

**COURT OF THE LOK PAL (OMBUDSMAN),  
ELECTRICITY, PUNJAB,  
PLOT NO. A-2, INDUSTRIAL AREA, PHASE-1,  
S.A.S. NAGAR (MOHALI).**

**(Constituted under Sub Section (6) of Section 42 of  
Electricity Act, 2003)**

**APPEAL No. 68/2021**

**Date of Registration : 16.09.2021**

**Date of Hearing : 29.09.2021**

**Date of Order : 29.09.2021**

**Before:**

**Er. Gurinder Jit Singh,  
Lokpal (Ombudsman), Electricity, Punjab.**

**In the Matter of:**

Winsome Yarns Ltd.,  
Village:Kuranwala,  
Barwala Road,Derabassi,  
Distt. Mohali. PIN- 140507

**Contract Account Number:3007510123 (New)  
Z21DB0200051(Old)  
...Appellant**

**Versus**

Sr. Executive Engineer,  
DS Division,  
PSPCL, Lalru.

**...Respondent**

**Present For:**

**Appellant: Sh. Sanjay Sharma, Sr. Manager,  
Appellant's Representative.**

**Respondent : Er. Inderpreet Singh,  
Sr. Xen/ DS Divn., PSPCL, Lalru.**

Before me for consideration is an Appeal preferred by the Appellant against the decision dated 06.08.2021 of the Consumer Grievances Redressal Forum (Forum), Patiala in Case No. CGP-299 of 2021, deciding that:

*“In view of the facts brought out in the petition and replies/ statements by respondent during proceedings, forum decides that surcharge amount of Rs. 6,16,836/- (Late payment Surcharge Rs. 6,07,720/- + Interest Rs. 9116/-) is recoverable as per Supply Code Reg. clause no. 31.9.”*

## **2. Registration of the Appeal**

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 16.09.2021 within thirty days of receipt of copy of decision dated 06.08.2021 by the Appellant through Memo No. 1956/CGP-299/2021 dated 13.08.2021. The Appellant had already deposited the entire amount with the Respondent and it was not required to deposit 40% of the disputed amount to file the Appeal. Therefore, the Appeal was registered on 16.09.2021 and copy of the same was sent to the Addl. SE/ DS Division, PSPCL, Lalru for sending written reply/ parawise comments with a copy to the office of

the CGRF, Patiala under intimation to the Appellant vide letter nos.1285-87/OEP/A-68/2021 dated 16.09.2021.

### **3. Proceedings**

With a view to adjudicate the dispute, a hearing was fixed in this Court on 29.09.2021 at 11.00 AM and an intimation to this effect was sent to both the parties vide letter nos. 1330/1331/OEP/A-68/2021 dated 22.09.2021. As scheduled, the hearing was held on 29.09.2021 in this Court on the said date and time. Arguments of both parties were heard and order was reserved.

### **4. Submissions made by the Appellant and the Respondent**

Before undertaking analysis of the case, it is necessary to go through written submissions made by the Appellant and reply of the Respondent as well as oral submissions made by the Appellant's Representative and the Respondent along with material brought on record by both the parties.

#### **(A) Submissions of the Appellant**

##### **(a) Submissions made in the Appeal**

The Appellant made the following submissions in its Appeal for consideration of this Court:-

- (i) The Appellant was having a Large Supply Category Connection, bearing Account No. 3007510123 with sanctioned

load of 14917.24 kW and CD as 6500 kVA under DS Division, Lalru.

- (ii) The Respondent had issued electricity bill of ₹ 1,45,85,270/- for the period 16.01.2021 to 17.02.2021 on 18.02.2021 with due date as 01.03.2021 to the Appellant. Owing to slowdown in industry because of Covid-19 Pandemic and due to the financial problems, the Appellant had made part payment of 1<sup>st</sup> instalment of ₹ 70,00,000/- through NEFT from Axis Bank. Amount of ₹ 70,00,000/- was debited from the Appellant's Bank Account on 01.03.2021 but the amount was received by the PSPCL in its account on 02.03.2021.
- (iii) In the next bill for the period 17.02.2021 to 17.03.2021 issued on 19.03.2021, the Respondent imposed total late payment surcharge of ₹ 6,07,720/- and interest of ₹ 9,116/- totaling ₹ 6,16,836/-. Out of the above said amount, amount of ₹ 2,31,883/- (Surcharge ₹ 2,28,457/- and interest ₹ 3,427/-) was charged extra by the Respondent to the Appellant, for which it had made payment of ₹ 70,00,000/- on due date (01.03.2021) through NEFT and the account of the Appellant was debited by its Banker-Axis Bank on 01.03.2021 but the PSPCL received the amount in its account on 02.03.2021.

