

## Punjab Supply and Sale of Bhang Rules, 1956

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Revenue Department Excise and Taxation

**No. G.S.R. 44/P.A.I./14/Section 59/62.** - The following orders as amended up to the 1st January, 1962, are republished below for general information :-

1. There shall be the following two kinds of licences for the vend of *bhang*:-

(a) Licence in for H.26 for the wholesale vend of *bhang*:-

(b) Licence in form H. 28 for the retail vend of *bhang* or any preparation or admixture thereof.

2. The fee payable for wholesale licences in form H. 26 shall be fixed by auction.

3. The fee payable for retail licences in form H.28 shall be fixed by auction.

4. Wholesale and retail licences shall be granted by the Collector in conformity with rules 8 and 9.

5. No licence for the vend of *bhang* shall without the previous sanction of the Financial Commissioner be granted for a period extending beyond the term of the Financial year in which the license is granted.

6. No licence is transferable, but the Collector may if the new person is eligible under the Punjab Intoxicant Licence and Sale Orders, or under these rules, permit a licensee to add any person as a partner in his business or to transfer his licence to any person. [In such a case the new partner will be responsible for all obligations incurred or to be incurred under the licence during the period of its currency as if it had been originally granted in his name.]

7. All the rules prescribed in the Punjab Liquor Rules for the grant of auction of liquor licences shall as far as applicable, apply to the grant by auction of *bhang* licences.

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8. The Collector shall dispose of wholesale and retail licences by auction either separately, or in group as he may decide, subject to the concurrence of the Financial Commissioner.

9. The monopoly of the right of retail vend in a district or specified part of a district may be formed under an agreement in form H. 29 with the sanction of, and subject to the conditions approved by the Financial Commissioner.

10. If any person who had a licence under these rules shall have in his possession on the expiry or determination from any other cause such as cancellation etc. of his licence any *bhang* which he was unable to dispose of during the time when his licence was current under the provisions of these rules to any person licensed or authorised to purchase it, he shall dispose it of in such manner as the Collector may direct.

11. Any person who is granted a wholesale and retail license shall be bound, if so desired by the Collector of the district in which he holds his licence, take over the surplus stock of the person who held the wholesale and retail licence, for the same place in the preceding year, at a price to be fixed by the Collector.

12. The licences shown in this rule are granted subject to the special conditions, noted under each, in addition to the conditions laid down in these rules:-

(1) A licence in form H.26 of the wholesale vend of *bhang*.

- (a) (i) The licensee shall not, under this licence, sell *bhang* other than that on which duty has been paid of such kind and of such rate as the State Government may impose in exercise of the powers conferred on it by sections 31 and 32 of the Excise Act, 1914.
  - (ii) The licensee shall meet the demand of every customer entitled to be served, who tenders payment and the licensee shall maintain a sufficient stock of *bhang* of good quality in which he is licensed to deal, to meet the probable demand.
  - (iii) If the licensee makes default in paying any monthly instalment on the [Seventh] day of the months in respect of which it is due, it shall be in the direction of the Collector to cancel the license forthwith and recover any loss caused to Government by such defalcation in the manner provided in section 60 of the Punjab Excise Act, 1914.
  - (iv) The licensee shall not in any case be entitled to demand refund of any fee paid to Government in respect of this licence.
- (b) He shall not keep in stock, or sell, either mixed with *bhang* which he is authorised to sell or separately any chloral hydrate, butyl chloral hydrate or para aldehyde.
- (c) The licensee shall not hold directly or indirectly through any agent any licence in Himachal Pradesh for the vend of spirit, fermented liquor or any intoxicating drug as defined in the Excise Act for the time being in force in Punjab nor shall be act as the agent of any person holding such a licence.
- (d) The licensee shall not allow any person to conduct sales on his behalf unless the name of such person has been previously submitted to the Collector for approval and endorsed by him on the licence.
- (e) (i) The licensee shall maintain daily accounts of sales made by him under the licence and of his balances in store in register in forms H.36.
  - (ii) He shall prepare and submit to the Excise and Taxation Officer of the District a monthly abstract of his receipt and sale under licence in form M- 73.
- (f) The licensee shall on demand by any Excise Officer produce this licence and his sale accounts for inspection by such officer.
- (g) The licensee shall comply with any rules made under the Excise Act, 1914, for the regulation of the import, transport or sale of intoxicating drugs.
  - (i) In the event of licensee infringing any of these conditions he shall be liable to be deprived of his licence at the Collector's discretion, in addition to any other penalty to which he may be liable under the penal provisions of the Excise Act, 1914.
- (j) On the termination of the period for which this licence is granted or on the licence being cancelled by Collector as provided by condition (i) the licensee shall forthwith surrender the licence to the Collector.

