CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI, SHIMLA-9.

Complaint No.: - 1453/202510/30
Date of Receipt: - 24.10.2025
Quorum: - Er. Tushar Gupta, Chairman
Er. Pankaj Kumar, Member

In ref:-

M/s JSK International Village, Gullarwala,
Vardhman Budh Road, P. O.-Baddi
Tehsil Baddi,District Solan(HP). 173205 **Complainant**

V/s.

HPSEBL & Others. **Respondents**

1. The Executive Director (Pers.),
   HPSEBL,Vidyut Bhawan,
   Shimla-171004.

2. The Assistant Engineer
   Electrical Sub Division Baddi,
   HPSEBL Distt. Solan HP

Respondents

Final hearing: - 03.02.2026.

Counsels:-

Complainant 1. Sh. Rakesh Bansal A.R

Respondent 1. Sh. Kamlesh Saklani Under Secretary Law.

2. Er. Saurav Dhiman.

Date of Decision: -26.02.2026

Notice

Registered

CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI SHIMLA-171009.

No. CGRF/Complaint No. 1453/202510/30 **Dated:-**

M/s JSK International Village, Gullarwala,
Vardhman Budh Road, P. O.-Baddi
Tehsil Baddi, District Solan(HP). 173205 **Complainant**

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Electrical Sub Division Baddi,
HPSEBL Distt. Solan HP

Respondents

Pursuant to final hearing conducted on 03.02.2026 in Quorum of Two (2), the certified copy of final Order dated 26.02.2026 passed by the Member-I of Ld. Forum in the aforesaid complaint is enclosed herewith for further necessary action at your end please.

DA:-As above.

Sd/-
Secretary,
Consumers Grievances Redressal Forum,
HPSEBL, Kasumpti Shimla-9.

<u>**CONSUMER GRIEVANCES REDRESSAL FORUM, SHIMLA**</u>

Complaint No 1453/202510/30

**M/s JSK International Village , Gullarwala,
Vardhman BUdh Road, PO Baddi,
Tehsil Baddi, Distt. Solan, HP-173205**

Vs.

Himachal Pradesh State Electricity Board Ltd and Ors

BRIEF FACTS OF CASE–

(1) A complaint is filed under Regulations 17 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by M/s JSK International Village, Gullarwala, Vardhman Budh, PO Baddi, Tehsil Baddi, Distt. Solan, HP -173205;
(2) Briefly, the Complainant is before this Forum being aggrieved by the action of Respondent to raise upon it impugned sundry amount for Rs. 5,71,412/- in electricity bill dated 09.07.2025 **(Annexure C-1)** due to alleged a difference of amount in Dec.2018 & Jan.2019 electricity bills that less carry forward by Respondent;
(3) The Complainant is also aggrieved by the action of the Respondent to bill levied disputed arrears amount as Sundry Charges.

COMPLAINANT –
(4) The complainant has stated that HPSEBL levied disputed arrears amounting to Rs. 5,71,412/- as " Sudry Charges" in the Electricity bill dated 09-07-2025(**Annexure C-1**). This levy was supported by a notice dated 25-06-2025(**Annexure C-2**) which alleged a difference of amount in Dec. 2018 & Jan 2019 electricity bills that was less carry forward;
(5) The complainant contested this levy via a detailed representation dated 21-07-2025(Annexure C-3) asserting that the arrears were due to a purely an accounting error on the part of HPSEBL. The complainant's analysis showed an actual excess payment of Rs. 1,95,836/-(Annexure C-8).

