

**COURT OF THE LOK PAL (OMBUDSMAN),  
ELECTRICITY, PUNJAB,  
PLOT NO. A-2, INDUSTRIAL AREA, PHASE-1,  
S.A.S. NAGAR (MOHALI).**

**(Constituted under Sub Section (6) of Section 42 of  
Electricity Act, 2003)**

**APPEAL No. 28/2024**

**Date of Registration : 16.12.2024**

**Date of Hearing : 10.01.2025**

**Date of Order : 31.01.2025**

**Before:**

**Er. Anjuli Chandra,  
Lokpal (Ombudsman), Electricity, Punjab.**

**In the Matter of:**

M/s. Grewal Constructions Pvt. Ltd.,  
Balian Road, Kirshanpura Basti,  
Sangrur.

...Appellant

Versus

Additional Superintending Engineer,  
DS Division, PSPCL,  
Sangrur.

...Respondent

**Present For:**

Appellant: Sh. Suryansh Dubey,  
Appellant's Representative.

Respondent : 1- Er. Varinder Deepak,  
Addl. S.E./DS Division,  
PSPCL, Sangrur.  
2- Sh. Saurabh Goyal, RA.

Before me for consideration is an Appeal preferred by the Appellant against the decision dated 16.10.2024 of the Corporate Consumer Grievances Redressal Forum, Ludhiana (Corporate Forum) in Case No. T-168/2024, deciding that:

*“Forum observed that the dispute of the petitioner actually is not a monetary dispute but it is actually regarding whether the colonies developed by the petitioner are contiguous or not, which is not in the preview of this Forum. Hence, this dispute does not fall under the jurisdiction of Corporate CGRF.*

*In view of the above, the present petition is not maintainable in Corporate CGRF and is dismissed accordingly. However petitioner is at liberty to approach the concerned competent Authority regarding whether his colonies are contiguous or not.”*

## **2. Registration of the Appeal**

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 16.12.2024 i.e. beyond the period of thirty days of receipt of the decision dated 16.10.2024 of the CCGRF, Ludhiana in Case No. T-168/2024 by the Appellant. The Appellant was not required to deposit the requisite 40% of the disputed amount as this is a refund case. Therefore, the Appeal was registered on 16.12.2024 and copy of the same was sent to the Addl. SE/ DS Division, PSPCL, Sangrur for sending written reply/ parawise comments with a copy to the

office of the CCGRF, Ludhiana under intimation to the Appellant vide letter nos. 726-728/OEP/A-28/2024 dated 16.12.2024.

### **3. Proceedings**

With a view to adjudicate the dispute, a hearing was fixed in this Court on 10.01.2025 and intimation to this effect was sent to both the parties vide letter nos. 23-24/OEP/A-28/2024 dated 08.01.2025. As scheduled, the hearing was held in this Court on 10.01.2025 and arguments of both the parties were heard. The case was closed for the pronouncement of the speaking orders.

### **4. Submissions made by the Appellant and the Respondent**

Before undertaking analysis of the case, it is necessary to go through written submissions made by the Appellant and reply of the Respondent as well as oral deliberations made by the Appellant's Representative and the Respondent alongwith material brought on record by both the parties.

#### **(A) Submissions of the Appellant**

##### **(a) Submissions made in the Appeal**

The Appellant made the following submissions in its Appeal for consideration of this Court:-

- (i) The Appellant filed Appeal against the order dated 16.10.2024 passed by the Corporate Forum whereby a grievance was filed

