
Tamil Nadu Spirituous Preparations (Control) Rules, 1984

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Tamil Nadu Spirituous Preparations (Control) Rules, 1984

In exercise of the powers conferred by Section 54 of the Tamil Nadu Prohibition Act. 1937 (Tamil Nadu Act X of 1937) and of all other powers hereunto enabling and in supersession of the Home Department Notification S.R.O No. A 7549 of 1958, dated the 1 st November 1958, published at pages 1993 to 2000 of the Fort. St. George Gazette dated the 26 th November 1958. as subsequently amended, the Governor of Tamil Nadu hereby makes the following Rules, namely:-

1. Short Title :-

These may be called the Tamil Nadu Spirituous Preparations (Control) Rules, 1984.

2. Extent And Commencement :-

- (1) These Rules extend to the whole of the State of Tamil Nadu.
- (2) They shall come into force on and from the date of publication in the Tamil Nadu Government Gazette.

3. Definitions :-

In these Rules, unless the context otherwise requires

- (a) "Act" means the Tamil Nadu Prohibition Act, 1937 (Tamil Nadu Act X of 1937).
- (b) "alcohol " means ethyl alcohol of any strength and purity having the Chemical Composition of C_2H_5OH :
- (c) "bona-fide medicinal preparation" means any medicinal preparation manufactured according to the formula prescribed in a pharmacopoeia approved by the Government of India or the State Government or manufactured according to formula approved by the State Government in respect of patent and proprietary medicinal preparations or approved as a bona fide medicinal preparation by the Expert Committee appointed under sub-rule (2) of Rule 5:
- (d) "Chemical Examiner" means the Chemical Examiner to the state Government. The Director, Tamil Nadu Forensic Science Laboratory. Chennai, and includes such other officer whom the state Government or the Government of India may at any time, appoint as Chemical Examiner;
- (e) "Collector "means the Collector of the district and includes any officer specially empowered by the Government to exercise the powers of a Collector under these Rules:
- (f) "Drugs Controller" means the head of the Drugs Administration in the State and includes such other officer whom the Government may. from time to time, appoint as Drugs Controller:
- (g) "Expert Committee" means the Committee appointed under subrule (2) of Rule 5
- (h) "Form "means a Form appended to these rules:
- (i) "Medicinal preparation" includes all drugs (except medicated wines) containing alcohol or any intoxicating drug, which are a remedy or prescription prepared for internal or external use of human beings or animals and all substances intended to be used for, or in the treatment mitigation, prevention of disease in human beings or animals under any of the different systems of medicine, namely, Allopathic, Homeopathic Ayurvedic, Siddha or any other Indian system of medicine.
- (j) "restricted Preparation " means spirituous preparations that are intended for internal consumption and containing more than 18% v/v of alcohol and medicinal preparations containing intoxicating

drugs: Provided that all ayurvedic preparations containing self-generated alcohol and classified as restricted preparations" under the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 shall be treated as restricted preparations for the purpose of these rules:

(k) "Spirituous preparations" ,means -

(i) any medicinal or toilet preparation containing alcohol whether self-generated or otherwise, or any intoxicating drug ; or

(ii) any other substance containing alcohol or intoxicating drug, whether self-generated or otherwise, notified under Rule 5 to be a spirituous preparation;

(l) " Spurious preparation " means any medicinal or toilet preparation containing alcohol or intoxicating drug which.

(i) in the case of those purported to be a preparation manufactured according to a pharmacopoeia, does not conform to the formula laid down in the pharmacopoeia approved by the Government of India or the Government of Tamil Nadu.

