BEFORE THE ELECTRICITY OMBUDSMAN, HARYANA
Bays No. 33-36, Ground Floor, Sector–4, Panchkula-134109
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(Regd. Post)

Appeal No.	**:**	**6 of 2026**
Registered on	**:**	**17.03.2026**
Date of Order	**:**	**08.07.2026**

In the matter of:

Appeal against the order dated 12.02.2026 passed by CGRF, DHBVN Gurugram in case No 4977/2025

CG FOODS INDIA PRIVATE LIMITED
Having its Registered Office at: **Appellant**
434, Udyog Vihar, Phase-III, Gurugram, Haryana – 122016
(Through its Authorised Representative – Mr. Parvinder Gill)

Versus

1. The XEN/OP, S/Urban, DHBVN, Gurugram, Haryana
2. SDO/OP, Sub Division, DLF, DHBVN, Gurugram, Haryana **Respondent**

Before:
Shri Rakesh Kumar Khanna, Electricity Ombudsman

Present on behalf of Appellant:
Shri Viren Bansal, Advocate

Present on behalf of Respondents:
Shri Pulkit Goyal, SDO
Shri Sanjay Bansal, Advocate

ORDER

A. M/s CG Foods India Private Limited has filed an appeal against the order dated 12.02.2026 passed by CGRF, DHBVNL, Gurugram in case no. 4977 of 2025. The appellant has requested the following relief: -

MOST RESPECTFULLY SHOWETH:

1. That the Appellant is constrained to approach this Hon'ble Commission under Section 42(6) of the Electricity Act, 2003 ('*the Act*') read with Regulation 3.16 of the Haryana Electricity Regulatory Commission (Forum and Ombudsman) Regulations, 2020 ('*2020 Regulations*') against the Impugned Order dated 12.02.2026 passed by the Corporate Forum for Redressal of Consumer Grievances, DHBVN, Gurugram ('*Forum*') in Complaint No. DH/CGRF/4977/2025, whereby the Forum, without any application of mind and without any reasoned order, accepted the Respondent's erroneous, baseless and unfounded calculation of Rs. 3,71,432.80/- as the net payable amount and directed the Appellant to pay the same, while denying any relief of compensation and closing the case without costs on either side.
2. That the Appellant is a private limited company engaged in the business of food products, having its registered office at 434, Udyog Vihar, Phase-III, Gurugram, Haryana. The Appellant holds an electricity connection at House No. D-5/15, DLF Phase-1, Gurugram, Haryana, bearing Account No.

8669450000 (Old Account No.: 12221V1UD2B31249) under Sub-Division G21-DLF, DHBVN, Gurugram, with a sanctioned load of 50 kW.

BRIEF FACTS:

3. That the Appellant has been a regular and law-abiding electricity consumer and has paid all electricity bills as and when raised by DHBVN from time to time, without any default whatsoever. The Appellant maintains complete payment receipts and transaction records demonstrating that all billed amounts were duly paid to DHBVN.

4. That in September 2021, the Appellant's sanctioned load was enhanced from 15 kW to 50 kW. Consequent upon the enhancement, an LT CT meter bearing Sr. No. HRT93335 was installed to replace the earlier whole current meter. However, due to a departmental error and lapse on the part of DHBVN, the whole current meter (instead of the newly installed LT CT meter) was inadvertently updated in the Computerised Consumer Billing (CCB) system. As a result, the Appellant was billed on an average basis from 08/02/2022 to 16/07/2024, a period of nearly 2.5 (two and a half) years, instead of being billed on actual meter readings of the LT CT meter.

5. That in August 2024, to the utter shock and dismay of the Appellant, DHBVN raised an exorbitant and arbitrary electricity bill amounting to Rs. 13,51,259/- (including Rs. 30,112.39/- as current cycle charges and Rs. 13,21,146.93/- as alleged arrears) against Account No. 8669450000. No such arrears had ever been reflected in any prior bill, and no prior notice, provisional assessment, or speaking order had been issued before raising such an enormous demand.

6. That aggrieved by the said arbitrary demand, the Appellant immediately approached the concerned SDO, Sub-Division G21 DLF, and lodged a formal complaint in August 2024. Despite multiple personal visits and written representations, no satisfactory response or detailed calculation was provided by DHBVN.

7. That in March 2025, DHBVN issued a revised bill, thereby admitting that the earlier bill of Rs. 13,51,259/- was erroneous, and reduced the arrears by Rs. 7,85,367/-. This unilateral reduction itself established that the original demand was inflated, arbitrary, and unsustainable. Notably, even this revised bill included alleged outstanding arrears of Rs. 13,28,604.89/-, sundry charges, and a credit/adjustment of Rs. -7,85,367/-, still amounting to a total payable of Rs. 6,26,474/-.

8. Unable to arrive at any resolution with DHBVN and dearing disconnection upon threats issued by DHBVN, the Appellant filed Complaint No. DH/CGRF/4977/2025 before the Corporate CGRF on 04.12.2025. The Forum directed the Appellant to deposit 20% of the disputed amount along with current bills, which the Appellant duly complied with on 19.12.2025, demonstrating its *bona fide*.

9. To the shock of the Appellant, on 16.12.2025, during the pendency of the complaint before the CGRF and despite no speaking order having been

passed, DHBVN disconnected the electricity supply of the Appellant. This action was wholly illegal, coercive, and violative of the principles enshrined in the Electricity Act, 2003 and the HERC Regulations.

10. That during the hearing on 09.01.2026, after intervention by the Forum, the concerned SDO admitted that a further amount of approx. Rs. 2,10,084/- was incorrectly charged twice in the account (being an amount already charged vide H/M No. 67129 in RAPDRP on 24.02.2024 which was again charged during overhauling of the consumer account). This admission of double charging further demonstrates the arbitrary, haphazard, and erroneous billing by DHBVN.

11. That the SDO, DHBVN submitted a revised calculation on 21.01.2026 (*vide* Memo No. 2037 dated 21.01.2026), purporting the net payable amount as Rs. 3,71,432.80/- after adjusting Rs. 2,47,468.20/- (Rs. 2,10,084/- plus LPSC of Rs. 37,384.22/- thereon from March 2025 to January 2026) from the total outstanding of Rs. 6,18,901/-.

12. That the said revised calculation was denied by the Appellant for the following reasons:
    a. The calculation includes Late Payment Surcharge (LPSC) of approximately Rs. 8,000/- to Rs. 10,000/- per month on the alleged arrears, even though the arrears themselves arose solely from DHBVN's departmental error in updating the wrong meter in the system.
    b. The SDO, DHBVN has not considered / adjusted the 20% of the disputed amount already deposited by the Appellant on 19.12.2025.
    c. The basis of computation of the arrears is entierely opaque and has not been transparently shared with the Appellant despite repeated requests.
    d. Each time the Appellant has questioned the computation, DHBVN has revised it to a lower amount, establishing the inherent arbitrariness in the original and subsequent demands.

