



**VIDYUT OMBUDSMAN FOR THE STATE OF TELANGANA**  
First Floor 33/11 kV substation, Hyderabad Boats Club Lane  
Lumbini Park, Hyderabad - 500 063

**:: Present:: Smt. G. Udaya Gouri**

**Tuesday the Fifteenth Day of October 2019**

**Appeal No. 63 of 2018**

**Preferred against Order Dt.27.11.2018 of CGRF in  
C.G.No.271/2018 of Karimnagar Circle**

Between

M/s. Suparnaa Industries, represented by Sri. M. Dayakar, Plot No.16/A, MPL,  
H.No.21-4-83/1, Gouthami Nagar, IDA Ramagundam, Peddapalli,  
Karimnagar - 505210. Cell: 8341385556.

**... Appellant**

**AND**

1. The AE/OP/W/Godavarikhani - 9440811498.
2. The ADE/OP/Godavarikhani - 9440811431.
3. The DE/OP/Manthani - 9491045995.
4. The SE/OP/Peddapalli - 7901093955.

**... Respondents**

The above appeal filed on 28.01.2019, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 16.07.2019 at Hyderabad. The Appellant being absent Sri. P. Thirupathi - DE/OP/Manthani, Sri. M. Thirupataiah - SAO/OP/Peddapalli, Sri. K. Venkateshwarlu - ADE/OP/Godavarikhani and Sri. K. Sathaiah - AE/OP/W/Godavarikhani were present for the Respondents and having considered the record and submissions of both parties, the Vidyut Ombudsman passed the following;

**AWARD**

This is an Appeal against the orders of the CGRF Karimnagar Circle in CG No.271 of 2018 dt.27.11.2018.

2. The Appellant stated that they have filed a complaint before the CGRF against the rejection of new power connection in the name of his firm namely M/s. Suparnaa Industries situated at IDA Gowthami Nagar, Ramagundam, Peddapalli,

Karimnagar District on the ground that already a UDC service connection bearing No. SC No. KRN 164 is existing in the same premises though the said service connection does not belong to them and belongs to M/s. MRK Industries with whom they have no connection and the learned CGRF disposed the said complaint stating that the said complaint is not a genuine one. As such aggrieved by the same the present Appeal is filed.

3. The Appellant contended that the orders of the CGRF are not in accordance with the provisions prescribed for issuance of new connection and stated that The service connection No SC.No KRN 164 belongs to MRK industries situated at Plot No.16/A/1, Gouthami Nagar, IDA, Ramagundam whereas the appellant Suparnaa Industries is situated at Plot No. 16/A, Gouthami Nagar, IDA, Ramgundam.It is to be noted that the Appellant's Plot No. 16/A is independent and have no connection whatsoever with adjacent Plot no. 16/A/1 belonging to MRK industries. The Appellant cannot be made liable for the arrears of neighbouring plot. The appellant Suparnaa Industries is an independent entity from that of MRK industries.

The Plot.No. 16/A is situated at IDA, Ramgundam, Karimnagar District was sold to Rathi Industries represented by Mr. Shiv Narayan Rathi admeasuring 5026.78 Sq.Yd vide sale deed.no 2144/1996 along with site plan. Thereafter Rathi industries sold 2460.11sq.yd to Jayrama Industries vide sale deed No. 2721 of 2001 and No 1/2002 dated 12.12.2001 and 31.12.2001 respectively.

M/s Jayarama Industries have availed loan from APSFC pledging above said two documents along with another document no 1522 of 2002 for an area of 108.67 Sq Yd situated at plot No 16/A, IDA, Ramagundam Totalling admeasuring 2568.78 Sq.Yds situated at plot no 16/A IDA, Ramagundam.

Jayarama has failed to repay the loan hence APSFC under section 29 of SFC act have auctioned the said mortgage of 2568.78 sq situated at plot no 16/A, IDA ramagundam to MRK industries and executed sale deed no 6323 of 2006 dated 18.12.2006.

