

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 38 OF 2026

In the matter of retrospective recovery of electricity bill

Tara Stone CrusherAppellant
(Cons. No. 266600006991)

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Kolhapur, Rural 1 Dn. Respondent
(MSEDCL)

Appearances:

Appellant : Vikas Chougale, Proprietor

Respondent: 1. Ajit Aswale, Executive Engineer, Kolhapur R1 Dn.
2. K.L. Shaikh, Jr. Law Officer, Kolhapur Circle


Coram: Vandana Krishna [I.A.S. (Retd.)]

Date of hearing: 8th May 2026

Date of Order : 14th May 2026

ORDER

This Representation was filed on 7th April 2026 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 11th March 2026 in Case No. 07 of 2026 passed by the Consumer Grievance Redressal Forum, Kolhapur Circle (the Forum). The Forum by its order has rejected the grievance application of the Appellant.


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2. Aggrieved by the order of the Forum, the Appellant has filed this representation. An e-hearing was held on 8th May 2026 through video conferencing. Both 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 has been an LT consumer (No. 266600006991) since 01.04.1986. The particulars of the electricity connection are set out in Table 1 below.

Table 1:

Name of Consumer	Consumer No.	Address	San. Load/ Contract	Date of Supply	Purpose	Date of Inspection & Findings	Assessment Amount & Period
Tata Stone Crusher	266600006991	Shiye, Tal. Karveer, Dist: Kolhapur	160 HP/ 149 KVA	01.04.1986	Industrial (Stone Crusher)	10.01.2026 – Unbilled R & B phase consumption detected due to reversal of CT secondary connection polarity.	Rs. 7,74,869/- towards 90,683 units for the period from April 2025 to December 2025.

- (ii) The Appellant is engaged in the business of stone crushing, involving the reduction of large rock boulders into smaller, usable, and uniform sizes such as gravel and concrete aggregates for construction and infrastructure purposes, through specialized machinery and processing operations.
- (iii) Till April 2025, the old electricity meter of the Appellant was functioning properly. The Respondent installed a new smart meter bearing No. M22440018743, and the Appellant regularly paid the electricity bills issued thereafter. By letter dated 22.01.2026, the Respondent informed the Appellant that due to reversal/negative polarity of 2 phase CTs in the bi-directional (import-export) meter, a part of the electricity consumption was wrongly recorded as export units, though the Appellant had no electricity generation system installed at the premises. Accordingly, the Respondent raised a supplementary demand of 90,683 units amounting to Rs. 7,74,869/- for the period from April 2025 to



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December 2025. Aggrieved thereby, the Appellant filed a grievance before the Forum, which came to be rejected by order dated 11.03.2026.

Grounds

- (iv) The impugned order passed by the Forum is erroneous, one-sided, contrary to facts, evidence on record and provisions of law and therefore liable to be quashed and set aside. The Forum failed to properly appreciate the factual matrix, pleadings, documents and evidence and arrived at incorrect conclusions based on presumptions. The Forum further failed to consider that after installation of the new smart meter by the Respondent, the Appellant had repeatedly informed the Respondent regarding abnormal and inconsistent meter readings, however no corrective action was taken, amounting to clear deficiency in service.
- (v) The Forum failed to appreciate that the alleged export of electricity was impossible as the Appellant had neither installed any solar/renewable energy system nor applied for any bi-directional/export meter. The Respondent initially alleged export of electricity and thereafter changed its stand by alleging reverse CT polarity, thereby attempting to shift its own negligence and faulty installation upon the Appellant. The Appellant had regularly and bona fide paid all electricity bills and had himself raised concerns regarding inconsistent readings, which were ignored by the Respondent.
- (vi) The Forum further failed to properly consider the provisions of Section 6(8) of the Maharashtra Electricity Duty Act, 2016 and the principle of estoppel, particularly when the Respondent had accepted earlier bills without objection and thereafter arbitrarily issued the supplementary bill. The Forum wrongly relied upon alleged inspection/laboratory reports regarding reverse CT polarity though copies thereof were never supplied to the Appellant and no opportunity was granted to file objections, in clear violation of principles of natural justice.
- (vii) The Forum also failed to appreciate that the dispute arose only after replacement of the old meter and that the alleged discrepancy occurred due to negligence and faulty installation on the part of the Respondent. The impugned order is therefore


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perverse, arbitrary, contrary to facts and law and deserves to be quashed and set aside.

