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THE ANDHRA PRADESH GAZETTE

PART IV-A EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 3] AMARAVATI, FRIDAY, 13th FEBRUARY, 2026.

ANDHRA PRADESH BILLS
ANDHRA PRADESH LEGISLATIVE ASSEMBLY

The following Bill was introduced in the Andhra Pradesh Legislative Assembly on 13th February, 2026.

L. A. Bill No. 3 of 2026

A BILL FURTHER TO AMEND THE ANDHRA PRADESH ELECTRICITY DUTY ACT, 1939.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Seventy-Seventh Year of the Republic of India as follows:-

1. (1) This Act may be called the Andhra Pradesh Electricity Duty (Amendment) Act, 2026.

Short title and commencement.

(2) It shall be deemed to have come into force with effect on and from 26th August, 2021.

2. In the Andhra Pradesh Electricity Duty Act, 1939 (hereinafter referred to as the Principal Act), in section 3,-

Amendment of section 3.

Act No.5 of 1939.

(i) in sub-section (1), after the words “consumer categories” and before the words “which shall not be”, the following shall be inserted, namely,-

Central Act No.36
of 2003.

“identified based on the principles contained in the Electricity Act, 2003 including but not limited to purpose for which electricity is sold/consumed”.

- (ii) after sub-section (4), the following sub-section shall be added, namely,-

“(5) Every licensee is entitled to recover from any person or class of persons to whom energy is sold at more than twelve paise per unit, the duty which falls to be paid by the licensee in respect of the energy so sold or any part of it, as may be determined by the State Government.

Explanation:

- (a) Save as otherwise provided in sub-section (4) of section 3, the duty recoverable from any person under this section shall not be deemed to be part of the price charged for the energy by the licensee.
- (b) The licensee may, for the purpose of sub-section (5), exercise the power conferred on a licensee by sub-section (1) of section 56 of the Electricity Act, 2003, for the recovery of any charge or sum due in respect of energy supplied by it.”.

Central Act No.36
of 2003.

Omission of
section 7 and
insertion of
section 7A.

- 3.** In the Principal Act, section 7 shall be omitted from the date of this Act coming into force i.e., with effect on and from 26th August, 2021, and the following shall be inserted, namely,-

“**7A.**Notwithstanding the repeal of section 7, the duty recovered from any person or class of persons for the full amount of duty paid pursuant to the Amendment Act, 2021 and G.O.Ms. No.7 dated 8th April, 2022, between 26th August, 2021 and 19th December, 2024 shall be deemed to have been recovered with the sanction of the State Government.”.

Insertion of
sections 11&12.

- 4.** In the Principal Act, after section 10, the following sections shall be added, namely,-

“11. Validation:- Notwithstanding any judgment, decree or order of any Court or other authority to the contrary, any electricity duty levied, charged or collected or purporting to have been levied, charged or collected before the commencement of this Act and any action taken or thing done before the commencement in relation to such levy or collection under the provisions of the Principal Act shall be deemed to be as valid and effective as if such levy or collection or action or thing had been made, taken or done under the Principal Act as amended by this Act and accordingly-

- (1) All levy and collection by the licensee in connection with electricity duty for all purposes between 26th August, 2021 and 19th December, 2024 shall be deemed to be and to have always been done or taken in accordance with the law;
- (2) All Notifications issued by the State Government under the Act between 26th August, 2021 and 19th December, 2024 shall be deemed to have been issued in accordance with the law;
- (3) no suit or other proceedings shall be maintained or continued in any court or before any authority for the refund of any such electricity duty; and
- (4) no court shall enforce any decree or order directing the refund of any such electricity duty.”.

12. Power to issue Notifications:- The State Government, may by notification published in the Andhra Pradesh Gazette issue Notifications for carrying out all or any of the purposes of the Principal Act.

- (1) In particular, and without prejudice to the generality of the foregoing power, such Notification may provide for the rate of duty which shall not be less than 6 paise (Rs. 0.06) per unit of energy and not be more than 100 Paise (Rs. 1.00) per unit of energy for different consumer categories.
- (2) Every Notification issued under this Act shall immediately after it is made be laid before each House of the State Legislature, if it is in session, and if it is not in session in the session

immediately following, for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the Notification or in the annulment of the Notification, the Notification shall, from the date on which the modification or annulment is notified in the Andhra Pradesh Gazette have effect only in such modified form or shall stand annulled, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that Notification.”.

