

BEFORE THE ELECTRICITY OMBUDSMAN

No.16 C-1, Miller Tank Bed Area (Behind Jain Hospital)
Vasanthanagar, Bengaluru-560052.

Present: **B.V. Patil,**
Prl. District Judge (Retd)
Electricity Ombudsman,
Case No. OMB/B/G-413/2020
Dated 30/12/2020

In the matter of

M/s. Vijayaa Steels Limited,
No. 84/1, Kallanayakanahalli Anchepalya,
Kunigal,
Tumkuru District.

Represented by:

Navayana Law Offices,
Ni. 205, 2nd Floor, Triguna Icon,
Wilson Garden, Hosur Main Road,
Bengaluru – 560027.

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Vs

Appellant

1) Bangalore Electricity Supply Company Limited,
K.R. Circle,
Bengaluru – 560001.

2) Chairperson, Consumer Grievance Redressal Forum (CGRF)
Tumkur District,
Superintending Engineer (Ele),
Tumkur Circle Office, BESCOM,
Shivakumarswamy Circle, Kotithopu road,
Tumkuru – 572102.

3) The Assistant Executive Engineer (Elec.),
O & M Sub Division, BESCOM,
Kunigal – 572130.

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Respondents

1) This Appeal/Representation preferred before this authority by M/s. Vijayaa Steels Limited, Tumkuru District questioning the legality of the order passed by the Consumer Grievance Redressal Forum Tumkuru (herein after referred as CGRF), bearing No. ಸಂಖ್ಯೆ.ಬಿ/ಗ್ರಾವೇ/ಪ್ರ.ಸ.07/2020-21/CYS-17, dated 05.10.2020 under the provisions of Clause 21.2 of KERC Regulations 2004 and sought the following reliefs:

- a. *Set aside the order bearing No. BESCO/CM-ASD/0128212345 dated 29.05.2020 passed by 3rd Respondent in the matter of installation bearing RR No. KEHT-1.*
- b. *Direct the Respondent No. 3 to waive the Demand/Fixed charges for the month of April 2020 to May 2020 as per Government of Karnataka Order No. ENERGY 128 PSR 2020 Bangalore dated 08.05.2020.*
- c. *Direct the Respondent No. 2 and 3 to temporarily reduce electricity load to the installation bearing No. KEHT-1 from 10,500 KVA to 100 KVA.*
- d. *Direct the Respondents to refund Rs. 70,78,128/- with two percent interest per month from the date when the amounts were due and up to the date of actual realization to the full.*

The Appellant/Complainant submitted their appeal memo on 23.10.2020 after communication of the order passed by the CGRF.

The CGRF passed an order on 05.10.2020, the appeal was registered in this office on 28.10.2020. Hence the appeal is in time.

2) The brief facts of the case are that the installation bearing RR No. KEHT-1 with sanctioned load of 10,500 KVA for an industrial unit of the Appellant under HT 2 (A) (ii) Tariff Category was serviced by the Respondents. The industrial unit of the Appellant was registered under Micro, Small and Medium Enterprises Development Act 2006, MSME certificate was also issued by the Competent Authority. The Appellant company earlier deposited security deposit and ASD of Rs. 1,91,64,018/- while servicing the installation. On 16.04.2013 the Respondent No. 3 issued a letter calling upon the Appellant to pay additional security deposit of Rs. 72,85,000/- within 15 days failing which, the Appellant has to face the disconnection of power supply. Second notice was issued on 24.10.2013 demanding Rs. 4,29,40,500/- as ASD. The Appellant being aggrieved by the said demands filed a complaint before the CGRF Tumkuru, after hearing the parties the CGRF Tumkuru rejected the prayer of the Appellant, questioning the order of the CGRF, the Appellant filed an appeal before the Electricity Ombudsman, appeal was came to be dismissed on 23.03.2015. The Appellant questioning the order of the Electricity Ombudsman filed WP 13836/2015 before the Hon'ble High Court of Karnataka. Hon'ble High Court of Karnataka on taking into

consideration Section 47 Sub Clause 5 of the Electricity Act 2003

ordered that:

“if the person requiring the supply is prepared to take the supply through a pre-payment meter, he shall not be liable to furnish security as contemplated under Clause (a) of Sub-Section (1) referred to above. In this case, as the petitioner is prepared to take the supply through a pre-payment meter, and as pre-payment meter is presently not available, it is appropriate that Respondents Nos. 1 & 2 shall supply electricity to the petitioner by collecting approximate monthly energy charges in advance without insisting for any security as contemplated under Clause (a) of Sub-Section (1) referred to above. The amount of the petitioner lying in deposit with Respondent Nos. 1 & 2 shall be adjusted towards energy charges. This order shall cease to be in force once Respondent Nos. 1 & 2 provide a pre-payment meter to the petitioner. The writ petition is disposed of in the above terms.”

The Respondent No. 1 challenged the order of the Hon’ble Single Judge in WA 6090-91/2017. Hon’ble Division Bench of the High Court of the Karnataka dismissed the Writ appeal on 24.07.2018. The review petition 53/2019 filed by the Respondent No. 1 seeking a review of the order passed by the Hon’ble Division Bench of the High Court was came to be dismissed.

- 3) The Appellant filed an application to the Respondent No. 1 on 12.03.2020 requesting to reduce the contract demand/sanctioned load from 10,500 KVA to 100 KVA for the above said installation. However, the application was not accepted by the Respondent

No. 1 stating that the same is liable to be submitted through class one contractor. The Appellant on examination found that there is no procedure that such an application be submitted through class one contractor and submitted the application through E-mail on 31.03.2020 seeking reduction of the contract demand/sanctioned load. Meanwhile, the director of the Appellant company submitted a request letter on 17.03.2020 for reduction of the contract demand/sanctioned load. The Respondents instead of reducing the contract demand as requested by the Appellant, the Respondent No. 3 by his order dated 29.05.2020 directed the Appellant to pay additional security deposit of Rs. 22,66,112/-. However the Appellant sent an intimation on 05.06.2020 referring to the orders passed by the Hon'ble High Court of Karnataka and informed the Respondents that he is not liable to pay any additional security deposit and requested the Respondent No. 1 to supply the electricity to the Appellant by collecting approximate monthly charges without insisting for any security deposit and requested the Respondent No. 1 to adjust the security deposit already deposited with him towards the energy charges. It was also intimated that the said arrangement shall cease to operate when the pre-payment meter is installed by the Respondent No. 1. The Respondent No. 1

up till now has not installed pre-payment meter to the Appellant's installation.

- 4) It is further submitted that due to the Covid-19 the lockdown was imposed from 24.03.2020, accordingly, the industrial unit of the Appellant was closed. The Government of Karnataka by its order dated 08.05.2020 waived the demand/fixed charges for the month of April and May 2020 to the consumers who are recognized as a MSME industrialist. The Appellant produced MSME certificate along with letter dated 30.06.2020 requested the Respondents to waive the fixed charges for the month of April 2020 and May 2020 as per the above said Government order. There was no actual consumption of energy during the month of April 2020 and May 2020, the Appellant is not liable to pay any charges to the Respondents. However, the Respondent No. 1 by its letter dated 20.07.2020 rejected the request of the Appellant for waiver of demand charges on the ground that the MSME certificate does not reflect the address of the factory bearing No. 84/1 Kallanayakanahalli Anchepalya, Kunigal, Tumkuru District, the Appellant was directed to produce the MSME certificate which bears the above said address for availing the benefit.