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(Member) **(Chairperson)**

(6) That in July 2025, the Respondent raised wrong and illegal sundry charges late payment surcharges accruing increasing the disputed amount to Rs. 5,80,,423/- in the subsequent bill dated 10-09-2025(Annexure C-5)
(7) That any demand for arrears raised in July 2025 is contrary to Limitation Act and Section 56(2) of the Electricity Act and cannot be recovered beyond period of limitation;
(8) Also that the opposite party is recovering charges erroneous billing and claim for excess payment which is contrary to the fact that without follow the proper procedure for billing historical arrears as the bill for arrears should have been initially tendered separately in indicating the nature and period and should not be clubbed with the current electricity bill as per the Clouse 5.2.5(b) of the Supply Code and reinforced by Sales Manual Instruction No. 39.1/38.1.3 ;

(9) **Prayer:**

The complainant has sought following relief:
i). Declaration of Illegality: Direct HPSEBL to declare the levy of arrears amounting to Rs. 5,71,412/- (charged as Rs. 5,80,423/-) as unjustified, unlawful, and barred by limitation under Section 56(2) of the Electricity Act, 2003, and HPSEBL's own Sales Manual Instruction No. 38.1.1.
ii). Refund of Wrongful Recovery: Direct HPSEBL to refund or adjust the entire disputed amount of Rs. 5,80,423/- wrongfully collected under protest on 26.09.2025.
iii). Refund of Excess Payment: Direct the Forum to confirm the Complainant's accounting analysis, which proves an underlying excess payment of Rs. 1,95,836/-, and order the refund or adjustment of this amount.
iv). Interest on Withheld Amount: Direct HPSEBL to pay simple interest on the amount wrongfully withheld (Rs. 5,80,423/- plus any confirmed historical excess) at the rate equal to the Short Term Prime Lending Rate of the State Bank of India as on 1st April of the financial year (or simple interest @ 15 percent per annum on a daily basis) from the date of wrongful recovery (26.09.2025) until the amount is refunded/adjusted, as per Clause 5.7.3 of the Supply Code.

RESPONDENT –

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(Member) **(Chairperson)**

(10) It is stated by HPSEBL that initial demand notice dated 25.06.2025 for an amount of Rs. 5,71,412/- was lawfully issued based on the findings of a Special Audit Report. The said report identified a discrepancy arising from the "less carry forward" of arrears from the bill of December 2018 to the bill of January 2019, which occurred during the technical process of data migration from the old HCL software to the new SAP ISU platform. This was a bona fide technical and accounting error, the rectification of which is legally permissible and necessary.
(11) That the levied disputed arrear amounting to Rs. 5,71,412/- is due to less carry forward of arrear of December 2018 energy bill to January 2019 electricity bills, attributed to the reason of data migration from HCL billing software to SAP ISU billing software. However, the Complainant's calculation sheet attached as Annexure-C-8 is based on the surcharge levied to the Complainant on the amount charged against final assessment notice No.6809-11 dated 01.09.2015 under Section 126, which is not a part of demand notice dated 25.06.2025. Upon detailed review Complainant's ledger and payment history, including the period and reasons of the mentioned in the as Complainant's calculation sheet attached Annexure-C-8, the Respondent has worked out a differential amount on account of excess recovered amount surcharge/applicable interest against charged/payments deposited by the Complainant against final assessment notice No. 6809-11 dated 01.09.2015 under Section 126, excess/less recovered electricity duty, due to which the amount claimed vide Respondent's demand notice dated 25.06.2025 has led to deviation.
(12) That the Complainant's reliance on Section 56(2) of the Electricity Act 2003, is legally untenable and based on a misinterpretation of the law. It is humbly submitted that the Hon'ble Supreme Court of India has clarified the legal position that Section 56(2) does not extinguish the debt or the right of the licensee to recover dues through other means; it only restricts the coercive measure of disconnection of supply if the arrears were not continuously shown as recoverable for a period of two years. It does not create a bar on raising a supplementary bill for charges that escaped assessment due to a bona fide mistake.;
(13) Furthermore, the present case is squarely covered by Section 17(1) (c) of the Limitation Act, 1963, which stipulates that in the case of a mistake, the period of limitation begins to run only from the date when the mistake was first discovered. The discrepancies in the Complainant's account were discovered during the Special Audit and the subsequent detailed

