



**BEFORE THE VIDYUT 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  
VIDYUT OMBUDSMAN**

WEDNESDAY THE THIRTY FIRST DAY OF JANUARY  
TWO THOUSAND AND TWENTY FOUR

**Appeal No. 52 of 2023-24**

Between

Sri Porendla Prabhakar, H.No.3-7-265/4, Oglapur Village, Damera Mandal,  
Hanamkonda District. Cell: 8500184312.

.....Appellant

**AND**

1. The Assistant Engineer/Operation/Damera - 7901678231.
- 2 The Assistant Divisional Engineer/Operation/Parkal - 9440814866
3. The Divisional Engineer/Operation/Rural/Hanamkonda - 7901678137.

..... Respondents

This appeal is coming on before me for final hearing on this day in the presence of the appellant virtually and Sri G. Ramesh - AE/OP/Damera, Sri J. Devender - ADE/OP/Parkal and Sri B. Samya Nayak - DE/OP/Hanamkonda for the respondents virtually and having stood over for consideration till this day, this Vidyut Ombudsman passed the following:-

**AWARD**

This appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum - Warangal -1 (in short 'the Forum') of Telangana State Northern Power Distribution Company Limited (in short 'TSNPDCL') vide C.G.No 293/2023-24/Hanamkonda Circle dt.14.12.2023, rejecting the complaint filed by the appellant.

## **CASE OF THE APPELLANT BEFORE THE FORUM**

2. The case of the appellant is that he applied for a new Service Connection at Shree Vaikunta Venkateswara Swamy Varla Temple at Oglapur Village, Damera Mandal and paid a sum of Rs.64,478/- to respondent No.3, towards Service Lines Charges and Development Charges and Rs.1,650/- towards Security Deposit and registration fee to respondent No.1. The said Service Connection was not released by the respondents. Therefore he prayed the learned Forum to direct for release of new Service Connection and also grant him compensation of Rs.4,00,000/- for the loss sustained by him and also to refund the amount paid by him if the work is not executed.

## **WRITTEN SUBMISSIONS OF THE RESPONDENTS**

3. In the written reply submitted by respondent No.2, it is, inter-alia, submitted that an estimate was prepared under WBS No.E-1701-02-01-01-015 for the extension of supply to the temple with a load of 2 KW at Survey No.115/A in Oglapur Village, Damera Mandal and it was sanctioned. The appellant paid the required amount. However, due to right of way problem, the work was not executed. The appellant did not respond thereafter. Therefore, the then respondent No.1 closed the work order as NIL.

## **AWARD OF THE FORUM**

4. After considering the material on record the learned Forum has rejected the complaint in terms of Clause 2.37 of Regulation 3 of 2015 of Hon'ble Telangana State Electricity Regulatory Commission (in short "the Regulation 3 of 2015").

5. Aggrieved by the said Award of the learned Forum, the present appeal is preferred, contending among other things, that the respondents have not executed the work though he made the payment. The learned Forum without giving an opportunity to him to present his case disposed of the complaint. Therefore, it is prayed to direct the respondents to refund the amount paid by him.

## **WRITTEN SUBMISSION OF RESPONDENTS**

6. In the written submission of respondent No.2, before this Authority, while reiterating the contents made by him before the learned Forum he stated that since the appellant did not respond, the work order was closed as NIL.

## **ARGUMENTS**

7. The appellant has submitted that since he paid the amount to the respondents as required for release of a new Service Connection and since the work was not executed, he prayed to direct the respondents to refund the amount paid by him.

8. It is the arguments of the respondents that there is no fault on their part in non-execution of the work and since there was right of way issue, the work was not executed and it was closed as NIL after doing some exercise.

### **POINTS**

9. The points that arise for consideration are:-

- i) Whether the appellant is entitled for refund of the amount paid by him as prayed for?
- ii) Whether the impugned Award of the learned Forum is liable to be set aside? and
- iii) To what relief?

### **POINT No. (i) and (ii)**

#### **ADMITTED FACT**

10. It is an admitted fact that the appellant has applied for a new Service Connection at Shree Vaikunta Venkateswara Swamy Varla Temple at Oglapur Village, Damera Mandal and paid a sum of Rs.64,478/- (Rupees sixty four thousand four hundred and seventy eight only) on 01.01.2018. It is also an admitted fact that since there was a right of way issue, the work was not executed and it was closed as NIL.

#### **SETTLEMENT BY MUTUAL AGREEMENT**

11. Both the parties have appeared before this Authority. 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**

12. The present appeal was filed on 27.12.2023. This appeal is being disposed of within the period of (60) days as required.

### **CRUX OF THE MATTER**

13. A perusal of para (5)(iii) of the impugned Award shows that the then respondent No.1 returned all the materials by 13.04.2020 and closed the work order as NIL. This means there was almost no loss of material in the present transaction. It was only submitted by the respondents during the course of arguments that there was some damage to a pole.

14. Since the appellant is now restricted his claim only for refund of the amount paid by him, it is necessary to refer to Clause 5.3.2.1 of General Terms and Conditions of Supply (in short “the GTCS”) which reads as under:-

“The Service line charges payable by the consumers for release of new connection/ additional load under both LT and HT categories shall be levied at the rates notified by the company in accordance with regulations /orders issued by the Commission from time to time These charges shall be paid by the consumer in advance failing which the work for extension or supply shall not be taken up. These charges are not refundable.

