

# BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

## REPRESENTATION NO. 35 OF 2023

In the matter of outstanding dues

Mohd Akram Ayyub (User) .....Appellant  
(Late A. B. Razak Amir, Consumer Nos. 13010100903 and 13010100946)

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Bhiwandi (MSEDCL).....Respondent  
Torrent Power Limited (TPL), Distribution Franchisee, Bhiwandi

### Appearances:

Appellant : 1. Mohd Akram Ayyub  
2. Shakeel Ansari, Representative

Respondent : 1. Ajay N. Bhasaketre, Addl. Executive Engineer, TUC, MSEDCL  
2. R. S. Shanbhag, AGM, TPL  
3. H. M. Bhogavekar, Manager, TPL


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

Date of hearing: 27<sup>th</sup> June 2023

Date of Order : 21<sup>st</sup> July 2023

## ORDER

This Representation was filed on 23<sup>rd</sup> March 2023 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the Review Order dated 6<sup>th</sup> January 2023 passed by the Consumer Grievance Redressal Forum, MSEDCL, Bhandup (the Forum).

  
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The Appellant filed the initial grievance application in the Forum on 17.11.2020 (Case No. 28 of 2020). The Forum by its order dated 31.03.2021 partly allowed the grievance application. The operative part of the order is as below: -

*“2. The respondent MSEDCL is hereby directed to calculate the actual bill of electricity arrears against the consumer applicant excluding the interest saddled there on and PD charges.”*

The Appellant filed the review application in the Forum on 14.06.2021 (Case No. R 30 of 2021-22) against the above order. The Forum by its order dated 06.01.2023 rejected the review application. The Forum observed that the Appellant had not filed the review application within thirty (30) days from the date of the original order of the Forum. The review application was filed after 75 days; hence it was not maintainable being time barred.

2. The Appellant, being aggrieved by these orders of the Forum has filed this representation. A physical hearing was held on 27<sup>th</sup> June 2023 where the parties were present physically except the Respondent, MSEDCL who attended the hearing through video conference. The Appellant's submissions and arguments are as follows: -


- (i) The Appellant's Grandfather, late A. B. Razak Amir, installed power looms and rented to tenants in the year 1970.
- (ii) There were 3 live consumers and one PD consumer in his name in Rajjak Compound, out of which two consumer numbers were 3010100946 and 13010100903 respectively. His late grandfather gave his power loom shed along with open space to 8 occupants to run their power looms on rental basis. The Consumer No.13010100946 was located almost 700 feet away from the other Consumer No.13010100903, both bearing separate house numbers MH No. 03 and MH No. 10 respectively. The current grievance relates to the arrears of the PD Consumer No. 13010100946, which have been transferred to the live Consumer No. 13010100903.
- (iii) TPL took over the distribution network of Bhiwandi area on 26.01.2007 as a franchise of MSEDCL for the purpose of operation and maintenance of supply along with billing. TPL replaced the mechanical meters of the above Service No.

  
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13010100903 and 13010100946 with static meters on 30.06.2007 and 12.07.2007 respectively on the ground that mechanical meters might be defective, hence, may not record correctly. **Hence the previous bills of MSEDCL need to be revised** as per Regulation 15.4.1 of Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 (Supply Code Regulations 2005). The Appellant is ready to pay the revised bill as per Regulation 15.4.1.