(ii) in the case of those claiming to be patent or proprietary preparations, does not conform to the formula approved by the Government of Tamil Nadu ; and

(iii) containing any substance which when swallowed, inhaled or injected into a human being produces intoxication, drowsiness, sleep, stupefaction or insensibility, but not approved as a bona fide medicinal preparation by the Expert Committee:

Explanation - Asavas and Arishtas or other preparations containing alcohol which is only self-generated shall be deemed as spurious preparations if the alcohol content of any such preparation exceeds 10 Percent by volume, unless otherwise declared by the Expert Committee;

(m) "State" means the State of Tamil Nadu

(n) "State Government" means the Government of Tamil Nadu :

(o) "toilet preparation" means any preparation containing alcohol or intoxicating drug which is intended for use in the toilet of human body or in perfuming apparel of any description of any substances intended to clean improve or alter the complexion. Skin, hair or teeth and includes deoderants perfumes.

4. Application :-

These Rules shall apply to all medicinal, toilet or other spirituous preparations as defined in these Rules;

Provided that nothing contained in these Rules shall -

(a) affect the operation of the Medicinal and Toilet Preparations

(Excise Duties) Act ,1955, (Central Act 16 of 1955) and the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 made there under; and

(b) apply to medicinal and toilet preparation which are the property of the State Government or the Government of India.

5. Power Of Commissioner Of Prohibition And Excise To Notify Preparation As Spurious Or Bona Fide Or Any Ingredients Used Or Added As Objectionable :-

(I) (a) where the Commissioner of prohibition and Excise has reasonable suspicion that any spirituous preparation manufactured, stocked, imported or sold by any person, whether a licensee or not -

(i) is not generally used in the treatment, mitigation or prevention of disease: or

(ii) is widely misused as a substitute for alcohol, or

(iii) is a spurious preparation : or

(b) where the Commissioner of Prohibition and Excise receives any representation from any manufacturer referred to in Rule 6 that a preparation classified as spurious preparation is to be reclassified as a bona fide preparation he shall refer such cases to the Expert Committee for its advice as to whether the preparation is spurious, bona fide or whether any ingredients used or added are objectionable. On receipt of the advice, the Commissioner of Prohibition and Excise shall decide whether the preparation is spurious, bona fide or whether any ingredients used or added are objectionable and he shall notify his decision in the Tamil Nadu Government Gazette. His decision in this respect shall be final.

(2) The Expert Committee shall consist of the following members namely:

(1) Commissioner of Prohibition and Excise, Chennai ;

(2) Director, Tamil Nadu Forensic Science Laboratory, Chennai;

(3) Director of Indian Medicine;

(4) State Drugs Controller or his Deputy;

(5) President of the Council of Homeopathy System of Medicine and practitioners of Homeopathy Act, 1971 (Tamil Nadu Act 5 of 1972). The Commissioner of Prohibition and Excise shall be the Chairman of the Expert Committee.

6. Manufacture :-

(1) No person shall manufacture any spirituous preparation except

under and in accordance with the terms and condition of a licence issued under the Medicinal and Toilet Preparations (Excise Duties) Rules. 1956.

(2) All preparations manufactured without licence under the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 and those that are found to be spurious shall be liable to confiscation. If any preparation manufactured by a manufacture is found to be spurious, further manufacture by him shall be stopped and the entire stock of the preparation manufactured by him shall be seized and detained till the manufacturer gets each of the preparations so seized and detained classified by the Commissioner of Prohibition and Excise as laid down in Rule 5.

(3) No Manufacturing licensee under the Medicinal and Toilet Preparation (Excise Duties) Rules, 1956 shall manufacture any restricted preparation in quantities greater than those permitted by the Commissioner of Prohibition and Excise. In fixing the quantity of restricted preparations that may be manufactured the Commissioner of Prohibition and Excise shall take into account- (a) the advice of Expert Committee regarding the total requirements of medicinal preparations containing liquor or intoxicating drug or in which alcohol is self-generated for the whole State during one year; (b) the requirements for export out of the State; and (c) the likely imports in to the States.

(4) Every manufacture of restricted preparations shall maintain proper accounts in Form S.P.I. for each of the ingredients purchased or obtained which go into the manufacture of the preparation or preparations. The bills of purchase of such ingredients shall also be preserved for a period of one year and produced for check or inspection whenever demanded an officer not below the rank of a Deputy Tahsildar, Taluk Excise Officer, Drug Inspector or an Inspector of Police.