In the meanwhile Rathi Industries which was holding remaining land of 2576.67 out of which 842.89 Sq.Yards was taken out for path out of original holding of 5026.78sq.Yd underwent change in partnership as under:

- a. Vide partnership deed dated 1.4.2006 two new partners were admitted and Mr. Somarapu Maruthi became managing partner.
- b. Vide retirement deed dated 20.4.2006 two originals partners retired.
- c. Vide Partnership deed dated 21.4.2006 the name of firm was changed to “Gouthami Industries”.
- d. Vide Partnership deed dated 2.4.2012 four more partners were admitted.
- e. Vide Partnership deed dated 13.8.2012 two earlier partners were retired and name of the firm was changed from gouthami industries to M/s suparnaa industries.
- f. Vide Partnership deed dated 14.8.2012 a fresh terms of partnership is executed.
- g. Vide retirement deed dated 31.1.2017 two partners retired.
- h. Vide Partnership deed dated 1.2.2017 fresh partnership deed was executed.
- i. The Registrar of firm has issued acknowledgement for change of name to M/s. Suparna Industries on 14.3.2017.

That in view of the above stated facts though the MRK industries and Suparnaa Industries are situated in plot no 16/A, IDA, Ramagundam, Peddapalli district there is no relation between MRK industries and Suparna Industries. Hence the rejection for release of new service connection for Suparnaa Industries “the application is rejected due to the UDC service in the same premises of SC No KRN 164” which belongs to MRK Industries is illegal and arbitrary.

**UNDER SUB SECTION 3.35 OF REGULATION 3 OF 2015 DATED 3.10.2015**

- a. To set aside the order dated 27.11.2018 passed by the CGRF in CG No. 271 of 2018/Karimnagar circle.

- b. To release new service connection to Suparnaa Industries immediately
- c. Any such order or orders as may deem fit by Hon'ble Vidyut Ombudsman in the circumstances of appeal in the interest of justice and fair play.

#### **4. Written Submissions of the Respondents**

The SE/OP/Peddapalli vide his letter dt.19.02.2019 submitted his written submissions stating as follows:-

The Appellant has filed for E/s to M/s. Suparna Industries, Godavarikhani for which the detailed report submitted by the DE/OP/Manthani as follows.

That application was registered in TS ipass on the name of M/s. Suparna Industries vide UID No. MIC 023000076609 dt.01.09.2017. As per the TSipass application it was verified in field along with the representative of M/s. Suparna Industries by Sri. M. Dayakar and Venkataswamy and observed that the now proposed industry M/s. Suparna Industry is existing in the premises of M/s. MRK industries being SC No.KRN-164 which was disconnected on 09.08.2015 due to having arrears. The representative of M/s. Suparna Industries and the partners and firm names are different and requested to extend the supply to Suparna Industries. As the now proposed industries M/s. Suparna Industries existing in the premises of M/s. MRK industries which was UDC the TSipass application was rejected by DE/OP/Manthani.

Later after sometime a compound wall was built by M/s. Suparna Industries and requesting that the industries are different for extending supply to M/s. Suparna Industries.

But there is only one common gate to both said industries and same passage is used to both industries with different gates.

That the fact known is the M/s. MRK industries is the only existing industry in that premises being SC No. KRN-164 with CMD of 200 KVA which was UDC for having arrears. Later the separate registration firm for certain extent of land is not known earlier.

Even after repeated requests from the consumer we could not able to extend the supply to M/s. Suparna Industries as it was part of the divided place in the machinery of M/s. M/s. MRK Industries which was under disconnection even though as these firms as different names, different partners and different sale deed documents.

That the Hon'ble CGRF-I issued the orders as follows:-

1. The grievance of the complainant is not genuine and tenable
2. With the above order the CG No.271/2018 is hereby disposed off.

**5. REJOINDER FILED BY APPELLANT :**

In reply to para No 2:- Respondents No.4 alleged that the appellant M/s. Suparnaa Industries plot is situated in the same premises of MRK industries which is having UDC hence, power supply is not extend to the appellant industry is denied. The Suparnaa industries appellant Plot No. 16/A Gouthami nagar, IDA Ramagundam whereas MRK industries plot number is 16/1, Gouthami nagar, IDA, Ramagundam.

