

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 22 OF 2025

In the matter of recovery of Permanent Disconnection consumer's arrears

Abhishek Mukesh Shah Appellant
(Con. No. 049087998770)

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Nashik Urban 2. Respondent
(MSEDCL)

Appearances:

Appellant : Abhishek Shah

Respondent : 1. Jagdish Jadhav, Executive Engineer, Nashik Urban 2 Dn.
2. Nitin Pagare, Addl. Executive Engineer, Deolali


Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 15th May 2025

Date of Order : 30th May 2025

ORDER

This Representation was filed on 24th April 2025 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the order dated 4th April 2025 in Case No. 261 of 2024 passed by the Consumer Grievance Redressal Forum, Nashik (the Forum). The Forum has rejected the grievance, observing that MSEDCL holds the legal authority to recover outstanding dues from the permanently disconnected


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consumer, No. 49084307610, registered under the name of Kiran Jagannath Shiledar as per Regulation 12.5 of Supply Code& SOP Regulations 2021 within the same premises.

2. **Preamble:**

- (a) Kiran Jagannath Shiledar and his family members owned Plot No. 9, Kshitij Bungalow, situated opposite Dr. Nirgude on Jay Bhavani Road, Deepali, Nashik – 422101. The property comprised a total plot area of 376 square meters, with a built-up ground floor of 125.31 square meters, a first floor of 150 square meters, and two adjoining shops. To support their business operations, they secured a cash credit facility from Apna Sahakari Bank Ltd, Parel, Mumbai, using their bungalow as mortgage collateral.


The electric supply to the entire bungalow was provided through two separate connections, as detailed in the table below:


Table 1

Sr. No.	Name of Original Consumers	Consumer No.	Address on Bill	Date of Supply	Tariff Category
1	Jagannath Yashwant Shiledar	049084307610	Plot No 9, Near Parag Hsg Society, Nashik Road, Pin-422101	18.07.2018	Residential
2	Kiran Jagannath Shiledar	049084564311	Kshitij Bungalow, Davkhar Wadi, Jay Bhawani Road, D'gaon Pin-422101	22.04.1991	Residential

- (b) Kiran Jagannath Shiledar & other family members had taken a cash credit facility from Apna Sahakari Bank Ltd, Parel, Mumbai for their business against mortgage of their bungalow. Due to down in business, they were not able to repay the loan. Apna Sahakari Bank Ltd, Parel, Mumbai (the Secured creditor) took physical possession of the said bungalow for default about 2021.
- (c) The electricity supply to the bungalow was permanently disconnected due to non-payment of dues, as detailed in the table below.

Table 2:


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Details of PD Consumers				
Sr. No.	Name of Original Consumers	Consumer No.	Date of Perm. Disc.	Outstanding Dues (Rs.)
1	Jagannath Yashwant Shiledar	049084307610	26.10.2021	Rs. 40,700/-(after adjustment of SD of Rs. 1250/-)
2	Kiran Jagannath Shiledar	049084564311	23.11.2021	Rs. 160/- (after adjustment of SD of Rs. 2280/-) which was paid on 04.05.2022


- (d) The bank carried out an auction following legal procedures, through which one Devendra Raghuvir Gangurde acquired the property. He executed the sale deed on February 11, 2022, and it was officially registered with the Sub-Registrar, Department of Registration and Stamps, Government of Maharashtra, Nashik, on February 15, 2022.
- (e) Shri Devendra Raghuvir Gangurde applied for a new electricity connection after settling outstanding arrears of the 2nd connection under the name of Kiran Jagannath Shiledar (Consumer No. 049084564311). He obtained the new connection on May 10, 2022 (Consumer No. 049087998770), as below:-

Table 3:

Name of New Consumer	Consumer No.	Address on Bill	Sanctioned load	Date of Supply	Change of Name
Devendra Raghuvir Gangurde (from 10.05.2022 to Aug. 2023)	049087998770	PLNo.9, Kshitij Bung, Jay Bhavani Road, B/H Dr.Nir, Nashik Deolali (Cb) Pin-422101	1 KW	10.05.2022	Abhishek Mukesh Shah from Sep. 2023 (from 18.09.2023)

