



Consumer Grievance Redressal Forum, Kalyan Zone  
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301  
Ph: – 2210707 & 2328283 Ext: - 122

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**IN THE MATTER OF GRIEVANCE NO. K/E/256/282 OF 09-10 OF M/S  
KONKAN SYNTHETIC FIBRES REGISTERED WITH CONSUMER  
GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN ABOUT  
INTEREST ON SECURITY DEPOSIT.**

M/s. Konkan Synthetic Fibres  
Processed Yarn Unit, Plot No. C-61,  
(Part-A), MIDC Area,  
Mahad, Dist : Raigad : 402 309

(Here in after  
referred to  
as Consumer)

**Versus**

Maharashtra State Electricity Distribution  
Company Limited through its Superintending  
Engineer, Pen Circle, Pen

(Here in after  
referred to  
as Licensee)

- 1) Consumer Grievance Redressal Forum has been established under regulation of "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2006" to redress the grievances of consumers. This regulation has been made by the Maharashtra Electricity Regulatory Commission (MERC) vide powers

conformed on it by section 181 read with sub-section 5 to 7 of section 42 of the Electricity Act, 2003. (36 of 2003).

- 2) The consumer is a H.T. consumer having contract demand 3250 KVA and 14807 KW load of the Licensee. The Consumer is billed as per industrial tariff. The consumer registered grievance with the Forum on 01/06/2009 for interest on security deposit. The details are as follows: -

Name of the consumer : M/s. Konkan Synthetic Fibres

Address: - As above

Consumer No : 041019016101

Reason for Dispute : - Non payment of interest on security deposit.

- 3) The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/510 dt. 01/06/2009 to the Nodal Officer of the Licensee, and the Licensee through Nodal Officer MSEDCL Pen Circle filed reply vide letter No. SE/PC/HTB/CGRF/3821 dated 18.06.09 .
- 4) Grievance application was fixed for hearing on 22/06/09 at 16.00 hrs. On that day, Shri Bagwe appeared for the consumer representative and Shri D. R. Bansode, Ex. Engr. Pen Circle (Nodal Officer), Shri G. A. Mali, Law Officer & Shri P. M. Peshattiwari, D. A. all representatives of the licensee, attended the said hearing. Shri Bagwe's signature was not on the grievance application in prescribed proforma as a representative of the consumer and he orally submitted that he has not brought with him the authority letter of the consumer to appear and make submissions on its behalf. Therefore, on his request, the hearing in the case was adjourned to 04/07/09 at 16.00 hrs. On 04/07/09 at 16/00 hrs., the Chairperson and Member Secretary of the Forum heard Shri Ajay Bagwe, the consumer's

representative (CR), and Shri D. R. Bansode, Nodal Officer (LR) and the submissions made by them have been recorded in the minutes of hearing which are kept on the record. Oral submissions made by both the parties shall be considered while considering the grievance of consumer and hence the same are not reproduced in order to avoid the repetition.

- 5) The admitted facts are that the licensee was holding an amount of Rs. 87,71,000 as security deposit (SD) of the consumer. The licensee, on the application made by the consumer, permitted the consumer to give Bank guarantee of Rs. 1,10,00,000 in lieu of the SD. Accordingly the consumer has furnished a Bank guarantee of Rs. 1,10,00,000 to the licensee on 10/07/07 in lieu of SD. There after the licensee refunded the above referred total amount of SD in three installments of Rs. 2,723,670, Rs. 3,023,660, Rs. 3,023,670 to the consumer by giving credit of such amounts to the consumer in the bills for Aug. 2007, Sept. 2007 and Oct. 2007 resp. and such bills were issued on 25<sup>th</sup> of each of the said month.
- 6) The grievance of the consumer is that the licensee has not paid the interest on the total amount of SD of Rs. 87,71,000 of the period from 01/04/07 to 24/08/07, on the balance amount of SD of Rs. 60,47,330 of the period from 25/08/07 to 24/09/07 and on the balance amount of Rs. 30,23,670 of the period from 25/09/07 to 24/10/07, inspite of letter dt. 01/09/08 sent to the Superintending Engineer, Pen Circle, letters dt. 17/09/08, and 05/03/09 sent to the Chief Engineer (Commercial) MSEDCL., Prakashgad Mumbai. On the contrary the Superintending Engineer (PC) Pen informed the consumer vide letter dt. 20/04/09 that the interest on SD for the year 07- 08 was calculated on total SD balance as on 31/03/08. Consumer's SD as on

