

**CONSUMER GRIEVANCE REDRESSAL FORUM,  
AMRAVATI ZONE, AMRAVATI.**

*" Vidyut Bhavan" Shivaji Nagar, Amravati,  
Amravati : 444603 Tel No 0721 .2551158*

**Dt.29/06/2017**

**Complaint No. 8 / 2017**

**In the matter of accounting of security deposit with interest in  
consumer personal ledger and payment of interest on excess amount  
utilized by MSEDCL**

**Quorum**

**Shri . S. R. Chitale, Member/Secretary  
Shri. D. M. Deshpande-Member (CPO)**

M/s. Agrawal Poha Mill,  
Rani Zhashi Square, Chapmanwadi,  
Yavatmal  
Consumer No:- 370019043010

Complainant

.....Vrs.....

Executive Engineer,  
MSEDCL, O&M Division,  
Yavatmal

Respondent

**Appearances :-**

Complainant Representative :- Shri Ashish Chandarana

Non Applicant :- 1. Shri D. D. Ade, Dy. Manager(F&A)  
2. Shri R, V, Bommi, Jr. Law Officer

1. On being aggrieved by the decision of IGRC, Yavatmal issued vide SE/YTL/IGRC/703 dated 15/02/2017, Complainant Shri Mahesh Madhusudhan Agrawal for M/s. Agrawal Poha Mill, Yavatmal approached

this Forum under section 6.4 of MERC CGRF Ombudsman Regulation 2006 for redressal of grievance.

2. Complainant's case in brief is that they are LT industrial consumer of N.A. MSEDCL having connection No. 370019043010. According to complainant N.A. MSEDCL have not accounted for Rs. 78000/- paid on 21/01/2008 towards security deposit in the consumer personal ledger thereby depriving complainant of interest receivable every year as per respective tariff order. According to complainant inspite several visit to N.A. MSEDCL and oral request grievance remained unattended compelling them to approach IGRC, Yavatmal. According to complainant even afer approaching IGRC, Yavatmal interest amount is not credited to account though crediting Rs.78000/- to the account. According to complainant N. A. MSEDCL officers are not interested in serving consumers in right spirit and his apprehension that IGRC, Yavatmal will not give justice found to be correct. According to complainant it is already deposed before IGRC that MSEDCL has to bear the cost of pursuing the grievance in the event of approaching CGRF. According to complainant interest payable every year gets added in security deposit and since IGRC have ignored this fact, complainant is dissatisfied with the remedy provided by IGRC. Complainant prays for (1) credit of interest on unaccounted security deposit from 2008 in a compounding manner. (2) and action against guilty officers of N. A. MSEDCL as per principle laid down by Apex Court in the matter of Lucknow Development Authority Vs. M. K. Gupta and recover the financial loss to the MSEDCL. Complainant annexed with the complaint documents such as IGRC Yavatmal order dated 15/02/2017, application dated 20/07/16, energy bill for July 2016, payment advice for Rs. 95408/- with paid receipt , letter dated

14/10/15 to Adl. Executive Engineer, Yavatmal and letter dated 17/09/2016 addressed to Adl. Executive Engineer, by N. A. MSEDCL.

3. Reply came to be filed by N. A. MSEDCL on 25/05/2017. According to N.A. MSEDCL complainant referred the grievance for first time on 20/07/2016 and prior to this oral request were made by complainant and concerned S.D.O. was asked to take action. According to N.A. MSEDCL photo copies enclosed with the complaint were not clear and visible which resulted in delay in attending the complaint. According to N. A. MSEDCL above 20 H. P. consumers were billed by Division and record had to be searched and in Nov. 2016 Rs. 78000/- was accounted and fed to CPL of complainant. According to N. A. MSEDCL reason for delay is payment of additional security deposit Rs. 78000/- at the time of load enhancement when S.D. collected at the time of connection was already accounted for in CPL. According to N.A. MSEDCL circular for rate of interest payable to complainant for 2016-17 is issued by Corporate Office vide Circular No. 243 25/04/2017. According to N.A. MSEDCL since complainant is live consumer entire amount of interest payable to complainant is calculated by Sub-Division Office as per IGRC order on Rs. 78000/- from 20/01/2008 amounting Rs. 53552.79 and N.A. MSEDCL have undertaken to give effect in the energy bill for May 2017. According to N. A. MSEDCL delay is not intentional but due to confusion and hence denied allegations in to as false. N. A. MSEDCL finally prays for dismissal of complaint. N. A. MSEDCL annexed with reply detail calculation chart for interest from 2007-08 to 2016-17 and circulars showing rate of interest for respective period up to 2016-17.

