

GOVERNMENT OF [Khyber Pakhtunkhwa]  
**EXCISE AND TAXATION DEPARTMENT**  
**NOTIFICATION.**

6th February, 1993.

No. 3304/Exc: 73-F--In exercise of the powers conferred by section 31 of the Prohibition (Force) Act of Hadd) Order, 1979 (P.O. No. 4 of 1979) the Govt. of [Khyber Pakhtunkhwa] has decided to make the following rules for the manufacture of medicinal and other preparations containing rectified spirit, namely:

THE [Khyber Pakhtunkhwa]  
**CHEMICAL WORKS RULES, 1993.**

**SECTION-A - SHORT TITLE, COMMENCEMENT AND DEFINITIONS.**

(1) These rules may be called the [Khyber Pakhtunkhwa] Chemical Works rules, 1993.

(2) They shall come into force at once.

In these rules, unless the context otherwise requires, the following expressions shall have the meanings, hereby respectively assigned to them, that is to say:-

- (a) "approved manufacturer" means a person to whom a licence is granted in Form M.C-12 for the manufacture of medicinal and other preparations in bond;
- (b) "Chemical works" means the manufacture of medicinal and other preparations containing alcohol under bond or containing alcohol on which duty has yet to be paid and includes the premises or part of premises approved and licensed by the Excise Commissioner for the purposes aforesaid;
- (c) "Collector" means the Director, Excise and Taxation, [Khyber Pakhtunkhwa], or any other officer appointed to discharge the duties of the Collector;
- (d) "District Excise and Taxation Officer" means Excise and Taxation Officer incharge of the District concerned;
- (e) "Excise Commissioner" means the Senior Member, Board of Revenue, [Khyber Pakhtunkhwa], or any other officer appointed by the Government to discharge the functions of the Excise Commissioner;
- (f) "Form" means a form appended to these rules.
- (g) "Government" means the Government of the [Khyber Pakhtunkhwa].
- (h) "Laboratory" means that part of the Chemical works in which actual manufacture of the medicinal and other preparations containing rectified spirit takes place;

1. Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.  
 2. Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.  
 3. Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.  
 4. Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.  
 5. Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.  
 6. Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.

- (i) "Officer in charge" means an officer of the Excise and Taxation Department not below the rank of Inspector deputed to supervise the chemical works for the purposes levying excise duty.
- (j) "Rectified spirit" means spirit of the strength of 43 degrees or more over-proof.
- (k) "Spirit store" means that part of the chemical works which is set apart for the storage of rectified spirit, and;
- (l) "Ware-house" means that part of the chemical work in which finished preparations containing rectified spirit, on which duty has not been paid, are stored.

#### SECTION-B -LICENCES AND LICENSED PREMISES.

3. Any person desiring to use rectified spirit in the manufacture of medicinal and other preparations under bond shall apply in writing to the Collector for the grant of licence, giving the following particulars:

- (a) Name/ Names and addresses of the applicant/ applicants.
- (b) The location of the Chemical Works.
- (c) The maximum quantity of rectified spirit likely to be in stock at any one time on the licensed premises.
- (d) A correct plan of the building to be used. The Plan shall be submitted in duplicate, drawn to scale on tracing cloth showing the plan and elevation of the premises and the position of the spirit store Laboratory and ware house and the exact position and dimensions of all permanent vessels for the storage of rectified spirit or the medicinal or other preparations and of all compounding tables, almirahs, sales, sinks and all important details connected with the chemical works and the vessels in it.

4. Where a licence is granted, no further alterations will be made in the building of plant without the previous sanction of the Excise Commissioner.

5. The application shall be forwarded by the Collector for the consideration of the Excise Commissioner, who, if he accepts the application for the grant of licence, will fix the nature and amount of security not exceeding fifty thousand rupees, which the applicant (hereinafter referred to as the approved manufacturer) will be required to tender for the due execution of these rules and the payment of all sums chargeable against him. The excise Commissioner may at any time require a charge in the security if the amount originally fixed is found to be inadequate.

6. Each application shall include for the approval of the Excise Commissioner a list of the preparations of which the manufacture is proposed, under the following heads:

- (a) medicinal preparation,
- (b) toilet preparations,
- (c) non-medicinal essences,
- (d) perfumed spirits; and
- (e) miscellaneous preparation, if any.

The Excise Commissioner, in consultation with the Health Department, reserves the right to exclude any preparation or preparations from the list or transfer a preparation from one head to another.

7. A licence in Form M.C. 1 may be granted by the Collector for a financial year ending the 30th June. It may be renewed from year to year by the Collector, who may, whoever, on sufficient cause shown, refuse to renew it or at any time cancel it. The licence shall not be granted unless the approved manufacturer has furnished the security fixed under rule 5 in each or in the form of Government promissory notes or Bank's guarantee in Form M.C. 18.

8. Sale under a licence granted under these rules shall only be of such preparations as the Excise Commissioner may approve, and sale of medicinal preparations, duty-free, shall only be made to such Government and charitable hospitals and dispensaries as have been approved by Government.

