

## **PART-F**

# **THE KHYBER PAKHTUNKHWA MANUFACTURE RULES, 1950**

**EXCISE AND TAXATION DEPARTMENT.**

12th January, 1950.

No. 339\_Exe/XIX\_C\_353, The Khyber Pakhtunkhwa Manufacture Rules, 1949. In exercise of the powers conferred by Section 18,21,24 and 53 of the Khyber Pakhtunkhwa prohibition Act, 1938, (Act XI of 1938) the provincial Government are pleased to make the following Rules. In these Rules unless a different intention appears from the subject or context.

- (a) "Licence" means a Licence granted for manufacture under Section 18, of the Prohibition Act, 1938.
- (b) "Inspector" includes sub-Inspector.
- (c) "Wash" means a saccharine solution from which after distillation, spirit is obtained.
- (d) "Bub" is a composition itself in a state of formation prepared, for addition to wash, to promote fermentation.
- (e) "Low wines" means impure spirits produced from the first distillation of the wash in a pot-still.
- (f) "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.
- (g) "Spirit" means both finished and unfinished spirits.
- (h) "Rectified Spirit" means spirit of a strength of 43 degree or more over proof.
- (i) "Receiver" means any vessel into which the worm of a still discharges.
- (j) "Spent wash" means the residue left after the wash has been exhausted of spirit.
- (k) "Spent less" means the residue left after unfinished spirit has been redistilled.

**Grant of Licenses**

**1.** The Provincial Government hereby appoints Excise Commissioner to exercise all powers of the Provincial Government and the Provincial Excise and Taxation Officer to exercise all the powers of collector under the prohibition Act. All licenses under Section 18, read with Section 20, for the manufacture of any Liquor intoxicating drug or article containing such Liquor or drug shall be subject to the conditions laid down in these Rules.

**2.** Any person desiring to obtain a license to manufacture alcohol under Section 18, of the prohibition Act of 1938, may apply to the collector.

**3.** Every application for a license to manufacture shall be in writing in Form D.I and shall be accompanied.

(a) a correct plan of the premises which the applicant proposes those for the purposes of his business under his license or of the building existing or to be created thereon, for the said purposes.

(b) a list and plan of all warehouses, store-rooms and other places appertaining thereto, or to be used in connection thereon the and

(c) a certificate from the Civil Surgeon that there is no objection on sanitary grounds to the construction of manufacturing premises, or to the manufacturing of spirit

on the site and in the building shown in the accompanying plans.

4. No license, shall be granted unless and until the applicant therefor has-

(a) deposited a security for the fulfillment of all the condition of his license a sum to be fixed by the Excise Commissioner which shall not be less than Rs. 2,000/00 and

(b) Satisfied the Collector that the proposed building, plant and apparatus to be used in connection with the business of manufactory storage and issue of spirit are built in accordance with the prescribed regulations and that due precaution has been taken against fire. But, in respect of the present buildings, plant and apparatus of existing manufactory which do not conform with the provisions of these Rules, the Excise Commissioner may in his discretion grant in writing exemption from the operation of any of these Rules.

5. The license shall be in Form D.2, and is not transferable except with the sanction of the Excise Commissioner.

### **Security:**

6. The licensee shall execute a bond in the prescribed form pledging the premises, stock of spirit, stills, all apparatus and utensils employed in the manufacture and storage of spirit for the due discharge of all payments which may become due to Government, with the sanction of the Excise Commissioner. The licensee may in lieu of executing such a bond, deposit Government promissory notes of such value as the Excise Commissioner may direct. A deposit made under this Rule shall be separate and distinct from the security deposit required by Rule 4.

### **Period of Licenses:**

7. Licenses are granted without limit of the period for which they are in force, but can be cancelled for breach of the terms, or can be determined by the Excise Commissioner at one year's notice.

8. If the licensee ceases to work the manufactory without giving notice as required in his license, or if he ceases to manufacture within the period of such notice, the Collector may take possession of the manufactory and its plants and work it by himself or by the agency of any person authorised by him in that behalf for a period equivalent to the period of notice or un-expired period of notice as the case may be.

9. In the case mentioned in the foregoing clause the licensee shall be entitled to receive from Government such reasonable rent for the use of the buildings and plants as shall be determined by the Excise Commissioner.

10. If a license be revoked, cancelled or determined the licensee shall dispose, under the conditions of his license, of his stock of spirit apparatus, storage vessels and other manufactory plants in such manner as the Excise Commissioner may direct.

11. The licensee may not hypothecate the whole or any part of the licensed premises without the previous written sanction of the Excise Commissioner.

12. Inspection:- The licensee shall at any time permit the Collector or any

Officer authorised by the Collector in that behalf to inspect and examine his licensed manufactory premises and warehouses connected with and the spirit made and stored therein, and shall render to the Collector or Officer (as aforesaid) all proper assistance in making such inspection and examination.

**13.** The licensee shall agree to the posting of a Government Excise establishment to his manufactory for the purpose of ensuring the due observance of these Rules and for watch and ward. This establishment shall consist of an Inspector and aid as many Sub-Inspectors and peons as the Excise Commissioner shall deem sufficient for the requirements of the manufactory. This staff shall be subject to the Inspection and under the orders and control of the Collector.

**14.** The licensee shall provide within his manufactory enclosure an office for the Inspector, as well as quarters, to be approved by the Excise Commissioner, for the Inspector, Sub-Inspectors and the peons who will be required to remain within the manufactory enclosure on night duty.

**15.** The licensee shall, if required by the Excise Commissioner, provide residential quarters for the Government excise establishment posted to the manufactory.

**16.** The licensee shall, if required by the Excise Commissioner make into the Government treasury such payment as may be demanded on account of the salaries of the Government excise establishment posted to the manufactory, but he shall not make any direct payment to any member of such establishment.

