

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 50 OF 2025

In the matter of under billing

Siddheshwar Industries.Appellant
(C. No. 281720004843)

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Vita Respondent
(MSEDCL)

Appearances:

Appellant : Amrut Anil Mali

Respondent : 1. Trupti Dipankar, Ex. Engineer (Adm) Sangli Circle
2. Vinayak P. Idate, Ex. Engineer, Vita
3. Sandip B. Gavade, Dy. Ex. Engineer, Palus S/Dn.
4. Nisar S. Shikalgar, Jr. Law Officer, Sangli Circle
5. Nagesh S. Pawar, Asst. Accountant, Palus S/Dn.


Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 14th August 2025

Date of Order : 20th August 2025

ORDER

This Representation was filed on 14th July 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 15th May 2025 passed by the Consumer Grievance Redressal Forum, MSEDCL,


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Kolhapur Zone (the Forum) in Case No. 34/2025. The Forum by its order dated 15.05.2025 has partly allowed the grievance. The operative part of the order is in Marathi, which has been translated into English as follows:

- 1) *The Respondent is directed to cancel the assessment bill issued in October 2018, to the Complainant, amounting to ₹13,10,942.86, towards missing of Y & B phase PT Voltage for the period from August 2013 to January 2018.*
- 2) *The Respondent is further directed to issue a revised assessment bill towards missing of Y & B phase PT Voltage for the period from February 2015 to January 2018. Interest shall be charged only on the revised assessment amount and all other interest and Delayed Payment Charges (DPC) levied shall be waived.*


1. *[Note: There was some lack of clarity about the above last sentence in Marathi relating to interest. The original Marathi statement of the Forum was as below:*

वि. प. वितरण कंपनीने तक्रारदार ग्राहकांस फेब्रुवारी २०१५ ते जानेवारी २०१८ या कालावधीचेच फक्त Y व B फेज व्होल्टेज मिसिंगचे दुरुस्तीचे पुरवणी देयक देण्यात यावे. तसेच सदरच्या सुधारीत वीज देयकाप्रमाणेच फक्त व्याजाची आकारणी करण्यात यावी. उर्वरित व्याज व विलंब आकार माफ करण्यात यावे.

Here the Forum has not mentioned the period for which interest is to be levied. It could mean the period up to Jan. or Oct. 2018, or up to the Forum's order: this is not clear.]

2. The Appellant has filed this representation against the order of the Forum. An online hearing through video conference was held on 14.08.2025. Both the parties were heard at length. The Respondent's submissions and arguments are stated as below. *[The Electricity Ombudsman's observations and comments are recorded under 'Notes' where needed.]*

The Appellant is an industrial consumer (Consumer No. 281720004843) located at Gat No. 1975, Palus, District Sangli, with connection in service since 15.08.2011. The Appellant is engaged in the activity of operating an engineering workshop. The details


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of the address, sanctioned load, contract demand, under billing and assessment amount, etc., are tabulated below:


Table 1

| Appellant | Sanct. Load /Contract Demand | Date of Supply | Date of Flying Squad Inspection | Assessment & date | Reason for Assessment & Period | Revised Assessment as per Forum's order |
|---|---|----------------|---------------------------------|--|---|---|
| Siddheshwar Industries (P/P Amrut Mali), Sangli | 60 HP /45 KVA upto Aug. 2013, 25 HP/ 23.3 KVA upto Jan.2018, 60 HP/ 45 KVA upto Dec. 2019, & 100 HP/45 KVA from Jan. 2020 onwards | 15.08.2011 | 22.01.2018 | Rs.13,10,942.86 (2,09,811 units) issued in Oct. 2018. (only Principal Amount & not interest) | Y & B phase Voltage of the meter was found missing from 06.08.2013 to 22.01.2018 . Meter was under recording by 66% | Rs. 20,83,960/- issued on 29.07.2025 towards 66 % under recording from Feb. 2015 to Jan.2018, including interest @ 15% till date. |

- (i) On 22.01.2018, the Assistant Engineer, Flying Squad Unit, Sangli, inspected the Appellant's premises in the presence of the consumer's representative. During inspection, it was observed that the meter display was not showing Y-phase and B-phase voltages, though the incoming supply voltages were found to be in order. This indicated that the meter was not recording consumption for the Y-phase and B-phase. The recorded current and voltage parameters at the time of inspection are shown below in Table 2.


