

**BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)**

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

**REPRESENTATION NO. 4 OF 2026**

In the matter of Dishonour of Cheque

Mangesh Balkrishna Raut, Occupier..... Appellant  
(Munnalal Shrigopal Jaiswal: C. No. 000021328839)

V/s.

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

Appearances:

Appellant : Mangesh Balkrishna Raut

Respondent: 1. Chandramani Meshram, Executive Engineer, Thane 1 Dn  
2. Bhupesh Patil, Dy. Manager, Thane 1 Dn

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


Date of hearing: 25<sup>th</sup> February 2026

Date of Order: 5<sup>th</sup> March 2026

**ORDER**

This Representation was filed on 28<sup>th</sup> January 2026 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 22<sup>nd</sup> December 2025 passed by the Consumer Grievance Redressal Forum, MSEDCL, Thane Urban Circle (the Forum) in Case No. 88 of 2025-26. The Forum, by its order, dismissed the grievance application of the Appellant.

2. The Appellant has filed the present Representation challenging the order passed by the Forum. The dispute relates to the return of a cheque paid by the Appellant to the Respondent.

  
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An e-hearing was conducted on 25.02.2026 through video conference. Both parties were heard at length. The Respondent's submissions and arguments are as below: *[The Electricity Ombudsman's observations and comments are recorded under 'Notes'.]*


- (i) The Appellant is in occupation of the premises vide Leave and License Agreement in respect of the residential electricity connection bearing Consumer No. 000021328839. The relevant particulars of the said connection are tabulated in the Table 1 as below:

Table 1:

| Name of Consumer           | Consumer No. | Address on Bill   | Sanctioned load | Date of Supply | Apr.' 25 Bill Amount                          | Apr. '25 Bill paid   | Return Memo   |
|----------------------------|--------------|---|-----------------|----------------|---|--|---|
| Munnalal Shrigopal Jaiswal | 000021328839 | Flat No 1203<br>Om Shiv<br>Samarth CHSL.,<br>Din Dayal Road,<br>Panchpakhadi,<br>Thane- (w),<br>400602. | 1.5 KW          | 15.02.2022     | Rs. 730/-<br>(02.03.2025<br>to<br>01.04.2025) | Rs. 730/- was paid<br>by cheque No.<br>001460 drawn on<br>NKGSB Co-<br>operative Bank<br>Ltd. on 15.04.2025. | Cheque<br>returned; Return<br>Memo dated<br>22.04.2025 :<br>"Drawer's<br>signature differs" |

- (ii) The Respondent's Additional Executive Engineer, Gadkari Subdivision, received the Appellant's application dated 09.06.2025, pertaining to the cheque bounce penalty of Rs.750/- levied by MSEDCL in the energy bill for the month of June 2025. Upon scrutiny of the billing and payment history, it was observed that the Appellant had paid the electricity bill for April 2025 amounting to Rs. 730/- by cheque (Cheque No. 001460 of NKGSB Co-operative Bank Ltd.) dated 15.04.2025. It was sent for clearing through Canara Bank on 21.04.2025, but was returned unpaid due to "drawer's signature differs," as reflected in the return memo issued by Canara Bank. *[Note: The cheque was not cleared by NKGSB Bank].*

The relevant details of the Return Memo are as below:

  
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|   |
|---|
| <i>Presenting Bank Name: Canara Bank : Presenting Branch Name: 400015150</i>  |
| <i>Return Memo:</i>   |
| <i>Cheque Date: 21.04.2025      Return Date: 22.04.2025</i>   |
| <i>Dear Sir/ Madam, Being unable to obtain payment of the enclosed Cheque/ Draft No. 001460 for Rs. 730/- drawn on MICR Code 400086057 : NKGSB Co-operative Bank Ltd.</i> |
| <i>We return it to you herewith for the reason "Drawer's signature differs"</i>   |
| <i>Returns Comment</i>  |
| <i>The amount has been debited by your Account 120002804788 Account Name: Executive Engineer MSEDCL</i>   |
| <i>Branch Manager</i>   |


The last date for payment of the said April 2025 bill was 28.04.2025. Subsequently, the Appellant paid the bill amount of Rs.730/- on 09.05.2025 through online mode. However, he failed to pay the current bill of May 2025 (Rs. 730/-). The bill for June 2025 was thereafter generated for Rs.2,170/-, comprising the current month's charges for June 2025 amounting to Rs. 690/-, the unpaid May 2025 bill of Rs.730/-, and a cheque dishonour penalty of Rs. 750/- levied in accordance with Clause 9.5.1, Table 9-11, Sr. No. 8 of the MERC Tariff Order dated 31.03.2023 in Case No. 226 of 2022. (The said Tariff order is kept on record.)

