

No.N/250/2017 & No.N/251/2017

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**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,  
No.16, C-1, Millers' Tank Bed Area, Vasanth Nagar, Bengaluru-560 052.**

**Dated: 26.08.2020**

**Present**

|                                |                   |
|--------------------------------|-------------------|
| <b>Sri Shambhu Dayal Meena</b> | <b>: Chairman</b> |
| <b>Sri H.M. Manjunatha</b>     | <b>: Member</b>   |
| <b>Sri M.D. Ravi</b>           | <b>: Member</b>   |

**OP No.125/2017**

**BETWEEN:**

P. Venganna Setty & Bros,  
Having its Registered Office at Baldota Enclave,  
Abheraj Baldota Road,  
Hospet-583 203,  
Karnataka.  
(Represented by its Authorized Signatory  
Sri Meda Venkataiah)

**... PETITIONER**

**AND:**

Gulbarga Electricity Supply Company Limited,  
A Government of Karnataka  
undertaking incorporated  
under the Companies Act,1956.  
having its Registered Office at  
Station Main Road,  
Gulbarga-585 102.

**... RESPONDENT**

(Represented hereby its Managing Director)

**OP No.126/2017**

**BETWEEN:**

Ramgad Minerals and Mining Limited,  
Having its Registered and Corporate office at  
Baldota Enclave,  
Abheraj Baldota Road,  
Hospet-583 203,  
Karnataka.

**... PETITIONER**

(Represented by its Authorized Signatory),  
Sri K.V.S. Subrahmanyam)

**AND:**

Gulbarga Electricity Supply Company Limited,  
A Government of Karnataka  
undertaking Incorporated  
under the Companies Act,1956.  
having its Registered Office at  
Station Main Road,  
Gulbarga-585 102.

**... RESPONDENT**

(Represented hereby its Managing Director)

**FURTHER ORDERS IN OP No.125/2017 & OP No.126/2017**

1. The above two cases namely; OP No.125/2017 between P. Venganna Setty & Brothers Vs. Gulbarga Electricity Supply Company Limited (GESCOM) and OP No.126/2017 between Ramgad Minerals and Mining Limited Vs. Gulbarga Electricity Supply Company Limited (GESCOM), along with two other cases in OP No.123/2017 and OP No.124/2017, were disposed of by a common order dated 28.02.2019. The operative portions of the order in all the above cases are as follows:

- “a) The Petitioners in all the above petitions are entitled to the amounts towards the accrued interest, which became due, from 22.07.2014 till the date of filing of the petitions (i.e., 21.07.2017), due to the delay in the payment of the Monthly Tariff Invoices. The Petitioners shall file a Memo of Calculations, in terms of the above, in order to ascertain the exact amounts due, on this count;*
- b) The Petitioners in OP No.125/2017 and OP No126/2017 are entitled to recover the amounts illegally deducted by the Respondent-GESCOM towards the Letter of Credit charges, without there being any Letter of Credit in force, with interest at the rate of 9% (nine percent) per annum, from the respective dates of such illegal deductions till the date of this Order. The parties shall file a Statement, showing the period during which the Letters of Credit were not in force and the amounts deducted, during such period, towards the Letter of Credit charges, in the said Petitions;*
- c) The parties shall comply with the directions given at Sl. Nos. (a) and (b) above, regarding filing of the Memo of Calculations and furnishing of the required details, within 03 (three) weeks from the date of this Order;*
- d) The amounts found due to the Petitioners, as stated at Sl. Nos. (a) and (b) above, shall be paid by the Respondents concerned, with interest at the rate of 6% (Six percent) per annum, from the date of this Order till the date of realization;*
- e) All other reliefs, sought for by the Petitioners in these Petitions, are hereby rejected; and,*

2. In OP No.125/2017 & OP No.126/2017, the parties have filed their respective Memo of Calculations on different dates and on different items of claims as per the final orders noted above.
3. The Commission noted that as per the final orders passed in these two cases, the parties were required to settle the accounts after arithmetical calculations. Therefore, on different dates the parties were insisted to settle the account after going through the records maintained by them. Accordingly, a major portion of the amounts payable were settled by the Respondent to the Petitioners on verification of the accounts between the parties.
4. Finally, the dispute boils down to Rs.1,61,490 in OP No.125/2017 and Rs.5,05,427 in OP No.126/2017. According to the petitioners, these amounts are payable by the Respondent in the said two cases. On the other hand, the Respondent denies its liability to pay the same. These amounts relate to the interest accrued due for the energy bills submitted for the months of August, 2016 to December, 2016. According to the Petitioners, the different dates of submission of the above monthly energy bills should be taken as the starting dates for calculating the interest. On the other hand, the Respondent claims that the starting dates for all these energy bills should be considered as 31.01.2017, but not the dates of receipt of these monthly energy bills in its office.