[Note: It is not clear why Gangurde cleared the PD dues for only one of the two disconnected connections specifically the one with lower arrears rather than settling the total dues for both before reselling the property. It is also not clear why MSEDCL granted him the new connection without clearance of both the PD dues]

Subsequently, Devendra Raghuvir Gangurde sold this property to Abhishek Mukesh Shah (Appellant) through a sale deed executed on August 10, 2023. The deed was officially registered with the Sub-Registrar, Department of Registration



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and Stamps, Government of Maharashtra, Nashik, on August 23, 2023. Subsequently, this connection was transferred to the name of the Appellant (Abhishekh Mukesh Shah) in September 2023. MSEDCL has issued him a notice to clear the PD dues of the 1st connection as in Table 2.

3. Aggrieved by the order of the Forum, the Appellant has filed this Representation. An e-hearing was held on 15th May 2025 through video conference where both the parties were heard at length. The Respondent's submissions dated 09.05.2025 and arguments are as below. [The Electricity Ombudsman's observations and comments are recorded under 'Notes' where needed.]

- (a) Kiran Jagannath Shiledar and his family owned Kshitij Bungalow, located at Plot No. 9, SN. 26/1/1/1, Jai Bhavani Road, Nashik. The bungalow had two residential electricity connections registered under Shri Jagannath Yashwant Shiledar (Consumer No. 049084307610) and Kiran Jagannath Shiledar (Consumer No. 049084564311), both of which were permanently disconnected in November and December 2021 due to outstanding arrears during the COVID-19 pandemic. Previously, Kiran Jagannath Shiledar had secured a loan against the property from Apna Sahakari Bank. Upon defaulting on payments, the bank took possession of the property, which was subsequently purchased by Mr Devendra Raghuvir Gangurde on February 15, 2022.
- (b) Devendra Raghuvir Gangurde applied for a new electricity connection in about March 2022 and made payment of outstanding dues of Rs. 160/- for Kiran Jagannath Shiledar (Consumer No. 049084564311) on 04.05.2022, as indicated in Table 2. However, he failed to clear the pending dues of Rs. 40,700/- associated with Jagannath Yashwant Shiledar (Consumer No. 049084307610), which was inadvertently overlooked. Despite this, the Respondent proceeded with the release of the new electricity connection. The Respondent's officer mistakenly failed to recognize these arrears. **At the time of the application, Devendra Raghuvir Gangurde submitted an affidavit on Rs. 100/- stamp paper, affirming his commitment to pay any prior dues discovered after the connection date.** The new electricity connection was sanctioned and released on May


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10, 2022 upon completion of statutory formalities, including payment of service connection charges, deposit, and submission of a test report, as detailed in Table 3.

- (c) Subsequently, Devendra Raghuvir Gangurde sold this property to Abhishek Mukesh Shah (Appellant) through a sale deed executed on August 10, 2023, who took over possession of the said property. The Appellant applied for a name change on the electricity connection from Devendra Raghuvir Gangurde to his own name on August 29, 2023, immediately after acquiring the property. The request was approved on September 22, 2023, and the updated name was reflected in the billing from September 2023 onwards.
- (d) The Respondent's Corporate Office has issued guidelines on the recovery of arrears from PD consumers through Circular No. P.COM/Accts./19021 dated July 6, 2013. The circular outlined the following provisions:


“3) The field Officer should periodically verify the premises of PD consumers having arrears (on record).

4) In the premises of any PD consumer in arrears, if there is other live connection of the same PD consumer or of his legal successor found, then entire PD arrears with interest & DPC should be diverted on such live connection.

5) In premises of any PD consumer in arrears, if there is any live connection of any other person found, who is not legal successor of P.D. consumer, then the last six months arrears (before TD) of such PD consumer should be diverted on said live connection as per Reg. no. 10.5 of MERC (ESC&OCS) Regulations-2005.


