

**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. 30/2022**

**Date of Registration : 10.06.2022  
Date of Hearing : 20.06.2022/24.06.2022  
Date of Order : 24.06.2022**

**Before:**

**Er. Gurinder Jit Singh,  
Lokpal (Ombudsman), Electricity, Punjab.**

**In the Matter of:**

M/s. Vikas Dyeing,  
Nand Puri,  
Ludhiana.

**Contract Account Number: 3002800583(MS)**

...Appellant

Versus

Addl. Superintending Engineer,  
DS Sunder Nagar (Spl.) Division,  
PSPCL, Ludhiana.

...Respondent

**Present For:**

Appellant: Sh. Gurdev Kumar,  
Appellant's Representative.

Respondent : Er. J.S. Jandu,  
Addl. Superintending Engineer,  
DS Sunder Nagar (Spl.) Divn.,  
PSPCL, Ludhiana.

Before me for consideration is an Appeal preferred by the Appellant against the decision dated 24.03.2022 of the Consumer Grievances Redressal Forum (Forum), Ludhiana in Case No. CGL-360 of 2021, deciding that:

*“Keeping in view of the above Forum observes and decides that as the Respondent himself admitted/ submitted during the hearing of the case that security amount of alongwith interest needs to be adjusted and (Rs. 1218/- had already been updated) therefore, there stands no dispute which needs the interference of the Forum and further the supply is cater on LT, no HT rebate is admissible. The case is disposed off accordingly.”*

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

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 30.05.2022 i.e. beyond the period of thirty days of receipt of decision dated 24.03.2022 of the CGRF, Ludhiana in Case No. CGL-360 of 2021. The Appellant had not submitted any evidence in support of deposit of the requisite 40% of the disputed amount for filing the Appeal in this Court as required under Regulation 3.18 (iii) of PSERC (Forum & Ombudsman) Regulation, 2016 and also had not submitted the Authority Letter/ Vakalatnama signed by all the partners authorizing Sh. Gurdev Kumar (AR) to file this

Appeal. So, the Appellant was requested to remove these deficiencies in the Appeal vide letter no. 513/OEP/M/s. Vikas Dying dated 30.05.2022. The Appellant confirmed that 100% of the disputed amount had been deposited by the Appellant and also supplied the Vakalatnama signed by all the Partners of the Appellant by e-mail on 10.06.2022. The Respondent also confirmed vide Memo No. 1955 dated 10.06.2022 that the Appellant had deposited the full amount of bills and the disputed amount. Therefore, the Appeal was registered on 10.06.2022 and copy of the same was sent to the Addl.SE/DS Sunder Nagar (Spl.) Division, PSPCL, Ludhiana for sending written reply/ parawise comments with a copy to the office of the CGRF, Ludhiana under intimation to the Appellant vide letter nos. 591-93/OEP/A-30/2022 dated 10.06.2022.

### **3. Proceedings**

With a view to adjudicate the dispute, a hearing was fixed in this Court on 20.06.2022 at 12.30 PM and intimation to this effect was sent to both the parties vide letter nos. 599-600/OEP/A-30/2022 dated 13.06.2022. None appeared on 20.06.2022. A copy of the proceedings dated 20.06.2022 was set to both parties vide letter nos. 637/638/OEP/A-30/2022 dated 20.06.2022. Next date of hearing was fixed on 24.06.2022 at

11.00 AM as per request of Appellant's Representative because he was not feeling well and could not attend the Court on 20.06.2022. Hearing was held on 24.06.2022 and arguments of both the parties were heard.

#### **4. Condonation of Delay**

At the start of hearing on 24.06.2022, the issue of condoning of delay in filing the Appeal in this Court was taken up. The Appellant's Representative (AR) stated that he had received the decision dated 24.03.2022 in the last week of March as he had personally collected it from the office of the Forum and it can be confirmed from the Forum. Thereafter, the Appellant took some time to know the procedure for filing the Appeal. The Appellant's Representative further prayed that the delay in filing the present Appeal may kindly be condoned and the Appeal be adjudicated on merits in the interest of justice. The Respondent did not object to the condoning of the delay in filing the Appeal in this Court either in its written reply or during hearing in this Court.