- (iv) The electricity bill issued by the Respondent for the period 16.01.2021 to 17.02.2021 clearly showed due date for payment by NEFT as 01.03.2021.
- (v) NEFT payment of ₹ 70,00,000/- was made by the Appellant and debited to its account on due date i.e. 01.03.2021 and the same was received in the account of the PSPCL on 02.03.2021. Delay in credit of amount in the account of the PSPCL was attributable to its Bankers for which penalizing the Appellant was unfair.
- (vi) The Appellant had claimed relief from the late payment surcharge of ₹ 2,28,457/- and interest of ₹ 3,427/- totalling ₹ 2,31,883/- which was imposed on the Appellant against amount ₹ 70,00,000/- of 1<sup>st</sup> instalment which was paid by it on due date i.e. 01.03.2021 through NEFT and credited in PSPCL account on 02.03.2021.

**(b) Submission during hearing**

During hearing on 29.09.2021, the Appellant's Representative reiterated the submissions already made in the Appeal and prayed to allow the relief claimed.

**(B) Submissions of the Respondent****(a) Submissions in written reply**

The Respondent submitted the following written reply to the Appeal of the Appellant for consideration of this Court:-

- (i) The electric connection of the Appellant-M/s. Winsome Yarns Ltd., Derabassi was running under DS Sub Division, Saidpura under Lalru DS Division. The connection bearing A/c No. 3007510123 (Old Account No.-Z21DB0200051) had sanctioned load of 14917.24 kW and CD as 6500 kVA. The Appellant had deposited its February, 2021 electricity bill amounting to ₹ 1,45,85,270/- due on 01.03.2021.
- (ii) As per the details of payment, the Appellant had paid its ₹ 1.45 Crore Bill in parts after due date. Now, the Appellant had submitted Appeal to waive off the surcharge and interest on already paid part- bill amounting to ₹ 70,00,000/- on 01.03.2021 but credited on 02.03.2021 as got confirmed by the AO/ Banking vide e-mails dated 07.07.2021 and 28.07.2021.
- (iii) This case was decided by the Forum and as per its decision, the Late Payment Surcharge of ₹ 2,43,088/- was chargeable. Further, the track record of the Appellant w.r.t. payment of

electricity bills was not healthy and it was habitual of making payments in parts after due date.

- (iv) In view of the above submissions, the Respondent had prayed for dismissal of the Appeal of the Appellant.

**(b) Submission during hearing**

During hearing on 29.09.2021, the Respondent reiterated the submissions made by it in the written reply and contested the submissions of the Appellant's Representative. The Respondent requested for dismissal of the Appeal of the Appellant.

**5. Analysis and Findings**

The issue requiring adjudication is whether the part payment of ₹ 70,00,000/- made by the Appellant through RTGS Mode from AXIS Bank on 01.03.2021 and received in PSPCL Bank Account designated for Bill's collection through RTGS Mode on 02.03.2021 is to be treated as paid on 01.03.2021 (Due date of payment) or 02.03.2021. The subsequent effect of this part payment on late payment surcharge/ interest also needs examination.

*My findings on the points emerged, deliberated and analyzed are as under:*

- (i) The representative of the Appellant stated that the Appellant was having a Large Supply Category Connection, bearing Account No. 3007510123 with sanctioned load of 14917.24 kW and CD as 6500 kVA and the Respondent had issued electricity bill of ₹ 1,45,85,270/- for the period 16.01.2021 to 17.02.2021 on 18.02.2021 with due date 01.03.2021 . Owing to slowdown in industry because of Covid-19 Pandemic & due to financial problems, it had made part payment of ₹ 70,00,000/- through NEFT from Axis Bank out of the above amount. Accordingly, amount of ₹ 70,00,000/- was debited to Appellant's Bank Account on 01.03.2021 but the said amount was received by the Respondent in its account on 02.03.2021.
- (ii) The Appellant had received next bill for the period from 17.02.2021 to 17.03.2021 issued on 19.03.2021. It was noticed that the Respondent imposed late payment surcharge of ₹ 6,07,720/- and interest of ₹ 9,116/- totaling ₹ 6,16,836/-. Out of the above said amount, a sum of ₹ 2,31,883/- (Surcharge ₹ 2,28,457/- and interest ₹ 3,427/-) was charged extra by the Respondent to the Appellant, for which it had made payment of ₹ 70,00,000/- on due date (01.03.2021) through NEFT. The account of the Appellant was debited by its Banker-Axis Bank on 01.03.2021 but PSPCL received the amount in its account



on 02.03.2021. The electricity bill issued by the Respondent for the period 16.01.2021 to 17.02.2021 clearly showed due date for payment by NEFT as 01.03.2021.