**17.** The licensee shall, when required, permit samples of the material used for spirit prepared in the manufactory to be taken for analysis under the orders of the Collector or the Inspector. Each sample shall be taken in three reputed quart bottles, or (when the material cannot be placed in a bottle) in three paroles, in the presence of a responsible representative of the licensee, each bottle or parole shall be immediately and securely sealed in the presence of the Inspector and the proprietor's representative. One bottle or parole shall then be made over to the licensee's representative, the second shall be sent for analysis and the third kept by the Inspector, pending disposal of the case.

**18.** The licensee shall afford all reasonable assistance to the Inspector in carrying out his duties.

### **Management and Working of the Manufactory:**

**19.** The licensee, unless he personally sets as manager, shall be bound to appoint a competent manager as his agent, whose appointment shall be subject to the approval of the Excise Commissioner.

**20.** The licensee shall furnish to the Inspector a list containing the names of any manager or assistant manager employed by him and of all employees whose duties require them to enter the manufactory enclosure. The Inspector shall forward a copy of this list to the Collector, and the licensee shall not employ on such duties persons to whom the Collector objects.

**21.** If the licensee desires to employ any person temporarily on duties requiring him to enter the manufactory, e.g. to replace a servant who is absent on leave or for sickness

or otherwise or to perform any special duty in the manufactory, he shall inform the Inspector, who shall add the name of such person to the list mentioned in Rule 20 above.

**22.** If any servant leaves the service of the licensee or is no longer employed on duties requiring him to enter the manufactory the licensee shall give notice to the Inspector and have his name removed from the list. The Inspector shall inform the Collector accordingly.

**23.** No person shall be allowed to enter the manufactory except the licensee, and director of a company owing the manufactory, any Government official or police officer whose duties require him to enter the manufactory, any person introduced by the licensee or director, the manager and any person whose name has been entered on the list mentioned in Rule 20 above.

**24.** Every person entering the manufactory shall, on leaving the manufactory, be liable to be searched under the Inspector's order, but the Inspector shall not have any person searched, except upon reasonable grounds for suspicion, and he shall record in his diary the details of every search made.

**25.** The licensee shall not close the manufactory for more than three days in any month, exclusive of Sunday and holidays, without the previous written permission of the Collector.

### **The Commencement and Closure of Manufactory Work and Working Arrangement:-**

**26.** If it is intended to close the manufactory for a period of 15 days or more, the licensee shall give notice, in written to the Collector of his intention not less than 15 days prior to the date on which it is intended to be closed.

**27.** Before a manufactory commences work or recommences work after a closure of 15 days or more, the licensee shall give notice, in writing to the Collector at least 10 days prior to the date fixed for the commencement or recommencement of work.

**28.** The ordinary working hours of manufactory by day shall be from 6.30 a.m. to 6 p.m. in each month from April to September, inclusive, and from 7 a.m. to 5 p.m. in each other month.

**29.** During the ordinary working hours, if the manufactory is working the outer door shall, except as provided in Rule 33 below, be kept continually unlocked.

**30.** Upon giving a general notice to the Inspector, or, if night work is only occasional upon giving notice to the Inspector not less than four hours before the ordinary closing of the day after which night working is to be done, the manufactory may be worked at hours other than the ordinary working hours.

**31.** If still in any manufactory 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, at least once a week on any day other than a Sunday or a holiday gazetted under the negotiable instruments Act and at any time during the ordinary

working hours by day , after giving to the Inspector 24 hours notice of the day and hour fixed by him, work off every still in the manufactory and arrange that no manufactory shall be in progress for one hour in order that the Inspector may take an account of the working of the manufactory.

**32.** A manufactory shall be open for work on a Sunday or a holiday gazetted under the Negotiable Instruments Act only with the sanction of the Collector, which may be a general sanction, or else must be obtained at least 24 hours before the Sunday or holiday in question.

**33.** If the manufactory works at other than the ordinary hours by day or on Sunday or gazetted holiday, the Inspector shall remain present within the manufactory enclosure, but except in case of emergency, he shall not be required to lock or unlock any receiver, vat or other part of the plant or to take any action for the issue of spirit, and he shall lock the outer door of the manufactory and shall not allow any person to enter or leave the manufactory enclosure, except in accordance with arrangement to be made with the sanction of the Collector for the convenience of persons who may be permitted to enter or leave the manufactory at fixed hours, in connection with the operations being carried on.

**34.** The use of naked lights of any description within the manufactory is prohibited.

### **Prescribed Outturn of Spirit and Stocks of Spirit and Manufactory Base:**

**35.** The licensee shall, if there is a demand upon his manufactory for such a quantity, produce during each calendar year at least 90 percent, of the outturn of rectified and denatured spirit which his stills are capable of producing according to the estimate of their charge capacity entered in his license. The calculation of the outturn shall be based on the assumption that 100 gallons of wash, whether of gur, molasses or mahua, will yield 12 proof gallons of spirit, that each continuous still will work on an average 12 hours a day and that each pot still will be charged with wash one and a half times a day, and that all stills will work for an average of five days a week throughout the year.

**36.** Subject to the provisions of the preceding clause, the licensee shall maintain a stock of rectified and denatured spirits so that such stock shall, at the beginning of each month from May to September, inclusive, after allowing for compliance with all orders in hand at the time, be equal to one-third the average amount issued during that month in the three preceding years, and at the beginning of every other month to half such average amount. If, on account of an emergency and unexpected demand during the last days of preceding month, the stock on the first day of next month is below the amount required by this clause, the licensee shall, in the beginning of the month make it good with the least possible delay. In case of serious or continued failure to comply with this condition the licensee may be required to pay a penalty determined by the Excise Commissioner and persistent failure to comply with the condition will entail the cancellation of the licensee's license.

