
KARNATAKA EXCISE (SALE OF INDIAN AND FOREIGN LIQUORS) RULES, 1968

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KARNATAKA EXCISE (SALE OF INDIAN AND FOREIGN LIQUORS) RULES, 1968

In exercise of powers conferred by Section 71 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966), the Government of Karnataka, hereby makes the following rules, the draft of the same having been previously published, as required by sub-section (1) of Section 71 of the said Act in Notification GSR No. 479 in Part IV Section 2C(i) of the Karnataka Gazette, Extraordinary, dated 26th October, 1967, namely:-

1. Title, application and commencement :-

(1) These rules may be called the Karnataka Excise (Sale of Indian

and Foreign Liquors) Rules, 1968.

(2) They shall apply to the sale of Indian liquor ¹ [x x x x x] and Foreign liquor.

(3) They shall come into force at once.

1. The brackets and words "(other than arrack)" omitted by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.

2. Definitions :-

In these rules, unless the context otherwise requires.

(a) "Act" means, the Karnataka Excise Act, 1965;

(b) "Foreign liquor" means liquor other than Indian liquor;

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

(d) "Indian liquor", means all liquor defined as Indian liquor in the Act, ¹ [x x x x x]

(e) "Licence" means a licence issued under these rules;

(f) "Licensee" means, a person to whom a licence is issued;

(g) "Year" means the year commencing on the first day of July.

1. The words "other than arrack" omitted by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.

3. Licences :-

Licences for the vend of ¹[Indian liquor (other than arrack)] or Foreign liquor or both shall be of the following descriptions, namely.

²[(1). Wholesale licence for vend of Indian liquor (other than arrack) or Foreign liquor or both.

(a) A licence under this clause shall be in Form CL-1. and shall be granted by the ³[Deputy Commissioner].

(b) The ⁴[Deputy Commissioner] may on payment of an additional licence fee equal to ten per cent of CL-1 licence fee, permit a licensee under this clause to sell foreign liquor]

(2) Retail off shop licences for vend of Indian liquor or Foreign or both not to be drunk on the premises. Under these licences granted in Form C.L. 2, the sale of liquor in sealed bottles to any person in a quantity less than 0.180 litres at a time is prohibited.

5[(3) x x x x x.

6(4) Licence to Clubs. The Agent, Secretary or Manager or any other person entrusted with the management of the business of the club shall apply and obtain licence in Form CL-4 from the Deputy Commissioner. Explanation. For the purpose of this clause, a club means a body of persons registered under the Karnataka Societies Registration Act, 1960.

(5) Occasional licences. These licences in Form CL-5 are issued for the sale of liquor at the refreshment stalls in connection with race meetings, public entertainments and other such public gatherings to be drunk on the premises.

(6) Special licences. These licences shall be granted in Form CL-6 by the Deputy Commissioner of the district with the previous sanction of the Excise Commissioner, when the circumstances are such as not to allow of the issue of licences of any of the above descriptions, on such terms and conditions and for such periods, as he may on each occasion determine.

7(7) Hotel and Boarding House licences.

(a) A licence under, this clause shall be applied for and obtained in Form CL-7 from the Deputy Commissioner.

(b) No liquor under this licence shall be sold to persons other than those accommodated in the licenced hotel and boarding houses and their guests and casual visitors who take meals in such places.

[

8(7A) Tourist Hotel Licences. These licences may be granted to Tourist Hotels situated in places other than Cities and managed by the Tourist Development Corporation of the State Government or the Central Government for the possession and sale of Indian liquor (other than arrack) or Foreign liquor or both for supply to residents or for removal to their private rooms in the Tourist Hotel in which tourists stay or to regular boarders for consumption within a specified area in the licenced premises of the tourist hotel or boarding house set apart by the management for the purpose and approved by the Deputy Commissioner of the District in Form No.CL-14 on such terms and conditions as may be specified in the licence and on such other conditions as the Excise Commissioner may from time to time, specify.]

