

THE JAMMU AND KASHMIR DISTILLERY RULES

1. Annexure to C.O No. 373-C of 1946 dated 29th June, 1946-

In exercise of the powers conferred by sections 11,20 and 25 of the Jammu and Kashmir Excise Act, 1958, Government are pleased to make the following rules for regulating the business of the Distilleries established in the State :-

1. In these rules unless a different intention appears from the subject or context-
 - (a) "Licence" means a licence granted for a distillery under section 11 of the Jammu and Kashmir Excise Act, 1958 ;
 - (b) "Excise and Taxation Officer" means the Excise and Taxation Officer of the Excise and Taxation Department, and includes any other officer appointed to hold charge of a Distillery established under these rules ;
 - (c) "Wash" means a saccharine solution from which, after distillation, spirit is obtained ;
 - (d) "Bub" is a composition itself in a state of fermentation 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) "Faints" 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 spirit ;
 - (h) "Rectified Spirit" means spirit of a strength of 43 degrees or more overproof ;
 - (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 lees" means the residue left after unfinished spirit has been redistilled ;
 - (l) "Spiced spirit" means spirit redistilled after the addition of flavours and spices to plain spirit ;
 - (m) "Special spiced spirit" means spiced spirit approved by the Excise and Taxation Commissioner for issue as special spiced spirit. It includes matured spirit more than two years old ;
 - (n) "Malt Whisky" means Whisky manufactured from malt only ;
 - (o) "Matured Whisky" means Whisky matured in wood for a period of not less than two years ;
 - (p) "Distillation" includes redistillation.

1. Cabinet Order No. 373-C of 1946 published in Government Gazette dated 26th Mar, 2004.

GRANT OF LICENCES

2. The Excise Commissioner shall have full power to grant or refuse application for licences with reference to the requirements of the province.
3. Any person desiring to obtain a licence for a distillery may apply to the Deputy Commissioner, Excise and Taxation of the province in which the Distillery is proposed to be established.
4. Every application for a licence for a distillery shall be in writing in the form D-I and shall be accompanied by-
 - (a) a correct plan of the premises which the applicant proposes to use for the purposes of his business under his licence and of the buildings existing or to be erected thereon, for the said purposes ;
 - (b) a list and plans of all warehouses, store-room and other places appertaining thereto, or to be used in connection therewith ; and
 - (c) a certificate from the Director Health Services that there is no objection on sanitary grounds to the construction of distilling premises, or to the distillation of spirit on the site and in the building shown in the accompanying plans.
5. No licence shall be granted unless and until the applicant therefor has –
 - (a) deposited as security for the fulfilment of all the conditions of his licence a sum, to be fixed by the Excise and Taxation Commissioner, which shall not be less than Rs. 1 Lac^x or more than Rs.2 Lac^x in amount ; and
 - (b) satisfied the Deputy Commissioner Excise that the proposed buildings, plant and apparatus to be used in connection with the business of distillation, storage and issue of spirit are built in accordance with the prescribed regulations and that the due precaution has been taken against fire ; but, in respect of the present buildings, plant and apparatus of existing distilleries, which do not conform with provision of these rules, the Excise and Taxation Commissioner may, in writing, grant exemption from the operation of any of these rules.
 - (c) "Paid a license fee to be determined by the Government by notification from time to time"
6. The licence shall be in form D-2 and is not transferable :^x Provided That the Excise Commissioner may for sufficient and cogent reasons to be recorded in writing, on an application from the original licensee(s) and subject to payment of non-refundable transfer fee of rupees one lac, transfer the license during its currency to any other person or add the name(s) of any other person(s) in the license as partner(s) or delete the name of any partner from the license, if such person (s) is /are otherwise eligible under these rules for grant of license and on such transfer, addition or deletion all such partners shall be responsible for all obligations incurred, or to be incurred, under the license during the period of its currency as if it has originally been granted or renewed in his/her/their names(s)"^x

^x Amended vide SRO 432 of 25-11-2010

SECURITY

7. 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 and Taxation Commissioner the licensee may, in lieu of executing such a bond, deposit Government promissory notes of such value as the Excise and Taxation Commissioner may direct. A deposit made under this rule shall be separate and distinct from the security deposit required by rule 5.

PERIOD OF LICENCES

8. Licences 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 and Taxation Commissioner after one year's notice.
9. If the licensee ceases to work the distillery without giving notice as required in his licence, or if he ceases to work the distillery within the period of such notice, the Deputy Commissioner Excise may take possession of the distillery and its plant 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 unexpired period of notice, as the case may be.
10. In the case mentioned in the foregoing rule the licensee shall be entitled to receive from Government such reasonable rent for the use of the buildings and plant as shall be determined by the Excise and Taxation Commissioner.

11. If a licence be revoked, cancelled or determined, the licensee shall dispose of, under the conditions of his licence, his stock of spirit, apparatus, storage vessels and other distilling plant in such manner as the Excise and Taxation Commissioner may direct.
12. The licensee may not hypothecate the whole or any part of the licensed premises without the previous written sanction of the Excise and Taxation commissioner.

INSPECTION

13. The licensee shall at any time permit the Deputy Commissioner Excise or any officer authorised by the Deputy Commissioner Excise in that behalf, to inspect and examine his licensed distillery, the premises and warehouses connected therewith and the spirit made and stored therein and shall render to the Deputy Commissioner or the officer (as aforesaid) all proper assistance in making such inspection and examination.
14. The licensee shall agree to the posting of a Government excise establishment to his distillery for the purpose of ensuring the due observance of these rules and for watch and ward. This establishment shall consist of an Excise and Taxation Officer and as many Inspectors

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and Guards as the Excise and Taxation Commissioner shall deem sufficient for the requirements of the distillery.

15. The licensee shall provide within his distillery enclosure an office for the Excise and Taxation Officer, as well as quarters to be approved by the Excise and Taxation Commissioner for the Excise and Taxation Officer and the Guards who will be required to remain within the distillery enclosure on night duty.
16. The licensee shall, if required by the Excise and Taxation Commissioner, provide residential quarters for the Government excise establishment posted to the distillery.
17. The licensee shall, if required by the Excise and Taxation 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 distillery, but he shall not make any direct payment to any member of such establishment.
18. The licensee shall, when required, permit samples of the materials used or spirit prepared in the distillery to be taken for analysis under the orders of the Deputy Commissioner Excise, or the Excise and Taxation Commissioner, or by any officer authorised by them to take samples, or the Excise and Taxation Officer. Each sample shall be taken in three reputed quart bottles or (when the materials cannot be placed in bottles) in three parcels, in the presence of the licensee or a responsible representative deputed by him for this purpose ; each bottle or parcel shall be immediately and securely sealed in the presence of the Excise and Taxation Officer and

the licensee or his representative. Both of them shall sign a label which shall be affixed to the bottle or parcel and describe the contents thereof as accurately as possible. One bottle or parcel shall then be made over to the licensee's representative, the second shall be sent for analysis and the third retained by the officer concerned pending the disposal of the case.

19. The licensee shall afford all reasonable assistance to the Excise and Taxation Officer in carrying out his duties.

MANAGEMENT AND WORKING OF THE DISTILLERY

20. The licensee, unless he personally acts as manager, shall be bound to appoint a competent manager as his agent, whose appointment shall be subject to the approval of the Excise and Taxation Commissioner.
21. The licensee shall furnish to the Excise and Taxation Officer 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 distillery enclosure. The Excise and Taxation Officer shall forward a copy of this list to the Deputy Commissioner Excise and the licensee shall not employ on such duties persons to whom the Deputy Commissioner objects.
22. If the licensee desires to employ a person temporarily on duties requiring him to enter the distillery, e.g., to replace a servant who is absent on leave or for sickness or otherwise or to perform any special duty in the distillery, he shall inform the Excise and Taxation Officer, who shall add the name of such person to the list mentioned in rule 21.
23. If any servant leaves the service of the licensee or is no longer employed on duties requiring him to enter the distillery, the licensee shall give notice to the Excise and Taxation Officer and have his name removed from the list. The Inspector shall inform the Deputy Commissioner Excise accordingly.
24. No person shall be allowed to enter the distillery except the licensee, any director of a company owning the distillery, any Government official or Police Officer whose duties require him to enter the distillery, any person introduced by the licensee or director, the manager and any person whose name has been entered on the list mentioned in rule 21.
25. Every person entering the distillery shall, on leaving the distillery, be liable to be searched under the Excise and Taxation Officer's order, but the Excise and Taxation Officer 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.
26. 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 Deputy Commissioner Excise.