6) If any PD consumer in arrears is having any live electricity connection in same or other sub-division, division, circle or zone, then the entire PD arrears with interest and DPC should be diverted on said live connection of same PD consumer.”

PD Drives are specially conducted from time to time to inspect the premises of PD consumers with outstanding arrears. After verification, the Arrears are diverted to Legal Successors.


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- (e) A special drive was conducted in Nashik Urban II Division in June 2024. During the inspection of the above PD consumer, it was observed that the Appellant had taken over the entire property of Kshitij Bungalow. Outstanding dues amounting to Rs. 40,700/- (after adjusting the Security Deposit of Rs. 1,250/-) remained unpaid in the name of Jagannath Yashwant Shiledar of the same premises, as the consumer had been permanently disconnected on 26.10.2021.
- (f) The Respondent has given a legal notice to Mr. Abhishekh Mukesh Shah and requested him to pay the due on the said property. However, Mr. Abhishekh Mukesh Shah has not paid the amount. MSEDCL issued legal notices on 19.06.2024 and 13.12.2024 as per Regulation No. 12.5 of Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (Supply Code & SOP Regulations 2021). In answer, the Appellant submitted written replies on July 3, 2024, and December 16, 2024, respectively, disputing the claim.
- (g) Previously, the then consumer, Devendra Raghuvir Gangurde, had provided an undertaking in the prescribed form, committing to pay any pending dues. Consequently, **the settlement of these outstanding dues is an internal matter between Devendra Raghuvir Gangurde and the Appellant, as per the prevailing Sale Agreement.** As the current legal successor, the Appellant is now liable for the payment of the outstanding dues.
- (h) The Respondent cited the judgment of the Hon'ble Supreme Court dated May 19, 2023, in Civil Appeal No. 2109-2110 of 2004, in the case of K. C. Ninan vs. Kerala State Electricity Board & Ors., to support its arguments. Additionally, the Respondent referenced Regulation 12.5 of the Supply Code & SOP Regulations, 2021.
- (i) The Appellant filed a grievance in the Forum on 16.12.2024. The Forum by its order dated 4th April 2025 has rejected the grievance by observing that MSEDCL holds the legal authority to recover outstanding dues from the permanently disconnected consumer, No. 49084307610, registered under the name of Kiran Jagannath Shiledar as per Regulation 12.5 of Supply Code & SOP Regulations 2021 within the same premises.



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- (j) In view of the above, the Respondent prays that the representation of the Appellant be rejected.

4. The Appellant's submissions and arguments are stated as below:

- (i) The Appellant is a residential consumer (Consumer No. 049087998770) and the owner of the property situated at Plot No. 9, Kshitij Bungalow, Jai Bhavani Road, Nashik Road, Devlali-1. He acquired the said premises from the previous owner, Shri Devendra Raghuvir Gangurde, through Sale Deed No. 9131, duly registered at the Registrar's Office, Nashik, on August 24, 2023. Since the date of purchase, the property has remained in the Appellant's name and continuous possession.
- (ii) At the time of acquisition, the only MSEB electricity connection installed at the bungalow was Meter No. 06508906315, associated with Consumer No. 049087998770, and registered in the name of Shri Devendra Raghuvir Gangurde. This consumer number had been issued to him as a new connection on May 10, 2022. During the process of transferring the said electricity connection to the Appellant's name, there were no outstanding dues or disputed amounts reflected in the electricity bill.
- (iii) Following the completion of the sale, the Appellant duly settled all dues pertaining to Consumer No. 049087998770, paid the requisite transfer charges, and submitted all necessary documents to the MSEDCL office. Consequently, the electricity connection was formally transferred to his name on 18.09.2023.
- (iv) **Notice & Dispute History:**
- a. On June 19, 2024, the Appellant received a notice from the MSEDCL Devlali Subdivision Office, Nashik, referencing Consumer No. 049084307610, which reflected an outstanding amount of Rs.40,700/- and indicated a Permanent Disconnection (PD) date of October 26, 2021. However, this consumer number was not registered in the Appellant's name; it belonged to one Jagannath Yashwant Shiledar. In response, the Appellant submitted a written reply on July 3, 2024, disputing the claim.



