

KARNATAKA EXCISE (RECTIFIED SPIRITS) RULES, 1967

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KARNATAKA EXCISE (RECTIFIED SPIRITS) RULES, 1967

In exercise of the powers conferred by section 71 of the Karnataka Excise Act, 1965 (Karnataka Act, 21 of 1966), the Government of Karnataka hereby makes the following rules, the draft of the same having been previously published," as required by sub-section (1) of Section 71 of the said Act, in Notification GSR No, 412 in PartIV, Section 2C(i) of the Karnataka Gazette, Extraordinary, dated 13th September, 1967, namely:-

1. Title, extent and commencement :-

- (1) These rules may be called the Karnataka Excise (Rectified Spirits) Rules, 1967.
- (2) They shall extend to all the areas of the State of Karnataka where the Karnataka Excise Act, 1965 is in force.
- (3) They shall come into force at once.

2. Definitions :-

In these rules unless the context otherwise requires,

- (a) "Act" means, the Karnataka Excise Act; 1965.
- (b) "Commissioner" means the Excise Commissioner.
- (c) "Duty free rectified spirit" means, rectified spirit in respect of which any person or institution or museum or picture gallery has been exempted from the payment of excise duty under Section 67 of the Act.
- (d) "Form" means, a Form appended to these rules.
- (e) "Licence" means, a licence granted under these rules.
- 1**
- (f) "Rectified Spirit" means plain undenatured alcohol of a strength not less than 52° OF and includes absolute alcohol]

1. Clause (f), substituted by GSR 59, dated 2-3-1989, w.e.f. 3-3-1989.

3. Applications for licences :-

(1) Any person desiring to possess and use rectified spirit for bona fide, medicinal, industrial, scientific, educational or any other similar purpose shall make an application for a licence to the Deputy Commissioner or any other Officer duly authorised to grant licences in that behalf.

(2) The application shall contain the following particulars namely,

(a) name and address of the applicant;

(b) place where the rectified spirit will be kept and used;

(c) quantity of rectified spirit to be used per month;

(d) specific purpose for which rectified spirit is required, and the use it will be put to;

(e) whether the applicant held any rectified spirit licence in the year before the date of application and if so, the number of the licence and the quantity sanctioned;

(f) the period for which the licence is required;

(g) registration number of the applicant if he is a registered medical practitioner.

4. Grant of Licences :-

(1) On receipt of the application under Rule 3,

(a) if the applicant is a registered medical practitioner and the quantity of rectified spirit applied for does not exceed five litres a year, the applicant may be granted by the Deputy Commissioner a licence in Form R.S. (1) with the previous sanction of the Commissioner;

(b) if the applicant is any other person or if the applicant being a registered medical practitioner has applied for a quantity exceeding that specified in clause (a), the Deputy Commissioner or the other authorised officer shall make such enquiries as he deems necessary and if he is satisfied that there is no objection to grant the applicant the licence applied for, he may grant him a licence in Form R.S. (2) with the previous sanction of the Commissioner:

1 Provided that for grant of licence for previous year the sanction of the Excise Commissioner had been obtained, and for grant of

licence for any subsequent year, the Deputy Commissioner on enquiry is satisfied that the applicant for licence had not violated any of the terms and conditions of the licence for the previous year, may grant, licence

(2) A licence under sub-rule (1) may be granted on payment of a fee specified below,

(a) for a licence in Form R.S. (1) rupees ten per annum;

²[(b) for a licence in Form R.S. (2),

(i) where the quantity of rectified spirit does not exceed twenty-five litres per year, rupees twenty-five per annum;

(ii) where the rectified spirit is supplied to alcohol based industries manufacturing, non-potable products located in the State of Karnataka for use for bona fide industrial purchases, rupees ³[two hundred and fifty] per annum; and

(iii) in all the cases, rupees twenty-five and rupee one for every additional litre of rectified spirit supplied per annum]

⁴(3) No such licence shall be granted to a minor.] Licensees to give undertaking to abide by the provisions of the Act, etc. All licences will be effective only after the execution by the licensee of an undertaking in the form of ⁵security bond in Form R.S. 13] on duly stamped paper that he will abide by all the provisions of the Act, rules, regulations and orders made thereunder and the conditions of the licence:

Provided that where the licensee is a Government servant holding the licence in his official capacity, the ⁶ security bond in Form R.S. 13] may be executed on non-stamped paper:

Provided further that where the quantity of rectified spirit granted exceeds two hundred litres per annum, the licensee shall give such security as may be required by the Deputy Commissioner but not exceeding rupees twenty per litre.