COMMENCEMENT AND CLOSURE OF DISTILLERY WORK AND WORKING ARRANGEMENTS

27. If it is intended to close the distillery for a period of 15 days or more, the licensee shall give notice, in writing, to the Deputy Commissioner Excise of his intention to do so not less than 15 days prior to the date on which it is intended to close.
28. Before a distillery commences work or recommences work after a closure of 15 days or more, the licensee shall give notice in writing to the Deputy Commissioner Excise at least 10 days prior to the date fixed for the commencement or recommencement of work.

- 1[29. The ordinary working hours of a distillery shall be from 8 A.M to 5 P.M inclusive of lunch-break from 12 noon to 1 P.M]
30. During the ordinary working hours, if the distillery is working, the outer door shall, except as provided in rule 34 infra, be kept continually unlocked.
31. Upon giving a general notice to the Excise and Taxation Officer, or if night work is only occasional, upon giving notice to the Excise and Taxation Officer not less than four hours before the ordinary closing hours of the day after which night working is to be done, the distillery may be worked at hours other than the ordinary working hours.
32. 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, at least once a week on any day other than a Sunday or a holiday gazetted under the³Negotiable Instruments Act, 1977, and at any time during the ordinary working hours by day, after giving to the Excise and Taxation Officer 24 hours notice of the day and hour fixed by him, work off every still in the distillery and arrange that no distillation shall be in progress for one hour in order that the Excise and Taxation Officer may take an account of the working of the distillery.
33. A distillery may remain open for work on a Sunday or a holiday gazetted under the² Negotiable Instruments Act, 1977, provided notice is given to the Excise and Taxation Officer at least 24 hours before the Sunday or holiday in question and a fee shall be paid to Government *Rs. 500/- per day or part of a day as fixed by the Government for each distillery. If a distillery remains open for work after due notice to the Excise and Taxation Officer on any of the holidays specified below, the fee payable to Government for every such holiday shall be double the ordinary fee :-
- (1) New Year's Day,
 - (2) Christmas Day,
 - (3) Id-ul-Fiter (Principal Day),
 - (4) Id-ul-Zuha (Principal Day),
 - (5) Muharram (Tenth Day),

1. Rule 29 substituted by SRO-28 dated 4-2-1966.

2. Now Central Act No. 26 of 1881.

* . Amended vide SRO-360 of 31.12.98.

- (6) Shaib-i-Barat,
- (7) Guru Govind Singh's Birthday,
- (8) Guru Nanak's Birthday,
- (9) Basant Panchmi,
- (10) Shivratri,
- (11) Holi,
- (12) Baisakhi,
- (13) Janam Ashtmi,
- (14) Dussehrah (Principal Day), and
- (15) Diwali.

Explanation:- "Open for work" shall mean any normal operation connected with the distilling of spirit and includes fermentation of bub or wash.

- 34. An account of overtime fee charged under rule 33 shall be maintained in the distillery register in form D-23 and the amount due for each month shall be payable within seven days of the closure of the month concerned. Intimation as regards the amount due during the month shall be sent by the Excise and Taxation Officer to the Manager of the Distillery at the close of each month.
- 35. If the distillery works at other than the ordinary hours by days the Excise and Taxation Officer shall remain present within the distillery enclosure, but, except in case of emergency, the licensee shall not require him to lock or unlock any receiver, vet or other part of the plant ; and he shall lock the outer door of the distillery and shall not allow any person to enter or leave the distillery enclosure, except in accordance with the arrangements to be made with the sanction of the Deputy Commissioner Excise for the convenience of persons who may be permitted to enter or leave the distillery at fixed hours, in connection with the operations being carried on.
- 36. If the distillery works on a Sunday, or a gazetted holiday, the Excise and Taxation Officer shall remain present for duty within the distillery enclosure but unless so authorised by the Deputy Commissioner Excise, he shall not be required to take any action for the bottling or issue of spirit ; and he shall lock the outer door of the distillery and shall not allow any person to enter or leave the distillery enclosure except in accordance with the arrangements to be made with the sanction of the Deputy Commissioner Excise for the convenience of persons who may be permitted to enter or leave the distillery at fixed hours, in connection with the operations being carried on.

37. (1) The use of naked lights of any description within the distillery is prohibited.
- (2) Smoking in any portion of the excise enclosure where spirit is manufactured, stored, bottled or issued, is strictly prohibited.

**PRESCRIBED OUTTURN OF SPIRIT AND STOCKS OF SPIRIT AND
DISTILLING BASE**

38. The licensee shall, if there is a demand upon his distillery for such a quantity, produce during each calendar year at least 90 per cent, of the outturn of plain and spiced country spirit which his stills are capable of producing according to the estimate of their charge capacity entered in his licence. 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.
39. Subject to the provisions of the preceding rule, the licensee shall maintain a stock of plain and spiced country spirit, bulk as well as bottled, 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 emergent and unexpected demand during the last days of the preceding month, the stock on the first day of any month is below the amount required by this rule, 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 and Taxation Commissioner and persistent failure to comply with this condition will entail the cancellation of the licensee's licence.
40. The licensee shall have always in stock, in a gur, molasses or mahua stores, to be provided by him and approved by the Excise and Taxation 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 38 for full working days in the months from October to March, inclusive, and for 7.5 full working days in the months from April to September. The stock shall be calculated on the basis that it requires 23 maunds of gur, or 4 maunds of the molasses or mahua to prepare 100 gallons of wash ; provided that if the licensee maintains a stock of country spirit over and above the quantity required by rule 39, then the stock of gur, molasses or mahua may be correspondingly reduced. In making this calculation one hundred of gur, molasses or mahua shall be

considered to be equivalent to 5, 3, 5 and 3 London Proof gallons of country spirits respectively. The licensee shall, on the 1st and 15th day of each month, report to the Excise and Taxation Officer the quantity then in stock, and shall permit the Excise and Taxation Officer to verify the quantity if he desires to do so.

41. The licensee shall always have in stock empty quart, pint and half pint bottles, pale as well as dark, so that after complying with all orders in hand, the stock of empty bottles shall be equal to the amount of bottles issued during the corresponding month of the last year. The licensee shall, on 1st and 15th day of each month, report to the Excise and Taxation Officer the quantity of empty bottles in gross numbers, then in stock, and shall permit the Excise and Taxation Officer to verify the said quantity if he desires to do so.

ACCOUNTS AND REGISTERS.

42. 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.
43. The licensee is entitled to inspect those registers maintained by the Excise and Taxation Officer which relate to the operation of distillation and issue and to stock taking, and notice should be given to him of any corrections made in them.
44. (1) If the licensee has a laboratory attached to his distillery and requires spirit for use in the laboratory he shall be entitled to remove to the laboratory from the distillery duty free from either the safes of the stills, the spirit receivers, the spirit store or from the maturing warehouse, finished spirit and unfinished spirit to the extent of three gallons per month; provided that not more than two quart bottles shall be so removed at any time and the spirit so removed shall not be used in the distillery laboratory otherwise than for experimental works connected with distillery 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 distillery for redistillation.

