

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 87 of 2016

Dated: 17 November, 2016

**CORAM: Shri Azeez M. Khan, Member
Shri. Deepak Lad, Member**

**In the matter of
Petition of Maharashtra State Electricity Distribution Co. Ltd. regarding issues of LBT
on electricity paid by consumers of Aurangabad and Amravati Municipal Corporation.**

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Petitioner
V/s	
Aurangabad Municipal CorporationRespondent No. 1
Amravati Municipal CorporationRespondent No. 2
M/s GTL Ltd.Respondent No. 3

Appearance:

Representative for the Petitioner:	Shri. Kiran Gandhi (Adv) Shri. P. S. Rahangdale (Rep.)
Representative for the Respondent No.1:	Shri. Nilesh Patil (Adv.)
Representative for the Respondent No.2:	Shri. Sunil Pakale (Rep.)
Representative for the Respondent No.3:	Shri. Abhijit Deshpande (Rep.)

Daily Order

1. Heard the representatives of the Petitioner and Respondents.
2. Petitioner submitted that the present Petition is regarding Local Body Tax (LBT) imposed on electricity by Aurangabad and Amravati Municipal Corporations. LBT on electricity was first imposed by Aurangabad Municipal Corporation from 1 April, 2012. Vide Government Notification dated 10 September, 2013, the LBT on electricity in Aurangabad Municipal Corporation area was withdrawn prospectively. MSEDCL had filed Petition in Case No. 25 of 2013 before this Commission for allowing it to pass on the LBT amount to its consumers in that Municipal Corporation area. The Commission,

vide its Order dated 7 April, 2014, had disposed of that Case as LBT on electricity was withdrawn prospectively and, regarding the past period, MSEDCL was in communication with Government for retrospective withdrawal of LBT. Vide Government Resolution dated 20 February, 2014, Amravati Municipal Corporation has imposed LBT on electricity. MSEDCL has started recovery of such LBT from its consumers in Amravati Municipal Corporation area, and recovery of past period LBT from consumers in Aurangabad. Subsequent to Commission's Order dated 26 June, 2015 in Case No. 121 of 2014, MSEDCL stopped recovery of LBT from consumers. However, Amravati Municipal Corporation is still raising monthly demand notice for LBT on electricity, and not paying current energy bills.

3. MSEDCL submitted that it has recovered the LBT charges from its consumers, but not paid the same to Corporations. Now Corporations are pressing for payment of these charges or, in the alternative, are requesting MSEDCL to adjust their electricity arrears against outstanding LBT. Electricity arrears of Corporations are much more than the amount of LBT outstanding. Some consumers are also requesting refund of LBT amount paid by them as such levy on consumers was not approved by the Commission.
4. The Commission observed that MSEDCL do not require any permission of the Commission to pay taxes levied by the Government or by local bodies. The issue of adjusting electricity arrears of Municipal Corporations against the demand of LBT needs to be settled out by MSEDCL and Municipal Corporations, and the Commission is not inclined to interfere with it. However, MSEDCL can propose recovery of such LBT amount paid to the Municipal Corporations while filing the Petition for Mid-Term Review.
5. Respondents requested additional time for filing their replies since certain annexures were not received from MSEDCL. The Commission allows two weeks time, with copy to the Petitioner.

Subject to above submissions, the Case is reserved for Order.

**Sd/-
(Deepak Lad)
Member**

**Sd/-
(Azeez M. Khan)
Member**