- 5) The Appellant sought for payment of interest for the year 2018-19 on security deposit. The Appellant is entitled for an interest of Rs. 13,00,000/- on security deposit, the Respondents did not paid interest on security deposit.
- 6) It is also contended by the Appellant that on considering the request of the Appellant for reduction of contract demand, the Respondents are liable to recalculate the security deposit on the reduced contract demand on pro-rata basis, the security deposit on the reduced contract demand would be Rs. 2,10,000/-. The Respondent No. 1 by its letter dated 20.07.2020 reported to the Appellant that his request for reduction of contract demand will be considered only on the application submitted through government licensed class one contractor, the class one contractor has to provide CR Number to the wiring, then only the Respondent No. 1 shall process the request of the Appellant for reduction of the contract demand. The Respondent No. 1 raised the energy bills consumed by the Appellant for the month of February 2020 and March 2020 to the tune of Rs. 1,57,15,890/-. The Respondents are liable to adjust the said amount out of the existing security deposit and they are liable to refund the amount of Rs. 70,78,128/- to the Appellant, the

Appellant submitted the following calculation for the above said refund which reads as under:

<i>Existing Security Deposit:</i>	<i>Rs. 2,17,04,018/-</i>
<i>Payable by Complainant for energy Consumption 'February to March 2020'</i>	<i>Rs. 1,57,15,890/-</i>
<i>Interest Payable by Respondents for the year 2018-19 on the SD</i>	<i>Rs. 13,00,000/-</i>
<i>Security Deposit entitled by the Respondents for 100 KVA</i>	<i>Rs. 2,10,000/-</i>

<i>Complainant entitled for Refund of Total</i>	<i>Rs. 70,78,128/-</i>
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The Appellant filed a complaint before the CGRF Tumkuru, however, the complaint of the Appellant was dismissed by the CGRF Tumkuru.

6. The Appellant questioning the legality of the order passed by the CGRF filed the present appeal contending that;
- The order passed by the CGRF, Tumkuru is illegal and incorrect, the same is an outcome of non-application of mind.
 - The CGRF passed the order without affording sufficient opportunity to put forth the case of the Appellant before it, the CGRF passed the order without hearing either the Appellant or his advocate, which is liable to be set aside.

- c) The CGRF has failed to take into consideration that the Respondents have not filed their objections to the complaint, the CGRF without examining Regulation 34 of COS erroneously jump to the conclusion that the Regulation 34.01 and 34.02 of COS does not empower for temporary reduction of contract demand which is illegal and incorrect.
- d) The CGRF has failed to take into consideration that COS does not contemplate any requirement that the application of the Appellant should be enrooted through Government approved class one contractor, the Respondents are bound by COS cannot device their own procedures.
- e) The CGRF has failed to take into consideration that the Respondents have not complied with the order of the Hon'ble High Court passed in WP 13836/2015 which amounts to a contempt.
- f) The CGRF has clearly ignored Regulation 34.04 of COS failed to order for reduction of contract demand/sanctioned load as requested and failed to direct the Respondents to recalculate the security deposit on the reduced contract demand on pro-rata basis, failed to order for refund of the security deposit and also payment of compensation.

- g) The CGRF has failed examine the Government Order and MSME certificate produced by the Appellant in a right perspective.
 - h) CGRF has failed to take into consideration that the Respondents did not implemented the order passed by the Electricity Ombudsman dated 28.06.2019 regarding the transfer of the power supply installation in favor of M/s. Venkat Alloys, the inaction of the Respondents amounts to violation of the direction issued by the Electricity Ombudsman.
 - i) The CGRF has failed to take into consideration that the installation was serviced as a MSME industrial unit of the Appellant, the installation is still standing in the name of the Appellant failed to extend the benefit of waiver of demand charges to the Appellant. Therefore, the order passed by the CGRF is illegal and prayed for allowing the appeal.
- 7) After registering the appeal, notice was issued to both the parties which was duly served. It was informed to both the parties through letter dated 28.10.2020 of this office in respect of the availability of Sub-Regulation 1 of Regulation 20 of KERC (Consumer Grievance Redressal Forum and Ombudsman) Regulation 2004, for settlement through Conciliation and Mediation, to appear

before this authority on 11.11.2020. However, the parties did not avail the benefit of the said provision, the matter was not settled either through mediation or conciliation. Accordingly, the case was taken up for hearing.