**37.** The licensee shall have always in stock, in gur, molasses or mahua store, to be provided by him and approved by the Excise Commissioner, a quantity of gur, molasses

or mahua sufficient for the preparation of wash for the full working of all his stills, calculated upon the data set forth in Rule 35 above for 10 full working days in the month from October to March, inclusive, and for 7th full working days in the month from April to September. The stock shall be calculated on the basis that it requires 3 mounds of gur or 4 mounds of molasses or mahua to prepare 100 gallons of wash. The licensee shall, on the 1st and 15th day of each month, report to the Inspector the quantity then in stock, and shall permit the Inspector to verify the quantity if he desires to do so.

### **Accounts and Registers:**

**38.** The licensee shall keep up the registers which are by these rules prescribed for maintenance by the licensee, and shall submit them for inspection when required.

**39.** The licensee is entitled to inspect those registers maintained by the inspector which relate to the operation of manufacturing and issue and to stock-taking, and notice should be given to him of any corrections made in them.

**40.** (1) If the licensee has a laboratory attached to his manufactory, and requires spirit for use in the laboratory he shall be entitled to remove to the laboratory from the manufactory duty free, from either the safe of the stills, or the spirit receivers or the spirit stores, finished spirit and unfinished spirit to the extent of one gallon per month; provided that the spirit so removed shall not be used in the manufactory laboratory otherwise than for experimental work connected with manufactory operations only. The licensee shall keep a regular account of the disposal of such duty free spirit, which will be subject to examination by excise officers. All spirit which becomes waste in the laboratory and does not by the addition of any chemicals or otherwise become deleterious shall be returned to the manufactory for manufacturing.

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

(3) If spirit removed under this concession is used otherwise than as permitted by sub-rule (1) of this rule, the concession may be withdrawn.

**41.** The licensee, within one week of their being made, but not later, may call in question, by an objection in writing presented to the Inspector, any entries in those of the Inspector's registers which are open to his inspection. Any dispute regarding such entries cannot be settled by discussion between the Inspector and the licensee shall be referred to the Collector, if no objection is raised the entries shall be presumed to be correct.

### **The Up Keep of Buildings and Plants:**

**42.** All buildings and plant used directly for the manufacture and storage of wash and spirit must be situated in a manufactory enclosure in which no business shall be carried on, except that of the manufacture, storage and issue of spirit. The enclosure shall be surrendered by a wall having one opening only and so built as to prevent communication between the manufactory enclosures and outside, except through the opening provided.

- 43.** The buildings and plant shall be specified in the license, and shall be properly maintained to the satisfaction of the Collector, Particular attention shall be given to their cleanliness.
- 44.** The licensee shall provide for use in measuring spirit in the manufactory, and at the time of issue such measures, gauging machines, weighing machines and other appliances, as the Excise Commissioner may direct him to provide.
- 45.** If the buildings and plant (including the measures, etc., referred to in the preceding rule) are not properly maintained and the premises and plant are not kept properly clean, the licensee may be required to stop all work in the manufactory within one week after receipt of notice to that effect from the Collector.
- 46.** If any still, vat, pipe or other part of the plant is at any time found to be defective or leaking, and the Excise Commissioner, or Collector orders the discontinuance of its use, it shall not be used again till it has been repaired to the Excise Commissioner's or Collector's satisfaction.
- 47.** The licensee shall not alter the building or plant specified in his license without the Excise Commissioner's permission provided that any minor and urgent alteration or repair may be made with the consent of the Inspector, who shall forthwith report to the Collector. Any important alteration sanctioned shall be noted on the license.
- 48.** All processes for the manufacture, issue and sale of rectified, denatured liquor must be conducted within the manufactory enclosure.

### **Stills and Other Plant:**

#### **Pipes**

- 49.** The manufactory and its apparatus shall be so arranged that from the time when the fermented wash is passed into a still to the time when the spirit is issued from the store vats, the distillate shall be contained in closed receptacles and be conveyed, to stills, receivers and other receptacles only through closed pipes, preferably by force of gravitation, but, when this cannot be arranged, by pumping. Water required for the manufactory working shall also be conveyed into the receptacles where it is required, and waste water shall be carried off only through closed pipes. Wash shall be conveyed from the fermentation vats to stills, and spent wash and spent less shall be carried off in closed pipes or covered drains.
- 50.** The ends of still worms and all pipes which carry spirit or serve spirit receptacles shall be firmly fixed into the receptacles they serve.
- 51.** If a spirit pipe is required to charge or discharge one or other of a series of receptacles, the pipe shall be connected with each of the receptacles, by half-unions of the same pattern fixed in the receptacles, the other half of the union, common to all, being fixed to the connecting pipe.
- 52.** All the joints in spirit pipes must either be riveted or be joined with bolts. In the latter case, the flanges bolted together must have, in addition to the bolts, at least two rivets made of a composition of lead and tin, and sealed with a revenue seal, or, in the

case of certain joints when this is specially permitted by the Excise Commissioner, the flanges may be pierced by a bolt carrying a reverse lock, inserted through a hole, at one end of the bolt.

**53.** The licensee shall be responsible for preventing any leakage from pipes.

**54.** Pipes intended for the conveyance of wash and spirit must be so fixed that they can be examined throughout their entire length.

