

CHAPTER XX

TAMIL NADU SPIRITUOUS ESSENCES

Rules – 1972

1. These rules come into force on the 30th August 1971.
2. “Essences” or “Spirituous essences” means culinary aerated water and other flavouring material, extracts and colourings containing spirit, whether foreign or Indian made, and approved as such by the Commissioner from time to time by publication in the official gazette.
3. “Exempted Essences:- (i) The foreign and Indian made essences specified in the annexure to these rules shall be exempted from such of the provisions of these rules as relate to transport, possession or sale within the State. Subject to the following conditions, namely:-
 - (a) the essences shall be genuine and non-potable.
 - (b) The manufacturer of the exempted essences shall arrange to send samples thereof to the Commissioner whenever called for, for purpose of test or analysis.
- ii) The Government, may by publication in the official gazette from time to time add any specified foreign or Indian made essences to the annexure or take away any specified foreign or Indian made essences there from.
4. **Manufacture.** No essences shall be manufactured except by the holder of licence issued for the purpose under these rules and except in accordance with the terms and condition of such a licence.
5. **Export:-** No essence shall be exported except by the holders of licence for manufacture or wholesale vend of essences in the State. Such export shall be made only under an export permit in Form E.X.P prescribed under these rules and issued by the

Collector. The exporter shall produce an import permit or a no-objection certificate from the competent authority of the State or place to which the export is made.

- 6. Import: - No essences shall be imported except by a holder of a licence for manufacture or wholesale vend of essences in this State. The import in every case shall be covered by an import permit in Form E.I.P. prescribed under these rules and issued by the Commissioner on payment of annual fee of Rs. 50 (Rupees fifty)**

Before the issue of the import permit, the importer shall pay the excise duties liable on the quantity of the essences preposed to be imported and produce the treasury receipt in token of having paid the excise duty

- 7. Possession and transport: Any person or institution may possess without a licence or transport with out a permit at any one time, essences up to a limit of 25 centiliters for his own domestic use.**
- 8. Sale: No person or institution shall sell essences without a licence except in accordance with the provisions of these rules or the terms and conditions of a licence issued under the rules.**
- 9. Excise duty :- An excise duty at the rate of Rs.2 (Rupees two) as per Go. Ms. No.260. P&E dt.23.09.77, per proof litre shall be levied in respect of the essences manufactured in the State or manufactured in other States in the Indian Union and imported. The duty shall be levied on the actual quantity or rectified spirit issued for use in the manufacture of the essences in the State. When imported, the duty will be levied on the rectified spirit contents of essences.**

10. Licences and Permits

E.L.1. Licence for the manufacture of essences: Issued by the Commissioner.

E.L.2 Licence for wholesale vend of essence: Issued by the Collectors.

E.L.3. Licence for retail sale of essences: Issued by the Collectors.

E.L.4 Licence for possession and use of essences. Issued by the Collectors.

(b) Permits: Permits for export, import or transport of essence issued under these rules shall be in the forms mentioned below:

E.X.P - Permit for Export of essences.

E.I.P – Permit for Import of essences.

E.T.P- Permit for Transport of essences.

11. Application for the grant of licences, etc.,

(i) Application for licence A person desiring to obtain a licence under these rules shall apply to the licensing authority through Assistant Commissioner (Excise) in Form E.A.I. furnished in the appendix to these rules. The application shall be affixed with a court – fee stamp of the value of Rs.2 (Rupees two) if it is to the Commissioner and of Re.1 (Rupee one) if it is to Collectors of District. The fee fixed for the licence shall be paid into a Government Treasury.

(ii) Duration of licence: Every licence granted under these rules shall be valid for the financial year.

(iii) The licence shall always be issued in the name of the person who applied for it. In the case of applications from a recognized institution or registered firm or company the licence shall be issued in favor of the accredited office bearer or agent or other functionary who has been duly authorized. The Quantity of rectified spirit shall be fixed by the licensing authority.

(iv) Refusal of licence. If the licensing authority is satisfied that the applicant is not eligible for the licence or that the grant of the licence is not justified with reference to conditions and circumstances specified in sub- rule (iii) he shall, by an order in writing, refuse the licence for reasons to be specified in the order.

(V) Renewal of licencee. A licence holder desiring to renew licence shall make an application in the prescribed form E.A at least one month before the date of expiry licence. Where an application for renewal of a licence has not been made well before the time specified in this sub- rule, it shall be subject to the payment of an additional fee of 25 per cent of the prescribed licence fee.

(Vi) Security: - (a) In the case of an application for a licence in Form E.L.I, unless it is case where the manufacture of essences will be subject to excise supervision by a whole- time Revenue Officer the licensing authority shall, before granting the licence, require the applicant to deposit with the Collector of the district, in cash or Government Promissory Note, as security for the due observance of the conditions of the licence, a sum calculated at twenty-five paise per bulk litre of the annual quota of rectified spirit proposed to be allowed under the licence.

12) General Conditions applicable to the licence issued under these rules:- The hours of business specified by the licence shall in no case be less than six hours, excluding an hour's interval for rest where paid Assistants are employed.