(2) Licence in form H.28 for the retail vend of *bhang* or any preparation thereof.

- (a) If the licensee makes default in paying any monthly instalment on the 1st day of the month in respect of which it is due, it shall be in the discretion of the Collector to cancel the licence forthwith and cover any loss caused to Government by such [default] in the manner provided in section 60 of the Excise Act, 1914.
- (b) The licensee shall not in any case be entitled to demand refund of any fees paid to Government in respect of this licence.
- (c) The licensee shall not sell *bhang* or any preparation or admixture thereof in quantity more than 233 grams to one person at one time.
- (d) He shall not permit *bhang* or any preparation or admixture thereof to be consumed on the premises of his shop.
- (e) He shall not sell *bhang* or any preparation or admixture thereof to any insane person or to a person below the age of 25 years.
- (f) He shall not keep in stock, sell, or either mixed with the *bhang* which he is authorised to sell or separately any chloral hydrate, butyl chloral hydrate, or paraldehyde.
- (g) He shall not hold directly or indirectly through an agent, any licence in Himachal Pradesh for the vend of spirit, fermented liquors, hemp drugs as defined in the Excise Act, nor shall he act as the agent of any person holding such a licence.
- (h) The licensee shall not allow any person to conduct sales on his behalf unless the name of such person has been previously submitted to the Collector for approval and endorsed by him on the licence.
- (i) He shall maintain a daily account of his *bhang* sales and of his balances in store in the form H.31 and shall submit an abstract of such account to the Collector at the end of every month in form M.73.
- (j) The licensee shall, on demand by any Excise Officer, produce the licence, and his sale accounts for inspection by such officer.
- (k) The licensee shall comply with any rules made under the Excise Act, 1914, or the Dangerous Drugs Act. II of 1930, for the regulation of the import, transport or sale of intoxicating drugs.
- (l) In the event of the licensee infringing any of these conditions he shall be liable to be deprived of his licence at the Collector's discretion in addition to any other penalty to which he may be liable under the penal provisions Excise Act, 1914.
- (m) On the determination of the period for which this licence is granted or on the licence being cancelled by the Collector provided by condition (1) above, the licensee shall forthwith surrender the licence to the Collector.

**Form H.26**  
Form of Wholesale License  
**Licence of Wholesale Vend of Bhang**

Register No.....

Name and description of the licensed vendor.....

Locality of shop.....

Whereas.....son of.....has agreed to pay the sum of Rs.....for the right of selling *bhang* wholesale at ..... during the term of.....and has paid into the Government Treasury at.....the sum of Rs.....being one- sixth of such sum.

Now, therefore, the Collector hereby grants the said....(hereinafter called the licensee) a license to sell *bhang* wholesale at.....during the term specified above and subject to the conditions laid down in the Punjab Supply and Sale of Bhang Rules. 1955, and other conditions hereinafter stated. The license is granted personally to.....hereinbefore named, and is not transferable except with the prior permission of the Collector granted, under rule 6 of the Punjab Supply and Sale of Bhang Rules, 1955. In the event of the licensee dying during the currency of the license, it shall immediately lapse.

(Signature of licensee),

(Signature of Collector)

Dated.....19 .

**Conditions of License**

1. The licensee is entitled to sell under this license *bhang* at the vend premises mentioned below, and not elsewhere.

Name of District.....

Locality of vend premises.....

2. The licensee under this license may sell *bhang* to any person holding a permit authorising him to purchase *bhang* for removal into any other State or a Union Territory in India.