**55.** All pipes and covered drains shall be coloured with a colour indicating the purposes for which they are used, as follows:-

If intended for the conveyance of wash, green; if for the conveyance of spirit, red; if for the conveyance of water or steam, white; if for the conveyance of spent wash, yellow; if for the conveyance of gas used for the purposes of illumination or power, black; if for the conveyance of molasses blue,

**Locks:**

**56.** The charging and discharging pipes of pot- stills, all spirit safes and all man doors, cocks or other opening in stills, spirit vats, spirit receivers, spirit chargers and other receptacles for spirit, and in spirit pipes with branches, the point where each branch joins the pipes and the doors of all buildings and rooms used for the storage of spirit, shall be so fitted as to enable them to be closed with two locks, the keys of which are not interchangeable, and of which one lock shall be a revenue lock, in charge of the Inspector, and the other a manufactory lock in charge of the licensee.

**57.** Revenue locks supplied by the Excise Commissioner will invariably be put on whenever necessary under these rules, but the licensee may dispense with his own locks except in the case of such as must be affixed to all receptacles or rooms used for the storage of spirit.

**58.** Locks shall be so arranged as to render it impossible to use any pipe or part of a pipe, unless the locks are either removed or else closed only with working fastenings, or to extract any of the contents of any building, pipe, receiver or other receptacle concerned, without opening both the locks which control such buildings, pipe or receptacle.

**59.** Lock fastenings must be constructed as much as possible in one piece. When hinges on them are necessary, the hinges must be formed by welded joints, and not by reveted pins, if a part of any fastening is attached to a door or a receptacle, it must be by revets and not by screws. The fastenings for cocks must be fitted so closely as not to admit of any cock being partially turned or opened, or the plug or key lifted up or taken out after the fastening is applied. Chain fastenings must not be used, except in cases where it would be impracticable to apply any other description of fastening,

**60.** When it is necessary for the licensee's operation that cocks upon closed pipes be left open, when the Inspector is not present working fastenings must be provided. Such fastenings must be so constructed that the revenue lock shall not interfere with the free use of the cock and so fitted that no abstraction of spirit is possible.

## **General Rules as to Receptacles For Wash, Bub, Rectified Spirit and Denatured Spirit.**

**61.** Except for the bona fide purposes mentioned below the licensee shall not introduce or permit the introduction of bottles or other vessels having a capacity of lees than four gallons each, into the distillery enclosure.

### **Exceptions:-**

(i) Bottles required for bottling rectified spirit or denatured spirit under rule 93. Bottles or other vessels, not exceeding 30 in number, containing acids, essences and the like, needed for the licensee's legitimate operations.

(iii) Bottles or other vessels intended for use as containers of rectified or denatured spirit, to be supplied to Civil Surgeons or to the scientific institutions approved by the Excise Commissioner,

**62.** Vats shall ordinarily be used for the storage of spirit, but a limited number of casks may, subject to the provisions of Rule 64 below, be kept in the store room for the storage, and for the 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 106 of these rules for issue, may be kept temporarily in the store room for issue to purchasers.

**63.** The vessels used as receptacles may be of any material. They shall be of regular shape, Large covered vessels shall be fitted with manholes of a size approved by the Excise Commissioner and every vessel shall be provided with proper approved arrangements for gauging with rods and with tables showing the number of gallons contained in them, when filled to every tenth of an inch, by either the wet or the dry method of gauging, accordingly as the Excise Commissioner decides to apply one or 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 Excise 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.

**64.** Each vessel shall have legibly painted on it in English its number, its capacity and the use to which it is applied, and its details shall be properly registered by the Inspector.

**65.** Except with the special sanction of the Excise 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.

**66.** No receptacle of which the contents are estimated by the gauge rod, shall be brought originally into use, till it has been gauged and passed by the Inspector and a table book has been prepared for it, and, if any gauged receptacle is repaired or moved, it may not be brought again into use till it has been re gauged and passed by the

Inspector and a revised table book has been prepared.

**Fermentation Vats:**

**67.** Fermentation vats shall Be placed in a room or building specially set apart for them alone.

**68.** The licensee shall provide vats for the fermentation of wash having a capacity sufficient for the continuous working of all the stills in the manufactory, up to the maximum of their capacity, as recorded in the license, upon the calculation that it requires five days to ferment wash.

**69.** No wash shall be used, except such as has been prepared within the manufactory, nor shall any wash be removed from the manufactory.

**70.** When wash is about to be prepared, the licensee shall give notice to the Inspector. The licensee shall enter in the register prescribed for the purpose the exact quantity of the gur, molasses, mahua or other substance used, and shall give the Inspector an opportunity of verifying this quantity whenever the latter may deem it desirable to do so.

**71.** (a) If wash is prepared from a malt base, it must be collected in the fermenting vat and be ready for gauging and proving within six hours, after it has began to run into the vat.

(b) In the case of gur or molasses wash, complete solution must be attained, and the contents of the vat must be ready for proving and gauging by the Inspector within eight hours of the commencement of dissolving, whether solution is effected in the fermentation vat or in a dissolving vat, separate from the fermentation vat. Where hard molasses is used, the time allowed for complete solution may extend to 36 hours.

(c) In the case of a malt, gur or molasses wash, immediately after it is ready for gauging and proving, the Inspector shall ascertain, by gauging the quantity of wash in the vat and by the use of the saccharometer, its specific gravity and he shall record these in his prescribed register. The licensee shall, at the expiry of 24 hours from the first mixing or before, enter in the register prescribed for maintenance by him the actual Initial quantity and specific gravity of the wash fermented in each vat, or, in case any addition has been made to the wash, after it was first set up, its calculated initial quantity and specific gravity.

(d) If mahua is used, the initial quantity and specific gravity of the wash shall be ascertained in such manner as the Excise Commissioner may specially prescribe.

**72.** No substance of any kind shall be added to the wash after it has been gauged and proved, except water and such substances as the Excise Commissioner may have specially approved, or bub added under the procedure set forth in the next succeeding clause, provided (1) that due notice of such addition is given by the licensee to the Inspector, (2) that the requisite entries regarding it are made by the licensee in the prescribed register and (3) that no addition of any kind is made to the wash more than 24 hours after it was first gauged and proved. After the lapse of this period of 24 hours, the wash shall remain undisturbed in the fermentation vat, until fermentation is completed and the wash is removed to the still.

