



**HIMACHAL PRADESH ELECTRICITY OMBUDSMAN**  
**SHARMA SADAN, BEHIND KEONTAL COMPLEX, SHIMLA-171002**  
Phone: 0177-2624525, email: [ombudsmanelectricity.2014@gmail.com](mailto:ombudsmanelectricity.2014@gmail.com)

In the matter of:

M/S Prime Steel Industries Pvt Ltd., Village Bated, Baddi-Barotiwal Road, Barotiwal, District Solan, HP-174103

- Complainant

Vs

1. Executive Director (Personal), HPSEB Ltd, Vidyut Bhawan, Shimla-171004
2. The Assistant Executive Engineer (E), Electrical Sub-Division, HPSEBL, Barotiwal, District Solan, HP-174103
3. Sr Executive Engineer, Electrical Division, HPSEB Ltd, Baddi, District Solan, HP-173205
4. M/S Rama Steel Ltd., House No. 117, Sector-8, Panchkula (Proforma Respondent)

- Respondents

Complaint No. 36/2020, Registered on 22/09/2020  
(Decided on 11/02/2021)

**CORAM**

Er. K.L.Gupta  
HP Electricity Ombudsman

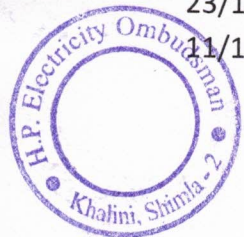
**Counsel for:**

**The Complainant:** Sh. Rakesh Bansal, Advocate  
**The Respondents:** Sh. Anil kumar God, Advocate

**Order**

The case was registered on 22/09/2020. The case was sent for reconciliation under Regulation 34 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 on 23/09/2020 to be returnable by 13/10/2020. Since there was no communication by 13/10/2020, the case was listed for admission hearing on 28/11/2020 vide notice dated 14/10/2020. The Respondents were to file their reply by 07/11/2020 and the Complainant was to file his rejoinder by 13/11/2020.

On request from Respondent No. 3 for extension in time for filing the reply, the Respondents were directed to file their reply by 23/11/2020 and the Complainant was to file his rejoinder by 28/11/2020. The Respondents failed to submit their reply by extended time by 23/11/2020 and were directed vide Interim Order dated 28/11/2020 to file their reply by 11/12/2020 and the Complainant was to file his rejoinder by 18/12/2020. The case was further listed



L. Gupta  
11/02/2021



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for 19/12/2020 which was further re-fixed for 21/12/2020 due to five-day week announced by HP Govt since 1<sup>st</sup> December 2020.

The Respondents filed their reply through email dated 10/12/2020. The Complainant filed his rejoinder on 21/12/2020. Since the Respondents couldn't clear its stand on certain issues as intimated vide Interim Order dated 21/12/2020, they were directed to clear their stand through additional submissions by 11/01/2021 which they did through email dated 13/01/2021, hard copy received on 27/01/2021 and the Complainant filed his rejoinder through email dated 18/01/2021, hard copy was received on 22/01/2021. The orders were reserved on 21/12/2020. The Respondent No. 4 (Proforma Respondent) also submitted some documents through email dated 11/01/2021 and rejoinder to the reply filed by the Respondents through email dated 18/01/2020, hard copy of which was received on 22/01/2021. Hence the delay.

**A – Brief facts of the Case:**

1. M/S Prime Steel Industries Pvt Ltd., Village Bated, Baddi-Barotiwala Road, Barotiwala, District Solan, HP-174103 filed an application through Sh. Megh Raj Garg, CMD (hereinafter referred to as 'The Complainant') under Regulation 28 (1) (b) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 against the orders passed by the Consumer Grievance Redressal Forum on dated 20/08/2020 in Complaint No. 1453/4/19/053, dated 14/10/2019. He has prayed for refund of security and interest thereupon.

**B – The Complainant's submissions:**

1. The Complainant submits that he is a private limited Company duly incorporated under the Companies Act and has a factory located under Barotiwala sub-division for manufacture of steel products. The power connection of his factory has been provided by the Respondents on dedicated 132 kV line emanating from 132 kV Jharmajri Sub-station at Barotiwala. The Company had in the year 2019 acquired the assets of the previous Company by purchasing the assets of the previous owner Company M/S Rama Steels Ltd. from the Himachal Pradesh Financial Corporation (HPFC). Himachal Pradesh Financial Corporation had acquired all the assets of M/s Rama Steels Ltd. under the powers conferred to it by State Financial Corporations Act, 1951, after Rama Steels Ltd. defaulted in repayment of term loans availed from HPFC. After acquiring the rights over all the assets of the defaulting Company i.e. M/s Rama Steels Ltd., HPFC took over the charge of the assets and put up the assets for sale/ auction/ settlement in order to recover the outstanding amount of loan and interest thereupon. The previous owner introduced the Complainant, Prime Steel Industries Pvt. Ltd. as buyer to HPFC. The Complainant negotiated and agreed to purchase the assets of Rama Steels Ltd. for a consideration of Rs. 16 crores, without any liability that might have remained outstanding with HPFC after the adjustment of sum paid by the Complainant. The detailed



*Handwritten signature and date: 11/02/2021*





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terms and conditions were laid down in the sales deed dated 07/03/2019, which included specific mention that the buyer will have right over the assets in respect of the electricity connection of the defaulting Company including security and other amounts as well as the dedicated 132 kV line that was created at the cost of the defaulting Company. Whereas, under the arrangements incorporated in the sale deed the entire liabilities in terms of dues and arrears, present and future, continued to be the liability of the defaulting borrower Company, whereas the rights in respect of defined set of assets was exclusively transferred and vested with the Complainant Company, M/s Prime Steel Industries Pvt. Ltd.

2. The Complainant submits that Complaint No. 1453/3/19/053 was filed before Hon'ble Forum for refund of balance amount of security of M/s Rama Steels Ltd. and interest thereof, as the Complainant is aggrieved by the fact that the final account was not settled and security is still refundable after adjusting the billing dues recoverable from M/s Rama Steels. He submitted that the assets of M/s Rama Steels Ltd. were acquired legally particularly in respect of their account with Himachal Pradesh State Electricity Board Limited from Himachal Pradesh Financial Corporation (HPFC). A letter dated 10/07/2019, has been issued by HPFC to the Managing Director of HPSEBL, stating that after obtaining consent from the Respondents, the settlement was carried out. M/s Rama Steels Ltd., being Respondent No. 4 in this Complaint, has also already given their consent to Forum that the Complainant has now acquired a legally vested right for claiming the refund, if any, alongwith interest accrued thereupon in terms of the sale deed dated 07/03/2019.
3. The Complainant submits that this representation is being filed under Regulation 28 (1) (b) of the HPERC (CGRF & Ombudsman) Regulations, 2013 as the Applicant/ Complainant is aggrieved by the orders dated 20/08/2020 passed by the Ld. Forum in the Complaint No. 1453/3/19/053 titled as Prime Steel Industries Pvt. Ltd. v. HPSEBL and others, whereby the Consumer Grievance Redressal Forum of HPSEBL had observed that

*"7. From the above discussions, it is clear that the Respondent Board has approached Hon'ble High Court by way of filing a civil suit of 31/2016 for recovery of outstanding amount from M/s Sri Rama Steels Industries Ltd., which is annexed as Annexure RA-1. Since the matter of civil suit is inter-related to the claim made in the Complaint regarding refund of balance security amount of M/s Sri Rama Steel Industries Ltd., which is pending adjudication before the Hon'ble High Court. Thus, it would not be appropriate for the Forum to interfere in the matter at this stage which may prejudice the interest of the parties before the Hon'ble High Court. Keeping all this in view and without going into the merits of the case, the present Complaint is disposed of in view of the Civil Suit No. 31/2016 pending before the Hon'ble High Court of H.P, as the Forum cannot pass any orders on a sub-judice matter. The parties are left to bear their own costs."*



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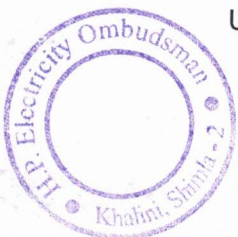




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4. The Complainant submits that the Complaint is being filed well within the time period of one month allowed for filing such representation and is thus not time barred. The Complainant is aggrieved by the decision of the Forum to dispose the matter undecided due pendency of the civil suit filed by the Respondents for recovery of dues from M/s Rama Steels Ltd.
5. The Complainant submits that M/S Rama Steels Ltd. was an EHT Consumer connected at 132 kV Voltage from Jharmajri 132 kV sub-station of HPSEBL. The unit closed down in the year 2013 due to financial hardships and defaulted in the loan payments to HPFC. Due to non-payment of monthly bills, a temporary disconnection was ordered and executed on 07/03/2013. Billing continued thereafter and the power connection was permanently disconnected on 12/09/2013 approximately after six months of temporary disconnection. M/s Rama Steels Ltd. had already submitted a letter requesting permanent disconnection on 18/02/2013, which was duly acknowledged by the AEE, Barotiwala. Power was still not disconnected and the Respondents continued to raise bills thereafter.
6. The Complainant submits that M/S Rama Steels Ltd. had furnished a security towards their power connection by way of a bank guarantee for Rs, 2,21,28,000/- in favour of HPSEBL. The Respondents i.e. HPSEBL, did not even wait for permanent disconnection, but *wrongfully against the rules, exercised the option of realizing the amount of bank guarantee from the concerned bank in the month of April, 2013, immediately after temporary disconnection even though billing was still continued thereafter.*
7. The Complainant submits that vide letter dated 08/04/2013, HPFC enquired the status of outstanding from AEE, Barotiwala, who replied vide his letter dated 18/04/2013 and confirmed to HPFC that a sum of Rs. 38,79,902/- were outstanding from the firm up to the bill of March, 2013. A further sum of Rs. 21,45,280/- was billed in the month of April, 2013, which was also included in the statement submitted by AEE. AEE Barotiwala exercised the option of realizing the bank guarantee from the concerned bank, that was given as security with him. After the realization of bank guarantee, the account of M/s Rama Steels Ltd., was overhauled and a sum of Rs. 1,56,02,798/- was calculated to be excess available with the Respondents including the bill for the month of April, 2013. The same was communicated to HPFC by the AEE, Barotiwala vide his letter dated 29/05/2013.
8. The Complainant submits that outstanding of other Consumers was also adjusted on account of sureties given by M/s Rama Steels Ltd., before arriving at a surplus of Rs, 1,56,02,798/-, the detail of which is as below:

