

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 95 OF 2025

In the matter of recovery of arrears of a permanently disconnected consumer at the same
premises

K. M. Khandelwal..... .Appellant
(PD Consumer No. 170011763963)
(Live Consumer No. 170011761936)

V/s.

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

Appearances:

Appellant : 1. Vinay Khandelwal, Representative

Respondent : 1. Pramodkumar Gaikwad, Addl. Executive Engineer, Wadia S/dn
2. Vivekanand Dighe, Dy. Manager


Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 14th November 2025

Date of Order : 9th December 2025

ORDER

This Representation was filed on 22nd September 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 25th July 2025 in Case No. 262/ 2024 passed by the Consumer Grievance Redressal


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Forum, MSEDCL, Pune Zone (the Forum). The Forum by its order has rejected the grievance of the Appellant.

2. PREAMBLE


- (i) The original consumer was Smt. Kamala M. Khandelwal, in whose name a commercial electricity connection (Consumer No. 170011763963) was released on 01.01.1979 at 2, Wilson Garden, Pune – 411001 (as per CPL). This connection was subsequently permanently disconnected on 31.10.2005.
- (ii) A separate residential electricity connection having Consumer No. 170011761936 was later sanctioned in the same consumer's name and released on 12.12.1982 at the address C/o Shri P. K. Khandelwal, 16 Sasoon Road, Pune – 411001. The details of both connections are summarised in Table 1.

Table 1

S.N.	Consumer No.	Type of Connection	Consumer Name	Date of Supply	Address	Date of disconnection	Outstanding dues
1	170011763963	Commercial	K.M.Khandelwal	01.01.1979	2/ Wilson Garden Pin 411001	31.10.2005	23030/-
2	170011761936	Residential	K.M.Khandelwal	12.12.1982	C/o Shri P.K. Khandelwal, 16 Sasoon Road Pin 411001	Live	0

[Note: There was an error in typing the consumer no. 170091769136 by the Appellant in his submission instead of the consumer no. at Sr. No. 2 in Table 1.]

- (iii) At present, Shri Sanjay Khandelwal, son of the original consumer, is the holder of a live residential connection (Consumer No. 170091769136) and has consistently paid all bills in time without any default.
- (iv) After a gap of nearly 20 years, MSEDCL has abruptly raised a demand of Rs. 23,030/- pertaining to the old PD commercial connection (Cons. No. 170011763963). These alleged arrears have been transferred to the present residential connection (Cons. No. 170011761936).



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- (v) The present consumer states that he had no knowledge of the old commercial connection or any alleged arrears, as the PD account had remained silent and undisclosed for over two decades.

3. The Appellant has filed this Representation against the order passed by the Forum. An online hearing through video conferencing was held on 14.11.2025. The parties were heard at length. The Appellant's submissions and arguments are as below. *[The Electricity Ombudsman's observations and comments are recorded under 'Notes' where needed.]*

- (i) The Appellant submits that ever since the earlier commercial connection was disconnected on 31.10.2005, no notice, communication, or bill indicating any outstanding dues was ever received. For more than two decades, MSEDCL remained entirely silent. If a consumer defaults on even a single monthly bill, supply is typically disconnected immediately. The sudden revival of a 20-year-old claim clearly points out to Respondent's negligence and lapses in audit processes, not any wrongdoing by the Appellant.
- (ii) The Respondent advised the Appellant to clear the alleged dues under the "Abhay Yojna" scheme, which is specifically meant to provide relief to permanently disconnected consumers. However, this submission is wholly irrelevant, as the Appellant was never informed of any such arrears at any point in time. In the absence of any knowledge or communication regarding outstanding dues, the Appellant could not reasonably have availed or benefited from the said scheme.
- (iii) The alleged arrears of Rs. 23,030/- date back almost 23 years. Despite the supposed dues, a new residential connection was issued, and bills were regularly raised without any mention of arrears. No notice was ever served before reviving this claim, making the belated demand unjust and contrary to law.
- (iv) Key legal points submitted by the Appellant:
- (a) The Appellant relies on Section 56(2) of the Electricity Act, 2003, which restricts recovery of dues to a period of two years unless such dues have been continuously shown in the bills. In the present case, the Respondent is seeking recovery of arrears


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that are nearly 20 years old, pertaining to a permanently disconnected consumer, and these dues were never reflected in any subsequent bills. Therefore, the demand is time-barred under Section 56(2). Any further recovery, if at all permissible, can only be pursued through a civil suit, and not by raising or transferring arrears to the Appellant's current account.

(b) The old commercial meter and the present residential connection are distinct accounts. Arrears from one cannot be transferred to the other.


(c) The Appellant relied on the following judgments in support of his submissions:

1. M/s Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd., Civil Appeal No. 7235 of 2009, Supreme Court (5 October 2021) – The Court held that stale or long-pending arrears cannot be recovered if they were not continuously reflected in the electricity bills.
2. M/s Rototex Polyester & Anr. v. Administrator, Dadra & Nagar Haveli Electricity Department, Writ Petition No. 7015 of 2008, Bombay High Court (20 August 2009) – The Court held that outstanding dues not continuously shown in bills are not recoverable under Section 56(2) of the Electricity Act, 2003.
3. Awadesh S. Pandey v. Tata Power Co. Ltd. & Others, W.P.(L) No. 2221 of 2006, Bombay High Court (5 October 2006) – The Court held that recovery of arrears older than two years is barred when such dues were never reflected continuously in the bills.

(v) In view of the above, the Appellant prays that the Respondent be directed to cancel the time-barred arrears pertaining to the old commercial connection and further restrain MSEDCL from transferring or recovering any such dues through the Appellant's present residential connection.

4. The Respondent's submission and arguments are stated as follows:

- (i) The Appellant has been a residential consumer (Consumer No. 170011761936) since 12.12.1982. There was also a separate commercial connection (Consumer No.


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170011763963) that remained in service from 01.01.1979 to 31.10.2005. The details of both connections are tabulated in Table 1.


- (ii) The commercial PD connection was verified in Sept. 2024 with net bill amt of Rs.23031.85. The details are tabulated as below:

S.No.	1708	New Con.No.	170011761936
BU	4601	New Cons PC	0
Section Name	Pune JJ Garden	New Cons. Name	K. M. Khandelwal
Consumer No.	170011763963	New Cons.Make Code	082
Consumer Name	K.M.Khandelwal	New Cons. Meter No.	1731940
Address	2/ Wilson Garden	Diff.Cons.No. PD arrears paid	No
Billing Tariff Code	52	PD Notice	Issued
Net Bill Amt	23031.85	Remarks	Same Name & Address
PD to Date	31-Oct-05		
Verified Month	Sep-24		
Updated by & Action taken date	02403722 Gauri Girishrao Kulkarni AE (Dist.)/ 15-Oct-24		
Latitude	18.5271212		
Longitude	73.8748986		
Site observation description	LT connection found with different Consumer Number		

- (iii) The Respondent's Corporate Office, vide Circular No. P.COM/Accts./19021 dated 06.07.2013, had issued guidelines regarding recovery of arrears from Permanently Disconnected (PD) consumers. The relevant provisions of the said circular are:


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."*

Respondent routinely carries out drives for such PD recovery enforcement.


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- (iv) On 15.10.2024 the Assistant Engineer, J.J. Garden Section, visited the site to inspect the permanently disconnected (PD) consumer connection under the Abhay Yojana Scheme for PD consumers. During the inspection, it was observed that two connections existed at the same premises: one active residential connection (Consumer No. 170011761936) and one commercial connection (Consumer No. 170011763963), which had been permanently disconnected and had outstanding dues of Rs. 23,030/-. It is also pertinent to note that the PD arrears have been raised without any levy of interest or Delayed Payment Charges (DPC), which further reflects the casual and unexplained manner in which these dues have been maintained for over two decades. Accordingly, the Respondent Addl. Executive Engineer vide his letter dated 15.10.2024 issued a notice for payment of outstanding dues of Rs. 23,030/- in seven days, otherwise supply of the residential connection would be disconnected.
- (v) Aggrieved by the action of the Respondent, the Appellant filed a grievance before the Forum on 16.11.2024. The Forum, by its order dated 25.07.2025, rightly rejected the grievance.
- (vi) MSEDCL introduced “Abhay Yojana” as a special scheme for recovery of long-pending electricity dues from permanently disconnected (PD) consumers for the period from 01.09.2024 to 30.11.2024. It is a settlement scheme intended to facilitate PD consumers in clearing their outstanding arrears. The key features of the scheme are as follows:
- a) Waiver of Delayed Payment Charges (DPC), interest, and, in some cases, penal charges, depending on the specific terms of the scheme.
 - b) Encouragement to consumers to pay the principal dues for restoration of supply or to clear old liabilities.
 - c) A time-bound framework, rolled out periodically to reduce MSEDCL’s arrears.
- (vii) The commercial connection in question was taken by the Appellant’s ancestors, which the Appellant has also admitted; however, he is now attempting to evade payment of the outstanding arrears.
- (viii) The Respondent contended that the Appellant’s bills are correct as per the Consumer Personal Ledger (CPL) on record. They submitted that Section 56 of the Electricity Act


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pertains to disconnection of **live** consumers for non-payment. Section 56(2) is applicable only to **live** consumers and not to **PD** consumers; hence, the judicial precedents cited by the Appellant are not applicable to the present case.

