

KARNATAKA ACT NO. 14 OF 2005
THE KARNATAKA EXCISE (AMENDMENT) ACT, 2005
Arrangement of Section

Sections:

1. Short title and commencement
2. Amendment of section 29
3. Amendment of section 32
4. Amendment of section 33
5. Amendment of section 34
6. Amendment of section 37
7. Amendment of section 45
8. Omission of section 45A and 45B
9. Amendment of section 49

STATEMENT OF OBJECTS AND REASONS

It is felt necessary to make the excise law more stringent in order to net more revenue, check evasion of excise duties, by taking away the existing compounding powers and making the law more stringent by rendering the offences under the Act cognizable and non-bailable.

Hence the Bill.

[L.A. Bill No. 13 of 2005]

(Entry 8 and 51 of list II of list III of Seventh Schedule to the Constitution of India.)

KARNATAKA ACT NO. 14 OF 2005

(First published in the Karnataka Gazette Extra-ordinary on the Eleventh day of April, 2005)

THE KARNATAKA EXCISE (AMENDMENT) ACT, 2005

(Received the assent of the Governor on the Sixth day of April, 2005)

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-sixth year of the Republic of India as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Excise (Amendment) Act, 2005.

(2) It shall come into force at once.

2. Amendment of section 29.- In section 29 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) (hereinafter referred to as the principal Act),-

(1) in sub-section (1),-

(a) for the words "may cancel or suspend it" the words "shall cancel it" shall be substituted; and

(b) the following provisos shall be inserted at the end, namely:-

"Provided that in case of contravention of provisions of sub-section (1) of section 36 except clauses (c), (g) and (h), the authority granting the licence or permit shall have discretion to cancel or suspend a licence or permit:

Provided further that a licence or permit shall not be cancelled or suspended without giving an opportunity of being heard to the licensee or the holder of permit, as the case may be."

(2) in sub-section (2), the words, letters and brackets "clause (a), clause (b), clause (c) or clause (d) of" shall be omitted.

(3) **3. Amendment of section 32.-** In section 32 of the principal Act,-

(1) In sub-section (1),-

(i) for the words "three years and with fine which may extend to five thousand rupees" the words "five years and with fine which may extend to fifty thousand rupees" shall be substituted;

(ii) in the proviso,-

(a) in clause (i), for the words "six months rigorous imprisonment and fine of not less than rupees one thousand", the words "one year rigorous imprisonment and fine of not less than ten thousand rupees" shall be substituted;

(b) in clause (ii), for the words "one year rigorous imprisonment and fine of not less than rupees two thousand" the words "two years rigorous imprisonment and fine of not less than twenty thousand rupees" shall be substituted;

(4) In sub-section (2),-

(i) for the words "two years and with a fine which may extend to two thousand rupees" the words "five years and with a fine which may extend to twenty thousand rupees" shall be substituted

(ii) in the proviso,-

(a) in clause (i), for the words “three months rigorous imprisonment and fine of not less than rupees one hundred”, the words “one year rigorous imprisonment and fine of not less than five thousand rupees” shall be substituted;

(b) in clause (ii), for the words “six months rigorous imprisonment and fine of not less than rupees one thousand” the words “one year rigorous imprisonment and fine of not less than ten thousand rupees” shall be substituted.

(3) In sub-section (3), for the words “one thousand rupees”, the words “five thousand rupees” shall be substituted.

4. Amendment of section 33.- In section 33 of the principal Act,-

(1) for the words “two years and with fine which may extend to two thousand rupees” the words “four years and with fine which may extend to twenty thousand rupees” shall be substituted;

(2) in the proviso,-

(i) in clause (i), for the words “six months rigorous imprisonment and fine of not less than five hundred rupees” the words “two years rigorous imprisonment and fine of not less than five thousand rupees” shall be substituted;

(ii) in clause (ii), for the words “one year and fine of not less than rupees one thousand” the words “two years and fine of not less than ten thousand rupees” shall be substituted.

5. Amendment of section 34.- In section 34 of the principal Act,-

(1) for the words “two years and with five which may extend to four thousand rupees” the words “four years and with fine which may extend to fifty thousand rupees” shall be substituted.

(i) in the proviso,-

(a) in clause (i), for the words “six months imprisonment and fine of rupees one thousand” the words “one year imprisonment and fine of rupees ten thousand” shall be substituted;

(b) in clause (ii), for the words “one year and fine of not less than rupees two thousand” the words “two years and fine of not less than rupees twenty thousand” shall be substituted.

6. Amendment of section 37.- In section 37 of the principal Act,-

(1) in sub-section (1), for the words “three months and with a fine which shall not be less than one thousand rupees and not more than two thousand rupees” the words “three years and with a fine which shall not be less than ten thousand rupees and not more than fifty thousand rupees” shall be substituted.

(2) In sub-section (2),

(i)for the words “two years and with a fine which may extend to one thousand rupees” the words “five years and with a fine which may extend to fifty thousand rupees” shall be substituted.

(ii)In the proviso,

(a) in clause (i), for the words “three months imprisonment and fine of not less than rupees two hundred” the words “three years imprisonment and fine of not less than twenty thousand rupees” shall be substituted;

(b) in clause (ii), for the words “six months and fine of not less than rupees five hundred” the words “five years and fine of not less than fifty thousand rupees” shall be substituted.

7. Amendment of section 45.- For sub-section (1) of section 45 of the principal Act, the following sub-section shall be substituted, namely:-

(1) The Excise Commissioner, the Deputy Commissioner or any Excise Officer specially empowered in this behalf may accept from any person who is reasonably suspected of having committed an offence,-

(i) under sub-section (3) of section 32, a sum of money not less than two hundred rupees but which may extend to five thousand rupees;

(ii) under sub-section (1) of section 36 except clauses (c), (g) and (h) a sum of money not less than five thousand rupees but which may extend to fifty thousand rupees;

by way of compensation for the offence which may have been committed.

8. Omission of section 45A and 45B.- Sections 45A and 45B of the Principal Act shall be omitted.

9. Amendment of section 49.- In section 49 of the principal Act, for the words “six months or with fine which may extend to five hundred rupees” the words “three years and with fine which may extend to five thousand rupees” shall be substituted.

By order and in the name of the Governor of Karnataka

G. Dakshina Moorthy
Secretary to Government,
Department of Parliamentary Affairs and Legislation.