



# **TAMIL NADU ELECTRICITY OMBUDSMAN**

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## **BEFORE THE TAMIL NADU ELECTRICITY OMBUDSMAN, CHENNAI**

**Present : Thiru. A. Dharmaraj, Electricity Ombudsman**

### **Appeal Petition No.4 of 2016**

M/s Anjan Drugs Pvt Ltd.,  
Represented by Its Managing Director,  
Mr. C. Kalaichelvan,  
5<sup>th</sup> Floor Nelson Towers,  
IInd Wing, No.117, Nelson Manickam Road,  
Aminjikarai, Chennai – 600 029.

..... Appellant  
(Rep by Thiru. J. Lakshmi Narayanan,  
Head / Finance Dept)

Vs

1) The Chairman,  
(Superintending Engineer),  
Consumer Grievance Redressal Forum,  
Chengalpattu Electricity Distribution Circle,  
TANGEDCO,  
130, G.S. T. Road (Opp to New Bus Stand),  
Chengalpattu.

2) The Superintending Engineer,  
Chengalpattu Electricity Distribution Circle,  
TANGEDCO,  
130, G.S. T. Road (Opp to New Bus Stand),  
Chengalpattu

..... Respondents  
(Tmt. Masilamani, Deputy Financial Controller)

**Date of hearing : 30.3.2017**

**Date of order : 12-6-2017**

The petition filed by M/s Anjan Drugs Pvt Ltd., Chennai 29 was registered as Appeal petition No. 4 of 2017. The above appeal petition came up for hearing before the Electricity Ombudsman on 30-3-2017. Upon perusing the appeal petition,

counter affidavit and after hearing both sides, the Electricity Ombudsman passes the following order.

## **ORDER**

### **1. Prayer of the Appellant :**

This Hon'ble Tamil Nadu Electricity Ombudsman may be pleased to set aside the order of the second respondent dt.28.9.2016, which is confirmed by the first Respondent in order No.39 dated 19.11.2016 with a direction, directing the Second Respondent to refund the excess amount collected by a way of surcharge amount of Rs.1,72,343/- cheque bounce charges of Rs.1250/- and reconnection fee of Rs.3000/- totalling 1,76,593/- to the petitioner and thus render justice.

### **2. Brief History of the case:**

2.1 The Appellant's company manufacture Drugs and Pharmaceuticals Products and distribute the same in India and Foreign Market. The Appellants factory is having HT service connection number 370 and it is coming under the jurisdiction of the 2nd Respondent.

2.2 The Appellant paid the consumption charges of Rs.5,20,277/- for the month of 10/2014 through cheque No.214768, dt.31.10.2014. The said cheque has been dishonoured by M/s Punjab National Bank with a remarks "wrongly delivered / not drawn on us" vide letter dt.22.9.2016.

2.3 The licensee collected a sum of Rs.6,97,612/- towards CC charges of Rs.5,20,277/- cheque bouncing charges of Rs.1250/- BPSC of Rs.1,73,085/- and RC charges of Rs.3000/-

2.4 The Appellant filed a petition before the CGRF for refund of the sum of Rs.1,76,593/- collected in the following heads:

BPSC	Rs.1,72,343/-
Cheque bouncing charges	Rs.1250/-
& Reconnection Charges	Rs.3000/-

2.5 The CGRF of Chengalpattu EDC dismissed the petition of the Appellant. Aggrieved by the order of the forum, the Appellant filed this appeal before the Electricity Ombudsman.