In reply to para No.3:- The allegation of Respondent No. 5 is denied. The Suparnaa Industries of appellant and MRK industries are situated in different premises and are different entities.

In reply to para No. 4:- The allegation of Respondent No. 5 is denied. No compound wall is built by the appellant to show different industries. Since 1996 both the industries are different. The evidence are filed and explained in above 1st para hence, please consider the same in this regard.

In reply to Para No.5:- Under the shelter of common gate the refusal of power supply to appellant is illegal, arbitrary and not maintainable under the eyes of law.

In reply to Para No.6:- The admission of respondents no 5 is true. In the said premises the MRK industries is only existing and suparna industries is existing

indifferent premises. Both the premises are having different plot no i.e 16/A is pertaining to suparna industries and plot 16/A/1 is pertaining to MRK industries.

In reply to para No. 7:- The admission of Respondent No.5 Categorically admitted that both the industries i.e MRK industries and Suparnaa industries are having different name, different partners and different sale deed. As the respondents themselves admitted that M/s Suparna Industries and MRK Industries are situated in different plots and different entities.

#### **Heard both sides**

6. On the basis of the said averments by both sides, the following issues are framed:-

1. Whether the Appellant's concern i.e. M/s. Suparnaa Industries is an independent entity from that of M/s. MRK Industries and as such is entitled for issuance of new power connection in its name? And
2. To what relief?

#### **Issue No.1**

7. The evidence adduced on both sides show that M/s. Suparna Industries plot No. 16/A, MPL, 21-4-83/1, Gowthami Nagar, IDA, Ramagundam, Peddapalli District, preferred this appeal towards release of new service connection in the said premises. Their application was registered in TS-ipass vide UID No. MIC 023000076609, dt.01.09.2017. That the application was rejected by the Respondents alleged to be, in view of pending arrears of M/s. MRK industries bearing SC No. KRN-164, which is stated to be existing in the same premises of applied new service connection. The Appellant opposed such allegation and claimed that M/s. MRK Industries is situated at Plot No. 16/A/1, Gowthami Nagar, IDA Ramagundam, whereas the fresh application registered for new service connection in the name of M/s. Suparnaa Industries is situated at Plot No. 16/A, Gowthami Nagar, IDA, Ramagundam. That M/s. Suparnaa Industries is independent and have no connection whatsoever with adjacent plot No. 16/A/1 belonging to MRK Industries. That they cannot be made liable for the arrears of neighbouring plot.

8. On the other hand the Respondents claimed that as per the TS-ipass application it is verified in the field along with the representative of M/s. Suparnaa Industries, Sri. M. Dayakar and Venkataswamy, that the now proposed industry i.e. M/s. Suparnaa Industries is existing in the premises of M/s. MRK industries bearing SC No. KRN164, which was disconnected for want of payment of the arrears on 09.08.2015. That during the course of time a compound wall was built by M/s. Suparnaa Industries showing that the industries are different for extending supply to M/s. Suparnaa Industries. That there is only one common gate to both the said industries and same passage is used with different gates. They have claimed that M/s. MRK industry is the only existing industry in the premises which is under disconnection for non payment of arrears. That the premises is the same but they have divided the premises with separate registration of firm later, they could not give the connection even though they are under different names, partners and sale deed documents.

