

CONSUMER GRIEVANCES REDRESSAL FORUM, SHIMLA

Complaint No 1515/202504/08

M/s MAA Saraswati Education Trust

Vs

HP State Electricity Board Ltd and Anr.

BRIEF FACTS OF CASE–

- (1) Complaint is filed under Regulations 17 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by MAA Saraswati Education Trust, Sadhaura Road Kala Amb, District Sirmaur, HP-173030;
- (2) Complainant bearing Consumer ID 100008002849 is a Non-Domestic-Non Commercial (NDNCS) category electricity consumer of Respondent HPSEBL having connected load of 486 kW and contract demand of 450 kVA;
- (3) Briefly, the Complainant has come before the Forum being aggrieved by the action of Respondent to raise upon it impugned sundry demand in electricity bill dated 13.01.2025 (**Annexure C-1**) for Rs 26,93,174/-. On non-payment, this impugned amount was later raised as arrears of Rs 30,62,323.37 in bill dated 06.02.2025 (**Annexure C-2**) and further as arrears of Rs 32,58,475.81 in bill dated 05.03.2025 (**Annexure C-3**), both of which have also been impugned by the Complainant;
- (4) The ibid impugned amounts have been raised by the Respondent at the behest of Audit which discovered error of application of wrong Multiplication Factor (MF) of 1 instead of correct MF of 5 to the electricity metered consumption pertaining to the period from January 2019 to June 2020 (18 months);

COMPLAINANT –

- (5) That Respondent issued electricity bill dated 13.01.2025 (**Annexure C-1**), demanding therein sundry amount of Rs 26,93,174/- which the Respondent orally informed as having been communicated by the Audit but the Respondent did not supply the Audit Report;

- (6) That the Respondent further raised demand of arrears of Rs 30,62,323.37 in bill dated 06.02.2025 (**Annexure C-2**) and further raised arrears of Rs 32,58,475.81 in bill dated 05.03.2025 (**Annexure C-3**) by levying surcharge;
- (7) That vide cheque dated 05.03.2025, it deposited Rs 13,97,899/- (**Annexure C-4 & C5**) and Respondent issued Receipt dated 07.03.2025 (**Annexure C-6**) and vide RTGS it again deposited another Rs 6,00,000/- on 29.03.2025 (**Annexure C7**). The amounts deposited by it are under serious protest;
- (8) That it has not defaulted in making payments of electricity bills prior to 13.01.2025;
- (9) That the demands raised by the Respondent are wrong, arbitrary, erroneous, unsustainable and deserve to be quashed and set aside;
- (10) That the Respondent has now issued electricity bill dated 09.04.2025 (**Annexure C8**) demanding therein arrears of Rs 14,18,707.94, which is also wrong, arbitrary and deserve to be quashed and set aside;
- (11) The Respondent is liable to refund the entire amount deposited by it towards the said demands;
- (12) **In Rejoinder:**
 - (a) That there is no error of MF, that the Annexure R-1 and letter dated 14.10.2020 do not specifically disclose rating of energy meter and CT/PT unit and in absence of which MF as arrived is not justified and calculation of demand based on alleged 556326 kVAh units is wrong and arbitrary and that it has never admitted to the validity of demand;
 - (b) That the alleged demand was calculated on 03.11.2020 but was not shown continuously recoverable in energy bills and is thus time barred under section 56(2) of the Electricity Act, 2003 and can thus only be recovered by way of legal remedy available to the Respondent;

- (13) **Prayer:** Complainant has prayed for Order declaring the sundry demand in electricity bill dated 13.01.2025 (**Annexure C-1**) for Rs 26,93,174/- arrears of Rs 30,62,323.37 in bill dated 06.02.2025 (**Annexure C-2**) and further arrears of Rs 32,58,475.81 in bill dated 05.03.2025 (**Annexure C-3**) as wrong, arbitrary, unjustified and not payable by it and for Order directing the Respondent to refund Rs 19,97,899/- paid by it along with interest.

RESPONDENT –

- (14) That the short assessment of energy charges of Rs 26,93,174/- is due to bona-fide mistake of wrong application of Multiplication Factor (MF) of 1 instead of 5 detected during course of audit. Details of calculation are at **Annexure R1**. The amount of Rs 30,62,323.37 and Rs 32,58,475.81 carries LPS;
- (15) That the Complainant vide its letter dated 29.03.2025 (**Annexure R2 Colly**) has admitted and agreed for payment of electricity bill and demand;
- (16) That amount deposited by Complainant is not under protest;
- (17) The impugned demand is legal and perfectly valid and the issue of supplementary demand is always legal and not res-integra
- (18) **Prayer:** That the complaint being meritless is liable to be dismissed and Complainant be directed to pay the electricity dues/arrears along with LPS.