1. Proviso to sub-rule (1), added by GSR 47, dated 18-2-1988, w.e.f. 20-2-1988.

2. Clause (b) of sub-rule (2) substituted by GSR 190, dated 11-7-1978, w.e.f. 1-4-1978.

3. Substituted for the words "fifty thousand" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993

4. Sub-rule (3) added by GSR 218, dated 16-6-1969, w.e.f. 26-6-1969.

5. Substituted for the words "a counterpart agreement" by GSR 7, dated 28-12-1976, w.e.f. 6-1-1977.

6. Substituted for the words "a counterpart agreement" by GSR 7, dated 28-12-1976, w.e.f. 6-1-1977.

6. Duration of Licences :-

¹xxx] No licence in Form R.S. (1) or R.S. (2) shall be granted for a period extending beyond the 30th June next following the date of the commencement of the licence. ² (2) x x x x x]

1. The brackets and figure "(1)" omitted by GSR 218, dated 16-6-1969, w.e.f. 26-6-1969.

2. Sub-rule (2) of Rule 6, omitted by GSR 218, dated 16-6-1969, w.e.f. 26-6-1969.

7. Procedure for obtaining supply of rectified spirit :-

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(1) The licensee shall not obtain his supply of rectified spirit except from a

(2) All licensees shall obtain their supply of rectified spirit only under a valid transport permit.

7A. Payment of 2fee] on rectified spirit :-

(1) No rectified spirit shall be issued from any distillery without the payment of prescribed ¹fee] except the rectified spirit exempted from payment of such ²fee] and rectified spirit issued under bond.

Explanation. Issue for the purpose of these rules mean any transfer or release of rectified spirit for any use or for manufacture of potable or non-potable products within or outside the premises of a distillery and includes internal transfer through pipes or otherwise within the premises of a distillery for any use or manufacture of potable or not-potable products.

(2) No person who has been granted a licence under these rules shall obtain rectified spirit from a distillery located within Karnataka or import rectified spirit from outside Karnataka unless he pays the prescribed ³ fee]

1. Substituted for the words "privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

2. Substituted for the words "privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

3. Substituted for the words "privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

8. Place of use of rectified spirit :-

The licensee shall not use rectified spirit except at the place specified in his licence and except in his own presence or in the presence of any other person duly authorised in writing by him in this behalf: Provided that a licensee holding a licence in Form R.S. (1) or a registered medical practitioner holding a licence in Form R.S. (2) may, subject to the provisions of the licence, use rectified spirit in any place in the State of Karnataka.

9. Licensee not allowed to consume rectified spirit :-

The licensee shall not consume or allow to be consumed any rectified spirit possessed by him under the licence.

10. Use of rectified spirit for industrial purpose :-

(1) No licensee shall use rectified spirit for industrial purposes except on the recommendations of the Director of Industries or such other Officer as may be authorised by Government and in the manner and to the extent recommended by him. The rectified spirit recommended by the said Officer shall be used after obtaining the permission of and subject to such conditions as may be imposed by the Commissioner in this behalf.

10A. Supervisory Staff :-

The Commissioner may appoint such number of Excise Staff for supervision to ensure the compliance with the provisions of the Act and Rules. The cost of establishment including pay, leave salary, pensionary contributions, house rent allowances and conveyance allowance shall be paid by the licensee.

11. Use of rectified spirit for educational or scientific purpose :-

No licensee shall use rectified spirit for educational or scientific purpose except on the recommendation of the concerned District Educational Officer or Principal of the College or Head of the concerned institution.

12. Regulation of business of licensee :-

(1) The premises of the licensee holding a licence in Form R.S. (1) or Form R.S. (2), the rectified spirit kept therein, the accounts maintained therein and the licence shall at all times be open to inspection by the Deputy Commissioner or any Excise Officer.

(2) All licensees holding licences in Form R.S. (2) shall keep in their

premises an inspection book, paged and stamped with the seal of the Deputy Commissioner in which inspecting officers may record their remarks. The other licensees shall keep an ordinary paged book, in which inspecting officers may record their remarks.