9. The licence shall be granted or renewed subject to the payment of a fee of Rs. 1000/- which shall be payable within 15 days of the grant of licence or in case of renewal within 15 days of the commencement of the financial year for which the renewal is sought.
10. If the approved manufacturer goes out of business, he shall dispose off his stock of rectified spirit and un-issued preparations in such manner as the Excise Commissioner may direct.
11. The approved manufacturer shall not transfer or divide his interest in the business without the previous permission of the Excise Commissioner.
12. The Chemical works shall at all time be open to inspection by officers mentioned in clauses (c), (d), (e) and (i) of rule 2.
13. The cost or such portion of the cost, as the Excise Commissioner may direct, on account of the Excise staff required for the supervision of chemical works shall be charged from the approved manufacturer and any amount left unpaid shall be recoverable from the defaulting approved manufacturer as arrears of land revenue.
14. Work in the Chemical works shall only carried on during such hours as may be fixed by the Collector. The Chemical works shall only be opened in the presence of the Officer-in-charge, appointed to supervise the work there.
15. Only the approved manufacturer or his manager and such servants, as are required to be there, and duly approved by the Collector shall enter the chemical works. The approved manufacturer shall furnish to the officer-in-charge a list of containing the names of the manager or Assistant Manager employed by him and of all the employees whose duties require them to enter the Chemical works. He should inform the officer-in-charge of any changes which may be made in the list. The officer-in-charge shall forward a copy of such list to the Collector through District Excise and Taxation Officer for approval.
16. If the licence for any cause, physical or mental, becomes incapable of carrying on business, or dies, or becomes insolvent, or in the case of company, is wound up, the Collector may either (i) cancel the licence or (ii) continue it in the name of the legal representative of the licensee. Neither the licensee nor any other person shall be entitled to any compensation for damage what-so-ever in respect of the revocation, cancellation or determination of the licence.

#### SECTION - C MANUFACTURE.

17. No preparation, other than those previously approved by the Excise Commissioner in consultation with the Health Department in the light of Drugs Act, 1976, or any other law for the time being in force shall be manufactured under these rules.
18. Rectified spirit and absolute alcohol, obtained or prepared under these rules shall not be sold to public or trade, or removed otherwise; provided that transfers from one Chemical Work to another may be made with the special sanction of the Excise Commissioner.
19. Rectified spirit may be obtained in bond, without pre-payment of duty from any distillery in quantities not less than 10 Gallons at a time under a permit issued by the Collector of the district of destination or Excise and Taxation Officer if authorised by the Collector. In any case the quantity in the possession of the approved manufacturer shall not exceed a limit fixed by the Excise Commissioner and an unnecessary large stock of spirit shall not be kept by the approved manufacturer.
20. Immediately on receipt of the consignment, the officer-in-charge shall enter in ink upon the pass the bulk gallons strength and proof gallons found by him after gauging and proving as well as the transit wastage in proof gallons for each vessel. The passes shall be retained along with other accounts and kept in special book file. The Excise Commissioner after considering the monthly return furnished under rule 43 may call upon the approved manufacturer to pay duty at such rate not exceeding the tariff rate, as he thinks fit, on the whole or any part of the wastage which may appear excessive or due to theft or fraud.

21. Rectified spirit shall be emptied forthwith into locked vessels in the spirit store of the Chemical works. The capacity of the Vessels and a distinctive number table shall be compiled to show the contents of each inch and tenth of an inch of its depth in Register in Form M.C.I. Excise Ticket locks shall be placed on the train doors and discharge cocks of such vessels. The officer-in-charge must take the dip in each store vessel once every time the spirit is issued as check on loss or abstraction. The dip thus taken must be entered in diary in Form M.C.16 and the prescribed account in Form M.C.I. Each such vessel shall be fixed and gauged and shall be marked with words "Rectified Spirit-store vessel".

22. The charging and discharging pipes of spirit store vats, and all vessels used for the storage of spirit, all main doors of such vats or vessels, and the doors of spirit store, laboratory, warehouse shall be so fitted as to enable them to be closed with two locks, the key for which are not interchangeable, and of which one lock shall be a revenue lock (Ticketed) in the charge of the officer-in-charge of chemical works and the other in the charge of the approved manufacturer. The keys of all the revenue locks shall be kept by the officer-in-charge in whose absence no doors or vessels in the chemical works shall be unlocked or remain unlocked.

23. Any distilling or converting apparatus which may be erected shall be locked with ticketed locks, and the reservoir, trap vessels, works, etc. in which portable spirit may be contained or received shall be so constructed as to prevent abstraction of spirit before the officer-in-charge has taken an account of it.

24. No spirit shall be removed from any store vessel until an account of the quantity and strength has been taken by the officer-in-charge.

25. Whenever any preparation is to be manufactured, the spirit required for such preparation shall be obtained from the spirit store for the manufacture of particular preparation. The spirit thus obtained shall be added without delay in the presence of the officer-in-charge to the respective material to be treated, and to every percolator or other vessel in which the spirit is placed, there shall be attached a label in Form M.C.8 showing the description of the preparation the date with the quantity and strength of all spirit placed in it from time to time and the date on which any of the finished products were removed to stock with the quantity so removed.

26. When any preparation is to be manufactured the drug/material to be treated should be weighed and added, in the presence of officer-in-charge, in the spirit. The label M.C.8 to be attached on every percolator or other vessel must show the quantity and description of the drug/material added to the spirit according to the standard shown in the British Pharmacopoeia. A certificate to the effect that full quantity of the drug/material has been added to the spirit for the manufacture of particular preparation shall be appended both by the manufacturing chemist and officer-in-charge in the register of operation in form M.C.3 and in the diary in form M.C.16.