INFIRMITY OF THE IMPUGNED ORDER:

13. That the Impugned Order dated 12.02.2026 is wholly erroneous, perverse, and unsustainable in law for the following reasons:
    a. Non-Application of Mind: The Forum merely noted the net payable charge of Rs. 3,71,432.80/- as per the SDO's letter dated 21.01.2026 and directed the SDO to raise a revised demand, without conducting any independent analysis, verification, or audit of the figures presented by DHBVN. The Forum mechanically certified the Respondent's unilateral calculation in the absence of any reasons or basis.
    b. The Impugned Order does not contain any reasoning, findings of fact, or application of law. It does not discuss the Appellant's objections, legal submissions, or the admitted departmental fault. A quasi-judicial body is mandated to pass a reasoned and speaking order in terms of

Regulation 2.47 of the 2020 Regulations, which the Forum has completely failed to do.

c. Failure to Address Departmental Fault: The Forum completely ignored and failed to consider the admitted and undisputed fact that the entire billing dispute arose due to DHBVN's own departmental error in updating the wrong meter in the CCB system. The Impugned Order penalises the Appellant for a fault that lies squarely with DHBVN.

d. LPSC/Surcharge on Arrears Not Addressed: The Forum did not adjudicate upon the legality of imposing LPSC/surcharge on arrears that arose due to DHBVN's own fault. It is a well-established principle that a consumer cannot be burdened with late payment surcharge on amounts that became due solely on account of the licensee's own error.

e. Compensation Denied Without Reasoning: The Forum denied compensation under Regulation 2.42 of the 2020 Regulations to the Appellant without any discussion, despite the Appellant having suffered harassment, reputational damage, costs towards filing its complaint and legal fee, and on account of the illegal disconnection of electricity supply on 16.12.2025 during the pendency of the complaint.

f. Illegal Disconnection Not Addressed: The Forum failed to take cognizance of the fact that DHBVN disconnected the Appellant's electricity supply on 16.12.2025, during the pendency of the complaint before the Forum itself, without any speaking order, an action that is illegal and in gross violation of Section 56 of the Electricity Act, 2003.

g. Multiple Revisions Ignored: The demand was revised from Rs. 13,51,259/- to Rs. 6,26,474/- (March 2025) and then to Rs. 3,71,432.80/- (January 2026). This pattern of continuous downward revision demonstrates that DHBVN itself did not have a credible or correct calculation of the alleged arrears at any point. However, by way of the Impugned Order, the Forum mechanically accepted the last figure without scrutiny, reasons or any basis under law.

GROUNDS OF APPEAL:

14. The Appellant craves leave to urge the following grounds of appeal, without prejudice to one another:

A. THE ENTIRE DISPUTE AROSE FROM DHBVN'S ADMITTED DEPARTMENTAL ERROR AND THE CONSUMER CANNOT BE PENALISED THEREFOR

15. It is submitted that the entire billing dispute is a direct and proximate consequence of DHBVN's own departmental error and negligence. When the Appellant's sanctioned load was enhanced from 15 kW to 50 kW in September

2021, DHBVN installed an LT CT meter (Sr. No. HRT93335) but inadvertently continued to update and bill on the basis of the old whole current meter in the CCB system. This error was solely attributable to DHBVN and its officials, and the Appellant had no role, knowledge, or complicity therein.

16. It is a well-settled principle of law that a consumer who has been regularly paying all bills as raised by the electricity distribution company cannot be made to suffer on account of the licensee's own departmental lapses. The Appellant paid every bill that was raised, on time and in full, and acted as a *bona fide* consumer throughout.

17. The Hon'ble Supreme Court of India, in *M/s Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd., (2021) 10 SCC 524*, while dealing with a similar case of wrong Multiplication Factor being applied by the licensee, held that the question of neglect to pay under Section 56 of the Electricity Act, 2003 arises only after a demand is raised. If the licensee has not raised any bill or has raised an incorrect bill due to its own error, there can be no negligence on the part of the consumer. While the Hon'ble Supreme Court permitted additional billing in such cases, it is submitted that the consequential LPSC, surcharge, and penal charges cannot be imposed on the consumer for the period during which the licensee itself was at fault.

B. LATE PAYMENT SURCHARGE (LPSC) AND SURCHARGE ON ARREARS ARISING FROM DEPARTMENTAL FAULT ARE ILLEGAL AND UNWARRANTED

18. The Respondent has been levying LPSC of approximately Rs. 8,000/- to Rs. 10,000/- per month on the alleged arrears. The said arrears, even if partly justified on the basis of actual consumption versus average billing, arose solely because of DHBVN's error in updating the wrong meter in the system. The Appellant was never informed of any short-billing, was never issued any provisional assessment or notice, and continued to pay all bills raised by DHBVN in full and on time.

19. It is submitted that LPSC/surcharge is a penal levy intended to penalise a consumer for *delayed payment or default in payment*. In the present case, the Appellant never delayed or defaulted on any payment. The arrears arose because of DHBVN's own failure to bill correctly. To impose LPSC on such arrears is to penalise the consumer for the licensee's own default, which is wholly unconscionable, arbitrary, and violative of principles of natural justice.

20. The SDO's own calculation submitted on 21.01.2026 shows LPSC of Rs. 37,384.22/- charged on the refundable amount of Rs. 2,10,084/- for the period March 2025 to January 2026. If DHBVN itself acknowledges that Rs. 2,10,084/- was wrongly charged (double-billed), then the LPSC on the entire inflated demand for the period of disputed billing is equally wrongful and must be reversed in toto.

C. VIOLATION OF SECTION 56 OF THE ELECTRICITY ACT, 2003 AND 2020 REGULATIONS

21. Section 56(1) of the Electricity Act, 2003 permits disconnection only where a person *"neglects to pay"* any charge for electricity, and that too only after giving not less than fifteen clear days' notice in writing. In the present case, the Appellant never neglected to pay any charge. The Appellant paid every bill as raised, and the alleged arrears arose from DHBVN's own systemic error.

22. Section 56(2) of the Electricity Act, 2003 provides that no sum due from any consumer shall be recoverable after a period of two years from the date when such sum became first due, *unless such sum has been shown continuously as recoverable as arrears of charges for electricity supplied*. In the present case, no arrears were ever shown in the Appellant's bills from February 2022 to July 2024, during which period the billing error persisted. The arrears were raised for the first time in August 2024 as a lump-sum demand, without being continuously reflected in the monthly bills.