- (iv) Apart from this, a simple question was raised by the Appellant that **when their tenants were the defaulters for outstanding dues of MSEDCL, why did the Licensee not disconnect their supply for not paying outstanding dues for such a huge amount for years together?** Why did TPL replace their meters? The questions remained unanswered.
- (v) The Appellant filed a civil suit against the 8 tenants who were defaulters in paying electricity bills in the Civil Court at Bhiwandi with regular suit no. 731/2014 in the year 2014 for nonpayment of electricity bills amounting to Rs.27,64,769/- (MSEDCL dues) and Rs.22,77,633/-(TPL dues) on Service No.13010100946. However, the said suit was withdrawn by the Appellant's father as they had family relations. It is surprising that TPL kept silent for 7 (Seven) years from 2007 to 2014 for taking disconnection action for recovery of arrears on Service No.13010100946. Section 56(1) of the Electricity Act 2003(the Act) clearly states that where any person "neglects" to pay "any charge" for electricity, the licensee is duty bound to disconnect the supply of electricity after giving 15 days' written notice. However, the Respondent failed to do so. Hence the Respondent cannot impose these outstanding dues on the Appellant ethically as well as legally.
- (vi) The two Services which are in discussion, were installed in separate power loom sheds with separate municipal house numbers and different tenants. The outstanding dues of Service No. 1301010100903 were Rs.21,220.55 till September 2019, which he paid, and also paid current bills regularly. In October 2019, all of a sudden, TPL transferred the arrears of MSEDCL of Rs.49,58,670/- and arrears of TPL of Rs.41,36,265/- of the PD Service No. 13010100946 on to his live Service No. 13010100903. This amount was calculated without subsidy, and that too

  
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inflated by billing above 20 KW to the PD Service, whereas the load on PD Service No.13010100946 was 48 HP, with half HP motor per loom. The details of arrears are tabulated below:-

**Table 1**

Sr. No.	Service No.	Name	Arrears (Rs.)		Service Status	Remarks
			TPL	MSEDCL		
1	13010100946	Ab Razak Amir	4136270	4960671	PD	PD arrears transferred on service no. 13010100903

- (vii) The Service No. 13010100946 is not in use since 2014. TPL accepted that the earlier mechanical meters were defective and faulty, and needed to be replaced as per Clause No.3.2.22 of the agreement between TPL and MSEDCL. Commercial Circular No 65 of MSEDCL dated 20.10.2007 describes the defective and faulty meters policy.
- (viii) The Appellant referred to the Judgement dated 14<sup>th</sup> Aug. 2007 of Hon'ble Supreme Court in the case of MERC V/s. Reliance Energy Ltd. & others. It clearly stated that bills may be recovered for up to 3 months only prior to the date of testing or meter replacement. However, this policy is not followed by MSEDCL/TPL.
- (ix) The Appellant's grandfather A.B Razak Amir expired on 11.04.2001, and his father Mohd. Ayub Ab. Razak Ansari also expired on 09.04.2015.
- (x) The outstanding dues of PD Service No. 13110100946 were transferred on to the Service No.130101000903 in October 2019. The arrears on Service No.13110100946 were tabulated in Table 1 and 2. TPL reduced its arrears from Rs.41.36 lakhs to Rs.15.18 lakhs as a one-time settlement.
- (xi) The Appellant was forced to pay these so called revised outstanding dues of TPL of Rs.15,18,000/- on the threat of disconnection of the live Service No. 13010100903 in the months of Dec. 2019 and Jan. 2020 by instalments. The PD arrears were time barred and cannot be recovered by transferring them to another consumer number which has a separate identity, as the premises were different. (The huge arrears of MSEDCL are still appearing in this service).

  
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- (xii) The Appellant filed the grievance application with the Forum on 17.11.2020. The Forum by its order dated 31.03.2021 did not give sufficient relief. The operative part of the order is captured in Para 1. The Appellant filed a review application in the Forum on 14.06.2021. The Forum by its order dated 06.01.2023 rejected the review application. The Forum failed to understand the basic issue that the arrears are fictitious and indicate illegal and unethical working of TPL.
- (xiii) There is some delay in filing this representation. The Appellant prays to condone the delay as he suffered from serious domestic problems.
- (xiv) The Appellant prays that the Respondent be directed.
- a) to refund Rs.15,18,000/- of Service No.13010100903 which was illegally collected by TPL in the name of settlement, and which was illegally transferred from the PD Service No.13010100946.
- b) to remove the fictitious arrears of Rs. 61,04,254/- of MSEDCL from the Service no. 13010100903.