Repeal of
Ordinance
No.8 of 2025.

- 5.** (1) The Andhra Pradesh Electricity Duty (Amendment) Ordinance, 2025 is hereby repealed.
- (2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act,

STATEMENT OF OBJECTS AND REASONS

Sub-section (1) of section 3 of the Andhra Pradesh Electricity Duty Act, 1939 provided for the levy of electricity duty at the rate of four paise per unit on all sales of electrical energy by the licensee to consumers, other than Railways and the Central Government. The duty at the rate of 6 paise per unit sale had been levied with effect from 1st December, 1993, by way of the Andhra Pradesh Electricity Duty (Amendment) Act, 1994 (Act No.1 of 1994). Since then, the same rate of duty has continued for about 28 years. The Government, considering the substantial gap of 28 years in electricity duty revision, and after duly studying the current rates of levy of duty across other States like Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Himachal Pradesh, Kerala, Manipur, Punjab, West Bengal, and Jammu & Kashmir where the rate of duty varies from 14 paise to 180 paise per unit sale of energy on different categories of consumers, felt it necessary to enhance the duty rates under the Andhra Pradesh Electricity Duty Act, 1939. Further, the term "Licensee" under sub-section (b) of section 2 of the Andhra Pradesh Electricity Duty Act, 1939 was defined in terms of the licensee referable to the Indian Electricity Act, 1910. However, as the said Indian Electricity Act, 1910 stands repealed and replaced by the Electricity Act, 2003, the term "Licensee" required to be redefined in terms of Section 2(39) of the Electricity Act, 2003 (Act No.36 of 2003) dated 26th May, 2003, which has been in force since 2003.

To achieve the above objectives, the State Legislature has passed the Act No.10 of 2021 i.e., Andhra Pradesh Electricity Duty (Amendment) Act, 2020 ("A.P.E.D. Amendment Act 2020"). As the A.P.E.D. Amendment Act, 2020 was published, pursuant to securing all the mandatory assents, by way of Gazette Notification on 26th August, 2021, the same date was intended for the purposes of bringing the A.P.E.D. Amendment Act, 2020 into force. However, the terms "appoint" / "appointed date" could not be defined under section 1 (2) of the said Amendment Act, which provides that "It shall come into force on such date as the State Government may, by notification, appoint," and a separate "notification" could not be issued due to an inadvertent omission.

To avoid potential legal complications, the State Legislature passed Act No. 10 of 2024 i.e., Andhra Pradesh Electricity Duty (Amendment) Act,

2024 on 6th March, 2024, which amended the A.P.E.D. Amendment Act of 2020. This 2024 amendment brought the A.P.E.D. Amendment Act of 2020 into force from the date of its publication in the A.P. Gazette on 26th August, 2021.

Further, due to the imminent need (1) to protect all duty recovery actions of the licensees from various persons or classes of persons for the entire extent of the electricity duty collected by the State Government from the licensees, (2) to protect the collection of electricity duty during the period between the date of A.P.E.D. (Amendment) Act, 2020 coming into force, i.e., 26th August, 2021, and the duty rates notified vide G.O.Ms.No.7 dated 8th April, 2022, and (3) to provide appropriate legislative guidance on the range of duty by way of validating amendments and substitutions to the fiscal statute with retrospective effect, it was felt necessary to further amend sections 3(1) and 7(1) of the Andhra Pradesh Electricity Duty Act, 1939 (hereinafter referred to as "the Act").

Now, after the enactment of Act No.23 of 2024, in order to provide legislative guidance for the range of duty rates in the Act itself, a rate of duty between 0.06 rupees (6 paise) per unit (KWH) of energy and Re. 1 (100 paise) per unit (KWH) of energy is being provided in section 3(1) of the Act. Within the range of duty provided, the State Government may decide on the rate to be levied, considering the increase in cost of supply and current consumption year by year, the costs and obligations of developing physical infrastructure, and a variety of dynamic factors with a bearing on the subject which vary from time to time.