Chandigarh Iron and Steel	Rs.	20/-
United Ispat	Rs.	5,00,000/-



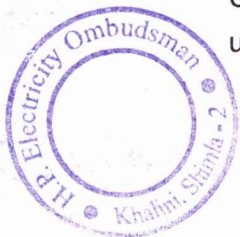
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9. The Complainant submits that the firm objected to recovery of third-party dues from them and also wrote a letter dated 16/04/2015, but the request was not responded to.
10. The Complainant submits that the Respondents deliberately did not permanently close and settle the final account even in the month of May, 2013, but continued to issue inflated bills contravening the rules and regulations upto 12/09/2013 (date of PDCO as stated in reply) or further, without the knowledge of the firm in order to consume the entire surplus amount that was available with them.
11. The Complainant submits that the Respondents on the basis of some incorrect and inflated outstanding dues filed a civil suit No. 31 in 2016 before the Hon'ble High Court of Himachal Pradesh claiming the dues of Rs. 1,52,33,741/-.
12. The Complainant submits that he, after acquiring the right to the balance amount of security etc. lying with HPSEBL in the account of M/s Rama Steels Ltd. from HPFC in 2019, asserted for refund alongwith interest and hence the present Complaint.
13. The Complainant submits that the Forum failed to appreciate that the right over assets including the amount of security furnished by the previous occupier was automatically vested with the Complainant Company, the claim of which was raised vide Complaint number 1453/3/19/053. While he relied on the statements of account submitted by the AEE, Barotiwala to HPFC during the period when the defaulting Company closed down the operations, the Respondents submitted contradicting general statements asserting the civil suit No. 31 of 2016 which has been filed by the Respondents to recover a sum of Rs. 1,52,33,741/- from the defaulting Company i.e. Rama Steels Ltd. The Forum disposed the matter undecided, the matter being sub-judice before the High Court of Himachal Pradesh in view of the counter claims of the parties.
14. The Complainant further points out that the Consumer Grievance Redressal Forum of HPSEBL has complete powers to decide on the matter even when the recovery suit was pending before the Hon'ble High Court of Himachal Pradesh in Civil Suit No. 31 of 2016. The courts of law never obstruct a reconciliation. CGRF is the appropriate forum constituted under the Statute i.e. the Electricity Act, 2003, empowered to adjudicate when the matters related to dues and electricity supplied are involved. Since, earlier the matter of final settlement of dues of Rama Steels Ltd. was not raised before the CGRF, the Respondents proceeded with filing of civil suit for recovery. CGRF, being a competent Court Forum, to understand the matters of Electricity and the technicalities involved, should have made efforts to resolve the matter of settlement of dues between the parties. The Hon'ble High Court would not have come in way in arriving at a settlement/ resolution of the dispute and usually appreciates and encourage such endeavors to resolve the issue. The CGRF, in fact,



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was the appropriate legal remedy to go into details of the dues and arrive at a final figure that might be refundable/ payable by the parties.

15. The Complainant submits that he was well within his rights to approach the CGRF for redressal of his grievance, which has been disposed without going into merits. The CGRF should have resolved the counter claims asserted by both the parties, whereas it is well-versed with the applicable rules and regulations in the matters raised in the Complaint. The CGRF being mainly constituted of the officers of the Respondents, know the technicalities and terminology that are used in the process of calculating the dues of a Consumer. The Complainant being no part of the liabilities of M/S Rama Steels Ltd. as per sale deed executed with HPFC, the responsibility of calculating the final status of dues, whether payable or recoverable, was to be adjudicated by the CGRF. Had the CGRF gone into the exercise, whether any refund was admissible to the Complainant or not, the matter would have concluded.
16. The Complainant submits that now, the CGRF has not disposed the matter on merits and have disposed it as a matter of jurisdiction stating that the matter of dues is sub-judice before the Hon'ble High Court of Himachal Pradesh, the Consumer as per HPERC (CGRF and Ombudsman) Regulations, 2013 notified under the Electricity Act, 2003 is entitled to approach the Ld. Ombudsman praying for justice in the matter. The Ld. Ombudsman, is empowered by the powers conferred to him, by the Electricity Act, 2003, which is a Special Act and the provisions of this Act have an over-riding effect in case of any inconsistencies. Section 173 and 174 undisputedly allows the Ld. Ombudsman to adjudicate in the matter without any interference.

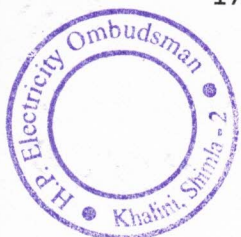
***"Section 173. (Inconsistency in laws):***

*Nothing contained in this Act or any rule or regulation made thereunder or any instrument having effect by virtue of this Act, rule or regulation shall have effect in so far as it is inconsistent with any other provisions of the Consumer Protection Act, 1986 or the Atomic Energy Act, 1962 or the Railways Act, 1989.*

***Section 174. (Act to have overriding effect):***

*Save as otherwise provided in section 173, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act."*

17. The Complainant submits that his right over the security and other amounts lying surplus with HPSEBL is exclusive and clearly maintainable in view of para 2 (ix) of the sale deed executed with the HPFC. The said clause is reproduced below:



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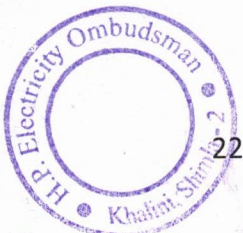
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*"That the BUYER shall be entitled to refund of security and any other amount or claim, if any, from the Himachal Pradesh State Electricity Board."*

18. The Complainant submits that he has acquired vested rights on the assets including the power connection of M/s Rama Steels Ltd. by virtue of the Sale Deed dated 07/03/2019.
19. The Complainant submits that the Respondents have taken advantage of the Consumer and have wrongly adjusted the surplus amount available with them after the effective date of PDCO as per rules and have continued to raise bills, which were not legal in order to absorb the surplus amount. The lack of timely action on the part of the Respondents, have resulted in wrong and incorrect amount calculated by the Respondents by contravening the provisions of the Supply Code, 2009 and other related regulations notified under the Electricity Act, 2003. The Respondent is only entitled for the dues up to the effective / deemed date of permanent disconnection of the power connection. Any surplus available at such point of time should have been refunded to the Consumer at that point of time itself. Some of the glaring irregularities as observed by the Complainant are pointed out in below mentioned paragraphs:
20. Para 7.1.6 of the Supply Code, 2009 deals with the permanent disconnection of the request of the Consumer and provides that the supply to a Consumer **shall be permanently disconnected within five days of receiving such request**. The firm M/s Rama Steels Ltd. vide their letter dated 18/02/2013 had requested for permanent disconnection. The letter was received on 18/02/2013 by the concerned representative of the Respondents. The supply should have been connected permanently latest by 23/02/2013, after which the Respondents had no right to raise any further bill and only the final bill up to 23/02/2013 could have been raised.

*"In case the Consumer desired his connection to be disconnected permanently, he shall apply for the same on the format prescribed in Annexure-C of this Code. The licensee shall carry out special reading and prepare final bill, including all arrears up to the date of such billing within five days from such request. Upon payment, the licensee shall issue the receipt with final bill stamped on it and this receipt shall be treated as "No dues certificate". Thereafter, the licensee shall not have any right to recover any charges for any period prior to this date of billing."*

21. The Complainant submits that the Respondents have contravened the provisions of the Supply Code, 2009 and have twisted the facts in such a manner, which can be termed as fraud in the legal language, primarily for wrongful, unlawful, monetary gains.
22. The Complainant submits that the firm, Rama Steels Ltd., was not liable to any bills that were raised for the period after 23/02/2013. The bills for the months of March and April were



*Receipt*  
*11/02/2021*





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wrongly raised and added in the statement given to HPFC. The refund due to the Complainant was even more than what was stated in the statement given to HPFC.

23. The Complainant submits that the Respondents had prima facie no case for civil suit which they have filed for recovery against the firm, Rama Steels Ltd. and which should not form any reason the amount of excess security remaining with the Respondents, on which the right now vests with the Complainant. The Respondents have grossly erred and have seriously contravened the provisions of rules and regulations notified by HPERC under the powers conferred to it by the Electricity Act, 2003. The Respondents should have settled the final account immediately from the deemed dated of PDCO i.e. 23/02/2013.
24. The Complainant submits that he is also entitled to interest on refund due to them as per rules and regulations. The relevant rules and regulations allowing the refund of balance amount along with interest in various regulations that can be applied in this case are reproduced in paragraphs mentioned below:
25. The Complainant submits that the refund is primarily arising out of conversion of security amount provided in the shape of bank guarantee, which was converted to cash security, when the Respondents claimed the bank guarantee amount from the Consumer, through the guarantee issuing bank. As such, it would be appropriate to consider the excess amount as balance amount of security that was withheld by the Respondent for many years due to wrong accounting in their books of accounts.
26. The Complainant submits that he is entitled to interest on security as per regulation 8 (1) of the HPERC (Security Deposit) Regulations, 2005, which is reproduced below:
- "8. Refund of security deposit. - (1) Where an agreement for supply of electricity is terminated as per the terms and conditions of supply, the licensee shall be required to refund the security deposit if any, after making adjustments for the amounts outstanding from the Consumer to the licensee, within one month of the effective date of termination of the agreement:*
- Provided that if such refund is delayed beyond the period of one month as specified above, the licensee shall pay simple interest on such deposit @ 12 % per annum from the effective date of termination of the agreement without prejudice to other rights of and remedies available to the Consumer."*
27. The Complainant submits that as per this regulation, the Complainant is entitled for simple interest @ 12% per annum for a period starting from 23<sup>rd</sup> May, 2013 up to this date. This period being over seven years, the interest amount works out to Rs. 1,44,12,214 for a period of seven years, which is required to be tried up to the actual date of refund.



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28. He further submits that considering the clause 5.7.3 of the Supply Code, 2009, the Complainant is entitled for interest @ 15% simple interest and rates applicable from time to time under this para. The relevant provision is reproduced below:

*"If on examination of a Complaint, the licensee finds a bill to be erroneous, a revised bill will be issued to the Consumer indicating a revised due date of payment, which will not be earlier than ten days from the date of delivery of the revised bill to the Consumer. If the amount paid by the Consumer under para 5.7.1 is in excess of the revised bill, such excess amount will be refunded through adjustment first against any outstanding amount due to the licensee and then against the amount becoming due to the licensee immediately thereafter. The licensee will pay to such Consumer <sup>3</sup>(simple interest on the excess amount @ 15 percent per annum, or where the rate is fixed by the Commission at the rate so fixed, on daily basis)<sup>3</sup> from the date of payment till such time the excess amount is adjusted."*

29. The Complainant submits that prior to the amendment of rate of 15%, the rate of such refund was "twice the SBI's Short Term PLR prevalent on the first of April of the relevant year".
30. The Complainant submits that since, the Complainant had to approach this Hon'ble Forum, the interest applicable on refunds ordered by the Forum is also defined in the HPERC (CGRF and Ombudsman) Regulations, 2013. The relevant provision is reproduced below:

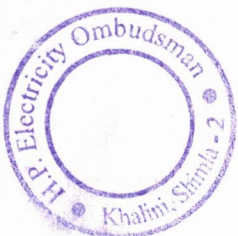
**"26. Issuance of Order.-** (1) On receipt of the comments from the licensee or otherwise and after conducting or having made such inquiry or local inspection conducted as the Forum may consider necessary, and after affording reasonable opportunity of being heard to the parties, the Forum shall take a decision.