- 8) On 11.11.2020 the Respondent No. 3 filed his objections to the appeal memo contending that the Appellant company has not followed the norms and guidelines of KERC Regulations, the Appellant has not deposited the 2 MMD difference amount as per the KERC Regulations, the CGRF rightly dismissed the complaint of the Appellant. The Appellant is required to pay 2 MMD security deposit as per the consumption valuation calculated by the Respondents, however the Appellant did not comply the present EST norms and guidelines. The Appellant company is registered under MSME in the address of Vijaya Steels Private Limited, Sodekoppa Road, East Side, Nelemangala, Bengaluru Rural, the same does not come within the purview of Kunigal Circle as such MSME certificate produced by the Appellant was not considered, the Appellant is not entitled to any reliefs. It is further submitted that the Respondent No. 1 questioning the order passed by the Hon'ble High Court of Karnataka in WA 6090-91/2017 preferred an appeal before the Hon'ble Supreme Court which is pending

adjudication. The passing of the order in WP 13836/2015, the dismissal of WA 6090-91/2017 and dismissal of the review petition No. 53/2019 was admitted. It is further submitted that the application submitted by the Appellant for reduction of the contract demand/sanctioned load to the office of the Respondent No. 1 was not in accordance of the norms and guidelines of the KERC Regulations. The application has to be submitted by the Appellant through class one contractor after preparing wiring diagram with completion report. Furthermore, the Appellant has to register his company before BESCO authority for reduction of load, in the absence of such registration the request of the Appellant was not considered. The application submitted through E-mail for reduction of the contract demand/sanctioned load was not considered as the same did not submitted through class one contractor with a wiring diagram and completion report.

- 9) The Appellant has not complied the norms and guidelines of KERC Regulations, the question of installing the pre-payment meter does not arise, the Appellant has to follow KERC Regulations. The Appellant had no right to claim benefit extended by the Government for MSME units unless he produces the MSME certificate bearing the address of Kallanayakanahalli, Anchepalya,

Kunigal, however the Appellant produced the certificate bearing the address of Sodekoppa Road, Nelamangala, which does not come under Kunigal Circle, the Respondent rightly refused to extend the benefits to the Appellant. There is no specific direction from the BESCOM, Corporate office regarding the adjustment of the deposit amount, the Respondents are not liable to honor the orders of the Hon'ble High Court of Karnataka, the CGRF rightly dismissed the complaint filed by the Appellant, therefore prayed for dismissal of the appeal.

10) Heard the arguments.

11) On the above contentions the point that arise for consideration of this authority is;

- a. Whether the order bearing No. ಸಂಖ್ಯೆ.ಬೆ/ಗ್ರಾವೇ/ಪ್ರ.ಸ.07/2020-21/CYS-17, dated 05.10.2020 passed by the CGRF Tumkuru District, rejecting the complaint of the Appellant is illegal, perverse, liable to be interfered by this authority?

12) My answers to the above point is in the;

- a. Affirmative.

For the following,

REASONS

- 13) I perused the appeal memo, the records produced along with the appeal including the order passed by the CGRF Tumkuru District.
- 14) Before advertng with the contentions raised by the Appellant, I would like to refer some of the undisputed facts in this case.
- 15) It is not in dispute that the installation bearing RR No. KEHT-1 with sanctioned load of 10,500 KVA for an industrial unit of the Appellant under HT 2 (A) (ii) Tariff Category was serviced by the Respondents. The industrial unit of the Appellant was registered under Micro, Small and Medium Enterprises Development Act 2006, MSME certificate was also issued by the Competent Authority. The Appellant company earlier deposited security deposit and ASD of Rs. 1,91,64,018/- while servicing the installation. On 16.04.2013 the Respondent No. 3 issued a letter calling upon the Appellant to pay additional security deposit of Rs. 72,85,000/- within 15 days failing which, the Appellant has to face the disconnection of power supply. Second notice was issued on 24.10.2013 demanding Rs. 4,29,40,500/- as ASD. The Appellant being aggrieved by the said demands filed a complaint before the CGRF Tumkuru, after hearing the parties the CGRF Tumkuru rejected the prayer of the Appellant, questioning the order of the