5. In both the cases, the particulars of the dates of energy bills for the months of August, 2016 to December, 2016 are as shown below:

| Sl. No. | Bill for the month | Date of the bill | Amount claimed in the bill in OP No.125/2017 | Amount claimed in the bill in OP No.126/2017 |
|---------|--------------------|------------------|--|--|
| 1       | August, 2016       | 09.09.2016       | Rs.14,22,116                                 | Rs.31,51,307                                 |
| 2       | September, 2016    | 17.10.2016       | Rs. 7,52,088                                 | Rs.17,90,250                                 |
| 3       | October, 2016      | 11.11.2016       | Rs. 4,78,015                                 | Rs.10,31,609                                 |
| 4       | November, 2016     | 09.12.2016       | Rs. 4,86,601                                 | Rs.11,51,004                                 |
| 5       | December, 2016     | 09.01.2017       | Rs. 5,34,073                                 | Rs.11,88,517                                 |

6. According to the Respondent, the above bills were presented by a representative of Suzlon Global Service Limited and the said company had not filed any authorization of the Petitioner to sign and present the bills, therefore, those bills signed by the unauthorized signatory were non-est in the eye of law and have no legal recognition. The Respondent further stated that it had duly communicated to the Petitioner that these bills were not signed and presented by the duly authorized person of the Petitioner and the said bills would not become payable unless due authorization was furnished. According to the Respondent, the authorization was furnished by the Petitioner from 31.01.2017. Therefore, the Respondent contended that these bills were considered as duly presented on 31.01.2017. The Respondent has produced the relevant documents in this regard.

7. The Petitioner has contended that Suzlon Global Services Limited has been the O&M Contractor appointed by the Petitioner and the Respondent has previously always accepted the energy bills signed by the representatives of Suzlon Global Services Limited, without raising any issue and for the first time the Respondent

raised the issue of the bills being presented without authorized signatory presently. The Petitioner admitted in this regard, that the Respondent issued letter dated 25.10.2016 and the reminder dated 11.01.2017 to the representative of Suzlon Global Services Limited. Thereafter, the respective Petitioners submitting separate authorization letters dated 19.01.2017 to the Respondent and the said letters being received in the office of the Respondent on 31.01.2017. Therefore, the Petitioners have contended that these bills in question should be considered as duly presented on the dates of its presentation but not from 31.01.2017, the dates of submission of authorization letters.

8. From the above facts, the following Issue arise for our consideration:

Issue: Whether the date of submission of energy bills should be taken as the actual date of submission of the bills or 31.01.2017 the date on which authorization letters were received by the Respondent?

9. After due consideration of the rival contentions, we are of the considered opinion that the contention of the Respondent in this regard is to be accepted, for the following reason:

a) Merely because the bills were being processed by the Respondent, even though such bills were not signed and presented by the authorized representative of the Petitioner for certain period, does not create a right in favour of the Petitioner to insist for continuation of the same incorrect procedure. For certain period, the Respondent might not have noticed the incorrect procedure followed while processing the bills. On coming to know of the defect in presenting the bills, the Respondent has every right to insist

for following correct procedure. The bill for the month of August, 2016 was presented on 09.09.2016. The Respondent intimated through letter dated 25.10.2016 that the bill and the B-Form were not signed by the Petitioners or their respective representatives. In this letter, it is stated that this fact was already informed over telephone and the required authorization was not received in the office of the Respondent. Therefore, it was stated that the Respondent would not be responsible for the delay in processing the energy bills till the submission of the authorization letters. Subsequently, the reminder was sent through letter dated 11.01.2017. Thereafter, the Petitioners have submitted the authorization letters and the same was received in the office of the Respondent on 31.01.2017. From the above facts, it can be said that soon after the defects in presenting the bills were noticed, the Respondent intimated over telephone and subsequently even through letters to cure the defects.

- b) For the above reasons, we accept the contention of the Respondent that 31.01.2017 should be taken as the date of the presentation of the energy bills.
- c) It is an admitted fact that all other claims of the Petitioners are settled as per the directions issued in the previous order dated 28.02.2019. Accordingly, we pass the following:

**ORDER**

- a) The claims of the Petitioners raised in the noted in this order are not maintainable and the same are dismissed.
- b) The original order be kept in OP No.125/2016 and the copy of it in OP No.126/2017.

sd/-  
(SHAMBHU DAYAL MEENA)  
Chairman

sd/-  
(H.M. MANJUNATHA)  
Member

sd/-  
(M.D. RAVI)  
Member