3. The licensee is authorised to supply *bhang* to countries outside India on the authority of export authorisations issued by the Narcotics Commissioner to the Government of India, prescribed under the Dangerous Drugs (Import, export and Transshipment) Rules, 1957.

4. The licensee shall sell *bhang* to such licensee as are licensed under the Medicinal and Preparations (Excise Duties) Act 1922, holding a permit to transport *bhang* within the State of Punjab in Form H.21 prescribed under the Punjab Hemp Cultivation and Bhang permit and Pass Rules. 1955.

5. The licensee shall sell *bhang* to persons authorised to possess *bhang* for scientific purposes, holding a permit to transport *bhang* within the State of Punjab in Form H.21 prescribed under the Punjab Hemp Cultivation Permit and Pass Rules, 1955

6. The licensee shall not charge a higher price for *bhang* than such price as may fixed by the Financial Commissioner, from time to time and endorsed on his license in the following manner:

Maximum price of *bhang* calculated on gross weight of package for delivery at the licensed premises, shall be Rs.....per quintal/kilogram (exclusive of duty).

7. The licensee shall provide himself within a month after the issue of this license with accurate scales and weights as noted below and shall keep the same in the condition:-

- (1) 100 grams.
- (2) 200 grams.
- (3) 500 grams.
- (4) 1 kilogram.
- (5) 2 kilograms.
- (6) 5 kilograms.

(7) 10 kilograms.

(8) 20 kilograms.

and such other weights as may be required for the sale of *bhang*.

The licensee shall obtain the scales and weights only from the firms approved by the Financial Commissioner.

Signature of licensee.

Designation and Signature of the Officer issuing the license.

Dated.....

### Form H.28

Form of licence for retail vend of *Bhang* or any preparation or admixture thereof  
*Licence for retail vend of bhang*

Register No.....

Name and description of licensed vendor.....

Locality of shop.....

Whereas.....,son of .....has agreed to pay a sum of Rs.....,for the right selling *bhang* or any preparation or admixture thereof retail at.....during term of..... and has paid into Government Treasury at.....the sum of Rs... being one-sixth of such sum;

Therefore the Collector hereby grants the said .....hereinafter called the licensee a licence to sell *bhang* or any preparation or admixture thereof retail at.....during the term above specified and subject to the conditions laid down in the Punjab Supply and Sale of Nhang Rules, and the conditions hereinafter stated. The license is granted personally to ..... hereinbefore named, and is not transferable except with the prior permission of the Collector, granted under rule 6 *ibid*.

In the event of his dying during the currency of licence, it shall immediately lapse.

Signature of Licensee

Signature of Collector

Dated at.....

the.....,19

### Conditions of Licence

1. The balance of the fees due by the licensee in respect of his licence, shall be paid in ..... equal monthly instalments commencing from.....19..... each instalment shall be paid on the 1st day of the month in respect of which it has to be paid and is due.

2(i) The licensee shall, for the purpose of selling *bhang* under this license, maintain a shop at .....in .....tehsil of the .....district and nowhere else, nor shall he sell *bhang* or any preparation or admixture thereof under this license elsewhere than at such shop .

(ii) So long as he holds this licence, he shall be at the shop, above named an adequate supply of *bhang* for sale to the public.

(iii) Subject to the conditions of this licence, he shall sell *bhang* to any one offering to pay ready money for the same.

3. The licensee shall not open his shop for the purpose of sale before sunrise, nor shall he keep it open after 8 o'clock in the evening or such later hour as the Collector may sanction.

4. The licensee shall provide himself, within a month after the issue of licence, with accurate scales and weights as noted below and shall keep the same in good condition:-

(1) 1 gram.

(2) 2 grams.

(3) 5 grams.

(4)10 grams.

- (5) 20 grams.
- (6) 50 grams.
- (7) 100 grams.
- (8) 200 grams.
- (9) 500 grams.
- (10) 1 kilogram.

and such other weights as may be required for the sale of the drug.

The licensee shall obtain the scales and weights only from the firms approved by the Financial Commissioner.

*Note* - The number of instalments will be here entered according to the form. If the licence is being granted for the whole financial year, then the sentence will run "in ten equal instalments commencing from April 1, 19 " .