(5) (a) Every receptacle containing medicinal or toilet preparations manufactured, imported or stocked or kept for sale or sold must be conspicuously labeled with a printed label showing clearly;

(i) the manufacturers name and address;

(ii) the name of the preparation;

(iii) (1) the name of the pharmacopoeia according to which the preparation is manufactured; or

(2) the number and date of the order of the approval of the State Government in respect of patent and proprietary preparations; or

(3) the number and date of the notification issued by the Commissioner of Prohibition and Excise in respect of preparation

approved as bona fide medicinal preparation by the Expert Committee; and

(4) the contents in milli -liters;

(b) The label shall also show the dosage to be administered, the alcoholic contents in proof strength, average percentage of alcohol it contains and the price; Provided that this condition shall not be insisted on, unless the Commissioner of Prohibition and Excise in any particular case so directs, in the case of preparations manufactured by holders of L3 licence issued under the Medicinal and Toilet Preparations (Excise Duties) Rules, 1956 for dispensing to their patients at the premises of the manufactory.

7. Import :-

(1) No restricted preparation shall be imported into the state Except under cover of an import permit in Form S.P.II granted by the Commissioner of prohibition and Excise. Any person desiring to import any restricted preparation shall apply in Form SP III which shall be duly stamped to the Commissioner of Prohibition and Excise. The Commissioner of Prohibition and Excise after such enquiries as he deems necessary, may grant the applicant an import permit in Form S.P.II on payment of Rs. 5/- (Rupees Five only) for each item to be imported or may refuse to grant a permit for sufficient reasons to be recorded. The Commissioner of Prohibition and Excise shall, in exercising his powers under this Rule, have regard to the following considerations, namely:-

(a) Whether the preparations are required -

(i) for purposes of bona fide trade and commerce;

(ii) for meeting the bona fide requirements of the State; and

(b) whether the applicant has been convicted of any offence under the Act, Dangerous Drugs Act, 1930 (Central Act II of 1930), Opium Act, 1878 (Central Act II of 1878) or Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (Central Act 16 of 1955) for any cognisable offence.

(2) Import made under the provision of the Spirituous Preparations (Inter State Trade and Commerce) Control Act, 1955 (Central Act 39 of 1955) and the Rules made there under shall be deemed to be an import duly made under this rule and the import licence issued under the provisions thereof shall be taken as import permit issued for the purposes of this rule.

(3) The Joint Commissioner (Prohibition and Excise) or the Assistant Commissioner (Prohibition and Excise), Office of the Commissioner

of Prohibition and Excise, Chennai-5, may also issue permits specified in subrule (1) if so directed by the Commissioner of Prohibition and Excise.

(4) The consignment of preparations imported under this rule shall not be opened and taken into stock by the importer unless it is verified by the Tahsildar or an Excise Officer authorized on his behalf.

(5) The Commissioner of Prohibition and Excise, may in his discretion grant a general import permit for a period not exceeding one year at a time in respect of restricted preparations, if he is satisfied that a large number of imports at frequent intervals have to be made from the sources outside the State on payment of an annual fee of Rs.150 (Rupees one hundred and fifty only). The application shall be in Form S.P.III and the permit shall be issued in Form S.P.IV.

(6) The loss of an import permit during the period of its currency shall forthwith be intimated by the holder of the permit to the authority who issued the import permit, explaining the circumstances in which, the loss had occurred. If the consignment has been received, the holder of the permit shall furnish the details of the products received. A fee of Rs.25 (Rupees twenty five only) shall be payable for every duplicate permit for which the applicant shall apply in Form S.P.III. The duplicate may be granted by the authority who issued the original permit after making such enquires as it deems fit. The fee shall be remitted under the head of accounts " 039, State Excise - (i) other receipts 04 miscellaneous." The holder of the permit shall return the duplicate permit for cancellation, if and when the original import permit is traced out.