13. Suspension or cancellation of licence :-

(1) All licences granted under Rule 4 may be suspended or cancelled in accordance with the provisions of Sections 29 and 30 of the Act.

(2) In cases where the licence is suspended or cancelled during the currency of the licence period or is not renewed on its expiry, the licensee shall forthwith intimate the Deputy Commissioner of the quantity of rectified spirit in stock with him. On receipt of such intimation the Deputy Commissioner shall instruct the Excise Officer or other authorised officer to verify the stock and seal the premises where the stock is stored. The stock shall however be deemed to be in the custody of the ex-licensee who will make arrangements and will be responsible for its safety. The stock may only be sold with the permission of the Deputy Commissioner to other licensees.

(3) The licensee shall not however be allowed to receive fresh stock after his licence expires or is suspended or cancelled. The permission to sell the stock to other licensee shall be subject to the condition that all sums due to the State Government shall be first paid out of the sale proceeds:

Provided that where the stock does not exceed five litres the Deputy Commissioner may dispose off the stock in any manner he thinks fit, subject to the condition that the licensee is compensated at least to the extent of fifty per cent of the value he has paid for such stock:

Provided further that where the Deputy Commissioner is of the opinion that the stock is not fit for further use, it will be competent for the Deputy Commissioner to destroy such stock and the licensee shall not be entitled to any compensation.

1 xxx]

1. The words and letters "Part II, Possession and use of duty free Rectified Spirit" omitted by GSR 59, dated 2-3-1989, w.e.f. 3-3-1989.

14. Application for obtaining 2fee] free rectified spirit :-

(1) Any person holding a licence for the possession of rectified spirit for use ¹or for any bona fide medicinal, scientific, industrial or other like purpose such as research or educational purpose] or for the purpose of preservation of specimen of natural history or other specimens maintained at any museum or picture gallery and desiring to obtain ²fee] free rectified spirit for such purpose shall make an application in that behalf to the Commissioner throughout the Deputy Commissioner.

(2) The application shall contain the following particulars, namely:

(1) name and address of the applicant;

(2) where ³fee] free rectified spirit is required on behalf of the institution or museum or picture gallery;

(a) the name of the institution or museum or picture gallery;

(b) the capacity in which the applicant represents the institution or museum or picture gallery;

(c) the place where duty free rectified spirit will be used;

(d) specific purpose for which duty free rectified spirit is required;

(e) where ⁴fee] free rectified spirit is required for research purposes in an institution, the total number of laboratories attached to such institution;

(f) where ⁵fee] free rectified spirit is required in an educational institution, whether the institution has a laboratory and if so the number of students who require rectified spirit for use in the laboratory;

(g) the name of the distillery or warehouse from which the applicant desires to purchase duty free rectified spirit;

(h) the quantity of ⁶ fee] free rectified spirit required by the applicant in a year;

(i) the quantity of rectified spirit which the applicant is allowed to have in his possession at any one time under the licence if any held by him;

(k) the number and date of the licence, if any held by the applicant and the designation of the licensing authority which granted it.

(3) When the application under sub-rule (1) is made on behalf of

an educational institution, the application shall be accompanied by a certificate granted by the departmental head approved by the Commissioner in that behalf, showing the number of students studying at the institution and the quantity of duty free rectified spirit required therein for educational purpose

1. Substituted for the words "or for any bona fide research or educational purpose" by GSR 136, dated 15-5-1975, w.e.f. 22-5-1975.
2. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.
3. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.
4. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.
5. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.
6. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

15. Deputy Commissioner to forward application to Commissioner :-

On receipt of the application under sub-rule (1) of Rule 14, the Deputy Commissioner shall make such enquiries as he deems necessary and if he is satisfied,

- (a) that ¹ fee] free rectified spirit is required by the applicant for bona fide [medicinal, scientific, industrial or other like purposes such as research or educational] purpose.
- (b) where spirit is required on behalf of an institution, museum or picture gallery that such institution is bona fide [medicinal, scientific, industrial, or other like purposes such , as research or educational] institution or museum or picture gallery as the case may be.
- (c) that there is no objection to issue duty free rectified spirit to the applicant, he shall forward the application to the Commissioner with his recommendation stating the quantity of duty free rectified spirit which may be issued to the applicant:

Provided that no such application other than that made on behalf of the Government, Municipal or Local Self-Government, institution or an educational institution or a museum or picture gallery shall be forwarded to the Commissioner unless the applicant has executed a bond in Form 'A' for such sum as may be required by the Deputy

1. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

16. Order of exemption under Section 67 :-

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(1) On receipt of the application, forwarded by the Deputy Commissioner under Rule 15, the Commissioner, if satisfied that there are no grounds to reject the application, may forward such of the applications which do not come under the category of cases exempted under Section 67 to the Government with his recommendations

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(2) After a notification is issued by the Government under Section 67, the Commissioner, shall send a copy of such notification to the Deputy Commissioner concerned and the Excise Officer or the Officer-in-charge of the distillery or warehouses from which the applicant is authorised to obtain ² fee] free rectified spirit.

1. Rule 16 substituted by GSR 136, dated 15-5-1975, w.e.f. 22-5-1975.

2. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

17. Duration of order of exemption :-

¹ [xxx]

1. Rule 17, omitted by GSR 136, dated 15-5-1975, w.e.f. 22-5-1975.

18. Procedure for issue of 4[fee] free rectified spirit from distillery or warehouse :-

(1) No duty free rectified spirit shall be issued to any person holding a licence except from a distillery or warehouse and except on presentation by him of an order of exemption to the Officer-in-charge of the distillery or warehouse.

(2) The Officer-in-charge of the distillery or warehouse shall on each occasion on which he issued ¹ fee] free rectified spirit make an entry in that behalf in the order of exemption presented to him and also in the copy of such order received by him and thereafter return the order to the holder thereof. The holder of the order of exemption shall not remove any rectified spirit from the distillery or warehouse unless the quantity issued to him therefrom has been entered in the order of exemption by the officer-in-charge of the

distillery or warehouse.

1. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

19. 6[Fee] free rectified spirit to be used in the licensed premises and for the purpose specified :-

¹ [Fee] free rectified spirit obtained on behalf of an institution or museum or picture gallery shall not be used in any premises other than that of the institution of museum or picture gallery for which it is obtained and for any purpose other than that which is specified in the order of exemption.

1. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1-7-1993.

20. Production of order of exemption for inspection :-

Every person holding an order of exemption shall on demand by an Officer duly empowered under the Act produce the same for inspection.

21. Licensee to give requisition and procedure thereon :-

(1) Any licensee desiring to purchase and transport rectified spirit so purchased shall submit a requisition in Form R.S. (3) signed by himself to the local Excise Officer.

(2) The Excise Officer shall on demand by the applicant supply him with a requisition in Form R.S. (3) in quadruplicate.

(3) The applicant shall fill in all the four parts of the requisition form and submit it to the Excise Officer.

(4) On receipt of the requisition the Excise Officer shall make such enquiries as he deems, necessary and if he is satisfied that there is no objection to allow the purchase of rectified spirit; he may countersign the requisition.

(5) The four parts of the requisition shall be dealt with as under. Part I shall be kept on the record of Excise Officer; Part II shall be handed over to the applicant; Part III shall be sent to the person holding a licence or a warehouse or the distillery Officer as the case may be from whom rectified spirit is to be purchased, and Part IV shall be forwarded to the Excise Officer in whose jurisdiction the licensed premises of the said person or the warehouse or the distillery as the case may be is situated.

22. Procedure for grant of transport permit :-

(1) The applicant shall then make an application to the Deputy Commissioner or any other Officer duly authorised on that behalf within whose jurisdiction the licensed premises of the person holding the licence or the warehouse or distillery as the case may be is situated, for a permit to transport rectified spirit therefrom to the licensed premises of the applicant and shall present Part II of the requisition along with the application.

(2) If the Deputy Commissioner or the Authorised Officer is satisfied that there is no objection to grant the permit applied for, he may, grant the permit in Form R.S. (4).

(3) Such permit shall be in four parts and shall be dealt with as under. Part I shall be kept on the record of the Officer granting the permit; Part II shall be handed over to the applicant for sending it with the consignment; Part III shall be sent to the person holding a licence or warehouse or distillery officer as the case may be from whom the rectified spirit is to be purchased, and Part IV shall be sent to the Excise Officer of the place to which the rectified spirit is to be transported. Part II of the requisition shall also be handed over to the applicant along with Part II of the transport permit.