Table 2:

| Current & Voltage Measurement | R Phase | Y Phase | B Phase |
|--|---------|---------|---------|
| Current mesured at incoming Supply (A) | 22.58 | 25.48 | 22.52 |
| Current on Meter Display (A) | 21.11 | 25.39 | 22.29 |
| Voltage mesured at incoming supply (V) | 255 | 254 | 251 |
| Voltage on Meter Display (V) | 254 | 0 | 0 |


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- (ii) The meter was then sealed in the presence of the Appellant and forwarded to the Testing Division, Sangli, for detailed examination. The Site Inspection Report dated 22.01.2018 (duly signed by the Appellant), the Meter Seal Panchnama, and the letter dated 23.01.2018 (informing the Appellant to remain present for the testing) are on record.
- (iii) The meter testing was conducted on 23.01.2018 in the presence of the Appellant. The test revealed that the meter seals were intact in general; however, the PT voltages for the Y-phase and B-phase were found shorted, and the voltages of these phases were not reaching the meter's processing unit. As a result, the meter was recording only 33% of the total energy consumption, with approximately 66% remaining unrecorded. The following key observations from the Executive Engineer, Testing Division, are reproduced below:-
- 1) *The Meter seals were found intact.*
 - 2) *The meter was tested for errors and Dial test was conducted, which found errors of average – 66%, which means that the meter is recording slow by this much percentage.*
 - 3) *When the meter was supplied with balanced 3 ph voltage through test bench, the meter display showed zero volts on Y and B ph.*
 - 4) *The meter is opened by the Add. Exe. Engr. Flying squad in the presence of the consumer representative and it is found that the 2 PT circuit wires, i.e. Y and B phase wires were shorted inside the meter, hence the meter's measuring circuit is not getting Y and B phase voltage.*
 - 5) *From the above it is found that the meter is recording slow.*
- (iv) Initially, as reported by the Flying Squad, the Assessment was calculated considering 60 HP Load/ 45 KVA Contract Demand for Rs. 20,40,420/- . The Appellant pointed out that the load was reduced from 60 HP to 25 HP in Sep. 2013. Hence, Addl. Ex. Engineer again tested the load, and it was found 25 HP. This reduced load was considered for recalculation purpose for the period from 06.08.2013 to January 2018 (about 4 ½ years) with under recorded consumption of 2,09,811 units, and accordingly a revised bill of Rs. 13,10,950/- was issued to the Appellant as shown in Table 1.


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- (v) As the above bill was disputed by the Appellant, he filed a petition before the Hon'ble Bombay High Court in WP No. 32680/2018. By its order dated 24.03.2025, the Court directed the Appellant to approach the grievance redressal mechanism established under the Electricity Act, 2003. *[Note: Thus, a period of almost 7 years elapsed unnecessarily due to this case.]* The Appellant then filed his grievance before the Forum, on 04.04.2025. The Forum by its order partly allowed the grievance reducing the assessment period to 3 years. The operative part of the order is produced in the first para. The Respondent, in compliance with the Forum's order, while preserving its right to challenge that order, issued a bill for Rs.20,83,960/-. *[Note: When asked why the amount increased instead of reducing, the Respondent explained that it was due to levy of interest (as apparently directed by the Forum) till the date of issue of the revised bill in 2025, which would be a long period of about 8 years, if levied from Jan.2018.]*
- (vi) The Forum, in its order dated 15.05.2025 (para 5), observed that the R phase was recording accurately in the meter. However, the Y and B phases were not recording. Fortunately, the Meter Reading Instrument (MRI) data for the **unrecorded consumption** was available with the Respondent, thereby providing a record of actual usage. The Forum further concluded that the meter itself was not defective. Nevertheless, the Appellant had sought cancellation of the supplementary bill, which the Forum held was not legally sustainable.
- (vii) It was established that the Appellant had consumed electricity on all three phases—R, Y, and B. However, only the R phase voltage was extended to the meter, resulting in the recorded consumption being one-third of the actual usage. The Y and B phase voltages were not extended because the corresponding wires were found disconnected from the meter's main processing unit, causing under-recording of two-thirds of the consumption. On the meter display, the R phase voltage appeared correctly, while the Y and B phase voltages registered as zero, though there was equal load on R, Y & B phase.
- (viii) Modern electronic 3 phase C T operated meters are designed to record phase-wise parameters including voltage (V), current (I), active energy (kWh), reactive energy (kVArh), apparent energy (kVAh), and power factor (PF) for each phase (R, Y, B).