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(Member) **(Chairperson)**

reconciliation, and the demand was raised promptly thereafter. Therefore, the claim is well within the period of limitation.;

(14) That the demand notice amounting to Rs. 5, 71,412/-served initially was on the basis of Special Audit Report and documents presented related to data migration from HCL billing software to SAP ISU software by the Special Audit team to Assistant Engineer, Electrical Sub-Division, HPSEBL Baddi, and the same is admitted by the concerned Officer and debited to Complainant's consumer account after serving demand notice dated 25.06.2025.

(15) It is further submitted that in view of the submission of the Complainant in the instant complaint and calculation sheet submitted by the Complainant with the complaint as Annexure C-8, the Respondent Board has rechecked the consumer account/ledger, bills raised to the Complainant, payments deposited by the Complainant for the period FY 2014 to 2020, and details attached by the Complainant in Annexure C-8. Upon reconciliation of the ledger of the;

Complainant consumer, it is found few discrepancies as listed below:-

a) Less Electricity Duty given to consumer from the month July 2018, November 2018, January to May 2019 amounting to Rs. 7,71,904.07.

b) Excess Electricity Duty given to consumer for the month March 2021 to Feb 2022 amounting to Rs. 11,88,474.40.

c) Principal and surcharge of unpaid charged amount in energy bill of 50% amount under Section 126 with surcharge till Ld. Divisional Commissioner's order dated 14.03.2019 amounting to Rs. 1,51,62,019.34.

d) An erroneous adjustment done during November 2019 amounting to Rs. 47,78,031.52.

e) Applicable interest from April 2019 to June 2020

(i.e., payment of remaining amount under Section 126) after order of Ld. Divisional Commissioner amounting to Rs. 2,22,050.59.

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(Member) **(Chairperson)**

f) Less carry forward of arrear from HCL to SAP (i.e., mismatch of arrear of Dec 2018 and Jan 2019 bills) amounting to Rs. 5,71,412.00.

III) That the answering Respondent has performed its functions in a transparent manner in accordance with;
(16) That in view of its above submissions, the complaint be dismissed.

(17) **In Rejoinder:**
The complainant has filed following rejoinder to the reply of the respondent:

(a) Rebuttal to "Software Migration Error" (The Electricity Duty Correlation) The Respondent admits in Para 8(A)(ii) that the disputed arrear of Rs. 5,71,412/- is due to a "less carry forward... attributed to the reason of data migration from HCL to SAP". This is factually incorrect.

The Evidence: A comparison of the bills reveals that the "less carry forward" was a deliberate credit adjustment.

Bill Dec 2018 (No. 1811): Arrears stood at Rs. 41,64,894/-.

Bill Jan 2019 (No. 1812): Arrears stood at Rs. 33,97,944/-.

The Reduction: The arrears reduced by Rs. 7,66,950/-.

Respondent's Admission: In Para 4(a) and Annexure R-2, the Respondent admits that there was an issue of "Less Electricity Duty recovered" amounting to Rs. 7,71,904/- for months including July 2018, Nov 2018, etc..
Conclusion: The reduction in arrears in Jan 2019 (-Rs. 7.66 Lakhs) corresponds almost exactly to the ED amount (-Rs. 7.71 Lakhs). The minor difference is due to LPSC adjustments. The Respondent is now attempting to reverse a valid credit given in 2019 to correct ED overcharges by falsely labeling it as a "data loss" during migration.

(b). The "Ghost Arrears" & Erratic Jumps (Ledger Unreliability) The Respondent relies on the "Opening Balance" of Jan 2019. However, the Complainant's Calculation Sheet (Annexure C-7) demonstrates that the billing system generated "Ghost Arrears" (sudden jumps without unpaid bills) long before the migration:

August 2016: Arrears jumped from Rs. 9,49,918 (July) to Rs. 21,85,431 (Aug). An unexplained jump of Rs. 12.35 Lakhs despite the bill being paid.

