

ENERGY & REGULATORY LAW

Decriminalising the Power Sector: The Jan Vishwas Act & the *Electricity Act, 2003*

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INTRODUCTION

On 08.04.2026, the Ministry of Law and Justice, Government of India, notified the Jan Vishwas (Amendment of Provisions) Act, 2026 (“Jan Vishwas Act”), which amends various Central Acts to decriminalize and rationalize offences thereunder. The objective of the Jan Vishwas Act is “to amend certain enactments for decriminalizing and rationalizing offences to further enhance trust-based governance for ease of living and doing business.”

On 18.05.2026, the Ministry of Power (“MoP”) issued a notification in exercise of its powers under Section 1(2) of the Jan Vishwas Act, appointing 01.06.2026 as the date on which the provisions relating to Serial Number 58, pertaining to the Electricity Act, 2003 (the “Act”) come into force and are now in effect. Thereafter, on 20.05.2026, MoP issued another notification directing Implementation of decriminalisation measures under the Jan Vishwas Act.

The amendments to the Act touch upon six provisions, overhauling the penal framework *inter alia* governing the following:

- Negligently breaking or damaging works [Ref. Section 139 of the Act],
- Intentionally injuring works [Ref. Section 140 of the Act],
- Extinguishing public lamps [Ref. Section 141 of the Act],
- Non-compliance of directions by Appropriate Commission [Ref. Section 142 of the Act],
- Non-compliance of orders or directions [Ref. Section 146 of the Act], and
- Compounding of offences [Ref. Section 152 of the Act].

Taken together, they reflect a broader legislative philosophy of replacing criminal sanctions with

civil accountability. Notably, the Jan Vishwas Act's broader provision under Section 3 for periodic revision of penalties by 10% of the minimum every three years will also apply to the electricity sector amendments, ensuring that the revised penalty amounts do not become outdated in the way the pre-2026 figures had. The same have been explained in detail in the subsequent paragraphs.

KEY AMENDMENTS IN THE ACT

Section 139: Negligently breaking or damaging works

The Bill substitutes Section 139 in its entirety. Under the amended provision, negligently breaking, injuring, throwing down, or damaging any material connected with the supply of electricity will no longer carry a criminal fine up to Rs. 10,000 (Ten Thousand Rupees).

Instead, the person imposed penalty will be liable to a civil penalty of not less than Rs. 5000 (Five Thousand Rupees) and up to Rs. 1,00,000 (One Lakh Rupees), to be imposed by an officer duly authorized by the Appropriate Government.

The amended section further introduces that where a person penalized under sub-section (1) is again found guilty of the same offence, the second or subsequent contravention will attract a criminal fine, not less than Rs 5,000 (Five Thousand Rupees) but extending up to Rs 1,00,000 (One Lakh Rupees).

Section 140: Intentionally injuring works

Section 140, which penalizes whoever intentionally cuts or injures (or attempts to cut or injure) any electric supply line or works with the intent to cut off electricity supply, is not decriminalized.

The offence is retained as a criminal one, but the fine structure is substantially revised. The existing cap of Rs. 10,000 (Ten Thousand Rupees) is replaced with a minimum floor of Rs. 5,000 (Five Thousand Rupees) and a ceiling of Rs. 1,00,000 (One Lakh Rupees).

Section 141: Omission of the Public Lamp Offence

Section 141 of the which made malicious extinguishing of a public lamp a criminal offence punishable with a fine of up to Rs. 2,000 (Two Thousand Rupees) is simply omitted by the Jan Vishwas Act.

No replacement provision, civil penalty, or alternative sanction is introduced.

Section 142: Non-compliance of directions by Appropriate Commission: Enhanced Commission Penalties and Expanded Scope

The amendments to Section 142 of the Act, which governs penalties imposed by the Appropriate Commission for contravention of its provisions, rules, regulations, or directions, are both structural and substantive.

First, the scope of the provision is widened: the existing language covering only “directions issued by the Commission” is amended to cover “any order or direction issued under the Act”.