(4) The transporter shall then present Part II of the transport permit and Part II of the requisition to the person holding a licence or the warehouse or distillery Officer as the case may be, who shall check these parts with the Part III of the transport permit and of the requisition received by him under sub-rule (4) of Rule 21 and if they tally in all respects, the said person or the warehouse or distillery Officer as the case may be, may issue the quantity of rectified spirit stated in the transport permit and make an endorsement to that effect under his signature on Parts II and III of transport permit and as also on Parts II and III of the requisition and hand over Part II of the transport permit and of the requisition to the transporter and retain Part III thereof on his record.

(5)

(a) No person other than a person holding a licence to sell rectified spirit or a licence to possess it shall be granted any requisition in Form R.S. (3) or a transport permit in Form R.S. (4).

(b) No such requisition in Form R.S. (3) or a transport permit in

Form R.S. (4) shall be granted unless the transport is incidental to the purchase of rectified spirit.

23. Grant of transport permit :-

(1) Any person desiring to transport rectified spirit shall make an application to an Officer duly authorised in that behalf for a permit. If the said Officer on receiving the application is satisfied that there is no objection to grant the permit applied for, he may grant the applicant a permit in Form R.S. (5).

(2) The permit shall be in three parts and shall be dealt with as under. Part I shall be kept on the record of the Officer granting the permit; Part II shall be handed over to the applicant for sending it with consignment, and Part III shall be sent to the Excise Officer of the place to which the rectified spirit is to be transported;

(3) The provisions of sub-rule (1) shall not apply to the transport of rectified spirit to which the provisions of Rule 22 apply.

24. Provision not to apply in certain cases :-

Nothing in Rules 21 to 23 shall apply to the transport in bond of rectified spirit.

25. Application for a licence to sell :-

Any person desiring to sell rectified spirit shall apply to the Deputy Commissioner for a licence in that behalf. The application shall contain the following particulars namely,

(a) name and address of the applicant;

(b) place where he wants to sell rectified spirit with the number of the house or building, name of street and city or town as the case may be;

(c) whether any rectified spirit was sold at the above place in the past and if so the years during which it was sold;

(d) whether the applicant held any licence to sell rectified spirit in the past, if so, the years in which he held the licence.

26. Grant of Licence :-

On receipt of the application under Rule 25, the Deputy Commissioner shall make such enquiries as he deems necessary and if he is satisfied that there is no objection to grant the licence applied for he may grant the applicant a licence in Form R.S. (6) on payment of a fee of rupees fifty.

27. Duration of licence :-

No licence in Form R.S. (6) shall be granted for any period beyond the 30th June next following the date of commencement of such licence.

28. Manner of sale :-

The licensee shall not sell rectified spirit except in sealed bottles bearing a label specifying,

(a) the name and address of the manufacturer;

(b) the place of bottling;

(c) the name and address of the bottler.

29. Source of supply :-

(1) The licensee shall not obtain his supply of rectified spirit except from (a) licensed distillery in the State of Karnataka, (b) a bonded warehouse and (c) a licensed distillery or dealer in any part of India outside the State of Karnataka provided that the licensee may obtain his supply of rectified spirit with the special permission of the Government from a place outside India through a custom house and subject to the customs regulations.

(2) The licensee shall not bring rectified spirit to the licensed premises except under a transport permit issued under Rules 21 and 23.

30. Licensee to pay 2[fee] or fee prescribed :-

The licensee shall be liable to pay such duty or fee as the case may be on rectified spirit brought to the licensed premises at the rate, if any, prescribed by the State Government under the Act before such spirit is issued to him.

31. Sale to licence holders :-

The licensee shall not sell the rectified spirit except to a person who holds a licence to possess the same and produces Part II of the requisition in Form R.S. (3) and the relevant transport permit in Form R.S. (4) issued in his favour.

