



## The Maharashtra Tax on Sale of Electricity Act, 1963

Act 21 of 1963

Keyword(s):

Bulk Licensee, Distributing Licensee, Energy, Tax, to Sell in Bulk

Amendments appended: 5 of 2008, 15 of 2008

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THE MAHARASHTRA TAX ON SALE OF ELECTRICITY ACT, 1963

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MAHARASHTRA ACT No XXI OF 1963.<sup>1</sup>

[THE MAHARASHTRA TAX ON SALE OF ELECTRICITY ACT, 1963.]

[24th April 1963]

Amended by Mah. 51 of 1965.  
 " " " 32 of 1974. (7-9-1974)\*  
 " " " 75 of 1975. (1-1-1976)\*

**An Act to levy a tax on the sale of electricity in the State of Maharashtra, and to provide for the creation of a Fund therefrom for the improvement and development of power supply in the State.**

WHEREAS, it is expedient to levy a tax on the sale of electricity in the State of Maharashtra and to provide for the creation of a Fund therefrom for the improvement and development of power supply in the State; It is hereby enacted in the Fourteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Tax on Sale of Electricity Act, 1963.

(2) It extends to the whole of the State of Maharashtra.

(3) It shall be deemed to have come into force on the 1st day of January 1963.

2. In this Act, unless the context otherwise requires,—

IX of 1910  
LIV of 1948.  
(a) "bulk licensee" means any person licensed under Part II of the Indian Electricity Act, 1910, who sells energy in bulk; and is deemed to include the State Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948;

IX of 1910.  
(b) "distributing licensee" means any person licensed under Part II of the Indian Electricity Act, 1910, to supply energy, not being a bulk licensee;

(c) "energy" means electrical energy when generated, transmitted and sold for any purpose other than the transmission of messages;

(d) "prescribed" means prescribed by rules made under this Act;

(e) "tax" means a tax imposed under this Act;

(f) "to sell in bulk", with its cognate expressions, means to sell in any year not less than five million units of energy to a distributing licensee or any other consumer;

(g) "year" means the year commencing on the 1st day of January.

3. (1) Subject to the provisions of this Act, there shall be levied and paid a tax, Incidence of at the rate of <sup>2</sup>[one half of a *paisa*] on every unit of energy sold by a bulk licensee, tax. in respect of all his sales of energy in bulk:

Provided that, for the year commencing from the 1st day of January 1963, energy sold during the period ending with the 31st day of March 1963 shall not be liable to tax.

(2) Sales of energy in bulk for any year may be decided with reference to the sales in bulk in the previous year; but if the sale to a distributing licensee or to any consumer is less than five million units of energy in any year, any sums collected by way of tax in that year shall be refunded to the bulk licensee as provided in section 10.

4. Every bulk licensee shall pay to the State Government at the time or times and in the manner prescribed, the amount of tax payable under this Act. Payment of tax.

5. (1) The proceeds of the tax (together with any interest payable under section 9) State recovered under this Act, shall first be credited to the Consolidated Fund of the State, and under appropriation duly made by law in this behalf, be entered in, and transferred to, a separate fund called the State Electricity Fund. Electricity Fund.

<sup>1</sup> For Statement of Objects and Reasons, see *Maharashtra Government Gazette*, 1963, Part V, page 11.

<sup>2</sup> These words were substituted for the words "one quarter of a *naya paisa*" by Mah. 51 of 1965, s. 9.

\*\* This indicates the date of commencement of Act.

(2) Any amount transferred to the State Electricity Fund under sub-section (1) shall be charged on the Consolidated Fund of the State.

Purposes for which Fund may be expended.

2[5A. The Fund may be expended for executing schemes for development and improvement of power supply in the State and for operating rural electrification schemes therein, and in furtherance of this purpose, the State Government may from out of the Fund give subsidies or loans or ways and means advances to the State Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948.]

54 of 1948.

Licensee to keep books of account and submit returns.

6. Every bulk licensee who is required to pay tax shall keep books of account in the prescribed form, and submit to the State Government or to an officer authorised by that Government in this behalf, returns, in such form, and at such times, as may be prescribed, showing the units of energy sold by him and the amount of tax payable thereon and the amount of tax already paid by him.