against Memo No. 2532 dated 09.03.2023 issued by the Respondent No. 3 /Deputy Chief Engineer, DS Division, Sangrur making a proposal to reconsider the matter of levy of connectivity charges of ₹ 7,99,732/- and system loading charges of ₹ 41,86,732/- in view of the conditions of revised NOC and Clause 6.7 of Supply Code was made and against Memo No. 1376 dated 28.06.2023 issued by the Respondent No. 1/ Assistant Executive Engineer, whereby a demand of ₹ 70,40,879/- (i.e. as connectivity charges ₹7,99,856/- plus as supervision charges ₹ 1,49,162/- plus as System Loading Charges amount to ₹ 60,91,879/-) was raised illegally, arbitrarily and under pressure, which had been deposited by the Appellant under protest, had been dismissed by the Corporate Forum being not maintainable. The said order of the Corporate Forum is liable to be set aside and the Appeal filed by the Appellant before the Forum deserved to be accepted thereby ordering the refund of the amount of ₹ 60,91,879/- on account of System Loading charges and ₹ 7,59,863/- (₹ 7,99,856/- minus ₹ 39,993/- on account of connectivity charges) totaling to ₹ 68,51,742/-, along with interest @ 18% per annum, which was got deposited from the Appellant by the Respondent illegally and arbitrarily under coercion and pressure.



- (ii) The Instant Appeal is being filed by the Appellant on very solid grounds and the same is likely to succeed as the demand raised by the Respondent vide Memo under challenge is not sustainable in the eyes of law.
- (iii) The brief facts of the matter are that the Appellant got licenses to develop three colonies as part of Dream Land Project and the first colony was developed in the year 2007, for which, the Respondent issued NOC on 22.11.2007.
- (iv) Thereafter, the Appellant developed second colony namely “Dream Land 2” and the Respondent issued NOC for the same on 03.10.2008.
- (v) As per the prevalent rules at that time, the connectivity was to be provided by the PSEB (now PSPCL) by bearing the charges on their own and this fact has also been mentioned in Memo No. 2532 dated 09.03.2023, written by Sub-Chief Engineer Division, Sangrur written to Chief Engineer Division (Southern PSPCL, Patiala). Thereafter, the Respondent never demanded any kind of connectivity for the above two colonies.
- (vi) The Appellant got regular power connections from the Respondent on 12.09.2008 for common services of the colonies such as, security room, street light, water supply etc. & the

residents of the colonies also got regular connections from the PSPCL from time to time.

- (vii) As per the NOC, the Appellant had developed the LD System within the specified period, but neither the Appellant got any information regarding checking of LD System nor any irregularity was ever pointed out by the PSPCL.
- (viii) Thereafter the Appellant developed third colony namely “Dream Land 3” and NOC for the same was issued by the PSPCL on 24.06.2013 alongwith a demand of ₹ 23,000/- as cost of the link line from the feeder to the colony.
- (ix) However, no new link line was required to be connected by the PSPCL with “Dream Land 3” but, the link line required was the one from the existing “Dream Land 2” colony, which was got installed by the Appellant at their own cost as per the verbal directions of the PSPCL and thereafter no demand for any connectivity charges was ever raised by the Respondent.
- (x) The PSPCL was also issuing regular connections to the residents of the “Dream Land 3” colony as and when applied. The Appellant completed the whole LD System as per NOC and a request for taking over the same was made by the Appellant.
- (xi) In the year 2020-21, the PSPCL stopped releasing new connections in all the above mentioned three colonies after a gap

of about 13 years since the issue of connectivity and forced the Appellant to obtain clubbed revised NOC. The Appellant applied for clubbed NOC, which was issued on 23.06.2022, wherein a demand of ₹ 7,99,000/- has been made on account of connectivity charges which is wrong illegal and arbitrary, more particularly, when the PSPCL had already provided connectivity to the above colonies of the Appellant from the year 2008-2013 and the PSPCL was not required to develop any new infrastructure for providing connectivity.

- (xii) In view of above facts, it is submitted that no amount on account of System loading charges and connectivity charges as was demanded by the PSPCL was required to be paid by the Appellant, but keeping in view the factum of non-release of connections to the residents and pressure from the Respondent, the Appellant deposited an amount of ₹ 70,40,897/- i.e. connectivity charges ₹ 7,99,856/- plus supervision charges ₹ 1,49,162/- plus System loading charges amounting to ₹ 60,91,879/- ) under protest on 28<sup>th</sup> July, 2023, vide receipt No. 217700378150. The Appellant also deposited an amount of ₹ 3,70,000/- on account of expenses of remaining amount of LD Line which was installed in the colony.