CGRF the Appellant filed an appeal before the Electricity Ombudsman, appeal was came to be dismissed on 23.03.2015. The Appellant questioning the order of the Electricity Ombudsman filed WP 13836/2015 before the Hon'ble High Court of Karnataka, Hon'ble High Court of Karnataka on taking into consideration Section 47 Sub Clause 5 of the Electricity Act 2003 passed the following order:

“if the person requiring the supply is prepared to take the supply through a pre-payment meter, he shall not be liable to furnish security as contemplated under Clause (a) of Sub-Section (1) referred to above. In this case, as the petitioner is prepared to take the supply through a pre-payment meter, and as pre-payment meter is presently not available, it is appropriate that Respondents Nos. 1 & 2 shall supply electricity to the petitioner by collecting approximate monthly energy charges in advance without insisting for any security as contemplated under Clause (a) of Sub-Section (1) referred to above. The amount of the petitioner lying in deposit with Respondent Nos. 1 & 2 shall be adjusted towards energy charges. This order shall cease to be in force once Respondent Nos. 1 & 2 provide a pre-payment meter to the petitioner. The writ petition is disposed of in the above terms.”

The Respondent No. 1 challenged the order of the Hon'ble Single Judge in WA 6090-91/2017. Hon'ble Division Bench of the High Court of the Karnataka dismissed the Writ appeal on 24.07.2018. The review petition No. 53/2019 filed by the Respondent No. 1 seeking a review of the order passed by the Hon'ble Division

Bench of the High Court was came to be dismissed. The Respondent No. 3 in his objection statement submitted that an appeal is pending before the Hon'ble Supreme Court. In order to show the pendency of such an appeal before the Apex Court, the Respondent did not produced any material before this authority. On plain reading of the order of the Hon'ble High Court of Karnataka referred supra makes it clear that the Respondents were directed to supply electricity to the Appellant by collecting approximate monthly energy charges in advance without insisting for any security deposit as contemplated under Clause (A) of Sub Section (1) of Section 47 of the Electricity Act 2003. It was also directed that amount laying as a deposit with Respondents shall be adjusted towards energy charges. The order passed by the Hon'ble High Court of Karnataka shall ceased to be in force once the Respondents install a pre-payment meter to the Appellant. The Respondents did not comply the order of the Hon'ble High Court of Karnataka for the reasons best known to them. The non-compliance of the order of the Hon'ble High Court by the Respondents is nothing but a height of illegality amounts to a contempt. In the absence of any order of stay granted by the

Hon'ble Apex court, the Respondents are liable to comply with the order of the Hon'ble High Court.

- 16) It is submitted that the CGRF without examining Regulation 34.01 and 34.02 of COS erroneously jumped to the conclusion that the above said regulations does not empower temporary reduction of contract demand/sanctioned load. For the sake of brevity, the Regulation 34 is reproduced herein:

34: REDUCTION/VARIATION IN THE CONTRACT DEMAND/SANCTIONED LOAD

34.01 *Consumer's increased load requirement. The procedure for sanction of additional power shall be the same as for a new installation except that dues, if any, shall be cleared before sanction of additional power.*

34.02 *Reduction in contract demand / sanctioned load: / Surrender of RR No. (Installation) (Except IP set Installations under LT category). During the Agreement period initial or extended, the Consumer is entitled to get his contract demand / sanctioned load reduced by executing a fresh Agreement. The reduction shall be given effect to from the meter reading date following the expiry of two months period from the date of registration of his application for reduction of contract demand / sanctioned load along with fresh Agreement for reduced contract demand sanctioned load duly making payments of registration cum processing fee as prescribed under Clause 30.01.*

The same Conditions shall also be applicable for requisitions in case of temporary reduction of contract demand / sanctioned load as per provision in power supply Agreements subject to a maximum period of six months only. Note: The officers who are empowered to sanction permanent power supply are also empowered

to approve reduction of CD/sanctioned load to the same extent.