9. The Appellant in support of their claim submitted the copy of the documents of sale deeds, partnership deeds, right from the beginning of purchase of land from M/s. APIIC in the year 1996. A perusal of the documents submitted by the Appellants goes to show that the total premises H.No.21-4-82/1 in Sy No.125 Plot No. 16/A, Gowthami Nagar, IDA Ramagundam, consists of total of 5026.78 sq yards of land. The said land was allotted in the year 1996 to Sri. Shiv Narayan Rathi and Smt. Ayodya Devi who were business partners for running an industry of rice mill in the name and style of M/s. Rathi Industries. Subsequently MRK Industries (represented by its Managing Partner Sri. Manchikatla Venkata Swamy, S/o. Kistahiah) acquired the part of the land to an extent of 2568.78 sq yards from AP State Financial Corporation who liquidated in view of the defaulter industry M/s. Jayarama Industries who in turn acquired the same land from M/s. Rathi Industries. On the other hand the balance land of M/s. Rathi Industries was acquired by M/s. Gowthami Industries leaving 842.87 Sq yards towards common passage.

During the course of time M/s. Gowthami Industries name was changed in the name and style of M/s. Suparnaa Industries in the year 2012 with partnership between three brothers Manchikatla Venkataswamy, Manchikatla Satyanarayana, Manchikatla Dayakar and S/o. Sri. Manchikatla Venkataswamy i.e. Sri. Manchikatla Pramod Krishna. Sri. Manchikatla Venkataswamy being the first partner was engaged

as working partner actively for all the practical and administrative purposes for conducting the day to day business with operating rights over accounts also. Subsequently Sri. M. Venkataswamy and Sri. M. Satyanarayana executed a deed of retirement on 31.01.2017 with continuing partners as Sri. M. Dayakar and Sri. M. Pramod Krishna of the firm M/s. Suparnaa Industries with a share of 50% each. The Respondents relied on the fact that the whole premises is one with common passage under the address H.No.21-4-82/1 in Sy No.125 Plot No. 16/A, Gowthami Nagar, IDA Ramagundam and Sri. Manchikatla Venkataswamy being proprietor of M/s. MRK Industries and managing partner of Suparnaa Industries is liable to pay the arrears of the MRK Industries, as a result the rejection of Suparnaa Industries was stated to be holds good.

10. The General Terms and Conditions of Supply approved by the ERC, Clause 8.4 speaks on the issue related to the arrears pending against the electricity service connection in a premises, which is reproduced here under:-

#### 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.”*

As per the above given clause the supply of electricity is relevant to the premises, where the existing premises is having arrears pending towards supply of electricity. The Appellant beholds that the premises are different of both the subject industries with address 16/A/1 is of MRK Industries and 16/A is of M/s. Suparnaa Industries, but he failed to produce any documentary evidence to prove the same. As per the perusal of the sale deed and the partnership deeds of both the industries the whole premises is having a same address i.e. Plot No.16/A, H.No.21-4-82/1.

11. Presently the existing Managing Partners Sri.M. Dayakar and Sri. M. Pramod Krishna applied for new service connection on 01.09.2017, as on that date Sri.M.Venkataswamy proprietor of M/s. MRK Industries who was also Managing



Partner of the M/s. Suparnaa Industries retired from the partnership i.e., in Jan'2017.

12. The Appellant relied on the High Court judgement in WP No.28271 of 2008 between Dhanalakshmi Iron Industries Ltd. and Central Power Distribution Company of AP Ltd. dt.25.07.2014. The relevant portion is reproduced here under:-

*"12. The position therefore can may be summarized thus:*

*(i) Electricity arrears do not constitute a charge over the property. Therefore in general law, a transferee of a premises cannot be made liable for the dues of the previous owner/occupier.*

*(ii) Where the statutory rules or terms and conditions of supply which are statutory in character, authorize the supplier of electricity, to demand from the purchaser of a property claiming re-connection or fresh connection of electricity, the arrears due by the previous owner/occupier in regard to supply of electricity to such premises, the supplier can recover the arrears from a purchaser."*

*Since the demand was made by the appellant after three years, it was held that the claim relating to the previous owner could not be enforced against the first respondent. Thus on facts, it was held that the appellant cannot recover the dues of the previous owner.*

