

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

Phone: 0253-2591019
Fax : 0253-2591031
E.Mail: cgrfnsk@rediffmail.com

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

No. / CGRF /Nashik/NUC/N.R.Dn./607/82/2016-17/

Date: 05/05/2017

(BY R.P.A.D.)

Delay in Refund the Security Deposit Amount

Date of Submission of the case :20/03/2017

Date of Decision : 05/05/2017

To.

M/s. New Natraj Industries
Plot No. B-70, 71, M.I.D.C.
Malegaon Tq. Sinnar
Dist. Nashik 422103.
(Consumer No. 075949019590)

Complainant

1. Nodal Officer ,
Maharashtra State Electricity Distribution Com. Ltd.,
Urban Circle office, Shingada Talav,
Nashik
2. Executive Engineer (R)
Maharashtra State Electricity Distribution Com. Ltd.
Vidyut Bhawan Nashik Road.

Distribution Company

DECISION

M/s. New Natraj Industries , (hereafter referred as the Complainant). Sinnar Dist. Nashik is the HT consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company). The Complainant has submitted grievance against MSEDCL for Refund the Security Deposit amount along with the accrued interest on the same till the date of refund at bank PLR Rate. 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 Respondent , the consumer has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A". The representation is registered at Serial No. 54 of 2017 on 20/03/2017.

The Forum in its meeting on 21/03/2017, decided to admit this case for hearing on 11/04/2017 at 11.30 am in the office of the forum . A notice dated 24/03/2017 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, Urban I Circle Office Nashik for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shir. A. R. Tiwari, Dy. Executive Engineer , Shri. Kishor Tirsa, Asstt. Acctt. represented the Distribution Company during the hearing. Shri . Anupam Ghosh appeared on behalf of the consumer.

Consumers Representation in brief :

1. This Grievance is in connection with the non-refund of Security deposit held by MSEDCL after permanent Disconnection on February 2015, at that time the CSD Amount of Rs. 2,39,600=00 was with MSEDCL. Despite written application submitted to MSEDCL on 08/03/2016 and 27/04/2016 and submission of Indemnity Bond to MSEDCL in the format suggested by MSEDCL in case of Lost Money Receipt of Security Deposit.
2. Aggrieved by the non-refund of our Deposit by MSEDCL the complainant appealed to IGRC on 21/12/2016 and the hearing for the same was held on 10/01/17 wherein it was informed that the

Indemnity Bond was incomplete and the incomplete portion of the Indemnity Bond was made to be filled by before the hearing of IGRC.

3. Although IGRC has ordered on 18/02/2017 to immediately return the Security Deposit as per the MSEDCL rules. Further Even after completion of all the formalities and documentation, there has been more than 90 days, however the Refund of Credit amount has not taken place in blatant violation of SOP 2014. Wherein in Appendix A Point 8(ii) it is clearly stipulated that "Time period for payment of final dues to consumer is 30 days for Urban Areas". Further the compensation for delay is also fixed.
4. Further the MERC Condition of Supply Mentions under para 18-13 that " The MSEDCL shall pay interest on the amount of security deposited in cash by the consumer, at the rate equivalent to the bank rate of the Reserve Bank of India" and last interest on Security Deposit was paid by MSEDCL till the period of April 2014. Therefore , there is a pending interest on SD amount of Rs. 2,39,600=00 from April 2014 till date (currently 36 months) further as MERC Regulations, as the SD amount is being used by MSEDCL, it is supposed to pay interest on this till the date of Refund of the SD.

Relief Sought:

1. To order MSEDCL to refund the Security Deposit amount along with the accrued Interest on the same till the date of Refund at Bank PLR Rate.
2. The order MSEDCL to pay Compensation to us as per the Conditions of Supply till the date of refund and account settlement for our mentioned consumer Number.
3. To make any such order, as the Honorable Forum deems fit.

Arguments from the Distribution Company.

The Distribution Company submitted a letter dated 10/04/2017 from the Nodal Officer, MSEDCL, Urban Circle Office Nashik and other relevant correspondence in this case. The representatives of the Distribution Company stated that:

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Action by IGRC :

1. Internal Grievance Redressal Cell Nashik Urban Circle conducted hearing on 10/01/2017 for the complaint submitted on 21/12/2016 .
2. After hearing both the parties IGRC gave decision as per letter dated 18/02/17 as under:

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Observations by the Forum:

1. During hearing the Distribution Company was asked to submit the copy of the circular instructing to submit the proposals of SD refund to the CE(Commercial) and instructions regarding obtaining indemnity bond on Rs. 100 stamp paper.
2. The Nodal Officer submitted as under by letter dated 18/04/2017:
 - ✓ l j {kk vuker ijrko; kps i d j. k eq; vfHk; rk %okf. kT; % ; kauk i kBfo. ; kl ca/khps i fji =d da PR-3/COS/25026 dtd. 07/08/2014 l kcr t kM. ; kr ; r vkgs
 - ✓ es U; q uVjkt bMLVht ; k xkgdkps duD' kuP; k oGh vkhew gs Jh- fM-lk- ?kkk ; kwh dsys vl u Code of Commercial Instruction %1996% Clause 11-18-0 ul kj Whenever an original money receipt of Security Deposit is misplaced and not possible to surrender the original money receipt, the deposit amount may be refunded after obtaining simple Indemnity in the form of the letter "11-19-2 ul kj Indemnity Bond against claims if any by others (Code of Commercial instruction ph i r l kcr t kMyys h vkgs
3. The complainant has applied on 08/03/2016 to the Superintending Engineer, Nashik Rural Circle for refund of the Security Deposit of Rs. 2,39,600 /- held by the Distribution Company as the connection is permanently disconnected in February 2015. Later by letter dated 27/04/2016 the

complainant submitted the indemnity bond . The Superintending Engineer informed to the complainant by letter dated 02/07/2016 that the indemnity bond is incomplete and not notarized. The complainant than approached IGRC by application dated 21/12/2016 .

4. Meanwhile the complainant filled up the missing details in the indemnity bond on 05/01/2017 and submitted last bill and last bill paid receipt as demanded by the Distribution Company.
5. The IGRC conducted hearing on 10/01/2017 . But by this time the proposal was not processed and sent to Head Office. The same has been sent on 31/01/2017 and still pending.
6. As per the S.N. 8 (ii) of the Appendix A of the MERC (Standards of Performance of Distribution Licensees, 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 other wise compensation is to be paid.

Supply Activity/Event	Standard	Compensation Payable
8. Other Services (ii) Time period for other services from the date of application :		Rs 100 per week or part thereof of delay.
- change of name	Second billing cycle	
- change of tariff Category	Second billing cycle	
- reduction in contract demand / sanctioned load.	Second billing cycle	
-Closure of account-Time period for payment of final dues to consumer from the date of receipt of application for closure of account.	Thirty (30) days (Class I cities and Urban Area). Forty Five (45) days(Rural Areas)	

7. Following discrepancies are noticed on the part of the Distribution Company in handling this case:
 - ✓ The complainant applied for refund in March 2016 .But he was not immediately informed about the submission of the original money receipt of Security Deposit or indemnity bond in case of Lost Money Receipt.
 - ✓ It was insisted to submit indemnity bond on Rs.100/- stamp paper and to be notarized. The Distribution Company has submitted code of commercial instructions (1996) of the erstwhile MSEB in this regard. But even in this document under the title of "**REFUND OF DEPOSITS IN ABSENCE OF THE ORIGINAL RECEIPT ISSUED BY THE BOARD**" it is specifically mentioned that :

*"Whenever an original money receipt for the amount paid as Earnest Money Deposit or Security Deposit is misplaced or lost by the party paying such a deposit or when it is not possible for such party to surrender the original money receipt, the deposit amount may be refunded after obtaining **a simple indemnity in the form of a letter (inserted at appendix – 60) from such party, (which need not be on stamped paper)** irrespective of the amount of the deposit provided that the amount in such cases shall be refunded by "A/C Payee" cheques only."*

As such the action of the Distribution Company in demanding notarized indemnity bond on Rs. 100/- stamp paper is not justified. This also indicates lack of proper knowledge to the concerned officers of the Distribution Company.

8. In fact, as per the regulation of the 11.9 of MERC (Electricity Supply Code and Other Conditions of Supply) Regulations, 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."

Hence there was an obligation on the Distribution Company to refund the amount after disconnection without asking for any compliance. In fact, when the amount is to be refunded by

account payee cheque, it was not even necessary to seek production of original receipt, leave aside indemnity bond.

9. The application was complete in all respect on 05/01/2017 . Hence the security deposit should have been refunded before 19/02/2017 (within 45 days) as per SOP Regulations. But the refund is still pending.
10. The complainant is eligible for the compensation at the rate of Rs. 100 per week or part thereof for the delay after 20/02/2017. As the refund is not yet effected the amount of the compensation can not be computed by the Forum at this stage.
11. The Distribution Company is directed to refund the Security Deposit to the complainant along with interest at Bank Rate of RBI as per rule and also the compensation at the rate of Rs. 100 per week or part thereof for the delay after 20/02/2017 till the date of refund

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. The Distribution Company should refund within 20 days from the date of this order , the Security Deposit to the complainant along with interest at Bank Rate of RBI and also the compensation at the rate of Rs. 100 per week or part thereof for the delay after 20/02/2017 till the date of refund.
2. 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 one month and the concerned Nodal Officer shall furnish intimation of such compliance to the Forum .
3. 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.
4. 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.

(Rajan S. Kulkarni)
Member

(Sandip D. Darwade)
Member-Secretary
& Executive Engineer

(Suresh P.Wagh)
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. , Urban Circle office, Nashik .