27. Spirit recovered from residues shall be either:

- (a) transferred to a gauged and locked vessels kept for the purpose and then removed for use as required; or
- (b) used atonce in continuation of the process for which it was obtained; or
- (c) destroyed in the presence of the officer-in-charge who shall certify in red ink in the diary in Form M.C.16 its quantity and apparent strength, except where the quantity exceeds one gallon in which case the previous approval of the Excise Commissioner shall be obtained; or
- (d) kept for use in some special way approved by the Excise Commissioner.

28. If it is not intended to recover from the residues the contained spirit, the residues must be destroyed in the presence of officer-in-charge who will record this as directed in rule 27.

29. In cases in which it is necessary to use some quantity of the finished preparation instead of, or in addition to, rectified spirit, the quantity so required shall be taken from the ware-house and added in the presence of the Officer-in-charge without delay to the materials to be treated. Such quantity shall be shown separately in columns 2,3 and 4 of Form M.C.3 with a reference to the number of the batch from which it was taken and on the label attached to the percolator or other vessel. It shall also be show in Form M.C.4, the entry in column 8 being "used in manufacture of .....". It shall, however, be deducted from the monthly total of column 10 of Form M.C.3 since the spirit contained in is replaced in stock and is not shown as issued in Form M.C.7.

30. (1) The finished preparations shall be kept separate from those in the course of preparation and be stored in a separate store room approved for the storage of finished preparation, called "the ware-house". The door of the ware-house must be fastened with excise ticked locks. The "ware-house for bonded medicinal and other preparations" must be painted on the door in which these preparations are allowed to be stored, Similarly the word "Spt store" and "Laboratory" shall be painted on the doors of the rooms set apart, as such.
- (2) Finished preparation may be stored.---
- (a) in bulk in Jars or bottles containing not less than one quart gallon (40 fluid ounces); or
  - (b) stored ready for issue in bottles of not less than two fluid ounces capacity.

(3) Every preparation stored in bulk must be measured into the storage vessels to the nearest fluid ounces by the Officer-in-charge who must then close and seal the vessel with his official seal.

(4) The description, quantity and true strength of the preparation must then be recorded on a label in Form M.C.8 by the approved manufacture or his agent and each label must also bear the distinctive aerial number corresponding with the number entered in the prescribed register (Form M.C.3).

(5) In the case of preparations stored in bulk, the label on every vessel must be signed and dated by the officer-in-charge.

(6) when any of the contents of a vessel referred in sub-rule 2 (a) has been removed, the officer-in-charge must enter on the label attached thereto the quantity taken out and the number of disposal with his signature and date finished preparations shall only be removed from the ware-house in accordance with an application in Form M.C.6. the approved manufacture, must state in Form M.C.6 the number of bottles or Jars in which each preparation is contained and the bulk quantity to be removed.

(7) Sub-rule (4) must be followed in respect of preparations referred to in sub-rule 2 (b), but the contents of bottles are to be checked at the time of issue according to the following scale;---

(a) Whenever the number of bottles in any consignment does not exceed 100, the officer-in-charge is to measures one in every 25 and fraction of 25 up-to 50 and one in any remaining number upto 100.

(b) When the number exceeds 100, three bottles are to be measured in the first 100 and one in every 50 and fraction of 50. A large proportion should be measured, should the officer-in-charge consider it necessary. The officer-in-charge must certify in Form M.C.6 the number of bottles issued, and how many were checked on measurement. Only standard gallon measures and graduated glass measures, approved by the excise Commissioner are to be used in gauging preparations.

(8) When the finished products are removed to the ware-house, the officer-in-charge shall forthwith report the removal of the preparations to the District Excise and Taxation Officer who may at any time obtain the samples and amount of medicines contained therein so as to ensure that the preparation conform to the B.P. standard.

(9) If analyses show the preparations below B.P. standard, the District excise and Taxation Officer shall forthwith submit his report along with the report of the Government Laboratory to the Collector who on examination of the case shall forward it to the excise commissioner with his recommendations either to cancel the licence in Form M.C.12 and forfeit the security or to impose penalty not exceeding one lac rupees

31. Sample of any finished preparation may at the time of its removal to the warehouse be taken for dispatch to the Chemical examiner or any other authority appointed by Government in this behalf for analyses and test of the amount of proof spirit contained therein. Not less than 25 percent of the preparations issued from the Chemical works the month should thus be sampled. The officer-in-charge is responsible for ensuring that not less than this percentage of issues is sampled monthly. The following procedure shall be observed in sampling the preparations.

- (i) A sample shall not be less than three fluid ounces.
- (ii) Every sample must be taken, in duplicate, personally by the officer-in-charge. The cork of every bottle must be sealed by him with a revenue seal and the name of every preparation must be stated on a label affixed to each bottle. The duplicate sample should be kept under excise locks until the result of analyses has been received unless specially asked for by the Chemical Examiner or the authority to replace the original samples or to repeat an analyses, Duplicate samples to which no further reference can be needed may be returned to the approved manufacture.
- (iii) The sample must be placed in a case and securely fastened with tape or wire provided by the approved manufacturer and be sealed by the Officer-in-charge with a revenue seal and delivered without delay at the expenses of the approved manufacturer to the Chemical examiner or any other authority appointed by Government in this behalf.
- (iv) An advice letter in Form M.C.9 must be dispatched to the Chemical examiner or authority at the same time.

32. The approved manufacturer must submit, if required samples of all or any of his medicinal preparations to the Chemical Examiner or such medical officer as Government may designate for test, and must agree to abide by any rules drawn up by the medical officer of Government authorised in this behalf with a view to ensuring the efficacy and purity of the medicinal preparations produced in the Chemical works.