8. Exports :-

(i) No restricted preparation shall be exported out of the State excepts under or over of an export permit in Form S.P.V granted by the Collector having jurisdiction over the place from which the export is made. Any person desiring to export any preparation out of the State shall apply in form S.P. VII which shall be duly stamped to the Collector. A fee of Rs.5. (Rupees five only) Shall be payable for each item to be exported.

(2) The Commissioner of Prohibition and Excise may in his discretion, grant a general export permit in Form SP VI for a period not exceeding one year at a time in respect of restricted preparations, if he is satisfied on an application made by a person

in form S.P VIII and onpayment of a annual fee of Rs. 150 (Rupees one hundred and fifty only) that a large member of exports at frequent interval have to be made to places outside the State.

(3) Export made under the provision of Spirituous Preparations (Inter - State Trade and Commerce) Control Act. 1955 (Central Act 39 of 1955) and the rules made there under shall be deemed to be an export duly made under this rule and the licence issued under the provision ther of shall be taken as the export permit issued for the purposes of this rule.

9. Transport :-

(1) the transport of all restrict preparation in excess or the quantity permitted to be possessed under rule 10 from one place to another within the state shall be covered by a transport permit in form S.P. IX issued by the licensee from whom the preparations is transported. One copy of the permit shall be carried with the consignment and another copy shall be sent to the Taluk Excise Officer of the Taluk from where the transport is made the third copy shall be sent to the Taluk Excise Office of the Taluk to which the preparation is transported and the fourth copy shall be kept by the licensee as counterfoil.

(2) The movement of restricted preparations issued by hospitals and dispensaries of the strength of prescriptions issued by Medical practitioner shall, if it exceeds 3.75 milli - liters, be accompanied by such prescription or other proof and in case of issue by licensees upto the limit prescribed in Rule 10, by the bill of sale also.

10. Possession :-

(1) No person shall possess any restricted preparation except under and in accordance with the terms and conditions of a licence or permit issued under these Rules and in excess of the quantity entered in such licence of permit;

Provided that -

(a) the medical practitioner specified in column (1) of the Table below may possess at any one time for their professional use and for issue to heir patients for bona fide treatment, mitigation or prevention of disease, preparations up to limits specified against each in column (2) thereof, but not for sale on other physicians prescriptions.

(b) any person may, for his personal consumption, for bona fide

treatment, mitigation or prevention of disease, possess without a licence, but on a prescription issued by a registered medical practitioner mentioned in the Table below any preparation not exceeding the quantity specified in the prescription.

(c) any person may, for his personal consumption, for bona fide treatment, mitigation or prevention of disease. possess without a licence or prescription -

(i) any preparation manufactured under the Ayurvedic, Unani or Siddha system of medicine not exceeding three litres of each provided the total quantity of all such preparations does not exceed four and a half litres . Except the following preparations of Ayurvedic namely:-

1) Mrit Samjivini Sura

2) Mahadrakshasava.

(ii) any Allopathic preparation in the nature of a tonic not exceeding four and half litres;

(iii) tincture iodine or tincture benzoine or such other tinctures as may be notified by the Commissioner of prohibition and Excise;

(iv) mixture issued by hospitals or dispensaries on proper prescription in quantities not exceeding 375 millilitres, and (D) any person may possess toilet preparations not exceeding two litres for his personal use.

THE TABLE

Class of Medical Practitioners	Quantity of preparations allowed to be possessed at any one time.
(1) Registered Medical Practitioner (in case of allopathic Preparation)	5,000 milliliters to each preparation/
2) Registered Homeopathic medical practitioner.	375 milliliters of each homeopathic preparation.
3) Registered Medical Practitioner in the Indigenous system of Medicines.	a) Five litres of each of any Asava or Arishta b) Preparations containing drug not exceeding 40 grams of drug content: and c) 150 milli-litres of any ayurvedic preparation containing added alcohol.
4) Medical Practitioner in charge of an Institution (other than Government Local Fund, Municipality, Corporation or Charitable Institution) such as hospital or maternity home	10,000 milli-litres of each preparation.

