

BEFORE THE HONBLE OMBUDSMAN, UERC  
Vasant VIHAR, Phase-II  
Dehradun -248006  
Phone (0135-2762120)

Case: Representation No. 1/2005 dated 13.01.2005

M/S Sant Steel Alloys (P) Ltd.  
Industrial Area,  
Jasodharpur, Kotdwar  
Distt. Pauri Garhwal.

Vs. 1. The Chairman,  
Consumers' Grievances Redressal Forum  
Garhwal Zone,  
Dehradun

2. Uttaranchal Power Corporation Lt. (UPCL)  
through its C.M.D.

3. Executive Engineer,  
Electricity Distribution Division,  
Uttaranchal Power Corporation Ltd.,  
Kotdwar

**Complainant**

**Respondents.**

In the matter of:

Representation against the decision of the Learned Consumers' Grievances Redressal Forum, Garhwal Zone, Dehradun vide its decision dated 4th December 2004 that the Complainant cannot be sanctioned the additional load of 800 KVA applied by him without clearing the dues outstanding against their existing connection of 2500 KVA. The complaint was accordingly dismissed by the Learned Forum.

**Quorum**

J.C.Pant .. Ombudsman  
Date of award .. 6.04.2005

**Award**

A representation against the decision of the Learned Consumers' Grievances Redressal Forum, Garhwal Zone, Dehradun was filed in this office on 13.01.2005 and accordingly was registered as Representation No. 1/2005 dated 13.01.2005. Copies of the representation were sent to the Respondents (Licensee) and the hearing was scheduled for 9.2.2005.

On 9.2.2005 the learned counsel for the Complainant Sri Ashutosh Tripathi was present and Sri Shambhu Prasad, Office Assistant, representing the Executive Engineer, Electricity Distribution Division, Kotdwar was present. Both parties requested that this being the first day additional time be granted to them. This was accepted and 23.2.2005 was fixed for the preliminary hearing.

On 23.2.2005 Sri Manoj Kohli and Sri Ashutosh Tripathi learned Counsels representing the Complainant were present. On behalf of the Licensee Sri Shambhu Prasad, Office Assistant was present. The Licensee filed their written reply to the Complaint and copy of the same was given to the Complainant. The next date 2.3.2005 was fixed for the Complainant to file his rejoinder.

Sd. J.C. Pant  
Seal of Ombudsman

On 2.3.2005 the Complainant did not file his rejoinder and asked for fifteen days further time to file it. Sri C.R. Goswami, Executive Engineer and learned counsel for the Licensee Sri Surender Mohan Jain were present. The grant of additional time was opposed by the Licensee. Nevertheless the Complainant was given time upto 16.3.2005 to file reply.

On 16.3.2005 the Complainant still did not file his reply and asked for another Fifteen days time to do so. This was opposed by the Licensee's Learned Counsel Sri S.M.Jain who averred that the Complainant was not interested in conducting this case. However the Complainant was given time upto 22.3.2005 to file the reply and 6.4.2005 was fixed for final order.

On 22.3.2005 the Complainant still did not file his reply and sought another five days time to do so, but still did not give any rejoinder.

The Complainant has filed this representation on grounds, which are materially not different from those filed earlier before the Learned Forum.

The issues raised in the matter are:-

1. Whether or not there are dues outstanding against the Complainant for its existing connection of 2500 KVA for its Induction Furnace Steel Mill.
2. If so have their recoveries been stayed by any Hon'ble Court in the matter.
3. Whether the Licensee has valid grounds to deny additional load of 800 KVA in the circumstances.

These are accordingly examined in the light of the facts presented in the case and the proceedings of the hearings as follows:-

- 1.1 The fact that there are outstanding dues against the Complainant has been established vide judgment of the Hon'ble High Court, Uttaranchal, Nainital dt. 28.5.2003 in the Civil Writ Petition 479 of 2002(M/B) in which M/S Sant Steels and Alloys (P) Ltd. was the Petitioner and the state of Uttaranchal and others were the Respondents. The Honble High Court had declared, "However during the course of argument, learned counsel for the petitioner disputed the amount shown as demand, against him. This Court cannot go upto the factual dispute in any proceedings under Article 226 of the Constitution. However, since the demands have been shown in C.A.-I in respect of the demands for which statement has been made in counter affidavit, which have not been denied by the petitioner, therefore, we hold that the petitioner is defaulter and is not entitled to any rebate in terms of the order dated 1.1.2002. Therefore we do not find any good ground to interfere with the demand notices issued by the Power Corporation. Thus the petition lacks merit and is hereby dismissed. "The fact that stands out is that it has not been denied by the Complainant that dues are outstanding against its present connection
- 1.2 The Complainant has also failed to submit rejoinder to the Licensee's written reply dated 7.2.2005 and further clarification no. 531/EDDK dated 21.2.2005 copies of both of which were obtained by the Complainant on 23.2.2005 for replying to them. The Complainant has thus not denied the contention of the Licensee that an outstanding amount is due towards the Licensee and as per the Licensee's averment this outstanding amount is substantial as per the following details :-