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These parameters are stored in non-volatile memory and can be retrieved via the Meter Reading Instrument (MRI) in the form of load survey data, event logs, and tamper records. Analysis of the MRI report in this case confirmed that the under-recording was directly attributable to the absence of Y and B phase voltage inputs (0 V) to the meter's main processing unit, despite continuous current flow in those phases, thereby resulting in reduced kWh recording.

- (ix) Accordingly, the meter was never categorized under “Faulty” status, as defined in Regulation 15.4.1 of Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 (Supply Code Regulations 2005), since its internal measurement circuitry and memory functions were intact, and the anomaly arose from wiring disconnection to the meter. Regulation 15.4.1 mandates replacement of a *faulty* meter within three months and is therefore focused on defects intrinsic to the meter itself. The Management Information System (MIS) report was not generated for *‘faulty’* meter replacement in this case, as the billing was consistently under “Normal” status. Hence, from both a technical and regulatory standpoint, Regulation 15.4.1 was not applicable in the present matter.
- (x) The Respondent assessed the consumption for the entire period of supply across all three phases over 54 months (August 2013 to January 2018). The Forum, however, allowed relief for 18 months, and protected the Respondent's revenue for only the remaining 36 months. As the Respondent is a Public Undertaking, the financial burden of the 18 months under billing has effectively been absorbed by, and thus passed on to, its entire consumer base.
- (xi) The Respondent submitted that the **PT voltage missing events commenced on 06.08.2013**. Therefore, the Appellant's letter dated 13.08.2013, citing heavy rain and storm, is irrelevant and was merely intended to divert attention from the core issue of assessment.
- (xii) The Respondent cited the Judgment of the Hon'ble Supreme Court in Civil Appeal No. 7235 of 2009 in case of M/s. Prem Cottex V/s. Uttar Haryana Bijli Vitran Nigam Ltd. for recovery of escaped billing and contended that the Judgment is squarely applicable in the instant case.



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(xiii) In view of the above, the Respondent requested to reject the Representation.

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

- (i) The Appellant has been an industrial consumer (No. 281720004843) since 15.08.2011. The details are provided in Table 1. Siddheshwar Industries operates as a machine shop with a complete machining set-up and is highly proficient in pattern making.
- (ii) The Appellant applied for a load reduction from 60 HP to 25 HP on 20.06.2013. The Respondent approved the reduction immediately, and it was reflected in the bill of September 2013. The sanctioned load was 25 HP when the Flying Squad visited the factory premises on 22.01.2018.
- (iii) On 13.08.2013, Palus experienced heavy rain and a storm. Due to the storm, sparking occurred at the transformer of the Appellant's factory, causing two workers to suffer mild electric shocks, after which the power supply was tripped. The Appellant, by letter dated 13.08.2013, requested the Respondent to check the technical aspects of the electrical installation and inspect the meter. However, no detailed inspection was carried out by the Respondent, though the supply was restored.
- (iv) The Appellant regularly paid the monthly electricity bills up to December 2017, as per the bills issued by the Respondent.
- (v) On 22.01.2018, the Assistant Engineer, Flying Squad Unit, Sangli, inspected the Appellant's premises and found irregularities in recording consumption due to non-availability of Y and B phase voltages to the meter processing unit, resulting in the meter being 66% slow. The Respondent initially issued a bill of ₹20,40,420/- based on a sanctioned load of 60 HP; however, this was revised to ₹13,10,942.86 (2,09,811 units) on 02.04.2018 based on a sanctioned load of 25 HP, for the period from 06.08.2013 to 22.01.2018 (54 months).
- (vi) The Respondent issued an initial disconnection notice on 22.01.2018 for recovery of the assessed bill towards the slowness of the meter, and another disconnection notice on 24.10.2018. The Appellant filed a Writ Petition (ST) (No. 32680 of 2018) on 14.11.2018 challenging the said notice. The matter was placed before the Vacation


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Bench, and on 16.11.2018, the Court directed the MSEDCL not to disconnect the electricity supply to the Petitioner's Industry till further orders.

- (vii) Meanwhile, on 01.11.2018, the Appellant filed a grievance application before the Internal Grievance Redressal Cell (IGRC). While the said complaint was still pending, the Respondent disconnected the Appellant's electricity supply on 13.11.2018. On 14.11.2018, the Appellant, under protest, paid an amount of ₹1,00,000/- as demanded by the Respondent, following which the supply was restored on 15.11.2018. The IGRC verbally advised the Appellant to approach the Forum directly to prevent disconnection of the factory unit. Subsequently, by its order dated 04.01.2019, the IGRC disposed of the case without rendering any decision, citing that a grievance was already filed before the Hon'ble High Court, Mumbai, in Writ Petition No. 32680 of 2018.
- (viii) The Appellant was forced to bring a new meter on 30.09.2019 which was against the law.
- (ix) While the matter was pending before the Hon'ble High Court, the Appellant continued to pay the monthly electricity bills regularly. As a precautionary measure, the Appellant, by letters dated 30.05.2020, 08.12.2020, and 09.11.2024, requested the Respondent to inspect and test the meter. However, the Respondent failed to take any action in this regard.
- (x) On 19.03.2025, the Respondent issued a disconnection notice demanding payment of alleged outstanding dues amounting to ₹27,83,121/- purportedly under Section 56(1) of the Electricity Act, 2003. The Appellant, by letter dated 20.03.2025, responded that the said notice was illegal and without authority.
- (xi) The Appellant placed on record the Judgment dated 24.03.2025 passed in Writ Petition No. 32680 of 2018 in the matter of Siddheshwar Industries vs. MSEDCL. The relevant portion of the said judgment is reproduced below:

8. In this view of the matter, we are inclined to dispose of this petition in terms of the following order:-


ORDER


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- i. *The petitioner within two weeks from today shall file a substantive complaint before the Consumer Grievance Redressal Forum and Ombudsman (CGRF&O) in regard to the subject matter of its complaint & grievances as set out in its complaint dated 01 November 2018 (page 36 of the paper-book) along with an application for interim reliefs.*
- ii. *Considering that the proceedings are old, such complaint be adjudicated on interim reliefs or finally within a period of ten weeks from the date of its filing.*
- iii. *All contentions of the parties are expressly kept open.*
- iv. *For a period of four weeks, the ad-interim protection granted vide an order dated 16 November 2018 shall continue to operate. It is however clarified that consideration of such protection is no expression on the merits of the rival contentions of the parties, which be adjudicated on its own merits.*

- (xii) The Respondent once again issued a disconnection notice on **19.03.2025**; however, the electricity supply was not actually disconnected. Such repeated issuance of disconnection notices, without cause or action, amounts to harassment of the consumer.
- (xiii) The Appellant filed a grievance application in the Forum on 04.04.2025. The Forum by its order has partly allowed the grievance; however, the Forum failed to understand the basic issue that the meter was defective. As per Regulation 15.4.1 of Supply Code Regulations, 2005, MSEDCL can issue an assessment bill retrospectively for only three months; however, the Respondent issued a retrospective bill for 54 months (Aug. 2013 to Jan. 2018) and the Forum directed to recalculate for 36 months, which is illegal.
- (xiv) In view of the above, the Appellant prays that the Respondent be directed: -
- a) to revise the bill in accordance with Regulation 15.4.1 of the Supply Code Regulations 2005 (faulty meter), limiting the recovery period to three months.
 - b) to waive any interest and delayed payment charges, if levied.


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Analysis and Ruling:

4. Heard the parties and perused the documents on record. It is noted that Siddheshwar Industries operates as a machine shop equipped with a complete machining facility and possesses specialized expertise in pattern making. The particulars of the electricity connection, date of inspection, retrospective recovery, revised recovery amount and the corresponding recovery period are summarized in Table 1. It is notable that the revised recovery amount of Rs.20.83 lakhs includes interest @ 15% for a period not specified, but apparently for a long period of about 8 years, till 2025.

5. The Respondent contended that on 22.01.2018, the Flying Squad, Sangli, inspected the Appellant's premises and found that only R phase was recording correctly in the meter, while Y and B phase voltages were absent on the meter display despite incoming supply being normal, indicating non-recording of two-thirds of consumption. The meter was sealed, tested on 23.01.2018, and found to have intact seals but shorted PT circuit wires for Y and B phases, preventing these voltages from reaching the processing unit, causing an average 66% error. Based on a revised verified load of 25 HP (instead of 60 HP earlier assumed), under-recorded consumption of 2,09,811 units for 06.08.2013 to Jan 2018 was assessed at ₹13,10,950/-. Following High Court directions in WP 32680/2018, the grievance was heard at the Forum level in 2025, and the Forum partly allowed the grievance on 15.05.2025, holding the meter not "faulty" under Reg. 15.4.1 of Supply Code Regulation 2005, as its internal circuitry was intact and the anomaly arose from wiring disconnection. MRI data confirmed continuous Y and B phase current with zero voltage input, validating the under-recording. The Forum gave relief by reducing the recovery period to 3 years. In its Marathi order it directed as follows: -

वि. प. वितरण कंपनीने तक्रारदार ग्राहकांस फेब्रुवारी २०१५ ते जानेवारी २०१८ या कालावधीचेच फक्त Y व B फेज व्होल्टेज मिसिंगचे दुरुस्तीचे पुरवणी देयक देण्यात यावे. तसेच सदरच्या सुधारीत वीज देयकाप्रमाणेच फक्त व्याजाची आकारणी करण्यात यावी. उर्वरित व्याज व विलंब आकार माफ करण्यात यावे.


Here it would be relevant to mention that due to some ambiguity in interpretation of the interest related clause in the above order, MSEDCL seems to have interpreted the Forum's


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order to mean that interest should be charged right up to the current date. As a result, it applied interest @ 15% p.a. for a period of about 8 years (total simple interest $8 \times 15 = 120\%$ on the principal amount). Thus, the principal amount reduced from 4 ½ years to 3 years, and it should have resulted in decrease in recovery from Rs. 13.10 lakhs to about Rs. 8.7 lakhs. But the revised bill was as high as Rs.20.83 lakhs, mostly on account of the interest. The Respondent justified levy of this interest on the ground that this revenue should have been recovered in or around Oct. 2018, but the pending High Court litigation forced the delay in recovery till 2025. We find merit in this argument.

6. The Appellant contended that he applied for a load reduction from 60 HP to 25 HP on 20.06.2013, which the Respondent promptly approved, reflecting in the September 2013 bill. On 13.08.2013, heavy rain and a storm at Palus caused sparking at the Appellant's transformer, mildly shocking two workers and tripping the supply. The Appellant requested a technical inspection and meter check, but no detailed inspection was done, though supply was restored. On 22.01.2018, the Flying Squad found Y and B phase voltages missing at the meter, making it 66% slow. An initial assessment of ₹20,40,420/- based on 60 HP was later **revised to ₹13,10,942.86 (2,09,811 units) based on 25 HP for the period from 06.08.2013 to 22.01.2018**. Disconnection notices followed on 22.01.2018 and 24.10.2018. The Appellant challenged this in Writ Petition (ST) No. 32680 of 2018, and the High Court restrained disconnection on 16.11.2018. Despite regularly paying bills thereafter, repeated requests (30.05.2020, 08.12.2020, 09.11.2024) for meter inspection were ignored. The High Court Mumbai's order dated 24.03.2025 directed the Appellant to approach the Forum, with interim protection for four weeks. The Forum, by order dated 15.05.2025, partly allowed the grievance but wrongly treated the meter as functional and upheld a 36-month assessment, contrary to Regulation 15.4.1, which limits recovery for faulty meters to three months. The Appellant seeks revision of the bill as per Regulation 15.4.1 of the Supply Code Regulations 2005, restricting the faulty period to three months, and waiver of any interest or delayed payment charges.



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7. The main extracts from the Consumer's Personal Ledger, as prepared by the Ombudsman's office, are presented below.

| Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------|---------------|--------------|--------------|--------------|--------------|--------------|
| Apr | 3581 | 763 | 2046 | 1850 | 3312 | 12746 |
| May | 3153 | 1545 | 1900 | 1817 | 2300 | 6248 |
| Jun | 3152 | 1046 | 2538 | 1547 | 1711 | 5178 |
| Jul | 8131 | 1069 | 2238 | 1529 | 3431 | 5093 |
| Aug | 1834 | 2283 | 1821 | 2332 | 2063 | 5709 |
| Sep | 735 | 1993 | 2392 | 2011 | 3282 | 5346 |
| Oct | 358 | 1131 | 2310 | 2525 | 2200 | 5818 |
| Nov | 734 | 1432 | 1692 | 2385 | 2879 | 4440 |
| Dec | 771 | 2446 | 1908 | 2159 | 2566 | 6631 |
| Jan | 867 | 1243 | 1996 | 2100 | 2611 | 6091 |
| Feb | 1038 | 1573 | 1660 | 2575 | 0 | 8137 |
| Mar | 1180 | 2048 | 3277 | 2998 | 0 | 11618 |
| Total | 25534 | 18572 | 25778 | 25828 | 26355 | 83055 |
| Avg/mth | 2128 | 1548 | 2148 | 2152 | 2196 | 6921 |
| Year | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| Apr | 13441 | 1686 | 6600 | 6939 | 7493 | 7169 |
| May | 9772 | 7639 | 4325 | 7551 | 7886 | 7776 |
| Jun | 8519 | 6237 | 3799 | 6340 | 7231 | 6386 |
| Jul | 7823 | 6889 | 2914 | 6665 | 8369 | 8278 |
| Aug | 7959 | 6501 | 4100 | 7126 | 8212 | 6351 |
| Sep | 8847 | 5530 | 5593 | 7523 | 8758 | 5622 |
| Oct | 8346 | 5234 | 4771 | 6675 | 8625 | 7030 |
| Nov | 8667 | 4680 | 4019 | 6842 | 6257 | 7527 |
| Dec | 8729 | 5895 | 5332 | 7627 | 7541 | 10154 |
| Jan | 8856 | 6408 | 5615 | 7388 | 7877 | 10501 |
| Feb | 8598 | 5951 | 5487 | 7065 | 6710 | 9254 |
| Mar | 6342 | 7594 | 7072 | 7822 | 5902 | 11286 |
| Total | 105899 | 70244 | 59627 | 85563 | 90861 | 97334 |
| Avg/mth | 8825 | 5854 | 4969 | 7130 | 7572 | 8111 |