(2) An application for every quantity of spirit required to be removed from the distillery under this rule must be made in writing to the Excise and Taxation Officer, 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 distillery 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.
45. The licensee shall also be entitled to remove once a year duty free Indian made foreign liquor and country spirit not exceeding one gallon or with the permission previously obtained of the Excise and Taxation Commissioner in specified quantities in excess of one gallon from the distillery for laboratory examination in a state in India; provided that he shall keep a regular account of the disposal of such duty free spirit which will be subject to examination by Excise Officers. He shall also produce within two months the receipt in respect of the duty paid on such consignment on its entry into a State in India. In default the licensee shall be required to make good the duty which otherwise would have been levied on the quantity of liquor, when it left the distillery. The licensee shall, if required to do so, produce a certificate showing that the liquor in question was duly examined.
46. The licensee within one week of their being made, but not later, may call in question, by an objection in writing presented to the Excise and Taxation Officer, any entries in those of the Excise and Taxation Officer's registers which are open to his inspection. Any dispute regarding such entries which cannot be settled by discussion between the Excise and Taxation Officer and the licensee shall be referred to the Deputy Commissioner Excise. If no objection is raised the entries shall be presumed to be correct.

THE UPKEEP OF BUILDINGS AND PLANT

47. All buildings and plant used directly for the manufacture and storage of wash and spirit must be situated in a distillery enclosure in which no business shall be carried on, except that of the manufacture, storage and issue of spirit. The enclosure shall be surrounded by a wall having one opening only and so built as to prevent communication between distillery enclosure and outside except through the opening provided.
48. The buildings and plant shall be specified in the licence and shall be properly maintained to the satisfaction of the Deputy Commissioner Excise. Particular attention shall be given to their cleanliness.
49. 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 Excise and Taxation Commissioner may direct him to provide.
50. 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 distillery within one week after receipt of notice to that effect from the Deputy Commissioner Excise.
51. If any still, vat, pipe or other part of the plant is at any time found to be defective or leaking, and the Excise and Taxation Commissioner or the Deputy Commissioner Excise orders the discontinuance of its use, it shall not be used again till it has been repaired to the Commissioner's or the Deputy Commissioner's satisfaction, as the case may be.
 52. The licensee shall not alter the buildings or plant specified in his licence without the permission of the Excise and Taxation Commissioner; provided that any minor and urgent alteration or repair may be made with the consent of the Excise and Taxation Officer, who shall forthwith report the same to the Deputy Commissioner. Any important alteration sanctioned shall be noted on the licence.
 53. All processes for the manufacture, issue and sale of foreign liquor must be conducted within the distillery enclosure.

STILLS AND OTHER PLANT, PIPES

54. The distillery 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 storevats, the distillate shall be contained in close 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 distillery 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 lees shall be carried off in closed pipes or covered drains.
55. The ends of still worms and all pipes which carry spirit or serve spirit receptacles shall be firmly fixed into the receptacles they serve.
56. 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.
57. All the joints in spirit pipe 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 and Taxation Commissioner the flanges may be pierced by a bolt carrying a revenue lock, inserted through a hole, at one end of the bolt. Alternately the flanges may be drilled with a 1/8th of an inch in diameter through which a wire should be twisted together, and sealed with a revenue seal.

58. The licensee shall be responsible for preventing any leakage from pipes.
59. Pipes intended for the conveyance of wash and spirit must be so fixed that they can be examined throughout the entire length.
60. 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 or electric wires used for the purposes of illumination or power, black; if for the conveyance of molasses, blue.

LOCKS

61. The charging and discharging pipes of pot-stills, all spirit safes and all manddoors, cocks, or other openings 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 pipe and the doors of 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 which are not interchangeable, and of which one lock shall be a revenue lock, in charge of the Excise and Taxation Officer, and the other a distillery lock in charge of the licensee.
62. Revenue locks supplied by the Excise and Taxation Commissioner shall 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.
63. 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 receptacles concerned, without opening both the locks which control such building, pipe or receptacle.
64. 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 riveted pins. If a part of any fastening is attached to a door or a receptacle, it must be by rivets 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.

65. When it is necessary for the licensee's operations that locks upon closed pipes be left open, when the Excise and Taxation Officer 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, SPIRIT AND DENATURED SPIRIT

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

Exceptions –

- (i) Bottles required for bottling country spirit or Indian made foreign spirit under rule 98.
- (ii) Bottles or other vessels in such number as may be determined by the Excise and Taxation Commissioner containing essences, colours and the like, needed for the licensee's legitimate operations, but they should be stored in the colouring and compounding materials room referred to in rule 97.
- (iii) Bottles or other vessels intended for use as containers of rectified or denatured spirit, to be supplied to Civil Surgeons or to scientific institutions approved by the Excise and Taxation Commissioner.
- (iv) Bottles or other vessels for removal of products by the distiller for purposes enumerated in rules 44,45 and 123 (c) of these rules.

67. Vats shall ordinarily be used for the storage of spirit, but a limited number of casks or drums may, subject to the provisions of rule 69, be kept in the store room for the storage of special kinds of spirit such as whisky, 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, or casks or drums filled according to rule 112 of these rules for issue, may be kept temporarily in the store room for issue to purchasers.

68. 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 and Taxation 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, according as the Excise and Taxation 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 Excise and Taxation 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.

69. 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 Deputy Commissioner Excise.
70. Except with the special sanction of the Excise and Taxation 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.
71. No receptacle of which the contents are estimated by a gauge rod, shall be brought originally into use till it has been gauged and passed by the Excise and Taxation Officer 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 regauged and passed by the Excise and Taxation Officer and a revised table book has been prepared.

FERMENTATION VATS

72. Fermentation vats shall be placed in a room or building specially set apart for them alone.
73. The licensee shall provide vats for the fermentation wash having a capacity sufficient for the continuous working all the stills in the distillery, up to the maximum of their capacity as recorded in the licence, upon the calculation that it required five days to ferment wash.
74. No wash shall be used, except such as has been prepared within the distillery, nor shall any wash be removed from the distillery :

Provided that if so desired the licensee may be allowed to remove samples of wash from each vat in quantity not exceeding half a gallon per vat use in the distillery laboratory :

Provided further that in the case of the preparation of wash for the manufacture of malt whisky, the said wash may be prepared in the Brewery and then pumped into a distillery for purposes of distillation.

75. When wash is about to be prepared, the licensee shall give notice to the Excise and Taxation Officer. 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 Excise and Taxation Officer an opportunity of verifying this quantity whenever he may deem it desirable to do so.

- 76 (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 begun to run into 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 Excise and Taxation Officer 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 Excise and Taxation Officer 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 registers. 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 a manner as the Excise and Taxation Commissioner may specially prescribe.
77. No substance of any kind shall be added to the wash after it has been gauged and proved, except water and such substance as the Excise and Taxation Commissioner may have specially approved, or bub added under the procedure set forth in the next succeeding rule ; provided (1) that due notice of such addition is given by the licensee to the Excise and Taxation Officer ; (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 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.
78. (a) The preparation of bub shall be conducted in a special bub vat or vats set apart only or 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 material used for setting up the bub but fermentation must not be allowed to proceed to a close 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 and Taxation 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 or 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, record the quantity in bulk gallons, and the original specific gravity of the addition. Excise and Taxation Officer shall enter a copy of these particulars in his registers and make the necessary alterations in the records of the wash, to which it is added.
- (c) The licensee shall give notice to the Excise and Taxation Officer with details of the registered numbers of the vessels concerned before any conveyance of bub from the vat in which it is prepared to the main wash. The gauge and specific gravity of the contents of any fermentation vat to which bub is added must, after thorough mixing, be recorded by the Excise and Taxation Officer immediately before and after the addition.

79. As soon as wash is fully attenuated and ready for distillation, the licensee shall inform the Excise and Taxation Officer and the Excise and Taxation Officer 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.

80. The licensee shall not draw off or use the attenuated wash until it has been gauged and proved by the Excise and Taxation Officer and when he does draw it off ; the Excise and Taxation Officer shall enter in the prescribed register particulars regarding the quantity drawn off and the still into which it is drawn off.

STILLS

81. Stills may be of any form or construction the licensee may think proper and for which he has a licence, but the still power of the distillery shall not

be increased without the special sanction of the Excise and Taxation Commissioner.