ORDER

- (19) 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, 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;

- (20) Forum observes from record that impugned demand originally raised as sundry in electricity bill dated 13.01.2025 (**Annexure C-1**) for Rs 26,93,174/- has been raised by the Respondent upon the Complainant towards short assessment of the metered consumption in Complainant's billing in the past from January 2019 to June 2020 (18 months). This short assessment by the Respondent arose due to the wrong application of multiplication factor (MF) of 1 instead of correct MF of 5 to the Complainant's meter reading / consumption. The fact of incorrect application of MF by the Respondent was pointed out by the Audit (**Annexure R-1**);
- (21) Briefly, it is Complainant's case that there is no wrong application of MF because the Respondent has failed to provide it with Audit Report or of its proof of its acceptance by the Respondent. Further, the ratings of the meter, the CT and the PT unit have nowhere been disclosed by the Respondent. Further also that the alleged demand was calculated on 03.11.2020 but was not shown continuously recoverable in energy bills and is thus time barred under section 56(2) of the Electricity Act.;
- (22) During the course of arguments / final hearings in the matter, the Complainant argued that the Respondent has directly included the impugned amount in its electricity bill which is against the procedure prescribed in code 5.2.5(b) of the Supply Code. Further, relying on Judgment passed by the Hon'ble Apex Court on 18.02.2020 in the matter titled Assistant Engineer (D1) Ajmer Vidyut Vitaran Nigam Ltd and Anr Vs Rahamutullah Khan alias Rahamjula in Civil Appeal No 1672/2020, Complainant has also argued that the demand is barred by limitation specified in section 56(2) of the Electricity Act, 2003;

- (23) Forum observes that the Multiplication factor (MF) is a condition of metering / meter reading. During the course of arguments / final hearings in the matter, the Respondent was directed by the Forum to provide the rated ratios of the installed meter /CT/ PT to the Complainant. This was provided by the Respondent to the Complainant vide its letter dated 27.06.2025 and also placed on record. To this, the Complainant has not raised any objection;
- (24) Forum further observes from examination of complaint that the Complainant has not denied consumption of electricity done during the past period nor has it disputed the correctness of past period arrears raised as a result of wrong application of MF. Forum finds that the impugned amount has separately been reflected in the electricity bill under the sundry head and merely because it has directly been included in a bill the same cannot be held to be illegal and non-recoverable or against the provisions of ibid code 5.2.5(b);
- (25) During the said course of arguments / final hearings in the matter, the Respondent relied upon Judgment / Order passed on October 5, 2021 in the matter titled M/s Prem Cottex Vs Uttar Haryana Vijli Vitran Ltd in Civil Appeal No 7235 of 2009, to show that the demand of arrears due to bona-fide mistake in the past was valid and not barred by limitation under said section 56(2) of the Act;
- (26) After examining the record, facts and settled position of law in the matter coupled with provisions of the Electricity Act, 2003 and Regulations and Code notified by the Ld HPERC and Tariff Orders passed by the Ld HPERC, it is established that in view of the settled position of law laid by the Hon'ble Apex Court in the matter titled as Assistant Engineer (D1) Ajmer Vidyut Vitran Nigam Ltd and Anr Vs Rahamutullah Khan alias Rahamjula in Civil Appeal No 1672/2020 decided on 18.02.2020 and M/s Prem Cottex Vs Uttar Haryana Vijli Vitran Ltd in Civil Appeal No 7235 of 2009 decided on October 5, 2021, which is also referred to by

the Respondent, the issue of recovery of past dues of arrears by the DISCOM is no more res-integra;

- (27) In the ibid Judgment of the Hon'ble Supreme Court dated 18.02.2020, which refers to other Judgments as well, electricity has been held to be 'goods' by a constitution bench of the Hon'ble Apex Court in a case titled State of Andhra Pradesh Vs National Thermal Power Corporation Ltd. Further, as also referred to in the Judgment ibid, under the Sale of Goods Act, 1930, a purchaser of goods is liable to pay for it at the time of purchase or consumption and that the quantum and time of payment may be ascertained post facto either by way of an agreement or the relevant statute;
- (28) 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 its Tariff Orders passed in pursuance to Regulations framed under the Electricity Act, 2003. Thereafter, these tariffs / charges are applied to the goods purchased which here is the electricity consumption done by a consumer and thereafter a Bill or monetary demand is raised to the consumer;
- (29) Further, this Forum is of the considered opinion that the Respondent HPSEBL being a distribution licensee 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 is bound to pay for the electricity consumption at the determined tariffs / charges 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 result either in permanent financial loss to the distribution licensee being a regulated public utility or with the burdening of this utility's loss upon other consumers. Both of these situations or eventualities are bad and against mandated provisions of Tariff Regulations on the matter;

