

## **KARNATAKA PROHIBITION (DENATURED SPIRIT AND DENATURED SPIRITUOUS PREPARATIONS) RULES, 1966**

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### **SCHEDULE 1 :- Specially denatured alcohol**

## **KARNATAKA PROHIBITION (DENATURED SPIRIT AND DENATURED SPIRITUOUS PREPARATIONS) RULES, 1966**

In exercise of the powers conferred by Section 124 of the Karnataka Prohibition Act, 1961 (Karnataka Act 17 of 1962), read with Sections 12, 22, 23 and 24 of the said Act, and in supersession of all rules, orders and notifications on the subject made or issued under any enactment repealed by sub-section (1) of Section 129 of the Act and all other powers enabling it in this

behalf, the Government of Karnataka hereby makes the following rules, the draft of the said rules having been previously published in Notification No. HD 68 EFL 62, dated 31st March, 1965, as GSR 601, in Part IV, Section 2-C(i) of the Karnataka Gazette, dated 29th July, 1965 as required by sub-section (3) of Section 124 of the Karnataka Prohibition Act, 1961 (Karnataka Act 17 of 1962), namely.

**1. Title, extent and commencement. :-**

These rules may be called the Karnataka Prohibition (Denatured Spirit and Denatured Spirituous Preparations) Rules, 1966.

(2) These rules shall extend to all the areas of the State of Karnataka where the Karnataka Prohibition Act, 1961 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 Prohibition Act, 1961 ;

(b) "Denatured spirit" means specifically denatured alcohol specified in the schedule and includes spirit subjected to any of the following processes for the purpose of rendering it unfit for human consumption, namely.

(i) The admixture with spirit of at least 50 overproof of light Caoutchoucine and Pyridine bases in the proportion of 1/2 of one part of Pyridine and 1/2 of one part Caoutchoucine to 99 parts of spirit by volume;

(ii) The addition of liquid soap that is a preparation made by mixing together and heating three parts of castor oil and one part of caustic soda in the preparation of one part of liquid soap to 99 parts of spirits of at least 50 overproof;

(iii) The addition of 5 parts of Woodnaphtha or Methyl Alcohol with 100 parts of spirit of over 50 o.p. by volume;

(iv) The addition of 4 parts of Formalin by weight to 100 parts of spirit by weight of 60 degrees o.p.;

(v) The addition of castor oil and caustic soda as specified below. For hundred parts of spirit of over 50 o.p. use one part of castor oil and two-fifths of one part of caustic soda solution all by

volume. The caustic soda solution is to be prepared by dissolving one part of caustic soda in three parts of water. Adding to castor oil, one and half times its volume of spirit, stirring and finally adding the caustic soda solution, and the clear solution which will be obtained will be added to the bulk of the spirit;

(vi) The addition of Ammonia in the proportion of three parts of liquor Ammonia containing 25 to 26 per cent by weight of Ammonia gas to 97 parts of spirits of over 72 o.p.;

(vii) The addition of 5 per cent of concentrated sulphuric acid to 95 per cent of spirit of over 50 o.p. by weight;

(viii) The addition of any of the above or other ingredients in such proportions as may be prescribed by the Government.

Explanation. The light Caoutchoucine, and the Pyridine bases must be of the standard prescribed by the Indian Standard Institution;

(c) "Form" means a form appended to these rules;

(d) "French polish" means denatured spirituous preparation containing not more than 85 per cent by weight of denatured or methylated spirit and other ingredients including shellac in such proportion as may be specified by the Indian Standard Institution or prescribed by the Commissioner;

(e) "Licensing authority" means the Deputy Commissioner or any other Officer empowered as such for the issue of licenses under Section 22 of the Karnataka Prohibition Act, 1961 ;

(f) "Methyl alcohol" means the liquid having the chemical formula as laid down by the Indian Standard Institution and having other chemical names, and includes wood naptha, wood spirit, wood alcohol, pyroxylic spirit and pyroligneous spirit;