### Form H.29

#### Form of agreement for the farming out of fees leviable under the Punjab Excise Act, 1 of 1914

District.....

Register No.....

Name of Farmers.....

Whereas..... is willing to take from the Governor of the Punjab on farm for the period of .....years a monopoly of the right to collect the fees leviable in .....on licences for the retail sale of and to sell retail.....and to pay the sum of....into the public revenue in respect of the said farm and to comply with and abide in all respects by each and all of the provisions of the Excise Act, 1914 and of Rules made thereunder and the terms and conditions hereinafter set forth; and

Whereas the Governor of Punjab acting by and through.....

Collector of the District of.....(being only authorised in that behalf) agrees to grant to.....the said farm;

Now, therefore, the said.....(hereinafter called the Contractor), and the said Governor of Punjab acting by and through.....Collector of the District of.....(hereinafter called the Collector) covenant and agrees as follows, that is to say.....

1. For and in consideration of the due payment of the sum hereby secured in the manner hereinafter provided and subject to each and all of the terms and conditions hereof, the Contractor shall have the sole and exclusive right to collect the fees leviable under the Excise Act, 1914, or licences for the retail sale of and to sell retail..... in.....for the period of .....commencing on and from the ..... day of.....19.....and ending on the.....day of..... 19.....

2. The Contractor shall, during the continuance of this agreement, pay into the treasury to the credit of the Punjab Government the sum of .....per annum according to the instalments hereinafter following namely:-

#### Payments.

On the.....day of.....19 the sum of.....and on the.....day of each succeeding month until the whole amount secured for each year is fully paid, the sum of.....

3. The Contractor shall observe and comply with all requirements of the Excise Act, 1914. and of the Rules made thereunder appertaining to his rights, liabilities, acts and omissions under this agreement or in any way connected therewith.

#### Law and Rules to be observed

4. (a) The Contractor shall, during the continuance of this agreement maintain shops in such number and such localities for retail vend of -----as the Collector may from time to time direct and shall be bound to sell-----at each and all of such shops.

(b) The Contractor shall not open any shops for the retail vend of-----at any place which has not been approved and allowed by the Collector for the opening of such shops.

(c) The Contractor shall not sell retail or cause or permit any other person to sell retail on his behalf-----within the limits of his farm elsewhere than the shops approved by the Collector in pursuance of his condition.

5. (a) The Contractor shall not permit any person to sell-----retail in his behalf within the limits of his farm who does not hold a licence in the prescribed form.

1. Name, father's name and address of farmer of monopoly.

2. Specify the district or part of district covered.

3. Specify the drug or spirit.

4. Insert in sum per annum.

5. Name of the Collector.

6. Name of district.

(b) The Contractor may, with the permission(to be first obtained)of the Collector, and sell, when so required by the Collector, grant the licenses prescribed by clause (a) of this condition to such person as may be approved or specified by such Collector, and every person so licensed shall be deemed to be an agent of the Contractor and to be bond by each and all of the term and conditions of this agreement.

(c) Every licence granted under this condition shall cease to operate and determine wherever this agreement shall cease to operate and determine.

6. (a) The Contractor shall not sell nor permit any other person to sell on his behalf or under this authority or with his consent any.....on which the import, transport or other duty fixed by proper authority in respect thereof has not paid, or which has been produced in any manner or from any source not permitted in the rules under the Excise Act,1914.

(b) The Contractor shall pay all duties assessed on all..... sold under the authority or in pursuance of his agreement of such kinds and at such rates as may from time to time be fixed by proper authority in that behalf.

7. The specify the drug or spirit sold or offered for sale by the Contractor shall be of good quality and free from adulteration.

8. The Contractor shall not sell nor supply specify the drug or spirit soldiers or non-commissioned officers (whether with their regiment or on staff or civil employ )or to camp followers of regiments, except with the permission of a commissioned medical officer attached to, or in medical charge of, such troops or followers.

9. The Contractor shall not sell nor supply.....to a person below the age of 25 years nor to an insane person nor shall he permit his agents to sell or supply.....to person below the age of 25 years or to insane persons.