34.03 *When a Consumer gets his contract demand / sanctioned load reduced, his energy / demand entitlement, if any, shall be reduced on pro-rata basis with effect from the date of reduction of CD / sanctioned load. This shall be applicable during power cut period only.*

34.04 *Where the Contract demand / Sanctioned load is reduced, the Security Deposit required shall be recalculated for the reduced Contract demand / Sanctioned load on a pro-rata basis on average monthly bill of the preceding calendar year. Any excess Security Deposit held over the recalculated average monthly bill amount of the preceding calendar year shall be refunded to the Consumer by cheque, within 2 months from the date of approval of reduction of Contract demand / Sanctioned load. If the amount due to the Consumer is not refunded by cheque within two months from the date of approval, the Licensee shall pay interest at 1% per month on actual number of days of delay on the amount due for refund.*

- 17) On plain reading of the above said Regulation 34.02 makes it clear that the condition imposed in the first clause of the regulation also be applicable for requisitions in case of temporary reduction of contract demand/sanctioned load as per provision in power supply agreement subject to a minimum period of 6 months only. The officers who are empowered to sanction permanent power supply are also empowered to approve reduction of CD/sanctioned load to the same extent. The CGRF without examining Regulation 34.02 in a right perspective erroneously held that the above said

regulations does not empower for temporary reduction of contract demand/sanctioned load which is incorrect. The Respondent Nos. 1 to 3 are duty bound to consider the request of the Appellant for temporary reduction in contract demand/sanctioned load for the above said installation when the Appellant has made such a request. Thereby the order passed by the CGRF rejecting the prayer of the Appellant is liable to be set aside.

- 18) It is submitted by the Appellant that the Hon'ble High court of Karnataka in WP 13836/2015 clearly held that when the Appellant expressed his intention to take the power supply through a pre-payment meter, Appellant is not liable to make security deposit till the fixing of pre-payment meter, the Respondent No. 1 has to supply electricity to the Appellant by collecting approximate monthly charges without insisting for any security deposit and the deposits laying with the Respondent No. 1 be adjusted towards energy charges. Admittedly, the Appellant did not installed pre-payment meter to the installation of the Appellant. In view of the non-installation of the pre-payment meter, the Respondents are liable to collect approximate monthly charges and the deposit laying with the Respondents has to be adjusted towards energy charges. The Respondents in this case instead of complying the

order of the Hon'ble High Court of Karnataka, issued fresh notices calling upon the Appellant to deposit additional security deposit of Rs. 22,66,112/- through its letter dated 29.05.2020. when the Hon'ble High Court of Karnataka in the above said writ petition ordered to supply electricity to the Appellant by collecting approximate monthly electricity charges in advance without insisting any security deposit as contemplated under Clause (A) of Sub Section (1) of Section 47 of the Electricity Act 2003, the letter dated 29.05.2020 issued by the Respondent No. 3 directing the Appellant to pay additional security deposit of Rs. 22,66,112/- is contrary to the order passed by the Hon'ble High Court which is liable to be set aside. The issuing of such a letter is nothing but a violation of the order passed by the Hon'ble High Court of Karnataka which amounts to a contempt. The Respondents are not entitled for any security deposits from the Appellant in respect of the installation in question. In fact the Respondents are liable to adjust the amount in deposit with them towards energy charges of the Appellant as directed by the Hon'ble High Court.

- 19) The Appellant filed an application to the Respondent No. 1 on 12.03.2020 requesting to reduce the contract demand/sanctioned load from 10,500 KVA to 100 KVA for the above said installation.

However, the application was not accepted by the Respondent No. 1 stating that the same is liable to be submitted through class one contractor. The records produced in this case clearly disclose that the Appellant filed applications for temporary reduction of the contract demand from 10,500 KVA to 100 KVA. The Respondents insisted the Appellant to submit the application for temporary reduction of the contract demand through class one contractor. Furthermore, in the objection statement it is submitted that Appellant has to submit such an application through class one contractor after preparing wiring diagram and completion report. Even though the Respondents did not bring to the notice of this authority which regulation contemplates that an application for reduction of the temporary contract demand/sanctioned load be accompanied by wiring diagram and completion report through a Government class one contractor. In view of the request of the Appellant for reducing the contract demand, the proper wiring work with completion certificate has to be done by the Appellant for smooth supply of the power to his installation. Therefore it is incumbent of the Appellant to submit the application for temporary reduction of contract demand with a proper wiring, its diagram with completion certificate including fresh power supply

agreement (temporary reduction of contract demand), on such a compliance the Respondent Nos. 1 to 3 are duty bound to pass an order for temporary reduction of contract demand within the stipulated time and recalculate the security deposit for the reduced contract demand on pro-rata basis, refund the balance security deposit or adjust the same to the power consumption bills of the Appellant.