- (iii) NEFT payment of ₹ 70,00,000/- was made by the Appellant and debited to its account on due date i.e. 01.03.2021 and received in the account of the PSPCL on 02.03.2021. Delay in credit of amount in the account of PSPCL was attributable to Bankers of the Respondent for which penalizing the Appellant was unfair.
- (iv) The Appellant had claimed relief from the late payment surcharge of ₹ 2,28,457/- and interest of ₹ 3,427/- totalling ₹ 2,31,883/- which was imposed on the Appellant against amount ₹ 70,00,000/- of 1<sup>st</sup> instalment which was paid by it on due date i.e. 01.03.2021 through NEFT and credited in PSPCL account on 02.03.2021
- (v) The Respondent while arguing its case submitted that the Appellant out of the bill of ₹ 1,45,85,270/-, had made part payment amounting to ₹ 70,00,000/- on 01.03.2021 but this amount was credited to PSPCL account on 02.03.2021 and it was confirmed by the AO/ Banking of the Respondent vide its e-mails dated 07.07.2021 and 28.07.2021. Further, as per decision of the Forum, Late Payment Surcharge of ₹ 2,43,088/-

was chargeable. The Respondent had also stated that the track record of the Appellant w.r.t. payment of electricity bills was not healthy and it was habitual of making payments in parts after due date. The Respondent admitted during hearing on 29.09.2021 that Surcharge/ interest levied in this case was not as per General Conditions of Tariff applicable for FY 2020-21. He agreed to levy surcharge/ interest strictly as per Tariff Order for FY 2020-21.

- (vi) The Respondent in order to curb the tendency of late payment of the bills by the various categories of the consumers in the State of Punjab, had issued instructions and there was provision of charging late payment surcharge on the amount of the unpaid bills if the same were not paid within due date. In the instant case of the Appellant, the late payment surcharge leviable was @ 2% on the amount of unpaid bill since part payment of the bill by the Appellant was made on 01.03.2021 and was received by the Respondent on 02.03.2021 i.e. after due date which was 01.03.2021. In case a Consumer does not pay the bill or an arrear bill by the due date, late payment surcharge/ interest shall be payable as per Regulation 31.9.1 of Supply Code-2014 according to which “the late payment surcharge shall be payable as per General Conditions of Tariff approved by the

Commission”. The relevant Clause No. 21 of General Conditions of Tariff of Tariff Order for FY 2020-21 approved by the Commission is as under:

*“21. Late Payment Surcharge*

*In the event of the energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers shall be levied late payment surcharge as under:*

*21.1 For all categories of consumers catered at HT/EHT supply voltage, if the full amount of the bill is not paid within due date, late payment surcharge shall be levied @ 2% on the unpaid amount of the bill up to 7 days after the due date. After 7 days, the surcharge shall be levied @ 5% on the unpaid amount of bill up to 15 days from the due date.*

*21.2 In case of consumers catered at LT supply voltage, if the full amount of the bill is not paid within due date, the late payment surcharge shall be levied @ 2% on the unpaid amount of the bill up to 15 days from the due date.*

*21.3 In case of AP consumers, late payment surcharge shall not be levied up to 7 days after the due date. After 7*

*days surcharge shall be levied as in the case of LT consumers.*

*21.4 Interest @ 1.5% per month on gross unpaid amount including surcharge payable as per clause 21.1, 21.2 & 21.3 above shall be levied after expiry of 15 days from the due date of the bill till the deposit of outstanding amount. Part of the month shall be treated as full month for this purpose.”*

- (vii) There is a reasoning in the plea of the Respondent that it had received part payment of ₹ 70,00,000/- on 02.03.2021 in its account after due date so the Appellant was liable to make the payment of late payment surcharge and interest thereon as per General Conditions of Tariff's Clause 21 supra. There was no negligence on the part of the Respondent in respect of receipt of the amount through RTGS on 02.03.2021. Further, the Respondent is a Distribution Licensee & is governed by the rules/ regulations framed by the Commission and it cannot deviate from the same. The Respondent cannot exempt the Appellant from the levy of late payment surcharge and interest thereon merely on the plea that Appellant's account was debited on 01.03.2021 rather the Respondent was concerned

with the receipt of the amount by due date which was received by its office on 02.03.2021.