82. The Excise and Taxation Commissioner may authorise the replacement of any still by another of equivalent distilling 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.
83. There shall be no openings into any still, except those in connection with the charging and discharging pipes, pipes for the conveyance of vapours or fluids from one part of the still to another, condensers, manddoors and air cocks or valves upon the breast of head. The external orifice 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.
84. When wash is being distilled in a pot-still, and in all distillations by a continuous still, the still need not be secured by the Excise and Taxation Officer with a revenue lock.
85. When a pot-still is being used for the redistillation of unfinished spirit, the manddoor and the charging and discharging pipes shall be secured by the Excise and Taxation Officer with closed fastening, and a pot-still used for redistillation shall be charged and discharged only after notice has been given to the Excise and Taxation Officer and under his supervision.

SAFES

86. A safe furnished with a hydrometer or specific gravity beads, 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 control the worm ends communicating between a number of stills and their receivers.

RECEIVERS AND CHARGES

87. 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 faints.
88. The receiver or receivers attached to each still or set of stills shall be of a capacity enabling them to contain all the distillate which can be produced by the still or set of stills 36 hours' full working.
89. The spirit, whether finished or unfinished, produced by any one distillation, shall be run into an empty receiver or receivers, and such spirit shall be

gauged and proved by the Excise and Taxation Officer in the presence of the licensee or a responsible representative deputed by him for this purpose, 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.

90. 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.
91. The Excise and Taxation Officer shall arrange ordinarily to discharge into a still or charger, as desired by the licensee, directly after each distillation, all unfinished spirit run into the receiver or receivers connected with such distillation, 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

92. 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.
93. 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 and Taxation Commissioner, make the necessary increase to it.
94. A store vat or vats may be separately set apart and used for the storage of each of the following kinds of spirit, viz :-
- (1) Plain spirit, (2) Spiced spirit including special spiced and matured spirit, (3) Indian made foreign spirit, (4) Denatured spirit :

Provided that, excepting denatured spirit, 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 of spirit, unless the vessel is properly cleaned and filled with water for at least 24 hours so that no smell, taste or colour of a previous spirit is imparted to a fresh spirit.

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 denaturing room.

95. With the previous sanction of the Excise and Taxation Commissioner, country spirit or Indian made foreign spirit intended to undergo the process of maturing may be stored, with out prepayment of duty in an unlimited number of casks in a room within the distillery enclosure specially set apart and used only for this purpose and secured under the double lock of the Excise and Taxation Officer and the licensee. The spirit for maturation may, with the special permission of the Excise and Taxation Commissioner, be kept in wooden vats and in spirit store room, which shall for the purposes of this rule be deemed to be matured spirit warehouse. The room will be designated the matured spirit warehouse.

"Spirit for maturation may, with the special permission of the Excise and Taxation Commissioner, be kept in specially marked wooden vats in the spirit store room, which shall, for the purposes of this rule, be deemed to be a matured spirit warehouse."

Deposits, in and withdrawals from, the warehouse will be governed by the following regulations:-

- (1) An application for the removal of country spirit or Indian made foreign spirit from the store-room to the matured spirit warehouse must be made in writing to the Excise and Taxation Officer. The application, on 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 shall 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 filled to the bung-hole with the spirit intended for removal and the capacity determined in the manner prescribed by the Excise and Taxation Commissioner. No objection need be raised if it is desired to draw off 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 column of the issue register, but it is important 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 1st of April in each year, also the Gregorian year in which the deposit is made, and the full capacity to the nearest tenth of 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, Excise and Taxation Officer 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 leakage 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 Deputy Commissioner Excise in his periodical visit 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 and Taxation Commissioner, he should enquire into the cause and satisfy himself that no illicit abstraction from the cask has occurred. The Excise and Taxation Officer will be responsible that the casks, while in the warehouse, are not tampered with, unless, in his presence, for necessary repairs, or for examination of the spirit by the licensee or his manager.

- (12) Reduction of the contents of a cask is not permitted in the warehouse. Removals from the warehouse will be made to the store-room, where reduction can be effected before the spirit is finally issued from the distillery. No objection need be raised, however to the introduction of a new cask, whose full capacity has been first ascertained for reception of the contents of a defective cask in the warehouse. When this is necessary, the Excise and Taxation Officer 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 warehoused and (on its removal) the ullage quantity and strength.
- (15) On receipt of the licensee's application, the Excise and Taxation Officer will, after taking account of the spirit in the cask by means of the bung rod in the manner prescribed by the Excise and Taxation 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 and Taxation Commissioner. In the event of the deficiency being in excess of the prescribed scale, the Excise and Taxation Officer will make a brief report in the warehouse register on the condition of the cask and delivery i.e. "no apparent cause" in cases where the cask is in an apparently sound condition, and a few brief remarks where such causes as leaks, defective staves, broken hoops, porous wood etc., might account for the excess. The Deputy Commissioner Excise, at his inspections, will enquire into the reasons given for the excess, and, if he is satisfied will initial the Excise and Taxation Officer's entry in the warehouse register. If he is not satisfied that the excess is due to natural or accidental cause, he will take action for recovery of duty on the excess under rule 108, if necessary.

MANUFACTURE, STORING AND PASSING OUT, OF SPIRIT

96. Blending or reduction of plain spirit is permitted in the store vats ; provided the blending and reduction is done in the presence of the Excise

and Taxation Officer 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 109 below. Water used for reduction must be pure, and the licensee must comply with the directions of the Deputy Commissioner Excise regarding the water supply.

97. The colouring and/or compounding of spirit with materials not specifically prohibited by the Excise and Taxation Commissioner is permitted :-

- (a) in store vats, and
- (b) in the special issue room (rule 109) at the time of issue :

Provided this is done in the presence of the Excise and Taxation Officer under his supervision.

All colouring and compounding materials brought into the Excise enclosure shall be entered by the Excise and Taxation Officer in the register in form D-16 and be kept thereafter in the colouring and compounding materials rooms. Their quantity and character shall be subject to check as occasion may require.

98. Subject to the approval of the Excise and Taxation Commissioner, operations connected with the filling of bottles with country spirit and Indian made foreign spirit for issue shall be conducted in bond under the supervision of the Excise and Taxation Officer in separate rooms called bottling rooms for country spirit and Indian made foreign spirit, respectively, set apart for the purpose, within the distillery enclosure, near the spirit store. In these rooms the licensee may set up such apparatus for filtering, bottling and processes connected therewith as may be needed. Bottled spirit shall be stored in separate rooms called the bottled spirit store for country spirit and Indian made foreign spirit, respectively, set apart for the purpose within the distillery enclosure near the bottling rooms. The bottling rooms and the bottled spirit store rooms shall be secured in such manner as the Excise and Taxation Commissioner may approve. In the bottling rooms, bottling vats may be erected and spirit stored therein. The following rules shall be observed for the conduct of bottling operations:-

- (a) Country spirit and Indian made foreign spirit shall be bottled at the strength from time to time prescribed by the Excise and Taxation Commissioner.
- (b) 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 12 hours after operations are complete, unless arrangements approved by the Excise and Taxation

Commissioner have been made to cool the spirit to a 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 Excise and Taxation Officer 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 and Taxation Commissioner.

(e) Bottles and flasks of the ¹[following sizes or such other standard sizes as are approved by the Indian Standard Institution] shall be used :-

- (i) Quarter bottles of the capacity of 6 $\frac{2}{3}$ ounces,
- (ii) Reputed pint bottles of the capacity of 13 $\frac{1}{3}$ ounces,
- (iii) Reputed quart bottles of the capacity of 26 $\frac{2}{3}$ ounces.

The licensee shall not use for bottling spirit any bottles or flasks bearing the name or trade mark of any other bottler or any other distillery. The Excise and Taxation Commissioner may accord permission to a licensee for a period not exceeding six months to use such bottles or flasks of another distillery.

(f) The bottles and flasks, mentioned in sub-clause(e) shall be of standard pattern.

For the bottling of country spirit they shall bear the following specifications moulded or sand-blasted on the glass :-

- (i) the word "Jammu and Kashmir Excise".
- (ii) the figures and words "26 $\frac{2}{3}$ ounces" and "13 $\frac{1}{3}$ ounces" or "6 $\frac{2}{3}$ ounces" in the case of reputed quarts, pints and quarter bottles respectively ²[or such other standard sizes as are approved by the Indian Standard Institution],
- (iii) the name or mark of manufacturer of the bottles, and
- (iv) a line across the neck up to which the bottles shall be filled in order to contain the proper quantity.