(2) If, after the completion of the proceedings, the Forum is satisfied that the allegations contained in the grievance are correct, it shall –

(a) issue an order to the distribution licensee directing it to do one or more of the following things in a time-bound manner, namely:-

(i) to remove the cause of grievance in question;

(ii) to return to the Complainant the undue charges paid by the Complainant along with the simple interest at the rate of 15 percent per annum, or at such rate as may be fixed by the Commission, for the actual number of days for which the undue disputed amount was withheld by the licensee; or; ....."



*Accepted*  
*11/02/2024*





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31. The Complainant prays to a) to order refund of security as balance amount of bank guarantee realized after excluding the amounts overcharged for the months of March and April after 23/02/2013 and also excluding the sum of sureties recovered from the proforma Respondent; b) to order payment of interest on the refund amount as per applicable rules and regulations reproduced above in these submissions; c) to pass any other orders as may fit the facts and circumstances of the case; d) cost of Complaint to an extent of Rs. 2,00,000/- and e) call for the record of the case.

**C – The Respondents' submissions:**

1. The Respondents submits that that Complainant has no cause of action and locus standi to file the present Complaint and same deserves dismissal. Further, he has not approached this Hon'ble Forum with the clean hands and suppressed and concealed the material facts from this Hon'ble Forum as such Complaint is liable to be dismissed.
2. The Respondents submits that the Complainant is estopped to file the present Complaint by his own Acts, conduct and deeds. He has no legal vested right to claim the refund of the dues, if any, of the M/s Sri Rama Steel Ltd. The Complainant is an auction purchaser, who has purchased the assets and properties of M/s Sri Rama Steel Ltd. from the HPFC free from all encumbrances. The sale deed is executed in between the Complainant and the HPFC and the replying Respondents are not party to the said sale deed as such the said sale deed is not binding on the replying Respondents. The Complaint of the Complainant is not maintainable and same is liable to be dismissed with special costs.
3. The Respondents submits that the representation has not been filed under the applicable regulations and the same is liable to be rejected. The Complainant has raised new grounds in this representation which has not been raised before the Id. CGRF and same cannot be adjudicated upon before this Appellate Forum and the representation is liable to be dismissed.
4. The Respondents submits that the order passed by the Id. CGRF is not sustainable in the eyes of law and the question of the legal proceeding initiated against the replying Respondents by the Complainant had been left open. The Id. Forum below has failed to appreciate the legal position of the Complainant as against the replying Respondents. Since the electricity supply connection of the M/s Shri Rama Steel Ltd. had been permanently disconnected on 07/03/2013 on account of the failure of M/s Shri Rama Steel Ltd. to deposit the billed amount of Rs. 2,54,40,343/- dated 05/02/2013.
5. The Respondents further submitted that the present proceeding is collusive one and as such not sustainable and the present representation is liable to be dismissed.



*Accepted*  
*11/02/2021*





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6. The Respondents submitted that the M/s Rama Steel Ltd. is a Private Limited Company, registered under the Companies Act, 1956 and on its application the replying Respondents granted electricity connection for its industrial unit at Village Bated Baddi Barotiwala road Tehsil Baddi Distt. Solan HP on 16/01/2009. M/s Shri Rama Steel Ltd. obtained electricity connection from the replying Respondents with Connected Load of 11500 kW and Contract Demand of 12778 kVA and hence, became liable for its tariff, applicable under schedule LS (Large Supply). Account No. LP-755, was assigned to M/s Shri Rama Steel Ltd. An agreement was executed between the replying Respondents and M/s Shri Rama Steel Ltd., whereby M/s Shri Rama Steel Ltd. agreed to pay all the demands of the replying Respondents, as permissible under the law. Two number Consumers in the name and style of M/s Sri Rama Steel Ltd. Unit-I having account number LP-40 and M/s Chandigarh Iron & Steel Co. Ltd. having account number LP-767 got amalgamated in M/s Sri Rama Steel Ltd. Unit-II having account number LP-755 on dated 30/10/2009. As such the connected load of M/s Sri Rama Steel Ltd. Unit-II got extended from 11500 kW to 19991.300 kW with extension in Contract Demand from 12778 kVA to 22214 kVA on 30/10/2009. M/s Sri Rama Steel Ltd. Unit-II submitted an undertaking in the shape of affidavit through its Managing Director Sh. Om Parkash Aggarwal to the effect that they would be fully responsible for all the liabilities arising on account of LP-40 and LP-767 and also that they would be responsible for all the consequences of the litigation relating to Sri Rama Steel Unit-I and Chandigarh Iron & Steel Co. Ltd. in electricity matters. M/s Shri Rama Steel Ltd. got its Contract Demand reduced from 22214 kVA to 17214 kVA on 07/04/2010 which was further got reduced from 17214 kVA to 13214 kVA on 26/06/2011. M/s Shri Rama Steel Ltd. again got his Contract Demand reduced from 13214 kVA to 10214 kVA on 18/12/2012 which was ultimately got reduced to 250 kVA on 10/04/2013 and thereafter 5107 kVA w.e.f. 1<sup>st</sup> July 2013 onwards. The replying Respondents started supplying electricity to the M/s Shri Rama Steel Ltd. against the above-said sanctioned connection w.e.f. 16/01/2009. The M/s Shri Rama Steel Ltd. was liable to pay the charges, as per tariff applicable to it, from time to time, for which the replying Respondents have been generating periodical bills to M/s Shri Rama Steel Ltd. The billing cycle of the replying Respondents for its Consumers, falling under LS, was monthly. The Consumers of the replying Respondents including M/s Shri Rama Steel Ltd. are liable to pay the bills raised by the replying Respondents, from time to time, within the time specified therein. The replying Respondents issued a bill dated 05/02/2013 for the month of January 2013, against account of M/s Shri Rama Steel Ltd., in the sum of Rs. 2, 54, 40,343/-. The M/s Shri Rama Steel Ltd. defaulted in the payment of the above-said bill intentionally and deliberately. Due to non-payment of the above-said bill, replying Respondents temporarily disconnected the electricity connection of M/s Shri Rama Steel Ltd., on 07/03/2013, as per rules. The M/s Shri Rama Steel Ltd. failed to make the payment of outstanding demands, payable by it to the replying Respondents and, hence, the replying Respondents was constrained to permanently disconnect the above-said connection of M/s Shri Rama Steel Ltd., on 12/09/2013, again in accordance with the rules. The temporary disconnection of the electricity connection of M/s Shri Rama Steel Ltd., was done on 07/03/2013, yet the periodical bills were generated and



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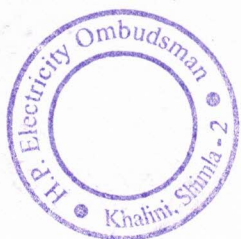




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supplied to M/s Shri Rama Steel Ltd. thereafter periodically, levying mandatory demand charges, as per applicable tariff. M/s Shri Rama Steel Ltd., at the time of applying for sanctioning of the electricity connection, in its favour, had pledged a security in the sum of Rs. 2,21,28,000/-, in the shape of bank guarantee, in favour of the replying Respondents. Since, the default of M/s Rama Steel Ltd., in the payment of aforesaid amount to the replying Respondents persisted; the replying Respondents became entitled to appropriate the amount of security, as detailed above, which was appropriated on 14/05/2013. That M/s Shri Rama Steel Ltd. firstly defaulted in payment of bill, dated 05/02/2013, issued by the replying Respondents for the month of January, 2013 and thereafter, continued to default in paying all subsequent bills, raised against its account till the permanent disconnection was effected. The intention of the M/s Shri Rama Steel Ltd. is mala-fide and has caused heavy financial loss to the replying Respondents. After deducting the amount of Rs. 2,21,28,000/-, from security deposit of M/s Shri Rama Steel Ltd., During 04/2015 the account of M/s Rama steel was overhauled. After overhauling a sum of Rs. 1,52,33,741/- required to be paid by M/s Rama Steel. The reconcile sheet duly signed by AEE Barotiwala & Director of M/s Shri Rama Steel is also attached herewith, a sum of Rs. 1,52,33,741/- remained payable by M/s Shri Rama Steel Ltd. to the replying Respondents on 12/09/2013. M/s Shri Rama Steel Ltd. has acted mala-fide and has withheld a huge amount of public money, as detailed hereinabove, without any justifiable reason. The replying Respondents have been forced to file a Civil Suit No. 31 of 2016 titled as HPSEBL Versus M/s Shri Rama Steel Ltd. against the Ms/ Shri Rama Steel Limited for a sum of Rs. 1, 94, 99,188/- in order to recover the outstanding dues of the electricity consumption charges, which is pending adjudication before the Hon'ble High Court of HP (**as is evident from Annexure RA-2**) and this amount is still to be recovered from the M/s Shri Rama Steel Ltd. The Complainant is unable to disclose this fact that as to how it is entitled for the dues which are lying with the replying Respondents pertaining to M/s Shri Rama Steel Ltd., when it is a new Consumer to whom electricity power supply was initially released by the replying Respondents. The Complainant is not entitled to claim any proprietary rights in the line question and any refund of security when no security amount is lying with the replying Respondents and rather there is an outstanding amount of Rs. 1,94,99,188/- against the M/s Rama Steel Industries for which the replying Respondents have filed a civil suit No. 31 of 2016 titled as the HPSEBL Vs M/s Shri Rama Steel Ltd. before the Hon'ble High Court of HP and the same is pending adjudication and the defendants are not putting an appearance in the civil suit as is evident from **Annexure RA-2 and 3** respectively. The Id. CGRF has not decided question of the legal proceeding initiated against the replying Respondents and the same is left open. When the Complainant was not the Consumer of the replying Respondents prior to the release of the electricity connection how the Complainant can claim proprietary rights in the electricity connection issued to the M/s Rama Steel Industries as such the Complaint of the Complainant is not sustainable in the eyes of law and same is liable to be dismissed.