9(7B) Tourist Hotel Beer Bar Licences. These licences may be granted to Tourist Hotels **10**[x x x x x] managed by the Tourism Development Corporation of the State Government or Government or Central Government for the possession and sale of beer for supply to residents or for removal to their private rooms in the Tourist Hotel in which tourists stay or to regular boarders for consumption within a specified area in the licenced premises of the tourist hotel or boarding house set apart by the management for the purpose and approved by the Deputy Commissioner of the District in Form CL-15, on such

(8) Military Canteen Licences. These licences may be granted to military canteens for sale of **11**[Indian Liquor (other than arrack)] or Foreign liquor or both to the members of the armed forces for their use only and shall be in Form CL-8.

12(8A) Military Canteen Stores Bonded Warehouse Licence. A licence under this clause shall be in Form CL-8-A and shall be granted by the Excise Commissioner, to establish a military canteen stores bonded warehouse, to import, export and store Indian made liquor (other than arrack) or foreign liquor without payment of excise duty. The licensee shall supply or sell the above liquor only after payment of excise duty to other military canteen stores within the State having CL-8 licence.

13(8B) Border Security Force or Para Military Forces Licences. Licences may be granted in Form CL-8-B to Border Security Forces or Para Military Units for sale of Indian Liquor (other than arrack) or Foreign Liquor or both to the members of Border Security Force or Para Military Units for their personal consumption.

14(9) Refreshment Room (Bar) Licence.

(a) A licence under this clause, for refreshment room (bar) for sale of Indian liquor combined with the supply of meals or eatables shall be applied and obtained in Form CL-9 from the Deputy Commissioner:

Provided that no such licence shall be granted by the Deputy Commissioner unless he is satisfied that the refreshment room (bar) provided the following accommodations and facilities,

15(i) a kitchen with sufficient accommodation either with exhaust fan or proper ventilator. The customers shall not pass through

kitchen to go the toilet. Passage to the toilet shall be separate from the kitchen;

(ii) a separate room (Dining Hall) for serving the liquor alongwith meals or eatables for consumption. The space in the dining shall be so provided that not more than eight persons shall be accommodated in a built in floor area of 100 Sq. ft. (10x10) with a minimum of four feet space between the tables for the movement of customers and servers. Further, the total area of the Hall/Halls for dining shall not be less than 400 Sq. ft;

Provided that the minimum requirement of 400 Sq. fit, area for dining may be relaxed by the Deputy Commissioner of Excise in case of the licences existing on the dates of the commencement of the Karnataka Excise (Sale of Indian and Foreign Liquor) (Amendment) Rules, 1993:

Provided further that in case the licensee desired to shift the licensed premises to any other premises from the premises in which the licence is existing on the date of the commencement of the Karnataka Excise (Sale of Indian and Foreign Liquor) (Amendment) Rules, 1993, the above provisions shall apply without any relaxation.]

(iii) adequate seating arrangements;

(iv) separate toilet with running water facilities for men and women.

(b) No sale of liquor for removal from the premises shall be permitted under the licence. No liquor shall be sold to persons who have not part taken of meals or eatables served in the licenced premises:]

16 Provided that no licence under this sub-rule shall be granted in any predominantly residential area.

(10) Auctioner's licences.

(a) These licences shall be in Form CL-10 and shall be applied for and obtained from the Deputy Commissioner of the District.

(b) The licensee may be give sample bottles in respect of all consignments whether trade consignments or the property of private persons, in order that intending purchasers may have the opportunity of testing high class wines or spirits at their own

houses before the auction sale.

(c) The licensee is authorised to sell the ¹[Indian liquor (other than arrack)] or foreign liquor or both in less quantities than whole dozens of each description in the case of sales by auction of the property of private parties or estates, or of trade consignments which are alleged or otherwise unmerchantable.

(d) The licensee is authorised to sell by auction at places specified in the licence.

18(11) Distributor licence

(a) A licence under this clause shall be in Form CL-11 and shall be granted by the Excise Commissioner to an authorised distributor for any distillery, brewery or winery established within or outside the State for sale of liquor for the whole or part of the State;

(b) No distillery, brewery or winery shall except with the prior approval of the Excise Commissioner modify or withdraw the distributorship granted to a licensee under this clause;

(c) The Excise Commissioner may on payment of an additional licence fee equivalent to twenty-five per cent of CL-11 licence fee permit a licensee under this clause to sell foreign liquor;

(d) Subject to sub-clause (c), it shall be permissible for a distillery, brewery or winery to appoint one or more distributors for Sale of liquor for the whole or part of the State.

19(12) Licence for retail sale of bottled toddy. Licence for the retail sale of bottled toddy may be granted with the previous sanction of the Excise Commissioner in Form CL-12 by the Deputy Commissioner of the District, on payment of the licence fee specified in Rule 8 and on such terms and conditions as may be specified in the licence and on such other conditions as the Excise Commissioner may, from time to time, specify.

20 (13) Arrack depot licence. x x x x x.

1. Substituted for the words "Indian Liquor" by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.

2. Sub-rule (1) substituted by GSR 152, dated 24-6-1988, w.e.f. 1-7-1988.

3. Substituted for the words "Excise Commissioner" by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.

4. Substituted for the words "Excise Commissioner" by Notification

- No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
5. Sub-rule (3) omitted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.
 6. Sub-rule (4) substituted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.
 7. Sub-rule (7) substituted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.
 8. Sub-rule (7-A) inserted by GSR 159, dated 19-6-1973, w.e.f. 28-6-1973.
 9. Sub-rule (7-B) inserted by GSR 35, dated 6-2-1981, w.e.f. 6-2-1981.
 10. The words "situated in places other than cities" omitted by GSR 121, dated 11-5-1981, w.e.f. 13-5-1981.
 11. Substituted for the words "Indian liquor" by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.
 12. Sub-rule (8-A) inserted by GSR 152, dated 24-6-1988, w.e.f. 1-7-1988.
 13. Sub-rule (8-B) inserted by Notification No. FD 12 PES 95(iv), dated 29-6-1996, w.e.f. 29-6-1996.
 14. Sub-rule (9) substituted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.
 15. Items (i) and (ii) substituted by GSR 74, dated 15-4-1993, w.e.f. 1-7-1993.
 16. Proviso inserted by GSR 74, dated 15-4-1993, w.e.f. 1-7-1993.
 18. Sub-rule (11) substituted by Notification No. FD 325 EDC 95, dated 13-2-1997, w.e.f. 13-2-1997.
 19. Sub-rules (12) and (13) inserted by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972
 20. Sub-rule (13) omitted by Notification No. FD 18 EDC 97(1), dated 18-10-1997, w.e.f. 18-10-1997.

3A. Certain Licensees to purchase liquor only from a Wholesale licensee :-

¹ Every person holding a licence in Form CL-2, CL-4, CL-5, CL-6, CL-7, CL-9, CL-14 or CL-15 shall purchase liquor only from a person holding a licence in Form CL-1.

1. Rule 3-A inserted by GSR 182, dated 20-9-1993, w.e.f. 20-9-1993.

4. Application for licence :-

(1) Any person desiring to obtain a licence under these rules shall make an application to the Deputy Commissioner of the District ¹[if the sale is within a district or to the Excise Commissioner, if the sale is in more than one District] in that behalf ²[in Form CL-A1]

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

(i) Name and address of the Applicant;

(ii) If the applicant is a company or a firm, the names and addresses of all the Directors or partners of the company or firm;

(iii) Location of the premises where the applicant intends to conduct the business under a licence;

3 (iv) If the sale is in more than one district, the names of districts.

1. Inserted by GSR 344, dated 14-10-1976, w.e.f. 28-10-1976 .

2. Added by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.

3. Clause (iv) of sub-rule (2) inserted by GSR 344, dated 14-10-1976, w.e.f. 28-10-1976.

4A. Registration of Application :-

1 (1) The Excise Commissioner or Deputy Commissioner, as the case may be, shall register every application immediately on its receipt in the register prescribed. If the application does not contain the prescribed particulars or otherwise is not in order, the Excise Commissioner or Deputy Commissioner shall return such application to the applicant for re-submission under a written endorsement. If the applicant fails to re-submit such application within fifteen days from its receipt from the Deputy Commissioner such application shall be deemed to have been rejected.

(2) Every application received under sub-rule (1), shall be entered in the register prescribed and shall be allotted a registration number in the serial order specifying the time and date of its receipt.

(3) The Deputy Commissioner shall consider and dispose applications received under sub-rule (1), having regard to their date or receipt.

1. Rule 4-A inserted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.

5. Grant of Licence :-

1On receipt of the application under Rule 4, **2**[and subject to the provisions specified in Rule 4-A] the Deputy Commissioner or the Excise Commissioner, as the case may be, may require such other particulars as he may deem necessary and may make inquiries for verification of the particulars furnished by the applicant and also such other inquiries as he deems fit. If the Deputy Commissioner or the Excise Commissioner, as the case may be is satisfied that there is no objection to grant the licence applied for, he may grant the

licence on payment of the fee prescribed under Rule 8 for such licence:

Provided that no such licence shall be granted by the Deputy Commissioner except with the previous sanction of the Excise Commissioner.

]

3 Provided further that while considering the applications for grant of CL-7 licence, the Deputy Commissioner shall ensure that the applicant is in a position to provide good accommodation and facilities to the customers and the standard of refreshments, food and service are provided for. If the Deputy Commissioner is of the opinion that the hotel or the boarding house does not conform to the minimum standard required for running a hotel or boarding house or not suitable to grant licence, he may reject such application after giving reasons therefor.

1. Rule 5 substituted by GSR 344, dated 14-10-1976, w.e.f. 28-10-1976.

2. Inserted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.

3. Further proviso to Rule 5 inserted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.

5A. Renewal of licence :-

(1) The Excise Commissioner or the Deputy Commissioner, as the case may be, may on an application made to him along with the licence fee prescribed in Rule 8 renew the licence granted under these rules.

(2) Every such application shall be made at least one month before the expiry of the licence already granted:

Provided that the Excise Commissioner or the Deputy Commissioner, as the case may be, may accept and consider any such application made after the aforesaid period of one month, if he is satisfied that the applicant had sufficient cause for not making the application within that period.

(3) The licences granted prior to the first of July, 1999 may be renewed at the discretion of the Excise Commissioner or the Deputy Commissioner, as the case may be on payment of 50% (fifty per cent) of the fee prescribed under Rule 8 in respect of the entire period for which licence was not granted, for the purpose of maintaining continuity of the licences:

Provided that while renewing the licence under this sub-rule the Deputy Commissioner or the Excise Commissioner, as the case may be shall ensure that the total number of licences granted or renewed do not exceed the quota fixed in Rule 12, for grant of each kind of licence for an area.

6. Restriction on the use of premises :-

No premises shall be used for the sale of ¹ [Indian Liquor (other than arrack)] or Foreign Liquor or both unless it is approved by the Deputy Commissioner of the District.

1. Substituted for the word "Indian" by GSR273, dated 3-8-1972, w.e.f. 4-8-1972.

7. Duration of Licence :-

All licences other than "Special Licences" and "occasional licences" ¹[granted or renewed] shall be valid for the year or where a licence is granted ²[or renewed] on any date after the 1st July until the 30th June thereafter: ³ [x x x x x.]

1. Inserted by Notification No. FD 12 PES2000, dated 24-6-2000, w.e.f. 24-6-2000.

2. Inserted by Notification No. FD 12 PES2000, dated 24-6-2000, w.e.f. 24-6-2000.

3. Proviso omitted by Notification No. FD 9 PES 2000, dated 23-6-2000., w.e.f. 1 -7-2000.

8. Fees to be paid :-

(1) The licence fee for the several kinds of licences shall be as follows, namely.

¹[²1. Wholesale Licence.

(a)If the sale is within the limits of the City Municipal Corporation having population more than 20 lakhs.-Rs. 8,25,000/-

(b)If the sale is in other areas-Rs. 6,75,000/-

³1A.xxxxxxxxxx

⁴2. Retail Shop Licence referred to in clause (2) of Rule 3 in the case of,

(a)City Municipal Corporations having population more than 20 lakhs.-Rs. 2,02,500/-

(b)Other City Municipal Corporation areas.-Rs. 1,65,000/-

(c)City Municipal Council Areas- Rs. 1,50,000/-

(d)Town Municipal Council/Town Panchayat areas.-Rs. 1,12,500/-

(e)Other areas.-Rs. 90.000/-.

3. Licence to Chemists and Druggists-Rs. 100 per year

54. Licence to clubs in case of,

(a)Clubs with Lodging facility-Rs. 1,00,000/-

(b)Clubs without Lodging facility-Rs. 60,000/-.

65 . Occasional licence referred to in clause (5) of Rule 3-Rs. 1,000/- per day.

76 . Special licence referred to clause (6) of Rule 3-Rs. 1,000 per year

87. Hotels and Boarding Houses licence referred to in clause (7) of Rule 3, in the case of.

(a)City Municipal Corporation areas having population of more than 20 lakhs.-Rs. 3,00,000/-

(b)Other City Municipal Corporation Areas.-Rs. 2,62,500/-

(c)City Municipal Council Areas-Rs. 1,95,000/-

(d)Town Municipal Council Areas-Rs. 1,65,000/-

(e)Other areas-Rs. 1, 27,500/-.

97A. Tourist Hotel licences referred to in Clause 7-A of Rule 3-Rs. 8,000/-

107B.Tourist Hotel Beer Bar Licence referred to in Rule 3(7-B)-Rs. 600/- per year

118. Military Canteen Licence referred to in clause (8) of Rule 3-Rs. 200/- per year

128 A . Military Canteen Stores Bonded Warehouse licence-Rs. 50,000 per year

138B.Border Security Force/Para Military Unit Licence-Rs. 100 per

year

149. Refreshment Room (Bar) licence in case of,

(a) City Municipal Corporation areas having population more than 20 lakhs.-Rs. 2,72,000/-

(b) Other City Municipal Corporation areas.-Rs. 2,10,000/-

(c) City Municipal Council areas-Rs. 1,65,000/-

(d) Town Municipal Council Areas-Rs. 1,19,000/-

(e) Other areas-Rs. 84,000/-

10. Auctioner's Licence-Rs. 20/- per year

11. Licence for retail sale of bottled toddy-Rs. 250 /- per year

1512. xxxxxx

1613. Distributor licence referred to in clause (11) of Rule 3-Rs. 2,70,000/-

(2) In addition to the licence fee specified in sub-rule (1) **17**[the licensee of retail of shop] shall pay a "Litre Fee" at the following rates, in advance at the time of obtaining of the several **18**[Indian liquor (other than arrack) and Foreign liquors namely.

(a) Imported Foreign liquors.

(i) Spirits, Liquors, sparkling wines and wines containing 42 per cent and over of proof spirit.-4.40 per bulk Ltr.

(ii) Wines containing less than 42 per cent of proof spirit.-1-10 per bulk Ltr.

(iii) Foreign Beer, Cider and other fermented liquors-0-75 per bulk Ltr.

(b) **19**[Indian liquors (other than arrack)]

(i) All spirits, liquors and sparkling wines and wines containing 42 per cent and over of proof spirit.- **20**[4.00 per bulk Ltr.]

(ii) Wines containing less than 42 per cent of proof spirit.-1.70 per bulk Ltr.

(iii) Country Beer, Cider and all other fermented liquors.-**21** [0.75

per bulk Ltr.]

1. Items 1 to 12 substituted by GSR 191, dated 28-6-1980, w.e.f. 1-7-1980.
2. Item 1 of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
3. Item 1-A of Rule 8 omitted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
4. Item 2 of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
5. Item 4 of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
6. Item 5 of Rule 8 substituted by Notification No. FD 3 PES 99(iv), dated 9-6-1999, w.e.f. 1-7-1999.
7. Item 6 of Rule 8 substituted by Notification No. FP 3 PES 99(iv), dated 9-6-1999, w.e.f. 1-7-1999.
8. Item 7 of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
9. Item 7-A of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
10. Item 7-B of Rule 8 substituted by Notification No. FD 3 PES 99(iv), dated 9-6-1999, w.e.f. 1-7-1999.
11. Item 8 of Rule 8 substituted by Notification No. FD 3 PES 99(iv), dated 9-6-1999, w.e.f. 1-7-1999.
12. Item 8-A of Rule 8 inserted by GSR 152, dated 24-6-1988, w.e.f. 1-7-1988.
13. Item 8-B of Rule 8 inserted by Notification No. FD 12 PES 95(iv), dated 29-6-1996, w.e.f. 29-6-1996.
14. Item 9 of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
15. Item 12 omitted by Notification No. FD 18EDC 97(1), dated 18-10-1997, w.e.f. 1-10-1997.
16. Item 13 of Rule 8 substituted by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.
17. Substituted for the words "the licensee" by GSR 216, dated 13-6-1969, w.e.f. 26-6-1969.
18. Substituted for the word "Indian" by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.
19. Substituted for the words "Indian Liquors" by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.
20. Substituted for the figures and words "3-40 per bulk Litre" by GSR 96, dated 24-4-1980 and shall be deemed to have come into force w.e.f. 1-4-1979.
21. Substituted for the figures and words "0-60 per bulk Litre" by GSR 96, dated 24-4-1980 and shall be deemed to have come into force w.e.f. 1-4-1979.

8A. Additional licence fee :-

¹In respect of a licence granted under these rules an additional licence fee equivalent to fifteen per cent of the licence fee levied in

respect of each kind of licence under Rule 8 shall be levied for a period of ² [four years] with effect from the First day of July, 1998 for the purpose of equity investment in the Karnataka Infrastructure Development and Finance Corporation.

1. Rule 8-A substituted by Notification No. FD 7 PES 98(i), dated 18-6-1998, w.e.f. 1-7-1998.
2. Substituted for the words "two years" by Notification No. FD 9 PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.

9. List of Brands to be furnished :-

Every applicant for a licence to sell ¹[Indian liquor (other than arrack)] or foreign liquors or both shall give to the Deputy Commissioner of the District, a list, in writing, of the particulars of brands he wishes to sell. The Deputy Commissioner shall then satisfy himself that every brand named in the list is of genuine ² [Indian liquor (other than arrack)] or foreign liquor or both and is entered in the authoritative list issued by the Excise Commissioner. If he finds in the list any doubtful or spurious brand he shall exclude the same from the list to be appended to the licence. The list appended to the licence will be liable to be added to, or otherwise altered upon the application of the licensee.

1. Substituted for the words "Indian Liquors" by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.
2. Substituted for the words "Indian Liquor" by GSR 273, dated 3-8-1972, w.e.f. 4-8-1972.

9A. Affixture of excise label :-

¹No ²[licensee] under these rules shall with effect from such date as the State Government may notify in this behalf store or sell any bottle of liquor which is not affixed with the excise label specified by the ³[Excise Commissioner]]. ⁴

Provided that in the case of bottle of beer a licensee may also store or sell the bottles which in lieu of excise adhesive labels bear such number, marks, impression, embossing in such manner as may be specified by the Excise Commissioner from time to time on the approved labels of manufactures or on any part of the bottle.

1. Rule 9-A inserted by GSR 173, dated 13-9-1989, w.e.f. 30-9-1989.
2. Read for the word "licence" by GSR 181, dated 25-9-1989.
3. Read for the word "Commissioner" by GSR 181, dated 25-9-1989.
4. Proviso to Rule 9-A inserted by GSR 105, dated 5-7-1994, w.e.f.

5-7-1994.

9B. Fee for approval of brand labels of liquor manufactured outside Karnataka :-

¹ No person shall import and sell in Karnataka any Indian made liquor manufactured outside Karnataka without the approval of such brand labels by the Excise Commissioner and fee for grant of such approval shall be rupees twenty-five thousand per annum per label:

Provided that no approval shall be granted by the Excise Commissioner for any brand label unless permission for manufacture of such liquors and approval for labels is granted by the competent excise authorities in the State in which such liquor is manufactured:

Provided further that the provisions contained in Rule 15 of the Karnataka Excise (Bottling of Liquors) Rules, 1967 regarding the contents of labels shall mutatis mutandis apply to the brand labels of other State also.

1. Rule 9-B inserted by Notification No. FD 9PES 2000, dated 23-6-2000, w.e.f. 1-7-2000.

10. Strength of liquor :-

No foreign liquor ¹[or Indian liquor (other than arrack)] weaker in strength than 25° under proof will ordinarily be entered in the authoritative list issued by the Excise Commissioner, referred to in Rule 9 or allowed to be sold under any of the licences granted under Rule 3 except under special licences, provided that in the case of gin the strength may be not less than ² [350 Under Proof.] But the Government may authorise the entry in the list and the sale of any special brands of weaker strength, on being satisfied of their wholesomeness and purity.

1. Inserted by GSR 159, dated 19-6-1973 and shall be and shall always be deemed to have been inserted.

2. Substituted for the figures and letters "350 U.P." by GSR 216, dated 13-6-1969, w.e.f. 26-6-1969.

11. Licence fee to be paid in advance :-

The licence fee for all kinds of licences shall be paid in advance along with application for the licenses. In case the licence is not granted the fee paid shall be refunded.

12. Number of licences to be fixed :-

(1) The maximum number of licences to be granted in an area shall be determined from time to time by the Excise Commissioner with the previous approval of the State Government.

(2) The number of retailers licences to be granted in a taluk for the year shall be determined with reference to the population of such taluk and the probable demand.

1(3) The number of retail licences to be granted in a Taluk shall be as follows.

(a) One retail licence for every 7,500 urban population or a fraction thereof exceeding 3,500; and

(b) One retail licence for every 15,000 rural population or a fraction thereof exceeding 7,500.

Explanation. "Population" for the purpose of this sub-rule shall be the population as ascertained at the last preceding census and includes the projected annual growth subsequent to the last preceding census].

2(3a) x x x x x.

(4) The number of wholesale licences shall be so determined that there shall be one wholesale licence for five retail licences. In the event of there being applicants, one wholesale licence shall be granted for each district, even if the number of retail licence in the district is less than five.

3 Explanation. For the purpose of this sub-rule "retail licence" shall include licence issued in Forms CL-2, CL-4, CL-7 and CL-9 for retail sale of liquor.

1. Sub-rule (3) of Rule 12 substituted by GSR 20, dated 17-1-1987 and shall be deemed to have come into force w.e.f. 1-1-1987.

2. Sub-rule (3-a) of Rule 12 omitted by Notification No. FD 22 PES 93(i), dated 9-5-1994, w.e.f. 9-5-1994.

3. Explanation inserted by GSR 16, dated 6-2-1990, w.e.f. 6-2-1990.

13. Government to fix minimum retail prices :-

The State Government may fix from time to time, the minimum retail prices at which ¹ [Indian liquor (other than arrack)] or foreign liquors or both may be sold.

1. Substituted for the words "Indian Liquors" by GSR 273, dated 3-

8-1972, w.e.f. 4-8-1972.

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

1(1) x x x x x. **2** [x x x] The licensee or his successors or assignees shall have no claim whatsoever to the continuance or renewal of the licence as the case may be, after the expiry of the period for which such licence was granted.

1. Sub-rule (1) of Rule 14 omitted by GSR 216, dated 13-6-1969, w.e.f. 26-6-1969.

2. The brackets and figure "(2)" omitted by GSR 216, dated 13-6-1969, w.e.f. 26-6-1969.

15. Suspension or cancellation of a licence :-

1 x x x x x.

1. Rule 15 omitted by GSR 216, dated 13-6-1969, w.e.f. 26-6-1969.

16. Repeal and savings :-

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

Provided that the repeal shall not affect,

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

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

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against 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.