(g) "Methylated spirit" means denatured spirit rendered effectually unfit for human consumption by the admixture of crude woodnaptha otherwise than in highly purified condition, in the proportion of one part of woodnaptha to nine parts of spirits by volume or in any other proportion that may be specially prescribed by Government;

(h) "Retail sale" means sale made to the public who do not hold license issued under these rules in quantities not exceeding the limit prescribed in Rule 6 for possession without a license;

- (i) "Schedule" means the schedule appended to these rules;
- (j) "Thinner" means a Denatured Spirituous preparation containing not more than 20 percent of denatured spirit and other ingredients in such proportion as may be specified by the Indian Standard Institution or as prescribed by the prohibition Commissioner;
- (k) "Varnish" means a denatured spirituous preparation containing not more than 60 per cent of denatured spirit and such other ingredients in such proportions as may be specified by the Indian Standard Institution or as prescribed by the Commissioner;
- (L) "Wholesale" means sales made to holders of licenses issued under these rules.

### **3. Manufacture of a denatured spirit, etc. :-**

- (i) Spirit shall not be denatured by any process other than those specified in clause (b) of Rule 2.
- (ii) No denatured spirit, methylated spirit or methyl alcohol shall be manufactured except by the holder of a distillery license issued for the purpose of establishment of a distillery for the manufacture and issue therefrom of denatured spirit, methylated spirit or methyl alcohol in accordance with the rules for the time being in force relating to the issue of such license.
- (iii) No denatured spirituous preparations shall be manufactured except in accordance with the terms and conditions of a license issued for the purpose under these rules.

### **4. Export. :-**

No denatured spirit, methylated spirit, methyl alcohol or denatured spirituous preparation shall be exported except by the holder of a license for manufacture and issue of such spirits or denatured spirituous preparations, as the case may be, referred to in Rule 3. Such spirit shall be exported only under cover of an export permit in Form D.L. 21 and issued by the Deputy Commissioner. of the District. Before the issue of such an export permit, the exporter shall produce an import permit or a no objection certificate from the Competent Authority of the State or place to which the export is made, signifying that there is no objection to the issue of the export permit sought for.

### **5. Import. :-**

(a) No denatured spirit, methylated spirit, methyl alcohol or denatured spirituous preparations shall be imported except by persons or institutions holding licenses issued under these rules to deal in or use denatured spirit or methylated spirit or methyl alcohol or denatured spirituous preparations and except under a import permit in the Form D.L. 22 issued by the Deputy Commissioner of the District concerned. Provided that bona fide travellers may bring into the State without an import permit, denatured spirit or denatured spirituous preparations upto a maximum of one litre or methylated spirit or methyl alcohol upto a maximum of half litre.

(b) Before the permit for import of denatured spirit, methylated spirit, methyl alcohol or denatured spirituous preparations is issued under sub-rule (a) the importer shall pay the rate of duty prescribed for denatured spirit in the Karnataka Prohibition (Excise Duties) Rules, 1966 on the quantities proposed to be imported.

(c) In the case of preparations containing a high percentage of alcohol and manufactured according to a process not detailed in sub-clauses (i) to (vii) of clause (b) of Rule 2, the Deputy Commissioner may, after getting a sample of such preparation or commodity analysed, levy a fee at the prescribed rate on the spirit contents of the preparations before any such preparation is allowed to be imported.

## **6. Possession :-**

(1) Any person or institution may without a license possess denatured spirit upto a maximum of two litres or three qts. methylated spirit or methyl alcohol upto a maximum of one litre or 11/2 qts. or denatured spirituous preparations upto a maximum of five litres or 71/2 qts. for any medicinal, scientific, industrial or domestic purposes.

(2) Consignments of denatured spirit, methylated spirit, methyl alcohol and denatured spirituous preparations from outside the State intended for export through any harbour in the State of Kamataka shall be permitted to be stored in the harbour pending export. This permission shall be granted in each individual case by the Commissioner subject to conditions set out in Appendix I.

## **7. Sale. :-**

No person or institution shall sell denatured spirit or methylated spirit, or methyl alcohol or denatured spirituous preparations except

in accordance with the provisions under these rules and on the terms and conditions of a license issued under these rules. Such license may be issued for wholesale vend or retail sale or both, as the case may be.