April 2018: Arrears jumped from Rs. 12,48,318 (Mar) to Rs. 34,84,685 (Apr). An unexplained jump of Rs. 22.36 Lakhs.

August 2018: Arrears jumped from Rs. 24,91,086 (July) to Rs. 38,09,858 (Aug). An unexplained jump of Rs. 13.18 Lakhs.

Respondent's Admission: In Para 4(d), the Respondent admits to an "erroneous adjustment of Rs. 47,78,031.52 in Nov 2019.

Submission: If the Respondent admits their system arbitrarily added/subtracted Rs. 47 Lakhs in 2019, they cannot claim the ledger is accurate. The demand of Rs. 5.71 Lakhs is based on a corrupted ledger.

(c). Double Counting in Annexure R-2 A perusal of Annexure R-2 reveals a gross mathematical manipulation.

The Respondent lists "Less ED given (Rs. 7,71,904) as a recoverable amount.
They also add "Less carry forward... amounting to 5,71,412.00" as a separate line item at the bottom.
Submission: As proven in Point 1 above, the "less carry forward" was the adjustment for the ED. By adding both the ED amount and the resulting difference in arrears, the Respondent is attempting double recovery for the same transaction.

(d). Bar of Limitation (Section 56(2) The Respondent relies on Section 17(1)(c) of the Limitation Act to justify raising a demand in 2025 for dues from 2019.
Submission: The Electricity Act, 2003 is a special statute. Section 56(2) specifically mandates that "no sum due from any consumer... shall be recoverable after the period of two years from the date when such sum first became due" unless shown continuously as arrears.

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(Member) **(Chairperson)**

The sum of Rs. 5,71,412 was not shown continuously as arrears between 2019 and 2025. It was suddenly resurrected in June 2025. The specific limitation period in the Electricity Act overrides the general Limitation Act.

ORDER:

(18) Forum has examined the relevant provisions of the Electricity Act, 2003, various relevant Regulations and respective amendments framed and notified by the HP Electricity Regulatory Commission (or the HPERC) including relevant provisions of HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, 2012, HP Electricity Supply Code, 2009 and amendments thereto, Tariff Orders passed by the Ld. HPERC, along with record as facts and pleadings of the parties. Forum has heard the parties at length. The considered opinion of the Forum has been gathered after considering fair facts, evidences and correspondence placed on record and arguments adduced by both the parties;

(19) Forum has already passed zimni order dated 03-02-2026 :

> In argument, parties herein agree to limit their respective pleadings /claim /dispute in the instant complaint only to impugned Demand Notice dated 25.06.2025 (Annexure-C2) for Rs.5,71,412/-. With regard to other submissions such as analysis (Annexure-C-7) by Complainant for refund of Rs.1,95,836/- and Revised Demand Notice dated 23.01.2026 raised by Respondent on complainant, parties agree to raise separate grievances before the appropriate authority."

(20) At the outset, Forum observes from examination of record that impugned sundry has been raised by the Respondent upon the Complainant in electricity bill dated 09.07.2025 (**Annexure C1**) by demand notice dated 25-06-2025(**Annexure C2**) on account of short assessment of the metered consumption in Complainant's billing carried out for the past period from Dec. 2018 & Jan.2019. This short assessment was pointed out in the Respondent's Special Audit Report which occurred during the technical process of data migration from the old HCL software to the new SAP ISU platform;

(21) It is understood by the Forum that disputed arrears as sundry charges such results in consumer being billed for less electricity supplied by the Respondent / consumed by the Complainant as against the actual. In the

