Ref.: PR-3/COS/ **7658**                                                                                                                                                  Date: March 28, 2006

**COMMERCIAL CIRCULAR No.32**

Subject : Clarification relating compounding of offence under Section 152 of the Electricity Act, 2003 and receipt of payment thereof.

Reference : 1. Commercial Circular No. 17 Dated: 18 Oct’ 2005.   
                   2 Letter from Govt. of Maharashtra No. IEA 2005/CR- 433/NRG-3 Dated: 15 Feb’2006.

Attention is invited to this office Commercial Circular No. 17 dated 18 Oct’ 2005 wherein provisions of compounding has been already prescribed. In this regards Section 152 of the Electricity Act, 2003 prescribed that the State Government or any other Officer authorized by it in this behalf may accept, from any consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under the said Act, a sum of money by way of compounding of the offence. The Section also further prescribed the rate at which such compounding charges should be recovered from consumer or the person and such sum of money is not remitted to the State Government.

In the above Commercial Circular No. 17 Dated : 18 Oct’ 2005, we have

already intimated to maintain separate account register for compounding of offences, so that the said register can be verified to ascertain whether such person has previously been permitted the facility of compounding of offences also maintain the amount recovered. Now the Ministry of Power, Government of India has clarified that the compounding fee should go to the credit of the State Government and Government of Maharashtra also vide letter under reference ‘2’ has directed that such money (i.e. compounding fees) collected should be immediately remitted to Government Treasury.

Accordingly, it is decided to take appropriate action on the compounding amount

collected till 23/2/2006 at Head Office level. Hence, you are requested to immediately inform the total compounding charges so far recovered from consumers or persons who committed or who are reasonably suspected of having committed an offence of theft of electricity punishable under the said Act.

However from March ’06 onward the Executive Engineer (O & M) should deposit

the compounding charges in the Government Treasury {under the Budget Head 0043, Taxes and Duties on Electricity, 800, other receipts, other items, 02, recoveries of other receipts (00430065-02)}, at the end of every month and details of the same, like number of consumers/ persons who paid the Compounding Charges during the month under report, the total amount of Compounding Charges, the Challan Number & Date of Deposit, etc. Should be informed to Energy Department and Commercial Section in the first week of next month.

**Chief Engineer (Commercial)**