### **3. Orders of the CGRF :**

3.1 The CGRF of Chengalpattu EDC issued its order on 19.11.2016. The relevant para of the order is extracted below :

“மனுதாரர் மன்றத்தில் ஆஜராகி கடந்த 10/2014 ஆண்டு எங்கள் கம்பெனி மூலம் செலுத்திய காசோலை பணபரிமாற்றம் நடைபெறவில்லை என தெரிவித்து அதன் அடிப்படையில் 10/2016 அன்று BPSC உடன் வசூலித்து விட்டதாகவும், எனவே, BPSC-ஐ தள்ளுபடி செய்து தருமாறு கேட்டு கொள்கிறேன் என தெரிவித்தார். வாரிய விதிகளின்படி 2 ஆண்டுகளுக்கு முன்னதாகவே வாரியத்திற்கு வரவேண்டிய தொகை வராததினால் தலைமையகத்தில் கண்டுபிடிக்கப்பட்டு மேற்படி மின்பயனீட்டு தொகையை BPSC உடன் வசூல் செய்ய பணிக்கப்பட்டதால் வாரியத்தால் வசூல் செய்யப்பட்டது என துணை நிதி கட்டுப்பாட்டு அலுவலர் தெரிவித்தார். மேலும், மின் நுகர்வோரும் தனது காசோலை மாற்றப்பட்டுவிட்டதா என மூன்று மாதங்களுக்கு பிறகாவது பார்க்க வேண்டியது மனுதாரருடைய கடமை. ஆனால், அவ்வாறு செய்யவில்லை என விசாரணையில் தெரியவருகிறது. எனவே, வாரியத்திற்கு செலுத்த வேண்டிய பணத்தை BPSC உடன் வசூல் செய்தது வாரிய முறைகளின்படி சரியே என தீர்மானித்து மனுதாரரின் கோரிக்கை மன்றத்தால் நிராகரிக்கப்படுகிறது.”

### **4. Contention of the Appellant furnished in the Appeal petition :**

4.1 He submitted that the second respondent in its proceedings Lr.No. TANGEDCO / CGL/DFC / RCS / AS / A5 / F.HT.SC.NO.370 / D.64/2016, dated 28.09.2016 issued demand notice to the petitioner by stating that the petitioner has paid the 10/2014 CC charges for an amount of Rs. 5,20,277/-

through cheque at Chief Financial Controller/ Chennai-600 002 vide P.R.No. 205576 dated 03.11.2014 and cheque no. 214768 dated 31.10.2014. The above mentioned cheque has been dishonoured by the banker on the ground "Wrongly Delivered / Not Drawn". As such, the second respondent called upon the petitioner to pay CC Charges for Rs. 5,20,277/- cheque bounce charges Rs. 1250/- and belated payment surcharge for an amount of Rs. 1,72,343/- and reconnection fee of Rs. 3000/- totalling Rs. 6,96,870/- (Rs. Six lakhs ninety six thousand eight hundred and seventy only).

4.2 Though, he pleaded the second respondent that due to the negligence on the part of the Electricity Board in not presenting the P.R. No. 205576 dated 03.11.2014, cheque no. 214768 dated 31.10.2014 drawn on DBS Bank for Rs. 5,20,277/- the petitioner company was penalized, in any event, the petitioner company was willing to pay the CC charges of Rs. 5,20,277/- and hence requested the second respondent to waive the surcharge payments of Rs. 1,72,343/- and other miscellaneous charges. However, the second respondent insisted for the entire amount of Rs. 6,96,870/- failing which the electricity connection will be disconnected, the petitioner company has no other option than to pay the entire amount as demanded by the electricity board under protest.

4.3 The levy of surcharge for an amount of Rs. 1,72,343/- is totally unwarranted and that the second respondent board totally failed to present the P.R. No. 205576 dated 03.11.2014, cheque no. 214768 dated 31.10.2014 before their bankers in time for which, the petitioner cannot be penalized for the negligence committed by the electricity board in en-cashing the cheque. As such, the question of paying surcharge amount does not arise in 'the present case.

4.4 The documentary evidence furnished by the petitioner would clearly establish the fact that the cheque no. 214768 dated 31.10.2014 was received by the second respondent board and the same was not presented , before their bankers and the Memo issued by Punjab National Bank clearly says "**Wrongly Delivered/ Not Drawn**". Further, the petitioner banker also issued a letter dated 24.10.2016 that the disputed cheque was "**unused**", In the said circumstances, it is the negligence of the electricity board in en- cashing the cheque in time and that the petitioner cannot be penalized for the mistake committed by the electricity board.