*12. Though it is not directly relevant to the point in issue, a learned single Judge of this Court in Dr. J. Ramachandra Rao v. A.P. Eastern Power Distribution Co., Ltd., Eluru MANU/AP/0570/2008 : 2008 (6) ALD 404 held that the arrears in respect of the company cannot be collected from the Directors of the company or the Managing Director who signed the agreement in the capacity of Managing Director. Of course, the said decision was rendered by interpreting Section 2(c) of Indian Electricity Act, 1910 and Condition No. 2.5 of the Electricity Supply Conditions.*

*In the instant case, Condition No. 8.4 obligates the seller of the property to clear all the dues to the company before selling such property. If the seller fails to clear the dues, the company may refuse electricity supply 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. It is clear from the wording of the said condition that the responsibility is cast on the seller and in the case of sale of a sick unit, the seller would be incapable of complying with the above term. However the said condition does not disable the Company from recovering the dues when the arrears became due and before the unit was sold. The Company cannot keep quiet and try to recover the dues from the purchaser. The issue of limitation also crops up for consideration.*

*13. In the circumstances, it is for the respondent to take necessary steps for recovery of the dues, and if it fails to do so, it cannot enforce the same against the purchaser. In the present case, the property was put to sale in a public auction by Tribunal in execution of a sale certificate in R.P. No. 337 of 2003 in O.A. No. 490 of 2000 dated 07.07.2003 issued by the Presiding Officer, Debt Recovery Tribunal, Hyderabad. It was purchased by the vendor of the petitioner and the petitioner purchased the same on 26.03.2007. There was no claim of the respondents till the petitioner applied for service connection. When the petitioner made a request for supply, it was rejected on 03.05.2007 on the ground that the original consumer whose unit was put to sale was in arrears to the tune of Rs. 1,78,51,195/-. It is nearly 9 times of the sale consideration paid by the petitioner. In view of the incapacity of the seller to comply with Condition No. 8.4 coupled with the fact of first respondent not taking steps to recover the arrears and the long silence till an application is made by the petitioner, the order of rejection dated 03.05.2007 passed by the third respondent is liable to be set aside.*

The above given directions of the Hon'ble High Court refers to the cases where the property/premises having dues pending against electricity supply was taken over by another owner/occupier. In order to understand the layout of whole plot area, the partnership deed document executed on 01.02.2017, showing the plan layout of the A.C.Sheet roof shed and open land in Plot No.16/A pertaining to M/s. Suparnaa Industries and M/s. MRK Industries is reproduced hereunder:-

**PLAN SHOWING THE A.C SHEET ROOF SHED AND OPEN LAND IN PLOT NO.16/A,  
 N.B. RING MPL H.NO. 21-4-83/1, SITUATED AT GOUTHAMI NAGAR OF I.D.A,  
 MALKAPUR SHIVAR, RAMAGUNDAM MANDAL, PEDDAPALLY- DISTRICT.**

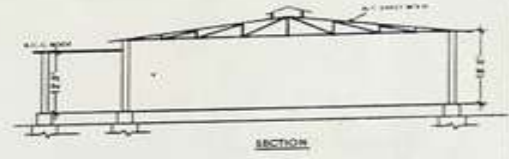
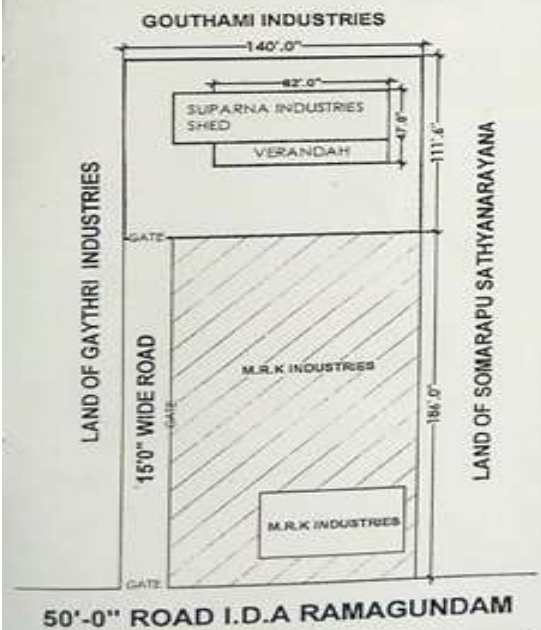
OWNER : **M/s SUPARNA INDUSTRIES I.D.A RAMAGUNDAM,** (136)  
 (Regd. Firm No.5826/1990) at Karimnagar.

By It's Managing Partners : 1) Sri. MANCHIKATLA DAYAKAR, S/o. KISTAIAH.  
 2) Sri. MANCHIKATLA PRAMOD KRISHNA, S/o. VENKATA SWAMY.

REFERENCE  
 M/s SUPARNA INDUSTRIES I.D.A  
 RAMAGUNDAM



AREA PARTICULARS  
 TOTAL PLOT AREA : 1733.78 SQYDS  
 OR 1451.17 SQMTRS  
 A.C SHEET ROOF  
 PLINTH AREA : 4465.00 SQFTS  
 R.C.C ROOF G.FLOOR  
 PLINTH AREA : 697.00 SQFTS



*K.V. Subha Raju*  
**K.V. SUBHA RAJU**  
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 D.O. OF REGISTRATION  
 REGISTERED TECHNICAL PERSON

1. *S. Sathish*  
 2. *Subha*  
**SIGNATURE OF WITNESSES**

1. *Subha*  
 2. *Prasad*  
**SIGNATURE OF OWNERS**

The said plan as shown above clearly shows that the premises of the Appellant i.e. M/s. Suparna Industries and M/s. MRK Industries are located in the Plot No.16/A but they have their own entities and different from each other. The documents filed by the Appellant clearly show that the sale deeds under which the Appellant procured 1733.78 Sq Yards are different from that of the sale deeds under which M/s. MRK Industries procured 2568.78 Sq Yards, though they have a common

passage of 842.89 Sq Yards which goes to show that the said two industries are separate and are having independent entities.

The evidence on record also does not show that the Appellant i.e. M/s. Suparnaa Industries purchased the land or acquired the land for itself from M/s. MRK Industries or through the partners or owners of the MRK Industries. The said evidence also shows that the owners of the two firms are different having acquired the land under its possession under different sale deeds. The Respondents who refused to issue new connection to the Appellant failed to adduce any evidence to show that the Appellant industry i.e. M/s. Suparnaa Industries has acquired the land under its possession from M/s. MRK Industries. They have not adduced any evidence to show that M/s. Suparnaa Industries is in anyway connected to MRK Industries. In the absence of such evidence from the Respondents and in the face of the evidence adduced by the Appellants showing their independent, individual identity and entity, the rejection of new power connection to the Appellant i.e. M/s. Suparnaa Industries by the Respondents is against the very provisions prescribed for such issuance as contended by the Appellant, particularly when there is sufficient provisions prescribed for the Respondents to recover the amounts due from MRK Industries. As such it is concluded that the Respondents are liable to issue new power connection to the Appellants as they are entitled for the same being a separate industry. Hence decides this issue in favour of the Appellant.

#### **Issue No.2**

13. In the result the Appeal is allowed and the Respondents are directed to issue new service connection to the Appellant's industry i.e. M/s. Suparnaa Industries in accordance with the provisions prescribed without any delay.

TYPED BY Clerk Computer Operator, Corrected, Signed and Pronounced by me on this the 15th day of October, 2019.

Sd/-  
**Vidyut Ombudsman**

1. M/s. Suparnaa Industries, represented by Sri. M. Dayakar, Plot No.16/A, MPL, H.No.21-4-83/1, Gouthami Nagar, IDA Ramagundam, Peddapalli, Karimnagar - 505210. Cell: 8341385556.
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5. The SE/OP/Peddapalli - 7901093955.

**Copy to :**

6. The Chairperson, Consumer Grievance Redressal Forum - 1, TSNPDCL, Nakkalagutta, Hanamkonda, Warangal.
7. The Secretary, TSERC, 5<sup>th</sup> Floor Singareni Bhavan, Red Hills, Lakdikapul,Hyd.