

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 108 OF 2025

In the matter of change of tariff category from Agriculture to Agriculture- Others

Shri Faiz Ahmed Khan.....Appellant
(Con. No. 170663848821)

V/s.

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

Appearances:

Appellant : Navaz Faiz Khan, Son of late Faiz Ahmed Khan

Respondent: 1. Sudarshan Pagar, Executive Engr In-charge, Kothrud
2. Satish Umbarge, Addl. Executive Engr, Warje Sub/Dn

Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 30th December 2025

Date of Order: 9th January 2026

ORDER

This Representation was filed on 13th November 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 6th August 2025 passed by the Consumer Grievance Redressal Forum, MSEDC, Pune Zone (the Forum) in Case No.204 of 2024. The Forum by its order partly allowed the grievance application. The operative part of the order is as below: -

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2. The Respondent is directed to issue revised bill for the Period May-22 to April-24 excluding DPC and Interest and by considering the bill paid against Interim Order.
3. The Respondent is directed to give 4 equal installments to the Complainant.
4. The Complainant is directed to take New Connection for two separate purposes.

2. The Appellant has filed this representation against the order of the Forum. An e-hearing was held on 30.12.2025 through video conference. Both the parties were heard at length. *[The Electricity Ombudsman's observations are recorded under 'Notes'.]*

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

- (i) The Appellant was initially an Agricultural Consumer of the Respondent (Consumer No. 1170663848821). The connection details are tabulated in Table 1 below.

Table 1:

Name of Consumer	Consumer No.	Address	San. Load	Date of Supply	Date of Inspection	Supplementary bill towards tariff difference
Shri Faiz Ahmed Khan	170663848821	Sr. No. 32/A/1, Warje, Pune-411058	7.5 HP for Agriculture - Metered - Pumpsets	29.03.1983	23.04.2024 [Asst. Engr. (Quality), Warje Sub-Dn.]	Tariff Difference of ₹ 2,26,490/- from Ag. to Ag. - Others from May 2022 to April 2024 added in bill of May 2024.

The said connection is a metered agricultural connection, and prior to the inspection, the applicable tariff category was LT-IV (B): Agriculture – Metered – Pumpsets.

- (ii) The Assistant Engineer (Quality Control), Warje Sub-Division inspected the Appellant's premises on 23.04.2024. During the inspection, it was observed that the Appellant was using electricity supply for both agriculture and aquaculture purposes. 7.5 HP was stated to be used for aquaculture and 5 HP for agricultural purposes, thereby treating the usage as a mixed load. However, no panchnama was prepared, nor was any independent verification, photographic evidence, or documentary proof recorded to substantiate or authenticate the said observation *[Note: The Respondent has subsequently placed on record certain photographs of the site.]*
- (iii) Solely on the basis of the aforesaid unverified observation, the Respondent raised a supplementary bill of ₹2,26,490/- towards tariff difference by retrospectively changing the tariff category from LT-IV (B): Agriculture – Metered (Pumpsets) to LT-IV (C): Agriculture – Others, for a period of two years from May 2022 to April 2024,


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which amount was added in the May 2024 bill. Simultaneously, the Respondent prospectively changed the tariff category to LT-IV (C): Agriculture – Others with effect from May 2024 onwards. The said retrospective reclassification and recovery are illegal, arbitrary, and bad in law, and hence the supplementary bill deserves to be set aside in toto.

- (iv) As the disputed bill remained unpaid, the Respondent thereafter issued a disconnection notice dated 19.07.2024 and ultimately disconnected the electricity supply after expiry of the notice period, though the alleged arrears pertained to a disputed supplementary bill.
- (v) Aggrieved thereby, the Appellant filed a grievance application before the Forum on 04.09.2024, mainly seeking:
 - withdrawal of the change in tariff category,
 - quashing of the retrospective recovery of ₹2,26,490/-,
 - an interim order for reconnection of supply,
 - Compensation

Pursuant to the Interim Order dated 24.09.2024, the Appellant was constrained to pay an amount of ₹1,13,250/- under protest on 25.01.2025, whereupon the electricity supply was restored. During the intervening period, the Appellant was compelled to manage activities of watering using a diesel generator, incurring substantial hardship and financial loss.