3. The Respondent MSEDCL and its Franchisee, TPL filed their written replies dated 26.05.2023 and 22.05.2023 respectively. The Respondent's written submissions along with their arguments on 08.06.2023 are as below:

- (i) The Appellant being aggrieved by the Order of the Forum in Case No.28/2020 and Review case No.30/2021, has approached this Authority without any merit and without having any sufficient cause. The Appellant had filed for review against the Forum's order which was rejected by the Forum being time barred. Thereafter, the Appellant approached the Electricity Ombudsman on 27.03.2023. The representation is time barred as per Regulation 19(1) of the CGRF & EO Regulations 2020, as the original order of the Forum was on 31.03.2021.
- (ii) The Appellant filed the grievance application with the Forum on 17.11.2020 with the following prayer:-

*"The applicant is requesting to issue order for refund of amount collected coercively by TPL for Rs.15,18,000/- Service No.13010100903 in the name of settlement which is illegally and unlawfully transferred as the default amount bill of PD Service No.13010100946."*

  
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- (iii) The Appellant has now come up with a new prayer in the present Representation, requesting "to remove all MSEDCL dues. " This prayer is not maintainable as per Regulation 19(1) of the CGRF & EO Regulations 2020 and this representation deserves to be rejected on this ground alone.

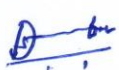
Brief History of the case:

- (iv) Service nos. 13010100903 and 13010100946 are registered in the name of Mr A.B. Razak Amir for Power Loom purpose at the address "C 5 No. 32, Karivali Road, Nr Savera Sizing, Nr Nagori Hotel, Gauripada, Bhiwandi".
- (v) A Notice for transfer of dues from PD Service No.13010100946 to Live Service No. 13010100903, **being in the same name and for the same premises**, was sent vide Letter No BHW/CNPB/DT/SC/165 dated 27.12.2018, BHW/CNPB/DT/SC/749 dated 31.07.2019 and BHW/CNPB/DT/SC/818 dated 10.09.2019 as per Regulation 10.5 of Supply Code Regulations 2005. A Legal Notice for recovery of dues was also sent through Advocate Notice dated 26.10.2019. The details are as below:

Table 2 :

Sr. No.	Service No.	Name	Address	Arrears (Rs.)		Service Status	Remarks
				TPL	MSEDCL		
1	13010100946	Ab Razak Amir	32, Karoli Road, Bhiwandi	4136270 reduced to 15,18,000 /- as settlement	4960671	PD	Appellant paid the principal outstanding dues of Rs. 15,18,000/- (TPL Part) by waiving interest under "One Time Settlement Policy" of TPL. However, he still has to pay PD arrears (Rs. 49,60,671/- of MSEDCL).
2	13010100903	Ab Razak Amir	C 5 No. 32, Razzaque Compound, Karoli Road, Bhiwandi	23590	335372	Live	Outstanding dues of service no. 13010100946 were transferred to this service
3	13010100911	Ab Razak Amir	Razzaque Compound, Karoli Road, Bhiwandi	6060	5310	PD	Other Services in the same premises, not relevant to the current case.
4	13010101047	Abdul Razak A Ansari		46660	75514	Live	
		Total		4212580	5376867		

- (vi) Despite rigorous follow up, the Appellant did not turn up for payment of the arrears of Service No.13010100946. Hence, the dues of Rs.49,60,671/- of MSEDCL of PD Service No.13010100946 were transferred on to Service No. 13010100903 in October 2019, as both these connections were in the same premises and in the same

  
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consumer's name. On 10.12.2019 the Appellant requested for interest waiver, and showed his readiness for payment of TPL dues under "One Time Settlement Policy". The same was allowed and accordingly a revised bill of Rs. 15,18,000/- was paid by the Appellant through cheque of Rs. 5,18,000/- on 21.12.2019, Rs.5,00,000/- on 20.01.2020 and Rs.5,00,000/- on 20.02.2020. There is no question of refund of this amount as the Appellant has consumed this electricity, and the Respondent has collected only this principal amount as part of the settlement.