(viii) The Appellant therefore prays that the supplementary/additional bill of alleged 90,683 units be cancelled and the appeal be allowed.

3. The Respondent's submissions and arguments are as below.

Submissions on Maintainability:

(i) The present representation has been filed through an Advocate/Law Firm, which is not maintainable under the CGRF & EO Regulations, 2020. In this regard, reliance is placed upon Regulations 19.17, 19.18 and 19.22, which provide as under:

“19.17 Any party to any proceedings before the Electricity Ombudsman may either appear in person or authorise any representative other than an Advocate (within the meaning of the Advocates Act, 1961), to present his case before the Electricity Ombudsman and to do all or any of the acts for the purpose...”


The Respondent therefore contended that the present representation filed through an Advocate is not maintainable. [Note: The Schedule B is signed by its proprietor, Vikas Shivaji Chougale who is the consumer; however he has nominated a Law Firm of Kolhapur to represent the appeal which is not allowed as per the above Regulation.]

Submissions on Merits:

(ii) The Appellant is an industrial consumer having sanctioned load of 160 HP and Contract Demand of 149 kVA. The particulars of the connection are tabulated in Table 1. The Appellant was billed as per recorded meter readings. The Appellant is engaged in the business of stone crushing.

(iii) On 09.04.2025, the faulty meter was replaced with a new smart meter bearing No. M22440018743 along with new CTs. (Later, it was revealed that the wiring in the manufacturing process was faulty.) The particulars of the new installation are as follows:

Table 2:


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Consumer No	Meter Details				CT Details		
	Make	Sr. No.	Class	Capacity	Make	Class	Capacity
266600006991	HPL	M22440018743	0.5 S	-/5 A	Prasanna	0.5 S	200/5 A

- (iv) In the first week of January 2026, the Respondent noticed a considerable reduction in electricity consumption recorded from April 2025 onwards. The Respondent inspected the Appellant's premises on 10.01.2026 and found a connected load of 218 HP. During the inspection, it was observed that the meter was somehow recording consumption under both Import and Export categories. The meter and CTs were therefore forwarded for detailed testing.
- (v) Upon testing, the meter was found technically in order, however the polarity of R phase CT and B phase CT was found reversed. It was observed that energy of R and B phases was being recorded in Export Mode whereas Y phase energy was recorded in the proper Import Mode. After correction of CT polarity, test results were found within permissible limits.
- (vi) Due to reverse CT polarity, substantial energy consumption corresponding to two phases was recorded as "Export Units" instead of "Import Units", resulting in under-billing. Upon technical analysis and MRI data verification, corrective assessment was undertaken as per applicable regulations.

The Respondent accordingly issued an assessment bill dated 09.01.2026 for Rs.7,74,869/- towards under-billing of 90,683 units for the period April 2025 to December 2025.

- (vii) A new meter with CT bearing No. 100-M12540024591 was installed on 12.01.2026. The consumption recorded during the one-day period from 12.01.2026 to 12.02.2026 was 21,686 units, which was found consistent with the readings recorded at both the consumer meter and DTC meter. During the disputed period of 9 months, only 84,440 Import units were billed, while 90,683 units were recorded under Export due to CT polarity issue and therefore remained unbilled. Accordingly, the total actual consumption was assessed at 1,75,123 units for 8 months, averaging approximately 21,890 units per month, which corroborates the consumption recorded after installation of the new meter and CTs.


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(viii) The Respondent relied upon the provisions of MERC Supply Code Regulations, 2021 and CEA (Installation and Operation of Meters) Regulations, 2006 to contend that where energy is correctly measured/recorded, the meter cannot be treated as faulty merely due to communication or CT related issues.

(ix) The Respondent further relied upon the judgment of the Hon'ble Supreme Court in Assistant Engineer (D1) Ajmer Vidyut Distribution Nigam Ltd. vs. Rahamatullah Khan and reproduced the following observations:

“6.3 The obligation of a consumer to pay electricity charges arises after the bill is issued by the licensee company...

6.5 Sub-section (2) of Section 56 by a non obstante clause provides that notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, shall be recoverable under Section 56, after the expiry of two years...”