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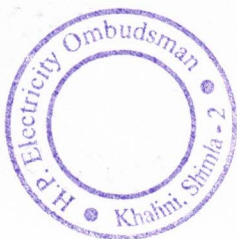




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7. The Respondents submits that Respondent No.4 was a Consumer of the replying Respondents to whom electricity power supply connection was issued as stated in para supra and due to nonpayment of the electricity consumption charges the connection was disconnected in accordance with the provisions of the Electricity Act, 2003 and Rules and Regulations framed thereunder. The Respondents further submitted that the Complaint has been filed by the Complainant in collusion with the Respondent No. 4 since the Complainant is also defending the Respondent No. 4, whereas Respondent No. 4 is not appearing before this Id. Forum or the Id. CGRF and even before the Hon'ble High court of H.P. The detailed reply has already come in the preceding para supra and same may kindly be read as reproduced here for the sake of brevity.
8. The Respondents further submitted that when the Respondent No. 4 makes default in the payment of the billed amount to the tune of Rs. 2,54,40,343/- dated 05/02/2013, security amount deposited by the Respondent No. 4 was cashed and after deducting the amount of Rs. 2,21,28,000/-, from the security deposit of M/s Shri Rama steel Ltd. During 04/2015 the account of M/s Rame steel was overhauled. After overhauling a sum of Rs. 1,52,33,741/- required to be paid by M/s Rama Steel. The reconcile sheet duly signed by AEE Barotiwala & Director of M/s Shri Rama Steel is hereby attached as **Annexure RA- 1**, a sum of Rs. 1,52,33,741/- remained payable by M/s Shri Rama Steel Ltd. to the replying Respondent on 12/09/2013. The M/s Shri Rama Steel Ltd. has acted with mala-fide intension and has withheld a huge amount of public money, as detailed herein above, without any justifiable reasons. The replying Respondents have been forced to file a civil suit No. 31 of 2016 titled as HPSEBL Versus M/s Shri Rama Steel Ltd. against the M/s Shri Rama Steel Limited for a sum of Rs. 1,94,99,188/- in order to recover the outstanding dues of the electricity consumption charges, which is pending adjudication before the Hon'ble High court of HP, as such the Complaint of the Complainant is not sustainable and the same is liable to be dismissed.
9. The Respondents submitted that the replying Respondents issued a bill dated 05/02/2013 for the month of January 2013, against account of M/s Shri Rama Steel Ltd., in the sum of Rs. 2, 54, 40,343/-. The M/s Shri Rama Steel Ltd. defaulted in the payment of the above-said bill intentionally and deliberately. Due to non-payment of the above-said bill, replying Respondents temporarily disconnected the electricity connection of M/s Shri Rama Steel Ltd., on 07/03/2013, as per rules. The M/s Shri Rama Steel Ltd. failed to make the payment of outstanding demands, payable by it to the replying Respondents and, hence, the replying Respondents was constrained to permanently disconnect the above-said connection of M/s Shri Rama Steel Ltd., on 12/09/2013, again in accordance with the rules. The temporary disconnection of the electricity connection of M/s Shri Rama Steel Ltd., was done on 07/03/2013, yet the periodical bills were generated and supplied to M/s Shri Rama Steel Ltd. thereafter periodically, levying mandatory demand charges, as per applicable tariff. The M/s Shri Rama Steel Ltd., at the time of applying for sanctioning of the electricity connection, in its favour, had pledged a security in the sum of Rs. 2,21,28,000/-, in the shape of bank



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11/02/2021





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guarantee, in favour of the replying Respondents. Since, the default of M/s Rama Steel Ltd., in the payment of aforesaid amount to the replying Respondents persisted; the replying Respondents became entitled to appropriate the amount of security, as detailed above, which was appropriated on 14/05/2013. That M/s Shri Rama Steel Ltd. firstly defaulted in payment of bill, dated 05/02/2013, issued by the replying Respondents for the month of January, 2013 and thereafter, continued to default in paying all subsequent bills, raised against its account till the permanent disconnection was effected. The intention of the M/s Shri Rama Steel Ltd. is mala-fide and has caused heavy financial loss to the replying Respondents. After deducting the amount of Rs. 2,21,28,000/-, from security deposit of M/s Shri Rama Steel Ltd. During 04/2015 the account of M/s Rama steel was overhauled . After overhauling a sum of Rs. 1,52,33,741/- required to be paid by M/s Rama Steel. The reconcile sheet duly signed by AEE Barotiwala & Director of M/s Shri Rama Steel is hereby attached as **Annexure RA- 1**, a sum of Rs. 1,52,33,741/- remained payable by M/s Shri Rama Steel Ltd. to the replying Respondents on 12/09/2013. The M/s Shri Rama Steel Ltd. has acted mala-fide and has withheld a huge amount of public money, as detailed hereinabove, without any justifiable reason. The replying Respondents have been forced to file a Civil Suit No. 31 of 2016 titled as HPSEBL Versus M/s Shri Rama Steel Ltd. against the Ms/ Shri Rama Steel Limited for a sum of Rs. 1, 94, 99,188/- in order to recover the outstanding dues of the electricity consumption charges, which is pending adjudication before the Hon'ble High Court of HP, as such the Complainant has no cause of action and locus standi to file and maintain the present Complaint as against the replying Respondents and same is liable to be dismissed.

10. The Respondents submitted that since two number Consumers in the name and style of M/s Sri Rama Steel Ltd. Unit-I having account number LP-40 and M/s Chandigarh Iron & Steel Co. Ltd. having account number LP-767 got amalgamated in M/s Sri Rama Steel Ltd. Unit-II having account number LP-755 on dated 30/10/2009. As such the Connected Load of M/s Sri Rama Steel Ltd. Unit-II got extended from 11500 kW to 19991.300 kW with extension in Contract Demand from 12778 kVA to 22214 kVA on 30/10/2009. M/s Sri Rama Steel Ltd. Unit-II submitted an undertaking in the shape of affidavit through its Managing Director Sh. Om Parkash Aggarwal to the effect that they would be fully responsible for all the liabilities arising on account of LP-40 and LP-767 and also that they would be responsible for all the consequences of the litigation relating to Sri Rama Steel Unit-I and Chandigarh Iron & Steel Co. Ltd. in electricity matters. M/s Shri Rama Steel Ltd. got its Contract Demand reduced from 22214 kVA to 17214 kVA on 07/04/2010 which was further got reduced from 17214 kVA to 13214 kVA on 26/06/2011. M/s Shri Rama Steel Ltd. again got his Contract Demand reduced from 13214 kVA to 10214 kVA on 18/12/2012 which was ultimately got reduced to 250 kVA on 10/04/2013 and thereafter 5107 kVA w.e.f. 1<sup>st</sup> July 2013 onwards. The replying Respondents started supplying electricity to the M/s Shri Rama Steel Ltd. against the above-said sanctioned connection w.e.f. 16/01/2009. The M/s Shri Rama Steel Ltd. was liable to pay the charges, as per tariff applicable to it, from time to time, for which the replying Respondents have been generating periodical bills to M/s Shri Rama Steel Ltd. The billing



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cycle of the replying Respondents for its Consumers, falling under LS, was monthly. The Consumers of the replying Respondents including M/s Shri Rama Steel Ltd. are liable to pay the bills raised by the replying Respondents, from time to time, within the time specified therein. The replying Respondents issued a bill dated 05/02/2013 for the month of January 2013, against account of M/s Shri Rama Steel Ltd., in the sum of Rs. 2, 54, 40,343/-. The M/s Shri Rama Steel Ltd. defaulted in the payment of the above-said bill intentionally and deliberately. Due to non-payment of the above-said bill, replying Respondents temporarily disconnected the electricity connection of M/s Shri Rama Steel Ltd., on 07/03/2013, as per rules. The M/s Shri Rama Steel Ltd. failed to make the payment of outstanding demands, payable by it to the replying Respondents and, hence, the replying Respondents was constrained to permanently disconnect the above-said connection of M/s Shri Rama Steel Ltd., on 12/09/2013, again in accordance with the rules **The fact of amalgamation of these two units is well within the knowledge of the Complainant as is evident from the pleading at para No. 2 in the Complaint filed before the Id. CGRF** by the Complainant and the outstanding amount of electricity consumption charges by the Respondent No. 4 was already in the knowledge of the Complainant as such the Complainant has no cause of action and locus standi to file and maintain the present Complaint and same is liable to be dismissed.

11. The Respondents submitted that the Complainant was not the Consumer prior to the release of connection and the present Complaint has been filed in connivance with the Respondent No. 4 namely M/s Rama Steel Industries. The detailed reply has already come in the preceding para supra and no such pleading was made before the Id. CGRF and new grounds are being added at this appellate stage and same is not sustainable in the eye of law. When the Respondent No. 4 makes default in the payment of the billed amount the TDCO was issued and thereafter TDCO was issued in accordance with the provisions of the HP Electricity supply code 2009 and the sales Manual Instructions. The replying Respondents have not recovered the third parties dues rather the actual due and admissible has to be recovered from the Respondent No. 4 which a recovery suit is pending before the Hon'ble High court of HP and the Complaint is collusive one and the same is liable to be dismissed.
12. The Respondents further submitted that in order to recover the outstanding amount of the electricity consumptions charges a recovery suit has been filed before the Hon'ble High Court of HP in accordance with the provision of the Electricity Act, 2003 and Rules and Regulations framed thereunder.
13. The Respondents submits that the Complainant has no right to claim the refund of any amount from the replying Respondents on the basis of alleged sale deed to which the replying Respondents are not a party, when the replying Respondents have already filed a civil suit No. 31 of 2016 before the Hon'ble High court of HP on account of recovery of the outstanding amount of the electricity consumption charges.



