



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ-IVA Part-IVA	ಬೆಂಗಳೂರು, ಸೋಮವಾರ, ನವೆಂಬರ್ ೨೦, ೨೦೧೭ (ಕಾರ್ತಿಕ ೨೯, ಶಕ ವರ್ಷ ೧೯೩೯) Bengaluru, Monday, November 20, 2017 (Karthika 29, Shaka Varsha 1939)	ನಂ. ೧೦೫೩ No. 1053
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## FINANCE SECRETARIAT

### NOTIFICATION

**No.FD 02 PES 2017, Bengaluru, Dated:20.11.2017**

Whereas the draft of the following rules further to amend Karnataka Excise (Neera) Rules, 2017, was published as required by sub-section (1) of Section 71 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) in Notification No. FD 02 PES 2017, dated 05.07.2017 in Part-IV-A of the Karnataka Gazette (Extra Ordinary) No. 644 dated 05.07.2017 inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of its publication in the Official Gazette.

And whereas the said Gazette was made available to the public on 5<sup>th</sup> June 2017.

And, whereas objections and suggestions received in respect of the said draft have been considered by the State Government.

Now, therefore, in exercise of the powers conferred by section 71 of the Karnataka Excise Act 1965 (Karnataka Act 21 of 1966) the Government of Karnataka hereby makes the following rules, namely:-

### RULES

**1. Title and commencement.**- (1) These rules may be called the Karnataka Excise (Neera) Rules, 2017.

(2) They shall come into force from the date of their final publication in the Official Gazette.

**2. Definitions.**-(1) In these rules, unless the context otherwise requires,-

(a) "**Act**", means the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966);

(b) "**Applicant**" means the Coconut Producers Company or Farmer Producers Organization;

(c) "**Coconut Farmer**" means a person growing coconut trees in his own land, not less than 5 healthy bearing palms.

(d) "**Coconut Development Board (CDB)**" means the Board established under the Coconut Development Board Act, 1979 (Central Act 5 of 1979);

(e) "**Coconut Producers Company (CPC)**" means a federation of association of coconut farmers and registered or deemed to have been registered under the Companies Act, 2013 and subsequently registered with the Coconut Development Board;

(f) "**Competent Authority**" means the Deputy Commissioner of Excise of the concerned district;

(g) "**Farmer Producers Organization (FPO)**" means a Company registered under the Companies Act, 2013 having minimum of 1000 coconut farmers as its members;

(h) "**Form**" means forms appended to these rules;

(i) "**Horticulture Department**" means the Horticulture Department of Government of Karnataka;

(j) "**Neera Technician**" means trained person in tapping of Neera methodically by Horticulture Department, Coconut Producers Company or Coconut Development Board or Farmer Producers Organisation;

(k) "**Licence**" means the permission granted to Coconut Producers Company or Farmer Producers Organisation by the Competent Authority to extract and collect Neera from the coconut trees and for manufacture of value added products from Neera and distribution of Neera and its value added products;

(l) "**Palm tax**" means a specified amount levied in respect of each coconut tree marked by the marking officer (Revenue Officer not below the rank of Revenue Inspector) in the licenced coconut garden;

(m) "**Processing cum Storage Unit**" means the room or building specified in the licence for processing and storing (including cold storage) of Neera and its products;

(n) "**Tree**" means a Coconut tree;

(o) "**Value added products**" from Neera include packed Neera, fresh Neera dispensed through a cold chain, Neera syrup, Neera honey, Neera jaggery, Neera cookies, Neera chocolates, Neera candy and Neera sugar or any other products in which Neera or Neera concentrate or Neera sugar is an ingredient;

(2) All other words and expressions used herein and not defined in these rules shall have the meaning respectively assigned to them in the Act and other rules framed thereunder.

**3. Issue of Licence.-** (1) Licence under these rules shall be issued by the Competent Authority, for the privilege of tapping, production, possession and processing of Neera and production of value added products on payment of an annual licence fee of rupees one thousand by the applicant.

(2) No person shall be eligible for license for Tapping, production, processing distribution or possession of Neera unless he is a coconut producers company or farmer producers organization.

(3) Licence under these rules shall be issued by the Competent Authority for the distribution of Neera and its value added products on payment of an annual licence fee of rupees one thousand by the applicant.