**8. License for the wholesale vend of denatured spirit, etc. :-**

(1) License for the wholesale vend of denatured spirit, methylated spirit, or methyl alcohol shall be issued in Form D.L. 2 on payment of a license fee of Rupees fifty per annum.

(2) Such licence shall provide for the possession of denatured spirit or methylated spirit or methyl alcohol and its sale in wholesale to holders of licenses issued under these rules for the possession and use or retail sale of denatured spirit or methylated spirit or methyl alcohol.

(3) The licensee shall obtain his supplies from a distillery in the State or from another holder of a license in this form or from sources outside the State, and issue it in wholesale to holders of licenses issued under these rules in accordance with the provisions of these rules and the special conditions mentioned in the license.

(4) The licensee shall maintain accounts of his transactions in Form D.L. 10.

**9. License for the possession and use of denatured spirit, etc. :-**

(1) License for possession of denatured spirit or methylated spirit or methyl alcohol either as such and or in the manufacture of specified commodities other than denatured spirituous preparations shall be in Form D.L. 3 and shall be issued on payment of a licence fee of Rupees twenty-five per annum.

(2) An applicant for a license shall indicate in his application the purpose for which he requires the denatured spirit, or methylated spirit or methyl alcohol and specify whether he wishes to use the spirit as such and or use it in the manufacture of commodities. In the latter case the names and other particulars of the commodities shall be specified and the particular kind of denatured spirit, or methylated spirit required for the purpose shall also be indicated.

(3) The licensing authority shall enter in the license the quantity of each kind of denatured spirit or methylated spirit allowed and the commodities which the licensee is allowed to manufacture by using

the spirit.

(4) No sale of spirit as such is permitted under this license.

(5) The licensee shall not manufacture any commodity other than those entered in the license without the prior approval of the licensing authority and without getting the name of such commodity entered in the license.

(6) The licensee shall obtain his supplies of denatured spirit or methylated spirit or methyl alcohol from a distillery in the State or from a holder of a license in Form D.L. 2 in the State or from sources outside the State when specially authorised in mat behalf.

(7) The licensee shall maintain accounts of transactions under his license in Form D.L. 11.

#### **10. Licenses to railway authorities. :-**

(1) Licenses issued to an officer of the Railway for storage and use of denatured spirit or methylated spirit or methyl alcohol for distribution to outstations or any other railway institutions in Karnataka State under his control shall be in Form D.L. 4 and shall be issued on payment of license fee of Rupees five per annum.

(2) The licensee shall obtain his supplies of denatured spirit or methylated spirit or methyl alcohol from a distillery or a person holding D.L. 2 license in the State or from sources outside the State,

(3) He shall maintain account of his transactions in Form D.L. 12 and the licensee shall have similar accounts kept at the outstations and other institutions which obtain supply from the licensees.

#### **11. License for retail sale of denatured spirit, methylated spirit or methyl alcohol. :-**

(1) License for retail sale of denatured spirit methylated spirit methyl alcohol shall be in Form D.L. 5 and shall be issued on payment of a license fee of Rupees fifty per annum.

(2) The licensee shall get his supplies of denatured spirit methylated spirit or methyl alcohol from a distillery in the State or from a holder of license for wholesale vend of denatured spirit or methylated spirit or methyl alcohol in Form D.L. 2 or from sources outside the State.

(3) The licensee shall sell only in accordance with the special conditions mentioned in the license itself.

(4) The licensee shall maintain accounts of transactions under the license in Form D.L. 13.

**12. License for the possession and use of denatured spirits in the manufacture of denatured spirituous preparations and use or sale of denatured spirituous preparations. :-**

(1) License for possession and use of denatured spirit in the manufacture of denatured spirituous preparations and use or sale of denatured spirituous preparations shall be in Form D.L. 6 and shall be issued on payment of annual license fee of Rupees one hundred. It covers possession of spirit denatured in accordance with the provisions of sub-clauses (i) to (vii) of clause (b) of Rule 2 and its use in the manufacture of denatured spirituous preparations which may either be used by the licensee himself or sold by him in whole sale to holders of licenses in Forms D.L. 7, D.L. 8 and D.L. 9. The licence does not confer the privilege of both use and sale.

(2) The applicant for a license shall indicate in the application whether he proposes to use or sell the denatured spirituous preparations manufactured under the license.

(3) The licensee may obtain supplies of denatured spirit from a distillery in the State or from the holder of a license for whole sale vend of denatured spirit in Form D.L. 2 or by import. No spirit as such shall be sold under the license.

(4) The licensee shall maintain accounts in Form D.L. 14 regarding the spirit obtained and used by him in the manufacture of denatured spirituous preparations and in Form D.L. 15 or D.L. 17 according as the denatured spirituous preparations manufactured is, used by the licensee himself or sold.

(5) The sale of denatured spirituous preparations shall be strictly in accordance with the special conditions mentioned in the license.

**13. License for the possession and use of denatured spirituous preparations. :-**

(1) Licenses for possession and use of denatured spirituous preparations will be issued in Form D.L. 7 on payment of a fee of Rupees ten per annum.



(2) No denatured spirituous preparations possessed under this license shall be sold. The licensee shall obtain his supplies of denatured spirituous preparations from a holder of a license in Form D.L. 6 or in Form D.L. 9, or by import.

(3) The licensee shall maintain an account of transactions under the license in Form D.L. 15.

**14. License for possession of denatured spirituous preparations by an officer of the railway for use and distribution to outstations or other railway institutions in Karnataka State under his control. :-**

(1) License to possess denatured spirituous preparations for use and its distribution to outstations or other railway institutions in the State under his control shall be issued in Form D.L. 8 on payment of license fee of Rupees ten per annum to an officer of the Railways.

(2) Denatured spirituous preparations shall not be sold under this license. The licensee shall obtain his supply of denatured spirituous preparations from a holder of a license in Form D.L. 6 or in Form D.L. 9 or by import.

(3) The licensee shall maintain accounts of transactions under the license in Form D.L. 16. Accounts in similar form shall be maintained in the outstations and other railway institutions supplied by the licensee.

**15. License for the sale of denatured spirituous preparations. :-**

(1) License for possession and sale of denatured spirituous preparations in wholesale or retail shall be issued in Form D.L. 9 on payment of fee of Rupees twenty-five per annum.

(2) The licensee shall get his supplies of denatured spirituous preparations from the holder of a license in Form D.L. 6 or from the holder of a similar license or by import. The sales under this license shall be strictly in accordance with the special conditions mentioned in the license.

(3) The licensee shall maintain accounts of transactions in Form D.L. 17.

**16. Indent for and supply of denatured spirit, methylated**

## **spirit methyl alcohol or denatured spirituous preparations.**

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(1) Supplies of denatured spirit or methylated spirit or methyl alcohol or denatured spirituous preparations obtained by licensees shall be on indents in Form D.L. 18. The indent shall be in printed form, in three parts and machine numbered consecutively. Whenever a licensee indents for spirit or denatured spirituous preparations he shall prepare an indent in three parts, retain Part I on his file, send Part II of the indent to the distillery in the State or supplying licensee if supply is sought for, from sources within the State and to the authority competent to issue import permit in case supply is required from sources outside the State. In the latter case the indent shall be accompanied by an application for an import permit together with a treasury receipt in token of payment of fee leviable on the quantity of spirit or denatured spirituous preparations proposed to be imported. Part III of the indent shall be sent to the Excise or Prohibition Officer having jurisdiction over the indenter.

(2) On receipt of the indent the supplying licensee within the State, if he decides to comply with the indent shall make necessary arrangements to obtain a transport permit in Form D.L. 23 from the Prohibition or Excise Officer having jurisdiction over his licensed premises to cover the transport of the commodity from the supplying licensee's premises to those of the indenter. The currency of the transport permit shall be restricted to a reasonable period but not exceeding one day for every 25 miles or part thereof. In case the supplier is the distillery, the issue shall be made only after collection of the amount of fee leviable on the quantity supplied. The transport permit issued to cover the transport from the distillery also, shall be in the same form that is Form D.L. 23, and it shall be issued by the Officer-in-charge of the distillery. If the distillery or the supplying licensee is not able to or decides not to comply with the indent, either in full or in part he shall inform the indenter accordingly furnishing his reasons therefor. A copy of the communication shall be sent to the Prohibition or Excise Officer of the district in which the indenting licensee is.

(3) The transport permit issued shall in all cases be prepared in four parts. Part I will be retained as office copy by the issuing officer, Part II will be sent to the indenter to be carried along with the consignment. Part III will be sent to the Prohibition or Excise

Officer of the District in which the indenting licensee is, and Part IV will be given to the supplier for his life. The transport permit forms shall be bound in books and consecutively machine numbered. In cases of supply sought from outside the State, the Authority Competent to issue the import permit shall, if there is no objection, issue an import permit in Form D.L. 22, to the indenter to enable him to import the stock he has applied for. The import permit shall be made out in three parts. Part I will be retained as the office copy, Part II sent to the indenter for accompanying the consignment and Part III sent to the Prohibition or Excise Officer of the District in which the exporting licensee is. Consignments imported shall not be opened by the indenter and taken into stock until and unless verified by a Prohibition or Excise Officer. The importer shall give intimation to the verifying officer as soon as the consignment is received. The verifying officer will record his certificate of verification on Parts II and III of the transport permit return Part II to the indenter, retain Part III for his record and intimate the Prohibition or Excise Officer who issued the permit of the result of the verification.

**17. Applications for the grant of a License. :-**

(1) A Person desiring to obtain a license under these rules shall apply to the Deputy Commissioner in Form D.L. 1 specifying the nature of license required to be granted. The application shall be affixed with Court fee stamp of the prescribed value. Separate applications shall be made for each kind of license applied for.

(2) No license under these rules shall be granted for a period beyond the 31st March next following the date of the commencement of the license.

(3) On receipt of the applications referred to in sub-rule (1), the Deputy Commissioner shall verify the particulars furnished in the application and satisfy himself after enquiry:

(i) that the applicant has not been convicted of any offences against the Act or the rules made thereunder or of any cognizable or non-bailable offences;

(ii) that the applicant is a resident of the place where the license is required;

(iii) that the applicant's personal circumstances and local needs justify the grant of the license;

(iv) and that the privilege is not likely to be misused, If the Deputy Commissioner is satisfied that the applicant is eligible for the grant of the license applied for he may grant the license after satisfying himself that the fee if any, prescribed therefor has been paid.

(4) The license shall be issued in the name of the applicant. In the case of applications from a recognised institution or a registered firm or company the license shall be issued in favour of the accredited office-bearer or agent or other functionary who has been duly authorised by power of attorney, Articles of Association or similar rules relating to the management of the institution, firm or company. The quantity of denatured spirit of methylated spirit or methyl alcohol or denatured spirituous preparations, as the case may be to be allowed under the license shall be fixed by the licensing authority at his discretion after taking into account the bona fide demands in the area the license is intended to serve. The quantity once fixed shall not be altered at any time during the license period, but may be altered at the discretion of the licensing authority at the time of renewal of the license for reasons to be recorded in writing.

(5) In the case of licenses granted only for denatured spirit in the first instance, methylated spirit or methyl alcohol or denatured spirituous preparations should not be included subsequently or vice versa except at the time of renewal of the license.

(6) If the licensing authority is satisfied that the applicant is not eligible for the license or that the grant of license is not justified with reference to conditions and circumstances specified in sub-rule (3) he shall by order in writing refuse to grant the license for reason to be specified in the order. In that case the license fee, if any, paid by the applicant shall be refunded.

(7) A license holder desiring to renew the license shall make an application in Form D.L. 1 at least one month before the date of expiry of the license. The provisions of sub-rules (1) to (6) of this rule shall, as far as may be apply to an application for renewal of license as if it were an application for the original grant of a license.

(8) Licenses granted under these rules may be suspended or cancelled in accordance with the provisions of Section 45 of the Karnataka Prohibition Act, 1961 and s.47 of the Karnataka Prohibition Act, 1961 . Where a license is cancelled or suspended during its currency or it is not renewed on its expiry, the licensee

shall forthwith intimate the Deputy Commissioner of the quantities of denatured spirit, methylated spirit, methyl alcohol and denatured spirituous preparations in stock with him. On receipt of such intimation the Deputy Commissioner shall instruct the Prohibition Officer or other authorised Officer to verify the stock and seal up the premises where the stock is stored. The stocks will 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. The licensee shall not however be allowed to receive fresh stock after his license expires or is suspended or cancelled. The permission to sell the stock to other licensees shall be subject to the condition that all sums due to the State Government shall first be paid out of the sale proceeds.

(9)

(i) Every licensee at the time of taking delivery of his license shall give to the Deputy Commissioner undertaking in the form of a counterpart agreement executed on a stamped paper of appropriate value that he will abide by the provisions of the Act and rules, regulations and orders made thereunder and that he agrees to abide by all the conditions of the license.

(ii) A licensee shall, before the license is granted or at any time during its currency, if so required by the authority deposit with the Deputy Commissioner in cash or in Government promissory notes such sum as may be prescribed by the licensing authority as security for the due observance of the conditions of the license. In case of non-observance of the terms of the license the security so deposited may be forfeited to Government and the license cancelled. The forfeiture of the deposit and the cancellation of the license shall not be held to prevent the license from being proceeded against in a Court of law under the provisions of the Act or the rules made thereunder or under any other law for the time being in force.

(iii) Licenses issued under these rules shall not be sold, transferred, subrented or sub-leased without the previous permission of the Deputy Commissioner.

(iv) The licensee or his successors or assigns shall have no claim whatsoever to the continuance or renewal of the license after the expiry of the period for which such license was granted.

(v) A licensee shall not change the premises in which he carries on business under his license except with the previous permission of the licensing authority. Permission to shift business outside the area which the licensee is intended to serve shall be treated as the grant of a fresh license and all the provisions relating to the grant of a license shall likewise apply to the granting of such permission.

**18. General Conditions of Licences. :-**

(1) The license shall, except where no business is transacted, be hung up in a conspicuous place in the premises, in which the business under the license is transacted. A signboard shall also be affixed to the licensed premises showing the number and kind of license and the hours of business.

(2) The licensed premises shall be kept open for business or for inspection by Prohibition or other authorised Officers on all days except the weekly holidays or such other days on which the Commissioner may order closure.

(3) In the absence of the licensee his authorised representative shall be in charge of the license stock and account books.

(4) The possession of denatured spirit, methylated spirit, methyl alcohol or denatured spirituous preparations outside the licensed premises is forbidden unless the quantity possessed is within the limits of private possession.

(5) Premises for wholesale and for retail sale shall not be located in the same place. Provided that when the licenses are held by one and the same person they may be located in the same premises if the portions relating to one license is effectively partitioned off from the portions relating to the other and the portions so partitioned off are sufficiently commodious to locate the business under the respective licenses.

(6) If licenses are held by one and the same person in the following combinations namely.

(i) a license for wholesale vend of denatured spirit or methylated spirit or methyl alcohol and license for the manufacture and sale of denatured spirituous preparations; and

(ii) license for manufacture and sale of denatured spirituous preparations and license for the possession and use of denatured spirituous preparations. The respective licenses under each shall be

located in separate premises.

(7) Denatured spirit, methylated spirit, methyl alcohol or denatured spirituous preparations possessed or exposed for sale in the licensed premises shall be undiluted and unadulterated. Denatured spirit or methylated spirit whose strength is below 50 o.p. shall not be possessed or sold.