(viii) After hearing arguments advanced by both the parties, this Court comes to the conclusion that it is worthwhile to peruse the observations of the Forum also in this case, which are reproduced as under:

*“Petitioner has contended that against bill of Rs. 1,45,85,270/- for period 16.01.21021 to 17.02.2021, part payment of Rs. 70,00,000/- was made on 01.03.2021 as on due date for payment whereas, surcharge amount of Rs. 6,16,836/- (Late payment Surcharge Rs. 6,07,720/- + Interest Rs. 9,116/-) was imposed in the bill for the month March-2021 as the payment has been received in PSPCL account on dated 02.03.2021.*

*Forum observed that Petitioner was issued bill of Rs. 1,45,85,270/- for period 16.01.2021 to 17.02.2021, on 18.02.2021, with due date of 01.03.2021. Part payments of this bill were got made by petitioner and as per petitioner, 1<sup>st</sup> installment of Rs. 70,00,000/- was deposited through NEFT on 01.03.2021 through Axis Bank and amount was debited to their Bank Account on 1<sup>st</sup> march, 2021 but on PSPCL site it reflected on 2nd March. Respondent stated that AO/Banking, PSPCL, Patiala has confirmed that Rs.70,00,000/- have been received in PSPCL Bank account designated for Bills collection through RTGS mode on 02.03.2021 and the receipt of the amount issued on the same date i.e. on 02.03.2021. Respondent stated that as the due date was*

*01.03.2021, whereas amount received in PSPCL account on 02.03.2021, so petitioner was charged with late payment surcharge of Rs. 6,07,720/- along-with interest of Rs. 9,116/- as per instructions of PSPCL.*

*In view of the facts brought out in the petition and replies/statements by respondent during proceedings, forum decides that surcharge amount of Rs. 6,16,836/- (Late payment Surcharge Rs. 6,07,720/- + Interest Rs. 9116/-) is recoverable as per Supply Code Reg. clause no. 31.9."*

It is correct that the payment in the account of the Respondent was received on 02.03.2021, which was late by one day and as such, the Appellant was liable to be billed for the lapse occurred in this case as per General Conditions of Tariff Clause No. 21 for the financial year 2020-21. It is observed that the late payment surcharge/ interest was not levied in this case by the Respondent as per Clause mentioned supra. Therefore, this Court is not inclined to agree with the decision of the Forum and decides to set aside the same. The date of payment of ₹ 70,00,000/- shall be treated as 02.03.2021 when the amount was credited to PSPCL account and Surcharge/ interest shall be worked out accordingly as per General Conditions of Tariff applicable for FY 2020-21.

Surcharge/ interest levied by PSPCL in this case is not as per tariff order of PSERC for FY 2020-21 as admitted by the

Respondent during hearing on 29.09.2021. There is no fault of PSPCL in case the amount was transferred by AXIS Bank on next day i.e. 02.03.2021.

**6. Decision**

The order dated 06.08.2021 of the CGRF, Patiala in Case No. CGP-299 of 2021 is set aside .The Appellant shall be billed by treating the part payment date as 02.03.2021 in respect of ₹ 7000000/- and late payment surcharge/ interest shall be worked out accordingly by the Respondent as per Clause 21 of General Conditions of Tariff for the financial year 2020-21. Further, the Respondent is directed to refund/ recover the amount found excess/ short after adjustments, if any, with surcharge/ interest as per instructions of PSPCL.

7. The Appeal is disposed of accordingly.
8. As per provisions contained in Regulation 3.26 of Punjab State Electricity Regulatory Commission (Forum and Ombudsman) Regulations-2016, the Licensee will comply with the award/ order within 21 days of the date of its receipt.
9. In case, the Appellant or the Respondent is not satisfied with the above decision, it is at liberty to seek appropriate remedy against this order from the Appropriate Bodies in accordance

with Regulation 3.28 of the Punjab State Electricity Regulatory  
Commission (Forum and Ombudsman) Regulations-2016.

September 29, 2021  
S.A.S. Nagar (Mohali)

(GURINDER JIT SINGH)  
Lokpal (Ombudsman)  
Electricity, Punjab.