33. At the time of issue the approved manufacturer shall declare the strength of finished preparations and all calculations of duty on rectified spirit contained in finished

preparation from the ware-house shall be made according to the strength declared by the approved manufacturer, unless the result of the chemical examiner has been received before issue. If the strength of sample actually found by the Chemical Examiner does not exceed the declared strength by three degrees, then no correction need to made in the strength of the preparations shown in the registers, but if the actual strength exceeds the declared strength by more than three degrees, then the strength of the preparations as well as the quantity shown in proof gallons shall be corrected accordingly. A surcharge of duty shall be levied in the latter case if any issues has been allowed from the particular batch before the receipt of the Chemical examiner's report. No refund will be allowed if the strength declared by the approved manufacturer is found higher than the actual strength reported by the Chemical examiner. At the close of each month the officer-in-charge shall make a list giving the name of the preparations number of gallons manufactured, batch number, declared strength found on analysis during the month in regard to which the strength found by the Chemical Examiner exceeded the declared strength over three degrees. The list shall be sent by the District Excise and Taxation Officer immediately to the Collector who may impose a penalty to the extent of ten times the short age of duty on the quantity manufactured.

#### SECTION-D--- ISSUE OF TINCTURES, EXTRACTS AND OTHER PREPARATIONS

34. (1) An account of all medicinal or other preparations received into and issued from the ware-house shall be maintained in Form M.C.4 and M.C.7 respectively. All issues shall be made only on application by the approved manufacturer in Form M.C.6. The Officer-in-charge, after satisfying himself that the amount of duty can be met from advance duty paid into the treasury as per duty register in Form M.C.15 (rule 36), shall issue the preparations applied for and shall grant transport or export pass in Form M.C.14 appended to these rule in accordance with the provisions contained in the <sup>1</sup>[Khyber Pakhtunkhwa] Prohibition Rules, 1949; provided that the issue of manufactured drugs other than prepared opium shall further be subject to the provision of the West Pakistan Dangerous Drugs rules, 1958, and orders and notifications issued in this behalf from time to time.

(2) The issue of medicinal spirituous from the Chemical work shall only be made to be licensed vendors holding license in Form 20 and 21 granted by the Health Department.

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<sup>1</sup> Subs.by the Khyber Pakhtunkhwa Act No. IV of 2011.



35. (1) When the licensee proves to the satisfaction of the Collector that any medicinal preparations containing rectified spirit after having been issued under a pass from the bonded warehouse, without payment of duty, on an indent signed by the Civil Surgeon or any other competent authority have been returned to him, in full and with seals intact, the Collector shall, after such inquiry as he may consider necessary, allow the returned medicinal spirituous preparations to be taken back on the stock of the licensee. The officer-in-charge shall enter, in the relevant registers the full particulars of the preparations taken back on the orders of the Collector. The officer-in-charge shall also maintain a separate file for such applications and orders of the Collector thereon. Details of returned preparations shall also be given in the remarks column of return Form M. C. 11 to be submitted in accordance with rule 45 of these rules.

(2) If any consignee returns the preparations in respect of which duty has been paid, the licensee shall immediately inform the officer-in-charge who shall count the containers, enter them in a separate register and keep them in a separate store room other than the warehouse. The provisions relating to the storage of the preparations in the warehouse shall apply *mutatis-mutandis* to the storage of returned preparations in a separate store room within the licenced premises. The issue of preparations from this store shall also be authorised under a pass in Form M. C. 14 where a note shall be given that duty has already been paid. Separate accounts of the receipt and sale of returned preparations shall be maintained.

(3) The passes in Form M. C. 14 shall be issued in quadruplicate. One copy of pass shall accompany the consignment while two copies of the pass shall be sent to the District Excise and Taxation Officer of the District of destination under registered cover acknowledgement due. The Excise and Taxation Officer of the District of destination shall return one copy of the pass with an endorsement that the consignment of medicinal preparations has been received by the consignee and entered in his stock register. The fourth copy of pass Form M. C. 14 shall be sent to the Collector for record and later on for verification of the claims of another Province.

36. The approved manufacturer shall make an advance deposit against payment of duty upto maximum of Rs. Fifty thousand as determined by the Excise Commissioner in each case as a safe guard of Government revenue. The issue of finished preparations may then take place so long as sufficient balance is available. In this case the officer-in-charge shall keep an account in Form M. C. 15.

37. Permits of medicinal preparations free of duty to the Government Hospital and Dispensaries in the [Khyber Pakhtunkhwa] as well as out of Province shall be issued by the Collector, on application made to him in this behalf by the Manufacturer who will attach a photostat copy of the indent of officer of the Health Department.

38. (1) All jars, bottles or other vessels and packages in which consignments are issued shall be sealed by the officer-in-charge with his official seal before they leave the warehouse. Every jar, bottle and other vessel or packages shall bear a label in Form M. C. 8 in which the following particulars shall be specified in English.

- (1) Name of the approved manufacturer.
- (2) The place and district as well as the Province of manufacture.
- (3) The percentage of alcohol contained in such preparations.

(2) Medicinal and other preparations put up in small bottles shall be packed in boxes containing such number of bottles that the total proof spirit contents of the preparations contained in each box is not less than 0.1 proof gallon. These boxes shall be securely fastened and sealed by the officer-in-charge.

