

**CONSUMER GRIEVANCE REDRESSAL FORUM**  
**MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LTD.**  
**NASHIK ZONE**  
(Established under the section 42 (5) of the Electricity Act, 2003)

**Phone: 6526484**  
**Fax: 0253-2591031**  
E.Mail: cgrfnsk@rediffmail.com

**Office of the**  
**Consumer Grievance Redressal Forum**  
**Kharbanda Park, 1<sup>st</sup> Floor,**  
**Room N. 115-118**  
**Dwarka, NASHIK 422011**

---

**No. / CGRF /Nashik/Nagar circle/Nagat UCR Dn./643/33/17-18/**      **Date:**  
**(BY R.P.A.D.)**

**Date of Submission of the case : 30/01/2018**  
**Date of Decision :**

To.

1. M/s. Ramdas Ispat & Metal Pvt. Ltd.  
Plot No. A-122/3, Nagapur, MIDC.,  
Ahmednagar 4141111  
(Con.No. 162019004940)

Complainant

2. Nodal Officer ,  
Maharashtra State Electricity Distribution Com. Ltd.,  
Circle office, Ahmednagar

Distribution Company  
(Respondent)

3. Executive Engineer (UCR)  
Maharashtra State Electricity Distribution Com. Ltd.  
Ahmednagar

---

**DECISION**

M/s. Ramdas Ispat & Metal Pvt. Ltd. (hereafter referred as the Complainant ). Ahmednagar is the H.T. industrial consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company). The Complainant has submitted grievance against MSEDCL for refund of Security Deposit with interest. The Complainant filed a complaint regarding this with the Internal Grievance Redressal Committee of the Maharashtra State Electricity Distribution Company Ltd. But not satisfied with the decision of the IGRC , the consumer has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A". The representation is registered at Serial No. 01 of 2018 on 30 /01/2018.

The Forum in its meeting on 02/02/2018, decided to admit this case for hearing on 01/03/2018 at 12.00 pm in the office of the forum . A notice dated 02/02/2018 to that effect was sent to the appellant and the concerned officers of the Distribution Company. A copy of the grievance was also forwarded with this notice to the Nodal Officer, MSEDCL, Ahmednagar Circle Office, for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shri. Deepak Krushna Hire, UDC . represented the Distribution Company during the hearing. Shri Balasaheb Jagdale & Shri. Vilas Kulkarni appeared on behalf of the consumer.

### **Consumers Representation in brief :**

1. We had security deposit of Rs. 1,26,45,881.00 with MSEDCL . Last interest on SD was received by us in April/May 2013. Thereafter the connection was PD on 01/02/2014. After PD the MSEDCL was liable as per MERC SOP Regulations to clear the account within 45 days and refund SD after adjustment of Arrears.
2. The MSEDCL adjusted the outstand arrears but balance SD of Rs. 58,06,852.00 was not paid and interest on SD of Rs. 1,26,45,881 from April 2013 till date of PD was not paid. Hence we had filed complaint dtd. 11/05/2017 for refund of SD along with accrued interest. The MSEDCL in response to complaint dtd. 11/05/2017 only paid the SD amount of Rs. 58,06,852.00 after adjustment of arrears but interest as payable on SD of 1,26,45,881 from April 2013 till PD date i.e. 01/02/2014 and further interest on balance SD of Rs. 58,06,852.00 from PD date i.e. 01/02/2014 till actual payment of SD in month of Nov. 2017 has not been paid. Applied IGRC rejected the claim by letter dtd. 11/01/2018 and hence consumer constrained to file present Grievance for payment of accrued interest on SD for said period.
3. As per MERC supply Code 2005, Regulation No. 11.11 MSEDCL was liable for payment of interest at RBI bank rate on security deposit amount held with MSEDCL on each financial year.  
As per Reg. No. 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.  
As per the regulation of the 11.9 of MERC (Electricity Supply Code and Other Conditions of Supply) Regulation 2005 "Upon termination of supply, the Distribution Licensee shall, after recovery of all amounts due, refund the remainder amount held by the Distribution Licensee to the person who deposited the security, with an intimation to the consumer, if different from such person".  
As per the S.N. 8 (ii) of the Appendix A of the MERC (Standards of Performance of Distribution Licensee, Period for Giving Supply and Determination of Compensation) Regulations, 2014, it is mandated that the time period for payment of final dues closed in 45 days in rural area from the date of receipt of application otherwise compensation is to be paid.
4. We referred and relied on the CGRF Nashik order in similar Matter of M/s. Natraj Industries (Case No. 82 of 2016 decision dtd 05/05/2017) (Copy attached).

### **Relief:**

1. As per R.11.11-12 of MERC Supply code 2005 MSEDCL shall pay interest on SD of Rs. 1,26,45,881.00 at RBI bank rate from April 2013 till PD date.
2. As per R.11.11-12 of MERC Supply code 2005 MSEDCL shall pay interest on balance SD of Rs. 58,06,852.00 at RBI bank rate from PD date till actual payment in Month of Nov. 2017.
3. MSEDCL shall pay compensation as per MERC SOP Regulations.

### **Arguments from the Distribution Company.**

The Distribution Company submitted a letter dated 28/02/2018 from the Superintending Engineer, Ahmednagar Circle Office and other relevant correspondence in this case. The representatives of the Distribution Company stated that:

M/s. Ramdas Ispat Consumer No. 162019004940 applied for the refund of Security deposit on dtd. 11/05/2017 with the indemnity bond as the consumer had not original receipts of the security deposit paid. This office on the receipt of the application, sent the proposal of refund of security deposit to the Chief Engineer (Comm.), MSEDCL, Prakashgad , Mumbai with the relevant documents on date 30/05/2017. After that approval for refund of Security Deposit to the consumer received on date 14/08/2017 from Chief Engineer (Comm.) and the refund made to consumer of the approved amount Rs. 58,06,852/- through RTGS. As the consumer has to submit

original receipt of Security Deposit or the indemnity bond in loss or misplace of the original receipt, as soon as the consumer submitted the same the proposal was put for approval by this office and refunded the security deposit amount on the receipt of approval.

**Action by IGRC :**

1. Internal Grievance Redressal Cell Ahmednagar Circle conducted hearing on 10/01/2018 for the complaint submitted on 06/12/2017
2. After hearing both the parties IGRC gave decision as per letter dated 11/01/2018 as under .  
" e[ ; dk; kÿ; kP; k e[ jhu[ kj vuker jDde ijr dj.; kr vkyh vkgs".

**Observations by the Forum:**

On heard both side it is noticed that distribution Company has paid interest on S.D. upto March 13 & thereafter for the one or the other reason supply of the said consumer has to be disconnected permanently on 01/02/14. There after the applicant has applied for refund of security deposit paid by them on 11/05/2017. It seems that distribution Company initiated the procedure of refund of security deposit & after seeking necessary approvals from competent authority , the distribution Company refunded the actual amount to be refunded after due adjustments of dues etc.

The interest of Security Deposit paid by consumer is likely to be payable for live period of a connection . In this case the supply is permanently disconnected on 01/02/2014, but it is observed that interest on Security Deposit paid is issued/ given to consumer upto march 2013 only ( as per applicants say submitted )which needs to be confirmed by distribution company.

The Distribution Company should also confirm whether the interest by Security Deposit of applicant is already considered while finalizing the Account, if not considered same is to be refunded to the applicant.

After considering the representation submitted by the consumer, comments and arguments by the Distribution Licensee, all other records available, the grievance is decided with the observations and directions as elaborated in the preceding paragraphs and the following order is passed by the Forum for implementation:

**ORDER**

1. Applicant demand of interest for the requested period is rejected.
2. But at the same time the interest on security Deposit for the period from March 13 to date of permanent disconnection i.e.upto 01/02/14, be worked out & be confirmed whether same is considered while finalizing Account and if not paid/ considered, same is to be refunded with interest.
3. No question of application of 'SOP' as applied submitted Security Deposit refunded application on 11/05/17 & after which the distribution Company initiated the procedure.
4. As per regulation 8.7 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 , order passed or direction issued by the Forum in this order shall be implemented by the Distribution Licensee within the time frame stipulated and the concerned Nodal Officer shall furnish intimation of such compliance to the Forum within one month from the date of this order.
5. As per regulation 22 of the above mentioned regulations , non-compliance of the orders/directions in this order by the Distribution Licensee in any manner whatsoever shall be deemed to be a contravention of the provisions of these Regulations and the Maharashtra Electricity Regulatory Commission can initiate proceedings *suo motu* or on a complaint filed by any person to impose penalty or prosecution proceeding under Sections 142 and 149 of the Electricity Act, 2003.

6. If aggrieved by the non-redressal of his Grievance by the Forum, the Complainant may make a representation to the Electricity Ombudsman, 606, 'KESHAVA', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 within sixty (60) days from the date of this order under regulation 17.2 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006.
7. CGRF member has submitted their own opinion as below still them order is passed as above.

**Opinion of Member :**

1. The MSEDCL is directed to pay interest on refunded amount of Rs. 5806852/- at the RBI Bank rate which is at present 6.25% from PD date 01/02/2014 to 15/11/2017 which comes to 13.75.895.78/- ( Ts. Thirteen Lakh Seventy Five Thousand Eight Hundred Ninty Five & Seventy Eight Paise) by Cheque /DD within 15 days . Out of this interest one month interest should be borned by MSEDCL .
2. The MSEDCL is directed to compensate complainant towards SOP compensation at Rs. 100/- per week for 180 weeks, which comes to Rs. 18,000/- (Rs. Eighteen Thousand ) as per SOP 2014 Sr. No.12.1.
3. The MSEDCL to take appropriate against the concerned erring officer/employee of Licensee for negligence / Latches , resulting in monitory liability against it, as per ruling of Supreme Court Of India in the matter of M.K. Gupta Vs. Lucknow development authority, C.No. 6237 of 1990 reported in 1994 ( i) SCC page 243 after due enquiry.

**(Smt. Vaishali V.Deole )**  
Member

**(Prasad P. Bicchal)**  
Member Secretary

**(Prasad P. Bicchal )**  
Chairman

**Consumer Grievance Redressal Forum Nashik Zone**

Copy for information and necessary action to:

- 1 Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyut Bhavan, Nashik Road 422101 (For Ex. Engr.(Admn)
- 2 Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyut Bhavan, Nashik Road 422101 ( For P.R.O )
- 3 Superintending Engineer, Maharashtra State Electricity Distribution Company Ltd. , Circle office, Ahmednagar .