Later, on 17.11.2020, the Appellant has raised the grievance with the Forum merely to escape from his liability towards MSEDCL dues. As on date, details of the latest dues on the same premises are as under:

Table 3 :

Sr. No.	Service No.	Name	Arrears (Rs.)		Service Status
			TPL	MSEDCL	
1	13010100946	Ab Razak Amir	Nil	Nil	Dues transferred to service no. 13010100903
2	13010100903	Ab Razak Amir	Nil	61,04,254	Live

(vii) The notice of transfer of dues was served on the following grounds :

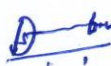
a) Regulation 10.5 of Supply Code Regulations 2005 states that

*" 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:*

*Provided that, except in the case of transfer of connection to a legal heir; the liabilities transferred under this Regulation 10.5 shall be restricted to a maximum period of six months of the unpaid charges for electricity supplied to such premises. "*

b) Guidelines given by MSEDCL for recovery vide their internal circular number

P.Com/Accts/ No 19021 dated 06.07.2013 state that:

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


(ii) **If any PD consumer in arrears is having any live electricity connection in same or other subdivision, division, circle or zone, then the entire PD arrears with interest and DPC should be diverted on said live connection of same PD consumer. As mentioned in point 4 and 6 above dues of PD service can be transferred to live services of same and different premises also.”**

Also Regulation 12.5 and 16.9.3 of Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, states as under :

**Regulation 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"

**Regulation 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”.

- (viii) The Appellant has raised the grievance in the current representation regarding withdrawal of current MSEDCL dues amounting to Rs. 61,93,502/-. The Appellant has not mentioned any relevant provisions of MERC, MSEDCL or Electricity Act, 2003 for withdrawal of pending MSEDCL dues.
- (ix) The Service No. 13010100903 is live and is billed every month as per the reading obtained from the meter. **The MSEDCL dues are and have been continuously shown in the bills and demanded from the consumer every month.**
- (x) All the above connections were released by MSEDCL prior to the takeover of Torrent Power Ltd. as a Franchise in Bhiwandi Distribution area, i.e. 26.01.2007. Hence the subject matter of the Appellant’s complaint pertains to MSEDCL.
- (xi) Regarding the contention related to Judgement of the Hon'ble Supreme Court in CA No.2846/2006, the interpretation of MSEDCL circular no.65 is totally

  
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misconceived and false, hence the same is denied. Also, other referred circulars, clauses of regulations are irrelevant.

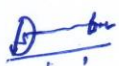
- (xii) In answer to the question raised by the Appellant in para 2 (iv), the Respondent stated that TPL took over as the franchisee for the distribution network of electricity supply in Bhiwandi on 26.01.2007. There were serious law and order issues in Bhiwandi at the initial stage, hence the policy of disconnection or forcible recovery was delayed, mainly from the year 2007 to 2012. That is the reason why forcible recovery was not made from the Appellant's tenants initially, despite huge arrears.
- (xiii) The Representation is also time barred as per Regulation 19.1 of the CGRF & EO regulations 2020. In view of the above, the Respondent prays to dismiss the said grievance and to direct the Appellant to comply with the order of the Forum with immediate effect.

### **Analysis and Ruling**

4. Heard the parties and perused the documents on record. There is a delay of about 17 days in filing this representation which is beyond the stipulated period of 60 days from the date of the Forum's review order. This delay is condoned.

5. The Appellant's late grandfather had installed power loom sheds in 1970 and rented them to tenants. He had taken two electricity connections in his name from the Respondent MSSEDCL (erstwhile MSEB), having Service nos. 3010100946 and 13010100903 respectively at Rajjak Compound, Karoli Road, Bhiwandi. The name of the consumer and the address on the bills are tabulated in Table 2 above. It is seen that the name and address is the same for both the connections.

6. TPL took over as the franchisee for the distribution network of electricity supply in Bhiwandi on 26.01.2007. It replaced mechanical meters with electronic/static/digital meters for Service no. 13010100903 on 30.06.2007 and Consumer no. 13010100946 on 12.07.2007. There is nothing wrong in this, considering the policy of mass meter replacement from mechanical to digital meters. This does not indicate that all the previous mechanical meters were necessarily defective. If the Appellant was not satisfied with the working of his

  
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mechanical meters he had an opportunity to raise the grievance with the Respondent MSEDCL and subsequently in the Consumer Grievance Redressal Forum. The cause of action arose in 2007. Now, after the expiry of more than 15 years, the Appellant cannot claim this issue that meters were defective, being time barred as per provision of Regulation 6.6/7.8 of CGRF & EO Regulations 2006/2020, which clearly states that a complaint has to be filed within 2 years from the date on which the cause of action has arisen. Hence, the claim of the Appellant that the meters were defective has no validity, being time barred and beyond limitation.