32. Business of licensee how carried on :-

The licensee shall carry on the business of his rectified spirit shop either personally or by an agent or servant duly authorised by him in this behalf by a written nowkarnama signed by himself and countersigned by the Excise Officer:

Provided that any such nowkarnama signed by the licensee shall be valid unless and until countersignature is refused. If for any reason the Deputy Commissioner shall order the withdrawal of any nowkarnama issued by the licensee, the nowkarnama shall be forthwith withdrawn. For every nowkarnama issued by him the licensee shall pay a fee of rupee one to the State Government. No • nowkarnama shall be issued to any person under twenty-one years of age, and no nowkarnama if issued to such a person shall be valid.

33. Regulation of business of licensee :-

(1) The licensee shall not sell, transfer or sublet the right of vend conferred upon him by the licence nor shall be in connection with the exercise of the said right enter into any agreement or arrangement, which in the opinion of the Deputy Commissioner is in the nature of sale, transfer or sub-lease.

(2) No person shall be recognised as a partner of the licensee for the purpose of the licence unless the partnership has been declared to the Deputy Commissioner before the licence is granted and the names of the partners have been entered jointly in the licence or if the partnership is entered into after the granting of the licence unless the Deputy Commissioner agrees on application made to him to alter the licence and to add the names of partners in the licence.

34. Licensee to abide by the provisions of the Act, etc :-

The licensee shall execute at the time of taking delivery of the licence an undertaking in the form of a counterpart agreement on a duly stamped paper agreeing to abide by the conditions of the licence and provisions of the Act and the rules, regulations and orders made thereunder.

35. Suspension or cancellation of licence :-

1 . xxx]

1. Rule 35, omitted by GSR 218, dated 16-6-1969, w.e.f. 26-6-1969.

36. Unsold rectified spirit :-

In case the licence is cancelled or suspended during the currency of the licence period or is not renewed on its expiry, the licensee shall forthwith intimate the Deputy Commissioner of the quantity of rectified spirit in stock with him. On receipt of such information, the Deputy Commissioner shall instruct the Excise Officer or other

Authorised Officer to verify the stock and to seal the premises where the stock is stored. The stock shall however be deemed to be in the custody of the ex-licensee who will make arrangements for its safety. The stock may only be sold with the permission of the Deputy Commissioner to other licensees. The licensee shall not however be allowed to receive fresh stock after his licence expires or is suspended or cancelled. The permission to sell the stock to other licensees will be subject to the condition that all sums due to State Government shall first be paid out of the sale proceeds.

37. Application to purchase and transport rectified spirit in bond :-

(1) Any person, desiring to purchase and transport in bond, rectified spirit, from a distillery or warehouse, to a bonded laboratory in the State, shall apply in writing, in that behalf, to the Deputy Commissioner through the Officer-in-charge. No permit to obtain rectified spirit under bond, shall be issued unless the bonded warehouse or Laboratory, has got adequate staff for supervision.

(2) The application shall contain the following particulars, namely,

(a) the name and address of the applicant;

(b) the name of the bonded laboratory and its situation;

(c) the name of the distillery or warehouse from which spirit is to be purchased;

(d) the quantity and strength of spirit required by the applicant;

(e) the route by which the spirit is proposed to be transported.

38. Procedure on application :-

(1) The applicant shall along with the application under sub-rule (1) of Rule 37 also submit a requisition in Form R.S. (7) as provided by sub-rule (2).

(2) The Officer-in-charge shall on demand by the applicant supply him with a requisition in Form (7) in quadruplicate. The applicant shall fill in all the parts of the requisition form under his signature and submit the same to the Officer-in-charge.

(3)

(a) On receipt of the requisition under sub-rule (2) the Officer-in-charge shall make such enquiries as he deems necessary and if he

is satisfied that there is no objection to allow the purchase and transport in bond of the rectified spirit applied for, he may countersign the requisition.

(b) The four parts of the requisition shall be dealt with as under. Part I shall be kept on record of the Officer-in-charge; Part II shall be handed over to the applicant- Part III shall be sent to the distillery or warehouse Officer; Part IV shall be sent to the Excise Officer in whose charge the warehouse or distillery is situated.

(4)

(a) On receipt of the application the Deputy Commissioner shall intimate to the applicant the cost of the spirit required by him, if the spirit is to be issued from a distillery;

(b) On receipt of such intimation, the applicant shall pay the amount into the treasury;

(c) The applicant shall then produce the challan and Part II of the requisition before the Deputy Commissioner who may, if he is satisfied after making such enquiries as he deems necessary that there is no objection to allow the purchase and transport in bond of spirit applied for, issue a permit in Form R.S. (8);

(d) The permit shall be in three parts and shall be dealt with as under. Part I of the permit shall be kept on the record of the Office of the Deputy Commissioner. Part II shall be handed over to the applicant. Part III shall be sent to the distillery or warehouse Officer as the case may be from where the spirit is to be transported.