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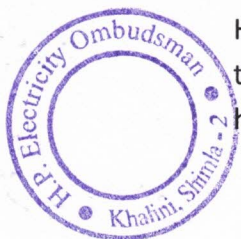




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14. The Respondents further submitted that the replying Respondents are not a party to the said sale deed as such the same is not binding on the replying Respondents. The claim of the Complainant is not justifiable in the eyes of law and it is also not disclosed by the Complainant that in what capacity the Complainant is claiming the refund of the dues, if any, of the M/s Shri Rama Steel Ltd. Respondent No. 4, when the replying Respondents has to recover the charges of the electricity consumptions from the M/s Shri Rama Steel Ltd. for which a civil suit is already pending in the Hon'ble High court as such the claim of the Complainant, is not sustainable and same is liable to be dismissed with special costs.
15. The Respondents admitted to the extent of competency of the Ld. CGRF and civil suit No. 31 of 2016. They further submitted that the action of the replying Respondent in filling the Civil suit No. 31 is as legal one and in accordance with the provisions of the Electricity Act 2003 and rules and regulations framed thereunder and the Respondent No. 4 is bound to make the payments of the outstanding amount of the electricity consumption charges. The Complainant is not entitled for refund of any amount from the replying Respondents and the Complainant be directed to bear the financial liability of Respondent No. 4.
16. The Respondents further submitted that the replying Respondents are not a party to the said sale deed as such the same is not binding on the replying Respondents. The claim of the Complainant is not justifiable in the eyes of law and it is also not disclosed by the Complainant that in what capacity the Complainant is claiming the refund of the dues, if any, of the M/s Shri Rama Steel Ltd. Respondent No.4, the M/s Rama Steel Ltd. When the replying Respondents have to recover the charges of electricity consumptions from the M/s Shri Rama Steel Ltd. They further submitted that no excess amount is lying with the replying Respondents pertaining to M/s Shri Rama Steel Ltd. on the one hand, the Complainant is denying the liability of the Respondent No. 4 the M/s Rama Steel Limited and on the other hand, claiming the amount which as per the version of the Complainant has been deposited by the Respondent No. 4, M/s Rama Steel limited on accounts of electricity charges and thus the replying Respondents are sustaining the loses in double shape one failure of the Respondent No. 4, M/s Rama Steels Limited to deposit the outstanding amount of electricity charges and secondly by refunding the amount to the Complainant as such the claim of the Complainant is not sustainable and same is liable to be dismissed.
17. The Respondents submitted that the Complainant is trying to take the advantage of the sale deed to which the replying Respondents are not party and there is no sum due to the Respondent No. 4 rather a huge amount of Rs. 1,94,99,188/- is due to the Respondent No. 4 and the replying Respondents have filed a civil suit for the recovery of this amount against Respondent No. 4 before the Hon'ble High court of HP which is pending adjudication. However, they further submitted that if such a clause has been inserted in the sale deed then the Complainant can require the HPFC to pay the outstanding amount of the HPSEBL which has not been paid by the Respondent No. 4, M/s Rama Steel Limited. The replying



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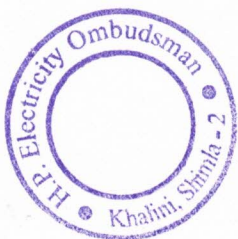


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Respondents are not a party to the said sale deed as such the same is not binding on the replying Respondents. The claim of the Complainant is not binding on the replying Respondents. The claim of the Complainant is not justifiable in the eyes of law and it is also not disclosed by the Complainant that in what capacity the Complainant is claiming the refund of the dues if any, of the M/s Shri Rama Steel Ltd. when the replying Respondents have to recover the charges of electricity consumptions from the M/s Shri Rama Steel Ltd. The Complainant has been miserably failed to explain that in what capacity it is claiming this amount from the replying Respondents and Complainant be put to the strict proof of its entitlement for this amount. The Complainant is trying to take the advantage of the sale deed to which the replying Respondents are not the party and the sale deed is not binding on the replying Respondents. On the one hand, the Complainant is denying the liability of the Respondent No. 4, the M/s Rama Steel Limited and on the other hand, claiming the amount which as per the version of the Complainant has been deposited by the Respondent No. 4 M/s Rama Steel limited on accounts of electricity charges and thus the replying Respondents are sustaining the losses in double shape one failure of the Respondent No. 4, M/s Rama Steels Limited to deposit the outstanding amount of electricity charges and secondly by refunding the amount to the Complainant. The action of the replying Respondent is in accordance with the provisions of the Electricity Act, 2003 and Rules and Regulations framed thereunder. The Complainant cannot claim proprietary right in respect of electricity connection and the security amount which had been issued to the Respondent No. 4 and had been permanently disconnected way back in the year 2013 for the non-payment of the outstanding amount of the electricity consumption charges and neither the Complainant was a Consumer prior to the release of the electricity connection i.e vide SCO NO. 0003606 dated 01/11/2019 issued pursuant to the directions issued on 23/10/2019 by the Id. CGRF in Complaint No. 1453/2/19/018 titled as M/s Prime steel Industries Pvt. Ltd. Vs HPSEBL. Since the Complainant was not a Consumer of the HPSEBL prior to the release of connection and the replying Respondents have to recover a huge amount from the Respondent No. 4 for which a recovery suit is pending in the Hon'ble High court HP and there is no security amount lying with HPSEBL and the present Complaint has been filed in collusion with the Respondent No.4 and this Id. Forum can take judicial notice of it as the Respondent No. 4 is not putting appearance before this Id. Forum as such the present representation is not sustainable in the eyes of law. There is no surplus amount lying with the replying Respondents rather an amount of 1,94,99,188/- is yet to be recovered from the Respondent No. 4 for which a recovery suit has already been filed in the Hon'ble High court of HP.

18. The Respondents prayed that the Complaint filed by the Complainant may kindly be dismissed, in the interest of justice.



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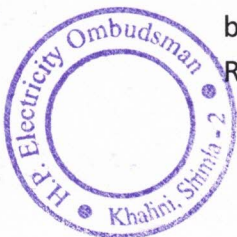




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**D – The Complainant's additional submission through rejoinder"**

1. The Complainant submitted that he repeat, reiterate and confirm all the statements and averments made by him in the Complaint and deny all the statements and averments made in the said reply unless and until the same are specifically admitted by the Complainant company.
2. The Complainant submitted that he has vested rights which have been vested to him by the Himachal Pradesh Financial Corporation who executed and transferred all the assets of M/s Rama Steels Ltd. which also included the remaining security out of the total security deposited by M/s Rama Steels Ltd. with the Respondents. The sale deed is binding upon the Respondents under the State Financial Corporations Act, 1951, which empowers the State Financial Corporations to own and transfer the assets of the borrowers as all the fixed and current assets of the borrowers are mortgaged to the state financial corporation.
3. The Complainant submitted that he has inadvertently mentioned the Regulations 16, 17 and 18 of the HPERC (CGRF and Ombudsman) Regulations, 2013, in the 'Memo of parties', which are applicable while filing grievances before the Forum. This is a clerical/ typographical error for which the Complainant prays to the Hon'ble Electricity Ombudsman, to ignore. However, in other parts of the Complaint, applicable Regulation 28 (1) (b) has been clearly mentioned. No new ground has been taken in this representation and the Respondents have not pin pointed any such ground. The previous Complaint before the Forum was also with regard to the vested rights transferred by HPFC in favour of the Complainant.
4. The Complainant submits that his legal position has already been explained in the Complaint as well as in the foregoing paras. The Respondents have no right to retain the security surplus of M/s Rama Steels Ltd. The surplus should have been returned immediately after the request of PDCO to the erstwhile Consumer. Since, the security was not returned, the Complainant while purchasing the unit from HPFC counted the surplus security in the price offered based on the statement of account given by AEE Barotiwala to HPFC. The Respondents are themselves contradicting the statements of account given to HPFC. The Complainant doubts the existence of such bill and even the correctness of the accounts furnished by the Respondents.
5. The Complainant denied that there is no collusion as has been alleged by the Respondents. The Respondents have failed to specify as to who all are colluding against them.
6. The Complainant submitted that he does not contest that the final unit in the name of M/s Rama Steels Ltd. was a resultant unit after the merger/ amalgamation of three units as has been stated by the Respondents. The statements in this respect are a matter of record. The Respondents have stated that Contract Demand of M/s Rama Steels Ltd. was changed



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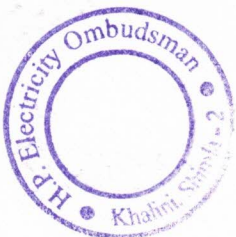


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several times and was reduced in steps at the final stages. The Respondent's statement that the Contract Demand was increased from 250 kVA to 5107 kVA w.e.f. 01/07/2013 is highly unacceptable. For that matter even the request of M/s Rama Steels Ltd. for permanent disconnection on 18/02/2013 has not been considered by the Respondents while carrying out the calculations. It is a case of deemed permanent disconnection and the bill for the month of February, 2013 was supposed to be the final bill and the security was required to be adjusted there and then. The Respondent has prepared the account to their advantage, which is in contravention of the rules and regulations notified by HPERC. Even after adjustment of security, the Respondents continued to raise bills, which again is contravention of the rules. The Respondents have also charged various items at a much later stage in order to consume the surplus security available with them. Merely, filing a petition with the Hon'ble High Court of Himachal Pradesh, does not prove that the dues claimed therein are legitimate. Hon'ble High Court has not passed any orders to this effect till date. There are lots of irregularities in accounts, which can be reconciled with Respondents if the Hon'ble Ombudsman directs accordingly.

7. The Complainant denied as there is nothing prove any kind of collusion. It is in fact not necessary for the Complainant to collude with Respondent No. 4 as the rights for refund of security has been vested by HPFC and not Rama Steels Ltd. There is no reason so as to relate the Complainant with the Respondent No. 4. The Complainant is contesting this case on the strength of the documents available on record, which the Respondents are not rebutting in the entire reply.
8. The Complainant submitted that the Respondents while issuing bills till September, 2013 realized the security in April, 2013, which is not allowed by the regulation. The security was to be adjusted only at the time of permanent disconnection, which as per statement of respondent was carried out in September, 2013. The permanent disconnection after temporary disconnection is only paperwork and no physical disconnection is carried out. The Respondents have manipulated the record in the absence of the consumer i.e. Rama Steels Ltd.
9. The Complainant submits that the Respondents have not replied to the point but has been beating around the bush. The Respondent has miserably failed to answer and has no denied the statements made to the HPFC about the outstanding dues of M/s Rama Steels Ltd. Merely filing a civil suit in 2016 does not prove the correctness of the claim of the Respondents.
10. The Complainant further submits that the Respondent has failed to substantiate in their favour as to how M/s Rama Steels Ltd. was liable for United Ispat. A sum of Rs. 5.00 lakhs have been charged on account of United Ispat. No rule permit such transfer of liability under the Electricity Act, 2003.



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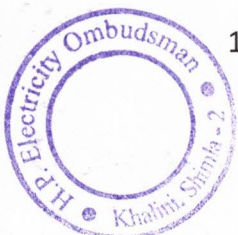


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11. The Complainant submits that the Respondents have failed to answer as to why the connection was not disconnected permanently on request of the consumer and further submitted that the Civil Suit has been filed on the basis of incorrect account prepared by the Respondents and the Complaint was only filed by the Complainant after the transfer of rights by HPFC.
12. The Complainant submits that the Respondents have replied that the sale deed is not binding upon them, which is incorrect. Under the powers vested with HPFC, the sale deed is binding upon the Respondents as it is on record with HPFC as to what was available as surplus at the point of time when it was communicated to HPFC. The Respondent has not objected to the question of jurisdiction of the Hon'ble Ombudsman in the matter.
13. The Complainant submits that the Respondents have also agreed that it was within the competency of the CGRF to decide in the matter. The recovery from Respondent No. 4 cannot be made through CGRF or Ombudsman as the Respondents are not allowed to approach these Forums under the Electricity Act, 2003. The Complainant cannot be held liable for the liability of Respondent No. 4 as the Complainant has purchased the assets without any liabilities from HPFC.
14. The Complainant submitted that he is only asking for amount that is due for refund only to the extent of balance security, which right has been vested to him by HPFC under the sale deed.
15. The Complainant submits that he has tried his best to explain the legal position to raise a claim from the Respondents, even though it appears that the Respondents are denying the same. The claim of the Complainant is based on the snapshot of the dues that were officially given by the AEE Barotiwala to HPFC and are not without any logic. As it has been pointed out in the Complaint as well as the foregoing paras of this rejoinder that there has been gross contravention of rules and regulations in preparing the final account of the consumer M/s Rama Steels Ltd. Annexure R1 attached by the respondent is in direct conflict with Annexure C-5, which was submitted to HPFC. The Complainant is fully entitled to claim interest also on the balance amount of security as per relevant provisions in the regulations.
16. The Complainant thus prayed to allow this Complaint on merits and averments made in the Complaint as well as this rejoinder.