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(Member) **(Chairperson)**

instant matter, such is the condition arising in the past from Dec 2018 to Jan 2019 but which came into the Respondent's knowledge only at a later by Special Audit Party, resulting in Respondent raising upon the Complainant dues of past arrears as sundry charge is less carry forward in electricity bill dated 09.07.2025 (**Annexure C1**) by demand notice dated 25-06-2025(**Annexure C2**), which has been impugned by the Complainant;

(22) The Complainant while citing the provisions of Limitation Act, 1963, the Electricity Act, 2003 and the judgements passed by the Hon'ble Apex Court, has simply contended that when it is the mistake of the Respondent to not apply the correct, against Section 56(2) of the Electricity Act, 2003 and the law settled by the Hon'ble Apex Court in context of the relevant Section of said Limitation Act;

(23) Forum finds that in the matter, the parties to make out their respective case have placed reliance on Section 56(2) of the Electricity Act, 2003. Thus Forum finds it expedient to refer to this Section of the Act before it delves further into the matter. For the sake of convenience it herein after reproduces the provisions of said provision of the Act –

"56 Disconnection of supply in default of payment.—

.... (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."

(24) After examining the record and facts in the matter, coupled with provisions of the Electricity Act, 2003 reproduced ibid, Regulations / Code notified by the Ld. HPERC, Tariff Orders passed by the Ld HPERC and the settled position of law laid down by Hon'ble Apex Court in judgments passed on 18.02.2020 and on 05.10.2021, in matters titled as Assistant Engineer(D1) Ajmer Vidyut Vitaran Nigam Ltd and Anr Vs Rahamutullah Khan alias Rahamjula in Civil Appeal No 1672/2020 and M/s Prem Cottex Vs Uttar Haryana Vijli Vitran Ltd in Civil Appeal No. 7235 of 2009 respectively, Forum holds that the issue of recovery of past dues of arrears by the electricity Distribution Company (or Discom) can be decided by the Forum, such not being res-integra;

(25) Forum observes that in ibid Hon'ble Apex Court Judgment passed on 18.02.2020, while interpreting section 56(2) of the Electricity Act, 2003, it has been held that section 56(2) does not put any limitation for raising the past dues or arrears, if not discovered earlier due to any mistake. Liability to

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(Member) **(Chairperson)**

pay arises on consumption of electricity and obligation to pay when bill is raised. Electricity charges would become first due only when bill / demand is raised by the licensee to the consumer quantifying therein the charges to be paid. Accordingly, the Hon'ble Court has held in clear terms that limitation starts from the date the bill/ demand is raised which is when the sum becomes first due and it is from this date that the period of limitation of 2 years as provided in section 56(2) of the Electricity Act shall start. Again Court has made it abundantly clear that it is from this date that the sum has to be continuously shown as recoverable as arrears during the limitation period. As a consequence, in addition to the date electricity is consumed, the liability to pay electricity charges is also created when meter reading is recorded or when meter is found defective or theft of electricity is detected and obligation to pay when Bill or Demand is raised;

(26) It is therefore clear from settled law that while the consumer uses electricity being a good, the distribution licensee charges for this electricity / good at the specified tariffs/ charges of electricity, which in the State of Himachal Pradesh are determined by the Ld. HP Electricity Regulatory Commission (HPERC) vide Tariff Orders passed in pursuance to Regulations notified under the Electricity Act, 2003. Thereafter, these tariffs / charges are applied to the goods purchased being the electricity supplied by the Respondent and consumed by a consumer and thereafter an electricity bill or monetary demand is raised upon the consumer;

(27) Further, this Forum is of the considered opinion that the Respondent HPSEBL being a distribution licensee and a regulated public utility cannot recover any tariff / charges in excess of that specified by the Ld HPERC. These Tariff Orders lay out statutory charges. At the same time, it is also relevant in the context of the instant matter that the Respondent HPSEBL being a distribution licensee is bound to recover the cost / price of electricity consumed by a consumer. This accordingly has strictly to be as per tariffs /charges that are determined and specified by the Ld. HPERC vide its Tariff Orders. Accordingly, the consumer at the determined tariffs / charges is bound to pay for the electricity supplied to it, such being of statutory nature. Any lapse, mistake or bona-fide error by the distribution licensee with regard to under recovery of actual tariff / cost / price of electricity, if not recovered from the respective consumer, who has availed the goods, may either result in permanent financial loss to the distribution licensee or with the burdening of this utility's loss upon other consumers. Both of these eventualities are bad and against the spirit of the statute governing the