23. It is further submitted that for the period of average billing from 08.02.2022 to 16.07.2024, the bills were raised, accepted, and paid. The sudden overhauling of the account and raising of a retrospective demand covering a period of nearly 2.5 (two and a half) years, without any prior notice or assessment, violates principles of fairness, transparency, and legitimate expectation as recognised under the Electricity Act, 2003 and the regulations framed thereunder.

D. ILLEGAL DISCONNECTION OF ELECTRICITY SUPPLY ON 16/12/2025

24. The Respondent disconnected the Appellant's electricity supply on 16.12.2025, during the pendency of Complaint No. 4977/2025 before the CGRF, without passing any speaking order, without following the mandatory 15-day notice requirement under Section 56(1) of the Electricity Act, 2003, and in blatant disregard of the fact that the billing was itself disputed and *sub judice*.

25. The Hon'ble Supreme Court of India, in *M.P. Electricity Board v. Basantibai, AIR 1988 SC 334*, held that the electricity board is not competent to disconnect supply pending determination of a dispute by the appropriate authority. The Respondent's action is squarely covered by this principle and the Forum completely failed to address or remedy this illegal action in its Impugned Order.

E. MULTIPLE DOWNWARD REVISIONS OF THE DEMAND PROVE ARBITRARINESS

26. The history of DHBVN's own demands in this matter conclusively demonstrates the arbitrary and baseless nature of its billing:

    a. August 2024: Rs. 13,51,259/- (including Rs. 13,21,146.93/- as arrears)

b. March 2025: Reduced by Rs. 7,85,367/- (admission of overcharging)
c. January 2026: Further reduced to Rs. 3,71,432.80/- (after admitting double-charging of Rs. 2,10,084/-)

27. The original demand was reduced by approx. 72% from Rs. 13,21,146.93/- in arrears to the current claim of Rs. 3,71,432.80/-, mechanically allowed by way of the Impugned Order. If DHBVN's own calculation was correct, there would have been no occasion to revise it not once but twice, each time substantially reducing the amount, which clearly demonstrates that DHBVN never had a proper, credible, or defensible calculation of the alleged arrears. The Forum ought to have examined this pattern critically instead of accepting the last revised figure at face value.

F. THE IMPUGNED ORDER IS NON-SPEAKING, UNREASONED, AND VIOLATIVE OF PRINCIPLES OF NATURAL JUSTICE

28. The Impugned Order does not contain any reasoned findings. The Forum has merely reproduced the submissions of the parties and then, in two lines, accepted the SDO's figure and closed the case. There is no discussion of the applicable law, no adjudication of the Appellant's specific objections regarding LPSC, departmental fault, illegal disconnection, or compensation. A quasi-judicial body is obligated under law to pass a reasoned and speaking order. Reliance is placed on the Hon'ble Supreme Court's consistent jurisprudence that quasi-judicial orders must be supported by reasons, as laid down inter alia in *S.N. Mukherjee v. Union of India (1990) 4 SCC 594*.

G. THE APPELLANT IS ENTITLED TO COMPENSATION FOR HARASSMENT, REPUTATIONAL DAMAGE, COSTS TOWARDS FILING ITS COMPLAINT, LEGAL FEE, AND ILLEGAL DISCONNECTION

29. The Appellant, being a private limited company, is engaged in commercial activity, and suffered immense hardship on account of the following acts/omissions of DHBVN:
a. Raising an exorbitant and arbitrary demand of Rs. 13,51,259/- without any basis;
b. Failing to provide any satisfactory explanation or detailed calculation despite multiple personal visits and representations;
c. Illegal disconnection of supply on 16.12.2025 during pendency of the dispute;
d. Continuous threat of disconnection causing harassment, reputational damage, and incurring of costs towards filing its complaint and legal fee;
e. Levying unconscionable LPSC/surcharge on arrears arising from DHBVN's own fault;
f. Repeated revisions of the demand demonstrating non-application of mind and administrative apathy.

30. The Forum completely failed to award any compensation despite the manifest harassment suffered by the Appellant. The Electricity Ombudsman is

empowered under the HERC Regulations to award appropriate compensation for deficiency in service, and the present case merits a substantial award of compensation.

31. The Appellant was only served and informed about the Impugned Order on 16.02.2026 and the period of limitation for approaching this Hon'ble Commission commenced therefrom. Hence, the present Representation / Appeal has been filed within the prescribed period of limitation of 30 days.

32. The Appellant has not filed any similar representation or appeal, or sought any similar reliefs, before any other court of law.

33. The Appellant has paid the necessary fee for filing and adjudication of the present Representation / Appeal.

PRAYER

In the light of the abovementioned facts and circumstances, it is humbly prayed that this Hon'ble Commission may be pleased to:

a. Set aside the Impugned Order dated 12.02.2026 passed by the Corporate CGRF, DHBVN, Gurugram in Complaint No. DH/CGRF/4977/2025;
b. Declare the entire demand of arrears, surcharge, LPSC, and non-energy charges raised against the Appellant as illegal, arbitrary, and void, having arisen solely from DHBVN's departmental error in updating the wrong meter in the system;
c. *In the alternative,* if any differential amount is found payable on account of actual consumption versus average billing, direct DHBVN to recalculate the same transparently, without any LPSC, surcharge, interest, or penalty, and allow the Appellant to pay the same;
d. Direct DHBVN to refund/adjust all LPSC and surcharge levied on the disputed arrears, arising entirely on account of DHBVN's own fault and without any default on the part of the Appellant;
e. Award compensation of Rs. 5,00,000/- to the Appellant for harassment, reputational damage, and inconvenience caused by the illegal and arbitrary actions of DHBVN, including illegal disconnection on 16.12.2025;
f. Direct DHBVN to pay costs of litigation of Rs. 2,00,000/- to the Appellant;
g. Pass any such further order(s) as this Hon'ble Commission may deem fit and proper in the interest of justice.

B. The appeal was registered on 17.03.2026 as an appeal No. 6 of 2026 and accordingly, notice of motion to the Appellant and the Respondents was issued for hearing the matter on 13.04.2026.

C. The counsel of respondent SDO vide email dated 07.04.2026 has submitted reply, which is as under:

1. That the appellant is a consumer of respondent department and having account no. 8669450000 in the name of M/s C.G. Food Pvt. Ltd. Earlier the whole current meter was installed at the premises of the appellant. During

September 2021 the sanctioned load of the consumer bearing account number 8669450000 was extended from 15 kw to 50 kw. (Annexure R-1).