Power to exempt.

7. Subject to such conditions (if any) as it may impose, the State Government may, if it considers it necessary in the interest of the development of power supply so to do, by notification in the *Official Gazette*, exempt the sale of energy to any class of distributing licensees or consumers from the payment of the whole or any part of the tax payable under this Act.

Inspecting Officers.

8. (1) The State Government may, by notification in the *Official Gazette*, appoint any persons, having the prescribed qualifications, to be Inspectors for the purposes of this Act.

(2) Every Inspector shall perform such duties and exercise such powers, as may be prescribed.

(3) Every Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

XLV of 1860.

Recovery of tax.

9<sup>3</sup>[Any sum due on account of the tax, if not paid at the time and in the manner prescribed, shall be deemed to be in arrears; and thereupon, interest on such sum shall be payable at the rate of 18 per cent per annum for the first three months immediately after the time such sum has become due and thereafter, at the rate of 24 per cent per annum till such sum is paid;] and the sum together with the interest thereon, shall be recoverable either through a civil court or as an arrear of land revenue at the option of the State Government, or any officer authorised by the State Government in this behalf.

Refund of tax.

10. The State Government may by rules prescribed that in such circumstances, and subject to such conditions (including any period of limitation) as may be specified in the rules, a refund of the whole or any part of the tax may be granted to the bulk licensee.

Penalties.

11. If any person—

(a) fails to keep books of account, or to submit returns, in accordance with the provisions of section 6 and the rules made in that behalf, or

(b) wilfully obstructs an Inspector in the exercise of the powers conferred, or in the discharge of duties imposed, upon him by or under this Act, or

(c) contravenes any rule,

he shall, on conviction, be punished with fine which may extend to one thousand rupees.

Offences by companies.

12. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed, was in charge of and was responsible to the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

<sup>1</sup> Sub-section (3) was deleted by Mah. 32 of 1974, s. 2.

<sup>2</sup> Section 5A was inserted, *ibid.*, s. 3.

<sup>3</sup> This portion was substituted for the portion beginning with "Any sum due" and ending with "payable on such sum;" by Mah. 75 of 1975, s. 2.

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary, or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section—

(a) “ company ” means a body corporate and includes a firm or other association of individuals, and

(b) “ director ” in relation to a firm means a partner in the firm.

13. (1) The State Government may, by notification in the *Official Gazette*, make rules to carry out the purposes of this Act. Power to make rules.

(2) In Particular, and without prejudice to the generality of the foregoing power, such rules may—

(a) prescribe the time or times and the manner of payment of tax under section 4 ;

(c) prescribe the form of books of account to be kept and the times at which and the form in which, the returns required by section 6 shall be submitted;

(d) prescribe the qualifications, the powers and duties of Inspectors under section 8 ;

(e) prescribe the circumstances in which, and conditions subject to which, refund may be granted under section 10 ;

(f) provide for giving effect to the provisions of this Act.

(3) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication.

(4) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making modification in the rule or both Houses agree that the rule should not be made, the rule shall from the date of publication of a notification in the *Official Gazette* of such decision have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

<sup>1</sup> Clause (b) was deleted by Mah. 32 of 1974, s. 4.



# महाराष्ट्र शासन राजपत्र

असाधारण  
प्राधिकृत प्रकाशन

बुधवार, मार्च १९, २००८/फाल्गुन २९, शके १९२९

स्वतंत्र संकलन म्हणून फाईल करण्यासाठी या भागाला वेगळे पृष्ठ क्रमांक दिले आहेत.

## भाग आठ

महाराष्ट्र विधानमंडळाचे अधिनियम व राज्यपालांनी प्रख्यापित केलेले अध्यादेश व केलेले विनियम आणि विधि व न्याय विभागाकडून आलेली विधेयके (इंग्रजी अनुवाद).