Explanation - If the Quantity prescribed above is not sufficient for any medical practitioner mentioned in item (4) of the Table above, the Commissioner of prohibition and Excise may allow such quantity as may be considered necessary in each case.

(2) All medical practitioners mentioned in the Table in sub-rule (1) shall maintain a

register in Form S.P. X in respect of restricted preparation

11. Licences For Sale :-

(1) Licences for the sale of spirituous shall be of the following descriptions, namely:-

a) Wholesale licence -

(1) Wholesale licence in Form S.P. XI shall be issued by the Collector-

(i) for sale of allopathic medicinal preparations to those holding licences in Forms 20-B and 21-B under the Drugs and Cosmetics Rules 1945;

(ii) for sale of any homoeopathic medical preparation or any preparation coming under the indigenous system of medicine to a registered medical practitioner or to those holding licence in Form L-1 or L- 2 under the Medical and Toilet Preparations (Exercise Duties) Rules 1956, or a licence under the Drugs and Cosmetic Act, 1940 (Central Act XXIII of 1940); and

(iii) for sale of other preparations to those possessing such qualifications as may be specified by the Commissioner of Prohibition and Excise.

(2) No Wholesale licence shall be issued except on payment of a fee of Rs. 100 (Rupees one hundred only) for a year part thereof

(b) Retail sale licence -

(1) Retail sale licence in Form S.P. XIII shall be issued -

i) for sale of allopathic medicinal preparations , to those holding licences in Forms 20 and 21 under the Drugs and Cosmetic Rules 1945.

ii) for sale of any homoeopathy medicinal preparation or any preparation coming under the indigenous system of medicine, to a registered medical practitioner to those recognized by the State Government or the Government of India as competent authorities for dispensing these preparations to the public or to the holder of licence the Drugs and Cosmoties Act. 1940 (Central Act XXIII of 1940); and

iii) for sale of other preparations to those possessing such qualifications as may be specified by the Commissioner of prohibition and Excise.

2) No retail sale licence shall be issued except on payment of a fee of Rs. 25 (Rupees twenty five only) for a year part there fo in case of a licence for sale of allopathic medical preparations

Explanation - Sale by one wholesale licence to another for purpose of resale , sale to medical officers for supply to their patients and

sale to hospitals, dispensaries, maternity homes and other institutions shall be deemed to be wholesales to the retail sales.

2) No registered dealer shall possess for sale any restricted preparation in the state in excess of the quantity specified in the licence in Form S.P.XIV

Explanation (1) The Collector shall specify in the licence in Form S.P. XIV the quantity of each of the restricted preparation that may be possessed at any one time by a registered dealer:

Explanation (2) Registered dealers are those who have registered with the Collector by obtaining licence in Form S.P. XIV for this purpose

(3) All medicinal preparations containing alcohol or intoxicating drugs can be possessed or sold by registered dealers.

(4) All application for grant or renewal of licence in Form S.P.XI or in Form S.P. XIV shall be made in Form S.P. XV which shall be duly stamped, to the Collector. On receipt of such application and after making the enquiry, if the Collector considers that the applicant is eligible for the licence, he shall issue the licence. If on any account the Collector considers it not necessary to renew a licence, he shall do so only after giving an opportunity to the licensee to represent his case. The Collector shall, in exercising his powers under the rule, have regard to the following considerations namely.:-

(a) whether the applicant has taken out the prescribed licence under the Drugs and Cosmetics Act. 1940 (Central Act XXIII of 1940) or under the Medicinal and Toilet Preparation (Excise Duties) Rules 1956 or whether he is qualified to hold the licence;

(b) that the financial position of the applicant is sound:

(c) that there is actual need for such a licence at the locality: and

(d) that the applicant has not been convicted of any offence under the Act, Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (Central Act 16 of 1955) or Drugs and Cosmetics Act, 1940 (Central Act 16 of 1955) or Drugs and Cosmetics Act, 1940 (Central Act XXIII of 1940) or the Dangerous Drugs Act, 1930 (Central Act II of 1930) or the Opium Act 1878 (Central Act II of 1878).

