
KARNATAKA SILKWORM SEED, COCOON AND SILK YARN (REGULATION OF PRODUCTION, SUPPLY, ISTRIBUTION AND SALE) RULES, 1960

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KARNATAKA SILKWORM SEED, COCOON AND SILK YARN (REGULATION OF PRODUCTION, SUPPLY, DISTRIBUTION AND SALE) RULES, 1960

In exercise of the powers conferred by Section 18 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959 (Karnataka Act 5 of 1960), the Government of Karnataka hereby makes the following rules, the same having been previously published as required by sub-section (1) of the said section, by Notification No. CI 41 SAD 60, dated the 5th May, 1960 in Part IV, Section 2-C of the Karnataka Gazette, dated the 12th May, 1960

CHAPTER 1

Preliminary

Title. Repeal and savings :-

2. Definitions :-

In these rules, unless the context otherwise requires.-

1[(a) "Act" means the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959;]

(b) "Chawki" means young silkworms hatched from silkworm eggs and reared until the worms pass the first or the second moult;

(c) "Chawki rearer" means a person rearing chawki;

(d) "Department" means the Department of Sericulture;

(e) "Director" means the Director of Sericulture;

(f) "Disease free laying" or "disease free seed" means silkworm eggs which are free from pebrine disease;

(g) "Grainage" means a place or premises where disease free silkworm seed is prepared;

(h) "Officer" means an officer of the Department specially authorised by the Director to perform the functions of the officer under these rules;

(i) "Seed preparer" means a person engaged in the preparation, distribution or disposal of silkworm eggs used for purposes of rearing silkworms;

(j) "Seed rearer" means a rearer engaged in the rearing of silkworms for the production of silkworm cocoons for purposes of reproduction.

2 [(k) "Section" means a section of the Act.]

1. Clause (a) substituted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

2. Clause (k) inserted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

CHAPTER 2

Regulation of production etc., of silkworm seed and cocoon

3. Restriction on rearing silkworms :-

(1) No person shall rear silkworms from silkworm seed other than silkworm seed obtained from a seed preparer licensed under these rules.

(2) A person who has obtained silkworm seed from a licensed seed preparer, shall preserve the bill and the egg sheets issued by the licensed seed preparer in respect of the silkworm seed supplied by such seed preparer and shall when so required by the officer, produce them before him.

4. Applications for grant of licence :-

(1) A Chawki rearer, seed preparer ¹[rearer] or seed rearer shall submit to the Licensing Authority an application in Form 1.

(2) An application for a licence under Section 8 shall be made to the Licensing Authority in Form 2.

2 (3) An application for a licence to purchase silkworm cocoons for the purpose of reeling shall be made to the Licensing Authority in Form 2-A.

1. Sub-rule (4-A) substituted by GSR 352, dated 8-12-1980, w.e.f. 8-12-1980

2. Substituted for the words "succeeding year" by GSR 111, dated 24/27-4-1981, w.e.f. 7-5-1981

5. Grant of Licence :-

(1) The Licensing Authority may, if it is satisfied that the applicant for a licence to be a seed preparer is eligible for the grant of licence, and taking into consideration the number of seed preparers serving the area in which the applicant proposes to engage in seed preparation and the needs of the area, grant him a licence, in Form 3, or refuse the grant of a licence.

1(1A) The Licensing Authority may if it is satisfied that the applicant for the grant of a licence to be a rearer is eligible for the grant of a licence, grant him a licence in Form 4-A.

(2) The Licensing Authority may if it is satisfied that the applicant for a licence to be a seed rearer is eligible for the grant of a licence, grant him a licence in Form 4.

(3) The Licensing Authority may if it is satisfied that the applicant for a licence to be a chawki rearer has sufficient experience of rearing chawki, grant him a licence in Form 5.

(4) The Licensing Authority may if it is satisfied that the person who wishes to carry on the business of reeling silkworm cocoons is in charge of a charka establishment or filature establishment and has sufficient experience of reeling silkworm cocoons grant him a licence in Form 6.

23(4A) The Licensing Authority may grant the applicant a licence' to purchase silk worm cocoons only where it is satisfied.-

(a) that such purchase is for the purposes of reeling; and

(b) such applicant possesses a licence granted under sub-rule (4). The licence granted under this sub-rule for such purchase shall be in Form 6-A.

(5) A Licence granted under this Chapter shall.-

(i) be entered in the register in Form 6-B.

(ii) remain in force upto 31st March of the ⁴[official year]:

Provided that all licences granted or renewed, immediately before the commencement of the Karnataka Silkworm Seed and Cocoon (Regulation of Production, Supply and Distribution) (Amendment) Rules, 1979, shall remain in force ⁵ [till 31st March of the official year:]

[Provided further that all licences granted or renewed under sub-rules (4) and (4-A) shall remain in force for a period of three years from the date of such grant or renewal:

Provided also that the licence granted or renewed under sub-rules (4) and (4A) in the middle of an official year shall expire on 31st March of the official year next after the lapse of two years from the date of such grant or renewal.

(6) Where the grant or renewal of a licence is refused, the Licensing Authority shall communicate the order of refusal along with the reasons therefor, to the applicant by registered post ¹[by delivering it to the applicant.