39. The following shall be the rate of duty subject to modification by Government from time to time by a notification in the official Gazette:—

- (a) Medicinal preparations .....Rs. 15/- L.P. per gallon of spirit contents.
- (b) Non-Medicinal Essences .....Rs. 20/- do-
- (c) Non-Medicinal Essences .....Rs. 20/- do-  
and medicinal preparations which might be used for other than medicinal purposes *vide* schedule.

- (d) Toilet preparations ..... Rs. 20/ L.P. per gallon of spirit contents  
 (e) Spirit chloroform ..... Rs. 25/- -do-

#### SECTION-E-ACCOUNTS TO BE MAINTAINED AND RETURNS TO BE SUBMITTED.

40. The officer-in-charge shall maintain a diary in Form M. C. 16 in which he shall record from day to day all the relevant entries regarding operations carried on in the chemical works.

41. The following register shall be maintained by the approved manufacture :

- (a) M. C. 2 Stock account of spirit used for making tinctures, etc.
- (b) M. C. 3 Register of operation in the Laboratory.
- (c) M. C. 4 Stock account of each preparation.
- (d) M. C. 6 Application for pass for the removal of medicinal or other preparations from the Chemical works.
- (e) M. C. 8 Labels.
- (f) M. C. 11 The monthly return.
- (g) M. C. 13 The monthly return.

42. The following registers shall be maintained by the Officer-in charge:

- (a) M. C. 1 Vat Account of spirit received in the spirit store.
- (b) M. C. 5 Account of spirit recovered in the Laboratory.
- (c) M. C. 7 Account of finished preparation issued from the ware-house.
- (d) M. C. 9 Advice of samples sent to the Chemical Examiner.
- (e) M. C. 10 Account of samples sent to the Chemical Examiner.
- (f) M. C. 17 Table book of spirit Vats.
- (g) M. C. 16 Inspector's Diary.
- (h) M. C. 15 Register regarding advance payment of duty.

43. At the end of each month the approved manufacturer must deliver a statement in Form M. C. 11 and M. C. 13 in duplicate, to the officer-in-charge who shall verify its correctness and forward a copy of it to the Collector through the district Excise and Taxation Officer. The Collector shall forward one copy to the Excise Commissioner. The approved manufacturer shall furnish such other statements as may be required by the Collector from time to time.

44. All registers and forms of the M. C. series prescribed under these rules shall be printed and supplied by the approved manufacturer free of charge. Forms bound together shall bear printed serial and consecutive numbers. Loose sheets of such forms as are necessary shall also be supplied to the officer-in-charge by the approved manufacturer.

45. (1) The District Excise and Taxation Officer shall, at least once in a six months check the accounts of spirituous preparations received/consumed and duty paid and shall submit his report to the Collector.

(2) The Collector shall also check the accounts of the Manufacturer at least once in two years and a report on this account shall be furnished to the Excise Commissioner.

#### SECTION-F-STOCK TAKING AND WASTAGE.

46. The stock of spirit in the spirit store shall be taken by the officer-in-charge on the last working day of each month and shall record the result in the register M. C. 1 and Diary M. C. 16.

47. The stock of medicinal or other preparations containing rectified spirit in the ware-house shall be similarly taken.

48. If it is found that the wastage in any chemical works is excessive or, in the process of manufacture, exceeds the following scale, the Collector may, after considering the monthly statement furnished under rule 43 call upon the approved manufacturer to pay duty at such rate, not exceeding the tariff rate, as he deems fit on the whole or any part of the wastage which may appear to be excessive or due to theft or fraud.

A FOR MEDICINAL PREPARATIONS	MONTHLY AVERAGE.
(a) Extracts and concentrated infusions made direct, by double percolation or distillation invague from crude drugs such as root, bark, leaf or rhizome.	40%
(b) Tinctures and other preparation made indirect from crude drugs such as root, bark, leaf, rhizome, gum or resin.	20%
(c) Other tinctures and preparations.	10%
B—FOR NON-MEDICINAL PREPARATIONS.	
(a) Essences made direct from crude drugs.	20%
(b) All other preparations.	5%

49. Nothing in these rules shall justify the use of label in an advertisement or words stating or implying that the preparation is sold under a Government guarantee as to contents or quality.

50. The approved manufacturer shall provide the Excise staff suitable furnished accommodation near or at the premises of the chemical works.

51. If fire occurs in a Chemical works, the Collector shall immediately cause an enquiry to be held by a Gazetted Officer in order to determine the liability of the licensee to pay duty on the spirit wasted. No duty will ordinarily be assessed on the spirit on which duty has not been paid, but if duty has been paid on any quantity of spirit contained in the preparations, although these have not left the chemical works, the Collector must satisfy himself that the spirit was really destroyed before any refund is paid. If such a refund is to be paid, it shall be calculated on the actual quantity of spirit on which duty has been paid. Once preparations have passed out of the chemical works no refund of duty shall be paid. The previous sanction of the Excise Commissioner is required before any refund can be paid, and if either duty is to be levied or a refund is to be granted the Collector in his report shall give a clear finding whether the loss was due to preventable causes, which should have been foreseen, or guarded against by the Licensee.

52. (1) If the approved manufacturer infringes or causes or permits any person to infringe any of the conditions enumerated above or any of the conditions of the license, the Collector may revoke and determine the license and he may forfeit to Government the whole or any part of the security deposit, provided that the revocation of the license or forfeiture of the security may be foregone on payment of such sum not exceeding the amount of security deposit, as the Collector may deem fit to accept.