For the bottling of Indian made foreign spirit they shall either bear the same specifications moulded on the glass as prescribed for country spirit or shall have a monogram moulded or sand-blasted on them consisting of the letters "J and K E" and the figures and letters "26 $\frac{2}{3}$ ounces" , "13 $\frac{1}{3}$ ounces" or "6 $\frac{2}{3}$ ounces".

1. Substituted by SRO-162 dated 9-4-1963.
2. Inserted by SRO-162 dated 9-4-1963.

- (ff) Notwithstanding the provisions contained in sub-rule (f) above, the Excise and Taxation Commissioner may in case of emergency, permit the use of non-standard pattern bottles, without the name or mark of the manufacturer of the bottles or a line across the neck and also to sand-blast letters "J. and K. E." instead of the words "Jammu and Kashmir Excise" on pints and nips to be used for the bottling of country spirit.
- (g) All bottles mentioned in sub-rule (e) shall be securely sealed with a lead capsule cemented with improved quality of cement on to the bottles in such a way as to make it impossible to remove the capsule without its being torn. The capsule shall bear (i) the name of the distillery, and (ii) the kind of liquor bottled at the top and shall be twisted round the neck of the bottle by means of a machine.
- (h) The licensee shall use the following kinds of capsule 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 spirit ~~Wax~~ finished capsules.
 - (iv) For Indian made foreign spirit Wax finished capsules.

The word "capsule" appearing in this clause includes aluminium capsules of good quality ; provided that the Excise and Taxation Commissioner may, in case of emergency, permit the use of plain capsules, without the superscription required by the clause (g) (i) and (ii) above.

All the capsules shall bear in black letters the information set forth in clause (g) above. The degrees of obscuration shall be shown on the capsule or otherwise on the label mentioned in sub-rule (1) if the obscuration exceeds two degrees. With the previous sanction of the Excise and Taxation Commissioner, only to be given in exceptional circumstances, of which the Excise and Taxation Commissioner shall be the sole judge, a licensee may use plain capsules on bottles containing plain spirit, or the capsules of another distillery with the consent of that distillery.

- (i) Plain country spirit shall be bottled in dark glass bottles or flasks and spiced spirit, including special spiced spirit, whether coloured or uncoloured, in clear glass bottles or flasks.
- (j) 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.
- (k) The licensee shall label each bottle after bottling with a label showing the following particulars :-

- (a) the name of the distillery,
 - (b) the district in which it is situated,
 - (c) the kind of liquor bottled,
 - (d) the strength of the liquor in degrees of proof,
 - (e) the degree of obscuration, and
 - (f) in case of country spirit the words "Desi Sharab" in Hindi and Persian characters.
- (1) Before bringing any label into use the licensee shall submit exact copies thereof in triplicate to Deputy Commissioner who shall forward them to the Excise and Taxation Commissioner, for his approval. The Excise and Taxation Commissioner, if he approves of the label, shall number it and affix his official seal. One copy will be retained in the Commissioner's office for record. The remaining two copies will be returned to the Deputy Commissioner Excise, who will send one copy each to the Excise and Taxation Officer and the licensee for information and record. The licensee shall comply with such instructions as the Excise and Taxation Commissioner may issue regarding any label. If the licensee desires to affix any more labels to the bottles, he shall submit specimens for approval in the manner prescribed above. Secondary labels need not have printed on them all the details required for the main label. In particular the licensee shall carry out the following directions :-
- (i) all labels required to be used on the bottles of spiced spirit shall bear the word "masalahdar" in Hindi and Urdu characters and the words "spiced spirit" in English characters;
 - (ii) labels bearing the words "Superior" or "Special" shall only be used on the bottles of special spiced spirit. Labels bearing the words "Old" or "matured" shall only be affixed to bottles containing spiced spirit that has been kept in the matured spirit warehouse for more than two years in bond from the date of distillation;
 - (iii) the words "Rum" or "White Rum" shall not be used on labels to be affixed to bottles containing country spirit;
 - (iv) the words "Malt Whisky" shall only be used on labels to be affixed to the bottles containing malt whisky only, as defined in these rules ;
 - (v) the labels on the blended product of malt whisky made in the distilleries and of imported Scotch Whisky shall describe it as "Indian Malt and Scotch Whisky Blend" ;

- (vi) the words "Matured Whisky" shall be used only on bottles containing matured whisky, as defined in these rules.
- (m) Labels must be so affixed as to be easily distinguishable. No label shall be pasted over the words "Jammu and Kashmir Excise" and the figures and words "26 2/3 ounces", "13 1/3 ounces", "6 2/3 ounces" moulded or sand blasted on the bottles.

The approval of a label by the Excise and Taxation Commissioner merely implies that there is no objection to the label from the stand point of the excise administration, it does not grant a copyright.

- (n) An account of spirit received and used for bottling shall be maintained in form D-13-B.
- (o) Except with the special permission of the Excise and Taxation Commissioner, the Jammu and Kashmir Excise bottles shall not be used for bottling any country or Indian made foreign spirit, which is intended for export to any state in India. Such spirit shall be bottled either in plain bottles or in bottles bearing such marks and indications not being those approved for Jammu and Kashmir State as may be required by that State or province. The spirit bottled for export may be issued at such strength and in bottles of such sizes as may be required by the regulations of that State; provided that the strength of spirit thus issued shall not be lower than that prescribed for the Jammu and Kashmir State. Such bottling shall take place on days other than those on which bottling for the Jammu and Kashmir State takes place or if done on the same day, it must be done in a separate room. Such spirit shall also be stored separate from that meant for the Jammu and Kashmir State. The capsules and labels to be used on spirit bottled for export to any other State shall be of such design and bear such words as may be required by the Excise authorities of the destination to which the liquor is to be consigned. The labels shall clearly state the name of the State to which the spirit is to be exported. If the labels used resemble those approved for use in the Jammu and Kashmir State, they shall be over printed with the words "For sale in another State only". The type to be used for such over printing shall not be smaller than two line pica.

99. Manufacture of ginger wine, milk-punch and medicated wines :-

- (i) Ginger wine, milk-punch and medicated wines shall be manufactured and bottled in the compounding room of the distillery in the presence of the Inspector.
- (ii) The spirit, whether plain or sophisticated, required for the manufacture of these wines shall be measured out from the bonded store-room of the distillery.

- (iii) The duty on these beverages shall be charged in the same way as in the case of other spirit stored in the distillery. Pending the issue from the distillery, the bottled stock thereof shall remain in bond under lock and key.

DENATURATION OF SPIRITS

100. For the purpose of rendering spirit effectually and permanently unfit for human consumption, no substance other than light caoutchoucine and mineral pyridine bases shall be used. They shall be mixed with the spirit to be so rendered unfit for human consumption in the proportion of one-half per cent, by volume of caoutchoucine and one-half per cent, of mineral pyridine bases to the whole volume of spirit which shall be of not less strength than 50 degrees overproof :

Provided that the previous sanction of the Excise and Taxation Commissioner is obtained in each case, the use of wood naphtha as sole denaturant is also permitted for denatured spirit to be supplied to the Medical Stores Depots. One part by volume of crube wood naphtha of the specifications approved by the Excise and Taxation Commissioner, and nineteen parts of spirit of a strength of not less than 50 degrees over-proof shall be mixed to prepare such denatured spirit :

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

101. The specifications of light caoutchoucine and mineral pyridine bases shall be those from time to time approved by the Excise and Taxation Commissioner.
102. Specially denatured of the strengths of not less than 60 degrees over-proof may be issued to soap manufactures ; provided that it is denatured with the following denaturants :-

- (a) half per cent. Caustic soda ;
- (b) three per cent. Castor oil soap ;
- (c) one per cent. of the volume of wood naphtha or methyl alcohol.