- 20) It is further submitted that due to the Covid-19, the lockdown was imposed from 24.03.2020, accordingly the industrial unit of the Appellant was closed, the Government of Karnataka by its order dated 08.05.2020 waived the demand/fixed charges for the month of April 2020 and May 2020 to the consumers who are recognized as a MSME industrialist. The Appellant by its letter dated 30.06.2020 requested the Respondents to waived the fixed charges for the month of April 2020 and May 2020 as per the Government order. The copy of the MSME certificate produced in this case discloses that the official address of the Appellant enterprise was shown as No. 939, Sondakoppa Road, East Side, Nelamangala, Bangalore Rural. The Respondents in their objections contended that MSME certificate produced by the Appellant refers to Nelamangala Taluk, hence the installation in question is within the

jurisdiction of Kunigal Sub Division, the Respondent No. 3 had no authority to entertain the claim of the Appellant. As could be seen from the records that the installation of the Appellant was serviced by the Respondents treating the same as a MSME unit. It is also not in dispute that the Appellant obtained a MSME certificate from the competent authority in respect of the industrial unit established within the jurisdiction of Kunigal Sub Division. However, the copy of the MSME certificate produced discloses the official address of enterprise at 939, Sondekoppa Road, East Side, Nelamangala, Bangalore Rural. It is not the case of the Respondents that the industrial unit is not situated within the Kunigal Sub Division area for which the installation was serviced. It is an admitted fact that still the installation serviced to the industrial unit is functioning within the Kunigal Sub Division area, the Respondent Nos.1 to 3 are raising the bills for the consumption of the power by the said unit. It is also not the case of the Respondents that the industrial unit is situated at Sondekoppa Road, East Side, Nelamangala, Bengaluru Rural District which comes under Bengaluru Rural Sub Division. It is not correct on the part of the Respondents in denying the benefit extended by the Government for waiver of fixed charges for the month of April and May 2020 merely because the official

address of the enterprise was shown as Sondakoppa Road, East Side, Nelamangala, Bengaluru Rural District. The MSME certificate issued refers to the Appellant company only, the official address shown in the certificate is at Nelamangala itself does not take away the right of the Appellant from claiming benefits under the government order. The Respondent Nos. 1 to 3 are duty bound to waived off demand and fixed charges for the month of April 2020 and May 2020 to the Appellant as per the MSME certificate produced by him.

- 21) The Appellant sought for issuing a direction to give effect to the name change as directed in the order dated 28.06.2019 passed by this authority in OMB/B/G-333/2019. On perusal of the copy of the order passed by this authority in the said case makes it clear that my predecessor passed an order on 28.06.2019 setting aside the order of the CGRF Tumkuru dated 01.03.2019 bearing No. ಬೆ/ಗ್ರಾವೇ/ಪ್ರ.ಸ.01/2018-19/CYS-54, and directed the Respondent No. 2 to effect the transfer of the power supply installation from seller to the buyer of the property after obtaining all necessary documents and indemnity bond from both the buyer and seller including the payment of compensation. It was submitted that the order of my predecessor directing the Respondent No. 2 to effect

the transfer was not complied with. During the arguments when it was brought to the notice of the Respondent No. 3 regarding the non-compliance of the order, it was submitted that power supply agreement was signed by Chief General Manager, Electricity Company and M Zone Chitradurga, who has to effect the transfer of power supply installation from the seller to the buyer of the property, the said file is pending before the competent authority. When this authority passes an order issuing a direction to the Respondents to effect a transfer of power supply installation from the seller to the buyer of the property, the competent authority is duty bound to comply the order passed by the Electricity Ombudsman, non-compliance of such an order by the Competent Authority amounts to dereliction of duty, the same is highly condemnable, needs to be viewed very seriously and also appropriate disciplinary action to be taken against the erring authorities, so as to maintain the discipline in the hierarchy.