(2) Any person aggrieved by an order of the Collector passed under sub-rule (1) above may appeal against such order any time before the expiration of 30 days from the date of such order to the Excise Commissioner, whose decision shall be final.

53. The forms MC-1 to MC-18, appended to these rules are hereby prescribed.

54. The North-West Frontier Province Chemical Rules, 1935, are hereby repealed.

Sd/- X X X

Secretary to Government of [Khyber Pakhtunkhwa],  
Excise and Taxation Department

## (FORM M. C. I (Rule 21))

No.

Vat account of spirit received from Distillery Spirit Store into the Chemicals of .....

No. of Vat .....

Capacity = gallons  
Depth = inches

Date When stored and number of Pass	No. of Vat.	Dip.	Bulk gallons	Temperature	Indication	Strength	Proof gallons	Date when issued	Dip.	Bulk gallons	Temperature	Indication	Strength	Proof gallons	Officer's Signature
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

From Vat. Account

## Form M. C.-2

(See Rule 41)

Stock Account of Spirit used for making tinctures, etc. for the month of \_\_\_\_\_ in \_\_\_\_\_

(To be Maintained by the Licensee)

Date of receipt	When received	Bulk Gallons	Strength	L. P. gallons	Date when Spirit. taken from vessel	Spirit. contained in	Gallons		Signature of Licensee
							Bulk gallons	L. P. gallons	
1	2	3	4	5	6	7	8	9	10

(a) Tinctures completely manufactured from Form M. C. 2.

(b) Wastage from Form M. C. 3. .. ..

(c) Tincture partly manufactured ... ..

Total spirit used. .. ..

# **FORM M. C. 3.**

(SEE RULES 26 AND 41)

REGISTER OF OPERATIONS IN .....

During the Month of ... ..

Spirit used in manufacture						Date when manufacture completed and article received to warehouse	Spirit remaining in finished preparations			Wastage Col. No. 4 Minus Col. No. 10	Initial of the Licensee	REMARKS
Date	Bulk Gallons	Strength	L.P. Gallons	Name of Preparations	Batch No.		Bulk Gallons	Strength	L.P. Gallons			
1	2	3	4	5	6	7	8	9	10	11	12	13

# FORM M.C.-4.

( See Rule 4I )

## STOCK ACCOUNTS OF EACH PREPARATION AT THE CHEMICAL WORKS OF .....

(Name of preparation.....)

(To be maintained by the licensee.)

Date	RECEIPT					ISSUE				Balance in hand		Initial of the licensee	REMARKS
	Batch No.	Name and No. of vessel in which stored	Bulk lbs.    onz.	*Strength	Proof gallons	Date	Number and date of Pass	Bulk lbs.    onz.	Proof gallons	Bulk lbs.    onz.	Proof Gallons		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note:—To be maintained separately for (1) medical and (2) other preparations.

\*This will be the Strength found by analysis if the preparation has been sampled and result received. Otherwise the declared strength will be entered.

# FORM M.C.-5.

( See Rule 42 )

Account of Spirit Recovered In .....

No.

Capacity

Depth.

(To be maintained by the Officer-in-charge)

No.	Date	Name of Preparation	Batch No.	Bulk Gallons	Temperature	Indication	Strength	L. P. gallon.	Observation how recovered spirit disposed	Officer's Signature
1	2	3	4	5	6	7	8	9	10	11



Form M. C. -6

To be Stamped

FORM M. C. -6  
[See Rule 30 (6)]

Application for pass for removal of medicinal and other preparations from the Chemical Works of \_\_\_\_\_

No. \_\_\_\_\_ To, \_\_\_\_\_  
The Officer-in-Charge of \_\_\_\_\_

Please issue the following medicinal or other preparation to \_\_\_\_\_

Treasury Receipt No. \_\_\_\_\_ Dated \_\_\_\_\_ For duty paid is enclosed:—

Application for the issue of medicinal  
and other preparation

No. \_\_\_\_\_ Date \_\_\_\_\_

To whom consigned \_\_\_\_\_

Quantity of preparation \_\_\_\_\_

Name of preparation \_\_\_\_\_

Total proof of spirit content \_\_\_\_\_

Rate of duty \_\_\_\_\_

Amount of duty paid \_\_\_\_\_

No. and date of treasury receipt attached \_\_\_\_\_

Signature of Licensee \_\_\_\_\_

Name of preparation	Batch No.	BOTTLES, JARS, DRUMS		DETAILS OF ISSUE			Rate of duty	Amount of duty (this should be calculated on total consi- gument)	No. and date of Treasury challan under which paid	Folio in Register Form M. C. 3	Whether sample has been sent from the consign- ment and date when sent	Result of analysis	Folio in sample register	Sur- charge of duty payable, if any	Date & No. of Treasury Challan under which surcharge was paid	REMARKS
		Num- ber	Quantity contained in each gallon & fluid ounces	Total bulk gallons	Strength*	L.P. gall- ons										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

\*This will be the strength found by analysis if the preparation has been sampled and result received otherwise, the declared strength will be entered.

Signature of Licensee \_\_\_\_\_

**FORM M. C.—7 (Rule 29)**

Account of finished preparations issued from the warehouse on application in for M.C.-6 during the month.....Year.....to be maintained at the

Chemical Works of.....