In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Bombay Motor Vehicles Tax, the Motor Vehicles (Taxation of Passengers), the Maharashtra Education and Employment Guarantee (Cess), the Tax on Sale of Electricity, the State Tax on Professions, Trades, Callings and Employments, the Tax Acts (Amendment) and the Employment Guarantee (Amendment) and the Bombay State Scarcity Relief Fund (Repeal) Act, 2008 (Mah.V of 2008), is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

A. M. SHINDEKAR,  
Secretary to Government,  
Law and Judiciary Department.

### MAHARASHTRA ACT NO. V OF 2008.

(First published after having received the assent of the Governor, in the "Maharashtra Government Gazette", on the 19th March 2008).

An Act further to amend the Bombay Motor Vehicles Tax Act, 1958; the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958; the Maharashtra Education and Employment Guarantee (Cess) Act, 1962; the Maharashtra Tax on Sale of Electricity Act, 1963; the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975; the Maharashtra Tax Acts (Amendment) Act, 1975 and the Maharashtra Employment Guarantee Act, 1977; and to repeal the Bombay State Scarcity Relief Fund Act, 1958.

WHEREAS both Houses of the State Legislature were not in session;

(४९)

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Bombay Motor Vehicles Tax Act, 1958; the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958; the Maharashtra Education and Employment Guarantee (Cess) Act, 1962; the Maharashtra Tax on Sale of Electricity Act, 1963; the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975; and the Maharashtra Tax Acts (Amendment) Act, 1975 and to repeal the Bombay State Scarcity Relief Fund Act, 1958, with a view to abolish the funds established and maintained under the said Acts; and further to amend the Maharashtra Employment Guarantee Act, 1977; and, therefore, promulgated the Bombay Motor Vehicles Tax, the Motor Vehicles (Taxation of Passengers), the Maharashtra Education and Employment Guarantee (Cess), the Tax on Sale of Electricity, the State Tax on Professions, Trades, Callings and Employments, the Tax Acts (Amendment) and the Employment Guarantee (Amendment) and the Bombay State Scarcity Relief Fund (Repeal) Ordinance, 2008, on the 22nd February 2008;

Bom. LXV of 1958.  
Bom. LXVII of 1958.  
Mah. XXVII of 1962.  
Mah. XXI of 1963.  
Mah. XVI of 1975.  
Mah. XVII of 1975.  
Bom. LXXXIII of 1958.  
Mah. XX of 1978.  
Mah. Ord. II of 2008.

AND WHEREAS it is expedient to replace the said Ordinance, with certain modifications, by an Act of the State Legislature; it is hereby enacted in the Fifty-ninth Year of the Republic of India as follows :—

## CHAPTER I

### PRELIMINARY.

Short title and commencement.

1. (1) This Act may be called the Bombay Motor Vehicles Tax, the Motor Vehicles (Taxation of Passengers), the Maharashtra Education and Employment Guarantee (Cess), the Tax on Sale of Electricity, the State Tax on Professions, Trades, Callings and Employments, the Tax Acts (Amendment) and the Employment Guarantee (Amendment) and the Bombay State Scarcity Relief Fund (Repeal) Act, 2008.

(2) It shall be deemed to have come into force on the 22nd February 2008.

## CHAPTER II

### AMENDMENTS TO THE BOMBAY MOTOR VEHICLES TAX ACT, 1958.

Amendment of section 11 of Bom. LXV of 1958.

2. In section 11 of the Bombay Motor Vehicles Tax Act, 1958 (hereinafter, in this Chapter, referred to as "the Motor Vehicles Tax Act"),—

Bom. LXV of 1958.

- (a) sub-sections (1), (4) and (5) shall be deleted;  
(b) *Explanation* shall be deleted.

Amendment of section 23 of Bom. LXV of 1958.

3. In section 23 of the Motor Vehicles Tax Act, in sub-section (2), in clause (g), the words "and the manner in which the amount standing to the credit of the State Road Fund shall be expended under that section" shall be deleted.

CHAPTER III

AMENDMENT TO THE BOMBAY MOTOR VEHICLES  
(TAXATION OF PASSENGERS) ACT, 1958.

- Bom. LXXVII of 1958. 4. Section 5A of the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958, shall be deleted. Deletion of section 5A of Bom. LXXVII of 1958.