2. That LTCT meter was installed at the premises of the appellant and the whole current meter was removed. But inadvertently the whole current meter was updated in the Computerized Consumer Billing (CCB) system, instead of the newly installed LTCT meter. And the bills of the appellant were issued on average basis from 08/02/2022 to 16/07/2024.

3. That whole current meter which was existing prior to extension of load was removed on reading 290223 kwh at the time of extension of load (EOL). Before that the bill of the appellant's was billed up to reading 284041 units.

4. That during the month Jul-2024 the correct meter i.e. LT CT meter having Sr. no. HRT93335 was updated in CCB system and after that the bill from reading 8420 units to 9237 units with M.F. 20 issued to the appellant in Nov.-2024 and onwards all the bills have been issued on actual reading basis.

5. That the details of calculation of chargeable amount is as under: -
For the period 09/06/2021 to 16/07/2024 the account of the appellant was overhauled and actual reading of meters i.e. (whole current meter from 284041 to 2902223 = 6182 kwh and for LT CT meter from 0 to 8420 units with M.F 20 = 168400 kwh) has been billed. The amount of Rs. 7,85,367/- credited in consumer's account in the bill of March 2025. The copy of bill of March 2025 is annexed as Annexure R-2.

6. That it is further submitted that after installation of LT CT meter, from reading 810 kwh to 4655 kwh i.e. 76900 units amounting to Rs. 2,10,084/- was already charged vide Half Margin No. 67/29 in RAPDRP system dated 24-02-2024 which was again charged while overhauling of consumer account. Hence the same is refundable with LPS from March 2025 as detail mentioned below:

Sr. No.	*Month*	*Year*	*Amount*	*ROI*	*LPSC*	*Total*
1	*Mar*	*2025*	*210084*	*1.50%*	*3151.26*	*213235.3*
2	*Apr*	*2025*	*213235.3*	*1.50%*	*3198.529*	*216433.8*
3	*May*	*2025*	*216433.8*	*1.50%*	*3246.507*	*219680.3*
4	*June*	*2025*	*219680.3*	*1.50%*	*3295.204*	*222975.5*
5	*July*	*2025*	*222975.5*	*1.50%*	*3344.633*	*226320.1*
6	*Aug*	*2025*	*226320.1*	*1.50%*	*3394.802*	*229714.9*
7	*Sep*	*2025*	*229714.9*	*1.50%*	*3445.724*	*233160.7*
8	*Oct*	*2025*	*233160.7*	*1.50%*	*3497.41*	*236658.1*
9	*Nov*	*2025*	*236658.1*	*1.50%*	*3549.871*	*240207.9*
10	*Dec*	*2025*	*240207.9*	*1.50%*	*3603.119*	*243811.1*
11	*Jan*	*2026*	*243811.1*	*1.50%*	*3657.166*	*247468.2*
	Total		*2282198*		*0*	*2316431*
					37384.22	

Amount of half Margin involved	*210084*
LPSC amount levied from 03/25 to 01/26	*37384.22*
Total Amount	*247468.2*
Total Outstanding as on 18-01-2026	*618901*
Net Payable Amount	***371432.8***

7. That as per above mentioned detailed submissions the consumer has been billed as per actual reading recorded in meter, hence the net payable amount is correct.

8. That the judgment of the Hon'ble Supreme Court in M/s Prem Cottex vs. Uttar Haryana Bijli Vitran Nigam Ltd. is a matter of record. It is submitted that the reliance placed by the Appellant on the said judgment is selective and misplaced. While the Hon'ble Supreme Court indeed observed that "neglect to pay" arises after a valid demand is raised, the Court categorically upheld the right of the licensee to raise supplementary/additional bills where earlier billing was incorrect due to bona fide error. In the present case, once the correct demand was raised, the appellant was under a statutory obligation to pay the same.

9. That the contents of para 21 is replied in this way that it is denied that disconnection under section 56(1) applies only when there is a deliberate or willful neglect to pay. The statutory expression "neglects to pay" includes any failure to discharge lawful dues, irrespective of intent. The consumer is under a statutory obligation to pay the correct charges for electricity actually consumed. Mere payment of provisional/ incorrect/ under-assessed bills does not absolve liability.

   In the present case, the amount claimed represents legitimate dues arising from actual consumption and once the discrepancy was detected, the same was lawfully raised. Non-payment of such dues squarely attracts Section 56(1), entitling the respondent department to disconnect supply after due notice.

10. That the contents of para 22 is replied in this way that the reliance on Section 56(2) is misplaced. The said provision does not extinguish the liability to pay arrears; it only restricts recovery by way of disconnection and that too subject to the exception. In the present case, the arrears were continuously subsisting and inherently embedded in the billing account, arising out of under-billing/average billing due to system or meter-related issues. Such dues constitute continuing liability. It is submitted that:

    a) The consumer was always liable to pay for actual consumption.
    b) The correction of billing does not create a new liability but merely quantifies pre-existing dues.
    c) Therefore, the bar under Section 56(2) is not attracted.

11. That the contents of para 23 is replied in this way that it is denied that the demand is arbitrary or violative of fairness. The revision of account was undertaken upon detection of billing irregularity, which the respondent department is statutorily bound to rectify. The plea of "legitimate expectation" is misconceived. There can be no estoppel against statute, and an erroneous or incomplete billing cannot confer any vested right upon the consumer. The raising of a revised demand for the relevant period is permissible in law and has been upheld in multiple judicial pronouncements.

So, it is, therefore, prayed that keeping in view the above contentions of the respondent department the present appeal of the appellant may kindly be dismissed and appellant may kindly be directed to pay the actual consumption units amount of Rs. 3,71,432.8/- along with current outstanding of Rs. 1,26,651/- for last 2 month totaling of Rs.4,98,084/- and pass any other order in favour of respondent in the interest of justice.

D. On 11.04.2026, counsel of appellant has submitted interim application which is as under: -

MOST RESPECTFULLY SHOWETH:

1. That the Applicant has filed the accompanying Appeal under Section 42(6) of the Electricity Act, 2003, challenging the Impugned Order dated 12.02.2026 passed by the Corporate CGRF, DHBVN, Gurugram in Complaint No. DH/CGRF/4977/2025. The Appeal is currently pending adjudication before this Hon'ble Commission.
2. That the core dispute pertains to arbitrary and inflated billing resulting from the Respondent's admitted departmental error. Following a load enhancement in September 2021, the Respondent failed to update the LT CT meter (Sr. No. HRT93335) in the billing system, leading to nearly 2.5 years of erroneous average billing.