**(To be maintained by the Officer-in-Charge)**

Date of issue	Number of Pass	Name of consignee	Name of Preparation	Batch No.	Bulk gallons	*Strength*	L.P. gallons	Issued duty-free	Issued duty-paid P.L.P.G.	Amount of duty paid	No. & date of treasury challan under which paid	Surcharge of duty payable if any	Date & No. of treasury challan under which this surcharge was paid	Destination of duty free issue	Officer's Signature	REMARKS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

**FORM M. C.-8 (Rule 25)**  
**TO BE USED IN THE**

Batch No. .... Date .....  
 Item ..... Vessel No. ....  
 Nature of contents. (a) ..... (b) .....  
 (c) ..... (d) ..... (e) .....  
 Quantity (a) ..... (b) .....  
 (c) ..... (d) ..... (e) .....  
 Alcohol put in :- B.G. .... Str. .... L.P.G. ....

Strength.....L.P.G.....Quantity..

Certified that the quantity of Ingredients is according to B.P./B.P.C.

Chemist I/c.

Certified that Ingredients weighed and added in my presence.

Officer I/c.

Chemist Incharge

Officer Incharge

## FORM M. C. 9

[See Rules 31 &amp; 32]

## ADVICE OF SAMPLE SENT FOR ESTIMATION OF ALCOHOLIC STRENGTH.

The Chemical Examiner,  
\_\_\_\_\_

No. .... dated .....

Sir,

I beg to advise despatch of the under-mentioned samples of Medicinal preparations  
for estimation and report of their true alcoholic strength.  
other

I have the honour to be

Sir,

Your most obedient servant

Officer-in-charge.

Name of preparation	Batch No.	Strength found by analysis.	Remarks	Initials
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*Note:* The officer-in-charge must send two copies of this advice to the Chemical Examiner who will retain one copy duly filled in and signed.

Chemical Examiner

**Form M. C. 10**  
(See Rule 42).

**MAINTAINED AT ACCOUNT OF SAMPLES OF PREPARATIONS SENT TO THE CHEMICAL  
EXAMINER, GOVERNMENT OF [Khyber Pakhtunkhwa], PESHAWAR.**

(To be maintained by: the Officer-in-charge).

Sl. No.	Description of articles	Batch No.	Strength declared by manufacturer	Quantity in stock	Strength found on examination	Initial of officer-in-charge	No. and date of report upon samples from Chemical Examiner.	REMARKS
1	2	3	4	5	6	7	8	9

# FORM M. C.-II Rule 35(I)

Monthly Account of Transactions in ————

Name of the Month ————

Year ————

(To be maintained by the licensee)

DETAILS OF SPIRIT RECEIVED IN SPIRIT STORE FOR EACH CASH IN A CONSIGNMENT						STOCK ACCOUNT OF RECTIFIED SPIRIT IN L. P. GALLONS								MANUFACTURING DETAILS IN L. P. GALLONS							
Month	Name of distillery from which despatched, No. and date of Pass, date of receipt in the Chemical works	L. P. gallons of spirit as entered in spirit store	L. P. gallons of spirit received in the pass	Wastage in transit L. P. gallon	Percentage of wastage	Balance in hand at the beginning of the month	Receipt	Issue	Balance	Balance ascertained at stock-taking	Wastage	Percentage of wastage	Spirit used finished preparations (not including that recovered and added to the same preparations).		Spirit present in finished preparation		Wastage in manufacture		Spirit remaining in unfinished preparation		
													Medicinal preparations	Other preparations	Medicinal preparations	Other preparations	Medicinal preparations	Other preparations	Medicinal preparations	Other preparations	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
<div>DISPOSAL OF SPIRIT RECOVERED FROM MARCS, ETC., (L. P. GALLONS)</div> <div>SAMPLES SENT TO CHEMICAL EXAMINER</div> <div>ISSUE DETAILS</div>																					
Used in making preparations	Destroyed in the presence of the officer in charge	Quantity in hand	Date of despatch	Name of the preparation	Strength declared by licensee	Strength ascertained on analysis	Medicinal preparations			Other preparations			REMARKS								
							L.P. gallons Issued	Duty	Surcharge	L.P. gallons Issued	Duty	Surcharge									
22	23	24	25	25 (a)	26	27	28	29	30	31	32	33	34								

Signature of Licensee.

Signature of Officer-In-charge

**FORM M.O. 12**  
(See Rule 7)

License for the manufacture in bond, possession and sale of Medicinal and other preparation, granted to approved Manufacturer.

Subject to all the provisions of the 1[Khyber Pakhtunkhwa] Prohibition Rules, 1949 and as the conditions laid down in the 2[Khyber Pakhtunkhwa] Chemical Works Rules, 1993 and the subsequent amendment made therein from time to time and to the special conditions below:—

This license authorising the possession of Rectified Spirit to be used in the manufacture and sale of Medicinal and other preparations at the premises herein specified, viz and for the period from \_\_\_\_\_

to \_\_\_\_\_ is granted to \_\_\_\_\_

in the district of \_\_\_\_\_

**SPECIAL CONDITION.**

1. The licensee shall not have in this possession at any time for use under this license more than \_\_\_\_\_ litres of rectified spirit.

2. The approved manufacturer shall pay the cost of the Excise staff posted to the Chemical Works,

3. The approved manufacturer will make his own arrangements for procurement of rectified spirit whose supplies are not available with the Distilleries.

COLLECTOR,  
EXCISE AND TAXATION DEPARTMENT,  
3[Khyber Pakhtunkhwa]

Dated \_\_\_\_\_ .