(x) Reliance was also placed on the judgment of the Hon'ble Supreme Court in M/s. Prem Cottex Vs. Uttar Haryana Bijli Vitran Nigam Ltd., particularly para 21, which reads as under:

“21. The raising of an additional demand in the form of ‘short assessment notice’, on the ground that in the bills raised during a particular period of time, the multiply factor was wrongly mentioned, cannot tantamount to deficiency in service...”

(xi) Based on the aforesaid judgments, the Respondent contended that supplementary bills were lawfully raised as per escaped billing or under-assessment.

(xii) No penal charges were levied and the assessment was based upon technical evidence, authenticated MRI data and applicable regulations. The Forum had rightly appreciated the material on record and passed a proper order. The Respondent therefore prays that the present representation be dismissed.

4. Post hearing, the Appellant submitted additional written arguments by email dated 13th May 2026. The Appellant contended that in April 2025, the old meter was replaced with a Smart Meter No. M22440018743 and bills were duly paid; on 22/01/2026 the Respondent alleged a 2-phase CT polarity defect and added 90,683 units amounting to Rs. 7,74,869/- as


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supplementary charges for the period from April 2025 to December 2025. The inspection confirmed no generation facility at the Appellant's premises and the error arose from faulty meter manufacturing, with inflated bills issued despite no default, no tampering, and no solar installation, thereby making the Respondent responsible for defective recordings and improper billing. The Appellant deserves to be billed for only three months considering the meter as defective.


Analysis and Ruling

5. Heard the parties at length and perused the documents placed on record. The Appellant is an LT industrial consumer bearing Consumer No. 266600006991. The electricity supply is used for operating a stone crushing unit. The dispute pertains to a supplementary assessment for 9 months raised by the Respondent on account of incorrect recording of energy consumption due to reverse polarity of CTs connected to a bi-directional meter installed at the Appellant's premises.

6. It is an admitted position that on 09.04.2025 the Respondent replaced the existing meter, which had faulty display, with a new smart bi-directional meter bearing No. M22440018743 along with new CTs. However, during inspection carried out on 10.01.2026, it was noticed that the meter was recording energy under both Import and Export categories despite the fact that the Appellant had no solar generation or export facility installed at the premises. The meter and CTs were therefore sent for detailed testing.

7. The testing report placed on record shows that the meter itself was technically in order. However, the polarity of R phase CT and B phase CT was found reversed. The testing observations recorded are reproduced below:

- i. *The meter is bi-directional.*
- ii. *The polarity of R phase CT and B phase CT was found reversed.*
- iii. *Upon correction of CT polarity, the test results were found within permissible limits.*
- iv. *Y phase and Neutral CT polarities were correct and within permissible limits.*


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v. *Energy consumption of R and B phases was recorded in Export Mode whereas Y phase energy was recorded in Import Mode.*

8. From the material on record, it is evident that the dispute has arisen due to reverse polarity of CTs connected to the bi-directional meter, resulting in substantial consumption being recorded under the Export portion instead of the Import portion. The Appellant has not disputed the actual consumption of electricity, but has challenged the legality of the supplementary billing on the ground that the discrepancy occurred due to negligence and faulty installation on the part of the Respondent.

9. The contention of the Appellant that no export of electricity was possible in the absence of any solar or generation facility is factually correct. The technical records and MRI data clearly establish that the so-called “export” units were not actual export of electricity but were consumption units wrongly recorded in the export register because of reverse CT polarity. The testing report supports the Respondent’s contention that the energy was in fact consumed at the premises though incorrectly classified in the meter registers.

10. The consumption pattern of the Appellant for the period from April 2025 to March 2026 is summarized as per Consumer Personal Ledger (CPL) as below:

Table 3:

Sr. No.	Year	2024-25	2025-26
	Month	Cons. (Units)	Cons. (Units)
1	Apr	22112	15000
2	May	18934	5430
3	Jun	19745	4616
4	Jul	10252	3306
5	Aug	12717	4874
6	Sep	13871	3197
7	Oct	13190	5151
8	Nov	10216	5241
9	Dec	13808	6295
10	Jan	10558	0
11	Feb	15010	2000
12	Mar	15016	55734
	Total	175429	110844
	Avg. /Mth	14619	9237
Note	1. The old meter was replaced on 09.04.2025 by a new smart meter (M 22440018743)		
	2. This smart meter was again replaced by a new smart meter (M 12540024591) on 12.01.2026		



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11. A supplementary bill dated 09.01.2026 was issued towards recovery of unbilled energy of 90,683 units for the period from April 2025 to December 2025. The Respondent has demonstrated that after replacement of the meter and CTs on 12.01.2026, the correctly recorded consumption for one month was 21,686 units, which substantially corroborates the assessed average consumption during the disputed period. The technical analysis and consumption pattern therefore support the Respondent's case regarding under-billing. This pattern has been further corroborated by supporting evidence i.e. consumption recorded at the DTC. The meter here served solely the Appellant as the consumer, being a dedicated service line, hence can be used to verify the consumption data.