**73.** (a) The preparation of bub shall be conducted in a special bub vat or vats set apart only for such preparation, and the registration of the materials used and of solution and other matters connected with it, shall be carried out in the register specially prescribed for the purpose. The bub vats used may be smaller than the ordinary fermenting vats if desired, and there may be connected with it an auxiliary vessel for dissolving the materials used for setting up the bub, but fermentation must not be allowed to proceed in this vessel, ordinarily the whole of the bub must be conveyed into the fermentation vat or vats to which it is to be added within 24 hours of first beginning to make, or dissolve or set it up.

(b) With the special permission of the Excise Commissioner any licensee who is able to declare the alcoholic percentage and the original specific gravity of a bub may keep such bub for more than 24 hours after the time when its making solution for setting up commences, and he may be permitted to make such a bub and keep it going continuously by adding to it fresh saccharine substance and water from time to time. In such a case he must, at the time of adding any of such continuously maintained bub, to the contents of any fermentation vat containing wash, records the quantity in bulk gallons, and the original specific gravity of the addition. The Inspector shall enter a copy of these particulars in his register and make the necessary alteration in the records of the wash, to which it is added.

(c) The licensee shall give notice to the Inspector, with details of the registered number of vessels concerned, before any conveyance of the bub from the vat in which it is prepared to the main wash. The gauge and the specific gravity of the contents of any fermentation vat to which bub is added must, after thorough mixing, be recorded by the Inspector immediately before and after the addition.

**74.** As soon as wash is fully attenuated and ready for manufacturing the licensee shall inform the Inspector, and Inspector shall again, by gauging and the use of the saccharometer, ascertain the quantity and specific gravity of the attenuated wash and record these in his prescribed register. The Licensee shall record the final quantity and specific gravity in the register prescribed for maintenance by him.

**75.** The licensee shall not draw off or use the attenuated wash until it has been gauged and proved by the Inspector, and, when he does draw it off, the Inspector shall enter in the prescribed register particulars regarding the quantity drawn off and the still into which it is drawn off.

**STILLS:**

**76.** Stills may be of any form or construction the licensee may think proper and for which he has a license, but the still power of the manufactory shall not be increased without the special sanction of the Excise Commissioner.

**77.** The Excise Commissioner may authorise the replacement of any still by another of equivalent manufacturing capacity, or the re-use of any still which has been dismantled and thrown out of use without its place being taken by another still.

**78.** There shall be no opening into any still, except these in connection with the charging and discharging pipes, condensers, manddoors and air cocks or valves upon the breast or head. The external office of an air valve must be so constructed and

covered by a perforated metal plate, as to make it Impracticable by means of it either to introduce wash or to abstract spirit or to convey away, spirit vapour for condensation elsewhere.

**79.** When wash is being manufactured in a pot-still and in all manufacturing by a continuous Still, the still need not be secured by the Inspector with a revenue lock.

**80.** When a pot-Still is being used for the re-manufacturing of unfinished spirit, the mandoor and the charging and discharging pipes shall be secured by the Inspector with closed fastening, and a pot-Still used for re-manufacturing shall be charged and discharged only after notice has been given to the Inspector and under his supervision.

**SAFES:**

**81.** 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.

**Receivers and Chargers:**

**82.** 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.

**83.** The receiver or receivers attached to each still or set of stills shall be of a capacity enabling them to contain all the distillates which can be produced by the Still or set of Stills in 36 hours full working.

**84.** The spirit, whether finished or unfinished, produced by any one manufacture shall be run into an empty receiver or receivers, and such spirit shall be gauged and proved by the Inspector 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 act of manufacturing,

**85.** The admixture of sugar or other foreign substance in the spirit after it has been drawn from the Still and before it is tested is prohibited.

**86.** The Inspector shall arrange ordinarily to discharge into a Still or charger, as desired by the licensee, directly after each act of manufacturing, all unfinished spirit run into the receiver or receivers connected with such act of manufacturing and to pass into the store vats each evening all spirit finished during the day and each morning all spirit finished during the night, and he shall, by the use of the gauge and hydrometer, verify and record in the prescribed registers the quantity and strength of all spirit so discharged or passed in.

**Store Vats:**

**87.** Store Vats shall be kept in a room or building set apart entirely for them and provided with only one door. This Room or building will be designated the store-room.

**88.** The licensee shall provide store vats, having an aggregate capacity equal at least to half of the demand of the month in which most spirit is issued 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 Excise Commissioner make the necessary increase to it.

**89.** A Store vat or vats may be separately set apart and used for the storage of each of the following different kinds of spirits, viz:-

- (1) Rectified Spirit.
- (2) Denatured Spirit.

Provided that any vessel set apart and used for the storage of any one of the above kinds of spirits shall not be used for the storage of any other kind, and provided also that any vessel or vessels set apart for the storage of denatured spirit shall be in a separate room or building set apart solely for such spirit. That room or building shall be called the ethylating room.

**90.** With the previous sanction of the Excise Commissioner, rectified and denatured spirit intended to undergo the process of maturing may be stored, without prepayment of duty, in an unlimited number of casks in a room within the manufactory enclosure specially set apart and used only for this purpose and secured under the double lock of the Inspector and the licensee. The room will be designated the matured spirit warehouse. Deposits in, and with drawls from the warehouse will be governed by the following regulations:-

- (1) An Application for the removal of rectified spirit or denatured spirit from the store-room to the matured spirit warehouse must be made in writing to the Inspector. The application, or presentation must specify the serial number of each cask, and before, removal takes place, must be completed by specifying for each cask its full capacity and the quantity and strength of the spirit it contains.
- (2) Removals may be made at any strength not below the strength prescribed for the issue of spirit.
- (3) No cask of less than eight gallons capacity may be removed for deposit in the matured spirit warehouse.
- (4) In preparation for removals, the tare or weight empty of each cask must first be ascertained, the cask thereafter after filled to the bung-hole with the spirit int for removal and the capacity determined in the manner prescribed by the Excise Commissioner. No objection need be raised if it is desired to draw of any quantity by imperial measures from the full cask before the removal is made. In that case, the quantity remaining in the cask, i.e., ullage quantity, will be reckoned by deducting the measured quantity from the ascertained full capacity.
- (5) All particulars of gauge and proof must be recorded at the time of removal in the appropriate columns of the warehouse register, instead of on the pass, as in the case of ordinary issues. The quantity removed in London proof gallons will be shown as transferred to the warehouse in the appropriate that the removal should not be classed with the issue.

- (6) Upon the outside of both of the heads of every cask removed from the store-room for deposit in the matured spirit warehouse must be legibly printed with oil colour the progressive number of the cask, beginning with number one on the 1<sup>st</sup> of January in each year, also the calendar year in which the deposit is made, and the full capacity to the nearest tenth of a gallon.
- (7) No pass will be necessary to cover transport from the spirit store-room to the matured spirit warehouse.
- (8) Immediately preparation for removal has been completed, the Inspector must see the cask or casks safely deposited in the warehouse.
- (9) Each cask deposited in the warehouse must be closed with a bung of hard wood, fitted flush with the outside of the bung stave.
- (10) Casks must be so arranged in the warehouse as to allow easy access to them, in order that a correct account of their contents may be taken at any time and leakages may be readily discovered.
- (11) It will be unnecessary to take account of the spirit in stock in the matured spirit warehouse monthly as in the case of spirit in the store-room. The stock of spirit in the warehouse will invariably be the total quantity in London proof gallons as shown in the warehouse register. The Collector at his periodical visits and an Assistant Excise and Taxation Officer should, however, check the quantity of spirit in a few of the casks in the warehouse, and record the result briefly in the warehouse register. Where he finds that the deficiency is in excess of the scale prescribed by the Excise Commissioner, he should enquire into the cause and satisfy himself that no illicit abstraction from the cask has occurred. The Inspector will be responsible that the casks, while in the warehouse are not tampered repairs, or for examination of the spirit by the Collector, the Assistant Excise and Taxation Officer, the licensee or his manager.
- (12) Reduction of the contents of a cask is not permitted in the warehouse, Removal from the warehouse will be made to the store-room, where reduction can be effected before the spirit is finally issued from the manufactory, No objection need be raised, however, to the introduction of a new cask, whose full capacity has been first ascertained, for reception or the contents of a defective cask in the warehouse. When this is necessary, the Inspector will attend, have the spirit transferred to the new cask, which must be marked and numbered similarly to the old one, and make a note of the transfer in the warehouse register.
- (13) No removal of part of the contents of a cask is permitted from the warehouse to the store-room.
- (14) Removal will be made from the warehouse to the store-room on the written application of the licensee specifying the progressive number of the cask, the year when ware-housed and (on its removal) the ullage quantity and strength.
- (15) On receipt of the licensee's application, the Inspector will, after taking account of the spirit in the cask by means of the bung rod in the manner prescribed by the Excise Commissioner, see the cask removed to the

store-room from which the issues of matured spirit will be made under the ordinary Rules and procedure. The actual quantity of spirit in London proof gallons removed from the warehouse to the store-room will be recorded in the warehouse register as passing into the stock of the latter.

- (16) The deficiency allowable during the period of storage in the warehouse is calculated according to the scale prescribed by the Excise Commissioner. In the event of the deficiency being in excess of the prescribed scale, the Inspector will make a brief report in the warehouse register on the condition of the cask on delivery i.e. 'on apparent cause' in cases where the cask is in an apparently sound condition, and a few brief remarks where such causes as leaks, defective stays, broken hoops, porous, wood, etc., which account for the excess. The Collector or Assistant Excise & Taxation Officer at his inspections will enquire into the reasons given for the excess, and, if he is satisfied, will initial the Inspector's entry in the warehouse register. If the inspecting Assistant Excise and Taxation Officer is not satisfied that the excess is due to natural or accidental cause, he will submit a report, recording his reasons at full length, to the Collector so that action for recovery of duty on the excess may be taken under Rule 102 if necessary.

### **Manufacture, Storing and Passing Out Spirit.**

**91.** Blending or reduction of spirit is permitted in the store vats, provided the blending and reduction is done in the presence of the Inspector and under his supervision. Any other blending or reduction as is desired may be done at the time of issue in the special issue room mentioned in Rule 103 below. Water used for reduction must be pure, and the licensee must comply with the directions of the Collector according the water supply.

**92.** 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 manufactory enclosure. All colouring and compounding materials brought into the manufactory shall be kept only in this room and registered, their quality and character shall be subject to check and the licensee shall not use any materials which are disapproved by the Excise Commissioner.