(iii) The Respondent, AEE, Gadkari Subdivision, vide letter dated 17.06.2025, communicated the aforesaid facts to the Appellant and requested him to cooperate by paying the electricity bill including the penalty within the stipulated time frame. Instead of paying this amount, the Appellant filed a grievance before the Forum on 19.09.2025 for cancelling of penalty of Rs. 750/-. He, further prayed for compensation of at least Rs. 55,000/- with 18% interest, rectification of the bills without penal charges or interest, and additional compensation towards costs and non-monetary damages. The Forum by its order dismissed the grievance of the Appellant.

(iv) In view of the above facts and circumstances, the Respondent prays that the representation of the Appellant be rejected.


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

(i) The Appellant is in lawful occupation of the premises vide a valid Leave and License Agreement in respect of Residential Consumer No. 000021328839.

  
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- (ii) The electricity bill for April 2025 amounting to Rs. 730/- was paid by cheque (No. 001460 drawn on NKGSB Co-operative Bank Ltd.) on 15.04.2025. The cheque was not cleared. Subsequently, the Appellant received intimation from NKGSB Co-operative Bank Ltd. regarding debit of Rs. 413/- towards inward return charges. Upon inquiry, the Appellant was informed that the cheque had been returned with the remark “drawer’s signature differs,” as reflected in the return memo issued by Canara Bank through whom the instrument was processed.
- (iii) The Appellant was further informed by NKGSB Co-operative Bank Ltd. that sufficient balance was available in his account and that the cheque could be honoured upon re-presenting it. *[Note: There is no such documented letter issued by NKGSB Co-operative Bank Ltd. available in the official records of the case file.]* However, demonstrating bona fides and to avoid any delay, the Appellant immediately cleared the bill amount of Rs.730/- through online payment on 09.05.2025.
- (iv) Despite specific request, the Respondent did not re-present the same cheque. *[Note: There is no such request letter on record in April or May, requesting the Respondent to represent the same cheque.]* Instead, a cheque dishonor penalty of Rs. 750/- was levied solely on account of the return remark relating to signature mismatch. *[Note: As per the record, the Appellant addressed a letter to NKGSB Co-operative Bank Ltd. on 23.04.2025. Thereafter, the Appellant addressed a letter to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on 09.06.2025, and a reply was received on 20.06.2025 regarding the subject matter.]*
- (v) The levy of Rs. 750/- as cheque dishonor charges, coupled with consequential inclusion of the April / May 2025 dues in the subsequent billing cycle, has resulted in a disproportionate and excessive demand. Although reliance is placed on Clause 9.5.1 of the MERC Tariff Order dated 31.03.2023 in Case No. 226 of 2022, such provision must be applied reasonably and in consonance with principles of proportionality, particularly where there is no insufficiency of funds and no intentional default.
- (vi) The cumulative demand reflected in the June 2025 bill (Rs. 2,170/-) and the total shown as payable up to July 2025 are inflated on account of the disputed penalty and allied charges. The actual consumption-based liability up to July 2025 would have been


  
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approximately Rs. 1,470/-, and the excess demand has arisen exclusively due to penal imposition and its cascading effect.

- (vii) Aggrieved thereby, the Appellant approached the Forum on 19.09.2025 alleging incorrect and excessive billing and seeking rectification, refund with interest, and compensation. The grievance was dismissed without adequately examining the proportionality of the penalty, the absence of wilful default, and the consumer protection principles embedded in the regulatory scheme.
- (viii) Without prejudice, even under Section 138 of the Negotiable Instruments Act, 1881, penal consequences for dishonor arise only upon fulfilment of mandatory statutory conditions, including dishonor for insufficiency of funds and failure to pay within the prescribed notice period. In the present case, there was sufficient balance in the Appellant's account, and payment of the bill amount was promptly effected. *[Note: Actually, the last date of bill payment was 28.04.2025, and the final online payment was made only on 09.05.2025.]* The return of the cheque was attributable to a technical signature discrepancy, which the bank was prepared to rectify upon re-presenting the cheque. **The Respondent, however, chose not to re-present the instrument and mechanically imposed penalty**, which is arbitrary and unjustified.
- (ix) The Appellant is presently suffering from multiple medical ailments and is under ongoing treatment. The unwarranted levy of penalty and the consequential excessive billing have caused considerable mental stress and anxiety. *[Note: The disputed amount of penalty is only Rs.750/-]*
- (x) In view of the above, the Appellant prays that the Respondent be directed to
- Rectify the impugned electricity bill by removing all penal charges and interest levied thereon.
  - Pay compensation of not less than Rs. 55,000/- along with interest at the rate of 18% per annum from the date of cause of action till realization.
  - Award further compensation with interest at the rate of 18% per annum towards the cost of the application and for the non-monetary loss, inconvenience, and damages suffered by the Appellant.