3. That while the main Appeal is sub-judice, the Respondent (Sub-Division DLF City, Gurugram) has issued a fresh Notice vide Memo No. 2439 dated 07.04.2026, demanding a sum of Rs. 4,98,084/-. The Notice directs the Applicant to clear the dues within 7 days, failing which the electricity supply is threatened with disconnection. A copy of the said Notice is annexed herewith as **“ANNEXURE – A”**.
4. That the demand raised in the Notice dated 07.04.2026 is illegal and contemptuous for the following reasons:

   a. **Violation of Section 56(1) of the Electricity Act, 2003:** The Act permits disconnection only when a consumer "neglects to pay". Since the very liability and quantum of arrears are currently being adjudicated by this Hon'ble Commission, the Appellant cannot be said to have "neglected" payment.
   b. **Disregard for Judicial Precedent:** The Hon'ble Supreme Court in *M.P. Electricity Board v. Basantibai* (AIR 1988 SC 334) held that a licensee is not competent to disconnect supply while a dispute is pending before a competent authority.
   c. **Inclusion of Disputed Surcharges:** The demand includes Late Payment Surcharges (LPSC) arising from the Respondent's own departmental lapse, which is a primary ground of challenge in the main Appeal.

5. That the Applicant has already demonstrated *bona fide* by depositing 20% of the disputed amount during the CGRF proceedings on 19.12.2025.
6. That the balance of convenience lies overwhelmingly in favour of the Applicant and against the Respondent. It is respectfully submitted that the Applicant is engaged

in active commercial operations and is wholly dependent upon uninterrupted electricity supply for carrying out its day-to-day business activities. In the event the Respondent is permitted to act upon the impugned notice and disconnect the electricity supply, the same would result in an immediate and complete halt of the Applicant's business operations, causing severe financial losses, including loss of revenue, disruption of ongoing activities, and inability to meet contractual obligations.

It is further submitted that such disconnection would also cause serious and irreparable damage to the Applicant's business reputation and goodwill, particularly considering the nature of its operations, where continuity of service is of utmost importance. The loss of customer confidence and the resulting long-term business setbacks cannot be quantified in monetary terms and, therefore, constitute irreparable injury. Additionally, the Applicant may be exposed to third-party liabilities arising out of non-performance of its commitments due to circumstances beyond its control.

On the other hand, no prejudice whatsoever would be caused to the Respondent if interim protection is granted, as the Applicant is a bona fide consumer who has always paid the bills as raised and is willing to comply with any reasonable condition that may be imposed by this Hon'ble Commission. It is a settled principle of law that where irreparable harm is likely to be caused and the balance of convenience tilts in favour of the applicant, interim relief ought to be granted. Hence, in the facts and circumstances of the present case, the Applicant is entitled to protection by way of stay of the impugned notice and restraint against any coercive action, including disconnection of electricity supply.

7. That the present application has been necessitated due to the wholly arbitrary, high-handed and coercive action initiated by the Respondent–DHBVN during the pendency of the present appeal, which strikes at the very root of the rule of law and the sanctity of quasi-judicial proceedings before this Hon'ble Commission. It is submitted that despite having full knowledge that the impugned demand is under active adjudication before this Hon'ble Commission, the Respondent has deliberately and mala fidely issued the notice dated 07.04.2026 seeking recovery of an inflated and disputed amount of Rs. 4,98,084/- coupled with an unjustified threat of disconnection within 7 days, thereby attempting to overreach and render the present proceedings infructuous.

   It is submitted that the conduct of the Respondent is not only illegal but also amounts to gross abuse of process of law. The Respondent cannot be permitted to adopt coercive measures to enforce a claim which is itself under serious dispute and judicial scrutiny. Such actions are in teeth of the settled position of law that once a matter is sub judice, no party can take steps which would prejudice the adjudication or coerce the opposite party into submission.

It is further submitted that the impugned action is in blatant violation of Section 56 of the Electricity Act, 2003. The condition precedent for disconnection is "neglect to pay" a legally due amount. In the present case, the alleged dues are neither crystallised nor legally recoverable, and in fact arise out of the Respondent's own admitted departmental lapses in billing. Therefore, the very foundation for invoking Section 56 stands vitiated.

The Respondent's action is a clear attempt to arm-twist the Applicant into making payment of a disputed amount under duress, failing which the Applicant's electricity supply being essential for its business operations would be disconnected. Such conduct is oppressive, unreasonable, and violative of principles of natural justice, and deserves to be strongly deprecated by this Hon'ble Commission.

It is respectfully submitted that unless immediate protection is granted, the Applicant will suffer irreparable injury, including complete disruption of its commercial activities, loss of goodwill, and financial prejudice, which cannot be compensated in monetary terms. On the other hand, no prejudice will be caused to the Respondent if the operation of the impugned notice is stayed pending adjudication of the present appeal.

PRAYER

In light of the facts mentioned above, it is most humbly prayed that this Hon'ble Commission may be pleased to:

a. Stay the operation and effect of the Notice dated 07.04.2026 (Memo No. 2439) issued by the Respondent during the pendency of the present Appeal;
b. Direct the Respondent to maintain status quo with respect to the electricity connection of the Appellant bearing Account No. 8669450000 installed at premises situated at House No. D-5/15, DLF Phase-1, Gurugram;
c. Restrain the Respondent, its officers, agents and representatives from taking any coercive steps, including disconnection of electricity supply, against the Appellant during the pendency of the present Appeal;
d. Pass any such further order(s) as this Hon'ble Commission may deem fit and proper in the interest of justice.

E. On 13.04.2026, respondent SDO has submitted as under: -

In context of appeal No 06/2026, it is submitted that Rs 135879/- i.e 20% of disputed amount of Rs. 679395/- was paid by M/s C.G Food India Pvt Ltd on dated 19/12/2025. However, the consumer has not made any payment after 22/12/2025. Even current bills of (Jan-56661/-, Feb-65023/-, Mar-42067/-) respectively not been paid by M/s C.G Food India Pvt Ltd .

The above is submitted for kind information of Hon'ble Electricity Ombudsman.

F. On 13.04.2026, counsel of appellant has submitted as under:-

In reference to the submissions made by the SDO (Opposite Party) in Appeal No. 06/2026, it is most respectfully submitted that the allegations regarding non-payment of current bills are incorrect, misleading, and contrary to the record.

The Appellant/Consumer has, in fact, been continuously willing and ready to pay the current consumption charges. It is pertinent to submit that a detailed representation dated 18.02.2026 was duly addressed to the SDO and other concerned official's, specifically requesting permission to deposit current bills during the pendency of the appeal and to avoid disconnection.

Despite such bona fide efforts, the officials of the Opposite Party deliberately refused to accept the payment of current dues, as also recorded in the said representation. This clearly establishes that the alleged non-payment is not due to any default on part of the Appellant, but is a consequence of the arbitrary and mala fide conduct of the Opposite Party.

The actions of the SDO are evidently intended to coerce the Appellant into making payment of the disputed amount in full and thereby render the present appeal infructuous. Such conduct is illegal, arbitrary, and in violation of the provisions of the Electricity Act and settled principles governing fair administrative action.

In view of the above, it is most humbly prayed that this Hon'ble Authority may kindly:

1. Take on record the present submissions and reject the misleading stand taken by the Opposite Party;
2. Hold that the Appellant cannot be penalized for non-payment when payment has been unlawfully refused;
3. Direct the Opposite Party to accept payment of current electricity bills without insisting upon payment of the disputed amount; and
4. Impose appropriate costs upon the SDO/Department and/or initiate suitable action against the concerned officials for causing undue harassment, hardship, and abuse of authority.

The Appellant is annexing herewith copies of the email/representation dated 18.02.2026 along with supporting documents and certificate, evidencing the attempts made to deposit the current dues, for kind perusal of this Hon'ble Authority.

G. Hearing was held today i.e. 13.04.2026, as scheduled which was attended by the counsel of respondent physically and the appellant as well the respondent SDO through VC.

1. The instant Appeal under Section 42(6) of the Electricity Act, 2003 read with Regulation 3.16 of the HERC (Forum and Ombudsman) Regulations, 2020 (as

amended) is directed against the order dated 12.02.2026 passed by the Corporate CGRF, DHBVN, Gurugram.

2. At the outset, the Electricity Ombudsman enquired whether the Appellant's counsel had received the detailed Reply filed by the Respondents. The Appellant's counsel confirmed receipt of the same.
3. The Appellant's counsel sought two weeks' time to file a Rejoinder to the Reply. The request was considered and granted. The Appellant shall file the Rejoinder within 14 days from the date of this Interim Order. The Respondents shall be at liberty to file their response, if any, thereto.
4. The Appellant's counsel also pressed the Interim Application dated 11.04.2026 seeking urgent interim relief by way of stay of the impugned Notice dated 07.04.2026 (Memo No. 2439) issued by the SDO/OP, DLF City, whereby a demand of Rs. 4,98,084/- (Rs. 3,71,432.80 + Rs. 1,26,651/- towards current dues) has been raised with a threat of disconnection of supply within 7 days.
5. Having regard to the facts and circumstances, the Electricity Ombudsman has carefully examined the pleadings, the Reply filed by the Respondents, the documents placed on record, and the submissions made during the hearing. Two glaring issues emerged which raise serious questions regarding transparency and correctness of the billing exercised by the Respondent-

   DHBVN:

   a. The alleged arrears have been revised multiple times (from Rs. 13,51,259/- to Rs. 6,26,474/- and thereafter to Rs. 3,71,432.80/-). The explanation offered by the SDO regarding "overlooking of units covered in Half Margin" was found unsatisfactory and non-transparent.

   b. Despite load enhancement from 15 kW to 50 kW in September 2021 and installation of LT CT meter (Sr. No. HRT93335), approximately 6,000 units of the old whole current meter continued to be charged even after the new meter was installed. The SDO's explanation that "only nominal energy charges have been charged" was also found unsatisfactory.

6. In view of the admitted departmental error in updating the meter in the CCB system, frequent downward revisions in the demand, and the non-transparent explanations tendered by the Respondents, the Electricity Ombudsman is of the considered view that interim protection is necessary to prevent irreparable injury to the Appellant, who is engaged in commercial operations and is wholly dependent upon continuous electricity supply. The balance of convenience lies in favour of the Appellant, and no prejudice will be caused to the Respondents if the status quo is maintained during pendency of the Appeal, subject to the Appellant demonstrating bona fides by depositing a part of the disputed amount.

Accordingly, the following interim directions are passed:

A. Directions to the Appellant:

i. The Appellant shall deposit 20% of the disputed amount as per the SDO's Notice dated 07.04.2026 (i.e., 20% of Rs. 4,98,084/-) with the Respondent-SDO within three (3) days from the date of this Order. (It is clarified that the 20% already deposited @ Rs. 1,35,879/- by the Appellant pursuant to the CGRF order dated 19.12.2025 shall be duly accounted for and adjusted by the SDO while calculating the fresh 20% now directed.)

ii) The appellant will also explain in their reply/rejoinder the reasoned for not depositing the dues after December 2025 till date.

iii) The appellant will submit their current electricity bill well in time being current charges.

B. Directions to the Respondents:

i. Upon receipt of the aforesaid 20% amount, the Respondents shall forthwith restrain from disconnecting the electricity supply of the Appellant's connection bearing Account No. 8669450000 at D-5/15, DLF Phase-1, Gurugram, during the pendency of this Appeal before this Office. The connection shall be maintained as on the date of this Order.

ii. The Respondents shall prepare a complete and transparent ledger of the Appellant's account from the date of load extension (September 2021, when LT CT meter was installed) till April 2026, incorporating:

- All actual meter readings of both the old whole current meter and the LT CT meter (Sr. No. HRT93335);
- All payments made by the Appellant from time to time;
- The 20% amount now directed to be deposited.

iii. The Respondents shall identify the delinquent official(s) responsible for the failure to remove the old whole current meter from the site and subsequent updation in the CCB system after installation of the LT CT meter (duly checked by the M&P wing as the accuracy of the meter at the time of installation lies under their preview).

iv. The entire ledger along with the detailed calculation sheet and the names of the responsible officers/officials (both billing and audit wing), shall be got pre-audited from the office of the Chief Auditor / CBO, DHBVN for their lapses (for correctness of the calculation sheet as well as delinquency of the officers/officials).

v. The pre-audited ledger and calculation sheet shall be supplied to the Appellant as well as to this Office at least seven (7) days before the next date of hearing.

The next date of hearing is fixed for 14.05.2026.

H. On 08.05.2026, counsel of appellant submitted rejoinder which is as under:-

MOST RESPECTFULLY SHOWETH:

1. That the present Rejoinder is being filed in compliance with the Interim Order dated 13.04.2026 passed by this Hon'ble Authority. The contents of the pleas, grounds, prayer and documents set out in the Appeal may be read as part and parcel of the present Rejoinder and are not being repeated herein for the sake of brevity.
2. That the contents of the Reply, save and except those that are matters of record or are expressly admitted herein, are denied as false, misconceived, contrary to law, contrary to the documentary record placed by the parties, and contrary to the admissions made by the Respondent. Any part of the Reply not specifically traversed in this Rejoinder shall not be deemed to have been admitted, and the Appellant denies all such pleas.