22) On examination of order passed by the CGRF including the documents produced in the appeal, in view of the admitted facts as discussed supra, the order passed by the CGRF suffers from material legal infirmities, the same is perverse needs to be

interfered by this authority. Accordingly, point No. 1 is answered in the affirmative.

23) In the result, I proceed to pass the following;

No. OMB/B/G-413/2020/D-1514

Dated: 30-12-2020

O R D E R

- 1) The appeal is allowed.
- 2) The order passed by the CGRF dated 15.10.2020 bearing No. ಸಂಖ್ಯೆ.ಬಿ/ಗ್ರಾವೇ/ಪ್ರ.ಸ.07/2020-21/CYS-17 is set aside.
- 3) The letter dated 29.05.2020 issued by the Respondent No. 3 directing the Appellant to pay additional security deposit of Rs. 22,66,112/- is set aside.
- 4) The Appellant is directed to submit a fresh application for temporary reduction of contract demand/sanctioned load of 100 KVA, with required wiring and diagram, fresh power supply agreement with completion certificate. On submitting such an application with necessary documents referred supra by the Appellant, the Respondents shall process his application within 15 days and pass necessary orders in respect of temporary reduction of contract demand/sanctioned load. The Respondents shall recalculate the security deposit required for the reduced contract demand/sanctioned load on a pro-rata basis and adjust the same with the security deposit available with them. Excess security deposit held by the Respondents after recalculation shall be refunded to the Appellant through a cheque within 1 month.

OR

The Respondents shall adjust the excess security deposit towards energy consumption charges due by the Appellant.

- 5) The Respondents are directed to refund the accrued interest on the security deposit to the Appellant.
- 6) The Respondents are directed to waive the demand and fixed charges for the month of April 2020 and May 2020 to the MSME industry of the Appellant as per the Government order No. ENERGY 128 PSR 2020 Bengaluru dated 08.05.2020.
- 7) The Respondent Nos. 1 to 3 and Chief General Manager, Electrical Company O & M Zone BESCOM, Chitradurga (Signatory to the power supply agreement of the Appellant) or other competent authority are hereby directed to transfer the power supply installation from the Appellant (seller) to the buyer of the property M/s. Vikat Alloys Private Limited, after obtaining all necessary documents within 1 month as per the order passed by the Electricity Ombudsman dated 28.06.2019 bearing No. OMB/B/G-333/2019.
- 8) Send a copy of this order to the Chief General Manager, Electricity Company, O & M Zone, Chitradurga for compliance.
- 9) Send a copy of this order to the MD, BESCOM for taking appropriate disciplinary action against the erring officials of the Respondent Licensee company.

Sd/-
(B.V. Patil)
Electricity Ombudsman.

- 1) M/s. Vijayaa Steels Limited,
No. 84/1, Kallanayakanahalli Anchepalya,
Kunigal,
Tumkuru District.
- 2) Navayana Law Offices,
Ni. 205, 2nd Floor, Triguna Icon,
Wilson Garden, Hosur Main Road,
Bengaluru – 560027.

- 3) Bangalore Electricity Supply Company Limited,
K.R. Circle,
Bengaluru – 560001.
- 4) Chairperson, Consumer Grievance Redressal Forum (CGRF)
Tumkur District,
Superintending Engineer (Ele),
Tumkur Circle Office, BESCOM,
Shivakumarswamy Circle, Kotithopu road,
Tumkuru – 572102.
- 5) The Assistant Executive Engineer (Elec.),
O & M Sub Division, BESCOM,
Kunigal – 572130.
- 6) PS to Hon'ble Chairman, KERC
- 7) PS to Hon'ble Member (M), KERC
- 8) PS to Hon'ble Member (R), KERC
- 9) PA to Secretary, KERC.