(xiii) In view of order dated 25.07.2023, passed by the PSERC in Petition No. 7 of 2021 titled PSPCL V/s M/s. Confederation of Real Estate Developers Association of India and Ors. & notification dated 14.06.2023 issued by the Government of Punjab, Department of Power & IA No. 29 of 2022 dated 01 August, 2022 of the PSPCL, the amount deposited by the Appellant is required to be treated under OTS Scheme and as per order of the PSERC the amount deposited on account of System loading charges amounting to ₹ 60,91,897/- alongwith an amount of ₹ 7,59,863/- is required to be refunded to the Appellant.

(xiv) On the basis of order dated 25.07.2023 of the PSERC, the PSPCL has issued a Commercial Circular bearing No. 41/2023 vide Memo No. 787-812/OTS/Petition-07/2021-volume-II dated 23.08.2023 in regard to one time Settlement. As per Clause A & B, it has been mentioned as under:-

(a) For NOCs granted by the PSPCL on or after 01.01.2025 and whose validity has expired:-

- i) allow extension up 2 years on the same terms and conditions as were recorded in the original NOC, provided the validity of license to develop the colony is extended by the Competent Authority, subject to a maximum of 2 years. The PSPCL shall not insist on



getting a revised NOC. It should be ensured that all conditions of the NOC are complied with.

- ii) there is no change in the approved layout plan of the project.
  - iii) The connectivity charges including System Loading Charges (SLC) and other charges shall be payable as per the PSERC (Electricity Supply Code and related matters) Regulations, 2014, as amended from time to time.
- (b) For NOCs granted by the PSPCL up to 2014, whose validity has expired and compliance has not been made, provided the license has not been suspended or cancelled under Section 5 (14) of the PAPRA:-
- i) Connectivity Charges shall be payable as per the PSERC (Electricity Supply Code and related Matters) Regulations, 2014, as amended from time to time.
  - ii) The System Loading Charges shall be exempted.”
- (xv) The perusal of above Clause shows that connectivity charges are payable as per the PSERC (Electricity Supply Code and related Matters) Regulations, 2014, as amended from time to time and System Loading Charges are to be exempted meaning thereby no System loading charges are to be levied.

- (xvi) Despite of above said order of the Hon'ble PSERC dated 25.07.2023, the Respondent got the amount in question deposited on 28.07.2023, which is in violation of the above order.
- (xvii) The Appellant made a Representation dated 07.08.2023 to the Deputy Chief Engineer, DS Division, Sangrur, whereby a request for refund of loading charges amounting to ₹ 60,91,897/- and ₹ 7,59,863/- as excess amount paid on account of connectivity charges was made, but the said Representation of the Appellant has not been acceded to by the said office.
- (xviii) The above said amount is being retained /withheld by the Respondent unnecessarily and without any reason on account of which the Appellant is suffering a huge monetary loss.
- (xix) In view of the submissions made in the grounds of Appeal before the Forum, the Appellant had arrested that the demands proposed and raised by the Respondent No. 1/Assistant Executive Engineer (Division, Sub-Division Rural, Sangrur) Memo No. 1376 dated 28.06.2023 and Respondent No. 3 /Deputy Chief Engineer, DS Division, Sangrur vide Memo No. 2532 dated 09.03.2023 is illegal and arbitrary and the said memos are not sustainable in the eyes of law resulting in their setting aside and the amount of ₹ 68,51,742/- as detailed in head note of Appeal is required to be refunded to the Appellant. However, the Forum

did not taken into consideration the above submissions made by the Appellant and wrongly passed impugned order dated 16.10.2024, thereby, dismissing the Appeal on the ground of maintainability. The impugned order is liable to set aside inter-alia on the following grounds:-