- (vi) The Forum, by its Order dated 06.08.2025, partly allowed the grievance application. The operative part of the order is reproduced in the first para above. However, the Forum failed to appreciate the fundamental issue that the Appellant has been using the electricity supply predominantly for agricultural purposes.
- (vii) It is further submitted that **despite the Appellant's willingness to apply for a separate aquaculture connection, the Respondent remained reluctant to process such application** which is in clear violation of the directions issued by the Forum.

Grounds for Appeal:

- (viii) The impugned actions of the Respondent and the order of the Forum are illegal, arbitrary, and unsustainable on facts and law on the following grounds:
 - a) The Appellant relies upon the judgment of the Hon'ble Bombay High Court dated 13.12.2019 in Writ Petition No. 7149 of 2019, MSEBCL v. Mohammad Sajid Haji Sardar, wherein it was categorically held that retrospective recovery on account of tariff


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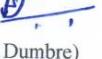


reclassification is impermissible, and that any change in consumer category can operate only prospectively from the date of inspection.

- b) The Appellant further relies upon the judgment dated 07.08.2014 of the Hon'ble Appellate Tribunal for Electricity in Appeal No. 131 of 2013, Vianney Enterprises v. Kerala State Electricity Board, wherein it was held that change of tariff category can be effected only from the date of detection of the error.
- c) The Appellant also places reliance on the Order passed by the Hon'ble Electricity Ombudsman, Mumbai in Case Nos.117 to 163 of 2023 (APMC v. MSEDCL), wherein it was held that the date of inspection alone can be considered as the effective date for tariff reclassification.
- d) The disconnection of supply for recovery of the supplementary bill amount of ₹2,26,490/- is in gross violation of Section 56(2) of the Electricity Act, 2003 (the Act), as the alleged arrears were neither continuously reflected nor legally recoverable through disconnection. Section 56(2) expressly bars recovery of any sum beyond two years through disconnection when such sum was not shown as arrears in the bills.
- e) The Appellant relies upon the judgment of the Hon'ble Supreme Court of India dated 18.02.2020 in Civil Appeal No. 1672 of 2020, Assistant Engineer, Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan, wherein it was held that: even if a supplementary demand is permissible due to a bona fide error, the distribution licensee is barred from resorting to disconnection of supply under Section 56(2) for recovery of such demand beyond the limitation period. The ratio squarely applies to the present case, rendering the Respondent's action of disconnection illegal.

(ix) In view of the foregoing facts and submissions, the Appellant prays that this Hon'ble Electricity Ombudsman may be pleased to:

- a) Set aside and quash the supplementary bill of ₹2,26,490/- raised towards tariff difference by retrospectively changing the tariff category from Agriculture to Agriculture – Others for the period from May 2022 to April 2024;
- b) Direct restoration of the applicable tariff category as Agriculture Metered - Pumpsets from May 2024 onwards.


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- c) Direct the Respondent to comply with the Forum's directions regarding processing of a separate aquaculture connection.
- d) Award compensation to the Appellant for illegal disconnection, harassment, and violation of the provisions of the Act, MERG Supply Code and SoP Regulations, along with costs of the proceedings.