1. Sub-rule (1-A) inserted by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

2. Sub-rules (4-A) and (5) substituted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

3. Sub-rule (4-A) substituted by GSR 352, dated 8-12-1980, w.e.f. 8-12-1980

4. Substituted for the words "succeeding year" by GSR 111, dated 24/27-4-1981, w.e.f. 7-5-1981

5. Substituted for the words "for a period of one year from the date of such grant or renewal" by GSR 111, dated 24/27-4-1981, w.e.f. 7-5-1981 (S. Second and Third provisos inserted by GSR 112, dated 21-4-1984, w.e.f. 21-4-1984

6. Fee for grant or renewal of licence :-

¹ A licence may be granted or renewed under this Chapter on payment of the fee specified in the Table below:

1. Rule 6 substituted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

7. Renewal of licence :-

(1) A licence may on application and on the Licensing Authority

being satisfied that the applicant continues to satisfy the conditions of grant of the licence, be renewed by the Licensing Authority. If the Licensing Authority after such inquiry as he deems fit and after giving an opportunity to the applicant to be heard is satisfied that the licensee has contravened any condition of the licence granted or renewed in respect of the preceding ¹[period], refuse the renewal of the licence.

(2) Every application for the renewal of a licence shall be in [Forms 1, 2 or 2-A], as the case may be, and shall be made not less than two months before the date on which the licence expires, and if the application is so made the applicant shall be deemed to be duly licensed until such date as the Licensing Authority renews the licence.

² [(3) Notwithstanding anything in Rule 6 or in sub-rule (2) where an application for renewal of licence is made after the time specified in sub-rule (2) but not less than thirty days before the date on which the

1. Substituted for the word "year" by GSR 112, dated 21-4-1984, w.e.f. 21-4-1984

2. Sub-rule (3) substituted by GSR 32, dated 12-3-1982, w.e.f. 18-3-1982

8. Procedure on death of licensee :-

If a licensee dies, the person carrying on the business of such licensee shall not be liable to any penalty under the Act for exercising the powers granted to the licensee by the licence during such time as may reasonably be required to allow him to make an application for a licence in his own name.

9. Loss of licence :-

Where a licence granted under these rules is lost or accidentally destroyed or mutilated, a duplicate licence may be granted on payment of a fee of ¹ one rupee.

1. Substituted for the letters and figure "Rs. 2" by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970

10. Payment of fees :-

¹ [(1) Every application for grant or renewal of licence under this Chapter shall be accompanied by.-

(a) a treasury challan for having deposited the licence fee under

the heard of account "Sericulture receipts"; or

(b) a cash receipt for having paid the licence fee in the office of the Licensing Authority; at the rate specified in Rule 6.

(2) If an application for the grant or renewal of a licence is rejected the fee paid shall be refunded to the applicant.

1. Sub-rule (1) substituted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

11. Qualifications of seed preparer, seed rearers and reeler

:-

12

(1) A person will be eligible for the grant of licence to be a seed preparer if he possesses the following qualifications, namely.-

(a)

(i) He should hold a certificate granted by the Director of having undergone training in the technique of grainage in a Government Grainage for a period of not less than six months; or

(ii) He must have been an aided graineur prior to the coming into force of S.3 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959; or

(iii) He must have been a seed preparer running an unaided grainage for a period of not less than two years before the coming into force of Section 3 of the Act and should have undergone a refresher course for a period of two months in any Government Grainage or should be ready to undergo and complete two months training within a period of six months after the licence is granted; or (iv) In the case of a Sericultural Co-operative Society approved by the Director, the person or persons employed by the Society for

(b) The person or persons concerned should have sufficient experience of rearing of pure foreign races of silkworms or should possess adequate facilities for getting continuous supply of foreign races of seed cocoons.

(2) A person will be eligible for the grant of a licence to be a seed rearer if he possess the following qualifications, namely.-

(a) The person concerned should be in possession of a well-maintained Mulberry garden, a disinfestable rearing apartment and

of rearing appliances, such as, stands, trays, chopping knives
3chopping boards and chandrikes to suit, and

(b)

(i) He should be an experienced silkworm seed rearer knowing all the details of silkworm rearing; or

(ii) In the case of a Sericultural Co-operative Society approved by the Director, the person or persons employed by the society should be an experienced silkworm seed rearer knowing all the details of silkworm rearing.

4 (3) x x x x x.]

1. Substituted for the words "seed preparer and seed rearers" by Notification No. CI 137 SAD 60, dated 11-12-1962

2. Substituted for the words "licensed buyers" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

3. Substituted for the words "and chopping boards" by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970

4. Sub-rule (3) as added by Notification No. CI 137 SAD 60, dated 11-12-1962, omitted by GSR 352, dated 8-12-1980, w.e.f. 8-12-1980

12. Conditions to be complied with by licensed seed preparers :-

Every licensed seed preparer shall comply with the following conditions, namely.--

(a) He shall prepare disease free layings only from the pure Mysore Silk Seed Cocoons purchased from licensed seed rearer through an officer and Foreign Race Seed Cocoons got from seed rearers, and in respect of pure Karnataka seed cocoons purchased by him, the seed preparer shall preserve the certificate issued in Form 7 by the officer through whom the seed cocoons were purchased.

(b) He shall prepare disease free silkworm seed in accordance with which methods as the Director may from time to time notify in the Karnataka Gazette.

1(bb) He shall possess such equipments as may be specified by the Director from time to time for preparation of silkworm layings at the licensed grainages.

(c) He shall sell the disease free layings only in the area mentioned in the licence.

(d) He shall maintain a record of the results of the rearings from the seed issued from his grainage. He shall inspect the rearings from the seed distributed by him when required by the silkworm rearer to whom seeds have been issued and record the results of such inspections. He shall also furnish such information in his possession about the conditions of the crops and yields at such time and to such officer as the Director may require.