**93.** Subject to the approval of the Excise Commissioner operation connected with the filling of bottles with Rectified and Denatured Spirit for issue shall be conducted in bond under the supervision of the manufactory Inspector, in separate rooms called bottling rooms for country spirit and Indian made foreign spirit, respectively, set apart for the purpose, within manufactory enclosure, near the spirit store, Bottled spirit shall be stored in separate room called the bottled spirit store for Rectified spirit and Denatured spirit, respectively, set apart for the purpose within the manufactory enclosure near the bottling rooms. The bottling rooms and the bottled spirit store rooms shall be secured in such manner as the Excise Commissioner may approve, In the bottling room, bottling vats may be erected and spirit stored therein. The following Rules shall be observed for

the conduct of bottling operations:-

- (a) Rectified and Denatured spirits shall be bottled at the strength from time to time prescribed by the Excise Commissioner.
- (b) Bottling shall be done during the ordinary working hours of the manufactory. 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 complete, unless arrangements approved by the Excise Commissioner have been made to cool the spirit to normal issue temperature thereby preventing shrinkage in bottles after issue.
- (c) No bottles shall be filled with spirit except in the joint presence of the Inspector and a representative of the licensee.
- (d) 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 Excise Commissioner.
- (e) Bottles of the following sizes only shall be used:-
  - (i) Quarter bottles of the capacity 6-2/3 ounces.
  - (ii) Reputed pint bottles of the capacity of 13-1/3 ounces.
  - (iii) Reputed quart bottles of the capacity of 26-2/3 ounces.
- (f) The bottles mentioned in sub-clause (e) above shall be of standard pattern and shall bear the following specifications moulded on the glass:-
  - (i) the words 'Khyber Pakhtunkhwa Excise'
  - (ii) The figures and words "26-2/3 ounces", "13-1/3 ounces", or "6-2/3 ounces" in the case of reputed quarts, pints and quarter bottles, respectively.
  - (iii) the name or mark of manufacturer of the bottles, and
  - (iv) a line across the top to which the bottles shall be filled, in order to contain the proper quantity.
- (g) All the bottles mentioned in sub-clause (e) above, shall be securely sealed with a lead capsule, cemented on the bottle in such a way as to make it impossible to remove the capsule without damaging it. The capsule shall bear-(i) the name of the manufactory; (ii) the district in which it is licensed; (iii) the kind of liquor bottled; (iv) the strength of liquor in degrees of proof.

All the capsules shall bear in block letters the information set forth in clause (e) above.

- (h) 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.
- (i) The licensee shall label each bottle after bottling with a label showing in Urdu and English printed characters the name of the licensed manufactory and the place where the bottling is done.
- (j) The licensee may also affix to his bottles any other labels but before bringing any labels into use the licensee shall submit exact copies of them, in triplicate, to the Collector, who shall forward one copy direct to the Excise Commissioner for his approval. The licensee shall

comply with such instructions as the Excise Commissioner may issue regarding any label and shall deposit in the Excise Commissioner's Office an exact copy of each label that has been approved. In particular he shall carry out the following directions:-

- (k) Labels must be so affixed as to be easily distinguishable. No label shall be pasted over the words 'Khyber Pakhtunkhwa Excise' and the figures and words "26-2/3 ounces" "13-1/3 ounces" "6-2/3 ounces" moulded on the bottles.
- (l) An account of spirit received and used for bottling shall be maintained in Form D-13B.

### **Denaturation of Spirit**

**94.** For the purpose of rendering spirit effectually and permanent unfit for human consumption, no substance other than light cautchoucine and mineral pyridine bases shall be used. They shall be mixed with the spirit to be so rendered unfit for human consumption, in the pronortion of one-half per cent, by volume of cautchoucine and one-half per cent, of mineral pryridinebases to the whole volume of spirit which shall be of not less strength than 50 degress overproof.

Provided that, if the spirit to be removed is required for use in particular arts and manufactures, the Excise Commissioner on special application being made to him, may authorize special methods of denaturation.

**95.** The specifications of light cautchoucine and mineral pyridine bases shall be those from time to time approved by the Excise Commissioner.

**96.** No Commissioner of denaturing materials intended for use in rendering spirit permanently and effectually unfit for human consumption shall be brought into a manufactory otherwise than with the permission, and in the presence, of the Inspector.

**97.** The licensee shall provide a special room for the storage of the denaturing agents and vessels and receptacles used in the process of denaturation, and the process shall be carried out in the is room only, and in the presence of the Inspector. After denaturation is completed the denatured spirit shall be immediately issued or stored in the special room, which shall be secured by double locks, the keys of which are not interchangeable. The key of one lock shall remain with the Inspector, and the key of the other lock shall remain with the licensee.

**98.** For purpose of satisfying himself that the denaturing materials stored in any licensed manufactory are efficacious for the purpose of rendering spirit effectually and permanently unfit for human consumption, the Collector shall, from time to time, but not less than twice in each year, send a sample of every separately stored quantity, of such denaturing materials to the Chemical Examiner, Khyber Pakhtunkhwa Government or any other officer appointed by the Provincial Government for the purpose of being tested and its quality and efficacy being reported upon.

No spirit stored within a licensed manufactory shall be denatured otherwise than with the permission of, and in the presence of, the Inspector.

**99.** For the purpose of ascertaining that spirit has been effectively and permanently rendered unfit for human consumption in the manner prescribed, the Collector shall not

less than once in every three months, and without previous notice to about six fluid ounces, and shall send such sample to the Chemical Examiner, Khyber Pakhtunkhwa Government, for examination and report. A copy of the report of the Chemical Examiner shall be submitted to the Excise Commissioner.

## **Wastage and Loss**

**100.** If it is found that the wastage in any manufactory is excessive, the Excise Commissioner may prescribe a scale of wastage and the licensee shall pay duty, as on issue, in respect of all losses attributed to wastage, in excess of the scale fixed.

**101.** In case extraordinary wastage of spirit occurs in a manufactory owing to any cause, an enquiry into the circumstances shall be made immediately under the orders of the Collector or Excise Commissioner, and, if it is found that the wastage was due to preventable causes, which the licensee should have foreseen or guarded against, and that the spirit was required to meet a demand, the licensee shall, if directed to do so by the Excise Commissioner, may all or such part, as seems reasonable of the duty that would have been recovered on the wasted spirit if it had been issued.