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- b. In December 13, 2024, the Appellant received a second notice (Ref. No. Devlali Div./Billing/3008) pertaining to the same issue. In response, he submitted a written reply on December 16, 2024.

(v) **Points of Concern:**

- (a) **Unjustified Charge Transfer:** The disputed Consumer No. 049084307610 (connection date: July 18, 1988) was originally registered in the name of Shri Jagannath Yashwant Shiledar, who passed away on November 5, 2006. Following his demise, the property was transferred to his son, Kiran Jagannath Shiledar. If the outstanding amount of Rs.40,700/- was indeed valid, it raises the question as to why it was not transferred to Consumer No. 049084564311, which was registered under Kiran Jagannath Shiledar, and remained active until its Permanent Disconnection in 2019. Furthermore, why was this charge not pursued or reflected in the records from 2019 to 2022, until after the property was sold to Shri Devendra Raghuvir Gangurde?
- (b) **Failure to Recover Charges from Previous Owners:** A new electricity connection (Consumer No. 049087998770) was issued to Shri Devendra Raghuvir Gangurde on May 10, 2022, following his purchase of the property from Kiran Jagannath Shiledar. He continued to occupy and use the premises for a period of 15 months. This raises several critical questions:
- Why was the disputed amount of Rs.40,700/- not recovered from Shri Devendra Raghuvir Gangurde at the time of issuing the new connection?
 - Why was this outstanding amount not linked to his consumer account during his 15-month period of consumption?
 - Does this omission indicate possible irregularities, including corruption or favoritism, in the processing and approval of his electricity connection?


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- Despite the matter being in dispute, an amount of Rs. 40,700/- was wrongfully added to my consumer number (049087998770) in the January 2025 bill, linked to Consumer No. 049084307610. This was done without a final order from the Forum, even though he had received an interim order from the Forum on December 16, 2024 when he approached with a grievance in the Forum on 16.12.2024.

(c) Delayed and Arbitrary Billing:

- The first notice regarding the disputed connection (Consumer No. 049084307610) was issued 32 months after the connection had been permanently disconnected.
- Furthermore, the disputed charge was arbitrarily and unlawfully added to the Appellant's consumer number (049087998770) approximately 3.5 years after the original connection was declared permanently disconnected.


(d) Illegal Disconnection of Electricity Supply:

- On December 28, 2024, the Appellant's active electricity connection (Consumer No. 049087998770) was unlawfully disconnected by the MSEB Devlali Subdivision Office, despite there being no outstanding dues on the account.
- As a result, the Appellant faced undue hardship and harassment for two days and was compelled to pay reconnection charges, as recorded under Receipt No. B089630442749, in order to have the electricity supply restored.

(vi) Prayer for Relief:

In light of the foregoing facts and circumstances, the Appellant prays that this Hon'ble Authority direct the Respondent:

- a. To waive the outstanding dues of Rs.40,700/- associated with Consumer No. 049084307610, originally registered in the name of Shri Jagannath


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Yashwant Shiledar, which were erroneously reflected in the Appellant's bill for the billing month of January 2025; and


- b. To grant appropriate compensation to the Appellant for the harassment and mental agony suffered as a result of the Respondent's actions.

Analysis and Ruling: -

5. Heard the parties and perused the documents on record. Kiran Jagannath Shiledar and his family owned Plot No. 9, Kshitij Bungalow, located on Jay Bhavani Road, Deolali, Nashik – 422101. The property, spanning 376 sq. m., comprised a ground floor (125.31 sq. m.), a first floor (150 sq. m.), and two shops. Electricity was supplied via two separate connections, detailed in Table 1. To support their business, they secured a cash credit facility from Apna Sahakari Bank Ltd., Parel, Mumbai, by mortgaging the bungalow. However, due to business losses, they defaulted on the loan, leading to the bank taking physical possession around 2021. Consequently, electricity supply was permanently disconnected due to unpaid dues, as detailed in Table 2. A summary is as follows:

- 1) The electricity connection for Jagannath Yashwant Shiledar (Consumer No. 049084307610) was permanently disconnected on 26th October 2021, having outstanding dues of Rs. 40,700/-.
- 2) The electricity connection for Kiran Jagannath Shiledar (Consumer No. 049084564311) was permanently disconnected on 23rd November 2021, with outstanding dues of Rs.160/-

6. Following legal procedures, the bank auctioned the property, which was subsequently purchased by Devendra Raghuvir Gangurde. He executed a sale deed on 11th February 2022, and it was registered on 15th February 2022. Devendra cleared the outstanding arrears of Consumer No. 049084564311, which was merely Rs.160, and obtained a new connection (Consumer No. 049087998770) on 10th May 2022. However, he did so without settling the outstanding dues of Rs.40,700 pertaining to Consumer No. 049084307610, which remained


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in the name of Jagannath Yashwant Shiledar. This indicates a possible collusion between the MSEDCL field staff and Devendra, and/or overlook from MSEDCL.

7. On 10th August 2023, Devendra sold the property to Abhishek Mukesh Shah (Appellant), and the sale deed was registered on 23rd August 2023. Subsequently, the electricity connection was transferred to the Appellant's name in September 2023, as detailed in Table 3.

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


- **Issue 1: Whether the MSEDCL is within its legal right to recover the outstanding dues of a permanently disconnected consumer (No. '049084307610) after about 3 1/2 years?**

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 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


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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 limitation under Section 56(2) is applicable to the sum due under Section 56 for live consumers and not PD consumers.

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:

- 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.*
- c.*
- 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;*


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- 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.
- 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;*
- 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 consumer No. 049084307610?**

In or around March 2022, Devendra Raghuvir Gangurde applied for a new electricity connection and paid the outstanding dues of Rs.160 for Kiran Jagannath Shiledar (Consumer No. 049084564311) on 4th May 2022. However, he did not clear the pending dues of Rs.40,700 associated with Jagannath Yashwant Shiledar (Consumer No. 049084307610), which was seemingly inadvertently overlooked by MSEDCL.

At the time of application, Devendra Raghuvir Gangurde submitted an affidavit on Rs.100 stamp paper, affirming his commitment to pay any prior dues discovered after the connection date. He (or his successor) is still bound by this commitment.


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Later, Devendra Raghuvir Gangurde sold the property to Abhishek Mukesh Shah (Appellant) through a sale deed executed on 10th August 2023, which was officially registered on 23rd August 2023. While the Appellant did not obtain a direct No Objection Certificate from MSEDCL Authority, he relied on assurances from Devendra. While purchasing this property, the Appellant automatically became liable to clear any dues attached to this property.

The liability for these pending dues is legally to be borne by either Devendra or the Appellant. This is between both of them. However, MSEDCL retains its right to recover the PD arrears under Regulation 12.5 of the Supply Code & SOP Regulations 2021 and the judgment dated 19th May 2023 of the Hon'ble Supreme Court in Civil Appeal No. 2109–2110 of 2004 in the case of K.C. Ninan v/s Kerala State Electricity Board & Ors.,


Considering all these aspects, Issue 2 is answered in the **AFFIRMATIVE**.


9. The Forum's order, though reasoned and well-articulated, is modified to the extent stated below.

The Appellant's representation is principally rejected with the following observations. The Respondent is directed to:

- (a) Withdraw the interest and delayed payment charges levied from January 2025, when the PD outstanding dues were transferred to the Appellant's account.
- (b) Facilitate payment of the outstanding dues in three installments along with the current bill without any interest. In the event of default on installment payments, proportionate interest shall accrue on the outstanding amount of defaulter portion.
- (c) Submit compliance within two months from the date of issuance of this order.
- (d) The other prayers of the Appellant are rejected.


10. The Secretariat of this office is directed to refund the amount of Rs.11 500/- taken as deposit to the Respondent for adjustment in PD arrears.


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11. The Representation is disposed of in terms of this order.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


(Dilip Dumbre)
Secretary
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