We have examined the Appellant's contention as to whether the CT-operated meter in this case qualifies as a "defective meter." The Appellant consumed electricity from 06.08.2013 to 22.01.2018 without being billed for two phase recordings. Therefore, the benefit of Regulation 15.4.1 of the Supply Code & SOP Regulations, 2005, is not applicable.


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8. It is difficult for the Respondent to conclusively prove tampering or the cause of missing two phase voltages in the CT meter. Despite enjoying three-phase supply for years, the Appellant's consumption was recorded for only one phase. The MRI data, which provides complete event records and is a standard assessment tool, confirms this under-recording. The protection under Regulation 15.4.1 cannot be claimed, as its intent is to replace faulty meters within three months, and to bill the consumer on an average basis only for that short period of three months before resuming billing with "Normal" Status.

9. At the same time, we note that the Respondent failed in its duty to regularly analyze the MRI data, which would have revealed the missing phase voltages much earlier. Important three-phase consumers should be inspected at least once in two years, and their MRI data checked more frequently. In this case, by the Respondent's own admission, **the missing Y and B phase voltages went undetected for about 54 months, constituting a deficiency in service**. Accordingly, the recovery period is restricted to 24 months under Section 56(2) of the Electricity Act, 2003, which provides

"(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two 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 and the licensee shall not cut off the supply of the electricity."

This Section 56 (2) of the Act has been interpreted by the Larger Bench Judgment dated 12.03.2019 of the Bombay High Court in W.P. No. 10764 of 2011 with Other Writ Petitions. The Court has allowed 24 months' recovery retrospectively in cases of mistake or oversight. In order to avoid such deficiency in future, the Respondent is advised to develop a mechanism for regular checking of meters of important industrial/commercial consumers within a defined timeframe, and to regularly analyze their MRI data.


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If the assessed 2,09,811 units were calculated from Aug. 2013, the revised assessment for 24 months is expected to be calculated from Feb. 2016. This recalculation alone would provide considerable relief to the Appellant in terms of the principal amount. Now the only issue remaining is the matter of interest, which is currently the major portion of the recovery amount. Considering all the factors examined earlier, it will be in the interest of justice to reduce the interest rate charged to half the applied rate.

10. Considering the various angles in the case, the Forum's order is set aside. The Respondent is directed:

- a) to reassess the supplementary bill only for 24 months (instead of 54 months) retrospectively for the period from February 2016 to January 2018, considering under recording by 66% in the meter by withdrawing interest and delay payment charges levied, if any.
- b) to apply Simple Interest on the above reassessed bill as directed in (a) above by reducing interest rate by 50% as below:-
 - from 18% to 9 % for the period from Feb. 2018 to March 2020.
 - from 15% to 7.5 % for the period from April 2020 till the date of this order.
- c) to allow the Appellant to pay the revised bill in 12 equal monthly instalments without any interest and DPC. If the Appellant fails to pay any instalment, proportionate interest will accrue on defaulter portion, and the Respondent has the liberty to take action as per law.
- d) Compliance to be submitted within two months from the date of issue of this order.
- e) The other prayers of the Appellant are rejected.


11. The Representation is disposed of accordingly.


(Dilip Dumbre)
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12. The secretariat of this office is directed to refund the amount of Rs.25,000/- taken as deposit to the Respondent to adjust in the Appellant's ensuing bill.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


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Secretary
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