**E – The Respondents' additional submissions:**

1. **Letter dated 18/02/2013(Request for PDCO by M/S Shri Rama Steel):-**The Respondents submitted that in respect of the request letter regarding permanent disconnection given by



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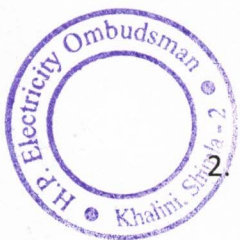
M/S Sri Rama Steel Ltd., there is no any letter dated 18/02/2013 diary in the office of Sr. Executive Engineer(Copy of Diary register enclosed for your reference w.e.f. 18/02/2013 to 05/03/2013).

2. **Letter dated 16/04/2015 of M/S Sri Rama Steel wherein they have informed the then CMD of the Respondent Board that the calculations have been submitted under duress and are miscalculations:-** The Respondents submitted that on perusal of record there is no any letter dated 16/4/2015 has dairy in the dairy register in the office of Sr. Executive Engineer (Copy of dairy register attached w.e.f 16/4/2015 to 30/4/2015). They further added that, on scrutiny of record it has been found that M/s Shri Rama steel fully convinced to the reconciliation sheet of Rs. 1,52,33,74/-1 & also request for payment of Rs 1,52,33,741/- in 10 equal instalment to pay the above mentioned amount (Copy of letter attached).
3. **Letter dated 29/05/2013 by Respondent no.2 to the HPFC intimating that they credit balance of Rs. 1,56,02,798/- in respect of consumer M/s Sri Rama Steel liquidating the BG 2,21,28,000/- available with them:-** The Respondents submitted that on perusal of record it has been found that AE Barotiwala has never given any information to the GM HPFC regarding credit balance of Rs. 1,56,02,798/-. As on scrutiny of record/ dispatch register, letter attached by the Complainant consumer dated 29/05/2013 bearing dispatch 461 is also not matched with the dispatch register of AE Barotiwala office. It means that AE Barotiwala never dispatched 461 No. letter on dated 29/05/2013 to the General Manager (Tech) HPFC, Himrus Building Circular road Shimla (Copy of Dispatch register enclosed).
4. **The statement of balance due from the firm M/s Rama Steel amounting to Rs. 1,52,33,741/- for which they have filed a case at Hon'ble High Court:** The Respondents submitted that the copy of overhauled sheet in respect of account of M/s Shri Rama Steel having A/c No. LP-755 signed by the assistant Executive Engineer and Director of M/s Shri Rama steel (Copy enclosed). This reconciliation sheet of amounting to Rs 1,52,33,741/- was also agreed by the owner of Shri Rama Steel which was shown in letter dated 8/4/2015 (copy enclosed) in which he requested to pay the amount of Rs. 1,52,33,741/- in ten equal instalments.

**F – The Complainant's additional submissions through rejoinder:**

1. The Complainant repeated, reiterated and confirmed all the statements and averments made by him in the Complaint and denied all the statements and averments made in the said reply unless and until the same are specifically admitted by him. The Complainant submitted that the Hon'ble Ombudsman vide his orders dated 21/12/2020 had directed the Respondents to file additional submissions to clear the conflict over letters dated 18/02/2013, 16/04/2015, 29/05/2013 and statement of dues submitted to Hon'ble High Court in respect of Rama Steels.

2. The Complainant submitted that the Respondents have miserably failed in denying the authenticity of the letters / documents concerning the matter of this case on the basis of



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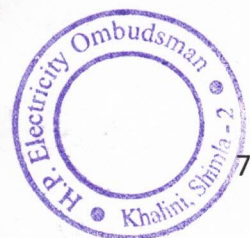


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dispatch / diary records maintained in their offices. The detailed para wise comments/ rebuttal were provided by the Complainant in subsequent paragraphs.

3. The Complainant submitted that the letter dated 18/02/2013 may not have been recorded in the diary. The diary system is the internal system of the Respondents and is not known to the Consumers. There are many such instances when the letters are received without recording them in the diary. In order to prove this, the Complainant can produce numerous such letters even of the current date, when the diary entries are not being carried on. Merely on the basis that the relevant entry does not appear in the diary maintained by the Respondents, the authenticity of the letters cannot be challenged, when the letters bear signatures and stamp of the receiving officer.
4. The Complainant submitted that the diary record attached by the Respondents is for the period 10/04/2015 to 30/04/2015, but not of February 2013 which could have been relevant. He further pointed out that the Respondents are carrying on unethical practices as is evident from page number 111 of diary. It must be noticed that there are several lines left blank in between entry number 410 and 415. These blank rows and numbers from 411 to 414 indicate foul play in managing diary entries.
5. **2 Letter dated 16/04/15:** The Complainant submitted that in the submission made by the Respondents, they have denied the entry of the said letter in the diary. The diary records maintained by the Respondents are selective and many of the letters received by them are not entered in the diary register. The Consumer has no control over such entries and as such cannot be made responsible for their action of not entering the letter into the diary. However, the letter bears a proper signature and stamp of the receiving officials. The letter dated 08/04/2015 was specifically withdrawn vide letter dated 16/04/2015 and hence, the said letter stands null and void. The Complainant on close examination of the reconciliation statement prepared by the Respondents realized gross irregularities and thus withdrew his previous letter dated 08/04/2015.
6. **Letter dated 29.05.2013 written to HPFC:** The Complainant submitted that the Respondents have knowingly not provided the dispatch register of 29/05/2013. The record appended by the Respondent is for the period 16/02/13 to 4/3/13 (Dispatch Pages 61 to 72), which does not cover the above date. The letter dated 29/05/2013 bears an official number as HPSEBL/ Rama Steel/2013-14-461 and cannot be denied. The Respondent has miserably failed in proving his contention. The denial of the Respondent is a clear non-reliance on information received under RTI Act, which may have serious repercussions if the officers of the HPFC take cognizance of the same.
7. **Account statement submitted to Hon'ble HP High Court:** The Complainant submitted that the account statement has been submitted with Hon'ble HP High Court in respect of Rama

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Steels. The Respondents have still not clarified as to why there is so much of difference in the account statement submitted to HPFC and the account statement submitted to High Court. The Respondents themselves seem lost in the calculations and have been making statements at their own whims and fancies, without following the rules and regulations. The statement given to HPFC upto April 2013, while the TDCO issued in March 2013, how could such a huge difference of more than 3 crores have arisen. The Complainant has believed the statement given to HPFC and have purchased the closed unit on the basis of the same and the value of purchase was settled accordingly. The excess money available with the Respondents after liquidation of bank guarantee were neither transferred to HPFC. On the contrary in order to absorb the surplus, the Respondents have prepared statements of accounts to suit himself, which amounts to undue enrichment of the Respondents.

8. The Complainant submitted that the original letters that have been referred to in the submissions, are available with the proforma Respondents and can be produced before the Hon'ble Ombudsman for perusal, if necessary. The Respondents cannot be allowed to get away by their callous attitude towards Consumers in the interest of natural justice.
9. The Complainant further prayed to allow this Complaint on merits and averments made in the Complaint as well as this rejoinder.

**G – CGRF Order:**

1. We have heard both the parties at length and also gone through the case file carefully and it has transpired that the Complainant has sought refund of security and any other amount or claim, if any, from the Respondent Board in terms of clause x of the deed of sale dated 07.03.2019 which provide for all passed liabilities of the subject matter of sale to borne paid by the borrower company and all future liabilities of subject matter of the sale to borne and paid by the buyer. The Respondent Board in terms of letter dated 29.05.2013 has got liquidated the bank guarantee for Rs.2,21,28,000/- on 14.05.2013 against unpaid billed amount outstanding against M/s Sri Rama Steel Ltd. account number L-755. Upon liquidation of bank guarantee there exist credit balance of Rs.1,56,02,798/- of Proforma respondent in the accounts of HPSEBL, as per account statements for December, 2005 to April, 2013 pleaded at Annexure C-7. The Board in rebuttal submitted that the M/s Sri Rama Steel Ltd. has caused heavy financial loss to the replying Respondents. The replying Respondents have been forced to approach the Hon'ble High Court by way of filing a civil suit of 31/20166 for recovery of outstanding amount from M/s Sri Rama Steels Industries Ltd. which is annexed as Annexure RA-1. The claimed amount is still to be recovered to the M/s Sri Rama Steel Ltd. The Board opposing the claim of the claimant company has submitted that since the matter of claim in civil suit is pending adjudication before the Hon'ble High Court, this Forum cannot pass any orders in the matter, as the matter of claim for refund of balance security is interconnected with the matter of civil suit before the Hon'ble High Court. 7.



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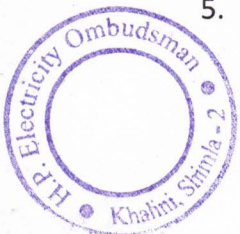


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2. From the above discussions, it is clear that the Respondent Board has approached Hon'ble High Court by way of filing a civil suit of 31/20166 for recovery of outstanding amount from M/s Sri Rama Steels Industries Ltd., which is annexed as Annexure RA-1. Since the matter of civil suit is inter-related to the claim made in the Complaint regarding refund of balance security amount of M/s Sri Rama Steel Industries Ltd., which is pending adjudication before the Hon'ble High Court. Thus, it would not be appropriate for the Forum to interfere in the matter at this stage which may prejudice the interest of the parties before the Hon'ble High Court. Keeping all this in view and without going into the merits of the case, the present Complaint is disposed of in view of the Civil Suit No. 31/20166 pending before the Hon'ble High Court of H.P, as the Forum cannot pass any orders on a sub-judice matter. The parties are left to bear their own costs.