## Analysis and Ruling

  
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4. Heard the parties and perused documents on record. The present representation arises out of a grievance concerning levy of penal charges of Rs. 750/- for dishonor of cheque in respect of payment of energy bill for April 2025 of the Appellant. The Appellant is challenging the cheque bounce penalty of Rs. 750/- reflected in the energy bill for June 2025.

5. The Appellant contended that sufficient balance was available in his bank account at the time of presenting the cheque, and that the dishonor occurred solely due to a signature mismatch. According to the Appellant, upon being informed by his bank that the cheque could be honored if it was re-presented again, he requested the Respondent to re-present the instrument. Instead, the Respondent levied Rs. 750/- as cheque dishonor charges. However, there is no such request letter on record to re-present the cheque, till much later.


6. Per contra, the Respondent submits that the cheque issued towards the April 2025 bill was returned unpaid by NKGSB Co-operative Bank Ltd., with the remark “drawer’s signature differs,” as reflected in the bank return memo. In accordance with Clause 9.5.1 of the MERC Tariff Order dated 31.03.2023, standard cheque dishonor charges of Rs. 750/- were levied. The levy is automatic upon dishonor of a cheque, and is not dependent upon the specific reason recorded in the return memo or the amount on the cheque, so long as the instrument is returned unpaid. There is no policy to re-present a dishonoured cheque, and MSEDCL is not duty bound to re-present a cheque which has been dishonoured once for any reason.

7. Upon consideration of the material on record, the following issues are framed for determination:

- **Issue:** Whether the levy of cheque dishonor charges Rs. 750/- is in accordance with the applicable Tariff Order?

**Findings:**

- It is undisputed that the cheque issued by the Appellant was returned unpaid with the remark “*drawer’s signature differs*” by NKGSB Co-operative Bank Ltd. The return memo evidencing such dishonor forms part of the record.
- Clause 9.5.1, Table 9-11, Sr. No. 8 in Case No. 226 of 2023 of Maharashtra Electricity Regulatory Commission Tariff Order dated 31.03.2023 provides for levy of charges for

  
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cheque dishonor upon return of a cheque unpaid. The provision does not distinguish between dishonor on account of insufficiency of funds or for other reasons, including signature mismatch. The Respondent is duty bound to only confirm whether the energy bill is paid on time and that too by any approved mode of payment by the Commission.

- Though the Appellant has contended that sufficient balance was available in his account, the material fact remains that the cheque was dishonoured and returned unpaid by his own bank, NKGSB Co-operative Bank. The said bank should have verified the alleged signature mismatch with its own account holder (Appellant) telephonically before returning the cheque to Canara bank in the cheque clearing process; however, the said bank chose to return the instrument unpaid. Since the grievance arises from a failed banking transaction, the appropriate remedy lies under the Banking Ombudsman.
- The Distribution Licensee is entitled to act upon the return memo issued by the bank and is not required to independently adjudicate the reasons for such dishonor. The Tariff Order contemplates levy of fixed cheque dishonor charges as part of the approved schedule of miscellaneous charges. Such levy, being expressly authorized under the regulatory framework, cannot be termed arbitrary, excessive, or illegal. In view of the foregoing discussion, this Authority finds no infirmity in the billing methodology adopted by the Respondent in levying cheque dishonor charges. The charges of Rs. 750/- are standard and non-discretionary. Accordingly, **the Issue stands answered in the Affirmative.**

8. In view of the foregoing discussion, the representation is hereby dismissed. The levy of charges of Rs. 750/- for cheque dishonor and the consequent billing are held to be in accordance with Clause 9.5.1 of the MERC Tariff Order dated 31.03.2023 in Case No. 226 of 2022.

9. The Forum's conclusion upholding the Respondent's action is correct. The Appellant's representation is rejected. The Representation is disposed of accordingly.


10. While parting with this order, the Forum observed that the grievance pertains to a failed banking transaction (that too of the Appellant's own bank NKRSB Co Operative Ltd.) for which the proper remedy lies before the Banking Ombudsman. The Appellant has wrongly invoked this grievance mechanism without examining the applicable provisions, resulting in avoidable

  
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consumption of adjudicatory time. The Appellant is advised to exercise due diligence in approaching the appropriate forum in future.

Sd/  
(Vandana Krishna)  
Electricity Ombudsman (Mumbai)

  
(Dilip Dumbre)  
Secretary  
Electricity Ombudsman Mumbai