31/03/08, after adjustment of the same in three installments in the energy bills for Aug.07 to Dec. 07, was Nil, and therefore, the request of consumer for the interest on the balance SD amounts as claimed by it cannot be considered. Therefore, the consumer has filed the present grievance application for the total interest of Rs. 2,55,237 on the balance amounts of SD.

- 7) The licensee in it's reply dt. 18/06/09 claims that the interest on SD for the year 07-08 was calculated on total SD balance in cash as on 31/03/08 and there is no provision to allow the interest on SD other than cash. The SD of the consumer after adjustments, as on 31/02/08 was Nil. Therefore, the interest on the SD of consumer from 01/04/07 to 24/08/07, on balance SD of Rs. 6047330 from 25/08/07 to 24/09/07, and on balance SD of Rs. 3023,670 from 25/09/07 to 24/10/07 was not paid to the consumer. The consumer was informed the above reason for not paying interest on SD and for which it's request for interest on SD cannot be considered vide letter dt. 20/04/09. It has further claimed that the Office of the S.E. Pen Circle has already made a reference to the Head Office Commercial Section for guidelines in this behalf vide letter dt. 17/06/09 and necessary action will be taken after receipt of such guidelines.
- 8) Regulation 11.12 of the MERC (Electric Supply Code etc) Regulations 2005 reads as under :
- "11.12. Interest on cash security deposit shall be payable from the date of deposit by the consumer till the date of dispatch of the refund by the Distribution Licensee".

Thus the licensee has to pay the interest till the date of dispatch of refund i.e. till the date of refund as per the above referred regulation and it cannot refuse to pay the interest on SD or balance amount of SD during the period from 01/04/07 to 24/10/07 on the ground that the amount of SD of the consumer as on 31/03/08 was zero. Therefore, such contention of licensee cannot be accepted. Therefore, we come to the conclusion that the consumer is entitle for the interest at the prevalent Bank rate of RBI on such amount of SD or balance amount of SD during the period from 01/04/07 to 24/10/07. Hence we unanimously pass the following order.

### **ORDER**

- 1) Grievance application is allowed.
- 2) Licensee to pay interest at the prevalent rate of Bank rate of RBI on the total amount of Security Deposit Rs. 87,71,000 from 01/04/2007 to 24/08/2007, on balance Security Deposit of Rs. 60,47,330 from 25/08/2007 to 24/09/2007, on balance Security Deposit of Rs. 30,23,670 from 25/09/07 to 24/10/07, by giving credit of such amount to the consumer in the ensuing bill after a period of 30 days from the date of decision in this case.
- 3) Compliance should be reported within 90 days from the date of decision in this case.

- 4) The Consumer can file representation against this decision with the Ombudsman at the following address.

“Office of the Electricity Ombudsman, Maharashtra Electricity Regulatory Commission, 606/608, Keshav Building, Bandra Kurla Complex, Mumbai 51”

Representation can be filed within 60 days from the date of this order.

- 5) Consumer, as per section 142 of the Electricity Act, 2003, can approach Maharashtra Electricity Regulatory Commission at the following address:-

“Maharashtra Electricity Regulatory Commission, 13th floor, World Trade Center, Cuffe Parade, Colaba, Mumbai 05”

for non-compliance, part compliance or delay in compliance of this decision issued under “Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2003”

Date : 22/07/2009

(R.V.Shivdas)  
Member Secretary  
CGRF Kalyan

(M.N.Patale)  
Chairman  
CGRF Kalyan