4. On receipt of reply from MSEDCL complainant filed rejoinder dated 03/06/2017 with copy to N. A. MSEDCL. According to complainant 20/07/2016 is not first date of intimating grievance to N.A. MSEDCL but grievance was intimated to N. A. MSEDCL orally in the past and fact is admitted by N. A. MSEDCL in their reply. According to complainant Executive Engineer MSEDCL should be held guilty for common misconduct for keeping grievance unattended from 20/07/2016. The plea taken by N. A. MSEDCL is their reply about submission of invisible photo copy of demand note was never raised before IGRC or never communicated to complainant earlier and can not be the reason for delay in attending grievance. According to complainant N.A. MSEDCL officers were dishonest in solving the grievance because there is no need to wait for MSEDCL circular for application of interest every year as same is decided by MERC in respective tariff order. According to complainant N.A. MSEDCL is trying to protect the guilty officers who even could not calculate TDS as per I.T. Act. According to complainant TDS for past period will not be acceptable. According to complainant the plea taken by N.A. MSEDCL for justifying delay for 9 years about existence of earlier paid S. D. in CPL is misleading because every year they are issuing demand note for shortfall of S.D. According to complainant N.A. MSEDCL have not credited interest on S.D. in May 2017 as per their undertaking on record. Complainant lastly prays for action as per original prayer in the complaint. Complainant annexed with rejoinder energy bill for April and May 2017.

5. N. A. MSEDCL filed supplementary reply to rejoinder of complainant on 14/06/2017 at the time of hearing N.A. MSEDCL denied allegations made in rejoinder as false according to N.A. According to N.A. MSEDCL the delay in feeding to I.T. system is only four month from the date of application and hence allegations on this point are denied. According to

N.A. 10% TDS is deducted on PAN Card and amount Rs.54621.61 will be credited in forthcoming bill. According to MSEDCL complainant should withdraw the complaint in view of above submission and should give the chance o MSEDCL to serve in better way. According to MSEDCL 12% fine as per prevailing rates of income tax will be paid by MSEDCL. According to N.A. MSEDCL demand of compounding of interest can not be accepted as will be deviation from standard practice, moreover accounting system of MSEDCL permits calculation of simple interest on S.D. According to N.A. MSEDCL language used by complainant is negative and finally admitted to credit the interest amount Rs. 54621.61 in the month of June 2017.

6. Learned representative Mr. Ashish Chandarana for complainant and Mr. D.D. Ade, Dy. Manager(F&A) along with Mr. Bommi, Jr. Law Officer for N.A. MSEDCL were present for hearing. Complainant's representative urged on the points reproduced in the complaint and rejoinder above at para 1 and 3 and brought to the notice of Forum that interest amount is not yet credited to the account though admitted by N.A. MSEDCL. Complainant representative further urged that interest which was payable at the end of respective year from 2008 to June 2017 is not adjusted against energy bill or added in the S.D. and hence MSEDCL is liable to pay interest on excess amount utilized by them. Complainant's representative urged that interest on S.D. is not credited to the account of complainant for 9 years because of negligent attitude of employees of N.A. MSEDCL and hence complainant is entitle for interest on excess amount utilized by N.A. MSEDCL and should be recovered from guilty officers of MSEDCL.

7. N.A. MSEDCL representative Mr. D.D. Ade, Dy. Manager(F&A) during hearing admitted the fact of payment of Rs.78000/- against security deposit on 21/01/2008 and urged that by mistake Rs.78000/- was not

posted to the account of complainant from 2008 and on application by complainant on 20/07/2016 the S.D. amount is posted to consumer personal ledger in Nov. 2016 and interest amount payable to complainant from 2008 is calculated and brought on record and Rs.54621.61 will be credited in the month of bill for June 2017 payable in July 2017. Mr. D.D. Ade urged that mistake is not intentional and N.A. MSEDCL have acted promptly on application of complainant hence compounding of interest should not be allowed and requested Forum to dispose off the complaint as grievance is settled by MSEDCL.

8. Heard Shri Ashish Chandarana, the learned representative of the complainant and Shri D.D. Ade, Dy. Manager(F&A) along with Shri R. V. Bommi, Jr. Law Officer, the learned representative of the N.A. The Forum have also gone through the rejoinder, complaint and reply on record, filed on behalf of parties. As is clear that in the present matter the grievance is about non-accounting of security deposit Rs. 78000/- paid by complainant in 2008 thereby depriving him of interest payable at the end of every financial year. N.A. MSEDCL have not disputed the fact and posted in CPL in Nov. 2017 with payment of interest Rs.54621.61 admitting to settle the claim in July 2017. The controversy in the matter is that of payment of interest on interest amount payable every year. For example interest amount Rs.910.36 for 2007-08 as per MSEDCL calculation sheet was payable on 01/04/2008 and being paid in July 2017 which means Rs.910.36 which otherwise would have been available for use of complainant on 01/04/2008 will be credited in July 2017 and Forum is of the view that this excess amount was lying with N.A. MSEDCL and shall be recoverable by the complainant along with interest equivalent to Bank rate without prejudice to any other liability incurred by the licensee. N.A. MSEDCL have filed on record MERC approved Circular in the matter of payment of rate of interest on security deposit from

2007-08 to 2016-17, Forum is of the view that complainant is entitle for payment of interest as per Circular on record on interest amount as reproduced in the chart below.