- (30) Forum is also of the considered opinion that short recording or non-recording or incorrect recording of actual consumption by personnel or systems of distribution licensee / utility, results in loss to the distribution licensee / utility and a free ride to the consumer which cannot be allowed. Thus, Complainant is liable to make good any such loss to the Respondent and make payments towards the full metered consumption for the sole reason that electricity/energy to that extent has actually been consumed by the consumer. Here, the monies involved are not of individuals but of a regulated entity, being a Company. No one is entitled to adversely use the deficiencies in a system to their advantage, such as to cause loss in any way to the distribution licensee / utility. Not allowing such loss to be recovered likely results in malpractices and connivances which are detrimental to the system;
- (31) In the instant matter, Forum concludes that the Respondent HPSEBL did make a bona-fide mistake / error in the past by missing to raise statutory amounts in the original electricity bill arising out of less recording of consumption due to error or mistake of wrong application of multiplication factor (MF) of 1 instead of correct MF of 5, which resulted in less consumption being billed to the Complainant in the past and which went unnoticed for some time. The Complainant has actually consumed electricity which is more than that which was originally billed and this fact is not in dispute by the Complainant;

- (32) From perusal of ibid decisions of the Hon'ble Apex Court, Forum finds that the Respondent is certainly within its legal rights to recover statutory charges under the Electricity Act, 2003 by raising monetary demand towards past arrears or dues of statutory nature for the actual consumption made by the Complainant, as has been held in Hon'ble Apex Court Judgments dated 18.02.2020 in Civil Appeal 1672 of 2020 and dated 05.10.2021 in Civil Appeal 7235 of 2009 while interpreting section 56(2) of the Electricity Act, 2003. It is from the date of raising the demand that the amount has to be shown continuously recoverable;
- (33) Having gone through the instant case and having heard the matter by way of arguments extended by the parties, Forum finds that the demand of arrears raised by the Respondent is not hit by limitation of 2 years as specified in the Act. Onus lies on the Complainant to show that such arrears have been calculated wrongly, which the Complainant has failed to show. Forum holds that in the past there was mistake or bona-fide error by the Respondent HPSEBL in not applying the correct multiplication factor (MF) of 5 to the then metered consumption of the Complainant. Non application of correct MF has caused error in recorded consumption in the past resulting in the Complainant being billed for less electricity consumed as against its actual electricity consumption. This has eventually resulted in arising of past period arrears / dues recoverable from the Complainant;
- (34) Forum, on the anvil of ibid interpretations on section 56(2) of the 2003 Act 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. The Respondent in the past had erred in not fully charging for this electricity / good at the specified tariffs/ charges of electricity. However, on this error being later noticed and pointed by the

Audit, the Respondent raised the impugned demand upon the Complainant only for the shortfall in electricity consumption which remained unrecorded in the past. Forum holds that the Complainant is liable to pay the same.

- (35) In view of foregoing, no illegality is observed in the impugned demand raised as sundry in electricity bill dated 13.01.2025 (**Annexure C-1**) for Rs 26,93,174/-, later raised as arrears of Rs 30,62,323.37 in bill dated 06.02.2025 (**Annexure C-2**) and further as arrears of Rs 32,58,475.81 in bill dated 05.03.2025 (**Annexure C-3**). These impugned demands including impugned electricity bill dated 09.04.2025 (**Annexure C8**) are accordingly upheld as being legal and payable by the Complainant. Having made part payment against the impugned demand, Complainant is directed to pay the balance outstanding amount within a period of 10 days from this Order;
- (36) In the event of non-payment by the Complainant, the Respondent shall be at liberty to take action as per extant Law/ regulations governing the electricity sector.

On aforesaid terms, the complaint is decided on merits, is **Dismissed** and accordingly disposed.

Parties are left to bear their own costs.

Order is announced before the parties present today on 22.07.2025 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: 22.07.2025
Shimla

--Sd--
Vikas Gupta
(Member)

--Sd--
Tushar Gupta
(Chairperson)

**CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI,
SHIMLA-9.**

Complaint No.: - 1515/202504/08

Date of Admission: -21.04.2025

**Quorum: - Er. Tushar Gupta, Chairman
Er. Vikas Gupta, Member**

In ref:-

M/s MAA Sarswati Education Trust,
Sadhaura Road Kala Amb,
Distt. Sirmour (HP).

Complainant

V/s.

HPSEBL & Others.

Respondents

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

2. The Assistant Engineer,
Electrical Sub-Division
HPSEBL, Kala Amb,
District Sirmaur (H.P.)

Respondents

Final hearing:- 30.06.2025.

Counsels:-

Complainant 1. Mr. Arun Kumar Verma, Advocate

Respondent 1. Sh. Rajesh Kashyap, Advocate

2. Sh. Kamlesh Saklani, U.S. Law

Date of Decision: -22.07.2025

Notice

**CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI
SHIMLA-171009.**

No. CGRF/Complaint No. 1515/202504/08

Registered

Dated:-

M/s MAA Sarswati Education Trust,
Sadhaura Road Kala Amb,
Distt. Sirmour (HP).

Complainant

V/s.

HPSEBL & Others.

Respondents

Complaint No. 1515/202504/08

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

2. The Assistant Engineer,
Electrical Sub-Division
HPSEBL, Kala Amb,
District Sirmaur (H.P.)

Respondents

The Certified copy of final order dated 22.07.2025 passed by the Hon'ble Forum in the aforesaid complaint is enclosed find herewith for further necessary action at your end please. The compliance be reported/ intimated within one month after the receipt of order in the office.

DA:-As above.

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