

L. A. Bill No. 21 of 1958.

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**The Kerala  
Electricity Duty (Amendment)  
Bill, 1958**

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THE ELECTRICITY DUTY (AMENDMENT) BILL, 1958

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BILL

to amend the Travancore-Cochin Electricity Duty Act, 1950 and the Madras Electricity Duty Act, 1939.

*Preamble.*—WHEREAS it is expedient to amend the Travancore-Cochin Electricity Duty Act, 1950, and the Madras Electricity Duty Act, 1939, for the purposes hereinafter appearing;

BE it enacted in the Ninth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Electricity Duty (Amendment) Act, 1958.

(2) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

2. *Amendments to the Travancore-Cochin Electricity Duty Act, 1950 (Act IV of 1950)*—In the Travancore-Cochin Electricity Duty Act, 1950 (Act IV of 1950)—

(i) in the preamble, for the words “sales of electrical energy effected by licensees” the words “sales of electrical energy effected by licensees and consumption of electrical energy by bulk consumers” shall be substituted.

(ii) in section 2, after clause (a), the following clause shall be inserted, namely:—

“(aa) ‘bulk consumer’ means a consumer other than a licensee taking supply at 11 Kilo Volt or more”;

(iii) after section 3, the following new section shall be inserted, namely:—

“3A. *Levy of duty on bulk consumers:*—Every bulk consumer belonging to any class specified in column (1) of the Schedule shall pay every month to the Government in the prescribed manner a duty calculated at the rates specified against that class in column (2) thereof:

Provided that in cases where the supply of energy to a bulk consumer is regulated by an agreement entered into between the Government or the Kerala Electricity Board and the bulk consumer it shall be competent for the Government either to reduce the rate at which duty is leviable on such consumer or to exempt such consumer from payment of duty under this section”.

(iv) in section 4, for the words "Every licensee" the words "Every licensee and every bulk consumer" shall be substituted;

(v) in sub-section (1) of section 5, for the word "licensees" the words "licensees and bulk consumers" shall be substituted;

(vi) in section 6, for the words "the licensee" the words "the licensee or the bulk consumer" shall be substituted;

(vii) in section 8, for the word "licensee" the words "licensee or bulk consumer" shall be substituted;

(viii) in sub-section (2) of section 9, in clause (a), the following shall be added at the end, namely:—

"and the time and the manner of payment of duty under section 3A"; and

(x) after section 10, the following Schedule shall be added, namely:—

#### SCHEDULE

(1) Class of consumer	(2) Rates of duty
Consumers taking supply at 11 K. V. and 22 K. V. but excluding licensees.	25 naye paise
Consumers taking supply at 66 K. V. and 110 K. V. but excluding licensees.	2 naye paise

3. *Amendments to the Madras Electricity Duty Act, 1939 (Act V of 1939).*—In the Madras Electricity Duty Act, 1939 (Act V of 1939), in its application to the Malabar district referred to in sub-section (2) of section 5 of the States Reorganisation Act, 1956,—

(i) in the long title and preamble, for the words "by licensees", the words "by licensees and bulk consumers" shall be substituted;

(ii) in section 2, after clause (a) the following clause shall be inserted, namely:—

"(aa) 'bulk consumer' means a consumer other than a licensee taking supply at 11 Kilo Volt or more";

(iii) in sub-section (1) of section 3 for the words "six pies" the words "six naye paise" shall be substituted;

(iv) after section 3 the following new section shall be added, namely:—

"3 A. *Levy of duty on bulk consumers.*—Every bulk consumer belonging to any class specified in column (1) of the Schedule shall pay every month to the Government in the prescribed manner a duty calculated at the rates specified against that class in column (2) thereof:

Provided that in cases where the supply of energy to a bulk consumer is regulated by an agreement entered into between the Government or the Kerala Electricity Board and the bulk consumer, it shall be competent for the Government either to reduce the rate at which duty is leviable on such consumer or to exempt such consumer from payment of duty under this section.”;

(v) in section 4, for the words “Every licensee” the words “Every licensee and every bulk consumer” shall be substituted;

(vi) in sub-section (1) of section 5, for the word “licensees” the words “licensees and bulk consumers” shall be substituted;

(vii) in section 6, for the words “the licensee” the words “the licensee or the bulk consumer” shall be substituted;

(viii) in section 8, for the word “licensee” the words “licensee or bulk consumer” shall be substituted;

(ix) in sub-section (2) of section 9, in clause (a) the following shall be added at the end, namely:—

“or section 3 A”; and

(x) after section 10, the following Schedule shall be added, namely:—

#### SCHEDULE.

(1) <i>Class of consumer</i>	(2) <i>Rate of duty per unit</i>
Consumers taking supply at 11 K.V. and 22 K.V. but excluding licensees.	25 naye paise
Consumers taking supply at 66 K.V. and 110 K.V. but excluding licensees.	2 naye paise

#### STATEMENT OF OBJECTS AND REASONS.

At present different rates of electricity duty are being levied on the energy sold by licensees in Malabar and Travancore-Cochin areas. It is proposed to introduce a single rate for the whole of the State of Kerala in decimal coinage. The rate proposed is 6 nP. per unit as against 6 pies in Malabar and 9 pies in Travancore-Cochin area. It is also proposed to levy a duty on consumers (other than licensees) who are taking supply at 11 K.V. and above.

The Bill seeks to amend the Travancore-Cochin Electricity Duty Act, 1950 (Act IV of 1950) and the Madras Electricity Duty Act, 1939 (Act V of 1939) in order to give effect to the above proposals.

V. R. KRISHNA IYER.

EXTRACTS FROM THE TRAVANCORE-COCHIN  
ELECTRICITY DUTY ACT, 1950.