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

- (i) The Appellant (Cons. No. 1170663848821) holds an agricultural electricity connection under the jurisdiction of the Warje Sub-Division. The particulars of the said connection are provided in Table 1. From the date of supply, the Appellant has been billed under the tariff category LT IV (B): LT – Agriculture Metered – Pumpsets. Initially, the electricity supply was used exclusively for agricultural purposes. Later, estimatedly from May 2022 onwards the electricity has been predominantly used for Aquaculture purposes.
- (ii) The Respondent's Corporate Office, vide letter dated 04.04.2024, issued directions to undertake a "Special Drive" for verification of agricultural electricity connections connected to non-agricultural feeders and availing 24-hour power supply, having a connected load of 7.5 HP and above. The said drive was also intended to identify cases where consumers were in default of payment of current electricity bills and/or had diverted the supply from its sanctioned agricultural purpose. Pursuant to these directions, inspections were mandated to be carried out in respect of all agricultural connections having a connected load of 7.5 HP and above.
- (iii) Assistant Engineer (Quality Control), Shivane Section, Warje Sub-Division inspected the premises of the Appellant on 23.04.2024, when it was observed that the electricity supply through the said meter was being used for both agricultural and aquaculture purposes, i.e. as a mixed load for the period 2021/2022 onwards. The dominant load (7.5 HP) is for aquaculture purposes while agriculture load is 5 HP. The recorded KVA on the meter was found 13.49 KVA which clearly established that the Appellant is using power supply of 12.5 HP. All relevant facts were explained to the consumer on the site, and that the consumer signed the site inspection report.
- (iv) As per the Tariff Circulars issued by MSEB, electricity consumption for aquaculture (fishery) is required to be billed retrospectively under the tariff category Agriculture – Others.


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In the present case, the supply was utilized for aquaculture through an existing Agriculture Metered – Pumpsets connection, thereby attracting the provisions of unauthorized use of electricity as defined under Section 126 of the Act, with the intent of availing a lower tariff. Although the matter squarely falls within the ambit of Section 126, considering the existence of a mixed load, the Respondent restricted the recovery only to the extent of the applicable tariff difference and to 24 months retrospectively in accordance with Section 56(2) of the Act. Accordingly, a supplementary bill of ₹2,26,490/- was issued towards tariff difference corresponding to aquaculture usage for the period from May 2022 to April 2024. **Since the supply was treated as mixed load, out of total consumption of 81,540 units, 50,406 units were apportioned towards aquaculture usage and billed at the applicable tariff difference.**

- (v) The Appellant, vide application dated 06.05.2024, contended that electricity was not used for any purpose other than agriculture and claimed that aquaculture activities, if any, were carried out using a diesel pump. However, as recorded in the office note dated 21.05.2024, the Assistant Engineer (Quality & Control), during site inspection, observed that no pipes were found connected from the riverbed to the diesel pump for lifting water for aquaculture. On the contrary, pipes were found connected to the 7.5 HP electric motor for lifting water from the river to the fisheries pond and 5 HP water pump for agriculture purposes. Accordingly, it was concluded that electricity from the consumer's connection was being utilized for both agricultural and aquaculture purposes. Photographs taken during the site inspection have been placed on record.
- (vi) The above details were communicated to the Appellant by letter on 20.05.2024 and it was informed that the supplementary bill towards tariff difference was raised as per rules. The said supplementary bill was adjusted in the electricity bill for May 2024.
- (vii) As the Appellant failed to pay the electricity dues for May 2024, a system-generated digital disconnection notice granting 15 days' time, in accordance with Section 56(1) of the Electricity Act, 2003, was issued immediately after the due date and sent to the registered mobile number. Simultaneously, the Appellant was also reminded telephonically; however, he refused to pay the electricity bills for May 2024. Thereafter, a physical reminder of


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disconnection notice was issued on 19.07.2024. As no payment was made despite the aforesaid notices, the electricity supply was disconnected on 24.07.2024.

(viii) The Appellant filed a Grievance Application before the Forum on 04.09.2024, pursuant to which the Forum directed a re-inspection of the site. In compliance with the said directions, the Additional Executive Engineer, Warje Sub-Division, along with the Assistant Engineer, Shivane Section, visited the Appellant's premises on 10.09.2024. However, the electricity supply was found to be disconnected and the Appellant refused to grant entry for inspection.