The specification of caustic soda and castor oil soap and alcohol are given as follows :-

Caustic soda to be used should contain at least 90 per cent active Sodium Hydroxide and when dissolved in water should form a clear solution.

Castor oil should be made from pure filtered castor oil with a filter caustic soda lye made from 76 per cent. Na oz. or 98 per cent caustic soda. The soap should not contain more than 28 per cent., or less than 25 per cent of water ; 5 gms. of the soap should be able to dissolve into a clear solution in 50 c.c of hot distilled water. It should be absolutely free from any filters whatsoever. A portion of the soap when placed on an unglazed paper should not show any stain. The insoluble free fatty acids obtained from the soap should have an iodine value between 85 and 92 and acid value between 190 and 195, melting point between 10 and 13 degrees centigrade and refractive index 1.4525 to 1.4565 at 60 C. The acids should be derived as follows :-

Dissolve the soap in hot distilled water and add a slight excess of Hydrochloric Acid. Heat the mixture on a water bath until the fatty acids form a transparent layer at the top. Separate the fatty acids by means of a separatory funnel and wash them with hot water until the washed waters are neutral when they are treated with Methyl Orange. Transfer the acids in a dry beaker and heat them at 100° in an oven for about 1^{1/3} hours. The acid thus dried should be tested for iodine value, acid value, refractive index ,etc.

The alcohol or rectified spirit used should be not more than 66 degrees or less than 60 over-proof.

For denaturing 100 gallons of rectified spirit the process recommended is as follows :-

Take the rectified spirit in the tank and add to it 30 lbs. of castor oil soap as specified above little at a time and stir the mixture continuously until it is completely dissolved. A slight turbidity may be overlooked. Take 4 lbs. Of caustic soda and dissolve it in 2 gallons of water. After the caustic soda has been completely dissolved allow the solution to cool and settle. When the solution comes to the room temperature add the clear solution to the soap alcohol mixture, stir it well and allow the mixture to settle. The clear denatured alcohol thus obtained is then ready for distribution . The denatured alcohol should have the following properties :-

10 c.c. of denatured alcohol should require not less than 9.00 and more than 11.00 c.c. of 0.1 normal sulphuric acid.

103. No consignment of denaturing materials intended to use in rendering spirit permanently and effectually unfit for human consumption shall be brought into a distillery otherwise than with the permission of, and in the presence of the Inspector.

104. 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 this 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 Deputy Inspector, and the key of the other lock shall remain with the licensee.

105. For the purpose of satisfying himself that the denaturing materials stored in any licensed distillery are efficacious for the purpose of rendering spirit effectually and permanently unfit for human consumption the Deputy Commissioner Excise 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 to Government, for the purpose of being tested and its quality and efficacy being reported upon.

No spirit stored within a licensed distillery shall be denatured otherwise than with the permission of, and in the presence of, the Excise and Taxation Officer.

106. For the purpose of ascertaining that spirit has been effectively and permanently rendered unfit for human consumption in the manner prescribed, the Deputy Commissioner Excise in whose jurisdiction the distillery is situated shall, not less than once in every three months, and without previous notice to the licensee, cause to be taken from stock a sample of such spirit, amounting to about six fluid ounces, and shall send such sample to the Chemical Examiner to Government, for examination and report. A copy of the report of the Chemical Examiner shall be submitted to the Excise and Taxation Commissioner.

WASTAGE AND LOSS

107. If it is found that the wastage in any distillery is excessive, the Excise and Taxation 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.

108. In case extraordinary wastage of spirit occurs in a distillery owing to any cause, an enquiry into the circumstances shall be made immediately under the orders of the Deputy Commissioner Excise or the Excise and Taxation Commissioner, and, if it is found that the wastage was due to preventable cause, which the licensee should have foreseen or guarded against, and that the spirit was required to meet a demand made on the distillery, the

meeting of which was delayed by reason of the loss, the licensee shall, if directed to do so by the Excise and Taxation Commissioner, pay 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

109. 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 distillery.
110. No vessel shall be filled with spirit for issue, except in the joint presence of the Excise and Taxation Officer and of a representative of the licensee.
111. 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 Excise and Taxation Officer shall record the actual quantity and strength of the spirit actually drawn from each vat.
112. 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 and Taxation Commissioner's sanction, be measured into a vessel for issue by means of gallon measures. Spirit may be passed through a filter before it enters the gauging machine.
113. Before a gauging machine is brought into use, the Excise and Taxation Officer shall verify its correctness with his standard measures, and he shall with these measures re-verify it on the 1st and 15th day of each month.
114. The licensee is responsible for securing the bungs or other openings of all casks and vessels filled for issue and for preparing them, or , if they are packed, preparing their packages, for sealing by the Excise and Taxation Officer, in such a way that they cannot be opened without damaging the seal.
115. The Excise and Taxation Officer shall weigh the empty casks and the casks filled with spirit and record the weight in the register in form D-22. If the check by weighment shows an excess of deficiency of more than 2 lbs. In 40 gallons, the liquor should be re-measured. As issues are made by measurement and not by weight, the result of weighment should not be accepted as final without re-measurement.

116. In case the licensee is required to issue spirit of specified strength, he shall, if the Excise and Taxation Commissioner so directs have a label of a special colour prescribed by the Excise and Taxation Commissioner, for each such specified strength at which spirit is issued by him and shall put the appropriate label on each vessel and package before presentation to the Excise and Taxation Officer for sealing .
117. The licensee shall not decline sale or refuse supplies to any licensed vendor wholesale or retail, who has obtained a permit for the issue of spirit from his distillery 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 application received by the Excise and Taxation Officer, the decision between applications bearing the same date, being made by the Excise and Taxation Officer by lot ; provided that not more than 500 gallons shall be supplied at one issue to a licensed vendor 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 distillery 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

118. 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, except when spirit is issued in bond as a sample in accordance with rule 123 (e) below. The removal of any spirit other than bottled spirit shall not be remitted in vessels of less than four gallons capacity.

This restriction does not apply to rectified spirit issued duty free to hospitals and dispensaries in the State or any other State in India ; provided that the aggregate quantity issued on any one indent is at least one bulk gallon.

119. No spirit shall be issued till its quantity and strength have been verified by the Excise and Taxation Officer or, in the case of spirit flavoured and coloured to suit a special Indian State, under the special arrangements made for verification of its strength. All spiced spirit, except aniseed spiced spirit, which turns milky white on dilution, shall be coloured before issue to licensees in the Jammu and Kashmir State.

120. The licensee shall, if required to do so by the Excise and Taxation Commissioner, issue spirit only in specified strength either generally or for particular classes of purchasers.
121. No spirit shall be issued, except under a distillery pass granted by the Excise and Taxation Officer.
122. The Excise and Taxation Officer shall issue on the same day spirit indented on indents received by him up to 12 noon. No spirit shall, however, be issued outside the hours prescribed in rule 29 above. Any indent, which cannot be complied with on the same day, shall be complied on the next working day. Indents received after 12 noon cannot ordinarily be expected to be complied with until the next working day.
123. (1) A distillery pass for the removal of spirit fit for human consumption may be granted in favour of any of the following persons only, namely :-
- (a) a person certified to be holding a licence in any part of the Jammu and Kashmir State to sell such spirit by wholesale or retail, and, when the spirit is to be transported or exported beyond the limits of the province in which the distillery is situated, holding a permit signed by the Deputy Commissioner Excise, or any other officer authorised in that behalf, of the district of destination ;
 - (b) an officer of the Supply and Transport Corps or commanding a regiment of the Indian Army holding a permit signed by the Deputy Commissioner Excise of the district of destination or presenting a requisition countersigned by the Brigade Commander or corresponding superior officer when it is proposed to export spirit for the use of troops serving outside the territorial limits of the State ;
 - (c) a person holding a permit signed by the Collector of a district in a State in India for the export of such spirit from the State into that State ;
 - (d) a person holding a permit signed by an officer duly authorised in that behalf for export of such spirit to a State in India ;
 - (e) the Manager of a distillery in respect of spirit issued as samples ; provided that :-
 - (i) spirit issued as samples does not exceed 2 L.P. gallons per month ;
 - (ii) samples are issued in bottles of the sizes specified in rule 98 above or in bottles of any size smaller than the quarter bottle ; and
 - (f) an officer of Government in respect of spirit removed by him in his official capacity.

