



**BEFORE THE VIDUYUT OMBUDSMAN FOR THE STATE OF TELANGANA**

First Floor 33/11 kV Substation, Hyderabad Boats Club Lane  
Lumbini Park, Hyderabad - 500 063

**PRESENT : SRI MOHAMMAD NIZAMUDDIN  
VIDUYUT OMBUDSMAN**

TUESDAY THE SECOND DAY OF AUGUST  
TWO THOUSAND AND TWENTY TWO

**Appeal No. 25 of 2020-21**

Between

M/s. Ubas-Engineers Enterprises (P) Ltd., through its Director, Mohammed Anwar Waheed, Regd.Office at 302, 3rd floor, Babu Khan Estate, Basheerbagh, Hyderabad. Cell: 9652343278. ....**Appellant**

**AND**

1. The Assistant Engineer / Operation / Bollaram / TSSPDCL / Sangareddy District.
2. The Assistant Divisional Engineer / Operation / Bollaram / TSSPDCL / Sangareddy District.
3. The Assistant Accounts Officer / ERO / Patancheru / TSSPDCL / Sangareddy District.
4. The Divisional Engineer /Operation / Patancheru / TSSPDCL / Sangareddy District.
5. The Superintending Engineer / Operation / Sangareddy Circle / TSSPDCL / Sangareddy District. .... **Respondents**

This appeal is coming on before me for final hearing on 26.07.2022 in the presence of Sri Mohammed Anwar Waheed - representing the appellant and Sri K. Venkat - AAE/OP/Bollaram and Sri D. Suryaprakash - JAO/Billing/Patancheru representing the respondents and having stood over for consideration till this day, this Viduyut Ombudsman passed the following:-

**AWARD**

This appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum -1 (Rural), Hyderabad - 45

(in short 'the Forum') of Telangana State Southern Power Distribution Company Limited (in short 'TSSPDCL'), in C.G.No.67/2019-20/Sangareddy Circle dt.30.07.2020.

#### **CASE OF THE APPELLANT**

2. The appellant premises was sold by the A.P.State Financial Corporation, Chirag Ali Lane, Hyderabad on 16.05.2000 in the auction. Earlier it was in the name of M/s. Power Packs Industry (in short "the industry"). The said industry has obtained Service Connection No. 020100152. The appellant obtained new Service Connection No. 020101318 after its purchase. The industry fell due to the Licensee-respondents the arrears of electricity consumption charges.

3. The respondents in April 2019 claimed a sum of Rs 20,886/- and in August 2019, they claimed Rs 1,07,183/- from the appellant which is the amount of electricity consumption charges of the industry. The appellant is nothing to do with the said industry. Therefore, it is prayed to direct the respondents to waive the said amount.

#### **CASE OF THE RESPONDENTS**

4. In the written submissions made by respondent No.3 before the Forum, he has admitted the existence of earlier industry and the arrears due. According to this respondent, they are entitled to recover the arrears due pertaining to the industry from the appellant, who is its purchaser.

## **AWARD OF THE FORUM**

5. After hearing both sides and after considering the material available on record, the learned Forum has disposed of the complaint holding that the Licensee-respondents are entitled to collect the arrears from the appellant and directing the respondents to issue fresh demand notice duly calculating the surcharge on belated payment for three years.

6. Aggrieved by the Award passed by the Forum, the present appeal is preferred, contending among other things, that the Forum has failed to appreciate that the appellant was not a consumer within the meaning of the Electricity Act and the dues of the previous consumer could not be recovered from the appellant as the appellant has purchased the industry in the auction held by the A.P.Financial Corporation.

## **GROUND OF THE APPEAL**

7. In the grounds of the appeal, It is, inter-alia, submitted that there is no privity of contract between the appellant and the respondents in respect of the Service Connection of the industry and that the claim made by the respondents is after more than 20 years. Therefore, it is prayed to set aside the Award passed by the Forum and waive the amount claimed by the respondents.

8. In the written submissions made by respondent No.2 before this authority, it is, inter-alia, submitted that as ordered by the Forum to calculate the

surcharge on belated payment for three years and collect the same from the appellant, a revised demand notice was issued. Therefore, it is prayed to direct the appellant to pay the said amount.

### **ARGUMENTS**

9. It is submitted on behalf of the appellant that the appellant is not responsible for the arrears due by the industry. Therefore, it is prayed to waive the amount claimed by the respondents.

10. On the other hand, it is submitted by the respondents that the Licensee is entitled to collect the arrears due from the earlier owner of the industry and on failure to collect the arrears from the purchaser. Therefore, it is prayed to reject the appeal.

### **POINTS**

11. The points that arise for consideration are:-
- i) Whether the appellant is entitled for waiving the amount claimed by the respondents ?
  - ii) Whether the Award passed by the Forum is liable to be set aside?  
and
  - iii) To what relief?

### **SETTLEMENT BY MUTUAL AGREEMENT**

12. Both the parties appeared before this authority on 26.07.2022. Efforts were made to reach a settlement between the parties through the process of conciliation and mediation. However, no settlement could be reached. The

hearing, therefore, continued to provide reasonable opportunity to both the parties to put-forth their case and they were heard.

