

KARNATAKA ACT NO. 38 OF 2003
THE KARNATAKA EXCISE (AMENDMENT) ACT, 2003
Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of section 2
3. Amendment of section 43A
4. Insertion of new section 45B

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Excise Act, 1965,-

- (i) to remove the ambiguity in the definition of “toddy” and “excise tree” by omitting the words “of which contains alcohol and” appearing in the definition of excise tree;
- (ii) to provide for giving the interim custody of the property seized under sub-section (1) of section 43A to the owners of such property on production of a Bank Guarantee equal to the value of the seized property;
- (iii) to provide for acceptance of money or imposition of penalty in lieu of cancellation or suspension of a license for contravention of conditions of license or of any rule made under the Act.

Hence the Bill.

[LA Bill No. 4 of 2003]

[Entries 8, 64 and 66 of List-II of the Seventh Schedule to the Constitution of India]

KARNATAKA ACT NO. 38 OF 2003

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THE KARNATAKA EXCISE (AMENDMENT) ACT, 2003

(Received the assent of the Governor on the 2nd day of September, 2003)

An Act further to amend the Karnataka Excise Act, 1965.

Whereas, it is expedient further to amend the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966), for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Fifty-third year of the Republic of India, as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Excise (Amendment) Act, 2003.

(2) It shall come into force at once.

2. Amendment of section 2.- In section 2 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) (hereinafter referred to as the Principal Act), in clause (11A), the words "of which contains alcohol and" shall be omitted.

3. Amendment of section 43A.- In section 43A of the principal Act, after sub-section (2), the following proviso shall be inserted, namely:-

"Provided that the authorised officer may pending final disposal of the proceedings in respect of the property seized under sub-section (1) and subject to this section and sections 43B to 43G,-

(i) release the seized property except excisable articles to the owner of such property;

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- (ii) release the seized excisable articles to their owner if he possesses a licence under the Act or the rules made thereunder;

on production of a Bank Guarantee issued from a Scheduled Bank for a sum equal to the value as estimated by the authorised officer, (which shall be renewable by him from time to time till final disposal of such proceeding) and on execution by the owner thereof a bond for production of such property or as the case may be, excisable articles so released, if and when so required, before the authorised officer.”

4. Insertion of new section 45B.- After section 45A of the principal Act, the following section shall be inserted, namely:-

“45B. Special provision to accept money or to impose penalty in lieu of cancellation or suspension of licence.- (1) Notwithstanding anything contained in section 45 or section 45A where a holder of a licence or employee of such holder contravenes any of the conditions of the licence or of any rule made under this Act and for the contravention of which the licence is liable to be cancelled or suspended, the Excise Commissioner, Deputy Commissioner or any Excise Officer specially empowered in this behalf may,-

- (i) on an application made by such holder accept from him a sum of money; and
- (ii) in other cases impose a penalty;

not exceeding the amount or penalty provided in such rule or conditions of licence, in lieu of such cancellation or suspension:

Provided that no order imposing a penalty shall be made under this section unless the holder of such licence is given a notice in writing informing him the grounds of which it is proposed to impose the penalty and is given a reasonable opportunity of being heard in the matter.

(2) No person from whom any sum of money is accepted or on whom penalty is imposed under sub-section (1), shall be liable for prosecution in respect of the same facts for any offence under this Act.

By Order and in the name of the
Governor of Karnataka

M.R.HEGDE
Secretary to Government,
Department of Parliamentary Affairs
and Legislation.