- (2) A distillery 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 licence in the Jammu and Kashmir State to sell such spirit ;
 - (b) a person authorised by the Deputy Commissioner Excise to remove such spirit for industrial use ; and
 - (c) a person holding a permit signed by an officer duly authorised in that behalf for export of such spirit to any other State in India.
124. When the licensee desires to remove from bond any quantity of fusel oil, a sample shall be forwarded to the Chemical Examiner for analysis ; and if the result of analysis shows the percentage of alcohol to be less than 15 per cent. proof spirit, the fusel oil shall be issued under a pass in form D-20 free of duty.
125. Subject to the provisions of rule 118, the licensee may act as an agent in removing spirit for any licensed vendor (including any wholesale agency licensed in the name of a distillery) who, to enable the licensee to obtain a distillery pass, furnished him with a certificate showing that he is a licensed vendor.
126. Every application for a distillery pass for the removal of spirit shall be made in writing to the Excise and Taxation Officer and shall be accompanied by the certificate or permit required under the relevant sub-clause of rule 124 above, such certificate or permit being either a general one for the purpose of removal to be made from time to time or a special one for the purpose of single removal.
127. If the applicant tenders cash in payment of still-head duty, the Excise and Taxation Officer shall, after ascertaining that the licensee's price has been paid, fill up the challan for presentation with the cash at the treasury or sub-treasury of the district in which the distillery is situated. The applicant shall present the treasury receipt in token of his having paid the duty and the Excise and Taxation Officer shall affix it to the counterfoil of form D-20.
128. The applicant for a distillery 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 Excise and Taxation Officer for a revision of the calculation.

In calculating duty on bottled spirit 24 half pints, twelve pints or six quart bottles shall be reckoned as one gallon.

129. If, in removing spirit from the distillery as an agent for a licensed vendor, the licensee prefers not to pay duty at the time, he may remove the spirit
34
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. 2000 and each time an advance is replenished, it must be by a sum that will bring up to at least Rs. 2000/- . The Treasury Officer will keep the Excise and Taxation Officer informed of all payments credited to an advance and the Excise and Taxation Officer shall maintain a statement showing such payments and the duty debitible against them. He shall balance this statement on every day on which the distillery 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.
130. In addition to the methods described in rules 127 and 129 above, spirit may be removed from a licensed distillery
- (a) free of duty in bond, and (b) on the execution of a bond for the payment of duty. Removals under (a) require in each case the sanction of the Deputy Commissioner Excise while payments of duty in arrears under (b) can only be authorised by the Excise and Taxation Commissioner.
131. If the Excise and Taxation Officer is satisfied that the applicant is entitled under rules 124 and 126 above to remove spirit, and that the still-head duty has been paid or accounted for in one of the methods prescribed in rules 127, 129 and 130, 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 Excise and Taxation Officer of the district of destination.

PRICES

132. The licensee shall maintain in the office of the Excise and Taxation Officer a statement of the price current for plain, spiced and special spiced country spirit, bulk as well as bottled ; and shall not alter such price-current except after 24 hours notice to the Deputy Commissioner Excise. The price current statement and every notice of alteration of price shall be conspicuously posted in the general office of the distillery under the order of the Excise and Taxation Commissioner in forms prescribed by him.
133. The licensee shall duly comply with any direction that may from time to time be issued by the Excise and Taxation 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.

The Jammu & Kashmir Distillery Rules, 1946

Annexure to Cabinet Order No. 953-C of 1946.

Dated 26th October, 1946.

The forms forming annexure to this order to be considered as part of the Distillery and Brewery Rules sanctioned vide Council Order No. 373-C dated 29th June, 1946 and be published as such in the Government Gazette.

DISTILLERY FORMS.

FORM D-1

Application for a licence under section 11 of the Jammu and Kashmir Excise Act of 1958.

To

The Deputy Excise and Taxation Commissioner,

Dated atthe200...

Application of (1) * resident, or carrying on business atfor himself.

The undersigned for.....begs (2)* to apply for a acting on behalf of licence to (construct and) work and possess a Distillery under section 11 of the Jammu and Kashmir Excise Act, Svt. 1958.....in the district of.....in the Jammu/Kashmir Province

2. The applicant desires (3)* to work Stills of the following size and description, namely.....

3. In the event of licence being granted the applicant proposes (4)* to commence working the Distillery on.....

4. Plans and statement of the premises and buildings to be used as the Distillery and for store houses and other purposes connected with the business of distillation are annexed for approval. The applicant undertakes (5)* to erect buildings and to make all necessary structural or other alterations and additions to the premises and buildings which the Deputy Commissioner Excise may from time to time approve or direct and in all respects to conform the Deputy

*(1) Here enter the full name and address of the applicant. If more than one person is concerned in obtaining a licence the full name and address of each such person must be given. If the application is from a firm, the full name and principal place of business of the firm and the names of each partner thereof must be stated. If the application is from a company, the registered name and office of the company and the name of the officer thereof making the application must be stated.

*(2) Beg or begs, as the case may be.

*(3) Desire or desires, as the case may be.

*(4) Propose or proposes as the case may be.

*(5) Undertake or undertakes, as the case may be.

Commissioner Excise directions as to the maintenance of the premises and buildings in a proper state in regard both to the repair and conditions of the buildings and premises and their sanitation and suitability to the purposes of a distillery under the rules in that behalf for the time being in force.

5. The applicant undertakes (1)* to comply in all respects with (a) the provisions of the Excise Act and Rules made thereunder applicable to the Distillery or its working or possession ;
(b) the conditions which may be entered in the licence applied for .
6. A certificate from the Civil Surgeon to the effect that there are no objections on sanitary grounds to the carrying on of the business of distillation in the locality, premises and buildings proposed is attached.
7. Any further plans, estimates or information required will be promptly supplied.
8. The applicant is /are ready and willing to deposit the sum of Rs.....as security for the due performance by him / them of each and all of the requirements of the Act and Rules and the conditions of the licence.

Signed (2)*.....

* (1) Undertake or undertakes, as the case may be.

* (2) To be signed by each applicant (if more than one) or some persons legally authorised to sign for him, or for the firm or company when the application is from a firm or company.

FORM D-2

Distillery Licence.

Licence is hereby granted to under section 11 of the Jammu and Kashmir Excise Act, Svt. 1958 to manufacture:-

- (a) Country Spirit ;
- (b) Special Country Spirit (prepared for persons distinction under special permit of the Deputy Commissioner Excise) ;
- (c) Foreign liquor ;
- (d) Rectified spirit ;
- (e) Denatured spirit ;

In the premises herein specified, viz,-

Upon the following conditions :-

Conditions.

1. The licensee shall observe the provisions of the Jammu and Kashmir Excise Act, Svt. 1958 and all rules made thereunder and all rules made under any other law for the time being in force applicable to the manufacture, issued and sale of spirit.
2. A statement of the number, size, description and capacity of the stills which the licensee may erect or maintain under the licence and plans and statements of the premises and buildings to be used as distillery and for store house and other purposes connected with the business of the distillation are annexed to this licence.
The licensee shall not, without the sanction of the Excise and Taxation Commissioner, erect other stills or otherwise alter these buildings and plant.
3. The licensee shall at all times maintain in a state of efficiency and good repairs to the satisfaction of the Deputy Commissioner Excise the building and stills hereby licensed.
4. He shall furnish true statements as may be required by the Deputy Commissioner Excise in the form prescribed by rules.
5. He shall comply with all directions of the Excise and Taxation Commissioner regarding the character or purity of the liquor to be manufactured, the stock of spirit or materials to be maintained and all other matters in which compliance is prescribed by rules made under the Jammu and Kashmir Excise Act, 1958.