A Chart showing interest payable on interest amount yearwise

Sr. No.	Year	Payable interest as per MSEDCL on 78000/- S.D.	Interest on interest amount to be paid for period for	Applicable rate of interest on interest amount shown in Column 3 payable upto 2017 MSEDCL Cir. No.
1	2007-08	910.36	9 years	76 Dated 07/03/2007,
2	2008-09	4680.00	8 years	94 Dated 09/03/2009,
3	2009-10	4680.00	7 years	122 Dated 20/04/2010,
4	2010-11	4680.00	6 years	141 Dated 30/03/2011,
5	2011-12	5051.84	5 years	157 Dated 07/04/2012,
6	2012-13	7003.97	4 years	174 Dated 20/03/2013,
7	2013-14	7017.33	3 years	192 Dated 15/04/2014,
8	2014-15	6964.44	2 years	211 Dated 16/04/2015,
9	2015-16	6288.08	1 years	227 Dated 22/04/2016 &
	Total Amt.	47276.02		243 dated 25/04/2017

9. Forum is of the view that N.A. MSEDCL have tried to convince Forum about delay for four month from 20/07/2016 without giving sufficient acceptable cause for keeping Rs.78000/- unaccounted for 9 years from 2008 when they are required to review the amount of security deposit every year commensurate with the average energy bill. Forum is of the view that it is negligent attitude on the part of employees of N.A. MSEDCL in not accounting Rs.78000/- for 9 years though unintentional as per N.A. MSEDCL. Forum is of the view that complainant is entitle for refund of interest on interest amount Rs. 47276.02 calculated as per chart "A" above and also payable in the month of June 2017 in addition for Rs. 54621.61 calculated by N.A. Forum is of the view that interest amount so calculated as per Chart "A" above will be loss of revenue to N.A. MSEDCL and should not be carried forward in future ARR but should be recovered from guilty officers of N.A.

MSEDCL as per principle laid down in Lucknow Development Authority Vs., M. K. Gupta decided by Hon'ble Supreme Court of India in 1994 scc(i) 243. With these observations Forum proceeds to pass following unanimous order :-

### **ORDER**

1. The Complaint No. 8/2017 is hereby allowed.
2. The N.A. MSEDCL is directed to refund Rs. 54621.61 towards interest on S.D. amount Rs. 78000/- as admitted by MSEDCL and should be adjusted in the forthcoming bill for June 2017 payable by Complainant .
3. The N. A. MSEDCL is directed to refund interest on interest amount RS. 47276.02 calculated as per chart "A" below para 7 above and amount so arrived should be adjusted in the forthcoming bill for June 2017 payable by complainant.
4. The N. A. MSEDCL is directed to recover the loss of revenue to MSEDCL payable to complainant from guilty officers of MSEDCL after due enquiry as per principle laid down in the matter of Lucknow Development Authority Vs. M. K. Gupta in 1994 scc(i) 243 decided by Hon'ble Supreme Court of India.
5. No order as to cost.
6. The N.A. MSEDCL is directed to submit compliance report to this Forum within one month of issue of this order.

**Sd/-  
Member/Secretary**

**Sd/-  
Member(CPO)**



Contact details of Electricity Ombudsman appointed by MERC (CGRF&EO) Regulations 2006 under Regulation 10:

THE ELECTRICITY OMBUDSMAN,  
Office of Electricity Ombudsman (Nagpur)  
Plot No.12, Shrikrupa, Vijaynagar, Chhaoni,  
Nagpur-440 013.  
Phone : 0712-2596670

No. CGRF / AZ/ Amravati/ No 2 0 1 4 / Dt. 29/06/2017

TO  
The Nodal Officer,  
Executive Engineer  
MSEDCL, O&M Division,  
**Yavatmal**

The order passed on 29/06/2017 in the Complaint No. 8/2017, is enclosed herewith for further compliance and necessary action.



**Secretary,**

Consumer Grievance Redressal Forum,  
MSEDCL, Amravati Zone, Amravati

**Copy to:**

The Superintending , MSEDCL, O&M Circle, Yavatmal

**Copy to :-**

M/s. M/s. Agrawal Poha Mill , Rani Zhashi Square, Chapmanwadi, Yavatmal.  
Consumer No:- 370019043010