4.5 It is admitted fact that P.R. No. 205576 dated 03.11.2014, HT No.370, Cheque No. 214768 dated 31.10.2014 drawn on DBS Bank for a sum of Rs. 5,20,277/- was presented before the second respondent's banker, whatsoever. The letter issued by the petitioner's banker dated 24.10.2016 states that the above mentioned cheque was "**Unused**". In such circumstances, the question of claiming cheque bounce charges of Rs. 1250/- does not arise.

4.6 In the present case the second respondent never disconnected electricity connection with reference to HT. SC. No. 370 at any point of time. While so, the electricity board claimed for reconnection fee of Rs. 3000/- is not applicable to the facts and circumstances of the present case.

4.7 In any event, without admitting the claim for surcharge amount of Rs.1,72,343/- the electricity supply code contemplates levy of 12% interest only and in the present case the second respondent demand for surcharge amount at the rate of 18% which is totally opposed to the" Rules and Regulations framed by the Electricity Board.

4.8 The first respondent totally failed to appreciate that the petitioner company has paid security deposit to the tune of Rs. 22,56,640/- which includes additional security deposit also. In such Circumstances, as per Electricity Supply Code, Rule 5(vi) deals with additional security deposit which reads as follows:-

*"vi) In the event of the consumer failing to pay to the Licensee any sum that may become due for payment to the Licensee on the dates fixed for payment thereof, the Licensee may, in addition to and without prejudice to the other rights of the Licensee, appropriate a part or whole of the Security Deposit and interest thereon towards the sum due from the consumer ."*

4.9 When the above mentioned Rule contemplates adjustment of amount due to the Licensee, it is always open for the Licensee to adjust/appropriate part of the security deposit and later demand the shortage amount from the consumer towards additional security deposit. The second respondent bypassing all rules and regulations, claimed the surcharge amount of Rs.1, 72,343/- is totally unwarranted and without authority of Law.

## **5. Arguments furnished by the Respondents :**

5.1 It is respectfully submitted that the High tension bill for October 2014 was issued for Rs. 520277/- to the petitioner's service connection No. 370. The bill was paid at Board Office Accounts Branch, Chennai through Cheque No. 214768 dated 31.10.2014. For having received the Cheque, the receipt No. 205576/03.11.2014 has been issued on condition that "Cheque and DD subject to realization" The cheque has been drawn on the petitioner's bank, i.e., DBS Bank Ltd., 806 Anna Salai, Chennai - 60002 and in favour of Chief Financial Controller, General, TNEB, Chennai.

5.2 It is respectfully submitted that the cheque has been remitted for collection through our bankers i.e., Punjab National Bank at Rayala Towers, Chennai –600002, However, the cheque was returned by our Bankers, through communication dated 22.9.2016 with remarks “Wrongly delivered /not drawn” As such the HT bill for the month of October 2014 has not been paid/credited to the licensee’s account.

5.3 On receipt of intimation of cheque return, seven(7) days, notice dated 28.9.2016 was issued to the petitioner. The notice requested the petitioner to remit Rs.696870/- which include the following amounts.

October 2014 CC charges	Rs.520277.00	} =Rs.696870.00
BPSC	Rs.172343.00	
Service charges on cheque return	Rs. 1250.00	
Disconnection & Reconnection fee	Rs. 3000.00	

The demand has been paid on 3.10.2016. However, the petitioner had protested against the demand on BPSC, service charges on cheque return and Disconnection and Reconnection Fees and filed his objection through letter dated 3.10.2016. Subsequently, the petitioner filed grievance petition before the consumer redressal forum.

5.4 It is respectfully submitted that though the petitioner had accepted that it was their duty to pay charges in time, the petitioner contended that the respondent TANGEDCO should inform the case at the earliest to take timely action. The petitioner had also contended that had the cheque been presented to their bankers, the defect would have been informed by their bankers and they could have taken necessary action to pay the dues.

5.5 It is respectfully submitted that on the licensee’s side it has been placed before the forum that the petitioner being a High tension consumer should have verified his accounts and to ensure that the cheque paid towards HT bill would have

been cleared and credited into licensee's accounts. It has also pointed out that the petitioner had failed to verify the accounts even after three months of payment.