12. The consumption pattern with respect to the meter at the Distribution Transformer Centre as well as recorded consumption of import and export portion are tabulated as below:

Table 4:

Month	DTC Cons.	Import Cons.	Export Cons.	Total Cons.	Assessment (Equivalent to export units)	% of Total units wrt DTC cons.
	Units	Units	Units	Units	Units	
Apr-25	11344	3177	6227	9404	6227	83%
May-25	15529	5123	10204	15327	10204	99%
Jun-25	14272	4616	9368	13984	9368	98%
Jul-25	10550	3419	7064	10483	7064	99%
Aug-25	15593	5064	10444	15508	10444	99%
Sep-25	10302	3341	6895	10236	6895	99%
Oct-25	16432	5319	11040	16359	11040	100%
Nov-25	13921	5413	11131	16544	11131	119%
Dec-25	14777	6852	13722	20574	13722	139%
Jan-26	7020	2400	4590	6990	4590	100%
Total	129740	44725	90683	135408	90683	104%

Note : There was a minor variation in the DTC metering readings, as the timings for recording readings of the DTC meter and the main meter were different. Further, the accuracy class of the two meters is different, the consumer's meter being more accurate.


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13. The Judgment dated 18.12.2018 passed by the Hon'ble Bombay High Court, Bench at Aurangabad, in W.P. No. 8613 of 2017 is squarely applicable to the present case. The relevant observations of the Hon'ble Court are reproduced below:


“33 it is therefore, obvious in the present case that there was nothing intrinsically wrong with the meter. As under-recording of electricity consumed was associated with the act of the electrician in wrongly attaching the wires to the R, R & B phases. I am, therefore, of the view that such a wrong attachment of wiring by the electrician would not amount to a defect in the meter. Consequentially, due to the under recording of the meter, the Appellant has consumed such energy as was normally required to be consumed and the Petitioner has lost the revenue for such under recording.

34. Clause 3.4.4 of the Regulations, 2005 enables the Petitioner to recover the charges for the electricity actually supplied, which would include a fixed charge as per the prescribed rates. The Appellant, therefore, has to pay full charges for the electricity actually consumed.

35. In the Municipal Corporation case (supra), this court has sustained the supplementary bill raised by the Electricity Company and this Court has upheld the recovery of the amount mentioned in the supplementary bill.”

In the present matter, the meter itself was not defective. However, due to wrong polarity of the R and B phase CTs, the meter recorded part of the consumption under the Export category, resulting in under-recording of actual consumption.

14. At the same time, it cannot be overlooked that the discrepancy arose due to faulty labeling of the CT secondary wiring during the manufacturing process, i.e., reverse CT secondary wiring polarity at the time of installation of the meter and CTs by the Respondent. The Appellant is not responsible for this technical error. The Respondent ought to have detected the abnormal import-export recording at an earlier stage. Consequently, while recovery of actual energy consumed cannot be denied, the Appellant deserves equitable relief with regard to interest and delayed payment charges.


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15. The Forum has given a reasoned and speaking order. Hence, there is no need for interference in its order principally. However, the Forum's order is partially modified as below. The Respondent is directed: -

- i. To withdraw the interest and delayed payment charges levied in the bills from January 2026 onwards till the date of this Order.
- ii. The Appellant may be granted 10 equal monthly instalments without DPC and interest to pay the revised bill. If the Appellant fails to pay the monthly instalment along with its current bill, the Respondent is permitted to recover the interest proportionally for the failure period, and to take action as per the law in force.
- iii. Compliance to be submitted within two months from the date of issue of this order.
- iv. Other prayers of the Appellant are rejected.

16. The representation of the Appellant is disposed of accordingly.

17. 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)


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai

