

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

(Appointed by the Maharashtra Electricity Regulatory Commission
under Section 42(6) of the Electricity Act, 2003)

REPRESENTATION NO. 32 OF 2025

In the matter of recovery of arrears of permanently disconnected consumer

Mohammed Rafique Shaikh Appellant
(CA. No. 152464326)

V/s.

Adani Electricity Mumbai Limited (AEML)..... Respondent

Appearances:

Appellant : 1. Mohammed Rafique Shaikh
2. Mohammed Sheraj Shaikh, Consumer Representative

Respondent : 1. Mritunjay Jha, General Manager & Nodal Officer
2. Sameer Doshi, Dy. Head
3. Imran Khan, In Charge PDC

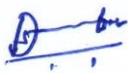
Coram: Vandana Krishna [IAS. (Retd.)]

Date of hearing: 9th July 2025

Date of Order: 21st July 2025

ORDER

This Representation was filed on 2nd May 2025 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the Order dated 3rd March 2025 passed by the Consumer Grievance Redressal Forum, AEML (the Forum). The


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Statutory Deposit of Rs. 25,000/- was paid by the Appellant on 16th May 2025 as per Regulation 19.22(h) of the CGRF & EO Regulations 2020. This representation was formally registered on 16th May 2025.


2. The Appellant approached the Forum on 02.01.2025 for withdrawal of outstanding dues of Rs.9,33,593/- which were transferred to the Appellant (CA No. 152464326), and requested not to disconnect the power supply of the Appellant. The Forum then issued an interim order on 13.01.2025. The operative part is as below:

- (i) *The Complainant / Applicant shall remit the amount of Rs. 1,03,438/- being 50% of the arrears amount as on date of PD of CA Nos. 101750861 & 101750877 on or before 15.01.2025. The said amount shall be adjusted as per final order of the Forum in this matter.*
- (ii) *The Respondent / Utility shall not disconnect the supply of the Complainant / Applicant until the final disposal of this matter if the payment of Rs. 1,03,438/- is made by 15.01.2025 by the Applicant / Complainant.*
- (iii) *In case the Complainant / Applicant fails to remit the aforesaid payment within the specified time period, the Respondent / Utility shall be entitled to follow the due process of law with regard to recovery and disconnection of electricity supply.*

The Complainant / Applicant failed to pay Rs. 1,03,438/- as per the interim order of the Forum dated 13.01.2025. The electricity connection of the Appellant vide **CA No. 152464326** was disconnected on **20.01.2025**.

3. The Forum by its final order dated 03.03.2025 partly allowed the grievance application in Case of CGRF 01016/2024-25. The operative part of the order is as below:

- b) 60% of the interest charged prior to permanent disconnection (PD) of meters of CA No. 101750861 and 101750877 are to be waived.*


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Secretary
Electricity Ombudsman Mumbai



- c) 50% of Delayed Payment Charges (DPC) prior to PD of meters of CA No. 101750861 and 101750877 are to be waived.
- d) The interest accrued from the date of PD i.e. in Nov. 2011 until the date of issuance of this Forum's Order shall be waived for both permanently disconnected services / connections of CA No. 101750861 and 101750877.
- e) The Security Deposit if available with the Respondent against the PD services for CA No.101750861 and 101750877 shall be adjusted against the subsequent bills respectively.
- f) The Respondent is directed to issue a revised bill for PD services for CA No. 101750861 and 101750877 taking into consideration of above- mentioned points in this order.

4. Aggrieved by the order of the Forum, the Appellant has filed this representation. An e-hearing was held on 9th July 2025 through video conference. All parties were heard at length. The submissions and arguments of the Respondent (AEML) are as below:

- (i) The Appellant is the occupier/owner of MBK Compound, Durga Mandir Line, Khernai Road, Saki Naka, Mumbai. Two electricity connections had existed earlier in the name of Shaikh Mohammed Rafique as below:
- a. **CA No. 101750861** under Commercial Tariff [LT-2 (A) Category], which was permanently disconnected on 10.11.2011 due to non-payment of dues amounting to Rs. 1,27,525/-; and
- b. **CA No. 101750877** under Commercial Category, which was permanently disconnected on 10.11.2011 for non-payment of dues of Rs. 5,91,981/-.