(e) He shall maintain regular accounts in Forms 8, 9 and 10.

(f) He shall if so required by the Director or any officer authorised by the Director produce the accounts for inspection.

(g) He shall submit periodical returns in Form 11 within such time as the Director may require.

(h) He shall give intimation in writing to the nearest officer of the probable dates of receipt of seed cocoons along with the dates of spinning of such seed cocoons by the silkworms, the probable dates of emergence of the moths from such seed cocoons and the probable dates of testing of the moths, which have emerged from such seed cocoons, and such intimation shall be given so as to reach the officer concerned at least three days before the probable dates of receipt of such seed cocoons, the probable dates of emergence of moths and the probable dates of testing of the moths, as the case may be.

(i) He shall get the moths examined after they have laid eggs, by an officer authorised by the Director, and shall not, subject to the decision under Rule 15, distribute any lot of eggs, other than those certified by such officer to be disease free. He shall destroy such lots of eggs as are not certified to be disease free in the presence of an officer not below the rank of a Sericultural Demonstrator.

(j) He shall not change the location of the grainage except with the previous approval of the Director or other officer authorised by the Director.

2 (k) He shall buy foreign race cocoons or bivoltine seed cocoons from a seed market identified in the areas notified by the Director from time to time.

(i) He shall prepare and distribute a minimum of fifty thousand disease free layings in a financial year.

1. Clause (bb) inserted by GSR 127, dated 18-5-1981, w.e.f. 21-5-

1981

2. Clauses (k) and (1) substituted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

12A. Conditions to be complied with by a licensed rearer :-

¹ A licensed rearer shall.-

(a) rear silkworm seed purchased from a licensed seed preparer or chawki worms purchased from a licensed chawki rearer;

(b) preserve egg sheets of each lot of disease free layings supplied to him after brushing the worms till the crop of that particular lot is completed and the cocoons are disposed of;

(c) preserve bills issued by the licensed seed preparer or the licensed chawki rearer towards the purchase of silkworm eggs or chawki worms as the case may be, for a period of three months from the date of issue of the bill;

(d) undertake disinfection of his rearing apartment and rearing appliances as and when becomes necessary.

1. Rule 12-A inserted by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

13. Conditions to be complied with by a licensed seed rearer :-

Every licensed seed rearer shall comply with the following conditions, namely.-

(a) He shall rear pure race silkworm seed obtained from Government Grainages or by any other source approved by the Director. The egg sheets of each lot of disease free layings supplied to him should be preserved by him after brushing the worms till the crop of that particular lot is completed and the cocoons are disposed of.

(b) He shall not transfer worms during the course of rearing from one place to another or from one person to another without the permission of the officer.

(c) He shall comply with the instructions given from time to time by the officers in the rearing of silkworms and permit them to inspect the rearings and take worms for testing at every stage.

(d) He shall allow the silkworms to spin on the mountages and harvest the cocoons after the worms inside have crossed the larval

stage. He shall on no account retain cocoons for more than four days after harvest without the written permission of the officer.

(e) He shall allow the officers to disinfect the rearing apartment and the appliance if found necessary and afford all facilities for disinfection.

14. Conditions to be complied with by chawki rearers :-

Every chawki rearer shall comply with the following conditions, namely.-

(i) He shall use only disease free silkworm layings prepared by a licensed seed preparer and shall on demand by an officer not below the rank of Sericultural Demonstrator, produce the evidence mentioned in sub-rule (2) of Rule 3.

(ii) He shall maintain a register in Form 12 which he shall, if so required by an officer, produce for inspection.

14A. Conditions to be complied with by reeler :-

¹²Every ³[reeler] shall comply with the following conditions, namely.-

(i) He or the agents authorised by him and approved by the Licensing Authority shall operate only in the cocoon market or markets ⁴[of the zone specified] in the licence.

(ii) He shall not remove cocoons acquired by him to any area ⁵[outside the cocoon market], unless covered by a permit issued in Form 7-A.

(iii) The ⁶[reeler] or in his absence his authorised agent approved by the licensing Authority shall only bid in the Market or Markets ⁷[of the zone specified in the licence].

(iv) The ⁸[reeler] or his authorised agent approved by the Licensing authority shall abide by the conditions laid down for transaction involving sale or purchase of cocoons in the cocoon market.

(v) He shall not acquire cocoons otherwise than by purchase in the cocoon market ⁹[of the zone specified in the licence].

(vi) He shall maintain true and correct accounts relating to the purchase of cocoons in the cocoon market and its disposal ¹⁰ [if he has more than two charakas].

(vii) He shall, if so required by an officer produce the accounts for

inspection.

1. Rule 14-A inserted by Notification No. CI 137 SAD 60, dated 11-12-1962
2. Substituted for the words "licensed buyer" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979
3. Substituted for the words "licensed buyer" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979
4. Substituted for the words "allotted to him" by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970
5. Substituted for the words and figures "in which Sections 6, 7 and 8 are not in force" by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980
6. Substituted for the words "licensed buyer" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979
7. Substituted for the words "allotted to the licensee" by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970
8. Substituted for the words "licensed buyer" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979
9. Substituted for the words "allotted to him" by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970
10. Inserted by GSR 112, dated 21-4-1984, w.e.f. 21-4-1984

14B. Conditions and manner governing transactions relating to sale or purchase of silkworm cocoons in a cocoon market. :-

1

(1) No rearer shall sell or agree to sell silkworm cocoons in a cocoon market established under the Act except in accordance with the following conditions and in the manner laid down hereunder.-

(a) no rearer shall sell or agree to sell silkworm cocoons of any kind Bother than silkworm cocoons of the kind permitted to be sold in the cocoon market;

(b) only a rearer or any agent authorised by him in writing shall transact business in the cocoon market;

(c) a rearer shall not carry on any business transaction relating to sale of silkworm cocoons except in accordance with the conditions under which he is permitted to do so;

(d) a rearer shall maintain true and correct accounts relating to sale of silkworm cocoons in the cocoon market either by himself or by his agent; and

(e) a rearer or his agent shall if so required by an officer produce his accounts for inspection.

(2) No person shall purchase or agree to purchase silkworm cocoons in a cocoon market established under the Act except in accordance with the following conditions and in the manner laid down hereunder.-

(a) no person shall purchase or agree to purchase silkworm cocoons of any kind other than silkworm cocoons of the kind permitted to be sold in the cocoon market;

(b) no person other than a person permitted by the licensing authority or his authorised agent shall transact business relating to silkworm cocoons in a cocoon market;

(c) a person shall not carry on any business transactions relating to purchase of silkworm cocoons in a cocoon market except in accordance with the conditions under which he is permitted to do so;

2(d) xxxxx;

(e) every person ³ [other than a reeler having two or less than two charakas] who carries out any transaction relating to purchase of silkworm cocoons in cocoon market shall maintain true and correct accounts relating to purchase of silkworm cocoons in a cocoon market made by himself or on his behalf in Form 18; and

(f) every person who transacts any business relating to purchase of silkworm cocoons shall, if so required by an officer produce his accounts and receipts for inspection.

1. Rule 14-B inserted by GSR 184, dated 18-6-1970, w.e.f. 25-6-1970

2. Clause (d) of sub-rule (2) omitted by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980

3. Inserted by GSR 112, dated 21-4-1984, w.e.f. 21-4-1984

15. Further examination to determine whether eggs are diseased :-

Any seed preparer who is not satisfied with the decision of the officer referred to in condition (i) of Rule 11 may make an application, ¹[xxxxx], to the officer of the Department immediately superior to the officer who conducted the examination of the moth, and thereupon the said officer or any other officer not below the rank of an Inspector shall conduct a further examination, and give his decision. If the layings under preparation are declared to be disease free after such examination, the officer concerned shall

issue a certificate to that effect, ² [x x x x x].

1. The words "along with a fee of five rupees" omitted by GSR 100, dated 7-2-2000, w.e.f. 9-4-1970

2. The words "and the fee paid for the further examination shall be refunded to the applicant" omitted by GSR 100, dated 7-2-2000, w.e.f. 9-4-1970

15A. Sanitary and other conveniences that should be provided for at the production and distribution centres of silkworm seed :-

¹ Every seed production and distribution centre shall be provided with the following sanitary and other conveniences.-

(i) the building in which production and distribution centre is located shall have at least two rooms.

(ii) separate rooms shall be provided for the preservation of the seed cocoons, for the pairing of moths and moth examination.

(iii) the room provided for moth examination shall have washing facilities with running water. It shall also have proper windows to allow sufficient light into the room for purposes of microscope examination.

(iv) waste water from the grainage should not be allowed to run to the field and such water shall be allowed to run into a soakpit constructed for the purpose and the soakpit shall be cleared frequently.

(v) proper precautions shall be taken by making arrangements to preserve pairing moths and seed cocoons from rat, squirrels, and birds.

(vi) the rooms shall be kept clean and tidy.

(vii) moths shall not be thrown on the floor.

(viii) moths not required in the seed preparation shall be collected in a vessel and removed from the Centre and buried as far as possible from the Centre.

(ix) the Seed Production Centre and Grainage appliances shall be disinfected with 2 per cent formaline solution at least once in three months. When occurrence of any disease is noticed the appliances and the Centre shall be disinfected immediately.

1. Rule 15-A inserted by Notification No. CI137 SAD 60, dated 11-

12-1962

15B. Officer who can authorise possession of silkworm seed

:-

¹The Director of Sericulture or any other Gazetted Officer of the Department of Sericulture within his jurisdiction shall be the Officer for authorising for purposes of **²** [clause (c) of Section 5] and such authorisation shall be in Form 14.

1. Existing Rule 15-AA as inserted by Notification No. CI 38 SAD 61, dated 19/20-6-1963 renumbered as Rule 15-B which is substituted by GSR 234, dated 16-5-1967

2. Substituted for the word and figure "Section 5" by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970

16. Market Committees :-

(1) The representatives of rearers and **¹**[reeler] on a Market Committee shall be nominated by the Government.

(2) The term of office of every member of the Market committee shall be three years from the date of the constitution of the Committee, unless he ceases to be a member due to death, resignation or removal.

(3) If in the opinion of the Government any member of a Market Committee persistently makes default in the performance of the duties imposed on him, the Government, may, after giving him an opportunity to show cause why he should not be removed from membership of the Committee, by order, remove such member.

(4) If any vacancy arises in the office of any member of a Market Committee by death, resignation or removal, the vacancy shall be filled by the Government in the manner specified in sub-rule (1) and the person nominated shall hold office only so long as the member in whose place he has been nominated would have held office if the vacancy had not occurred.

(5) If in the opinion of the Government a Market Committee is not competent to perform or persistently makes default in the performance of the duties imposed on it, the Government may by notification dissolve such Market Committee and may reconstitute the Market Committee in accordance with sub-rule (1).

²(6) Every rearer and reeler shall in respect of cocoons sold or purchased in the cocoon market pay a fee at the rate of one per

cent on the value of the cocoons sold or purchased, as the case may be.

3 (7) Every licensed buyer shall enter in his stock book the number and date of the receipt issued for the market fee paid by him on the cocoons purchased by him.

(8) Every silkworm rearer shall preserve for a period of one month, the certificate issued to him under sub-rule (6) of Rule 17. He shall produce the same if demanded within the said period by the Inspecting Officer of the Department of Sericulture.

1. Substituted for the words "licensed buyer" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

2. Sub-rule (6) substituted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

3. Sub-rules (7) and (8) inserted by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970

17. Powers and duties of Market Committees :-

(1) It shall be the duty of the Market Committee to ensure fair trading and prompt payment in all transactions conducted in the market. It shall get the cocoons weighed and conduct the open auction under sub-section (2) of S.10 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959.

(2) The Market Officer shall conduct all correspondence and sign all documents on behalf of the Committee. The servants of the Committee shall subject to the orders of the Committee, be under his control. He shall be responsible for the keeping of accounts, for the punctual and regular rendering of all reports and returns and for the custody of all moneys, not deposited in the treasury, and shall be the Chief Executive Officer of the Committee.

(3) All the cocoons brought to the market for sale by a rearer shall be arranged in lots, and separate lot numbers shall be given for each lot.

(4) The Market Committee shall keep the market open for transaction of business at such hours as the Committee may from time to time fix, provided that it shall not open the market before 8 a.m. or keep the market open after ¹[8 p.m.] on any day.

(5)

(a) In respect of every sale by open auction, the person offering cocoons for sale may specify the minimum rate at which he is willing to sell the cocoons, and when such minimum rate has been specified, the Market Committee shall not accept at the auction any bid below such minimum rate.

(b) When an auction is not completed on account of the highest bid being below the minimum rate specified by the person offering the cocoons for sale, a second auction may be held by the Market Committee, and no bid below such minimum rate as such person may specify in respect of such second auction shall be accepted in such second auction.

(c) When an auction is not completed either under clause (a) or clause (b), if the person offering the cocoons for sale agrees to the sale of such cocoons without fixing any minimum rate, the Market Committee may hold a third auction and accept the highest bid in such third auction.

(d) The time at which open auction of any lot of cocoons shall be held shall be determined by the Market Committee with the approval of the person offering such lot of cocoons for sale.

(6) Where adequate storage accommodation is available in the market, the Market Committee may permit storage in the market of cocoons not disposed of on any day before the market is closed. Before taking any lot of cocoons for such storage, it shall be weighed and a receipt 1[in Form 15] in respect of such lot indicating therein the lot number and the weight of the lot, shall be issued to the rearer concerned. Such cocoons shall, subject to such reduction in weight on account of drilage in accordance with such scale as the Director may specify, be delivered to the rearer on the next working day.

(7) A register in Form 13 shall be maintained by the Market Committee and every transaction shall be recorded in the said register.

2 (8) The Market Officer shall issue a certificate in Form 16 to the person who has sold the cocoons in the said market.

(9) The Market Officer shall issue a cash receipt in Form 17 of the market fee collected from every buyer of cocoons.

1. Substituted for the figure and letters "6 p.m." by GSR 183,

dated 18-6-1970, w.e.f. 19-6-1970

2. Sub-rules (8) and (9) inserted by GSR 100, dated 7-2-1970, w.e.f. 9-4-1970

CHAPTER 3

Regulation of Sale and Purchase of Silk Yarn

17A. Officer to authorise for possession of silk yarn, etc. :-

(1) For the purpose of Section 5-A.-

(a) the prescribed officer shall be the Director of Sericulture, Joint Director of Sericulture, Deputy Director of Sericulture or Assistant Director of Sericulture in the State of Karnataka;

(b) the prescribed quantity of silk yarn shall be one kilogram.

(2) Any person who is in possession of silk yarn immediately prior to the commencement of the Karnataka Silkworm Seed and Cocoon (Regulation of Production, Supply and Distribution) (Amendment) Rules, 1979 shall, within a period of one month from such commencement, submit a declaration of the quantity of silk yarn in his possession in Form 17-A to the Director of Sericulture.

17B. Application for the grant of licence as a trader :-

(1) Every application for the grant of a licence to purchase silk yarn in the silk exchange shall be made to the Licensing Authority in Form 17-B and shall be accompanied by a fee of ¹[rupees ² [one thousand]].

(2) On receipt of such application, the Licensing Authority shall enter the same in the register in Form 17-C.

(3) The Licensing Authority after making such enquiries as it may consider necessary and subject to the conditions specified in Rule 17-D may, if it finds no grounds to refuse the licence, grant a licence in Form 17-D.

(4) A licence granted under sub-rule (3) shall,-

(a) be entered in the register in Form 17-E;

(b) remain in force upto 31st March of the succeeding year.

1. Substituted for the words "rupees ten" by GSR 316, dated 15-4-1986, w.e.f. 11-12-1986.

2. Substituted for the word "fifty" by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

17C. Renewal of licence :-

(1) Every application for renewal of licence shall be in Form 17-F and be accompanied by a fee of ¹[rupees ²[five hundred]] and shall be made not less than two months before the date on which the licence expires and if the application is so made, the applicant shall be deemed to be duly licensed until such date as the Licensing Authority renews the licence.

² (2) If the application for renewal of a licence is not made within the time specified in sub-rule (1) and where an application for renewal of licence is made after the time specified in sub-rule (1) but not less than thirty days before the date on which the licence expires, the licence may be renewed on payment of a fee of twenty-five per cent in excess of the fee payable for the grant of the licence. When an application is so made, the applicant shall be deemed to be duly licensed until such date as the licensing authority disposes of the application.

(3) If the Licensing Authority is satisfied that the applicant continues to satisfy the conditions for the grant of licence, the licence may be renewed. If the Licensing Authority, after such enquiry as it deems fit and after giving an opportunity to the applicant to be heard, is satisfied that the Licensee has contravened any condition of the licence granted or renewed in respect of the preceding year, refuse the renewal of the licence.

1. Substituted for the words "rupees ten" by GSR 316, dated 15-4-1986, w.e.f. 11-12-1986.

2. Sub-rule (2) substituted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

17D. Conditions for granting a licence :-

(1) No person shall be granted or renewed a licence to operate as a Licensed Trader in a Silk Exchange unless the Licensing Authority is satisfied after such enquiry as it deems fit that the person.-

¹[(a) x x x x x;]

(b) is a major; and

(c)

(i) is a trader in silk yarn; or

(ii) is a twister in silk yarn; or

(iii) is a weaver in silk yarn.

(2) The Licensing Authority may revoke the licence granted or renewed to operate as licensed trader in silk exchange, if after such enquiry, it is satisfied that.-

(a) he has been convicted for an offence punishable under Section 8-A and such conviction not having been subsequently set aside:

Provided that this disqualification shall cease to operate after the expiry of three years from the date of such conviction.

(b) he has not complied with the conditions of licence laid down in these rules;

(c) he has not transacted any business in the silk exchange during the period of his licence; ²[x x x x x]

(d) he is not a bonafide.-

(i) trader in silk yarn;

(ii) twister in silk yarn; or

(iii) weaver in silk yarn:

³[Provided that revocation of the licence under this sub-clause shall not be a bar for grant of a fresh licence.]

⁴ (3) A representative of a licenced trader shall not be allowed to be representative of another trader.

1. Clause (a) of sub-rule (1) omitted by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980

2. The word "and" omitted by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980

3. Proviso inserted by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980

4. Sub-rule (3) inserted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

17E. Maintenance of accounts, etc :-

(1) Every licensed trader shall maintain true and correct accounts relating to the purchase of silk yarn in a silk exchange, daily stocks and its disposal in Form 17-G.

¹ (2) x x x x x.

1. Sub-rule (2) of Rule 17-E omitted by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980

17F. Storage of silk yarn :-

(1) No licensed trader shall store silk yarn in any godown or building or any other place, which is not so registered in the office of the Licensing Authority.

1 (2)xxxxx.

(3) A godown or building or any other place where silk yarn is stored shall be kept open for the inspection by the Licensing Authority or any other officer authorised by it in this behalf.

1. Sub-rule (2) of Rule 17-F omitted by GSR353, dated 8-12-1980, w.e.f. 8-12-1980

17G. Regulation of trading in silk exchange :-

(1) The silk exchange shall be opened for trading on all days except on holidays between 9 a.m. and 6 p.m.

(2) The silk market committee may arrange for testing and grading of silk yarn brought for sale to the silk exchange.

(3) No person other than the licensed trader or his representative specified in the licence shall operate in the silk exchange.

(4) The silk yarn brought for sale shall be divided into convenient lots and a card in Form 17-J shall be placed on each such lot.

(5) It is the responsibility of the licensed trader or his representative to examine the silk yarn put up for sale before the auction starts.

(6) The auction shall be conducted under the supervision of an officer authorised by the Silk Market Officer for the purpose.

(7) The highest bid offered by the licensed trader at open auction and at which the reeler or a reeler who is also a twister of the silk yarn gives his consent to sell the silk yarn by affixing his signature in Form 17-J shall be the sale price of the silk yarn and the licensed trader shall be deemed to have purchased the silk yarn at that price and he shall have no right to retract from it.

(8) As soon as an auction of a lot is over, the officer supervising the auction shall obtain the signature of both the licensed trader and the reeler or the reeler who is also the twister, as the case may be or their representatives present at the spot in the book maintained for that purpose.

(9) The reeler and the licensed trader shall produce the reeling licence, or the trader's licence, as the case may be, when demanded by the Silk Market Officer or the officer supervising the auction.

(10) The officer authorised by the Silk Market Officer in this behalf shall be responsible for getting the silk yarn weighed immediately after the auction.

(11) The licensed trader shall, immediately after it is weighed, pay in cash the value of the silk yarn to the seller through Silk Market Officer or any other officer authorised by him in this behalf.

17H. Accounts of sales to be maintained :-

There shall be maintained a regular and proper accounts of all silk yarn brought to the silk exchange for sale.

17I. Levy of Market fee :-

¹Every.-

²[(a) x x x x x;

(b) x x x x x;]

(c) licenced trader who purchases silk yarn in a silk exchange shall ³[x x x x x] pay a market fee at the rate of ⁴[two per cent] of the price of silk yarn sold or purchased;]

⁵ (d) The Silk Market Officer shall issue a cash Form 17-K, for the market fee collected from every licensed trader. Provided that where such or any transaction is computerised, the cash receipt shall be in Form 17-L forming part of auction card generated by the computer.

1. Rule 17-1 substituted by GSR 353, dated 8-12-1980, w.e.f. 8-12-1980

2. Clauses (a) and (b) of Rule 17-1 omitted by GSR 299, dated 26-12-1983, w.e.f. 27-12-1983

3. The word "each" omitted by GSR 299, dated 26-12-1983, w.e.f. 27-12-1983

4. Substituted for the words "one per cent" by GSR 53, dated 27-3-1991, w.e.f. 1-4-1991

5. Clause (d) added by GSR 96, dated 7-4-1988, w.e.f. 18-4-1988

CHAPTER 4

Miscellaneous

17J. Constitution of Development and Price Stabilization

Fund Authority :-

1

(1) There shall be constituted in the State of Karnataka for the purpose of administering the fund constituted under Section 17-A an authority called the Karnataka Silkworm Seed, Cocoon and Silk Yarn Development and Price Stabilization Fund Authority (hereinafter referred to as the Fund Authority) consisting of.-

(a) The Director of Sericulture Chairman

(b) A representative of Commerce and Member Industries Department not below the rank of Deputy Secretary nominated by the Government

(c) A representative of the Planning Member Department, not below the rank of a Deputy Secretary nominated by the Government

(d) A representative of the Finance Department, Member not below the rank of a Deputy Secretary nominated by the Government

(e) The Managing Director, Karnataka Silk Member Marketing Board Limited

(f) The Joint Director of Sericulture, Cocoon Member Markets and Reeling, Office of the Director of Sericulture, Bangalore

(g) Silk Market Officer, Silk Exchange Office, Member-Bangalore Secretary

(2) Save as otherwise provided in these rules amount at the credit of the Fund Authority may be kept or invested in.-

(a) Deposit in Government Treasury;

(b) Government Savings Bank;

(c) a Scheduled Bank or a branch thereof at the town where the office of the Market is located;

(d) any of the Central or State Government securities.

(3) The Chairman and the Member-Secretary shall jointly operate the amount at the credit of the Fund Authority:

2 Provided that where the expenditure has the approval of the Chairman, Fund Authority, the cheques value of which does not exceed Rs. 10,000 shall be signed by Silk Market Officer, Silk

Exchange Officer, Bangalore, Member-Secretary, Fund Authority.

(4) The Chairman shall cause to be maintained, the accounts and other books and shall prepare an annual statement of accounts. He shall also cause the accounts of the Fund Authority to be audited annually by such persons as the State Government may direct. As soon as the accounts of the Fund Authority have been audited, the Chairman shall send a copy thereof together with a copy of the report of the Auditor thereof to the State Government.

(5) The Fund Authority shall comply with such directions as the State Government may after perusal of the report of the auditor thinks fit to issue.

(6) No sum shall be expended by or on behalf of the Fund Authority except for the purposes specified in the Act and unless included in the estimate or supplementary estimate which has been sanctioned by the Government or unless the amount payable by the Fund Authority under a decree or award of a Court:

Provided that in any case of unforeseen circumstances a sum not exceeding ten thousand rupees may be expended though not so included and in such a case the Chairman shall forthwith report to the State Government the circumstances in which such expenditure was incurred and source from which it is proposed to be met:

Provided further that any such expenditure shall be included in a supplementary estimate to be approved and sanctioned in the same manner.

(7) The Chairman shall, at a special meeting to be held not later than first day of February in each year lay before the Authority an estimate of receipts and expenditure of the Fund Authority for the year commencing on the first day of April then ensuing with such details and form as the Fund Authority shall, from time to time, direct.

(8) The Fund Authority shall consider the estimate so submitted to it and shall approve the same either unaltered or subject to such alterations as it thinks fit.

(9) The estimate approved by the Fund Authority shall be submitted to the State Government which may either sanction or disallow such estimate or any portion thereof and return the same for amendment. The Fund Authority shall forthwith amend the

estimate so returned and shall re-submit the amended the estimate to the State Government. At any time during the year for which any estimate has been sanctioned, the Fund Authority may consider and approve supplementary estimates and submit the same to the State Government.

(10) The amount at the credit of the Fund Authority may be expended for the estimates or supplementary estimates sanctioned and in particular for the following.-

(a) the construction of buildings required to locate the cocoon markets and silk exchanges;

(b) for providing of necessary facilities in the cocoon markets and silk exchanges;

(c) fixation of the floor price of silk yarn by the Fund Authority from time to time; and

(d) providing of testing and grading of silkworm seed, cocoon and silk yarn.

1. Rule 17-J substituted by GSR 63, dated 7-3-1984, w.e.f. 7-3-1984

2. Proviso to sub-rule (3) inserted by GSR 96, dated 7-4-1988, w.e.f. 18-4-1988

17K. Procedure for sale and transaction of-silk yarn :-

1

(1) Every sale of silk yarn shall be through a sale Bill in Form 19.

(2) Every movement and possession of silk yarn issued for processing or conversion i.e., twisting, dyeing and weaving shall be through a wage memo in Form 20.

1. Rule 17-K inserted by Notification No. CI2SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

18. Appeals :-

1(1) Any person aggrieved by an order of the licensing authority may, within thirty days from the date of communication of the order, appeal to.-

(i) the State Government, in the case of an order passed by the Director;

(ii) the Director, in the case of an order passed by the Joint

Director;

(iii) the Joint Director, in the case of an order passed by the Deputy Director;

(iv) the Deputy Director, in the case of an order passed by the Assistant Director.

2[(2) x x x x x.]

3(2A) An appeal under sub-section (3) of Section 13 may be filed within thirty days from the date of communication of the order.