(e) The licences issued under rules shall be biennial at the option of the licensee subject to the collection of appropriate renewal fee for two years. Applications for renewal either annual or biennial shall be made before the 31 st March of the year. If the application for renewal has been submitted before the expiry of the licence, then the licence shall be deemed to be in operation till orders are passed renewing or rejecting the renewal of the licence.

(f) In the case of applications for renewal made on or after the 1 st

day of March and before the 31 st day of March an additional fee of Rs.10 (Rupees ten only) Shall be levied. The applications received after the 31 st day of March of the year to which the licence relates shall be treated as fresh application for a licence and dealt with accordingly.

(5) The Collector may, if he considers it necessary, consult the Director of Indian Medicines, the Drugs Controller or the Director of Medical service and Family Welfare, as the case may be, before sanctioning the issue of the licence.

(6) Any licence issued under this rule, shall be valid only in respect of preparations coming under any one of the following systems of medicine, namely. Allpathi, Ayurvedic, Siddha, Unani or Homoeopathis as may be specified in the licence.

(7) The licence granted or renewed under this rule shall be valid for the financial year beginning on and from the 1 st day of April or from the date of issue of the licence ending on the 31 st day of March immediately following unless a shorter period is specified in the licence.

(8) (a) The holders of licences in Form S.P. XI and in Form S.P. XIV shall remit the security deposit at the rates specified below for the due observance of the terms and conditions of the licence.

(1) For L1 manufactories holding the licence in Form S.P. XI and S.P. XIV Rs.1,000 (Rupees one thousand only)

(2) For L2 manufactories holding the licences in Form S.P. XI and S.P. XI and S.P.XIV Rs. 500 (Rupees five hundred Only)

(3) For other dealers. Rs.250 (Rupees two hundred and fifty only)

(b) In case of non observance of the terms of licence, the security amount so deposited shall be forfeited to the Government without prejudice to the cancellation of the licence provided that no forfeiture of deposit shall be made unless the licence has had reasonable opportunity of showing cause against such forfeiture. The forfeiture of the security deposit and the cancellation of the licence shall not be held to prevent the licensee from being proceeded against in a court of law under the provisions of the Act and the rules framed there under or any law for the time being in force.

9) The possession of a licence under the Drugs and Cosmetics Act.1940 (Central Act XXIII of 1940) shall not be insisted upon for registration as a dealer under these rules for import and sale of cosmetics, if the cosmetics are of Indian origin and have been manufactured by licensed manufactures.

(10) permanent numbers shall be assigned to licence in Forms

S.P.XI and S.P. XIV issued under rule 11.

12. Hospitals And Dispensaries Exempted From Taking Out Licence :-

No license shall be necessary for possession, use dispensing in hospitals or dispensaries of any preparations by the following persons, namely - (i) Medical Officers, Health Inspectors, Health Assistants. public Health Nurses, health Visitors and Midwives.

(a) attached to hospitals or dispensaries of the state Government; or

(aa) attached to Primary Health Centres or Health Sub-Centres attached to the Health Department of the State Government; or

(b) attached to or Local body or Corporation /Municipal Hospital or Dispensaries: or

(c) attached to dispensaries subsidized by local authorities, Corporation or by the State or Central Government : or

(cc) attached to Mini Health Centres; or

(d) attached to private hospital or dispensaries specifically approved by the Commissioner of Prohibition and Excise: and

ii) Special Officers, Veterinary Surgeons, Veterinary Inspectors, Veterinary Stockmen and Compounders and officers in charge of the Central Veterinary Stores.

Explanation - In this rule the expression Medical Officers shall include the physicians attached to hospitals or dispensaries belonging to the state Government or the Government of India where Allopathy, Homeopathic or Ayurvedic or any other Indian system of medicine is administered.