(4) The Government reserves the right to declare the number of licences that can be issued in each district during the financial year, subject to the conditions as may be specified by the Government from time to time.

(5) All licences issued under these rules shall be in force from the 1<sup>st</sup> day of April to the 31<sup>st</sup> day of March of succeeding year. If the licence is obtained on any date after the first day of April it shall be valid until the 31<sup>st</sup> day of March of that financial year.

(6) No licence to tap Neera shall be issued to any tappers Society or to any tapper employed by such Society or individuals except the applicants.

(7) No Neera or its value added products shall be manufactured or distributed without a licence obtained under these rules.

**4. Conditions for issue of Licence.-** (1) No applicant is eligible for the privilege, if he is convicted for any offence under the Karnataka Excise Act, 1965 and rules made there under or any other criminal offence and sentenced to imprisonment for more than three years.

(2) The application for the grant of licence for the privileges of tapping, production, possession and processing of Neera and production of value added products shall be made in Form I and that for the distribution of Neera, value added products from Neera shall be made in Form III to the Competent Authority. On receipt of the application, the Competent Authority shall verify the application, and if the conditions prescribed for the grant of licence are found to have been complied with, may issue the licence for the privileges of tapping, production, possession and processing of Neera and production of value added products in Form II and the licence for the privilege of distribution of Neera and its value added products may be issued in Form IV. The Competent Authority may reject the application for reasons to be recorded in writing.

(3) Coconut Producer Company or Farmer Producers Organizations shall obtain in principle approval from Excise Department before establishing the Neera Processing Unit or a cold chain.

(4) Any Coconut Producer Company or Farmer Producers Organizations shall be given licence only when they set up Neera Processing Unit or a cold chain.

(5) The assignment and marking of Coconut trees for tapping shall be in accordance with the Karnataka Excise (Tapping of Trees) Rules, 1991.

(6) The Licensee shall engage only Neera technicians for tapping/ collection of Neera.

(7) Palm tax of rupees ten shall be levied on each tree marked for the purpose of tapping tree.

(8) The technology adopted for extracting, transportation and processing of Neera shall be as specified and approved by the Department of Horticulture.

(9) The quality of Neera produced shall be as per the standards adopted by the Department of Horticulture for quality of Neera.

(10) Applications for grant of licence shall be made at least one month before the commencement of tapping of trees.

(11) Applications for renewal of licence shall be made at least one month before the expiry of licence already granted.

(12) On receipt of the application for grant or renewal of licence, the Competent Authority 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. In any case, the Deputy Commissioner of Excise shall take a decision for the grant or renewal of licence, as the case may be, within fifteen working days from the date of receipt of application.

(13) No Neera shall be drawn except during the currency of such licence.

(14) The licensee or his authorised representatives shall not tap any tree in excess of the number of trees for which he is licensed to tap.

(15) No tree shall be tapped nor Neera shall be drawn from any tree, or any vessels/receptacles be attached for the purpose, until the trees have been marked by the authorised officer in accordance with these rules.

(16) The Transportation of Neera to Processing Unit and to the distribution point is the responsibility of the Company.

(17) The licensee shall be responsible to ensure that Neera is not converted into Toddy.

(18) Violation of any of the provisions of these rules is an offence under the Karnataka Excise Act, 1965 and it is punishable under sub-section (4) of section 32 of the Act.

**5. Procedure for taking samples of Neera from processing unit.-** (1) Neera samples from the licensed persons shall be periodically drawn for testing the quality.

(2) The Excise Officer not below the rank of Sub-Inspector of Excise of the jurisdiction may at any time take samples from the fresh Neera drawn, from the processed Neera kept ready in the storage unit and also from the unit where Neera is sold and subject it to chemical analysis in the accredited quality control Laboratories, so as to ensure that it is fit for human consumption and does not contain any alcohol. Every sample shall be taken in triplicate (in three bottles separately) labelled as 'A', 'B' and 'C'. In each bottle 300 ml of Neera shall be collected. The bottle marked as 'A' shall be sent to the accredited quality control Laboratory for chemical analysis, 'B' sample shall be handed over to the licensee for keeping in safe custody in cold storage and 'C' sample shall be handed over by the Sub-Inspector of Excise of the jurisdiction to the licensee for keeping in cold storage on his behalf. While taking the samples, in addition to the seal of the officer concerned, the seal of the licensee or his representatives shall also be affixed.