In order to avoid further legal complications due to inadvertent drafting errors and to emphasize that the licensees are always recovering the duty from persons or classes of persons for the electricity duty collected by the State Government from the licensees with the sanction of the State Government, the word 'previous' in section 7 of the Act was also replaced with 'whether granted prior or post facto' to protect such recovery actions of the licensees in addition to introducing a proviso for that purpose, with the validating amendments and substitutions taking retrospective effect from 26th August, 2021.

Further, in order to meet the financial requirements of the State Government, there was an imperative need to augment revenue by tapping all available sources. Therefore, the Government had decided to amend the existing sections 3(1) and 7(1) of the Act and accordingly, Act No.23 of 2024 dated 19th December, 2024 has been passed and is deemed to have come into force with effect from 26th August, 2021.

Further, the Hon'ble High Court of Andhra Pradesh disposed off cases connected to the amendments to the A.P.E.D Act vide Order dated 26th June, 2025, wherein inter alia the amendment to Section 3, by Act No.10 of 2021 and Act No.23 of 2024, to the extent of granting power to the Government to identify categories of consumers for purposes of fixing the rate of tariff was set aside. Further, G.O.Ms.No.7 dated 8th April, 2022 was struck down. However, it was held that the Government is entitled to collect duty at the rate of 6 paise per unit, throughout the period from the date when Act No. 10 of 2021 was published in the Gazette till such time as the rate of duty was modified, in accordance with law. G.O.Ms.No.22 dated 23rd October, 2023. The amendments to section 7 by Act No.23 of 2024 were also struck down. However, G.O.Ms.No.277, dated 9th December, 1994, was held to remain in force throughout the disputed period and the Licensees were permitted to recover Duty, at the rate of 6 paise per unit, from consumers, subject to any exemption that may have been granted, or would be granted, under section 3A of the Duty Act. Against this Order a Special Leave Petition has been filed before the Hon'ble Supreme Court of India and is pending.

Therefore, it is considered necessary to amend the Act in order to validate the earlier actions, levies and collections by inclusion of a new section in the Duty Act as "Validation" for correction of Defects, overriding Judicial Pronouncements, ensuring validity of past actions and maintaining Public Order.

It is further considered necessary to provide for all Notifications by the State Government issued under the Act to be placed before both Houses of the Legislature, and upon any Electricity Duty being levied on the licensee under the Act, it would become recoverable from the consumer by such licensee;

The Object of the Andhra Pradesh Electricity Duty (Amendment) Ordinance, 2025 is to validate the imposition and collection of electricity duty pursuant to the Act No.10 of 2021 and G.O.Ms.No.7,dated 8thApril, 2022 and to remove any difficulties in the future collection of electricity duty at rates as may be notified by the Government from time to time for different consumer categories identified based on the principles contained in the Electricity Act, 2003 including but not limited to purpose for which electricity is sold/consumed.

As the Legislature was not then in session, having been prorogued and it was decided to give effect to the above decision immediately accordingly, the Andhra Pradesh Electricity Duty (Amendment) Ordinance, 2025 (Ordinance No.8 of 2025) was promulgated on the 1st December, 2025. The commencement of the said Ordinance shall be deemed to have come into force with effect on and from 26th August, 2021.

This Bill seeks to replace the said Ordinance and to give effect to the above decisions.

GOTTIPATI RAVI KUMAR
MINISTER FOR ENERGY

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill authorizes the Government to issue notification in respect of the matters specified therein and generally to carry out the purposes of the Act.

As such the notification issued, which is intended to cover matters mostly of procedural in nature is to be laid on the table of the both Houses of the State Legislature and will be subject to any modifications made by the Legislature.

The above provisions of the Bill regarding delegated legislation are thus of normal type and mainly intended to cover matters of procedure.

GOTTIPATI RAVI KUMAR
MINISTER FOR ENERGY

**MEMORANDUM UNDER RULE 95 OF THE RULES OF
PROCEDURE AND CONDUCT OF BUSINESS IN THE ANDHRA
PRADESH LEGISLATIVE ASSEMBLY.**

The Andhra Pradesh Electricity Duty (Amendment) Bill, 2026, after it is passed by the Legislature of the State may be submitted to the Governor for his assent under Article 200 of the Constitution of India.

GOTTIPATI RAVI KUMAR
MINISTER FOR ENERGY

PRASANNA KUMAR SURYADEVARA
Secretary-General to Legislature.