- (ix) The Respondent relied 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 Regulations, 2021) to justify the recovery of dues.
- (x) The Respondent further cited the judgment of the Hon'ble Supreme Court dated 19.05.2023 in Civil Appeal Nos. 2109-2110 of 2004 (K.C. Ninan v. Kerala State Electricity Board & Ors.), wherein **the Court upheld the authority of the distribution licensee to recover past PD arrears for any period.**
- (xi) The Appellant has not cleared the outstanding dues but has instead filed the present representation. In light of the above submissions, the Respondent prays that the representation be rejected.

Analysis and Ruling

5. Heard the parties and perused the documents on record. The Appellant is a residential consumer as detailed in Table 1.

6. The Appellant contended that ever since the commercial connection was disconnected on 31.10.2005, no notice or bill of any arrears was issued for nearly 20 years. The sudden revival of alleged dues of Rs. 23,030/-, after two decades, reflects the Respondent's negligence. A new residential connection was granted and bills were regularly issued without any mention of old dues, making the belated demand arbitrary and illegal. Under Section 56(2) of the Electricity Act, arrears older than two years and not continuously shown in bills are time-barred. PD arrears cannot be revived or transferred to a live connection and, if at all, can only be pursued through a civil suit. The commercial and residential connections are distinct, and liabilities cannot be transferred. The Appellant relied on Judgments referred in Para 2(iv). The Appellant therefore prays for cancellation of the time-barred arrears of the old commercial


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connection and for restraining MSEDCL from recovering or transferring such dues to the current residential account.

7. The Respondent contended that as per MSEDCL's Circular dated 06.07.2013, PD arrears may be diverted to any live connection of the same consumer or legal successor based on field verification. During inspection on 15.10.2024 under Abhay Yojana, the Respondent found one live residential connection and one PD commercial connection with arrears of Rs.23,030/-, and accordingly issued a notice on 15.10.2024 demanding payment within seven days, failing which supply would be disconnected. The commercial connection belonged to the Appellant's ancestors, that the Appellant is avoiding payment, that Section 56(2) applies only to live consumers and not PD cases, and that recovery is justified under Regulation 12.5 of the MERC Supply Code & SOP Regulations, 2021. The Respondent also relies on the Supreme Court judgment in *K.C. Ninan* (19.05.2023), which upholds the right to recover PD arrears of any period. As the Appellant has not paid the dues, the Respondent prays that the representation be rejected.

8. The MERC (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 continuously as recoverable as arrear of charges for electricity supplied as per Section 56 (2) of the Act **except for permanently disconnected Consumer.**


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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)

9. 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.

10. As far as MSEDCL is concerned, its right to recover PD arrears is preserved under Regulation 12.5 of the Supply Code & SOP Regulations, 2021, reinforced by the Hon'ble Supreme Court's judgment dated 19.05.2023 in K.C. Ninan v. Kerala State Electricity Board & Ors. in Civil Appeal No 2109 -2110 of 2004. However we record the following observations regarding the particular circumstances of this case

11. Firstly, the Respondent has failed to provide any justification or explanation for issuing only a 7-day notice to the Appellant for clearing PD dues raised after more than 23 years. Under the principle of natural justice, it is expected that at least 30 days' notice should be given in these circumstances; besides, an opportunity should be given for the consumer to be heard. Further, the Respondent ought to have furnished more detailed particulars of the alleged outstanding amount of Rs. 23,030/-, such as the period to which the arrears relate, the month-wise break-up, and whether the amount includes interest, penalty, or any other charges prior to 2005. No such details have been provided. Issuing a threat of disconnection for non-payment within only 7 days, without furnishing essential details, is improper and unjustified. Upon perusal of the notice dated 15.10.2024 issued by the Addl. Executive Engineer, we find its language inconsiderate, unduly harsh, and lacking in the consumer-friendly approach expected of a distribution licensee. Such conduct undoubtedly amounts to mental harassment of the


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consumer. Even assuming that the Respondent is legally entitled to recover PD dues, the manner of recovery must be reasonable, transparent, and sensitive to consumer rights.


12. Further, the Respondent has been unable to explain how the PD arrears remained undetected and unrecovered for an extraordinary period of 23 years. Such an omission reflects a clear lapse and serious inefficiency on the part of the Respondent. We impose a penalty of Rs. 10,000/- on the Respondent for the insensitive and improper handling of this matter.

13. In view of the above deficiencies, the order of the Forum is modified, and the Respondent is directed to

- a) Pay Rs. 10,000/- penalty, to be adjusted in the Appellant's next monthly live bill.
- b) Other prayers of the Appellant are rejected.
- c) Compliance to be submitted within two months from the date of issue of this order.

14. The Representation is disposed of accordingly.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


(Dilip Dumbre)
Secretary
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