5.7 As per provisions in clause 4 of the Supply Code, all bills are to be paid within the due date specified in the bill and for any bill not paid on the due date then the consumer is liable to pay belated payment surcharge from the day following the due date for payment. In the case of the petitioner, the cheque paid towards October 2014 has been returned by the bankers on 22.09.2016 and hence it became necessary to collect the bill amount along with the surcharge for the delay in realization of the dues.

5.8 The receipt issued on the cheque No.214768/31.10.2014 on condition that "Cheque and DD subject to realization". The cheque has not been realized and returned after two years. The petitioner, who is having transactions with his bankers, should have verified as to whether his accounts have been debited with the amount of the cheque drawn in favour of TNEB. The fact that the transactions with his bankers have not been verified for two years i.e., from October 2014 to September 2016 is not acceptable. This clearly implies that the petitioner is aware of the non realization and with the knowledge of non realization, the petitioner had enjoyed unlawful benefit of delayed payment of dues to the Licensee. As such the petitioner is not entitled to any relief as prayed for in the affidavit.

5.9 The cheque No. 214768/31.10.2014 was returned without realization. This amounts to dishonour of the cheque. As per provisions in clause 15(2) of the Supply Code, for any reason whatsoever if the cheques are dishonoured, the consumer has to pay service charges as stipulated by the Commission. Accordingly the service charges have been collected. Hence the same is in order.

5.10 As per provisions under clause 4(v) of the Supply Code "In case of HT consumers except Local Bodies and Government Departments the surcharge shall be 1.5% per month. For Local Bodies and Government Departments the surcharge leviable is at 1 % per month. As such the averment of the petitioner that levy of 18% per annum (i.e., 1.5% p. m.) is incorrect.

5.11 The claim of the petitioner to adjust a portion of the security deposit as per provisions in clause 5(vi) is misleading. The clause 5(5) refers to Additional Security deposit. It is not permissible to adjust monthly current consumption bills against the security deposit. The adjustment of security deposit has been dealt with in clause 17 (5) of the Supply code under the head "Agreement with respect to supply: Issues on recovery of charges." The provision is applicable to services disconnected for more than six months and also for which the agreements are terminated. In such cases, the Licensee shall make adjustment of the dues due to him from the consumer as may be necessary to clear the dues from the consumer against the security deposit or additional security deposit or any other deposit made by the consumer, and after making such adjustment refund the balance deposit if any to the consumer. As such the provisions in clause 5(5) (vi) cannot operate independently and it has to be read in harmony with the above referred provisions of the Supply Code.

5.12 As regards to the contention of the petitioner that the cheque was not dishonoured but returned by the bank with remarks "wrongly delivered/Not drawn" it is submitted that the receipt No. 205576 dated 03.11.2016 for having received the cheque No. 214768 / 31.10.2014 has been issued with the condition that "Cheque and DD subject to realization. In the case of the petitioner, the cheque has not been realized and returned by the bankers. As such the petitioner is lawfully liable to pay the HT bill of October 2014 and also the surcharge for the delay in payment of

bill on 03.10.2016.

5.13 As regards to the allegation that the petitioner was ready to pay the CC charges and therefore the BPSC and other miscellaneous charges have to be waived and in this regard the request has been rejected by the respondent, it is submitted that the October 2014 HT bill has not been paid on the due date and the amount has been paid on 03.10.2016, therefore as per provisions in clause 4 (ii) (a) of the Supply code, duty is cast on the petitioner to pay belated payment surcharge from the day following the due date for payment. As such the petitioner is not entitled to challenge the lawful demand of BPSC.

5.14 There is no negligence in watching the collection of the Cheque. The receipt has been issued for having received the cheque which of course subject to realization. In view of the centralized payment made at TNEB Headquarters, and the voluminous process involved in verifying individual clearance by different banks, the Licensee is left with no other option except to rely on the account statements issued by their bankers. viz" Punjab National Bank, Chennai - 2. The cheque presented for collection was returned on 22.09.2016 and only thereafter the fact of non realization is known. Even if it has been admitted without accepting that there might be negligence, the petitioner cannot escape his responsibility from paying the BPSC for the delay in payment of the October 2014 bill.