The details of these permanently disconnected (PD) consumers, along with the outstanding amounts as of June 2024 are shown in Table 1 below.



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Secretary
Electricity Ombudsman Mumbai



Table 1:

Details of PD Consumers								
Sr. No.	Name of Original Consumers	Consumer Account No.	Address on Bill	Date of Supply	Date of Perm. Disc.	Outstanding Dues (Rs.) in June 2024	Outstanding Dues (Rs.) up to Nov.2011	Purpose
1	Shaikh Mohammed Rafique	101750861	85 MBK Compound, Durga Mandir Line, Khernai Road, Saki Naka, Mumbai - 400072	Jun-05	10.11.2011	1,65,280.41	1,27,525	Commercial
2	Shaikh Mohammed Rafique	101750877	WP 85 MBK Compound, Durga Mandir Line, Khernai Road, Saki Naka, Mumbai - 400072	Jun-05	10.11.2011	7,68,153.32	5,91,981	Commercial
Total						9,33,433.73	7,19,506	

- (ii) It is admitted by the Appellant in his pleadings in the Forum that these connections were permanently disconnected **as the premises were demolished by Municipal Authorities** in 2011 due to ongoing litigation. It is also admitted that the overdue amounts were not paid. The Appellant himself has stated that **the premises were reconstructed during the period from 2015-2017.**
- (iii) As per the records of the Respondent, the last payment made by the Appellant towards these connections was on 14.07.2017 (as shown in Table 3). However, no payment was made thereafter. The statement of account of CA Nos. 101750861 and 101750877 for the period from June 2005 to October 2011 are kept on record.
- (iv) **Since the overdue amounts remained unpaid, the Respondent, as part of its PD consumer recovery process, visited the premises on 02.02.2024 and again on 15.05.2024.** During these visits, it was observed that new electricity connections had been installed at the same premises. The details of the new connections released by erstwhile Reliance Energy Ltd. in 2017 are shown in Table 2.




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 Secretary
 Electricity Ombudsman Mumbai



Table 2:

Name of Consumer	Consumer No.	Address on Bill	Year of Supply	Sanctioned Load	Temp. Disconnected	Purpose
Shaikh Mohammed Rafique	152464326	85 MBK Compound, Durga Mandir Line, Khernai Road, Saki Naka, Mumbai - 400072	2017	11 KW	20.01.2025	Commercial

- (v) Consequently, the Respondent issued dues transfer notice dated 15.05.2024 in respect of the PD consumers (listed in Table 1), transferring the liability of about Rs. 9,33,593/- to Consumer Account No. 152464326.
- (vi) Thereafter, the Appellant addressed emails dated 04.07.2024 and 19.07.2024 which were duly replied to by the Respondent on 05.07.2024 and 31.07.2024 respectively explaining the factual position. Copies of the correspondence are on record. Subsequently, on **20.08.2024**, one Mr. Shahrukh Mulla, claiming to be a tenant of the Appellant, visited the Respondent's office enquiring about the dues transfer. The entire position was explained to him. Again, in **December 2024**, one Mr. Fawaaz Shaikh visited the Sakinaka office disputing the arrears, and he was again informed of the facts and timeline.
- (vii) **The Appellant has claimed that he settled the past dues and paid the settled amount; however, he has not produced any documentary evidence to substantiate this claim.** As per the records of the Respondent, there is still an outstanding overdue amount payable, and there is no settlement agreement on record.
- (viii) The Respondent submits that since the previous disconnected electricity connections were in the name of the Appellant and installed in the same compound, the Appellant is liable to pay the entire overdue amount.
- (ix) Electricity dues on premises are **statutory in nature**, and under the law, the new Appellant/owner/occupier is obligated to pay previous dues. The Respondent is fully entitled to claim these dues.