(i) Every bottle, or other receptacle containing essences received into and kept for storage or sale in a premises licensed under these rules or possessed by an person permitted to be in possession of such essences shall have affixed to it, in a conspicuous manner, a label showing particulars as regards the name and brand of the essence spirits contents and the name and address of the manufacturer and also the licence number of the manufacturer in case the essence was manufactured in the State.

(ii) True accounts of transactions shall be maintained on day to-day basis. The licensee shall furnish to the licensing authority such statistics or information as may be required from time to time regarding the working of the licence.

(iii) Any shortage, leakage or loss of essences not accounted for to the satisfaction of the licensing authority will render the licence liable to cancellation and the licensee liable to be proceeded against under the provisions of the Act or these rules.

Provisions relating to working of licences

13. E.I.-1 Licence for the manufacture of essences.

(i) the licence in this form shall cover the manufacture of both exempted and approved essences. A holder of a licence in this form shall observe the provisions of the rules relating to the working of distilleries in this State issued and amended from time to time by the Government in so far as the rules will apply to the licence in this form.

(ii) Essences shall be manufactured by using rectified spirit. The quantity of rectified spirit that may be possessed at any one time and the quantity that may be used for manufacture shall be fixed with regard to the requirements of each licence and entered in the licence.

(iii) The licensee shall obtain his supplies of rectified spirit from a distillery in this State holding a licence for manufacture and issue of

rectified spirit. Duty on Wastage of the spirit during transit in excess of one half of one percent at the prevailing tariff rate shall be collected from the distiller who will be free to recover it from the licensee

(iv) All consignments of rectified spirit obtained by the licensee shall be verified by the officer of the Revenue Department authorized for the purpose and shall be taken into account for use only after such verification. The rectified spirit shall after verification be stored in a vat which shall be got gauged previously and approved for use by the Assistant Commissioner (Excise), in the city concerned.

(V) The licensee shall maintain the following accounts in the form indicated:-

Form E.Ac1 Account of rectified spirit received and issued for manufacture.

Form E Ac2 Account of rectified spirit used and essences manufactured.

Form E.Ac3. Accounts of receipt and issue of essence.

14. E.L.2 licence for the wholesale vend of essence. (i) The licence in this form cover possession and wholesale vend of essences. The kind. Brand and name of the essences which the licensee desires to deal in and the quantity under each kind that may be possessed at any one time and the quantity that may be sold in a year or the period of licence shall be entered in each licence in accordance with the requirements.

(ii) The licensee shall obtain his supplied from the holders of a licence in Form E.L.I. (for manufacture of essences) or from another licensee holding a licence in Form E.L.2 (for wholesale vend of essences) or by import from other States.

The transport of consignments of essences obtained from a manufacturing licensee (E.L.I) shall be covered by a transport permit in Form E.T.P issued by the supplying licensee and that

from another wholesale licensee (Form E.L2) shall be covered by a transport permit in Form E.T.P issued by the Collector of the district in which the purchasing licensee is.

15. E.L 3 licence for retail sale of essences. (i) the licence in this form covers possession and retail sale of essences (approved essences) to members of the public in quantities not exceeding the limit prescribed for private possession in rule 7. The kind, name, brand and other particulars of the essences that may be sold under the licence together with the quantity that may be possessed at any one time and that may be sold in a year or the period of currency of licence shall be fixed with reference to the requirements of each licence issued and entered in the licence.
- (ii) The licensee shall obtain his supplies of essences either from the holder of a licence in form E.L.I (for manufacture of essences) or in Form E.L.2 (for whole sale vend of essences). The transport of consignment from the supplying licensee to the purchaser shall be covered by transport permits in Form E.T.P issued by the supplying licensee.
- (iii) The licensee shall not sell essences to any person who does not declare the purpose for which he buys the essences.
- 16) E.L.4 licence for possession and use of essences:- The licence in this form covers possession and use of approved essences. The kind , name. brand and other particulars of essences that may be possessed and the quantity that may be possessed at any one time, and that used during the year or period of currency of licence, shall be fixed according to the requirements of the licence issued in each case.
- ii) The licensee shall obtain his supplies of essences either from the holder of licence in Form E.I.1 (for manufacture of essences) or in Form E.L.2 (for wholesale vend of

essences) The transport of consignments of essence to the purchase shall be covered by transport permits in Form E.T.P issued by the supplying licensee.

17) **Method of levying Excise Duty :** The excise duty leviable under rule 9 of these rules shall be levied in the case of exempted and approved essences manufactured in other States in the Indian Union and imported, on the spirit contained in the essences imported. For this purpose, the importer shall produce proof of the alcoholic strength of the essences he proposes to import at the time of application for import permit and pay the amount of duty calculated at that strength into a Government Treasury and enclose the treasury receipt with the application for import permit. If the Commissioner so directs, the importer shall submit samples of the essences imported by him before they are taken into account. To the Commissioner so that their alcoholic strength may be ascertained for purposes of levy of duty.