PRELIMINARY SUBMISSIONS

3. At the threshold, the Appellant submits that the Reply filed by the Respondent (i) does not address the Appellant's pleas regarding the illegal disconnection of supply on 16.12.2025 during the pendency of the CGRF complaint; (ii) does not address the absence of the mandatory fifteen (15) clear days' written notice under Section 56(1) of the Electricity Act, 2003; (iii) does not engage with the requirement under Section 56(2) that arrears must be 'shown continuously as recoverable' before recourse to the coercive remedy of disconnection; (iv) does not address the Appellant's plea for compensation under Regulation 2.42 of the HERC (Forum and Ombudsman) Regulations, 2020; and (v) does not address the Appellant's repeated bona fide attempts to deposit current consumption charges as recorded in the contemporaneous representation dated 18.02.2026. By reason of these omissions, the Appellant's pleas on each of these points stand uncontroverted on the record of this Hon'ble Authority.
4. The Reply itself contains material admissions which are relevant and material to the present dispute, namely:

   a. the admission that the LT CT meter (Sr. No. HRT93335) was installed in the premises but 'inadvertently the whole current meter was updated in the Computerized Consumer Billing (CCB) system, instead of the newly installed LTCT meter' (paragraph 2 of the Reply);

   b. the admission that bills were issued on average basis from 08.02.2022 to 16.07.2024 i.e., a period of nearly 29 (twenty nine) months – solely on account of the Respondent's own departmental error; and,

   c. the admission that an amount of Rs. 2,10,084/- (Rupees Two Lakh Ten Thousand and Eighty Four only), corresponding to 76,900 chargeable units (LT CT readings 810 to 4,655 with multiplying factor 20), was charged twice

– first vide Half Margin No. 67/29 in the RAPDRP system on 24.02.2024 and again during the overhauling of August 2024 – and is therefore admittedly refundable (paragraph 6 of the Reply). These admissions cannot be retracted; they form the foundation on which this Rejoinder proceeds.

5. The figures of the Respondent have undergone repeated and unexplained downward revision:

    a. from Rs. 13,51,259/- (August 2024) to Rs. 6,26,474/- (March 2025),
    b. thereafter to Rs. 6,79,395/- (December 2025, being the basis of the 20% deposit of Rs. 1,35,879/-),
    c. thereafter to Rs. 6,18,901/- (18.01.2026, as per the Reply itself),
    d. thereafter to Rs. 3,71,432.80/- (Net Payable as per the Reply),
    e. and to Rs. 4,98,084/- (Notice dated 07.04.2026 bearing Memo No. 2439, including current dues of Rs. 1,26,651/-).

At paragraph 5(a) of the Interim Order dated 13.04.2026, this Hon'ble Authority has itself recorded that this pattern of revision is 'non-transparent' and that the explanation tendered by the SDO is 'unsatisfactory'. The Reply fails to explain the legal basis of the revised figures.

PARA-WISE REPLY TO THE REPLY

6. The contents of paragraph 1 of the Reply are matters of record and are admitted only to the extent that the Appellant is a consumer of the Respondent department bearing Account No. 8669450000 and that the sanctioned load was extended from 15 kW to 50 kW in September 2021. The remaining contents are denied to the extent that they are inconsistent with the pleas in the Memorandum of Appeal and the documentary record.
7. The contents of paragraph 2 of the Reply are admitted to the extent that (i) an LT CT meter was installed at the premises in or about September 2021; (ii) the whole current meter was removed; and, (iii) the whole current meter was updated in the CCB system instead of the newly installed LT CT meter, by reason whereof the Appellant was billed on average basis from 08.02.2022 to 16.07.2024. This admission by the Respondent demonstrates that the entire dispute is the direct and proximate consequence of the Respondent's own departmental error. It is well settled that a bona fide consumer who has paid every bill as raised cannot be visited with the consequences of a licensee's lapse.
8. The contents of paragraph 3 of the Reply are denied as false, misleading and unsupported with available documentary record. The Respondent is put to strict proof of the actual final reading of the whole current meter at the time of its removal, by production of the relevant M&P Report, the meter-removal challan and the relevant page of the CCB ledger duly authenticated by the Sub-Divisional Officer.
9. The contents of paragraph 4 of the Reply are admitted to the extent that the LT CT meter bearing Sr. No. HRT93335 was updated in the CCB system only in July

2024 i.e., more than two years and ten months after its installation in September 2021. This admission, read with paragraph 2 of the Reply, establishes the full extent of the departmental error. The further assertion that bills issued in November 2024 and onwards have been issued on actual reading basis is a matter of record.

10. The contents of paragraph 5 of the Reply are denied. First, the start date of the overhaul, namely 09.06.2021, is unsupported by any document. The Reply at paragraph 1 places the load extension in September 2021 and the Reply's own paragraph 2 places the average-billing period as commencing on 08.02.2022. The unilateral inclusion of the period from 09.06.2021 to 07.02.2022 within the overhaul, and without any explanation, is arbitrary. Thirdly, the credit of Rs. 7,85,367/- in March 2025 by the Respondent itself constitutes an admission that the original demand of Rs. 13,51,259/- was inflated by that magnitude, a fact that the Ld. Forum below failed to take into account while accepting the Respondent's figure mechanically.

11. The contents of paragraph 6 of the Reply contains a critical admission that 76,900 units corresponding to LT CT readings 810 to 4,655 (multiplied by MF 20) had already been charged via Half Margin No. 67/29 in the RAPDRP system on 24.02.2024, and that the same units were charged again during the overhauling of August 2024. The admission that this sum of Rs. 2,10,084/- is "refundable" demonstrates, by the Respondent's own pleading, that the August 2024 demand of Rs. 13,51,259/- was inflated to that extent. Yet the very same Reply seeks to load a Late Payment Surcharge (LPSC) of Rs. 37,384.22/- for the period from March 2025 to January 2026 on this admittedly wrongful demand. There is no lawful basis for levying delay-penalty on an amount which the licensee itself concedes was never lawfully due. The Respondents are put to strict proof, by production of the original Half Margin advice dated 24.02.2024 and the corresponding payment record, that the said amount was actually paid by the Appellant, failing which, the entire LPSC chain falls away.

12. The contents of paragraph 7 of the Reply are denied. The Net Payable Amount of Rs. 3,71,432.80/- is neither correct nor sustainable as (a) it does not give credit for the Rs. 1,35,879/- already deposited by the Appellant on 19.12.2025 in compliance with the CGRF interim order; (b) it carries forward LPSC on the admittedly wrongful amount of Rs. 2,10,084/-; (c) it is irreconcilable with the Notice dated 07.04.2026 (Memo No. 2439), which records current dues of Rs. 1,26,651/-, a figure which differs by approx. Rs. 37,100/- from the SDO's own representation in the email dated 13.04.2026 (1:42 PM) wherein the current dues for January, February and March 2026 are stated as Rs. 56,661/-, Rs. 65,023/- and Rs. 42,067/- respectively (totalling to Rs. 1,63,751/-). The Respondents cannot be permitted to advance two inconsistent figures of current dues in the same proceedings.