- a) The impugned order has been passed in haste and without application of judicial mind.
- b) The Forum has wrongly observed that *“the dispute in the instant matter is not a monetary dispute, but, it is actually pertaining to the colonies developed by the Appellant being contiguous or not. The said matter does not fall within the purview of Hon’ble Forum.”* It was also wrongly observed that *“the Forum was not having jurisdiction over the matter.”*

These observations are wrong and ill-founded as in the very first para of the impugned order, the Forum itself has made a mention to the following effect:-

*“Petitioner had filed petition in the Forum against Demand of Rs. 70,40,897/- (which includes connectivity charges of Rs. 7,99,856/-, Supervision charges of Rs. 1,49,162/- and system loading charges of Rs. 60,91,879/-) raised by the office of AEE/ DS Sub Division, Suburban Sangrur vide memo no. 1376 dated 28.06.23 after issuance of Revised combined NOC issued by the office of CE/Commercial, PSPCL, Patiala vide memo no. 778-81 dated 23.06.22. Petitioner stated that he had developed 3 colonies for which NOC’s were issued in different years and connections were regularly issued to Residents and for common service, which were later stopped in year 2020-21 after a gap of 13 years and he was forced to*

*obtain clubbed revised NOC. Petitioner contended, that his case should have been considered under OTS scheme as per Hon'ble PSERC order dated 25.07.23 in Petition no. 7 of 2021 and Commercial Circular no. 41/2023 issued vide memo no. 787-812/OTS/Ptition-07/2021-Volume-II dated 23.08.23. In order to decide the admissibility of the case, it was fixed for pre-hearing."*

(c) The above wording of this para itself shows that the matter

pertains to monetary dispute and wrong demand raised by the Respondents AEE/ DS Sub Division, Suburban, Sangrur. In the circumstances, it is not understood as to how the Hon'ble Forum while concluding the impugned order, came to the conclusion that it is not a monetary dispute and pertains to the colonies being contiguous and did not fall within the preview and jurisdiction of the Forum. As such the impugned order is liable to be set-aside being not sustainable in the eyes of law.

(d) It is also not understood as to why the Forum was in haste to throw away this matter on technical grounds at pre-hearing stage and earlier putting some queries to the Appellant vide order dated 24.09.2024 for submitting comment upon Para No. 2(v) of Annexure A attached with Commercial Circular No. 41/2023.

(e) The Para No. 2 (v) of Annexure A is to the following effect:-



“2(v) all those projects which have been considered contiguous as per PSPCL records shall not be considered eligible for this OTS scheme.”

(f) The above query was duly commented upon by the Appellant vide reply filed on 08.10.2024 before Hon'ble Forum. However, the Forum then sought comments on Point No. 12 of reply submitted by the Respondent in hearing dated 08.10.2024, which was to the effect that *“Further Forum observed that PR/ Petitioner did not submit his comments on point No. 12 of reply submitted by the Respondent in hearing dated 01.10.2024. He is again directed to submit comments on the same”* and the Appellant duly filed comments to point No. 12 of the reply in detail with additional submissions. The perusal of the said reply filed on 01.10.2024 by the Respondent (PSPCL) does not have mention about the declaration of the colonies in questions as contiguous and even no such record has been produced by the PSPCL before the Forum. Not only this, representation made by the Appellant before the PSPCL for treating the project under OTS scheme filed on 7<sup>th</sup> August, 2023 is still pending. In these circumstances how and when, the PSPCL declared the projects as contiguous when they were having separate lay

out plans and started at different timing separately one by one. However, the Forum did not take all these facts into consideration and wrongly held that the matter pertains to the colonies being contiguous or not, the Appeal before it was not maintainable rather it would have been in the interest of justice, if the Forum admitted the Appeal for hearing and both the parties allowed to bring on record the documents/ evidence available with them respectively and matter decided on their basis instead of throwing it away on the technical grounds, such as maintainability. It is settled principle of law that not only the justice should be done, but, it should appear to have been done. However, the Forum failed itself on this account also causing miscarriage of justice in the matter.