Second, and more significantly, the penalty ceiling is raised sharply: the existing cap of Rs. 1,00,000 (One Lakh Rupees) per contravention is replaced with a band of not less than Rs. 10,000 (Ten Thousand Rupees) but up to Rs. 5,00,000 (Five Lakh Rupees). Further, for continuing failures, the daily penalty, previously capped at Rs. 6,000 (Six Thousand Rupees) is revised to a range of Rs. 1,000 (One Thousand Rupees) to Rs. 10,000 (Ten Thousand Rupees) per day.

Section 146: Non-compliance of orders or directions: Removal of Imprisonment

The most consequential amendment for electricity sector participants is the deletion of the imprisonment term under Section 146. Currently, Section 146 is the general default provision for failure to comply with any order or direction given under the Act, or contravention of any of its provisions, rules, or regulations, exposes a person to imprisonment of up to three months, or a fine of up to Rs. 1,00,000 (One Lakh Rupees) or both.

The Jan Vishwas Act removes imprisonment for the base offence under Section 146 of the Act. In its place, a fine of not less than Rs. 10,000 (Ten Thousand Rupees) and up to Rs. 10,00,000 (Ten Lakh Rupees) is prescribed. For continuing failures, the daily fine (previously up to Rs 5,000) is revised to a range of Rs. 1,000 (One Thousand Rupees) to Rs 50,000 (Fifty Thousand Rupees).

The reform directly addresses the criticism noted by the 2022 Joint Parliamentary Committee on the Jan Vishwas (Amendment of Provisions) Bill, 2022, held on 20.03.2023, which had recommended that wherever feasible, imprisonment should be replaced by penalties adjudicated by designated executive authorities rather than retaining offences under criminal law.

It bears noting, however, that the Jan Vishwas Act retains criminal fines, rather than civil penalties adjudicated by a designated officer under the revised Section 146 of the Act.

This is a departure from the more complete decriminalization visible in Section 139 of the Act, where the adjudication is transferred entirely to an administrative officer for the first contravention.

Section 152: Expanded Scope of Compounding

Section 152 of the Act governs compounding of offences i.e. the payment of a specified sum by a violator in lieu of prosecution. Under the existing provision, only offences under Section 135 of the Act i.e. theft of electricity were compoundable. However, the Jan Vishwas Act expands the scope of Section 152 to cover the following offences:

- Theft of Electricity under Section 135 of the Act,
- Interference with meters or works of a licensee under Section 138 of the Act, and
- Intentionally injuring works under Section 140 of the Act.

Pertinently, the reference to the Code of Criminal Procedure, 1973 in Section 152 (1) is also updated to the Bharatiya Nagarik Suraksha Sanhita, 2023; in line with the replacement of the old statute.

The compounding rates in the revised Table i.e. Rs. 20,000 (Twenty Thousand Rupees) per KW for industrial theft, Rs. 10,000 for commercial (Ten Thousand Rupees), Rs. 2,000 (Two Thousand Rupees) for agricultural, and Rs. 4,000 (Four Thousand Rupees) for other services under Section 135 of the Act, along with a flat Rs. 10,000 (Ten Thousand Rupees) each for offences under Sections 138 and 140 of the Act are retained at the same level as the current provision for Section 135 and newly specified for the added sections.

CONCLUSION

The Jan Vishwas (Amendment of Provisions) Bill, 2026, in its amendments to the Act, exemplifies the legislative direction of trimming the scope of offences and rationalizing imprisonment provisions, ensuring that minor or procedural lapses no longer attract harsh consequences.

By eliminating the imprisonment term under Section 146, converting the Section 139 offence to a civil matter for first-time violators, substantially increasing penalty ceilings, and expanding the scope of compoundable offences, the Jan Vishwas Act seeks to rebalance the enforcement architecture of the electricity sector. It therefore, aims to making it more proportionate, more efficient, and less dependent on criminal courts.

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