In this connection, I have gone through Regulation 3.18 of PSERC (Forum and Ombudsman) Regulations, 2016 which reads as under:

“No representation to the Ombudsman *shall lie unless:*

- (ii) *The representation is made within 30 days from the date of receipt of the order of the Forum.*

*Provided that the Ombudsman may entertain a representation beyond 30 days on sufficient cause being shown by the complainant that he/she had reasons for not filing the representation within the aforesaid period of 30 days.”*

It was observed that refusal to condone the delay in filing the Appeal would deprive the Appellant of the opportunity required to be afforded to defend the case on merits. Therefore, with a view to meet the ends of ultimate justice, the delay in filing the Appeal in this Court beyond the stipulated period was condoned and the Appellant’s Representative was allowed to present the case.

#### **5. 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 (AR) 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 was having a Medium Supply Category Connection, bearing Account No. 3002800583 with Sanctioned Load of 62.900 kW running under DS Sunder Nagar (Spl.) Divn., Ludhiana.
- (ii) The Appellant submitted that the Respondent had raised demand of ₹ 166229/- as AACD (Security Amount) in April, 2021. But the Appellant was not satisfied with this demand and approached the Forum but the decision of the Forum was vague. The Forum in its decision, had mentioned that ₹ 1,218/- had already been adjusted but it had not been adjusted till date. No clear instruction was given in its decision to adjust the security amounts already deposited against the notice and interest on security amounts was also not given.
- (iii) As per instruction of the PSPCL conveyed vide Memo No. 297/302/DD/SR-103 dated 26.03.2021, security amount needs to be adjusted as per prevalent rates applicable from time to time. From 10.05.2001 onwards, security rate for MS consumer was ₹ 750/- per kW.

- (iv) The Appellant submitted that the Respondent had admitted that it had deposited ₹ 4,700/- on 17.07.1992 and ₹ 1,550/- on 08.07.1987. If added, total Security amount came out to be ₹ 6,250/- only. But since the Sanctioned Load of the Appellant was 62.900 kW, so the security amount could not be as low as ₹ 6,250/- only. So, the Respondent had not accounted for all the security amounts deposited by the Appellant during release/extension of loads. If the receipts of security amounts were not available with the PSPCL, action should be taken as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 of the Chief Engineer/Commercial, PSPCL and the security amount should be updated as per the prevalent rate list provided in the said memo.
- (v) So, notice of AACD needs to be revised after adjusting the security amount already deposited and interest should also be provided from the date of security amount already deposited from time to time.

**(b) Submission during hearing**

During hearing on 24.06.2022, the Appellant's Representative (AR) reiterated the submissions made in the Appeal and prayed to allow the same. He was satisfied with the action taken by the Respondent on the basis of the Appeal.

**(B) Submissions of the Respondent****(a) Submissions in written reply**

The Respondent submitted the following written reply for consideration of this Court:-

- (i) The Appellant was having a Medium Supply Category Connection, bearing Account No. 3002800583 running in the name of M/s Vikas Dying, residing at Nand Puri, Ludhiana with sanctioned load as 62.900 kW.
- (ii) The Appellant had applied an electricity connection for 19.99 kW after depositing the requisite fee of ₹ 1550/- as ACD vide BA16 No. 273/19998 dated 28.07.1987. In 1989, it was found that Appellant was using 13.91 kW unauthorized connected load, so this 13.91 kW load of Appellant was regularized by PSPCL under CC No. 24/88, after checking on 03.05.1989 by AEE. The Appellant had deposited ₹ 2,240/- as ACD vide BA16 receipt No. 285/28696 dated 03.05.1989 for extension of load of 13.91 kW. The Appellant applied for extension of additional load of 29.077 kW after depositing requisite fee of ₹ 4,700/- as ACD vide BA16 receipt No. 324/22818 dated 17.07.1992.
- (iii) The instructions of PSPCL conveyed vide Memo No. 297/302/DD/SR-103 dated 26.03.2021 were applicable only if

concerned office had no record about the connection of the consumer.

- (iv) The credit of interest on Security of ₹ 9,867/- (i.e. after deduction of TDS) had already given to Appellant on 13.06.2022.
- (v) Moreover, the Forum in its decision dated 24.03.2022 stated that security amount alongwith interest needs to be adjusted and ACD amount had already been updated.

**(b) Submission during hearing**

During hearing on 24.06.2022, the Respondent reiterated the submissions made in the written reply to the Appeal and prayed for the dismissal of the Appeal.

**6. Analysis and Findings**

The issue requiring adjudication is the legitimacy of Notice No. 899 dated 08.03.2021 for deposit of Security (Consumption) amounting to ₹ 1,66,229/- after adjusting already deposited Security amounting to ₹ 5,032/-.