**H – Analysis of the Complaint:**

1. The case file at Consumer Grievance Redressal Forum in Complaint No. 1453/4/19/053, dated: 14/10/2019 have also been requisitioned and gone through.
2. The Complainant had purchased the assets of previous occupier of the premises M/S Rama Steel from HP Financial Corporation (HPFC) in the year 2019. They have a dedicated 132 kV transmission line from 132 kV Jharmajri sub-station at Barotiwala.
3. The previous Company was having a security deposit of Rs 2,21,28,000/- with HPSEB Ltd in the shape of Bank Guarantee. The HPFC vide communication dated 08/04/2013 requested Sr Executive Engineer, Electrical Division, Baddi to intimate the outstanding amount in two parts, before clubbing and after clubbing and further requested not to release the said Bank Guarantee since overdue outstanding amount was pending against M/S Rama Steel. The HPFC vide Communication dated 10/05/2013 informed to mark their lien on the said Bank Guarantee.
4. The Assistant Executive Engineer, Electrical Sub-Division, Barotiwala vide communication dated 18/04/2013 intimated an amount of Rs 38,79,902/- as overdue amount against account No. LP-755 of M/S Rama Steel and further intimated that they have already issued the TDCO on 07/03/2013. The Assistant Executive Engineer further issued energy bills in April 2013 with an additional amount of Rs 21,45,280/- making total outstanding amount as Rs 60,25,182/-.
5. The Assistant Executive Engineer Barotiwala through communication dated 29/05/2013 intimated HPFC that they have liquidated the Bank Guarantee for Rs 2,21,28,000/- and calculated the credit balance of Rs 1,56,02,798/- after adjusting outstanding of other Consumer on account of sureties given by M/S Rama Steel for M/S Chandigarh Iron and Steel



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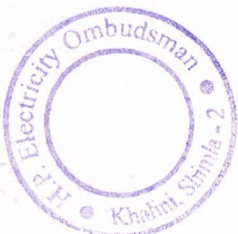


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& M/S United Ispat to the tune of Rs 5,00,020/-. They also provided a statement to that effect to HPFC.

6. The account of M/S Rama Steel was permanently closed with PDCO on 12/09/2013 and as per Complainant, the Respondents continued issuing bills even after TDCO on 07/03/2013 and thus inflated the amount due till PDCO was effected. The Respondent Board filed a CWP in HP High Court in 2016 for recovery of an outstanding of Rs 1,52,33,741/-
7. The Respondent Board submitted that they had issued an energy bill for Rs 2,54,40,343/- for January 2013 on 05/02/2013 and on non-payment, issued TDCO on 07/03/2013. And after liquidation of Bank Guarantee for Rs 2,21,28,000/- on 14/05/2013 and before on account of clubbing of load for account numbers LP-40, LP-767 and LP-755 added Rs 1,02,73,237/- for same and continued billing even after TDCO on 07/03/2013 and further worked out that an amount of Rs 1,52,33,741/- was due from M/S Rama Steel, Respondent No. 4. The CWP No. 31/2016 is resultant for recovery of outstanding amount of Rs 1,52,33,741/- plus interest. They have also attached a copy of the case filed at Hon'ble HP High Court.
8. There are no supportive documents like calculations/ orders etc presented by the Respondent Board for supporting their claim for outstanding due from the Respondent No. 4 on account of clubbing of loads.
9. The status of the case at HP High Court as per last order issued on 07/03/2018 is that "steps for begetting the effectuation of service upon defendants No. 1, 3 and 4 not taken. Be taken within two week. List after completion of service upon unserved defendants". The case has not been listed since.
10. The scrutiny of statement attached by the Respondent Board shows energy bill for January 2013 amount to Rs 1,29,86,436/- (Rs 1,28,18,632/- SoP and Rs 1,67,804/- ED) without surcharge and with previous outstanding as 'zero'. Similarly energy bill for February 2013 shows bill generated for Rs 1,54,57,433/- (Rs 1,15,10,198/- SoP and Rs 39,47,235/- ED) including previous outstanding of Rs 78,57,496/- (Rs 45,86,266/- SoP & Rs 32,71,230/- ED). The statement given by Respondent Board does not match with their claim as outstanding balance of Rs 2,54,40,343/- from Respondent No. 4 for energy bills of January 2013.
11. The statement has been signed by both parties but the Respondent No. 4 vide communication dated 16/04/2015 addressed to CMD of HPSEB Ltd with copies to Respondent Board had withdrawn the said letter and statement dated 08/04/2015 stating that after examining the power bills and rechecking of account, they have come to conclusion that a sum of Rs 190 Lac approx. is lying excess deposit with HPSEB Ltd and refundable to them and requested to reconcile the account.



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12. The Respondent Board stated that after TDCO on 07/03/2013, they had issued energy bills periodically levying mandatory demand charges as per tariff. The applicable Clause 7.1.9 (a) of Himachal Pradesh Electricity Supply Code 2009 for temporary and permanent disconnection states:

*"For all cases of temporary and permanent disconnection(s)-*

- (a) if dues are not paid by the consumer, the delayed payment surcharge, as per Tariff Order shall be levied up to the date of permanent disconnection, and"*

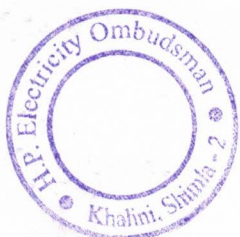
13. The statement given by the Respondent Board in their reply that they continued issuing energy bills after TDCO for claiming mandatory demand charges is not correct and in line with applicable provisions since as per clause 7.1.9 (a) of Himachal Pradesh Electricity Supply Code 2009 stated above, they could claim surcharge on the outstanding amount only. Thus it can be concluded that the Respondents were levying wrong charges even after effecting the TDCO on 07/03/2013 which is also part of their total recovery claim filed at HP High Court.

14. The Respondent No. 4 vide communication dated 18/02/2013 requested the Respondent No. 2 with copy to Respondent No. 3 for permanent disconnection w.e. from 19/02/2013. The Respondents didn't issue any PDCO and instead issued TDCO on 07/03/2013 for the said default of Rs 2,54,40,343/- and continued billing the Respondent No. 4 in contravention to applicable provisions of the Himachal Pradesh Electricity Supply Code 2009 stated above. The PDCO was issued on 12/09/2013 instead.

15. As per Clause 7.1.6 of Himachal Pradesh Electricity Supply Code 2009, the Licensee shall effect the disconnection on request within five days after special reading and final energy bill. The Clause 7.1.6 states:

*"In case the consumer desired his connection to be disconnected permanently, he shall apply for the same on the format prescribed in Annexure-C of this Code. The licensee shall carry out special reading and prepare final bill, including all arrears up to the date of such billing within five days from such request. Upon payment, the licensee shall issue the receipt with final bill stamped on it and this receipt shall be treated as "No dues certificate". Thereafter, the licensee shall not have any right to recover any charges for any period prior to this date of billing."*

16. In their oral submissions made on 21/12/2020 and through additional submissions, the Respondent No. 3 stated that they don't have any such record of letter dated 18/02/2013 for permanent disconnection and submitted copy of diary register to support their claim.



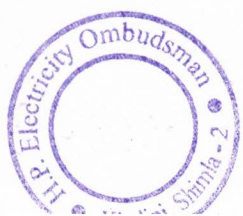
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17. Further, the Respondent Board submitted that they have no record of letter dated 16/04/2015 written by the Respondent No. 4 to CMD of HPSEB Ltd withdrawing the statement dated 08/04/2015 for Rs 1,52,33,741/- and submitted a copy of the diary register to support their claim.
18. The Respondent Board also denied having received any letter dated 29/05/2013 from Respondent No. 4 wherein statement was attached showing a credit balance of Rs 1,56,02,798/- after liquidating the Bank Guarantee for Rs 2,21,28,000/-. They submitted a copy of the dispatch register supporting their claim that dispatch No. 461 dated 29/05/2013 have never been issued by them.
19. Instead Respondent No. 4 had submitted the documents, obtained through RTI from HPFC which includes letter dated 29/05/2013 with official stamp of HPFC along statement of credit balance of Rs 1,56,02,798/- after liquidation of Bank Guarantee amounting to Rs 2,21,28,000/-.
20. The Respondent No. 4 have also submitted copies of letters dated 18/02/2013 for effecting PDCO w.e. from 19/02/2013 addressed to both Respondent No. 2 & 3 duly received by some officials on their behalf with official stamp.
21. They have also submitted copy of letter dated 18/04/2013 addressed to HPFC obtained through RTI with official stamp of HPFC wherein an outstanding amount of Rs 38,79,902/- was initially intimated pending against Respondent No. 4.
22. The Respondent No. 4 have also submitted a copy of letter dated 16/04/2015 wherein they had withdrawn the letter dated 08/04/2015 duly received by some officials of the Respondent No. 3 & 4 with official stamps.
23. The statement made by the Respondent Board that they have not received such letters appears to be not correct. The record of diary and dispatch register in support of their claim can't be relied upon since the letter dated 29/05/2013 addressed by Respondent No. 2 to HPFC, which they claimed to have never written, have been obtained by the Complainant through RTI which bears the official stamp of HPFC casting doubt about the record being maintained by the Respondents for its authenticity.
24. The Respondent Board have also failed to ascertain the correctness of their claim of last energy bill issued to Respondent No. 4 for Rs 2,54,40,343/- default of payment for which have led to issue of TDCO dated 07/03/2013 since the statement attached by them in their submissions doesn't match with their claim as discussed above. They have not submitted the copies of said energy bills in support of their claim.