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- (x) The Respondent relies upon **Regulation 12.5 of the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (Supply Code & SOP, 2021)**, which is similar to Regulation 10.5 of the Supply Code Regulations, 2005. Regulation 12.5 clearly provides:


“Any charge for electricity or any sum other than a charge for electricity due to the Distribution Licensee which remains unpaid by a deceased Consumer or the erstwhile owner / occupier of any premises, as the case may be, shall be a charge on the premises transmitted to the legal representatives / successors-in-law or transferred to the new owner / occupier of the premises, as the case may be, and the same shall be recoverable by the Distribution Licensee as due from such legal representatives or successors-in-law or new owner / occupier of the premises.”

Thus, the Appellant, being the owner of the premises, is liable to pay the entire overdue amount.

- (xi) The Respondent referred to the Regulations 16.9.2 and 16.9.3 of the Supply Code & SOP Regulations 2021 which states that:

“16.9.2 No sum due from any Consumer shall be recoverable after the period of Two (2) years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied as per Section 56 (2) of the Act except for permanently disconnected Consumer.


16.9.3 In case of premises which are permanently disconnected or demolished for reconstruction, the liability of the arrears, if any, shall be passed on to the owners / occupiers.”


(Dilip Dumbre)
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The statutory charge on the premises, once created, attaches to the property regardless of ownership changes or reconstruction, and remains enforceable even after the demolition and reconstruction completed in 2015. Article 62 of the Limitation Act is inapplicable as the charge persists, and part payment of Rs.3,00,000/- made on 14.07.2017 serves as valid acknowledgment. Courts have consistently upheld such continuity of liability, especially in utility and municipal contexts, making the appellant's reliance on limitation untenable.

- (xii) It is submitted that the Appellant also failed to comply with the interim order dated 13.01.2025 passed by the Forum which directed him to deposit Rs. 1,03,438/-. Consequently, the electricity connection of the Appellant vide CA No. 152464326 was disconnected on 20.01.2025.
- (xiii) The interest on the arrears has been correctly levied as per the Supply Code & SOP and approved rates. The overdue bill of Rs. 9,74,640/- as of 10.01.2025 was proper and payable. The Learned Forum, while accepting the legality of the interest and delay payment charges, however, directed a revision, which the Respondent, though not fully satisfied, accepted to close the issue.
- (xiv) The System Data of the Respondent is the same as that of erstwhile Reliance Energy which is being used by AEML at present.
- (xv) The order of the Forum already granted relief to the Appellant, which the Respondent has complied with. Hence, the present representation is untenable both in law and in fact.
- (xvi) In view of the above, the Respondent prays that the representation of the Appellant be dismissed and direct the Appellant to pay the revised outstanding balance dues amounting to Rs. 3,18,811.73 as per Forum's Order dated 03.03.2025. *[Note: The Respondent was directed to produce calculations of the revised amount during the hearing after taking into account the Rs.3,00,000/- paid by the Appellant.]*


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



5. The Appellant's submissions and arguments are as below.

- (i) The Appellant had two electricity connections bearing Account Nos. 101750861 and 101750877 with erstwhile Reliance Energy Ltd. since 2005, as detailed in Table 1. The premises were demolished in 2011 due to ongoing litigation with the MCGM authorities, and consequently, the power supply was disconnected in November 2011. The Appellant reconstructed the premises in 2015 and on 14.07.2017, approached Reliance Energy Ltd. to settle any outstanding dues of the previous consumers. Erstwhile Reliance Energy Ltd. informed the Appellant that **the total outstanding dues amounted to Rs. 7,19,506/- (comprising Rs. 1,27,525/- for Account No. 101750861 and Rs. 5,91,981/- for Account No. 101750877), which included substantial penalties and interest. After several rounds of negotiations, Reliance Energy offered a one-time settlement for a total payment of Rs. 3,00,000/- as full and final settlement. Accordingly, the Appellant paid Rs. 3,00,000/- in cash on 14.07.2017, as shown in Table 3.**

[Note: During the hearing the Appellant was asked to produce a copy of the said settlement agreement document; however he was unable to do so. He said that the said papers were destroyed in a flooding of the premises. The Respondent AEML denied any such agreement as it is nowhere on record. The Appellant also has not shown whether the settlement waived off interest // penalty in full or in part, or also a part of principal amount. In other words, no calculations or details of the settlement amount, if any, are available.]




(Dilip Dumbre)
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Table 3:

Details of One Time settlement of PD Consumers						
Sr. No.	Name of Original Consumers	Consumer Account No.	Date of Perm. Disc.	Outstanding Dues (Rs.)	One Time Settlement (Rs.)	Purpose
1	Shaikh Mohammed Rafique	101750861	10.11.2011	1,27,525	50,500	Commercial
2	Shaikh Mohammed Rafique	101750877	10.11.2011	5,91,981	2,49,500	Commercial
				7,19,506	3,00,000	

- (ii) The Appellant applied for a new connection in the year 2017. The details of the new connection/ existing connection are already tabulated in Table 2.
- (iii) The Appellant was shocked to receive an additional bill of Rs. 9,33,593/- as an adjustment in the June 2024 bill. He immediately approached the AEML office for clarification, where he was informed that the amount pertained to outstanding dues of previous consumers, as shown in Table 1. The Appellant explained that he had already paid Rs. 3,00,000/- under a one-time settlement with erstwhile Reliance Energy Ltd. covering both connections. Despite this, the Respondent threatened by notice dated 23.12.2024 for disconnection of Supply and Meter Removal.
- (iv) The Appellant then filed a grievance before the Forum on 02.01.2025 seeking withdrawal of the alleged dues of Rs. 9,33,593/- wrongly transferred to his account (CA No. 152464326), and requested that his power supply not be disconnected. By interim order dated 13.01.2025, the Forum directed him to pay Rs.1,03,438/- towards PD arrears of CA Nos. 101750861 & 101750877 by 15.01.2025 (operative part in Para 2). Due to financial hardship, the Appellant could not pay, leading to temporary disconnection on 20.01.2025. Subsequently, by final order dated 03.03.2025, the Forum partly allowed his grievance (operative part in Para 3). The present appeal is being filed by the Appellant being aggrieved by the order dated 03.03.2025 passed by the Forum.



 (Dilip Dumbre)
 Secretary
 Electricity Ombudsman Mumbai



- (v) The order of the Forum is bad in law, suffers from non-application of mind, and is in gross violation of the provisions of the Electricity Act, 2003, for the reasons elaborated herein below:


GROUND:

- (a) **Failure to consider prior One Time Settlement payments with erstwhile Reliance Energy Ltd.:** The Forum failed to appreciate that the Appellant had already discharged his liability towards the earlier connections by making substantial payments under a One Time Settlement, as detailed in Table 3. The Respondent themselves acknowledged receipt of these payments vide email dated 13.01.2025. Consequently, there remained no subsisting dues post settlement in 2017. The Forum grossly erred in invoking Regulation 9 of the CGRF & EO Regulations, 2020, directing payment of 50% of alleged outstanding dues, despite the fact that no principal dues survived after the lawful settlement.
- (b) **Violation of Section 56(2) of the Electricity Act, 2003 (the Act):** The Section 56(2) mandates that no sum due shall be recoverable after a period of two years from the date when such sum became first due, unless such amount has been continuously shown as recoverable in subsequent bills. In the present case, after the settlement in 2017 and installation of new connections, **the Respondent did not raise any claim or reflect any outstanding dues in the bills for nearly seven years.** Therefore, the impugned demand is legally untenable and barred under Section 56(2).
- (c) **Barred by limitation and contrary to settled law:** The sudden demand raised in 2024, after an inordinate delay of nearly seven years, is clearly barred by limitation. Regulation 9 cannot override the statutory embargo placed by Section 56(2) of the Electricity Act, 2003.


