

MEDICINAL AND TOILET PREPARATIONS (EXCISE DUTIES) ACT 1955 & RULES 1956

This is Central Act implemented by the State Government. This Act provides for the levy and collection of duty of Excise on Medicinal and Toilet preparations containing alcohol, Opium, Indian hemp or other narcotics drug or narcotics. The Act also provides for the manufacture of goods either in bond or outside, without any bond and this affects the levy and collection of duties. The manufacture of dutiable goods in a bonded ware-house attracts duties in a State where such goods are used for consumption; while the dutiable goods, which are not manufactured in bonds attract duties in the State, in which such goods are manufactured.

2. “Medicinal Preparation” includes all drugs 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 or prevention of disease in human beings or animals.

3. “Toilet preparation” means any preparations, which is intended for use in the toilet of the human body or in perfuming apparel of any description or any substances intended to cleanse, improve or alter the complexion, skin, hair or teeth and includes deodorants and perfumes.

Under these Rules, the following licences are issued for the purpose noted against each.

- L1. Licence to manufacture Medicinal and Toilet Preparations containing alcohol, opium, Indian Hemp and other Narcotic drugs and narcotics under bond for payment of duty.
- L2. Licence to manufacture Medicinal and Toilet Preparations containing alcohol, Opium, Indian hemp and other Narcotic drug and Narcotics outside bond.
- L3. Licence for Ayurvedic or Unani practitioner to manufacture Ayurvedic or Unani preparations containing Self generated alcohol for dispensing and not for trade purposes.
- L4- Licence for a Bonded Ware house

1. Category of Licence

L1

2. Name of the Rule Covered

Medicinal and Toilet Preparations (Excise Duty) Rules, 1956.

3. No.of Licences functioning now : 6

1. Tvl. Raptakos Brett and Co., Ltd.,
No. 142 (66) Velacheri Road, Chennai 42.
2. Tvl.Wardex Pharmaceuticals Pvt.,Ltd.,
No.55, Nelson Manickam Road, Aminjikarai, Chennai 29.
3. Tvl. Alfred Berg and Co (India) Pvt. Ltd.,
No. 1 Hunters Road, Chennai 112.
4. Tvl. Global Pharmatech (P) Ltd.,
32, Sipcot, Hosur 635 126.
5. Tvl. INGA Pharmaceuticals Industries Ltd., Tambaram
6. SKM Siddah and Ayurvedic.Medicines (India) Pvt.Ltd, Swaminathapuram,
Modakkurichi, Erode

4. Purpose of Licence

Licence to manufacture Medicinal and Toilet Preparations containing alcohol, opium, Indian hemp and other Narcotic drugs and narcotics under bond for payment of duty

5. How to apply (Rule 83 & 91)

Apply in Form AL1

6.To Whom apply (Rule 82)

Commissioner of Prohibition and Excise.

7.Fees Details (Table under rule 83)

Manufacture under bond for payment of duty

a)Allopathic medicinal preparations and toilet preparations containing alcohol-

- (i) Where, in the alcohol consumed, the pure alcohol content is less than 2250 litres per annum - Rs. 200
- (ii) where, in the alcohol consumed, the pure alcohol content is more than 2250 litres per annum - Rs. 400

b) Medicinal preparations and toilet preparations not containing alcohol, but containing opium, Indian hemp, or other narcotic drug or narcotic' – Rs. 20

c) Homoeopathic preparations containing alcohol

- (i) where, in the alcohol consumed, the pure alcohol content is less than 2250 litres per annum - Rs. 200
- (ii) where, in the alcohol consumed, the pure alcohol content is more than 2250 litres per annum - Rs. 400

d)Medicinal preparations in Ayurvedic, Unani or other indigenous systems of medicines containing alcohol and which are prepared by distillation or to which alcohol has been added - Rs. 50.

8. Requirements for the establishment of Licensed Premises (Rule 47)

i) The portion of the non- bonded manufactory used as “laboratory” shall be separated from that used for other purpose.

ii) The windows of the “spirit store”, “laboratory” and “finished store” shall be fitted with malleable iron bars not less than 19 mm. in thickness, set not more than 102 mm. apart and fixed in the brick- work to a depth of at least 51 mm. at each end. On the inside of each window there shall be securely fastened to the bars stout wire- netting the aperture of which shall not exceed 25 mm. in diameter.

iii) There shall be only one entrance to the non-bonded manufactory and one door each to the “laboratory”, “spirit”, “store” and “finished store”.

iv) All pipes from sinks and wash-basins inside the manufactory premises shall discharge into closed drains forming part of the general drainage system of the premises.

v) All electric and gas connections with the licensed premises shall be so fixed as to admit of the supply of electricity or gas being cut off and the regulators or switches being securely locked out at the end of day’s work.

vi) There shall be separate “spirit store” for the rectified spirit.

vii) There shall be separate finished stores for medicinal and toilet preparations falling under each item of the Schedule to the Act.

viii) All alterations in arrangement of building and plants shall be made only with the previous sanction of the Excise Commissioner.