CHAPTER IV

REPEAL OF THE BOMBAY STATE SCARCITY RELIEF FUND ACT, 1958.

- Bom. LXXXIII of 1958. 5. The Bombay State Scarcity Relief Fund Act, 1958, is hereby repealed. Repeal of Bom. LXXXIII of 1958.

CHAPTER V

AMENDMENTS TO THE MAHARASHTRA EDUCATION AND EMPLOYMENT  
GUARANTEE (CESS) ACT, 1962.

- Mah. XXVII of 1962. 6. In Chapter II of the Maharashtra Education and Employment Guarantee (Cess) Act, 1962 (hereinafter, in this Chapter, referred to as "the Education and Employment Guarantee (Cess) Act"), in the heading, the words "*and State Education Cess Fund*" shall be deleted. Amendment to the Heading of Chapter II of Mah. XXVII of 1962.

7. Section 6 of the Education and Employment Guarantee (Cess) Act shall be deleted. Deletion of section 6 of Mah. XXVII of 1962.

8. In section 26 of the Education and Employment Guarantee (Cess) Act, in sub-section (2), clause (a) shall be deleted. Amendment of section 26 of Mah. XXVII of 1962.

CHAPTER VI

AMENDMENTS TO THE MAHARASHTRA TAX ON SALE OF  
ELECTRICITY ACT, 1963.

- Mah. XXI of 1963. 9. In section 5 of the Maharashtra Tax on Sale of Electricity Act, 1963 (hereinafter, in this Chapter, referred to as "the Tax on Sale of Electricity Act"),— Amendment of section 5 of Mah. XXI of 1963.

(a) in sub-section (1), clause (b) shall be deleted;

(b) in sub-section (2), the words "and the State Electricity Fund" shall be deleted;

(c) in the marginal note, for the words "Transfer of proceeds of tax to State Electricity Fund, etc." the words "Utilisation of proceeds of tax." shall be substituted.

10. Section 5A of the Tax on Sale of Electricity Act shall be deleted. Deletion of section 5A of Mah. XXI of 1963.



## CHAPTER VII

AMENDMENTS TO THE MAHARASHTRA STATE TAX ON PROFESSIONS,  
TRADES, CALLINGS AND EMPLOYMENTS ACT, 1975.

Amendment  
of Preamble  
of Mah. XVI  
of 1975.

11. In the preamble of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 (hereinafter, in this Chapter, referred to as "the Tax on Professions Act") the words "for raising additional resources needed for implementing the Employment Guarantee Scheme of the State Government and to provide for establishment of the Employment Guarantee Fund" shall be deleted.

Mah.  
XVI of  
1975.

Substitution  
of section 30  
of Mah. XVI  
of 1975.

12. For section 30 of the Tax on Professions Act, the following section shall be substituted, namely :—

Amounts to  
be paid into  
the Fund  
established  
under the  
Maharashtra  
Employment  
Guarantee  
Act, 1977.

"30. The proceeds of the tax levied and collected under this Act, together with penalties and interest and fees recovered thereunder, shall first be credited to the Consolidated Fund of the State, and after deducting the expenses of collection and recovery as determined by the State Government and the amounts of grants made to the local authorities under section 29, out of the remaining amount, the amount necessary to ensure that, at the beginning of every Financial Year, the amount standing to the credit of the Fund established under the Maharashtra Employment Guarantee Act, 1977, is not less than Rupees 2,000 crore, shall, under appropriation duly made by law in this behalf, be entered into, and transferred to, the Fund established under that Act."

Mah.  
XX of  
1978.

## CHAPTER VIII

## AMENDMENT TO THE MAHARASHTRA TAX ACTS (AMENDMENT) ACT, 1975.

Deletion of  
section 4 of  
Mah. XVII of  
1975.

13. Section 4 of the Maharashtra Tax Acts (Amendment) Act, 1975, shall be deleted.

Mah.  
XVII of  
1975.

## CHAPTER IX

## AMENDMENT TO THE MAHARASHTRA EMPLOYMENT GUARANTEE ACT, 1977.

Amendment  
of section 12  
of Mah. XX  
of 1978.

