

TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Regd. No. 181-8524/1998

1st Floor, SIEMA Building, 8/4, Race Course, Coimbatore - 641 018

Phone: (0422) 4351400 e-mail:teca@tecaonline.in

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CIRCULAR

To

All Members

Dear Sir,

Members are aware that the Government of Tamil Nadu levied Electricity Tax in two stages viz. 5% tax on the consumption of Electricity under the provisions of Act 32/91 and the Amended Act 4/1964 called the Tamil Nadu Tax on Electricity (Taxation of Consumption) Act, 1962 till 15/6/2003. Also, from 16/6/2003, the Government levied Electricity Tax at the rate of 5% Tax on consumption of sale of Electricity under Act 12/03 viz., the Tamil Nadu Tax on consumption of sale of Electricity Act 2003.

TECA along with some individual members has filed writ petitions questioning the levy of Electricity Tax under both the Acts and obtained interim Injunction order. The Writ Petitions have been dismissed by the Learned Single Judge as per Order dated 21/10/2003 and the Honourable Division Bench has also dismissed the writ appeal thereby, confirming the order passed by the Learned Single Judge in the writ petitions.

Based on the interim order a few members who had not remitted the electricity tax has paid arrears with Belated Payment Surcharge(BPSC) after the order of the single judge was given. Subsequently a consumer has filed petition in Madurai high court against the collection of BPSC. And the Court was allowed the plea of the petitioner and set aside the demand of BPSC by the Board.

Subsequently Tamilnadu Spinning Mills Association, Dindigul has filed an Appeal petition No. 21 of 2013 before Tamil Nadu Electricity Ombudsman to direct TANGEDCO to refund the BPSC amount collected from consumer members on the payment of arrears of E-Tax paid during the year 2006-2007.

Accordingly Ombudsman has passed an order dated 08.11.2013 and directed TANGEDCO to issue suitable directions to the SE's to adjust the BPSC amount collected on the payment of arrears of electricity tax from the member-consumers of the Petitioner(Tamilnadu Spinning Mills Association) for the period from 1.9.2004 in the future CC bills of these consumers within a month from the date of receipt of details from the concerned HT Consumers.

Refund of BPSC collected on the belated payment of E.Tax for the period prior to this period will be decided on the outcome of the suit on SLP Diary No.33413 pending before the Hon'ble Supreme Court of India.

Hence the members who are paid BPSC on payment of arrears of E-tax are requested to send a letter immediate to concern SE with the details of BPSC amount paid on E-Tax in to two parts, one for the period pertaining prior to 01.09.2004 and two, for the period pertaining after 01.09.2004 and accordingly, the amount of BPSC paid pertaining to the period after 01.09.2004 may be requested to be refunded by the SEs concerned immediately.

We are attaching herewith the Ombudsman order for your ready reference.

With Warm Regards,

D Balasundaram
President