**6. Renewal, Suspension or Cancellation of Licence,-** (1) The Competent Authority shall be competent to renew the licence issued under these rules.

(2) If a licensee or any person in his employment contravenes any of the provisions of the Karnataka Excise Act, 1965 or the rules made there under or the conditions of the licence, the Competent Authority may suspend or cancel the licence and the licensee shall not be entitled to claim any compensation for suspension period or for remaining period of licence:

Provided that, no such Order of suspension or cancellation shall be passed without giving an opportunity of being heard to the licensee.

Provided further that, in addition to the suspension or cancellation of licence the concerned Competent Authority may proceed against such licensee or any person in his employment, in accordance with sub-section (4) of Section 32 of the Act.

**7. Licence for Research Purposes.-** Notwithstanding anything contained in these rules, the Deputy Commissioner of Excise may permit issue of licence for tapping of Neera for research purposes, subject to such conditions as the Deputy Commissioner of Excise specify by notification.

**8. Fine and Penalty.-** (1) Whoever manufactures or causes to manufacture Neera or its value added products in contravention of these rules or any order issued thereunder shall be punished under sub-section (4) of Section 32 of the Act. Such offender may be prosecuted before the jurisdictional Judicial Magistrate of First Class (JMFC) Court.

(2) The imposition of fine or the cancellation of a licence shall not however relieve the licensee or his agent from the liability of being prosecuted in the event of conversion of Neera into Toddy against the provisions of the Act and rules made there under.

**9. Appeals.-** (1) An appeal against the order of the Deputy Commissioner of Excise under these rules shall be made to the Deputy Commissioner within ninety days from the date of passing of the impugned order.

(2) An appeal against an order of the Deputy Commissioner under these rules shall be made to the Excise Commissioner within ninety days from the date of passing of the impugned order.

(3) An appeal against an order passed by the Excise Commissioner shall be made to the Karnataka Revenue Appellate Tribunal within ninety days from the date of passing of the impugned order.

Provided that, the Deputy Commissioner or the Excise Commissioner or the Karnataka Revenue Appellate Tribunal, as the case may be, may entertain the appeals beyond the period of ninety days on the application made by the party concerned if sufficient reasons shown to the satisfaction of the Deputy Commissioner or the Excise Commissioner or the Karnataka Revenue Appellate Tribunal, as the case may be.

By Order and in the Name  
of the Governor of Karnataka

**VENKATESH.G**  
Under Secretary to Government,  
Finance Department(Excise)

**FORM I**

(See sub-rule (2) of rule 4)

**Application for obtaining privileges of tapping, production, possession, processing of Neera/production of value added products.**

- |     |  |   |
|-----|--|---|
| (1) | Name of the CPC/ FPO applying for licence.   | : |
| (2) | Name and designation of the person authorised by the CPC/ FPO for licencing purpose.   | : |
| (3) | a) If the applicant is a CPC, registered under the Companies Act, 1956, registration number with date (copy to be enclosed)              | : |
|     | b) If the applicant is a FPO, under the Companies Act, 2013, registration number with date (copy to be enclosed)                         |   |
| (4) | Whether the CPC/ FPO is convicted of any Excise offence or any criminal offence and sentenced to imprisonment for more than three years. | : |
| (5) | Whether any Excise arrears pending against the CPC/ FPO, if so whether it is fully discharged with receipt number and date               | : |
| (6) | No. of Neera technicians employed by the CPC/ FPO.   |   |
| (7) | No. of coconut farmers in the CPC/ FPO   | : |
|     | with the total number of coconut trees available for tapping   |   |
| (8) | Recommendation of the Horticulture Department/Coconut Development Board (copy to be enclosed)  | : |

**DECLARATION**

I/We hereby declare that the information furnished above are true and correct to the best of my knowledge and belief.