5.15 It is respectfully submitted that the BPSC, service charges on cheque return and other charges have been demanded in accordance with provisions of the Supply code. The Cheque has been returned unrealized. Thus the CC charges for October 2014 bill was outstanding from 3.11.2014 to 3.10.2016. As per provisions in clause 4 of the Supply code, BPSC and service charges have been demanded. The demand for BPSC, service charges and other charges are as per provisions of the supply

code. Hence the levy of BPSC, Service Charges and other charges are lawful and the Licensee is entitled to collect the same.

5.16 In this connection it is also submitted that the electrical supply to the petitioner has been given on his agreeing to comply with all the requirement of applicable Acts, Regulations etc., and Grid Code, Distribution Code and Supply code and of any amendments, modifications or reenactments thereof or of any other enactments to be passed in relation to supply made there under. The petitioner having agreed to be governed by the terms and conditions which states that BPSC is leviable on any outstanding amount cannot go back on the agreement and challenge the lawful demand of BPSC.

#### **6. Hearing held by the Electricity Ombudsman :**

6.1 To enable the Appellant and the Respondents to putforth their arguments in person, a hearing was conducted before the Electricity Ombudsman on 30-3-2017.

6.2 Thiru J. Lakshmi Narayanan, Head Finance of MIs Anjan Drug Pvt Ltd. has attended the hearing and putforth his side arguments.

6.3 Tmt. M. Masilamani, Deputy Financial Controller, has attended the hearing on behalf of the Respondent and putforth her side arguments.

#### **7. Findings of the Electricity Ombudsman:**

7.1 I have heard the arguments of both sides and perused documents furnished by them. The Appellant has prayed for refund of the BPSC, cheque bounce charges and reconnection fee, The findings are discussed issue wise.

#### **8. Findings on refund of BPSC :**

8.1 The Appellant putforth the following arguments:

(i) The levy of surcharge for an amount of Rs.1, 72,343/- is totally unwarranted and that the second respondent totally failed to present the P.R. No.205576

dt.3.11.2014, Cheque No.214768, dt.31.10.2014 before their bankers in time for which petitioner cannot be penalised for the negligence committed by the board in encashing the cheque.

(ii) The memo issued by the Punjab National Bank clearly says "wrongly delivered/ not drawn. Further, the Appellants' bankers also issued a letter dt.24.10.2016 stating that the disputed cheque was not used. In the said circumstances, it is the negligence of the Electricity Board in encashing the cheque in time is the cause for non realisation. Therefore, the Appellant cannot be penalised to pay.

(iii) They have paid a security deposit amount of Rs.22,56,640/-. As per Supply Code Rule 5(vi) the licensee have the right to appropriate a part or whole of security deposit and interest therein towards the sum due from the consumer. Therefore, the licensee would have adjusted/appropriated part of the security deposit towards the CC charges of Rs.5,20,277/- and then demanded the same amount towards security deposit.

8.2 The Respondent putforth the following arguments:

(i) As regards to the contention of the petitioner that the cheque was not dishonoured but returned by the Bank with remarks" wrongly delivered/not drawn, it is submitted that the receipt No.205576 dt.3.11.2014 for having received the cheque 214768/31.10.2014 has been issued with the condition that "cheque and DD subject to realisation" In the case of the Appellant the cheque has not been realised but returned by the Bankers. As such the petitioner is lawfully liable to pay the HT bill of Oct 2014 and also the surcharge for the delay in payment of bill on 3.10.2016.

(ii) As per provision in clause 4(ii) (a), of the Supply Code, duty is cast on the petitioner to pay the belated payment surcharge from the date following the due date for payment . As such the Appellant is not entitled to challenge the lawful demand of BPSC.

8.3 On a careful examination of the documents furnished , it is noted that the Appellant has paid the October 2014 CC charges of Rs.5,20,277/- vide cheque No.214768, dt.31.10.2014 drawn on DBS Bank, Chennai 2 and the cheque was drawn in favour of CFC/Gen/TNEB, Chennai. The TANGEDCO has also issued a receipt dt.3.11.2014 for the said payment. The receipt number is 205576 dt 3.11.2016. In the receipt it has been clearly mentioned that cheque and DD subject to realisation (ie) the payment made is valid only on realisation of the cheque presented. It is also noted from the documents furnished by the Respondent that the cheque was deposited to Panjab National Bank for collection on the same date (ie) 3.11.2014.