13. Consumption Within The Business Premises :-

No chemist, Druggist, Apothecary or keeper of a dispensary or Vaidysala or seller shall allow any restricted preparation to be consumed in his business premises by any person otherwise than for bona fide treatment, mitigation or prevention of any diseases and except on the authority of prescription signed by a registered medical practitioner. A register showing the name of the registered practitioner who issued the prescription, the name of the patient, the quantity noted in the prescription and the name of the patient, the quantity noted in the prescription and the quantity dispensed shall be maintained in Form S.P. XVI. All such prescriptions shall be retained in chronological order for the inspection of any Revenue Officer not below the rank of a Deputy Tahsildar or Inspector of Police or Drug Inspector or a Taluk Excise Officer.

14. Change Of Place Of Business Of Licensee, Suspension Of Licence, Etc :-

(1) A licensee shall not change his place of business specified in his licence. If he desires to do so, fresh application for a licence shall be made and all the provisions relating to the grant of fresh licence shall apply accordingly.

(2) The licensee shall not mortgage, lease out, sell or otherwise alienate his licence except on grounds of inheritance subject to the condition that the transferee is otherwise eligible for issue of a licence under these rules, without the written consent of the Collector.

(3) If in the opinion of the Collector, the licensee has failed to comply with all or any of the terms and conditions of licence or with any of the provisions of the Act or these rules, the Collector may, after giving the licensee an opportunity to show cause why such an order should not be passed and stating the reasons therefore, cancel a licence issued under these rules or suspend it for such period as he thinks fit either wholly, or in part where a licence is suspended or cancelled during the currency or is not renewed after its expiry, the licensee is prohibited from selling or using any of the stock held by him under the licence at the time of such suspension, cancellation or expiry. Such stocks shall be disposed of only under the order of the Collector.

15. Accounts :-

The Accounts of all transactions in respect of all items of restricted preparations shall be maintained by all persons dealing in them day by day in Form S.P. XII. Copies of import, export and transport permits, indents received from purchasers and bills or invoices issued at the time of sale shall be preserved for a period of one year from the date of lapse of the currency of the licence in support of the accounts and produced for check or inspection whenever demanded by an officer not below the rank of Deputy Tahsildar, Drug Inspector or Inspector of police or an Excise Officer not below the rank of Taluk Excise Officer. The register in Form S.P. XVI and all the prescriptions shall be retained for a period of not less than one year from the date of lapse of the currency of the licence.

16. Inspection :-

Any Officer not below the rank of a Deputy Tahsildar Inspector of Police or Drug Inspector or a Taluk Excise Officer may enter and inspect at any time, by day or by night, any place in which a

licensee conducts his business in restricted preparations and may require such licensee to furnish him with any information or to produce before him the stock of the restricted preparations, the accounts or other documents relating thereto for purpose of inspection and check and may examine. test and take samples of any restricted preparation dealt with by such licensee and may also seize and detain such of the preparations, which he had reasonable grounds to suspect as spurious. The licensee shall maintain as Inspection Note Book in Form S.P. XIII exclusively for the Inspecting Officers for the purpose.

17. Penalty For Contravention Of The Rules Or Any Condition Of The Licence Or Permit :-

(i) Infraction of any of these rules or conditions of a licence or permit issued under these rules either by a licensee or by any person in his employment shall entail on the licence-

(a) forfeiture of his security deposit either in full or part; or

(b) cancellation or suspension of the licence;

(c) both.

(2) It shall be competent for the Collector to impose any or all the above penalties.

(3) The forfeiture of security deposit or the suspension or cancellation of a licence, under these rules shall not, however, relieve the licensee or his agents from liability to be prosecuted for any specific offence committed under the Act or the Rules framed there under.

18. Exemption :-

The State Government or the Commissioner of prohibition and Excise, with the prior approval of the State Government may exempt any person or class of persons from the operation of any of the provisions of these rules.