(ix) Thereafter, in terms of the Interim Order dated 24.09.2024, the Appellant paid an amount of ₹1,13,250/- under protest on 25.01.2025, pursuant to which the electricity supply was restored on the same day. Subsequently, by its order dated 06.08.2025, the Forum principally upheld the retrospective recovery and permitted the Appellant to pay the remaining amount in four equal monthly instalments, as set out in the operative portion of the said order. **However, the Appellant has been paying only the current electricity bills, on the grounds that his representation is pending before the Electricity Ombudsman.** Electricity being a scarce and valuable public resource, proper classification and billing are imperative. Since the Appellant utilized the supply for agricultural and others, retrospective recovery for 24 months is justified.

(x) The Respondent relies on the judgment of Larger Bench Judgment dated 12th March 2019 in Writ Petition No. 10764 of 2011 with connected writ petitions. The Respondent also referred to the Judgment of the Hon'ble Supreme Court in Civil Appeal No. 7235 of 2009 of M/s Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd., decided on 05.10.2021 in support of its arguments.

(xi) In view of the above facts and findings, the Respondent prays that the representation of the Appellant be rejected and direct the Appellant to pay the remaining outstanding dues.

5. Post-hearing, the Respondent informed this office telephonically on 06.01.2026 that as per directions of the Electricity Ombudsman, the Appellant had approached MSEBCL for a new Solar Rooftop connection for aquaculture activity. The Respondent further stated that, due to certain technical issues, the application could not be processed immediately and assured that once the said technical issues are resolved, the application would be accepted shortly.


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Analysis and Ruling

6. The Appellant was initially sanctioned an agricultural electricity connection by the Respondent and was billed accordingly under the relevant agricultural tariff category. During an inspection conducted by the Assistant Engineer (QC) on 23.04.2024, it was observed that the electricity supply was being used for mixed purposes, namely agriculture with a connected load of 5 HP and aquaculture with a connected load of 7.5 HP. Thus, the use of electricity was not confined exclusively to agricultural activities. In view of the mixed use and the predominance of aquaculture load, the Respondent assessed the consumption on a pro-rata basis and raised a supplementary bill amounting to ₹2,26,490/- for 50,406 units (out of a total consumption of 81,540 units) for the period from May 2022 to April 2024. Further, considering the nature of usage, the Respondent reclassified the Appellant's entire electricity connection under the "Agriculture – Others" tariff category with effect from May 2024.

7. The Appellant contended that the Forum by order dated 06.08.2025 failed to appreciate that the electricity usage was predominantly for agriculture. The impugned order is illegal and unsustainable, as retrospective recovery on account of tariff reclassification is impermissible, as held by the Hon'ble Bombay High Court in *MSEDCL v. Mohammad Sajid Haji Sardar* (WP No. 7149 of 2019, judgment dated 13.12.2019) and by the Hon'ble Appellate Tribunal for Electricity in *Vianney Enterprises v. Kerala State Electricity Board* (Appeal No. 131 of 2013, judgment dated 07.08.2014). Accordingly, the Appellant prays for setting aside the supplementary bill of ₹2,26,490/-, restoration of the Agriculture Metered–Pumpsets tariff, directions for processing a separate aquaculture connection, and award of compensation and costs.

8. The Respondent contended that pursuant to Corporate Office directions dated 04.04.2024, the Appellant's premises were inspected on 23.04.2024, revealing alleged mixed use of electricity for aquaculture (7.5 HP) and agriculture (5 HP) with recorded demand of 13.49 kVA. The recovery was limited to tariff difference for 24 months under Section 56(2), and a supplementary bill of ₹2,26,490/- for May 2022–April 2024 was raised on pro-rata basis of the connected load for agricultural-metered and agricultural-others. The Forum's re-inspection could not be conducted due to the Appellant's


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non-cooperation, and by order dated 06.08.2025, the Forum upheld the retrospective recovery with instalments.