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electricity sector, which incidentally is undoubtedly applicable in the instant matter;

(28) Forum is also of the considered opinion that short recording or non-recording or incorrect recording of actual consumption of a consumer in the prevalent systems of the distribution licensee / utility, results in financial loss to the utility and free ride to a consumer, which cannot be allowed. A consumer is liable to not cause loss to the utility in any manner while at the same time is also incumbent upon it to make payments towards the full metered electricity supplied to it for the simple reason that electricity/energy to that extent has actually been consumed by it. Here, the consumer is the Complainant and the monies involved are not that of the Complainant/ individuals but that of a regulated entity, being a Company. No one, including the Complainant, is entitled to adversely use the deficiencies in a system to its advantage in any manner, such as to cause loss in any way to a public utility. Not allowing such loss to be recovered likely results in malpractices and connivances which are detrimental to the system;

(29) Having gone through the instant case and having heard the matter in detail, Forum, on the anvil of ibid interpretation rendered by the Hon'ble Apex Court, holds that the Complainant as the purchaser of goods of the form of electricity consumed in the past, was liable to pay for it at the time of purchase or consumption, in accordance with the prevailing statute. When there was mistake or bona-fide error by the Respondent HPSEBL related to data migration from HCL billing software to SAP ISU software during the past period from Dec 2018 to Jan 2019, however, on this error being later noticed and pointed by the Special Audit team of the Respondent raised the impugned sundry demand upon the Complainant only for the shortfall in electricity consumption which remained unrecorded and unbilled in the past. Respondent thus missed to raise correct electricity bills/ statutory amounts in the said past period, which went unnoticed for some time. This eventually resulted in raising of impugned sundry / past arrears / dues by the Respondent during a valid limitation period, which is now recoverable from the Complainant;

(30) Forum concludes that when the Respondent in the past had erred in not fully charging for this electricity / good at the specified tariffs/ charges of electricity, the action of the Respondent to raise demand notice dated 25-06-2026 upon the Complainant, of impugned sundry charges as past period dues / arrears amounting to Rs 5,71,412/- in the electricity bill dated 09.07.2025 (**Annexure C1**), is certainly not wrong in any way. The said impugned

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(Member) **(Chairperson)**

sundry charges raised by the Respondent as past period dues are found by the Forum to be in accordance with the Electricity Act, 2003 and the law settled by the Hon'ble Apex Court as referred in paras supra. The impugned demand has been raised in July 2025 and the same is well within the period of 2 years as specified in Section 56(2) of the Act and not barred by limitation period of 2 years specified therein and here because the bar of limitation does not exist therefore so does the condition to show arrears as continuous recoverable also does not;

(31) In view of foregoing, no illegality is observed in the impugned sundry of Rs 5,71,412/- raised upon the Complainant by the Respondent in the electricity bill dated 09.07.2025 (**Annexure C1**). This impugned demand notice dated 25-06-2025**(Annexure C-2**) being a legal one is upheld;

On aforesaid terms, the complaint is **Dismissed** and accordingly disposed. Parties are left to bear their own costs.

Order is announced before the parties present on 24-02-2026 at Shimla in open Forum.
Certified copies of this Order be supplied to the parties.
The complaint along with this Order be consigned to record room for safe custody.

Date: 26-02-2026.
Shimla

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Pankaj Kumar	**Tushar Gupta**
(Member)	**(Chairperson)**

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(Member)	**(Chairperson)**