(3) An appeal under sub-rule (1)⁴[x x x x x] ⁵ [or sub-rule (2-A)] shall be in the form of a memorandum setting forth concisely the grounds of objection to the order and shall be accompanied by a copy of the order appealed against.

(4) The Appellate Authority shall after giving an opportunity to the appellant to be heard, and after such enquiry as it may consider necessary, pass such orders on the appeal as it deems fit.

Explanation.-For purposes of sub-rules (1) and (2) an order shall be deemed to have been communicated on the date on which in the ordinary course the registered post would reach the applicant after the date of posting.

1. Sub-rule (1) of Rule 18 substituted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

2. Sub-rule (2) omitted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

3. Sub-rule (2-A) inserted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

4. The words, brackets and figure "or sub-rule (2)" omitted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

5. Inserted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

18A. Allowances to members of the committees constituted under Sections 10 and 10-A :-

1 The members of the committees constituted under Sections 10 and 10-A shall be paid travelling allowance and sitting fee at the rates specified in the Table below.-

1. Rule 18-A inserted by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

19. Composition of offences :-

The following officers of the Sericultural Department will be empowered under sub-section (1) of S.14 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959 to deal with composition of offences.-

(1) The Director of Sericulture is empowered to compound any offence punishable under the Act.

(1A) ¹The Joint Director or the Deputy Director of Sericulture is empowered to compound any offences punishable under the Act.

²[(2) The Deputy Director and the Assistant Director of Sericulture are empowered to compound offences under , s.4 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, s.5 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, s.5A of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, s.6 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, s.7 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, clauses (a) and (b) of sub-section (1) of S.7 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959 and S.8A of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959.]

³ [(3) The Sericultural Assistant is empowered to compound offences under S.3 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, s.4 of the Karnataka Silkworm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act, 1959, s.5, 6 and 7(I)(a) of the Act.]

1. Substituted for the words "The Deputy Director" by GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

2. Clause (2) substituted GSR 363, dated 20-12-1979, w.e.f. 20-12-1979

3. Clause (3) added by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

20. Procedure regarding seizure, etc :-

Any officer ¹[not below the rank of Sericultural Demonstrator] acting under clause (d) of sub-section (1) of Section 11 of the Act shall follow the following procedure, when any ²[silkworm, silkworm seed or silkworm cocoons] ³[silk yarn] including any vessel, receptacle, apparatus, package or covering in which such ⁴[silkworm, silkworm seed or silkworm cocoons] ⁵[silk yarn] is contained is seized.-

(i) A mahazar shall be drawn by the officer in the presence of two or more respectable witnesses ⁶[.] ⁷[x x x x x]

(ii) The material seized ⁸[shall be properly secured and identified and sent] at once to the nearest Government institution of the Department for safe custody and a report of the action taken shall be made to the official superior of ⁹[such officer. If such officer is empowered under sub-section (2) of Section 15, he may lodge a complaint in the Competent Court.]

(iii) In the case of things which are in the opinion of the officer, subject to speedy and natural decay, the officer who seizes such things shall intimate his opinion to the officer to whom such things are sent and the said officer may destroy such things in the presence of two witnesses. A report in this regard shall be sent by him to his superior officer.

10 [(iv) In the case of silkworm seed and silkworm cocoons which in the opinion of the officer are subject to speedy and natural decay and if he has no time to obtain orders of the Court for disposal, the officer who seizes such things shall sell them in the nearest cocoon market and the sale proceeds shall be remitted to the Government Treasury.]

1. Inserted by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

2. Substituted for the words "silkworm or silkworm seed" by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

3. Inserted by Notification No. CI2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

4. Substituted for the words "silkworm or silkworm seed" by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

5. Inserted by Notification No. CI 2 SLW93(P), dated 6-12-1996, w.e.f. 6-12-1996

6. A full stop inserted by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

7. The words "of the locality" omitted by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

8. Substituted for the words "shall be sent" by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970
9. Substituted for the words "such officer" by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970
10. Clause (iv) added by GSR 183, dated 18-6-1970, w.e.f. 19-6-1970

20A. Condition for authorising private institutions or organisations to take up research and development :-

¹ The Director may authorise private institutions or organisations to take up research and development subject to the following conditions.

(1) The private institution or organisation shall submit to the Director of Sericulture the details of the project.

(2) The organisation or institution shall have sound background of research to take up.-

(a) developing and evolving new high yielding/ disease resistant mulberry strains;

(b) evolving new silkworm races and disease resistant strains;

(c) production of cocoon of better quality and productivity;

(d) reeling of yarn and required machinery;

(e) control and eradication of pests and diseases.

(3) The Project shall be cleared and evaluated by a Technical Committee constituted by the Director of Sericulture in Karnataka.

(4) Progress made under each project shall be submitted to the Director of Sericulture once in six months from the date of approval of the project.

(5) The results of research shall be placed before the Technical Committee for evaluation before its release to the field.]

1. Rule 20-A inserted by Notification No. CI 2 SLW 93(P), dated 6-12-1996, w.e.f. 6-12-1996

21. Power of Director :-

The Director may exercise any power conferred on any officer under these rules.

22. Repeal and savings :-

The Karnataka Silkworm Seed (Control of Distribution) Rules, 1953,

and any other rules made under any of the Acts repealed by Section 19 of the Act are hereby repealed:

Provided that such repeal shall not affect.-

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

(b) any right, privilege, obligation or liability, acquired, accrued or incurred under the said rules; or

(c) any penalty, forfeiture or punishment Incurred in respect of any contravention of any of the provisions of the said rules; or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, 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 these rules had not been made.