### **REASONS FOR DELAY IN DISPOSING OF THE APPEAL**

13. Since I took charge as Vidyut Ombudsman on 01.07.2022 and since there was no regular Vidyut Ombudsman earlier, the appeal was not disposed of within the prescribed period.

### **POINTS (i) and (ii)**

### **ADMITTED FACTS**

14. The admitted facts are that earlier the industry was existing with Service Connection No. 020100152. It fell due to pay the arrears of electricity consumption charges to the respondents. The appellant purchased the industry in the auction conducted by the A.P.State Financial Corporation under a registered sale deed dated 16.05.2000. Thereafter the appellant obtained new Service Connection No. 020101318. There is also no dispute that after the Forum passed the Award and after the respondents calculated the amount of Rs 50,164/-, as directed, the appellant paid the said amount under protest.

### **CRUX OF THE CASE**

15. In view of the dispute involved in this case it is necessary to refer Clause 5.9.6 and Clause 8.4 of the General Terms and Conditions of Supply (in short "GTCS") which read as under:-

***"5.9.6 Dismantlement of Service Line after Termination of Agreement: On the termination of the LT or HT Agreement, the company is entitled to dismantle the service line and remove the materials, Meter, cut out etc. After termination of the Agreement, the***

*consumer shall be treated as a fresh applicant for the purpose of giving supply to the same premises when applied for by him provided there are no dues against the previous Service Connection.”*

**“8.4 Transfer of Service Connection:-** *The seller of the property should clear all the dues to the Company before selling such property. If the seller did not clear the dues as mentioned above, the Company may refuse to supply electricity to the premises through the already existing connection or refuse to give a new connection to the premises till all dues to the Company are cleared.”*

The above Clauses make it quite clear that the electricity consumption arrears are payable by the purchaser / auction purchaser. Thus in the instant case the appellant is liable to pay the due amount as claimed by the respondent.

16. The Hon'ble Supreme Court in the Judgement in *Telangana State Southern Power Distribution Company Limited v. SRIGDHAA BEVERAGES* (C.A.No. 1815 of 2020) out of Spl. Leave Petition (C) No. 19292/2018) dt.01.06.2020 has held as under:-

- A. That electricity dues, where they are statutory in character under the Electricity Act and as per the terms & conditions of supply, cannot be waived in view of the provisions of the Act itself more specifically Section 56 of the Electricity Act, 2003 (in pari materia with Section 24 of the Electricity Act, 1910), and cannot partake the character of dues of purely contractual nature.
- B. Where, as in cases of the E-auction notice in question, the existence of electricity dues, whether quantified or not, has been specifically mentioned as a liability of the purchaser and the sale is on “AS IS WHERE IS, WHATEVER THERE IS AND WITHOUT RECOURSE BASIS”, there can be no doubt 10 (supra) 12 that the liability to pay electricity dues exists on the respondent (purchaser).
- C. The debate over connection or reconnection would not exist in cases like the present one where both aspects are covered as per clause 8.4 of the General Terms & Conditions of Supply.

In view of this judgement of the Hon'ble Supreme Court, the licensee has a right to demand the arrears due of the last owner from the purchaser. Thus in the instant case the Licensee-respondents are entitled to demand the arrears from the appellant herein who is the purchaser of the industry. This is the latest judgement of the Hon'ble Supreme Court. Therefore, the earlier judgements of the Hon'ble Supreme Court reported in Haryana State Electricity Board v. Hanuman Rice Mill (1) and Paschimanchal Vidyut Vitran Nigam Ltd., v. M/s. DVS Steels and Alloys Pvt. Ltd., (2) holding contra, are not helpful to the appellant. Therefore, I hold that the appellant is liable to pay the amount as ordered by the learned Forum. Therefore, the Award in question is not liable to be set aside. These points are accordingly decided against the appellant and in favour of the respondents.

**POINT No. (iii)**

17. In view of the findings on point No. (i) and (ii), the appeal is liable to be rejected.

**RESULT**

18. In the result, the appeal is rejected, without costs, confirming the Award passed by the Forum.

Typed to my dictation by Office Executive-cum-Computer Operator, corrected and pronounced by me on this the 2nd day of August 2022.

Sd/-

**Vidyut Ombudsman**

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<sup>1</sup> 1. (2010) 9 -SCC -145  
2. AIR 2009 - SC - 647

1. M/s. Ubas-Engineers Enterprises (P) Ltd., through its Director, Mohammed Anwar Waheed, Regd.Office at 302, 3rd floor, Babu Khan Estate, Basheerbagh, Hyderabad. Cell: 9652343278.
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6. The Superintending Engineer / Operation / Sangareddy Circle / TSSPDCL / Sangareddy District.

**Copy to**

7. The Chairperson, Consumer Grievances Redressal Forum - I, TSSPDCL, GTS Colony, Vengal Rao Nagar, Hyderabad.