14. In section 12 of the Maharashtra Employment Guarantee Act, 1977,—

Mah.  
XX of  
1978.

(a) in sub-section (3), for clause (a), the following clause shall be substituted, namely :—

"(a) the amounts transferred to the Fund under section 30 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975: ";

Mah.  
XVI of  
1975.

(b) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) The State Government shall allocate requisite funds for effective implementation of the Scheme.”

## CHAPTER X

### MISCELLANEOUS

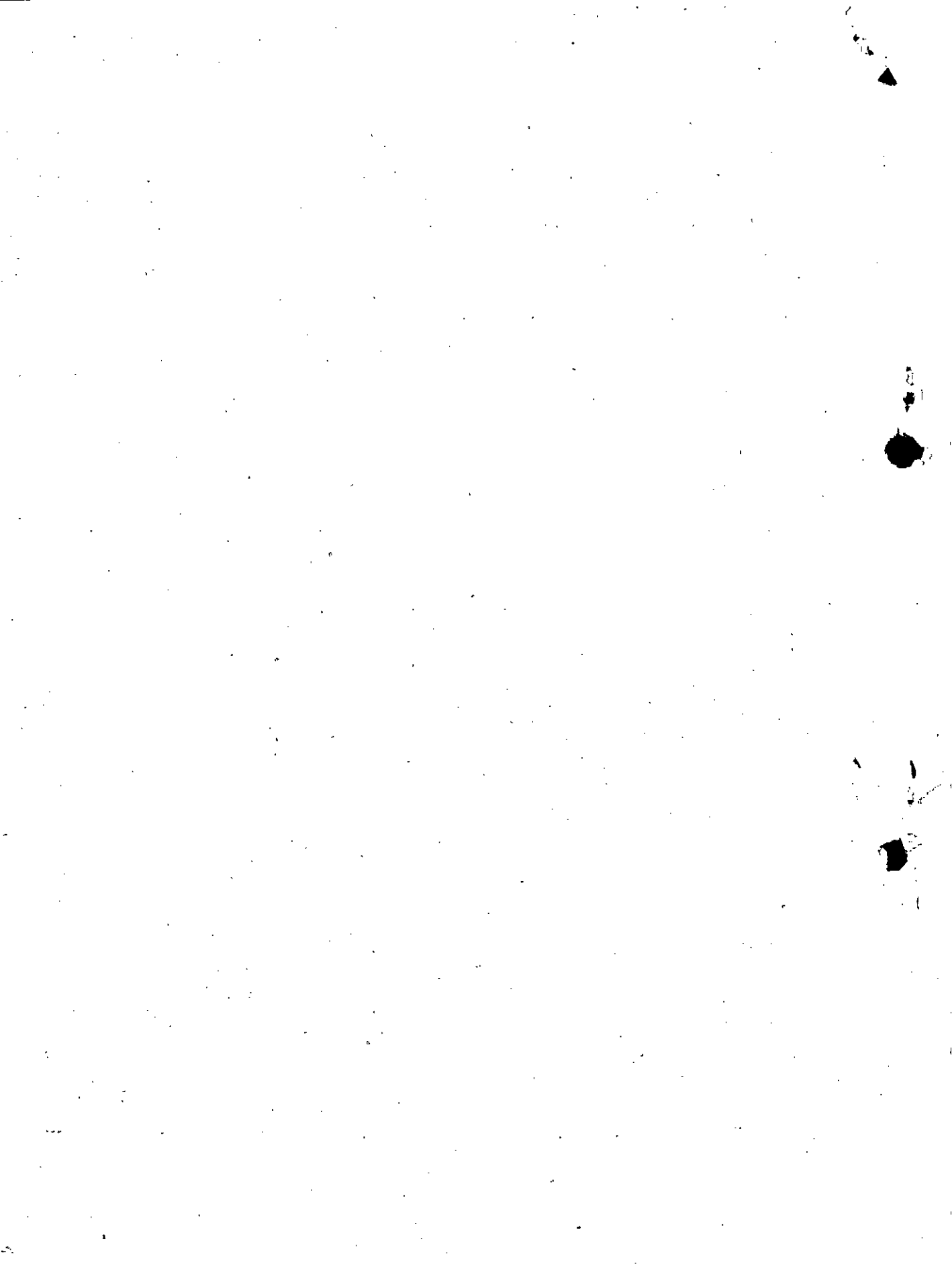
15. On the date of commencement of this Act, all the securities (including cash balances, if any) in the State Road Fund established under section 11 of the Bombay Motor Vehicles Tax Act, 1958, the Health and Nutrition Fund established under section 5A of the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958, the Maharashtra State Scarcity Relief Fund established under section 3 of the Bombay State Scarcity Relief Fund Act, 1958, the State Education Cess Fund established under the Maharashtra Education and Employment Guarantee (Cess) Act, 1962, and the State Electricity Fund established under section 5 of the Maharashtra Tax on Sale of Electricity Act, 1963 shall be deemed to be transferred to, and to form part of the Consolidated Fund of the State and shall be held in, or transferred to the name of the Secretary to the Government of Maharashtra, Finance Department.