(8) If any inspecting officer, is of opinion that any spirit or denatured spirituous preparations found by him in the licensed premises is not of the required standard, he may, after recording his reasons, take in the presence of the licensee or his authorised representative two samples from each of the receptacles containing such suspected spirit or denatured spirituous preparation and forward one sample in sealed bottle to the Chemical Examiner for analysis and cause the other to be sealed and kept with the licensee. Pending receipt of the report of analysis or test from the Chemical Examiner such officer shall cause such stock of suspected spirit or denatured spirituous preparation to be sealed with his seal and leave the stock so sealed with the licensee with written directions that it should be kept in safe custody. If the result of analysis or test shows that the suspected stock is not of the prescribed standard, the licensee shall abide by the order of the licensing authority regarding its disposal. Otherwise the sealed stock shall be forthwith released. The officer who takes action under this rule shall send a report forthwith to the licensing authority through his official superior detailing the circumstances under which the samples were taken

(9)

(i) Every bottle, jar, cask or other receptacle containing denatured spirit, methylated spirit, methyl alcohol received into and kept for storage or sale in a premises licensed under these rules or possessed by a private person or institution permitted to be in possession of such spirit or methyl alcohol shall have affixed to it in a conspicuous manner a label which should contain the picture of a full human skeleton at least three inches in length extending from top to bottom of the label with the following words printed on the right and left of the picture. "Poison not to be taken internally". DENATURED SPIRIT METHYLATED SPIRIT METHALCOHOL "Spirits made in.....and bottled by.....". The words "Poison not to be taken internally" shall be printed in red and bold letters in English, Kannada, Telugu, Tamil, Urdu and Hindi. The

design and style of the label shall be as in Form D.L. 19(a), D.L. 19(b), D.L. 19(c) as the case may be.

(ii) In the case of denatured spirituous preparations the labels to be affixed with reference to the provisions in sub-rule (i) above of this rule shall be in Form D.L. 20.

(10) True accounts of transactions shall be maintained from day-to-day in ink in the form prescribed by these rules. The accounts shall be in printed books. The accounts copies of indent, invoices, and permits relating to the purchase, import or transport of denatured spirit, or methylated spirit or methyl alcohol or denatured spirituous preparations shall be preserved in support of accounts for one year after the period covered by the respective license and shall be produced when called for by any officer authorised to inspect the license. They shall be handed over to such officer on a receipt being given therefor. The licensee shall furnish to the licensing authority such statistics or information as may be required from time to time regarding the working of the license.

(11) An inspection book paged and stamped with the seal of the Deputy Commissioner shall be maintained at the licensed premises for the use of the inspecting officers. The book being Government property should be handed over to the licensing authority or inspecting officer either on demand during the currency of the license or voluntarily after the license expires or is cancelled, on a receipt given therefor.

(12) The holder of a license issued under these rules shall, if so ordered by the licensing authority, provide himself with such weights and measures as may be prescribed for use in the licensed premises. The weights and measures shall bear the stamp of the Inspector of Weights and Measures or other authorised officer. The weights and measures shall be available at the licensed premises for use by inspecting officers whenever they need them.

(13) The licensee shall pay such duty as are prescribed by rules on the denatured spirit or methylated spirit or methyl alcohol obtained by holders of licensee from a distillery or warehouse in the State, and denatured spirit or methylated spirit or methyl alcohol or denatured spirituous preparations obtained from sources outside the State. In the former case the duty shall be paid by the licensee at the time of purchase of stock from the distillery or bonded warehouse and in the latter case the duty shall be credited into a



treasury and the challan shall be enclosed to the application for an import permit. No refund of duty is permissible on denatured spirituous preparations exported to places outside the State. No remission, refund or abatement of any duty leviable under these rules or under the terms of any licence issued thereunder shall be allowed on grounds of loss, leakages, etc., of denatured spirit/methylated spirit/methyl alcohol or denatured spirituous preparations or for any other cause whatsoever. All arrears or dues outstanding against any licensee shall be adjusted from the deposit, if any, furnished by the licensee or collected from him. Any shortage or leakage or loss of denatured spirit/methylated spirit/methyl alcohol or denatured spirituous preparations not accounted for to the satisfaction of the licensing authority will render the licence liable to cancellation and the licensee being proceeded against under the provisions of the Act or these rules.

(14) The licensee shall be bound by any additional general rules and conditions that may be prescribed under the Act, and shall if so required, by the licensing authority or any officer authorised by such authority deliver the licence for amendment or for issue of a fresh licence.