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25. The Respondent Board have also failed to establish the amount due from the Complainant on account of non-payment of dues for energy bills for January 2013. The Respondent Board had continued to issue energy bills to the Complainant even after his request for Permanent Disconnection on 18/02/2013 and instead issued TDCO on 07/03/2013 for non-payment of energy bill for January 2013 which they also have failed to establish for its correctness as per their own statement.
26. In fact, in line with provisions of Clause 7.1.9. (a) of Himachal Pradesh Electricity Supply Code 2009, the Respondent Board could have levied the surcharge only after issue of TDCO wherein they continued levying the fixed demand charges periodically which was not correct.
27. Furthermore, after request on dated 18/02/2013, in line with Clause 7.1.6 of Himachal Pradesh Electricity Supply Code 2009, the PDCO should have been done by 23/02/2013. Since the Respondent Board failed to take cognizance of letter dated 18/02/2013, the PDCO should deemed to have been effected by 23/02/2013 and Respondent Board couldn't have continued levying fixed demand charges after that. They could have only claimed surcharge on the outstanding, if any, after that in line with provisions of Clause 7.1.9 (a) of Himachal Pradesh Electricity Supply Code 2009. The demand charges after 23/02/2013 levied by the Respondent Board is totally illegal.
28. The Respondents in total intimated only Rs 60,25,182/-, Rs 38,79,902/- vide communication dated 18/04/2013 and additional Rs 21,45,280/- in energy bill for April 2013 to HPFC as total outstanding due from the Respondent No. 4 even after issue of TDCO on 07/03/2013 which also negates their claim of outstanding of Rs 2,54,40,343/- from energy bill issued for January 2013 which was the sole reason mentioned by them for effecting the TDCO.
29. Their claim itself for total amount of Rs 1,52,33,741/- including the amount of Rs 1,02,73,237/- on account to clubbing of load for prior period of 2009 in the year 2016 while filing the case at Hon'ble HP High Court and continued billing after TDCO on 07/03/2013 and even after liquidation of Bank Guarantee on 14/05/2013 contravening the provisions of Clause 7.1.9 (a) of Himachal Pradesh Electricity Supply Code 2009 is doubtful and not based on facts. The said claim does not mention the amount of Rs 2,54,40,343/- outstanding for energy bills issued for January 2013 based on which TDCO was issued on 07/03/2013 also cast doubt about the authenticity of their overall claim.
30. The Respondent No. 4 have also submitted statements for energy bills with opening and closing balance for the period June 2009 to November 2009 for LP-767 connection for M/S Chandigarh Iron Steel, February 2009 to October 2009 for LP-755 of M/S Rama Steel Unit-II and from December 2005 to November 2009 for LP-40 of M/S Rama Steel, Unit-I signed by

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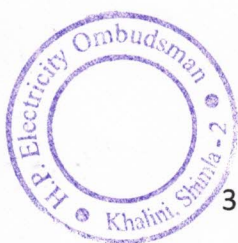


**HIMACHAL PRADESH ELECTRICITY OMBUDSMAN**  
**SHARMA SADAN, BEHIND KEONTAL COMPLEX, SHIMLA-171002**

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Respondent No. 2 with official stamp. The loads of these units were clubbed on 30/10/2009 and statement signed by the Respondent No. 2 till November 2009 for these accounts shows zero or very less amount as outstanding. Thus, the claim of Respondents in the year 2015/16 for amount of Rs 1,02,73,237/- due to clubbing of load in 2009 is not reliable or very difficult to ascertain. The statement for total recovery claim to be made from Respondent No. 4 by the Respondent Board amounting to Rs 1,52,33,741/- itself appears to be not correct.

31. The charges on account of clubbing of load in respect of LP-40, LP-755 and LP-767 should have been charged within a period of two years after the clubbing was effected on 30/11/2009 and their claim now at the stage of refund of security deposit appears to be not as per laid down procedure.
32. The Respondent Board in their submissions have failed to establish the claim to security amount since they only intimated the total outstanding as Rs 60,25,182/-, Rs 38,79,902/- vide communication dated 18/04/2013 to HPFC and additional Rs 21,45,280/- in energy bill for April 2013. The claim of Respondent Board for Rs 1,52,33,741/- as outstanding for recovery and non-release of balance security amount after liquidation of Bank Guarantee on 14/05/2013 appears to not based on facts on record and thus doesn't sustain.
33. The recovery case 31/2016 filed at Hon'ble HP High Court is yet on service stage as per last order dated 07/03/2018 and does not debar HP Electricity Ombudsman to decide the application filed by the Complainant.
34. The copies of sale deed attached both by the Complainant and the Respondents clearly mention at para 2 (ix) that the BUYER shall be entitled to refund of security and any other amount or claim, if any, from the Himachal Pradesh State Electricity Board.
35. Further as per para 2 (v) of the sale deed, the HPFC declared the property transferred to the Buyer free from all incumbrances and they further stated that in case of any dispute arises qua this sale deed, the HPFC shall be bound to clear such encumbrances at its own cost and shall keep the Buyer indemnified at all times.
36. From the above provisions, it is very much clear that if there had any previous outstanding, the Buyer, i.e. the Complainant in this case was free from all such encumbrances and HPFC shall clear the same at its own cost. As such the Respondent Board is not entitled to other previous claims which were not intimated to the HPFC before sale deed and also those claims which the Respondent Board continued levying after 23/02/2013.
37. The Respondent No. 3 have also stated in his submissions that they are not party to the sale deed and the same doesn't bind them for the claim of refund of security by the Complainant



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is not true. The sale deed vested rights of the security deposit to the new buyer i.e. the Complainant and is very much binding on the Respondent Board.

38. The Complainant has every right under the sale deed for the balance amount as intimated to HPFC for Rs 1,56,02,798/- by Respondent No. 2 on 29/05/2013 after liquidation of Bank Guarantee of previous buyer i.e. Respondent No. 4 on 14/05/2013 amounting to Rs 2,21,28,000/-.
39. The Complainant has also every right for the interest on refund of security deposit in line with provisions under Regulation 8 of Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2004 wherein beyond thirty days the simple interest @ 12% shall be applicable on the excess amount of security deposit.
40. The claim of Rs 1,52,33,741/- by the Respondent Board doesn't not hold good as explained above.
41. The Consumer Grievance Redressal Forum have not decided the case in line with prevailing provisions of the Himachal Pradesh Electricity Supply Code 2009 and other relevant regulations and instead they have taken shield of the case filed by the Respondent Board at HP High Court claim for which is yet to be established. They Forum has also failed to take cognizance of the facts placed before them and have decided the case without going in to the merits of the case.
42. The Complainant's contention that they are also not responsible for the sureties given by Respondent No. 4 for other accounts does not hold good since they are responsible for the outstanding amount of those for which they had given surities.
43. **Conclusion:** From the above discussions, it is clear that the Respondent Board only intimated Rs 60,25,182/- as outstanding both for before and after clubbing, as requested vide letter by HPFC dated 08/04/2013. They are not entitled to any other claim of previous outstanding not intimated to the HPCF before sale deed. Any previous claim, not intimated should have been the responsibility of the HPFC after sale deed in line with provisions of para 2 (v) of sale deed.

After liquidation of Bank Guarantee for Rs 2,21,28,000/-, an amount of Rs 1,56,02,798/- was due to be refunded to the new buyer in terms of the provisions of rights conferred to the Complainant under sale deed at para 2 (ix) and as intimated to the HPFC vide letter dated 29/05/2013. The Complainant has every right for the refund of Rs 1,56,02,798/- from the Respondent Board which was due since 29/05/2013 but became due to them on acquiring the assets of the Respondent No. 4 through HPFC since the sale deed registration date 07/03/2019 or atleast from the date of reconnection of electricity to the Complainant.

*Accepted*  
*11/02/2021*







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**I – Issues in question:**

1. **Issue No. 1:** Whether the Complainant is entitled to the refund of balance security of Rs 1,56,02,798/- or not?
2. **Issue No. 2:** If yes to 1. Above, whether the Complainant is entitled to claim of interest on the refund of excess security with the Respondent Board?
3. **Issue No. 3:** Whether the orders passed by the Consumer Grievance Redressal Forum on dated 20/08/2020 in Complaint No. 1453/4/19/053, dated 14/10/2019 are in line with provisions of relevant regulations and based on merits of the case?

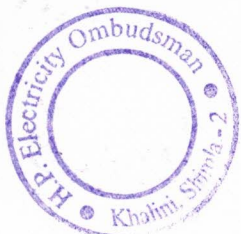
**J-Findings on the Issues:**

**Issue No. 1:**

1. As per analyses done above and the conclusion, the Complainant is entitled for balance amount of security amounting to Rs 1,56,02,798/- after liquidation of Bank Guarantee of Rs 2,21,28,000/- on 14/05/2013 submitted by Respondent No. 4. The statement submitted to HPFC vide letter dated 29/05/2013, obtained through RTI from HPFC also support the claim which is also in line with provisions of sale deed at para 2 (ix).
2. Further, Respondent Board is not entitled to any other previous outstanding amount from the Respondent No. 4 not intimated to HPFC before sale of the assets of Respondent No. 4 in line with para 2 (v) of the sale deed. Furthermore, the amount charged after deemed PDCO dated 23/02/2013 by the Respondent Board is illegal. The Respondent Board is only entitled to surcharge on the intimated amount of Rs 60,25,182/- and that too up to only 14/05/2013 when the Respondent Board liquidated and realized the outstanding amount.
3. The claim of the Respondent Board for clubbing of load on 30/11/2009 included in the amount due from the Respondent No. 4 after sale deed is also illegal wherein they have only intimated an amount of Rs 60,25,182/- as outstanding for both before and after clubbing of loads to HPFC prior to the sale deed.

**Issue No.2:**

1. Since as per analysis done above, the Complainant is entitled for the balance security refund, the interest is also applicable for such refund in line with Regulation 8 of Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2004 since 07/03/2019. The Complainant can't have claim for the period prior to 07/03/2019, registration date of sale deed since they were not owner of the assets of Respondent No. 4 prior to that and HPFC had every right for such claim, if any.



*Accepted*  
*11/02/2021*





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**Issue No. 3:**


1. As is evident from the analysis done above, the Consumer Grievance Redressal Forum has not decided the matter on merits or in line with provisions of the relevant regulations, the orders passed by the Forum on dated 20/08/2020 in Complaint No. 1453/4/19/053, dated 14/10/2019 is not in line with the established standards and relevant provisions of the regulations in force.

**K – Order:**

1. The orders passed by the Consumer Grievance Redressal Forum on dated 20/08/2020 in Complaint No. 1453/4/19/053, dated 14/10/2019 are quashed and set aside.
2. The Respondent Board is hereby directed to refund the balance security amount of Rs 1,56,02,798/- calculated after liquidation of Bank Guarantee for Rs 2,21,28,000/- on 14/05/2013 within a period of 21 days from the date of issue of this order or latest by 04/03/2021.
3. The Respondent Board is further directed to calculate interest @ 12% on Rs 1,56,02,798/- w.e. from 07/04/2019 onwards (i.e. 30 days after the Complainant obtained legal rights over the security) and intimate the same to the Complainant within a period of 15 days from the date of issue of this order or latest by 26/02/2021.
4. The Respondent Board is further directed to pay interest as calculated above to the Complainant within a period of 21 days from the date of issue of this order or latest by 04/03/2021.
5. The Respondent Board is directed to report compliance of the direction No. 2, 3 & 4 above within a period of 30 days from the date of issue of this order or latest by 15/03/2021 positively failing which the matter shall be reported to the Hon'ble Commission for violation of directions under Regulation 37 (6) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 for appropriate action by the Commission under the provisions of the Electricity Act, 2003.
6. The Complaint filed by M/S Prime Steel Industries Pvt Ltd., Village Bated, Baddi-Barotiwala Road, Barotiwala, District Solan, HP-174103 is hereby disposed off.
7. No cost to litigation.

Given under my hand and seal of this office.



  
Electricity Ombudsman