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



- (d) **Orders dated 13.01.2025 and 03.03.2025 unsustainable:** In view of the above, the Forum's orders dated 13.01.2025 directing deposit of Rs.1,03,438/-, and the final order dated 03.03.2025, are contrary to the Act unsustainable in law, and liable to be set aside.
- (vi) It is submitted that if the data maintained in the systems of the erstwhile Reliance Energy Ltd. and that of AEML are identical as argued by AEML, it gives rise to a substantial question as to why AEML's system did not contemporaneously capture or reflect such data. This clearly establishes that the erstwhile Reliance Energy Ltd. had already settled the subject matter for a sum of Rs. 3,00,000/-, and accordingly, no further amount remains payable by the Appellant. Any demand raised by the Respondent beyond the aforesaid settled amount is nothing but an unlawful attempt to extract monies from the Appellant. It is further submitted that although the **minutes or memorandum evidencing such settlement are not presently available with the Appellant**, considering the matter pertains to the year 2017, the absence of such documentation cannot be construed as conferring upon the Respondent an unbridled or arbitrary right to reopen or unjustly enrich itself on this settled issue.
- (vii) In view of the foregoing, the Appellant prays that the Respondent be directed to
- Quash and set aside clause 6(i) of the order dated 13.01.2025 to the extent it directs the Appellant to pay Rs.1,03,438/- and reconnect the supply to the Appellant's premises in respect of Consumer Account No. 152464326 / Meter No. 9139125.
 - Quash and set aside outstanding dues of previous consumers as it was already settled as part One Time Settlement by erstwhile Reliance Energy Ltd.
 - Grant interim and ad-interim reliefs in terms of prayer clauses (a) and (b).


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



6. Post hearing, as per directions of the Electricity Ombudsman, the Respondent submitted a calculation sheet of implementation of Forum's order. The highlights of this sheet are as below:

1. Total Delayed Payment Charges (DPC) for the Pre-PDC period (i.e., from 2005 as per SAP records up to 10.11.2011):

- (i) DPC charged on CA No. 101750861 amounts to Rs. 952.08.
- (ii) DPC charged on CA No. 101750877 amounts to Rs. 5,606.27.

As per the order of the Forum, 50% of these delayed payment charges have been waived. Thus, the total amount waived is Rs. 3,279/-, and the balance payable by the Appellant is Rs. 3,279/-.

2. Total Interest in Arrears (IOA) for the Pre-PDC period (i.e., from 2005 up to 10.11.2011):


- (i) IOA charged on CA No. 101750861 amounts to Rs. 31,024.57.
- (ii) IOA charged on CA No. 101750877 amounts to Rs. 1,31,333.73.

As per the directions of the Forum, 60% of the interest for this period stands waived. Accordingly, the amount waived is Rs. 97,415/-, leaving a revised amount payable of Rs. 64,946/-.

3. Total Interest on Arrears (IOA) for the Post-PDC period (i.e., after 10.11.2011 up to 28.05.2024):

- (i) IOA charged on CA No. 101750861 amounts to Rs. 88,255.00.
- (ii) IOA charged on CA No. 101750877 amounts to Rs. 4,28,404.25.

As per the order of the Learned Forum, the entire IOA amount of Rs. 5,16,659.25 for both the accounts has been waived. B. Thus, the total amount waived under the order stands at Rs. 6,17,353/-


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai




and the revised total amount payable by the Appellant is Rs. 3,18,812.44.

4. **Additional Note on Calculation of Interest:** The interest amounts have been computed strictly in accordance with the Tariff Orders approved by the Hon'ble MERC from time to time.

Analysis and Ruling:

7. Heard the parties and perused the documents on record. The Appellant is the owner/occupier of MBK Compound, Durga Mandir Line, Khernai Road, Saki Naka, Mumbai. Earlier, two electricity connections stood in the name of Shaikh Mohammed Rafique having **CA No. 101750861** under Commercial Tariff Category, permanently disconnected on 10.11.2011 for non-payment of Rs. 1,27,525/-; and **CA No. 101750877** under Commercial Category, also permanently disconnected on 10.11.2011 for non-payment of Rs. 5,91,981/-. Details of these permanently disconnected (PD) connections and the dues as of June 2024 are provided in Table 1.

8. The Appellant contended that after several rounds of negotiations, the erstwhile Reliance Energy Ltd. offered a one-time settlement for a total sum of Rs. 3,00,000/- towards full and final discharge of all outstanding dues. In accordance with this settlement, the Appellant made a cash payment of Rs. 3,00,000/- on 14.07.2017, particulars of which are detailed in Table 3. Section 56(2) of the Electricity Act, 2003 clearly stipulates that no sum due shall be recoverable after a period of two years from when such sum first became due, unless continuously shown as recoverable in subsequent bills. In the present case, post the 2017 settlement and new connection installations, the Respondent did not raise any claim or reflect any outstanding dues for nearly seven years. The impugned demand is thus legally untenable and squarely barred under Section 56(2). If the data maintained by erstwhile Reliance Energy Ltd. and AEML is


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



indeed identical, as contended by AEML, it raises a substantial question as to why AEML's system did not contemporaneously capture or reflect the settled status. This establishes that the subject matter stood settled for Rs. 3,00,000/- with Reliance Energy Ltd., leaving no further liability upon the Appellant.

9. The Respondent contended that as the dues continued unpaid, the Respondent, under its PD consumer recovery process, conducted site visits on 02.02.2024 and 15.05.2024. During these visits, it was found that a new electric connection (CA No. 152464326) had been installed at the same premises in the name of Shaikh Mohammed Rafique (Appellant) with same address of 85 MBK Compound, Durga Mandir Line, Khernai Road, Saki Naka, Mumbai - 400072. The details of the new electric connection released by the erstwhile Reliance Energy Ltd. in 2017 are tabulated in Table 2. The Respondent issued a dues transfer notice dated 15.05.2024, transferring the liability arising from the PD connections (as listed in Table 1) to Consumer Account No. 152464326. The Respondent relied on Regulation 12.5 & Regulation 16.9.3 of Supply Code & SOP, 2021 which is already quoted in Para 4.


10. Considering the various submissions of the parties, the following issues are framed for determination of the case.

➤ **Issue 1: Whether the AEML is within its legal right to recover the outstanding dues of a permanently disconnected consumer after 14 years?**

The answer is in the **AFFIRMATIVE**.

The Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 came in force from 25.02.2021. The regulations relating to old outstanding dues of permanent connection (PD cases) is reproduced below:

“12.5: Any charge for electricity or any sum other than a charge for electricity due to the Distribution Licensee which remains unpaid by a deceased Consumer or the erstwhile owner / occupier of any premises, as a case may be, shall be a charge on the


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



*premises transmitted to the legal representatives / successors-in-law or transferred to the new owner / occupier of the premises, as the case may be, and the same shall be recoverable by the Distribution Licensee as due from **such legal representatives or successors-in-law or new owner / occupier of the premises, as the case may be**"*

16. Billing

*16.9.2. No sum due from any Consumer shall be recoverable after the period of Two (2) years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied as per Section 56 (2) of the Act **except for permanently disconnected Consumer.***


*16.9.3. In case of premises which are permanently disconnected or demolished for reconstruction, the liability of the arrears, if any, shall be passed on to the owners / occupiers..... **(Emphasis added)***

It is clear from the above provision that the Respondent is entitled to recover arrears even beyond 2 years, in the case of a PD consumer. The electricity dues, where they are statutory in character under the Electricity Act, 2003 and as per the terms and conditions of supply, cannot be waived of in view of the provisions of the Act itself, more specifically Section 56 of the Electricity Act, 2003. The period of 2 years limitation under Section 56(2) is applicable to the sum due for live consumers and not for PD consumers.

The Hon'ble Supreme Court by its Judgement dated 19th May 2023 in Civil Appeal No 2109 2110 of 2004 in Case of K C Ninan V/s Kerala State Electricity Board & Ors., has concluded regarding the recovery of PD arrears as below:


" I. Conclusions

328. The conclusions are summarised below:


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



- a. *The duty to supply electricity under Section 43 of the 2003 Act is not absolute, and is subject to the such charges and compliances stipulated by the Electric Utilities as part of the application for supply of electricity;*
- b. *The duty to supply electricity under Section 43 is with respect to the owner or occupier of the premises. The 2003 Act contemplates a synergy between the consumer and premises. Under Section 43, when electricity is supplied, the owner or occupier becomes a consumer only with respect to those particular premises for which electricity is sought and provided by the Electric Utilities;*
- c. *For an application to be considered as a 'reconnection', the applicant has to seek supply of electricity with respect to the same premises for which electricity was already provided. Even if the consumer is the same, but the premises are different, it will be considered as a fresh connection and not a reconnection;*
- d. *A condition of supply enacted under Section 49 of the 1948 Act requiring the new owner of the premises to clear the electricity arrears of the previous owner as a precondition to availing electricity supply will have a statutory character;*
- e. *The scope of the regulatory powers of the State Commission under Section 50 of the 2003 Act is wide enough to stipulate conditions for recovery of electricity arrears of previous owners from new or subsequent owners;*
- f. *The Electricity Supply Code providing for recoupment of electricity dues of a previous consumer from a new owner have a reasonable nexus with the objects of the 2003 Act;*
- g. *The rule making power contained under Section 181 read with Section 50 of the 2003 Act is wide enough to enable the regulatory commission to provide for a statutory charge in the absence of a provision in the plenary statute providing for creation of such a charge;*
- h. *The power to initiate recovery proceedings by filing a suit against the defaulting consumer is independent of the power to disconnect electrical supply as a means of recovery under Section 56 of the 2003 Act;*