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*Preamble*

WHEREAS it is expedient to levy a duty on certain sales of electrical energy effected by licensees in the State of Kerala excluding the Malabar District;

It is hereby enacted as follows:—

\* \* \* \* \*

2. In this Act, unless there is anything repugnant in the subject or context —

(a) "Energy" means Electrical Energy;

\* \* \* \* \*

3. *Levy of a duty on certain sales of electrical energy.*—

(1) Save as otherwise in sub-section (2) every licensee in the State of Kerala excluding the Malabar District shall pay every month to the Government in the prescribed manner, a duty calculated at the prescribed rate on and in respect of all sales of energy effected by the licensee during the previous month, at a price of more than two annas per unit.

(2) A licensee shall be exempt from duty under sub-section (1) in any month if the total sales of energy effected by him at a price of more than two annas per unit in the previous month, did not exceed the prescribed limit:

Provided that if at the end of any financial year, it is found that the total sales of energy effected by the licensee in such year, at a price of more than two annas per unit, were not less than twelve times the prescribed limit, the licensee shall pay the duty in respect of any month or months comprised in such year in which the sale of energy effected by him did not exceed the prescribed limit.

(3) Where a licensee holds more than one licence, duty shall be calculated and levied under this Section separately in respect of each licence.

4. Every licensee shall

(a) Keep books of accounts in the prescribed form; and

(b) submit returns showing units of energy supplied and the amount of the duty payable in respect thereof, to such officer, in such form, and at such times as may be prescribed.

5. *Inspecting Officers*—(1) Government may, by notification in the Government Gazette, appoint Inspecting Officers, to inspect the books of account required to be kept by licensees under clause (a) of section 4.

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6. *Recovery of duty.*—Any duty due under this Act which remains unpaid shall be recoverable as an arrear of land revenue, or by deduction from amounts payable by Government to the licensee.

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8. *Penalties.*—If any licensee—

(a) fails to keep books of account or to submit returns as required by section 4, or

(b) intentionally obstructs an inspecting officer appointed under section 5 in the performance of his duties or the exercise of his powers under this Act and the rules made thereunder, he shall be punished with fine which may extend to fifty rupees.

9. *Power to make rules.*—(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the time and the manner of payment of duty and the rates thereof under section 3, sub-section (1);

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#### EXTRACTS FROM THE MADRAS ELECTRICITY DUTY ACT, 1939.

An Act for the levy of a duty on certain sales and consumption of electrical energy by licensees in the Malabar District.

WHEREAS it is expedient to levy a duty on certain sales and consumption of electrical energy by licensees in the Malabar District; It is hereby enacted as follows:—

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2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(a) “energy” means electrical energy;

\* \* \* \* \*

3. *Levy of a duty in certain sales of electrical energy.*—  
 (1) Save as otherwise provided in sub-section (2) every licensee in the Malabar District shall pay every month to the State Government in the prescribed manner, a duty calculated at the rate of six pies per unit of energy, on and in respect of all sales of energy, except sales to the Government of India for consumption by that Government or sales to the Government of India or a railway company operating any railway for consumption in the construction, maintenance or operation of that railway effected by the licensee during the previous month, at a price of more than two annas per unit and on and in respect of all energy which was consumed by the licensee during the previous month for purposes other than those connected with

the construction, maintenance and operation of his electrical undertaking and which, if sold to a private consumer under like conditions, would have fetched a price of more than two annas per unit.

(2) A licensee shall be exempt from duty under sub-section (1) in any month if in the previous month the total sales of energy effected by him at whatever price together with the energy consumed by him for purposes other than those connected with the construction, maintenance and operation of his electrical undertaking, did not exceed 16,666 units :

Provided that if at the end of any financial year, it is found that in such year the total sales of energy effected by the licensee at whatever price together with the energy consumed by him for purposes other than those connected with the construction, maintenance and operation of his electrical undertaking, were not less than 200,000 units, the licensee shall pay the duty in respect of any month or months comprised in such year in which the total of the sales and of the consumption as aforesaid did not exceed 16,666 units.

(3) Where a licensee holds more than one licence, duty shall be calculated and levied under this section separately in respect of each licence.

(4) Where a licensee who is liable to pay duty under this section sells energy to the Government of India for consumption by that Government or to a railway company operating any railway for consumption in the construction maintenance or operation of that railway, the price charged on such sales shall be less by the amount of the duty than price charged to other consumers of a substantial quantity of energy, provided the price last mentioned is more than two annas per unit.

In this sub-section, the expression "price charged to other consumers" shall include the duty, if any, recoverable from the consumer under sub-section (1) of section 7.

*Explanation.*—The expression "railway" in this section and in section 9 shall have the meaning assigned to it in clause (20) of article 366 of the Constitution.

4. *Obligation of licensees to keep books of account and to submit returns.*—Every licensee shall—

(a) keep books of account in the prescribed form; and

(b) submit returns showing the units of energy supplied and the amount of the duty payable in respect thereof, to such officer, in such form, and at such times as may be prescribed.

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5. (1) The State Government may, by notification in the Official Gazette, appoint Inspecting Officers to inspect the books of account required to be kept by licensees under clause (a) of section 4.

\* \* \* \* \*

6. *Recovery of duty.*— Any duty due under this Act which remains unpaid, shall be recoverable as an arrear of land revenue, or by deduction from amounts payable by the State Government to the licensee.

\* \* \* \* \*

8. *Penalties.*— If any licensee—

(a) fails to keep books of account or to submit returns as required by section 4, or

(b) intentionally obstructs an Inspecting Officer appointed under section 5 in the performance of his duties or the exercise of his powers under this Act and the rules made thereunder he shall be punished with fine which may extend to fifty rupees.

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9. *Power to make rules.*— (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the time and manner of payment of duty under section 3;

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