6. He shall not discontinue working the distillery (except in the case of closure for clearing or repairing) without giving six month's notice in writing to the Deputy Commissioner Excise his intention to cease work. He shall continue to fulfil the conditions of the licence during the currency of the notice.
7. If the licensee infringe, or cause or permit any person to fringe any of the conditions of this licence, the Excise and Taxation Commissioner may forthwith revoke and determine the licence and forfeit to the Government the whole or any part of the deposit made by the licensee under rule 4(a) of the Distillery Rules.
8. The licensee shall pay regularly and by due date all payments which may become due to Government and in default thereof the Excise and Taxation Commissioner forfeit the whole or any part of the any security furnished by him under rule 5 of the Rules.
9. The Excise and Taxation Commissioner may give the licensee notice in writing that his licence will determine at the expiry of not less than one year from the date of the notice.
10. If the licensee from any cause, physical or mental, becomes incapable of carrying on business or dies or becomes insolvent, or (in case the licensee is a company) is wound up, the Excise and Taxation Commissioner may either (1) cancel the licence, or (2) continue it in the name of the legal representantive of the licensee.
11. Upon the revocation, cancellation or determination of the licence under the preceding conditions, the licensee or his representative shall forthwith cease distilling and shall cease to use the building and plant for the purpose for which they were licensed. Neither the licensee nor any other person shall be entitled to any compensation or damages whatever, in respect of revocation, cancellation or determination of the licence.

(Sd.) Excise and Taxation
Commissioner.

Dated.....

FORM D-3

Licensee's Bond.

This Indenture made the.....day of.....between
.....son ofcasteresident of
..... (hereinafter called the mortgagor) of the one part and the
Governor of Jammu and Kashmir through the Excise and Taxation
Commissioner (hereinafter called the Government) of the other part ;

WHEREAS the mortgagor was on theday of 196 granted
a licence to work a Distillery at in accordance with the rules
contained in Notification which said licence is in terms of Form D-2
attached to the said Notification.

AND WHEREAS by rule 6 of the said rules the mortgagor is required to execute a
mortgage bond for the due discharge of all payments which may be , or
from time to time become, payable by him to the Government on account
of the working of the said Distillery.

NOW THIS INDENTURE WITNESSTH that in compliance with the said 6th rule
and in consideration of the grant to the mortgagor of the said licence to
work the said Distillery missioner (hereinafter called the Government) on
the other part ; at The mortgagor hereby covenants with as
may be , or from time to time become, payable in connection with the
working of the said Distillery on the days that such payments shall fall due
AND in further compliance with the said 6th rule and for the same
consideration aforesaid the mortgagor as full proprietor hereby grants,
conveys, and assigns. ALL those hereditaments and premises situate in
..... and more particularly described and specified in the schedule
hereto attached and delineated on the plan together annexed and thereon
coloured Together with all stock of spirit, apparatus, and
utensils, employed in the manufacture and storage of spirit, now or
hereafter, from time to time , to be brought on the said premises, together
with all easements, right and things appurtenant, or reputed appurtenant
to the said premises and all the estate, right, title, claim and demand
whatsoever of the mortgagor, into and upon the said premises, and the
said stock of spirit, apparatus, utensils and every part thereof, to hold the
same, unto and to the use of the Government, their successors in office
and assigns, in full proprietary right for ever subject to the proviso for
redemption, hereinafter contained, and the mortgagor for himself, his heirs,
legal representatives and assigns, hereby covenants with the Government
that he , the said mortgagor, now has god right to grant the hereditaments
and premises, and stock of spirit, apparatus and utensils hereby granted or
expressed so to be, unto and to the use of the Government in manner
aforesaid and that free from incumbrances.

AND THAT whensoever in exercise of the powers hereinafter reserved to the Government sale shall be made of the said premises, stock of spirit, apparatus, and utensils, hereby granted or expressed so to be, or any part thereof, the Government, and any other person or persons who may purchase the same, their heirs, legal representatives and assigns shall and may at all times thenceforth quietly possess and enjoy the same and receive the rents and profits thereof without any lawful eviction, interruption, claim or demand whatsoever from or by the mortgagor or any person rightfully claiming from under or in trust for him and that free from incumbrances :

AND FURTHER that he the mortgagor and all other persons having or lawfully or equitable claiming any estate or interest in the said hereditaments, and premises, stock of spirit, apparatus, utensils or any part thereof , shall from time to time and at all times thereafter, at his or their own cost, during the continuance of this security and afterwards at the cost of the person or persons requiring the same do and execute or cause to be done or executed, all such acts, deeds, and things for the further or more perfectly assuring the said hereditaments and premises, unto, and to the use of the Government and other persons aforesaid in manner aforesaid, as shall or may be reasonably required. And it is hereby agreed that if the mortgagor shall, during the continuance of the said licence, make to the Government all such payments, in respect of the working of the said distillery as may be or from time to time become payable by the mortgagor, the Government shall, on the determination of the said licence (but subject to the proviso hereinafter contained) at the request and cost of the mortgagor, his heirs, or legal representative reconvey and reassign, the said hereditaments and premises, stock of spirit, apparatus, and utensils hereby granted unto the mortgagor, his heirs, or legal representatives as he or they shall direct. And in the meantime and until default shall be made by the mortgagor, in the due payments as aforesaid, the mortgagor shall continue in possession and receipt of the rents and profits of the said hereditaments and premises and the stock of spirit, apparatus and utensils thereon. AND it is hereby agreed and declared and the true intent and meaning of the parties hereto is that if the fault shall be made, by the mortgagor, in the due payments aforesaid or any of them, then and in such case and immediately thereupon or at any time, thereafter or from time to time as occasion shall require, it shall be lawful for the Government or their officers or servants, duly authorised in that behalf and notwithstanding the dissent or opposition of the mortgagor, his heirs or legal representative, to enter into and upon and (whether in or out of possession) to make sale and absolutely dispose of the said hereditaments and premises, stock of spirit, apparatus, and utensils, hereby granted or expressed so to be or any part thereof by public auction or private contract and for such price or prices as to the Government shall appear reasonable, with liberty to buy the same or any part thereof, and for effectuating any such sale it shall be lawful for the Government to do, make and enter into, all necessary acts, deeds, conveyances and assurances whatsoever ; AND

it is further declared by and between the parties hereto, that such acts, deeds, conveyances, and assurances, done, made or executed, under or by virtue of these presents, shall be good, valid and effectual, whether the mortgagor, his heirs or legal representatives, and all other persons claiming under him or them ; AND it is hereby further agreed and declared that the power of sale hereinbefore contained shall and may be exercised and that all things to be done in pursuance thereof shall be good, valid and binding notwithstanding that no decree of any court of law or equity for barring or foreclosing the equity or redemption of the mortgagor, his heirs or legal representatives, shall have been previously obtained but this power of sale is given in addition to the ordinary remedies of foreclosure. And that the receipts in writing of the Excise and Taxation Commissioner for the time being for all moneys, to arise from any such sale or sales, shall be good and sufficient discharge to the person paying the same and shall exonerate such persons from all responsibility in respect of the application or non-application of the same nor shall he or they be bound to enquire whether the sale was regular or authorised under these presents ; Provided always and it is hereby agreed and declared by and between the parties hereto that on the determination or cancellation of the said licence the above mentioned hereditaments and premises and stock of spirit, apparatus, and utensils shall not be at once reconveyed and reassigned to the mortgagor, his heirs, or legal representatives, but shall be and remain mortgaged with the Government for the terms of six months as security for the payment of any sums due by the mortgagor in connection with the working of the said Distillery :

Provided always that the reconveyance at any time of the said premises hereby granted or expressed so to be, shall not be deemed to affect the right of the Government to take proceedings against the mortgagor in case any breach of the conditions herein set-forth, shall be discovered after reconveyance and reassignment.

In witness whereof the parties to these presents have hereunto set their hand on the dates hereinafter mentioned respectively.

Signed and delivered by the said..... On the
day of In the presence of

.....
Witnesses.....

(1)

(2)

Signed by

Excise and Taxation Commissioner for and on behalf of
the Governor of Jammu and Kashmir.

Day of