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai



- i. *The implication of the expression “as is where is” basis is that every intending bidder is put on notice that the seller does not undertake responsibility in respect of the property offered for sale with regard to any liability for the payment of dues, like service charges, electricity dues for power connection, and taxes of the local authorities;*
- j. *In the exercise of the jurisdiction under Article 142 of the Constitution, the Electric Utilities have been directed in the facts of cases before us to waive the outstanding interest accrued on the principal dues from the date of application for supply of electricity by the auction purchasers. 329. Pending applications, if any, shall stand disposed.”*

Considering all these aspects, Issue 1 is answered in the **AFFIRMATIVE**.

➤ **Issue 2: Whether the Appellant is liable to pay the arrears of PD consumers No. 101750861 & 101750877?**

➤ **Findings:**

Issue 2 is answered in the **affirmative** for the following reasons:

1. As already noted, the Appellant has not produced any document or evidence of the so-called “settlement” or agreement with the erstwhile Reliance Energy Ltd. The payment of Rs.3,00,000/- could very well have been towards part payment of outstanding dues, in order to reconnect electric supply.

2. **Evidence of consumption and dues:**

The Respondent (AEML) has placed on record the Account Statements pertaining to Consumer Nos. 101750861 and 101750877. The consumption recorded under these accounts, along with the corresponding dues, is summarized in Table 4. It is evident from these statements that substantial electricity consumption took place under these connections from June 2005 to October 2011 as tabulated below:



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Table 4:


Account Statement for Consumer Account No. 101750861						Account Statement for Consumer Account No. 101750877					
Bill Month	Cons.	Bill Month	Cons.	Bill Month	Cons.	Bill Month	Cons.	Bill Month	Cons.	Bill Month	Cons.
JUN-05	60	AUG-07	106	OCT-09	79	JUN-05	136	AUG-07	839	OCT-09	393
JUL-05	60	SEP-07	99	NOV-09	76	JUL-05	213	SEP-07	1,055	NOV-09	789
AUG-05	79	OCT-07	84	DEC-09	73	AUG-05	199	OCT-07	1,100	DEC-09	729
SEP-05	93	NOV-07	58	JAN-10	73	SEP-05	192	NOV-07	1,272	JAN-10	520
OCT-05	67	DEC-07	65	FEB-10	59	OCT-05	170	DEC-07	335	FEB-10	976
NOV-05	59	JAN-08	52	MAR-10	81	NOV-05	161	JAN-08	146	MAR-10	1,457
DEC-05	68	FEB-08	38	APR-10	103	DEC-05	223	FEB-08	162	APR-10	811
JAN-06	69	MAR-08	52	MAY-10	86	JAN-06	221	MAR-08	133	MAY-10	309
FEB-06	79	APR-08	57	JUN-10	73	FEB-06	252	APR-08	189	JUN-10	270
MAR-06	46	MAY-08	64	JUL-10	76	MAR-06	276	MAY-08	169	JUL-10	276
APR-06	49	JUN-08	82	AUG-10	59	APR-06	196	JUN-08	330	AUG-10	236
MAY-06	63	JUL-08	91	SEP-10	0	MAY-06	207	JUL-08	396	SEP-10	206
JUN-06	68	AUG-08	180	OCT-10	74	JUN-06	112	AUG-08	327	OCT-10	234
JUL-06	56	SEP-08	108	NOV-10	65	JUL-06	144	SEP-08	259	NOV-10	188
AUG-06	55	OCT-08	54	DEC-10	66	AUG-06	126	OCT-08	243	DEC-10	162
SEP-06	53	NOV-08	55	JAN-11	70	SEP-06	133	NOV-08	408	JAN-11	75
OCT-06	56	DEC-08	54	FEB-11	13	OCT-06	134	DEC-08	297	FEB-11	476
NOV-06	39	JAN-09	45	MAR-11	0	NOV-06	180	JAN-09	368	MAR-11	630
DEC-06	37	FEB-09	57	APR-11	0	DEC-06	158	FEB-09	288	APR-11	652
JAN-07	41	MAR-09	72	MAY-11	0	JAN-07	167	MAR-09	245	MAY-11	493
FEB-07	83	APR-09	60	JUN-11	0	FEB-07	340	APR-09	515	JUN-11	725
MAR-07	87	MAY-09	64	JUL-11	0	MAR-07	1,334	MAY-09	527	JUL-11	712
APR-07	100	JUN-09	66	AUG-11	0	APR-07	1,241	JUN-09	362	AUG-11	1,279
MAY-07	115	JUL-09	88	SEP-11	13	MAY-07	997	JUL-09	433	SEP-11	891
JUN-07	93	AUG-09	87	OCT-11	5	JUN-07	809	AUG-09	518	OCT-11	1,340
JUL-07	116	SEP-09	79			JUL-07	767	SEP-09	317		

3. Failure to pay from time to time:

Despite regular billing, the Appellant failed to make payments towards these consumption charges as and when they became due. Consequently, the arrears accumulated over this period, representing charges for energy actually consumed.

4. Legal liability of the Appellant:

Being the consumer under these connections during the relevant period, the Appellant is legally obligated to discharge these dues. The liability for such consumption-based


 (Dilip Dumbre)
 Secretary
 Electricity Ombudsman Mumbai



charges is clearly attributable to the Appellant under the provisions of the Electricity Act, 2003, and the applicable regulatory framework.

5. **Regulatory and judicial support:** AEML is well within its rights to recover these pending dues under Regulation 12.5 of the Supply Code and SOP Regulations, 2021, which specifically empowers the distribution licensee to recover arrears, including those pertaining to permanently disconnected (PD) consumers. Furthermore, reliance is placed on the judgment dated 19th May 2023 of the Hon'ble Supreme Court in **Civil Appeal Nos. 2109–2110 of 2004 (K.C. Ninan v. Kerala State Electricity Board & Ors.)**, wherein the Apex Court upheld the right of the utility to recover PD arrears.


6. **Conclusion:**

In view of the above facts, the documentary evidence on record, the relevant statutory provisions, and the binding judicial precedent, it is held that the Appellant is liable to pay the arrears in respect of Consumer Nos. 101750861 and 101750877. Accordingly, **Issue 2 is answered in the AFFIRMATIVE.**

11. The Forum, by its order dated 03.03.2025, has already granted partial relief to the Appellant by directing withdrawal of some portion of the interest and delayed payment charges (Operative part in Para 3). The order is well-reasoned, well-articulated and has adequately addressed the issues raised. The order is modified to the extent stated below.

12. The Appellant's representation stands principally rejected, with the following directions issued to the Respondent:

- a) The Respondent shall withdraw the interest and delayed payment charges, if any, levied at the time of transferring the PD outstanding dues of the CA Nos. 101750861 and 101750877 to the Appellant's existing CA No. 152464326.
- b) The Appellant shall apply for reconnection of the existing CA No. 152464326 within a period of one month from the date of this order. Upon such application and payment of applicable statutory charges, the Respondent is directed to effect reconnection.


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai




- c) The Respondent shall facilitate payment of the outstanding dues in ten equal monthly installments, along with the current bills, without any additional interest. However, in the event of default in payment of any installment, proportionate interest shall become payable on the defaulted amount.
- d) The Respondent shall submit a compliance report within two months from the date of this order.
- e) All other prayers of the Appellant stand rejected.

13. The Secretariat of this office is directed to refund the amount of Rs.25,000/- taken as deposit to the Respondent for adjustment in PD arrears.

14. The Representation is disposed of accordingly.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai

