and D-6 (a) as the case may be.

83. . :-

The licensee shall be responsible for the correct and full payment of

the excise duty due upon the spirit to be removed, but if he is in doubt as to the amount of such Excise duty, he may, prior to its payment in the treasury, apply to the Distillery Officer for a revision of the calculation.

84. . :-

(a) If the Distillery Officer is satisfied that the applicant is entitled under these rules to remove spirit he shall issue the spirit under Form D-6 sending a duplicate to the Excise Superintendent of the District of destination.

(b) If the Distillery Officer is satisfied that the applicant is entitled under these rules to remove Indian Liquor and that the Excise duty and the cost of Excise adhesive labels has been paid, he shall issue Indian Liquor under a permit in Form D-6 (a) sending a copy to the Excise Superintendent of the district of destination.

85. . :-

The licensee shall furnish to the office of the Distillery Officer a statement of the price current and he shall not alter such price current except after giving 24 hours notice to the Excise Superintendent. The price current statement and every notice of alteration of prices shall be conspicuously pasted in the general office of the Distillery Officer under the Commissioner's orders in forms specified by him.

86. . :-

(1) The spirits intended for issue as denatured spirit or rectified spirit shall not be distilled at a strength lower than 52 degrees over proof.

(2) All the spirits produced in a distillery shall be at the disposal of the Government and the distillery shall deliver the same on the indents made by the Distillery Officer, from time to time, for the purpose of supply.

(a) to such arrack depots and arrack manufactories as have been established or may from time to time be established and maintained within the State.

(b) to such other places or persons or institutions as may be directed by the Deputy Commissioner or Commissioner.

(3) In case of (2) (a) after the issues are made, payment shall be

made by the Distillery Officer on the instructions of the Commissioner to the Distiller at such intervals as the Commissioner may prescribe for the value of spirits supplied. In case of (2) (b) the Distiller shall himself recover the value of spirits supplied from the person concerned.

(4) The allocation of the spirits on indents made as above shall be subject to such general or special directions as may be issued by the Commissioner, from time to time.

(5) In respect of distilleries manufacturing Indian liquor the quantum of RS/ENA required by the distillery per month will be fixed by the Commissioner of Prohibition and Excise. The Commissioner of Prohibition and Excise while fixing the quantum, shall take into consideration the production capacity of the distillery.

87. . :-

For issue of spirits of prescribed strength, the distiller may blend or reduce the spirits to these strengths in such vats as may be approved by the Commissioner for this purpose. Blended or reduced spirits shall be kept in separate receptacles.