(e) No requisition in Form R.S. (7) or R.S. (8) shall be issued to any person unless that person holds a licence for possession and use of under bond rectified spirit.

39. Issue of rectified spirit in bond or distillery or warehouse :-

(1) The applicant shall present Part II of the permit to the distillery or warehouse officer as the case may be, who after comparing it with Part III of the permit received by him under clause (d) of sub-rule (4) of Rule 38 shall if he is satisfied that there is no objection, issue the quantity of spirit mentioned in the permit.

(2) The spirit shall be issued in casks, drums or other receptacles

duly sealed with the seal of the distillery or warehouse officer as the case may be. The said Officer shall also fill in the particulars to be filled up by him of Part II of the permit and shall return Part II of the permit to the applicant duly endorsed and forward Part III with an impression of the seal placed on the drums or casks to the Officer-in-charge.

40. Verification and transit wastage of rectified spirit :-

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(1) On arrival of consignment at the bonded laboratory the Officer-in-charge shall compare the particulars given in Part II with those at Part III of the permit, shall examine the seals and if he has no reason to believe that the consignment has been tempered with, he shall admit the Consignment into the laboratory.

(2) The Officer-in-charge shall then draw samples from each cask or drum and examine them to see that the particulars regarding strength of spirit actually ascertained by him correspond with those given by the distillery or warehouse Officer in Part II of the permit ²transit wastage] of spirit found by the Officer-in-charge on arrival of the consignment in excess of ³one per cent,] he shall report the fact to the Deputy Commissioner for obtaining the order of the Commissioner as regards the amount of duty to be levied on such excess ⁴transit wastage] from the persons liable to pay the same. If, the ⁵transit wastage] is ⁶ one per cent] or below, then he may himself write it off.

1. Substituted for the words "Bonded rectified spirit how dealt with at Laboratory" by GSR 267, dated 16-11-1984, w.e.f. 26-11-1984.

2. Substituted for the word "wastage" by GSR 267, dated 16-11-1984, w.e.f. 20-11-1984.

3. Substituted for the figures and words "1/8 per cent" by GSR 267, dated 16-11-1984, w.e.f. 20-11-1984.

4. Substituted for the word "wastage" by GSR 267, dated 16-11-1984, w.e.f. 20-11-1984.

5. Substituted for the word "wastage" by GSR 267, dated 16-11-1984, w.e.f. 20-11-1984.

6. Substituted for the figures and words "1/8 per cent" by GSR 267, dated 16-11-1984, w.e.f. 20-11-1984.

41. Payment of on rectified spirit :-

¹ [fee] No rectified spirit shall be issued from any distillery or warehouse without payment of duty at the prescribed rate except duty free rectified spirit covered by an exemption order and rectified spirit issued under bond.

1. Substituted for the words "Privilege fee" by GSR 80, dated 15-4-1993, w.e.f. 1 -7-1993.

42. Accounts and returns :-

(1) Every licensee holding a licence in Form R.S. (2) shall maintain accounts in Form R.S. (9) and submit returns in Form R.S. (10).

(2) Every licensee holding a licence in Form R.S. (6) shall maintain accounts in Form R.S. (11) and submit returns in Form R.S. (12).

43. Repeal and Savings :-

All rules corresponding to the foregoing rules framed under any enactment repealed by Section 72 of the Act are hereby repealed:

Provided that the repeal shall not affect,

(a) the previous operation of the rules so repealed or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under any rule so repealed; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the rules so repealed; or

(d) any investigation or legal proceeding or remedy, in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if such rules had not been repealed

Provided further that subject to the preceding proviso anything done or any action taken (including any appointment or delegation made, notification, order, instructions or direction issued, form, certificate obtained, permit or pass or licence granted or registration effected under any such rules shall be deemed to have been done or taken under the corresponding provisions of these rules and shall continue to be in force accordingly, unless and until superseded by anything done or any action taken under the Act or these rules as the case may be.