

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 17th October, 2025 is published together with Statement of Objects and Resasons for general information:-

L.A.Bill No. 39 of 2025

A Bill further to amend the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-sixth Year of the Republic of India as follows:—

1.(1) This Act may be called the Tamil Nadu Tax on Consumption or Sale of Electricity (Amendment) Act, 2025.

Short title and commencement.

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

Tamil Nadu Act 12 of 2003.

2. In section 12 of the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003 (hereinafter referred to as the principal Act), in sub-section (2), for the expression “section 21 of the Indian Penal Code (Central Act XLV of 1860)”, the expression “clause (28) of section 2 of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023)” shall be substituted.

Amendment of section 12.

3. In section 13 of the principal Act, in sub-section (2), for the expression “the Code of Criminal Procedure, 1973 (Central Act 2 of 1974)”, the expression “the Bharatiya Nagarik Suraksha Sanhita, 2023 (Central Act 46 of 2023)” shall be substituted.

Amendment of section 13.

4. After section 17 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 17-A.

“17-A. Contraventions by companies.— Where a contravention of any of the provisions of this Act, or any rule made thereunder has been committed by a company, the provisions contained in section 17 shall, *mutatis mutandis*, apply.”

Amendment of section 19.

5. (1) Section 19 of the principal Act shall be re-numbered as sub-section (1) of that section;

(2) in sub-section (1), as so re-numbered, for the expression "punished with fine which may extend to ten thousand rupees", the expression "liable for a penalty which may extend to fifty thousand rupees" shall be substituted;

(3) after sub-section (1) as so amended, the following sub-section shall be added, namely:—

"(2) Notwithstanding anything contained in sub-section (1), if the adjudicating officer, in a proceeding under section 19-B, deems fit, he may, after recording the reasons in writing, refer the matter for prosecution and such officer, as may be notified by the Government, shall, file a complaint before the Magistrate having jurisdiction. On conviction, the offender shall be punished with imprisonment of either description for a term which may extend to three months, or with fine which may extend to fifty thousand rupees, or with both."

Insertion of new section 19-A, 19-B, 19-C and 19-D.

6. After section 19 of the principal Act as so amended, the following sections shall be inserted, namely:—

"19-A. Compounding of contraventions.— (1) Any contravention liable for penalty under sub section (1) of section 19 may, either before or after the initiation of adjudication proceeding but before the imposition of penalty, be compounded by such officer, as may be notified by the Government in the *Tamil Nadu Government Gazette*, on payment of such amount as that officer may specify:

Provided that such amount shall not, in any case, exceed the maximum penalty which may be imposed under this Act for that contravention.

(2) Where any contravention has been compounded under sub-section (1), no other proceeding shall be initiated or continued under this Act in respect of that contravention.

19-B. Adjudication.— (1) The Government may, for the purposes of adjudicating the contraventions and determining penalties under this Act, by notification in the *Tamil Nadu Government Gazette*, appoint an officer to be the adjudicating officer to hold an inquiry and impose penalty in such manner as may be prescribed:

Provided that the Government may appoint as many adjudicating officers as may be required.

(2) The adjudicating officer may summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the adjudicating officer, may be useful for, or relevant to, the subject matter of the inquiry and if, on such inquiry, he is satisfied that the person concerned has failed to comply with any of the provisions referred to in section 19, he may impose such penalty as he deems fit:

Provided that no such penalty shall be imposed without giving a reasonable opportunity of being heard.

19-C. Appeal.— (1) Whoever is aggrieved by an order passed by the adjudicating officer under section 19-B may prefer an appeal to the appellate officer as may be notified by the Government in the *Tamil Nadu Government Gazette*, within sixty days from the date of receipt of order, in such manner as may be prescribed:

Provided that an appeal may be admitted after the expiry of the period of sixty days if the appellate officer is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(2) The appellate officer may, after giving the parties to the appeal, an opportunity of being heard, pass such order as he may think fit.

(3) The appellate officer shall dispose of the appeal within sixty days from the date of filing of appeal.

19-D. Recovery.— If the penalty imposed under section 19-B or under section 19-C, as the case may be, is not deposited in such manner as may be prescribed, the amount due shall be recovered as an arrear of land revenue.”.

STATEMENT OF OBJECTS AND REASONS.

The Government of Tamil Nadu is committed to promote ease of doing business and ease of living and to make the State the most preferred global investment destination by eliminating unnecessary prosecution and by simplifying the regulatory procedure. To achieve the above goal, the Government of Tamil Nadu is making its sincere efforts to implement various reforms in the legislative field, which will catalyze sustainable economic growth and improved ease of doing business.

2. In order to promote ease of doing business and ease of living and to enhance trust-based Governance, it is imperative to decriminalize certain minor offences and procedural lapses and to impose civil monetary penalties through administrative process of adjudication instead of criminal punishments such as imprisonment and fine through prosecution before courts of law. Accordingly, the Government have decided to amend the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003 (Tamil Nadu Act 12 of 2003) suitably for the said purposes.

3. The Bill seeks to give effect to the above decision.

S.S.SIVASANKAR,
Minister for Transport and Electricity.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clauses 1 (2), 5 and 6 of the Bill authorize the Government to issue notifications or to make rules, as the case may be, for the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

S.S.SIVASANKAR,

Minister for Transport and Electricity.

Secretariat,
Chennai,
17th October 2025.

K. SRINIVASAN,
Principal Secretary.