8.4 It is also noted from the copy of the Bank Reconciliation statement of cash section of TANGEDCO for the month of 5/15 the cheque No.215768 for Rs.5,20,277/- was shown as item No.11 of under the classification IA Amount debited by GEDCO's But, not accounted in Bank Statement.

8.5 It is also noted that there are correspondences between Financial Controller & Manager/ Punjab National Bank regarding pending amounts on 1.12.2015, 5.1.16 & 28.6.16. In all the above correspondences the cheque no.214768/5.11.2014 for Rs.5,20,277/- was shown as wrongly delivered and shown as pending amount.

8.6 In Punjab National Bank , Chennai communication dt.22.9.16, the Bank has returned the cheque 214768 to TANGEDCO with the reason as wrongly delivered / not drawn on us.

8.7 The above fact was communicated to SE/Chengalpattu EDC by DFC, Chennai-2 vide letter No.23.9.2016 with a direction to collect the CC charges with necessary charges as applicable.

8.8 Accordingly, the SE/Chengalpattu EDC has issued a letter to M/s Anjan Drugs Pvt Ltd., the Appellant herein to pay the CC charges of Rs.5,20,277/-, cheque bouncing charges Rs.1250/- BPSC Rs.1,72,343/- and Reconnection Charges Rs.3000/- vide letter dt. 28.9.2016.

8.9 The Appellant's Banker (viz) DBS Bank Ltd., has also stated that cheque no.214768 was not presented in their CTS clearing Southern Grid till today and informed the status of cheque as not used.

8.10 On a careful examination of the details furnished above, it is noted that the Appellant has paid the CC charges of Rs.5,20,277/- vide cheque No.214768 drawn in DBS bank Ltd., Chennai -2 . The cheque was not realised. But, the fact was intimated to the Appellant only on 28.9.2016 by the SE/Chengalpattu EDC and he has paid the same on 31.10.2016. But, the cheque was not returned on insufficient fund or any fault on the side of the Appellant. It was returned stating that wrongly delivered / not drawn on us. But, the fact of non realisation of the cheque amount was known to the licensee's Head Quarters from 5/15 onwards as per the documents furnished before me. But, non realisation of the said cheque would have been known to the licensee even before also (ie) during Bank reconciliation of the respective month in which it was deposited.

8.11 The licensee has not informed about the non realisation of the cheque to the Appellant immediately as soon as it comes to their knowledge. But, communicated the fact to the consumer/Appellant only on 28.9.2016.

8.12 As the fact of non realisation of the cheque presented on 3.11.2014 was informed only on 28.9.2016 to the Appellant, I am of the view that the Appellant cannot be held responsible for payment of BPSC from 4.11.2014 to 28.9.2016. Therefore, the BPSC levied for the period from 4.11.2014 to 28.9.2016 is set aside.

**9. Findings on cheque dishonoured charges :**

9.1 The Appellant argued that the cheque No.214768 dt.31.10.2014 drawn on DBS Bank for a sum of Rs.5,20,277/- was presented before the Respondents Banker. The Appellant's banker in their letter dt.24.10.2014 stated that the above mentioned cheque was unused. In such circumstances, the question of claiming cheque bounce charges of Rs.1250/- does not arise.

9.2 The Respondent argued that the cheque was returned without realisation. Therefore, the service charges for cheque return has to be paid by the Appellant.

9.3 In this regard, I would like to refer regulation 5(10) of the Supply Code which are extracted below :

**"5. Miscellaneous charges**

xxx xxx xxxx

xx xxx xxx

*(10) Dishonoured cheque service charge: The Licensee shall collect service charges as specified by the Commission from time to time from the consumer, when a Cheque given by consumer is returned by the Bank for any reason whatsoever."*

9.4 On a careful reading of the above regulation, it is noted that the licensee can collect service charges when the cheque given by the consumer is returned by the Bank for any reason whatsoever. As it has been clearly mentioned for any reason whatsoever, the service charges as specified by the Commission has to be paid by the consumer on dishonouring of the cheque by the Bank.