*Provision for transfer of amount standing to the credit of various funds to the Consolidated Fund of the State.*

16. (1) The Bombay Motor Vehicles Tax, the Motor Vehicles (Taxation of Passengers), the Maharashtra Education and Employment Guarantee (Cess), the Tax on Sale of Electricity, the State Tax on Professions, Trades, Callings and Employments, the Tax Acts (Amendment) and the Employment Guarantee (Amendment) and the Bombay State Scarcity Relief Fund (Repeal) Ordinance, 2008, is hereby repealed.

*Repeal of Mah. Ord. II of 2008 and saving.*

(2) Notwithstanding such repeal, anything done or any action taken under the Bombay Motor Vehicles Tax Act, 1958, the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958, the Maharashtra Education and Employment Guarantee (Cess) Act, 1962, the Maharashtra Tax on Sale of Electricity Act, 1963, the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, the Maharashtra Tax Acts (Amendment) Act, 1975 and the Maharashtra Employment Guarantee Act, 1977, as amended by the said Ordinance, shall be deemed to have been done or taken under the relevant Act, as amended by this Act.





# महाराष्ट्र शासन राजपत्र

असाधारण  
प्राधिकृत प्रकाशन

शुक्रवार, मे २, २००८/वैशाख १२, शके १९३०

स्वतंत्र संकलन म्हणून फाईल करण्यासाठी या भागाला वेगळे पृष्ठ क्रमांक दिले आहेत.

## भाग आठ

महाराष्ट्र विधानमंडळाचे अधिनियम व राज्यपालांनी प्रख्यापित केलेले अध्यादेश व केलेले विनियम आणि विधि व न्याय विभागाकडून आलेली विधेयके (इंग्रजी अनुवाद).

In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Maharashtra Tax on Sale of Electricity (Amendment) Act, 2008 (Mah. Act No. XV of 2008), is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

A. M. SHINDEKAR,  
Secretary to Government,  
Law and Judiciary Department.

### MAHARASHTRA ACT NO. XV OF 2008.

(First published, after having received the assent of the Governor, in the "Maharashtra Government Gazette", on the 2nd May 2008).

An Act further to amend the Maharashtra Tax on Sale of Electricity Act, 1963.

Mah. XXI of 1963. WHEREAS it is expedient further to amend the Maharashtra Tax on Sale of Electricity Act, 1963, for the purposes hereinafter appearing; it is hereby enacted in the Fifty-ninth Year of the Republic of India as follows :—

1. This Act may be called the Maharashtra Tax on Sale of Electricity (Amendment) Act, 2008. Short title.

Mah. XXI of 1963. 2. In section 5 of the Maharashtra Tax on Sale of Electricity Act, 1963, in sub-section (1), in clause (a), for the words "four paise" the words "eight paise" shall be substituted. Amendment of section 5 of Mah. XXI of 1963.

(४७४)

भाग आठ — ८९

[किंमत : रुपये १५.००]

शासकीय मध्यवर्ती मुद्रणालय, मुंबई