9. Suitability of the Applicant (Rule 95)

- i) The qualifications and previous experience of technical personal engaged in the manufactory operation.
- ii) The equipment of the bonded manufactory
- iii) Soundness of the applicant’s financial position and
- iv) Suitability of the proposed building for the establishment of manufactory.

10. Grant of privilege/Issue of Licence (Rule 82)

Special Commissioner and Commissioner of Prohibition and Excise is the licensing authority.

11. Other Licences to be taken (Rule 94)

1. Requisite licence under the Drugs and Cosmetics Act, 1940.
2. RL3 Licence.

12. Renewal of licence (Rule 83(1))

An application for renewal of licence shall be made atleast 30 days before the date of expiry of the validity along with the requisite fees. Licence should be renewed every year.

13. Cancellation of licence (Rule 87)

If any violations in the conditions of the licence is found, the licensing authority may suspend or cancel the licence.

M&T.P.Series No.1
FORM A.L.1

Application for licence to manufacture goods liable to duty of excise under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955

(IN BOND / OUTSIDE BOND)

(See Rules 83 and 91)

(Delete the letters and words not applicable)

To

The Excise Commissioner.....State.

The Collector----- District.

Sir,

I / we----- residingat----- Taluk----- District----- request that-----
----- I / we may be granted

The accompanying

Licence to manufacture----- during the Year ending the 31st March 20.

2. I / we hereby declare particulars (in the table overleaf) of the manufactory and the

Premises where I/ we carry on business for the intended to carry manufacture of such goods.

3. I / we agree to abide by the terms and conditions of the licence when may be granted / renewed.

4. I / we have enclosed a challan for payment of the lience fee of rupees.

5. I/We have enclosed the site and elevation plans of the manufactory building(s) and also similar plans for the quarters of the Excise Staff, together with relevant records.

6. I/We hereby declare that no excise licence previously held by me/us has been revoked or suspended or has failed to be renewed owing to a breach of the Act and /or rules governing that grant of such licence.

7. I/We declare that to the best of my/our knowledge and belief the information furnished herein is true and complete.

Place.....

Date.....

Signature(s) of the applicant(s)

TABLE

1.	Name or names and the address or addresses of the person or persons applying; if the applicant is a firm, the name and address of every partner of the firm; and if a company, the registered name and address thereof, the names of the Directors, Managers and Managing Agents, and if there is a managing Director, the name of such Director;	
2.	The amount of capital proposed to be invested in the venture.	
3.	<p>The name of the place, and the site on which the building or buildings housing the manufactory is/are situated or to be constructed</p> <p>In case of renewal of licence, the following particulars, with distinguishing letter or number or letter and number of each to be furnished:-</p> <ul style="list-style-type: none"> (i) brief discription (with boundaries) of the premises; (ii) description of each main division or sub-division of the manufactory; (iii) spirit store; (iv) laboratory; (v) finished store; 	
4.	Approximate date from which the applicant desires to commence the manufactory;	
5.	The number and full description of the vats, stills and other permanent apparatus and machinery which the applicant wished to set up for work or already set up (giving distinguishing letter or number or letter and number of each);	
[6.	The maximum quantities in London- proof litres of alcohol and alcoholic content in unfinished and finished preparations and on the maximum quantities by weight of opium, Indian hemp or other narcotic drugs or narcotic and their contents in unfinished and finished preparations, which are likely, to remain in the manufactory at any one time.]	

7.	The amount in cash or Government Promissory Notes which the applicant is prepared to furnish for the due performance of the conditions on which the licence may be granted;	
8.	(i) Whether the proposed bonded manufactory will require services of a whole-time or part-time Excise Officer; (ii) Whether quarters for the excise staff will be provided within the manufactory or its vicinity; (not applicable to non-bonded manufactories);	
9.	The kind and number of each under the [Drugs and Cosmetics Act, 1940]held by the applicant;	
*[10.	A list of all preparations which the applicant proposes to manufacture and /or or those manufactured during he preceding year, in the manufactory showing the percentage or proportion of alcohol in terms of London-proof litres contained in each such preparation containing alcohol, or opium, Indian hemp or other narcotic drug or narcotic, in terms of weight in preparation containing those substances, quoting the authority (Pharmacopoeia) under which such preparations are/were proposed to be manufactured:	

Alcohol, Opium, Indian hemp, other narcotic drugs or narcotics

NAME OF PREPARATION	QUANTITY MANUFACTURED DURING THE YEAR	QUANTITY TO BE MANUFACTURED DURING THE YEAR	QUANTITY AS PER COLUMN 2
1	2	3	4
QUANTITY AS PER COLUMN 3	PERCENTAGE OF ALCOHOL IN LONDON-PROOF LITRES/PERCENTAGE BY WEIGHT OF OPIUM, INDIAN HEMP, NARCOTICS OR NARCOTIC DRUGS		FORMULA ACCORDING TO WHICH THE PREPARATION IS MADE
5	6		7]