9. **As per the MERC Tariff Order dated 26.06.2015 passed in Case No. 121 of 2014, and as consistently upheld in subsequent tariff orders, aquaculture activity is classified under the Agriculture – Others tariff category.** This classification has been expressly reaffirmed in subsequent MERC Tariff Orders passed in Case Nos. 48 of 2016, 195 of 2017, 322 of 2019, and 226 of 2022. The relevant provisions of the MERC Tariff Order dated 226 of 2022, which came into force with effect from 01.04.2023, are as below:

LT IV (B): LT – Agriculture metered - Pumpsets

Applicability:

This tariff category is applicable for motive power supplied for Agriculture metered pumping loads for irrigation purposes, and for one lamp of wattage up to 40 Watt to be connected to the motive power circuit for use in pump-houses at Low/Medium Voltage.

LT IV (C): LT – Agriculture – Others

Applicability:

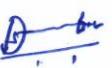
This tariff category is applicable for use of electricity / power supply at Low / Medium Voltage for:

- c. *High-Technology Agriculture (i.e. Tissue Culture, Green House, Mushroom cultivation activities Banana Ripening), provided the power supply is exclusively utilized for purposes directly concerned with the crop cultivation process, and not for any engineering or industrial process;*
- d. *Aquaculture, Sericulture, Cattle Breeding Farms, etc;*

Indicative Tariff Schedule (FY 2024–25):

The indicative tariff schedule for **Agriculture metered - Pumpsets & Agriculture – Others tariff categories** for the period 1 April 2024 to 31 March 2025 is reproduced below:

Table 2:


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MERC Mid Term Review Order dated 31st March, 2023 in Case No. 226 of 2022 (effective from 01.04.2023)			
Tariff w.e.f. 1 April, 2024 to 31 March, 2025			
LT IV (B): LT – Agriculture metered - Pumpsets			
Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ kW/month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	52	3.39	1.17
LT IV (C): LT – Agriculture – Others			
All Units	129	5.06	1.17

The consumption pattern of the Appellant is tabulated as below:

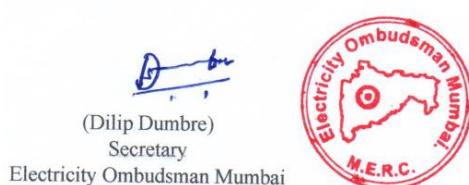
Table 3:

Year	2021-22			2022-23			2023-24			2024-25			2025-26		
	Mth	Cons. (Units)	No. of Months	Meter Status	Cons. (Units)	No. of Months	Meter Status	Cons. (Units)	No. of Months	Meter Status	Cons. (Units)	No. of Months	Meter Status	Cons. (Units)	No. of Months
Apr	3869	1	Normal	3895	1	Normal	4192	1	Normal	3026	1	Normal	3026	1	R.N.T.
May	4143	1	Normal	4714	1	Normal	3915	1	Normal	3094	1	Normal	10190	4	Normal
Jun	2036	1	Normal	3171	1	Normal	5635	1	Normal	2656	1	Normal	4921	1	R.N.T.
Jul	3270	1	Normal	3209	1	Normal	2746	1	Normal	2925	1	R.N.T.	4921	1	R.N.T.
Aug	2893	1	Normal	2416	1	Normal	2355	1	Normal	3541	2	Normal	2547	1	R.N.T.
Sep	3799	1	Normal	3538	1	Normal	3152	1	Normal	3060	1	R.N.T.	3060	1	R.N.T.
Oct	3097	1	Normal	1842	1	Normal	2754	1	Normal	2674	1	R.N.T.	2674	1	R.N.T.
Nov	3263	1	R.N.T.	3559	1	Normal	2878	1	Normal	542	3	Normal	2547	1	R.N.T.
Dec	8957	2	Normal	4041	1	Normal	2609	1	Normal	3608	1	Normal	9611	7	Normal
Jan	5627	1	Normal	4644	1	Normal	3249	1	Normal	4921	1	Normal			
Feb	4500	1	Normal	4251	1	Normal	2858	1	Normal	2903	1	R.N.T.			
Mar	4652	1	Normal	3973	1	Normal	2813	1	Normal	2903	1	R.N.T.			

