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AJMER VIDYUT VITRAN NIGAM LTD,
HATHI BHATA, CITY POWER HOUSE, AJMER.

AJ- REV - 25

No. AVVNL / FA & COA / Sr. AO (Rev.) / F. 25 (iii) / D. 2607 Dated 29. X. 02

ORDER

Sub:- Procedure to be followed in case of dishonour
of cheque of any consumer.

There are reported instances where cheques offered by consumers got bounced as a result of which the due payment of the Nigam could not be received. In such cases, the concerned field officers are required to disconnect the premises of the consumer immediately without any need to serve seven days notice in terms of the provisions of Section-24 of Indian Electricity Act-1910. Besides disconnection of the premises of the consumer, the act of dishonouring of cheques imposes criminal liability on the drawer for using such a cheque under Section-138 to 142 of Negotiable Instruments Act-1881 as per amendment made in 2002. By the said amendment bouncing of cheque is a criminal offence which is punishable with imprisonment extended up to two years or penalty amounting to twice the amount of the cheque or with both. Following guidelines are prescribed for initiating criminal proceedings against consumers when cheques are dishonoured.

- i) As soon as the information about bouncing of the cheques is received from the concerned Bank, the concerned field officer within 30 days, should make demand for payment of the amount of bill, LPS / DPS and charges of Rs. 100/- per service by registered A.D. (Notice in the format enclosed as Annexure - A).
- ii) If the consumer fails to make payment within next 15 days of such demand, the offence become complete. It should, however, be ensured by the field officer that the demand to make payment as received by the consumer/his representative and the fact of receipt of notice of demand is confirmed.
- iii) If the person committing an offence under Section-138 is a Company, every person who, at the time the offence was committed, was authorised signatory and was responsible to the company for conduct of the business of the Company; as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

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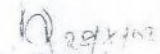
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Where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of; or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

The Sick Industrial Companies (Special Provisions) Act, 1985, does not create any legal impediment for instituting and proceedings with a criminal case on the allegations of an offence under Section-138 of the Negotiable Instruments Act against a company or its directors.

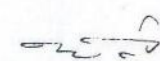
- iv) After expiry of 15 days notice period, the field officer concerned can lodge a complaint within one month of arising of the cause of action before a judicial Magistrate of the 1st class of the area for initiating criminal proceedings.
- v) For proceeding further in the matter, help of Advocate/pleader can be taken after referring the matter to the Legal Department of the Nigam.
- vi) Apart from above, if the cheques issued by a consumer in favour of the Nigam happen to be returned by the Bank for want of arrangement (sufficient balance in the account) more than twice, the Nigam will not accept any further cheques from such consumers.
- vii) If the cheque given by a person other than a consumer on behalf of a consumer is bounced, the consumer shall be issued notice of 15 days for arranging payment in cash/through DD/Pay Order/Banker's cheque as the case may be, any failure of which would render the consumer liable for the action stipulated herein before.

Above instructions should be strictly followed by all field officers.


(S.L. Arya)
CHAIRMAN & MANAGING DIRECTOR
AVVNL, AJMER

Copy to the following for information & necessary action :-

1. The Chief Engineer (O&M), AVVNL, Ajmer.
2. The Dy. Chief Engineer (JJN:Z/Com-/VTG), AVVNL, Jhunjhunu /Ajmer.
3. The Sr. Accounts Officer (_____), AVVNL, _____.
4. The Superintending Engineer (O&M), AVVNL, _____.
5. The Circle Accounts Officer (O&M), AVVNL, _____.
6. The Executive Engineer (_____), AVVNL, _____.
7. The Asstt. Accounts Officer (C & RC), AVVNL, Udaipur.
8. The Assistant Engineer (_____), AVVNL, _____.


(Narendra Dhunna)
F.A. & CONTROLLER OF ACCOUNTS
AVVNL;AJMER