9.5 As the cheque furnished by the Appellant is not realised and returned by the Bank, I am of the view that the Appellant has to pay the service charges as specified by the Commission for dishonour of the cheque.

9.6 As per Miscellaneous charges specified in table (6) of order in M.P.No.41 of 2003, dt.30.9.2004. the service charges for dishonour cheque is Rs.250/-

9.7 I would like to refer regulation 15(4) of the Supply Code also which is extracted below :

**“15. MODE OF PAYMENT**

XXX XXX XX XXX XX XX

*(4).In case the Cheque issued by consumer is dishonoured due to insufficient funds, the Low Tension Consumer will be required to pay thereafter the amount due by cash / money order / demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T. consumers and three months period in respect of H.T consumers. The Licensee shall have the powers for restoration of cheque. Payment facility upto fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. But if the cheque is dishonoured due to the reason other than insufficient funds, the licensee shall have the powers for restoration of cheque payment facility upto fourth occasion without watching the performance of the consumers in regard to subsequent settlement of charges. All such consumers shall pay service charges as stipulated by the Commission in addition to the following:-*

*(a) Low Tension Consumers: Rs.300/-.*

*(b) High Tension Consumers: Rs.1000/-.*

*(c) The concession of restoration of cheque payment facility shall not be given thereafter for a service connection.”*

9.8 As per the above, regulation, the cheque facility could be restored up to 4<sup>th</sup> occasion without watching the performance of the consumers in regard to subsequent settlement of charges if the cheque is dishonoured due to the reasons other than insufficient funds, the consumer has to pay Rs.1000/- in addition to service charges as stipulated by Commission.

9.9 As the Respondent have collected Rs.1250/- it is construed that they have collected service charges for dishonoured cheque Rs.250/- & charges of Rs.1000/- for restoration of cheque facility to the Appellant.

9.10 In view of the above, the Appellant, prayer to set aside the charges of Rs.1250/- collected is not acceptable to me.

**10. Findings on Refund of Reconnection Charges :**

10.1 The Appellant argued that their SC No.370 was not disconnected. Therefore, the Appellant argued that the Reconnection charges of Rs.3000/- has to be refunded.

10.2 The dishonoured of cheque was intimated to the Appellant only on 28.9.2016 vide letter No.SE/TANGEDCO/CGL/DFC/RCS/AS/A5/FHTSC No.370/D.641/2016, dt.28.9.16. The same is extracted below :

*“Tamil Nadu Generation and Distribution Corporation Ltd.,  
From Er. K.Venkidswamy, B.Sc., B.Tech. M.E  
Superintending Engineer  
TANGEDCO  
Chengalpattu  
To  
M/s Anjan Drugs Pvt Ltd.,  
Plot No.109 & 116,  
Sidco Pharmaceuticals Industrial  
Estate, Old Mamallapuram Road,  
Alathur.*

Lr.No.SE/TANGEDCO/CGL/DFC/RCS/AS/A5/F.HT SC No.370/D.641/2016, dated 28.09.2016.

Sir,

*Sub:Elecy – TANGEDCO /CGL – HT SC No.370,  
M/s Anjan Drugs Pvt Ltd., Alathur – Dishonoured of  
cheque for 10/2014 CC charges to be collected –  
intimated – Reg.*

*Ref: LR.No.CFC/AAO/CASH/D22/D221/D.16/2016, dt.23.9.2016*

\*\*\*\*\*

*With reference to the above, it is informed that the HT SC No.370, M/s Anjan Drugs Pvt Ltd., Alathur has been paid the 10/2014 CC charges for an Amount of Rs.5,20,277/- through cheque at Chief Financial Controller/Chennanni -2 vide PR No.205576, dt.3.11.2014.*

*The above payment of Cheque has been dishonoured by the Banker, stated as insufficient fund.*