1. Subs by the Khyber Pakhtunkhwa Act No. IV of 2011.  
2. Subs by the Khyber Pakhtunkhwa Act No. IV of 2011.  
3. Subs by the Khyber Pakhtunkhwa Act No. IV of 2011.

# **FORM M.C. - 13** (See Rule 4i)

Statement showing the wastage of Rectified Spirit in the manufacture of the medicinal and non-medicinal preparation in .....  
in the district of ..... for the month of .....

S. No.	NAME OF PREPARATION	CLASSIFICATION OF PREPARATIONS					Spirit used in manufacture in L.P.G.	Spirit Present in the finished Preparation in L.P.G.	Spirit Recovered in L.P.G.	Wastage in L.P.G.	Percentage of Wastage in L.P.G.	Wastage Allowance according to the Prescribed Scale (11-47) of the P.E.M. Volume II	EXCESS WASTAGE IN L.P.G.		SURCHARGE ON EXCESS WASTAGE		Excess Wastage Column 15 (b) on Surcharge	Remarks
		MEDICINAL		NON MEDICINAL									Medicinal Preparations	Non-Medicinal Preparations	@ Rs. 5/00 per L.P.G. medicinal Preparations	@ Rs. 17/50 per L.P.G. on non-medicinal Preparations		
		Extract and Concentrated infusions made Direct by double Percolation or distillation in vacuum from crude drug such as root, bark, Leaf, or rhizome	Tincture and other prep. made direct from crude drug such as root, bark, leaf, rhizome gum or Resin	Other Tinctures and Preparations	Essences made direct from crude drugs	All other Preparations												
1	2	3	4	5	6	7	8	9	10	11	12	13	14 (A)	14 (B)	15 (A)	15 (B)	16	17

Signature of Excise Officer I/G



**FORM M. C. 14**

(See Rule 35)

For the Transport Export of Medical or other Preparations containing Rectified Spirit  
Export-in-bond

To be given to the applicant to accompany the consignment which is to be transported or exported).

Pass No

Date . . . . .

and  
the export of medical or other preparations from the premises of FERROXYL LABORATORIES LTD.  
or  
export-in-bond

order, to the premises of .....

Authority Permit No. .... dated ..... signed by the .....

No.	Name of Preparation	Batch No.	Number of containers	Quantity	Strenght	Proof gallons contents	Rate of duty	Amount of duty paid Rs. Ps.	Remarks
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THIS PASS IS VALID UP TO .....

**Inspector.**

NOTE.—In the case of medicinal preparations issued duty-free from the premises of approved manufacturers to Government or charitable Hospitals and dispensaries including Veterinary hospitals and dispensaries, the reverse of the pass shall be filled in by the officer-in-charge of the Hospital or Dispensary in the case of Veterinary hospitals or dispensaries by the Deputy Superintendent of the Veterinary Department, and returned to the Excise Officer, Ferozsons Laboratories Ltd., within SIX WEEKS of the receipt of the consignment. If such preparations are issued in bond to other provinces, the certificate in Form E 38 shall be produced.

**RECEIVED**

NAME OF PREPARATION	Name of Containers	Quantity

Officer-in-charge

## Hospital

**FORM M. C. 15***(See Rule 36)***Register of Issue of Spirit on which duty has been paid in advance***(To be maintained by every Excise Officer Incharge)*

Date	Balance brought forward	Further	Payment made in advance		Debit Account of column 33 Register 13		Daily balance of debits	Daily Total of advance carried forward	REMARKS	
		Amount	No. & date of Treasury Officer's intimating payment	Total of balance and additional Payment	On Pass No.	Amount Debited				
			No.							Date
1	2	3	4	5	6	7	8	9	10	11

No.

**FORM M.Q. 16***(See Rule 42)***Excise Office****OFFICER - INCHARGE'S DIARY REGISTER***(To be maintained by the Officer I/C in accordance with Rules)*

Date	Time of Entry	Particulars of Gauge and Proof, etc.	Details of Ticket Locks Used	Remarks	Sign of the Officer I/C
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**FORM No. 18**  
**(See Rule 7)**

The Collector, (Director)  
 Excise and Taxation,  
 Peshawar. <sup>1</sup>[Khyber Pakhtunkhwa].

Dear Sir,

In consideration of the Collector Excise and Taxation, <sup>2</sup>[Khyber Pakhtunkhwa], hereinafter called the licensor having at the request of M/S. .... possession of rectified spirit at any one time not exceeding .... gallons in hand in license No. .... granted to the licensees, we the ..... do hereby agree and undertake to pay the licensees such sum not exceeding ..... as may be demanded in the event of failure of the licenses to pay the security of ..... to the licensor on the basis that any demand so made by the licensor is (exclusive) evidence of such no payment of the licenses.

This Guarantee will remain in force and effective from ..... uptill ..... our liability here under is limited in aggregation a sum of ..... This Guarantee will expire on ..... Any claim under the Guarantee must be received by us by ..... and if no such claim has been received by us by that date, all your rights under this guarantee will cease.

**Signature of Authorised  
 Officer of the Bank  
 with seal.** <sup>3</sup>[Khyber Pakhtunkhwa]

1. Subs by the Khyber Pakhtunkhwa Act No IV of 2011.  
 2. Subs by the Khyber Pakhtunkhwa Act No IV of 2011.  
 3. Subs by the Khyber Pakhtunkhwa Act No IV of 2011.