(g) The Appellant from the very beginning has been denying the nature of the colonies being contiguous and praying for considering the projects of the Appellant under OTS scheme as per Commercial Circular No. 41/2023, thereby, making a prayer for refund of excess amount got deposited from the Appellant by the PSPCL. However, the learned Forum also failed on this aspect and wrongly observed that no monetary dispute is involved in the instant matter.

(h) It is also beyond imagination as to why, if the Forum was having no jurisdiction and purview over the contiguous nature of the projects, why it had been raising queries seeking comments on that point. The contents of the Appeal before the Forum, nowhere show that it is not a monetary dispute. The ultimate sufferer is the Appellant who have been deprived of lacs of rupees having been got deposited from them by the PSPCL in excess under duress and pressure, which were not required to be paid by them and the Forum threw away their matter in the Appeal on flimsy ground to the effect that matter does not fall within its purview and it did not have jurisdiction over the matter.

(xx) Keeping in view the above submissions, it is crystal clear that the impugned order is not sustainable in the eyes of law and is liable to set aside.

(xxi) The Appellant has not filed any such or similar Appeal before this Hon'ble Ombudsman or before any Court of law. No such or similar Appeal is pending or disposal of by any Court of law.

(xxii) The Impugned order was passed by the CCGRF, Ludhiana on 16.10.2024. However when no copy was received by the Appellant through post, after awaiting for many days, the representative of the Appellant approached the office of the

Hon'ble CCGRF, Ludhiana on 28.11.2024, when an attested copy of the impugned order was supplied, alongwith a covering letter bearing dated 18.10.2024. But, no date has been put under the attestation by the attesting officer/ official for the reasons best known to him. As such, the Appeal is well within limitation from the date of receipt of copy of order on 28.11.2024. However, if the date put on the covering letter i.e. 18.10.2024 is taken as date of receipt of copy of order, then the Appeal could be filed till 17.11.2024 (i.e. within 30 days). As the Appeal is being filed on 09.12.2024, the same is beyond limitation by 21 days. Therefore, the Appellant has also filed an application for condonation of delay in filing the Appeal.

Prayer:-

- (xxiii) For acceptance of this Appeal and for setting aside the impugned order dated 16.10.2024 passed by the CCGRF.
- (xxiv) For declaring the demand raised by the PSPCL vide Memo No. 1376 dated 28.06.2023 and Memo No. 2532 dated 09.03.2023 as illegal and to set aside the same.
- (xxv) For ordering refund of ₹ 68,51,742/- as detailed in head note of the Appeal got deposited by the PSPCL under duress and pressure from the Appellant with the interest at the rate of 18 % per annum from the date of its deposit till its refund.



(xxvi) For grant of any other relief which this Hon'ble Ombudsman deems fit in the interest of justice.

**(b) Submission during hearing**

During hearing on 10.01.2025, the Appellant's Representative reiterated the submissions made in the Appeal and prayed to allow the same.

**(B) Submissions of the Respondent**

**(a) Submission during hearing**

During hearing on 10.01.2025, when the Respondent was asked to comment whether the present case was monetary dispute or not, he admitted that it was a monetary dispute. He further submitted that the amount has been correctly recovered from the Appellant and hence prayed for the dismissal of the Appeal.

**5. Analysis and Findings**

The issue requiring adjudication is whether the dismissal of the petition of the Appellant in Case No. T-168/2024 by the Corporate Forum on the ground that it was not a monetary dispute and hence not maintainable, is tenable or not.

*My findings on the points that emerged and my analysis is as under:*

- (i) The CCGRF, Ludhiana in its order dated 16.10.2024 observed as under:-

*“Forum observed that the dispute of the petitioner actually is not a monetary dispute but it is actually regarding whether the colonies developed by the petitioner are contiguous or not, which is not in the preview of this Forum. Hence, this dispute does not fall under the jurisdiction of Corporate CGRF.”*

*In view of the above, the present petition is not maintainable in Corporate CGRF and is dismissed accordingly. However petitioner is at liberty to approach the concerned competent Authority regarding whether his colonies are contiguous or not.”*

- (ii) I have gone through the written submissions made by the Appellant in the Appeal as well as oral arguments of both the parties during the hearing on 10.01.2025. The Appellant's Representative (AR) pleaded that the Corporate Forum had itself mentioned in its order dated 16.10.2024 that the Appellant had filed petition in the Forum against Demand of ₹ 70,40,897/- (which included connectivity charges of ₹ 7,99,856/-, Supervision charges of ₹ 1,49,162/- and system loading charges of ₹ 60,91,879/-) raised by the office of AEE/ DS Sub Division, Suburban Sangrur vide Memo No. 1376 dated 28.06.2023 after issuance of Revised combined NOC issued by the office of CE/Commercial, PSPCL, Patiala vide Memo No. 778-81 dated 23.06.2022, which clearly shows that the matter pertains to

excess charges raised by the Respondent, AEE/ DS Sub Division, Suburban, Sangrur. It is not clear how the Corporate Forum, while giving the impugned order, came to the conclusion that it is not a monetary dispute and pertains to the colonies being contiguous and did not fall within the preview and jurisdiction of the Forum. It would have been in the interest of justice, if the Forum had admitted the case for hearing and both the parties had been allowed to bring on record the documents/ evidence available with them respectively and matter would have been decided on merits instead of dismissing it on grounds of non maintainability. It is settled principle of law that not only the justice should be done, but, it should appear to have been done. Keeping in view the above submissions, it is clear that the impugned order is not sustainable in the eyes of law and is liable to set aside.

- (iii) To determine whether the Corporate Forum was competent to hear & decide the case on its merit, I have gone through Regulation 2.9.1 (i) of Punjab State Electricity Regulatory Commission (Forum and Ombudsman) (2<sup>nd</sup> Amendment) Regulations, 2021, reproduced as under:-

*“The Corporate Forum shall have the jurisdiction to dispose of all the monetary disputes of an amount exceeding Rs. Five lakh (Rs. 5,00,000/-) in each case. Provided that the complaint/representation is made within two years from the date of cause of action.”*

On the perusal of the above Regulation, there is no doubt that the Corporate Forum was competent to decide the case on its merits as the present case is for an amount more than ₹ 5 Lacs.

- (iv) The Corporate Forum should have passed a speaking/ detailed order on the issues involved in this case after giving an opportunity of hearing to both parties. Detailed deliberations were not held and due process of law was not followed in the Forum in respect of issues raised by the Appellant in the dispute case filed before the Forum. With a view to meet the ends of ultimate justice, this Court is inclined to remand back this Appeal case to the Corporate CGRF, Ludhiana for hearing, adjudicating and passing speaking orders in respect of issues raised before this Court as per PSERC (Forum & Ombudsman) Regulations, 2016 as amended from time to time.
- (v) In view of above, this Court is not inclined to agree with the decision dated 16.10.2024 of the Corporate Forum in Case No. T-168/2024.

## **6. Decision**

As a sequel of above discussions, the order dated 16.10.2024 of the CCGRF, Ludhiana in Case No. T-168/2024 is hereby quashed. The Appeal is remanded back to the Corporate Forum, Ludhiana with a direction to hear and decide the case on merits



within the time frame as per PSERC (Forum & Ombudsman) Regulations, 2016 as amended from time to time.

7. The Appeal is disposed of accordingly.
8. As per provisions contained in Regulation 3.26 of Punjab State Electricity Regulatory Commission (Forum and Ombudsman) Regulations-2016, the Licensee will comply with the award/ order within 21 days of the date of its receipt.
9. In case, the Appellant or the Respondent is not satisfied with the above decision, he is at liberty to seek appropriate remedy against this order from the Appropriate Bodies in accordance with Regulation 3.28 of the Punjab State Electricity Regulatory Commission (Forum and Ombudsman) Regulations, 2016.

January 31, 2025  
S.A.S. Nagar (Mohali).

(ANJULI CHANDRA)  
Lokpal (Ombudsman)  
Electricity, Punjab.