*My findings on the points emerged, deliberated and analysed are as under:-*

- (i) The Appellant's Representative (AR) reiterated the submissions made in the Appeal. He pleaded that the Respondent had raised

demand of ₹ 1,66,229/- as AACD (Security Amount) in April, 2021 and the Appellant was not satisfied with this demand and approached the Forum. No clear cut instructions were given by the Forum in its decision to adjust the securities already deposited against the notice and interest on security was also not given. He pleaded that the Respondent had not accounted for all the security amounts deposited by the Appellant during release/ extension of loads. If the receipts of security amounts were not available with the PSPCL, action should be taken as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 of the Chief Engineer/ Commercial, PSPCL and the security amount should be updated as per the prevalent rate list provided in the said Memo. So, notice of AACD needs to be revised after adjusting the security amount already deposited and interest should also be provided from the date of security amount already deposited from time to time.

- (ii) On the other hand, the Respondent controverted the pleas raised by the Appellant in its Appeal and pleaded that the instructions of PSPCL conveyed vide Memo No. 297/302/DD/SR-103 dated 26.03.2021 were applicable only if concerned office had no record about the connection of the consumer. In the present case, he had all the record related to deposit of security

amounts by the Appellant at different times. He further admitted that the Appellant had deposited the amount of ₹ 8,490/- as ACD till date and interest on the amount of security amounting to ₹ 9,867/- had already been given to the Appellant on 13.06.2022. In view of this, the decision of the Forum stood implemented. Therefore, the Respondent prayed for dismissal of the Appeal of the Appellant being not maintainable and devoid of merits.

- (iii) The Forum in its decision dated 24.03.2022 had observed as under: -

“Forum further observed that when the Respondent himself admitting that security amount of Rs. 1218/- needs to be adjusted against ACD notice and also updated by Respondent then why can't the interest be provided on its own level after approval of competent authority. Forum noticed that if the amount was credited as per the chronology statement was otherwise than deposited by the Petitioner on account of ACD, then Respondent should bring into the notice of the Forum as well as other authorities for necessary corrective action, but the respondent fails to do so. Forum did not understand on which basis Respondent is submitting reply when as per record the amount of ACD stands deposited, but Respondent reported otherwise.”

The Forum further decided as under:

“Keeping in view of the above Forum observes and decides that as the Respondent himself admitted/submitted during the hearing of the case that security amount of alongwith interest needs to be adjusted and (Rs. 1218/- had already been updated) therefore, there stands no dispute which needs the interference of the Forum and further the supply is cater on LT, no HT rebate is admissible. The case is disposed off accordingly.”

This Court is not inclined to agree with the decision of the Forum.

- (iv) The Respondent admitted during hearing on 24.06.2022 that the security amount deposited by the Appellant had not been adjusted correctly and notice issued vide Memo No. 899 dated 08.03.2021 is required to be revised.
- (v) I have gone through the written submissions made by the Appellant in the Appeal and by the Respondent in its written reply. It is an admitted fact that the Appellant had deposited some amount on account of Security (Consumption) and Security (Meter) at the time of release of connection and thereafter upon the extension of loads. The Security amount needs to be recalculated after adjusting already deposited Securities. In view of this, the impugned Notice No. 899 dated 08.03.2021 is hereby quashed. The Security amount should be calculated as per Supply Code, 2014 Regulation No. 16.4. A fresh notice should be issued to the Appellant upon recalculation as per Regulation 16.4 of Supply Code, 2014 after adjusting already deposited security amount. The amount of Security calculated as above should be recovered as per Supply Code Regulations. The interest on the already deposited security amount should be given as per Regulation No. 17.1 of the Supply Code, 2007 and Supply Code, 2014 as applicable from time to time.

## **7. Decision**

As a sequel of above discussions, the order dated 24.03.2022 of the CGRF, Ludhiana in Case No. CGL-360 of 2021 is hereby quashed. The Respondent is directed to recalculate the amount of Security (Consumption) as per Regulation 16.4 of the Supply Code, 2014 after adjusting already deposited Security (Consumption) and the Respondent is directed to issue fresh notice of Security (Consumption) accordingly. Further, the Respondent is directed to give the interest on security amount deposited by the Appellant as per Regulation No. 17.1 of Supply Code, 2007 and Supply Code, 2014 as applicable from time to time.

- 8.** The Appeal is disposed of accordingly.
- 9.** 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.
- 10.** In case, the Appellant or the Respondent is not satisfied with the above decision, it 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.

June 24, 2022  
S.A.S. Nagar (Mohali)

(GURINDER JIT SINGH)  
Lokpal (Ombudsman)  
Electricity, Punjab.