10 The Contractor shall not permit any.....to be consumed on the premises of any shop opened and carried on under the authority or in pursuance of this agreement.

11. The Contractor shall furnish to the Collector monthly returns of the.....sold by him and by each and all of his agents, under this agreement in such form as the Collector may from time to time prescribe in this behalf.

12. (i) This agreement is personal to the Contractor and may not be, in any way in whole or in part, transferred by him.

- (ii) The Contractor shall not be at liberty to withdraw from this agreement within the term hereinbefore expressed otherwise than by the permission of, and in accordance with terms imposed by the Financial Commissioner of Punjab.
- (iii) In the event of the Contractor dying before the commencement or during the currency of this agreement, then it shall cease to operate and shall determine on and from the date of his death.
- (iv) The Contractor shall not be entitled to any damages or compensation of any kind in respect of any changes made during the term of this agreement in the rules made under the Excise Act, 1914, nor on account of any changes made during such term by proper authority in the Taxation, direct or indirect, of-

13. (i) In the event of any breach of any of the terms, or conditions of this agreement, on the part of the Contractor or on the part of any of his agent, servants or of any person acting under his authority, the Collector may, in his discretion, cancel and determine this agreement without further notice, and the Contractor shall not be entitled to any damages or compensation of any kind in respect of such cancellation and determination thereof.

(ii) In the event of this agreement being cancelled and determined for any cause or of its determination by lapse of time or otherwise, every other farm, agreement of lease held by the Contractor under any Excise Law for the time being in force shall be liable to be forthwith cancelled and determined by the Collector or other proper authority.

(iii) In the event of the breach of any of the terms and conditions of this agreement by a person licensed under Rules 5 above, the Collector may, in his direction, instead of cancelling and determining the agreement, cancel the licence of such person:

Provided that this provision shall not be deemed to affect the right of the Collector to cancel and determine this agreement upon the occurrence of any such breach should he see fit to do so.

As security for the due fulfilment and performance by the Contractor of all and each of the terms and conditions of this agreement the Contractor shall deposit to the credit of the Punjab Government in the Government Treasury of-----before the first April, 19----, the sum of -----rupees in cash or Government promissory notes, or in National Savings Certificates which sum shall be liable to forfeiture either in whole or in part, in the discretion and by order of the Collector subject to the approval of the Financial Commissioner of Punjab, upon any breach of this agreement, or in the event of the Contractor's failing to carry out any of the terms hereinbefore expressed or at any time ceasing operations under this agreement otherwise than as hereinbefore provided; and further the said security deposits shall be available to meet any just claims which the Governor of Punjab may have against the Contractor at the time of the determination from any cause of this agreement:

Provided that any balance of the said deposit remaining over after satisfying the said claims shall, if not so forfeited, be repaid to the Contractor or his legal representatives.

In witness whereof the parties hereto have subscribed their names at \_\_\_\_\_ this the \_\_\_\_\_ day of \_\_\_\_\_.

Witnesses :-

(1) Name \_\_\_\_\_

Address \_\_\_\_\_



(2) Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Date \_\_\_\_\_

Collector

Collector

**Form H. 30**

**Register to be maintained by a person holding a licence for the wholesale vend of Bhang**

1	2	3	4	5	6	7	8
Today's receipts					Today's sale		
Month and date	Balance of previous date	Quantity	Source of Supply	Total	Quantity	Name and description of Purchase	Balance in store at end of the day

**Form H. 31**

**Register to be maintained by a person holding a licence for the retail vend of Bhang**

1	2	3	4	5	6	7
Today receipts					Today' sales	
Month and date	Balance of previous date	Quantity	Source of supply	Total	(Quantity sold)	Balance in store at end of day

**Form M. 73**

Monthly return of sales of *Bhang* whether by wholesale or by retail (To be submitted to the Excise Inspector by the licensed vendor not later than the 2nd of every month).

Name of licensee \_\_\_\_\_ Licensed at \_\_\_\_\_ for the sales of \_\_\_\_\_

1	2	3	4	5	6
Month	Last Balance	Receipts	Sales	Balance	Remarks