10. The following two main issues arise for consideration: –

➤ **Issue No. 1: Whether the activity of aquaculture carried out by the Appellant is classifiable under Agriculture – Others from May 2024 onwards?**

This is a case of mixed load, wherein the Appellant is utilizing the electricity supply partly for agricultural purposes with a connected load of 5 HP and partly for fishery (aquaculture) purposes with a connected load of 7.5 HP. The connected load for aquaculture constitutes 60% of the total load ($7.5 \div 12.5 \times 100$), which is dominant as compared to the agricultural load, which constitutes the remaining 40%. In view of such mixed usage, and as recorded in the inspection report dated 23.04.2024, the tariff category of the Appellant has been correctly



changed from **LT IV (B): LT – Agriculture Metered – Pumpsets** to **LT IV (C): LT – Agriculture – Others** with effect from May 2024 onwards.

Accordingly, **Issue No. 1 is answered in the AFFIRMATIVE.**

➤ **Issue 2:** Whether the Respondent is justified in retrospective recovery, and if so for what period?

The Section 56 (2) of the Electricity Act, 2003 is reproduced below:

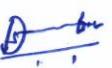
“(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.”

The Larger Bench of Bombay High Court by its judgment dated 12th March 2019 in Writ Petition No. 10764 of 2011 with other Writ Petitions has also examined this issue.

In accordance with this Larger Bench Judgment, the Distribution Licensee is not entitled to demand charges for electricity consumption for any period exceeding two years prior to the date of the first demand identified during the inspection conducted on 23.04.2024. Accordingly, the supplementary bill has been correctly issued for the period from May 2022 to April 2024.

The Hon’ble Supreme Court of India in its Judgment dated 18.02.2020 in Civil Appeal No.1672 of 2020 in case of Assistant Engineer, Ajmer Vidyut Vitran Nigam Limited & Anr. V/s. Rahamatullah Khan Alias Rahamjulla has held that:

“9. Applying the aforesaid ratio to the facts of the present case, the licensee company raised an additional demand on 18.03.2014 for the period July, 2009 to September 2011. The licensee company discovered the mistake of billing under the wrong Tariff Code on 18.03.2014. The limitation period of two years under Section 56(2) had by then already expired. Section 56(2) did not preclude the licensee company from raising an additional or supplementary demand after the expiry of the limitation period under Section 56(2) in the case of a mistake or bona fide error. It did not, however, empower the licensee company to take recourse to the coercive measure of disconnection of electricity supply, for recovery of the additional demand.”


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Considering both the Judgments quoted above, the Respondent has correctly assessed for two years on pro-rata basis as per connected load.

11. The citations relied upon by the Appellant are not applicable, as the ratio in the present case differs from those cited, particularly in view of the Larger Bench Judgment dated 12th March 2019 in Writ Petition No. 10764 of 2011 and connected petitions. Electricity being a scarce and valuable public resource, proper classification and billing are imperative. Since the Appellant utilized the supply for Aquaculture purpose, retrospective recovery for 24 months is justified.

12. The Forum's order is a reasoned and speaking order in principle. The order is modified to the extent indicated below. We direct the Respondent as under:-

- a) to withdraw interest and delayed payment charges on the supplementary bill from May 2024 onwards till the date of the order.
- b) To allow the Appellant to pay the unpaid portion of the revised bill in four equal monthly installments. In the event of default of any installment, proportionate interest shall accrue, and the Respondent shall have liberty to take action in accordance with law.
- c) Release the solar roof top connection within a period of two months after finalizing the statutory application and after payment of demand note.
- d) All other prayers of the Appellant are rejected.
- e) Compliance with this order shall be submitted within two months from the date of its issuance.

13. The Representation of the Appellant is disposed of accordingly.

14. The secretariat of this office is directed to refund Rs.25000/- taken as deposit with the Respondent by adjusting in the Appellant's ensuing bill.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


(Dilip Dambre)
Secretary
Electricity Ombudsman Mumbai