*Due to the dishonour of cheque for 10/2014 CC charges, you are liable to pay the CC charges for Rs.5,20,277/- cheque bounce charges Rs.1,250/- and belated payment surcharges for an amount of Rs.1,72,343/- and reconnection fees of Rs.3000/- totally Rs.6,96,870/- (Rupees six laksh ninety six thousand eight hundred and seventy only)*

*Hence, you are requested to pay the above amount of Rs.6,96,870/- within seven days otherwise your HT SC No.370 liable for disconnection without any further notice.*

*Sd/ xx xxxx  
for SUPERINTENDING ENGINEER,  
TANGEDCO/CHENGALPATTU.*

10.3 On a plain reading of the letter, it is noted that the Respondent has intimated the dishonouring of cheque and requested the Appellant to pay the CC charges, cheque bouncing charges, Belated payment surcharges and Reconnection fees within 7 days from the date of receipt of the letter and also informed that the service will be disconnected without further notice if payment is not made.

10.4 It is noted that the Appellant has paid the said charges on 3.10.2016 (ie) within the 7 days time granted by the licensee.

10.5 As per regulation 14(1)(b) of Supply Code, for HT Industries the due date is not less than 7 days from the date of billing and 15 days clear notice period shall be given prior to disconnection for non payment.

10.6 In the present case, the Appellant has paid the CC charges on 3.11.2014 and a receipt was also issued to the Appellant. Only on 28.9.2016, the Appellant was informed about non realisation of the cheque furnished by them and a seven days time was granted for payment and the Appellant has also paid the amount within the said 7 days time. Therefore, I am of the view that the Appellant has paid the dues within the notice period and their service is not to be disconnected for non payment. As the service is not falling under the service to be disconnected for non payment, the Reconnection charges of Rs.3000/- claimed is not correct. In view of the above, the Reconnection charges of Rs.3000/- collected is set aside.

**11. Conclusion :**

11.1 (i) As the fact of dishonour of cheque was informed to the Appellant on 28.9.2016, the BPSC levied for the period from 4.11.2014 to 28.9.2016 is set aside.

Therefore, the BPSC collected for the said period shall be refunded to the Appellant.

(ii) In view of my findings in para 9, the levy of Rs.1250/- towards service charges for dishonour of cheque and restoration of cheque facility is upheld.

(iii) In view of my findings in para 10 the charges of Rs.3000/- collected towards reconnection charges is set aside and shall be refunded to the Appellant.

11.2 The amounts that are to be refunded to the Appellant as furnished in para (i) & (iii) above shall be refunded/adjusted in future bills within 30 days from the date of receipt of this order.

11.3 A compliance report on the above shall be furnished within 45 days from the date of receipt of this order.

11.4 With the above findings, the A.P.No.4 of 2017 is finally disposed of by the Electricity Ombudsman. No Costs.

**(A. Dharmaraj)**  
Electricity Ombudsman

To

1) M/s Anjan Drugs Pvt Ltd.,  
Represented by Its Managing Director,  
Mr. C. Kalaichelvan,  
5<sup>th</sup> Floor Nelson Towers,  
IInd Wing, No.117, Nelson Manickam Road,  
Aminjikarai, Chennai – 600 029.

2) The Chairman,  
(Superintending Engineer),  
Consumer Grievance Redressal Forum,  
Chengalpattu Electricity Distribution Circle,  
TANGEDCO,  
130, G.S. T. Road (Opp to New Bus Stand),  
Chengalpattu.

3) The Superintending Engineer,  
Chengalpattu Electricity Distribution Circle,  
TANGEDCO,  
130, G.S. T. Road (Opp to New Bus Stand),  
Chengalpattu

4) The Chairman & Managing Director,  
TANGEDCO,  
NPKRR Maaligai,  
144, Anna Salai,  
Chennai -600 002.

5) The Secretary,  
Tamil Nadu Electricity Regulatory Commission,  
19-A, Rukmini Lakshmi pathy Salai,  
Egmore,  
Chennai – 600 008.

6) The Assistant Director (Computer) – **For Hosting in the TNEO Website.**  
Tamil Nadu Electricity Regulatory Commission,  
19-A, Rukmini Lakshmi pathy Salai,  
Egmore,  
Chennai – 600 008.