Provided that where any applicant withdraws his requisition before the Company takes up the work for erection of the service line, the Company may refund the amount paid by the consumer after deducting 10% of the cost of the sanctioned

scheme towards establishment and general charges. No interest shall be payable on the amount so refunded.”

Similarly it is also desirable to extract Clause 5.3.3.1 of the GTCS which is as under:-

The amounts payable by the consumer towards development charges of new connection/ additional load under LT and HT categories shall be at the rates notified by the Company with the approval of the Commission from time to time. The consumer shall pay these charges in advance, failing which the works for extension of supply shall not be taken up. These charges are non-refundable.

Provided that where any applicant withdraws his requisition before the Company takes up the works of the sanctioned scheme, the Company may refund the development charges paid by him without any interest. However where the service line charges are not sufficient to cover the 10% of the cost of the sanctioned scheme, mentioned in clause 5.3.2.1 above, the balance amount of 10% of the cost of the sanctioned scheme shall be deducted from the development charges paid by him.

Both these Clauses specify that the Service Line charges and Development Charges are non refundable. However, there is proviso to both these Clauses. The said proviso says that if the applicant withdraws his requisition before the company takes up the works of the sanctioned scheme, the company may refund these charges.

15. In the present case though the appellant has applied for a new Service Connection due to right of way problem, the work was not executed. This may be beyond the control of the appellant. A copy of letter dt.08.10.2018 addressed to respondent No.2 goes to show that the appellant requested for

extending new Service Connection or to refund the amount paid by him. This means that the appellant withdrew his requisition for which he is entitled for refund of the amount, as per the Clauses of the GTCS referred to above.

16. The learned Forum also took the ground that under Clause 2.37 of Regulation 3 of 2015 if the grievance was submitted after two years after the date of cause of action, the complaint is liable for rejection. At this stage it is necessary to analyse the relevant law on the subject. The Hon'ble Supreme Court very recently in a judgement reported in NATIONAL INSURANCE CO.LTD., v. HARSOLIA MOTORS & Ors<sup>1</sup> has held that the Consumer Protection Act is a social benefit oriented legislation and therefore the Court has to adopt a constructive liberal approach while construing the provisions of the Act. It is also held therein that the provisions of the Consumer Protection Act 1986 have to be construed in favour of the consumer to achieve the purpose of the enactment as it is social benefit legislation. These principles laid down in the judgement equally apply to the facts of the present case inasmuch as the appellant is also a consumer. The word used in Clause 2.37 is that the Forum "may" reject the grievance and the word "shall" was not used. So it is the discretion of the learned Forum and it does not mean that complaint must be returned. As held by the Supreme Court the law intended to help the consumer must be used to benefit him. Therefore merely because the appellant is coming to the Forum after two years of the cause of action is not a

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<sup>1</sup> 2023 Live law S C - 313



ground to reject the complaint.

### **QUANTUM MERUIT AND UNJUST ENRICHMENT**

17. In the present case undoubtedly the respondents only attempted to execute the work but could not complete it and the money paid by the appellant is admittedly with the respondents. The theory of quantum meruit deals with situation where the reasonable or fair sum should be paid. The theory of unjust enrichment deals with situation where there is failure to pay the services.

18. Quantum meruit is a Latin phrase related to Contract Act 1872, which means “what one has earned” or “as much as he earned”. In India, a claim under Quantum Meruit is allowed by Sec. 70 of the Indian Contract Act. In other words in a situation when the person providing the services has completed some but not all of the work required of him and is requesting payment for the worth of work completed.

19. When a party unjustly benefits from an act of another party then the former party is said to be unjustly enriched. And such an act of unjust enrichment is prevented by measures such a quasi contracts.

20. As already stated, due to right of way issue, the said work was not executed and the new Service Connection was not released. The amount paid by the appellant to the respondents is not meagre one. The Clauses of GTCS referred to supra intended for return of the amount paid under different heads



shall be interpreted liberally. The respondents are not entitled to unduly enrich themselves with the money paid by the appellant. In view of these factors, I hold that the appellant is entitled for refund of the amount paid by him after deducting 10% of the said amount and the impugned Award is liable to be set aside. These points are accordingly decided in favour of the appellant and against the respondents.

**POINT No. (iii)**

21. In view of the finding on point Nos. (i) and (ii), the appeal is liable to be allowed.

**RESULT**

22. In the result, the appeal is allowed and the impugned Award of the learned Forum is set aside. The respondents are directed to refund the amount after deducting 10% out of Rs.64,478/- paid by the appellant as soon as possible and report compliance thereafter.

A copy of this Award is made available at <https://vidyutombudsman-tserc.gov.in>.

Typed to my dictation by Office Executive-cum-Computer Operator, corrected and pronounced by me on this the 31st day of January 2024.

Sd/-

**Vidyut Ombudsman**

1. Sri Porendla Prabhakar, H.No.3-7-265/4, Oglapur Village, Damera Mandal, Hanamkonda District. Cell: 8500184312.
2. The Assistant Engineer/Operation/Damera - 7901678231.
3. The Assistant Divisional Engineer/Operation/Parkal - 9440814866
4. The Divisional Engineer/Operation/Rural/Hanamkonda - 7901678137.

**Copy to**

5. The Chairperson, Consumer Grievances Redressal Forum- Rural, Nakkalagutta, Hanamkonda, Warangal.