## **Preparation for Issue**

**102.** A special issue-room shall be provided by the licensee near the spirit warehouse for the operations connected with the filling of vessels for issue and their issue from the manufactory.

**103.** No vessel may be filled with spirit for issue, except in the joint presence of the Inspector and of a representative of the licensee.

**104.** 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, the Inspector shall record the actual quantity and strength of the spirit actually drawn from each vat.

**105.** Spirit may be measured into a vessel for issue by being passed directly from a store vat into the issue vessel through a pipe or armoured hose attached to the cock of the vat and discharging into a gauging machine placed in the issue room at a convenient level, to discharge into vessels placed under it, provided that, when this cannot be arranged, spirit may, with the Excise Commissioner's sanction, be measured into a vessel for issue by means of gallon measures.

**106.** Before a gauging machine is brought into use, the Inspector shall verify its correctness with his standard measures, and he shall with these measures verify it on the 1<sup>st</sup> and 15<sup>th</sup> day of each month.

**107.** The licensee shall not decline sale or refuse supplies to any licensed vendor, whole-sale or retail, who has obtained a permit for the issue of spirit from his manufactory and tenders payment for such spirit at the rate then current. If more than one licensed vendor be applying at one time for supplies, in case of dispute who shall be supplied first, the licensee shall supply them in the order of the dates of the applications received by the Inspector, the decision between applications bearing the same date, being made by the Inspector by lot, provided that not more than 500 gallons shall be supplied at one issue to a licensed vendor or who desires an issue of bottled

spirit or in the case of bulk spirit who desires his issues to be made in casks of capacity of at least 50 gallons each, supplied by himself or by the manufactory on his behalf, and tendered at the time to be filled, and that not more than 50 gallons shall be supplied at one time to a licensed vendor tendering vessels of a smaller capacity. If any customer cannot with due diligence, be supplied before a notified change of price takes place, the licensee may demand payment from him at the changed price in force when he is actually supplied.

### **General Rules Regarding the Issue of Spirit**

**108.** No bulk spirit shall be issued in quantities of less than four gallons, and no bottled spirit shall be issued in quantities of less than two gallons. The removal of any spirit other than bottled spirit shall not be permitted in vessels of less than four gallons capacity.

**109.** The licensee shall, if required to do so by the Excise Commissioner, issue spirit only in specified strength either generally or for particular classes of purchasers.

**110.** No spirit shall be issued, except/under a manufactory pass granted by the Inspector.

**111.** A manufactory pass for the removal of denatured spirit may be granted in favour of any of the following persons only, namely:-

- a. A person certified to be holding a license in the Khyber Pakhtunkhwa, to sell such spirit;
- b. A person authorized by the Collector of any district in the Khyber Pakhtunkhwa to remove such spirit for industrial use; and
- c. A person holding a permit signed by an officer duly authorized in that behalf for export of such spirit to a Pakistan State, a Pakistan Province, the Federal Capital or any other approved destination.

**112.** The licensee may act as an agent in removing spirit for any licensed vendor (including any wholesale agency licensed in the name of a manufactory) who, to enable the licensee to obtain a manufactory pass, furnished him with a certificate showing that he is a licensed vendor.

**113.** Every application for a manufactory pass for the removal of spirit shall be made in writing to the Inspector, and shall be accompanied by the certificate or permit required under the relevant sub-clause of Rule III above, such certificate or permit being either a general one for the purpose of removals to be made from time to time or special one for the purpose of a single removal.

**114.** If the applicant tenders cash in payment of Still-head duty, the Inspector shall fill up the chalan for presentation, with the cash, at the treasury or sub-treasury of the district in which manufactory is situated. The applicant shall present the treasury receipt in token of his having paid the duty, and the Inspector shall affix it to the counterfoil Form D-20.

**115.** The applicant for a manufactory pass shall be responsible for the correct calculation and full payment of the Still-head duty due upon the spirit to be removed, but, if he is in doubt as to the amount of such Still-head duty, he may, prior to its payment in the treasury, apply to the Inspector for a revision of the calculation.

In calculating duty on bottled spirit 24 half pints, twelve pints of six quart bottles

shall be reckoned as one gallon.

**116.** If, in removing spirit from the manufactory as an agent for a licensed vendor, the licensee prefers not to pay duty at the time, he may remove the spirit subject to the adjustment of such duty against an advance payment made by him into the Government treasury on account of the duty recoverable on such removals. Such an advance payment shall be not less than Rs.2,000, and, each time an advance is replenished, it must be a sum that will bring it up to at least Rs. 2,000. The Treasury Officer will keep the Inspector informed of all payments credited to an advance and the Inspector shall maintain a statement showing such payments and the duty debitible against them. He shall balance this statement on every day on which the manufactory is open for the issue of spirit, and on every such day shall inform the licensee of the balance standing to his credit and he shall permit the removal of spirit of which the duty is debitible against the advance only so long as the balance is not exhausted.

**117.** In addition to the methods described in Rules 114 and 116 above, spirit may be removed from a licensed manufactory (a) free of duty in bond and (b) on execution of a bond for the payment of the duty, but only with the sanction in writing, in each case, of the Collectory.

**118.** If the Inspector is satisfied that the applicant is entitled under Rules III and 113 above to remove spirit, and that the Still-head duty has on paid or accounted for in one of the methods prescribed in Rules 113, 116 and 117, he shall issue the spirit, At the same time he shall make over a pass in the form prescribed (Form D-20), sending a duplicate to the Inspector of the district of destination.

**119.** The licensee shall duly comply with any directions that may, from to time, be issued by the Excise Commissioner concerning the price or prices to be charged by him to licensed vendors, and shall, if and whenever so directed, forthwith reduce or enhance as the case may be, such price or prices.