(15) All Prohibition Officers and other officers duly empowered under the rules or entitled to inspect licensed premises and check the accounts maintained under the rules and carry out the duties and perform the functions appertaining to them. The licensee is prohibited from having any pecuniary dealings whatsoever with such officers.

(16) If it is found that a licensee is suffering from leprosy or such other contagious disease, he shall not be allowed to continue to hold the licence nor shall any person suffering from any such disease be employed by the licensee in any capacity within the licensed premises. The licensee shall not also employ any person convicted of an offence under the Act or the Rules or under the Indian Penal Code, 1860 .

### **19. Submission of returns :-**

At the close of each month the licensee shall prepare a return of transactions showing the opening balance, receipts, issues and closing balance with the amount of duty paid by him, if any, and send it on or before the 10th of the succeeding month to the Deputy Commissioner of the District. The particulars in respect of each commodity dealt with under the licence shall be shown

separately in the return.

**20. Repeal and savings. :-**

All rules corresponding to the foregoing rules framed under any enactment repealed by sub-section (1) of Section 129 of the Karnataka Prohibition Act, 1961 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 any rule 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 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.

**SCHEDULE 1**

Specially denatured alcohol

[See Rule 2B]	
SCHEDULE	
[See Rule 2(b)]	
Specially denatured alcohol.	
<b>(a) For all industrial uses involving Chemical conversion of the Alcohol e.g., manufacture of ethylene and its derivatives,</b>	

<b>manufacture of acetalde-hyde and its derivatives,</b>	
<b>manufacture of ether, acetone, etc.</b>	
Formula No. SD. 1:	5 Gallons of Methyle Alcohol.
Formula No. SD. 2:	2 Gallons of Methyle Alcohol with 2 Gallons of Benzene.
Formula No. SD. 3:	Half a gallon of Benzene with half a gallon of Petroleum Ether.
Formula No. SD. 4:	5 Gallons of Ethyl Ether.
Formula No. SD. 5:	0.2 Gallons of Crotonal Dehyde.
Formula No. SD. 6:	0.5 Gallons of Acetone.
Formula No. SD. 7:	0.5 Gallons of Acetaldol or acetaldehyde.
<b>(b) For use in the manufacture of Chloroform, Chloral and its derivatives including D.D.T.</b>	
Formula No. SD. 8:	1 Gallon of Crude Chloroform.
Formula No. SD. 9:	1 per cent by weight chloral Hydrate.
<b>(c) For manufacture of Ethyl Acetate, Ethyl Benzeate and various other ethyl esters.</b>	
Formula No. SD. 10:	2 per cent of esters of the organic acid which is to be produced.
<b>(d) For use</b>	
(i)	As a solvent in Lacquers, polishes and Varnishes.
(ii)	Manufacture of Thinners and of Cellulose and resinous materials.
(iii)	Purification of Chemicals.
(iv)	For use in extraction processes.
Formula No.SD.11:	5 Gallons of Methyle Alcohol or Benzene or acetone or Ether or Ethyl Acetate or any combination of these chemicals.
<b>(e) For manufacture of Adhesives of binders, disinfectants, insecticides, embalming and preserving solution; etc.</b>	
Formula No. SD 12:	10 Gallons of formaldehyde solution containing not less than 37 per cent formaldehyde.
<b>(f) For manufacture of Shellac from Crude Lac.</b>	
Formula No. SD. 13:	1 per cent of Acetone or 1 per cent of Methy Alcohol.
<b>(g) For manufacture of Transparent Soap.</b>	
Formula No. SD. 14:	0.6 per cent of Caustic Soda or caustic potash together with 0.5 per cent of Castor Oil.
<b>(h) For manufacture of Synthetic pine Oil.</b>	
Formula No. SD. 15:	5 per cent of Turpentine Oil.
<b>(i) Perfumery Industries:</b>	
Formula No. S.D. 16:	one litre (per 100) litres of alcohol. Diethyl Phalate.
Formula No. S.D. 17:	22.5 grams per 100 litres of alcohol. Brucine or Brucine Sulphate.