7. The Appellant's tenants were defaulters in payment of electricity bills, and arrears had accumulated on Consumer No 13010100946. The main responsibility of bill payment is of the Appellant, as he is the consumer on record, and the connection is in his name. But he failed to monitor his tenants for the regular payment of bills.


8. According to the Respondent TPL, the said Consumer nos. 13010100903/13010100946 are registered in the name of Mr A.B. Razak Amir for Power Loom purpose at the address C5 No. 32 Karoli Road, near Savera Sizing, near Nagori Hotel, Gauripada, Bhiwandi. Both connections being in the same name and in the same premises, as per Regulation 10.5 of MERC (Electricity Supply code and other conditions of supply) Regulations, 2005, outstanding electricity dues were transferred from the PD Consumer No.13010100946 to the Live Consumer No. 13010100903 after giving appropriate notices.

9. Considering the above circumstances, the following issue is framed: -

Issue: Whether the Respondent's action of recovery of outstanding dues, by transferring dues from one PD connection to another live connection of the Appellant in the same premises, is correct ?

The answer is in the AFFIRMATIVE.

The connection bearing Service number 13010100946 is in the name of Shri. AB Razak Amir. The details of the other service connection are captured in Table 2. The name of these services are the same, and the addresses of these services are also relatively the same on record, i.e. 32, Rajjak Compound, Karoli Road, Bhiwandi. "Rajjak Compound" is one premises. The Respondent is authorised to transfer the outstanding dues from one to another service being in

  
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the same premises. Dues of PD Service No.13110100946 were transferred on to Service no.130101000903 in October 2019 by TPL which is justified as per provision of Regulation 10.5 of Supply Code Regulations 2005 which was in force previously.


10. TPL has continuously shown the MSEDCL arrears as recoverable dues on the monthly bills of the consumer to maintain the claim of the MSEDCL arrears. Electricity bills were delivered in the same premises on monthly basis, and the owner of the premises is quite aware of these bills and outstanding dues. He cannot claim ignorance of the same. The Respondent can recover these arrears as per Section 56(2) of the Act. The Appellant is liable to clear dues of PD services in his premises. Hence, this issue is answered as AFFIRMATIVE.

11. TPL reduced its arrears from Rs. 41,36,270/- to Rs. 15,18,000/- by waiving interest under its One Time Settlement Policy.. The Appellant paid these outstanding dues of the principal amount of Rs. 15,18,000/- The bills issued were of consumed units. Hence the Appellant's claim for refund of this amount is not sustainable, and is against the regulations and law in force. Hence, the same is rejected.

12. The Appellant has also prayed to quash the MSEDCL outstanding dues. This grievance is not maintainable as per Regulation 19.1 of the CGRF & EO Regulations 2020 since it was not specifically taken up at the Forum level, and was directly taken up with this authority.

13. The representation of the Appellant is rejected.

14. At the same time, we note that there are a large number of consumers like the current Appellant who may find it very difficult to clear accumulated dues of lakhs of rupees in one go. These arrears have basically increased over the years due to interest. MSEDCL by its commercial circular no. 98 dated 7<sup>th</sup> August 2009 had announced a one-time settlement scheme for PD consumers which is still in force. It is advised the Respondent MSEDCL may examine extending the benefit of this scheme to consumers with PD arrears, for waiver of part/full interest, even if the PD arrears were transferred on to an existing live consumer.

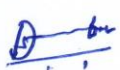
  
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15. The secretariat of this office is directed to refund the amount of Rs. 25000/- taken as deposit to the Respondent to adjust in his ensuing bill.

16. The Representation is disposed of as above.

Sd/  
(Vandana Krishna)  
Electricity Ombudsman (Mumbai)

  
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