Place:

Date:

Name and signature of the authorised person of the CPC/FPO

**Form II**

(See sub-rule of (2) of rule 4)

**LICENCE FOR THE PRIVILEGE OF TAPPING, PRODUCTION, POSSESSION AND PROCESSING OF NEERA AND PRODUCTION OF VALUE ADDED PRODUCTS.**

I....., the Deputy Commissioner of Excise of the ..... District hereby grant licence under the provisions of the Karnataka Excise (Neera) Rules, 2017 to you ..... to tap, produce, possess and process Neera/production of value added products from Neera in wholesale in the building situated as shown in the schedule during the period from the 1<sup>st</sup> day of April..... to the 31<sup>st</sup> day of March..... subject to the following conditions, namely:

- (1) The privilege under this licence includes the privilege of tapping, production, possession, processing of Neera and the production of value added products from Neera.
- (2) The licensee shall point out to the marking officer, the trees approved for marking without any delay.
- (3) The licensee or his authorised representatives shall not tap any tree in excess of the number of trees for which he is granted licence to tap.

- (4) No tree shall be tapped nor Neera be drawn from any tree or any pot be attached for the purpose, until the trees are marked by the authorised officer in accordance with these rules.
- (5) The licensee shall set up a Neera Processing Unit or a cold chain.
- (6) Neera shall be drawn only between 6 a.m and 6 p.m.
- (7) No Neera drawn under this licence shall be sold to any Tappers Society.
- (8) The licensee shall maintain day to day true accounts of transactions in such registers as may be prescribed from time to time by the Horticulture department/Coconut Development Board and shall furnish such information and statistics as may be called for by the Horticulture department/ Coconut Development Board and the State Excise Department.
- (9) The licensee shall not lease out, sell or otherwise transfer his licence under any circumstances.

**SCHEDULE SHOWING THE BOUNDARIES OF THE LICENCED PREMISES**

Taluk, Village	Building No.	Bounded on the			
		North by	East by	South by	West by

Place:

Deputy Commissioner of Excise

Date:

**FORM III**

(See sub-rule (2) of rule 4)

**Application for obtaining licence for the distribution of Neera/value added products from Neera**

- (1) Name of the CPC/ FPO applying for licence. :
- (2) Name and designation of the person authorized by the CPC/ FPO for licencing purpose. :
- (3) a) If the applicant is a CPC, registered under the Companies Act, 1956, registration number with date (copy to be enclosed) :  
b) If the applicant is a FPO, under the Companies Act, 2013, registration number with date (copy to be enclosed)
- (4) Whether the CPC/ FPO is convicted of any Excise offence or any criminal offence and sentenced to imprisonment for more than three years. :
- (5) Whether any Excise arrears pending against the CPC/ FPO, if so whether it is fully discharged with receipt number and date :
- (6) Specify the room/building where the distributor intends to store the products
- (7) Recommendation of the manufacturer of Neera/value added products, from whom the distributor intends to purchase stock and distribute and copy of the agreement made between them :

**DECLARATIO.N**

I/We hereby declare that the information furnished above are true and correct to the best of my knowledge and belief.

Place:

Date:

Name and signature of the authorised person of the CPC/ FPO

**Form IV**

(See sub-rule of (2) of Rule 4)

**LICENCE FOR THE PRIVILEGE OF DISTRIBUTION OF NEERA/ VALUE ADDED PRODUCTS.**

I....., the Deputy Commissioner of Excise of the ..... District hereby grant licence under the provisions of the Karnataka Excise (Neera) Rules, 2017 to you ..... to store and distribute Neera/value added products from Neera in wholesale for the purpose of sale/export in the building situated as shown in the schedule during the period from the 1<sup>st</sup> day of April ..... to the 31<sup>st</sup> day of March ..... subject to the following conditions, namely:

- (1) The privilege under this licence includes the privilege of storage, distribution and sale of Neera and value added products from Neera in wholesale.
- (2) The licensee shall maintain day to day true accounts of transactions in such registers as may be prescribed from time to time by the Horticulture department/Coconut Development Board and shall furnish such information and statistics as may be called for by the Horticulture department/Coconut Development Board and the State Excise Department.
- (3) The product shall not be subjected to any type of adulteration.
- (4) The licensee shall not lease out, sell or otherwise transfer his licence under any circumstances.

**SCHEDULE SHOWING THE BOUNDARIES OF THE LICENCED PREMISES**

Taluk, Village	Building No.	Bounded on the			
		North by	East by	South by	West by

Place:

Date:

Deputy Commissioner of Excise

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