Sd. J.C. Pant  
Seal of Ombudsman

1	Under serial 1 outstanding dues till 1/2005	Rs 1,00,28,751. 87
2	Under Serial 2 Outstanding dues till 1/2005.	Rs. 2,58,30,961.67
3	Under Serial 3 outstanding dues till 1/2005.	Rs 89,01,081.15
4	Under Serial 4 outstanding dues till 1/2005.	Rs 61,46,081.15
5	Under Serial 5 outstanding dues till 1/2005.	Rs. 38,75,665.15
Total in all           ... ..		----- Rs. 5, 47,81,540,99 =====

2.0 The Licensee has further stated that out of the amounts only those at serial 1 and 5 are pending before Honble High Court and the Commission respectively which thus leaves the amount of Rs. 4,08,77,123.97 as outstanding and undisputed before any Court

3.0 The Licensee has further quoted the standing order contained in the Chief Engineer (Commercial) order No. 3124 CU-2 dated August 7,1995 which states interalia that if a consumer has raised a dispute against a policy matter such as the tariff of the Board, which affects the bill then a new agreement for a load shall not be done till the dispute affecting the present agreement is not resolved.

This order being quoted above specifically demands that all payments accruing against the old connection be got deposited prior to sanctioning a new or an additional load to such a unit.

In the light of the examination made of the three issues, the fact stands established that the Complainant is a defaulter of the Licensee on matters concerning policy such as the Tariff, and the Licensee has a valid ground not to release any additional load till the dispute affecting these payments is not settled.

The examination also reveals that the Complaint has also not deposited the amount against which it has not moved any Court and this concerns a substantial amount of Rs. 4,08,77,123.97 as per the Licensee's averment.

The Licensee too has not shown any valid grounds for not taking adequate measures for recovering this undisputed amount as per the provisions of the I. E. Act 2003, which appears to be a serious lapse on their part.

The Ombudsman has jurisdiction over the settlement of the Representation against the grievance arising out of any failure on the part of the Licensee to redress such a complaint and to be guided by the principles of law and in the interest of justice, as also in accordance with the directions, instructions, guidelines and regulations issued by the Hon'ble Commission from time to time. The Licensee's Executive Engineer has cited orders of higher authorities staying the disconnection of supply of the Complainant (under Section 56) for recovering the undisputed amounts. This appears to be yet another glaring example of the Licensee not attaching the highest importance to recovery of its dues enjoined on them by the I.E. Act 2003.

Sd. J.C. Pant  
Seal of Ombudsman

**AWARD.**

Having diligently and carefully considered all the facts and circumstances of the Complainant's Representation against the Learned Consumer's Grievances Redressal Forum, Garhwal Zone, rejecting his complaint for grant of additional load of 800 KVA over the existing load of 2500 KVA, and after giving due hearings to the Complainant and the Licensee and additional time to the Complainant, I come to the conclusion that since the Complainant has outstanding dues against the existing connection towards the Licensee and further has disputed matters concerning other payment pending before Hon'ble Courts and the Commission respectively, the Licensee is well within its rights not to sanction the additional load and enter into a new agreement when the existing agreement cannot be superseded due to non payment of dues against it.

Accordingly the Complainant's case is seen to have no merit and the representation is therefore rejected.

In this case the individual officers of the Licensee cannot also be absolved of dereliction of their duties in not recovering the undisputed dues amounting to such a huge sum. In this case the Executive Engineer had in fact effected the required disconnection but it appears to have been stayed by so called verbal orders. Since an amount which is upward of Rs. 4 Crores lies undisputed and unrecovered it defies comprehension as to how the Licensee, a public-owned enterprise is functioning in this manner. Accordingly, I hereby direct that suitable deterrent action is initiated against the Licensee's Officers and officials, mentioned in the Licensee's letters 1664 dated 3.7.2003 and 531 dated 21.2.2005 for gross dereliction of duties, and further that the Hon'ble Commission may like to take cognizance of this fact that if there is just this consumer defaulting in payment of huge sums over a period of close to five years, there could be many others besides it, if the Licensee fails to act uniformly against defaulters in this manner.

Dated. 06.04.05

(J.C.PANT)  
OMBUDSMAN  
Seal of Ombudsman