13. The contents of paragraph 8 of the Reply, in so far as they purport to distinguish the judgment in M/s Prem Cottex (supra), are denied on account of being selectively relied upon without considering the judgment in its entirety. The Hon'ble Supreme Court in Prem Cottex expressly applied Rahamatullah Khan

(supra) and held that, while the licensee may raise an additional or supplementary bill where earlier billing was incorrect due to a bona fide error, the bar of two years under Section 56(2) of the Electricity Act, 2003 operates on two distinct rights of the licensee – (i) the right to recover, and (ii) the right to disconnect – both of which are barred for arrears that have not been 'shown continuously as recoverable' within the two-year window. The Respondent's reliance on Prem Cottex is therefore selective and self-defeating as the said judgment specifically forbids the disconnection threatened by the SDO under the impugned Notice dated 07.04.2026.

14. The contents of paragraph 9 of the Reply are denied. The expression 'neglects to pay' in Section 56(1) of the Electricity Act, 2003 presupposes (i) a valid demand having been raised, and (ii) failure on the part of the consumer to pay such demand notwithstanding fifteen (15) days' written notice. As per the judgment in Rahamatullah Khan (supra), electricity charges become 'first due' only when the bill is issued, irrespective of the date of consumption. The Appellant was issued no demand whatsoever for the disputed sum at any point between 08.02.2022 and 16.07.2024, and the very first time such demand was raised was in August 2024. Therefore, there is no question of 'neglect' by the Appellant during the period when no bill was raised. Moreover, no fifteen (15) days' written notice has either been pleaded or proved by the Respondent to have been issued before the disconnection of supply on 16.12.2025. Yet, the Notice dated 07.04.2026 (Memo No. 2439) threatens disconnection within seven (7) days, which is ex facie contrary to Section 56(1).

15. The contents of paragraph 10 of the Reply are denied as misconceived. While it is correct that Section 56(2) does not extinguish the substantive liability of the consumer for actual consumption, the Respondents have ignored the clear statutory condition that the bar against recovery and disconnection operates unless 'such sum has been shown continuously as recoverable as arrears of charges for electricity supplied'. The Respondent's own pleading in paragraph 2 of the Reply admits that the Appellant was billed on average basis from 08.02.2022 to 16.07.2024. It is therefore the Respondent's own case that the disputed arrears were not shown in any monthly bill during this period. The condition that protects the licensee from the bar of Section 56(2) is therefore not satisfied. The bar applies in full force, and the coercive remedy of disconnection is unavailable to the Respondent for the recovery of the additional demand.

16. The contents of paragraph 11 of the Reply are denied. The Appellant has at no stage pleaded estoppel against statute. The Appellant's case is based on (i) the statutory bar under Section 56(2) of the Electricity Act, 2003; (ii) the absence of the fifteen (15) days' written notice required under Section 56(1); (iii) the admitted departmental error of the Respondents; and (iv) the well-settled principle, recognised in M.P. Electricity Board v. Smt. Basantibai, AIR 1988 SC 71, that the licensee is not competent, pending the determination of a billing dispute by the appropriate authority, to coerce payment by threatening or effecting disconnection of supply. None of these pleas implicates the doctrine of

legitimate expectation, and the Respondent's reliance thereof, with respect, is irrelevant and misplaced.

ADDITIONAL SUBMISSIONS / MATTERS NOT TRAVERSED BY THE REPLY

17. **Illegal disconnection of supply on 16.12.2025:** The Respondent has maintained complete silence on the Appellant's plea, set out in paragraphs 9 and 24 of the Appeal, that the Respondent disconnected the electricity supply at the Appellant's premises bearing Account No. 8669450000 on 16.12.2025 i.e., three days before the Appellant's deposit of 20% of the disputed amount on 19.12.2025, and during the pendency of Complaint No. DH/CGRF/4977/2025 before the CGRF. There is no speaking order placed on record sanctioning the said disconnection. There is no fifteen (15) clear days' written notice on record. The disconnection was effected in patent violation of Section 56(1) of the Electricity Act, 2003 and in defiance of the dictum of the Hon'ble Supreme Court of India in *M.P. Electricity Board v. Smt. Basantibai* (supra) that an electricity board is not competent, pending determination of the dispute, to issue a notice threatening disconnection. The absence of any response in the Reply on this plea is an admission thereof.
18. **The bar under Section 56(2) on the facts of this case:** The disputed arrears, on the Respondent's own admission, became 'first due' only when they were demanded for the first time in the bill of August 2024. To the extent that those arrears purport to relate to consumption prior to August 2022 (i.e., more than two years before they were first demanded), the bar of Section 56(2) squarely applies. Critically, the saving condition in the second limb of Section 56(2), that the sum must have been 'shown continuously as recoverable as arrears of charges for electricity supplied', is admittedly also not satisfied. The Respondent itself has pleaded that the Appellant was billed on average basis throughout the relevant period, with no reflection of any arrears in any monthly bill. The Hon'ble Supreme Court in *Rahamatullah Khan* (supra) has held in terms that, where this saving condition is not satisfied, the licensee's right to disconnect to enforce such arrears stands extinguished. The Reply is entirely silent on this aspect.
19. **LPSC on departmental-error arrears is unsustainable:** Late Payment Surcharge is, by its very character, a penal levy designed to deter consumer default in the timely payment of a validly raised demand. Since the demand itself has not been validly raised because the licensee's own CCB system was wrongly populated for nearly twenty-nine months, there can be no 'delay' by the consumer to penalise. The Respondent's own Reply, at paragraph 6, applies LPSC at the rate of 1.50% p.m. for eleven months on the admittedly wrongful amount of Rs. 2,10,084/-, yielding an alleged amount of Rs. 37,384.22/-. If the principal demand is itself acknowledged as wrongful, the surcharge upon it is, by extension, equally wrongful and must be reversed in toto. The Respondents have placed no Sales Circular, Supply Code provision or judicial authority on record to justify the imposition of LPSC on department-error arrears.

20. **Failure to pass a speaking order:** The impugned CGRF Order dated 12.02.2026 is a non-speaking order which (i) reproduces the SDO's figure without independent scrutiny; (ii) does not address the Appellant's objections regarding LPSC; (iii) does not address the illegality of the disconnection of 16.12.2025; (iv) does not address the prayer for compensation under Regulation 2.42 of the HERC (Forum and Ombudsman) Regulations, 2020; and, (v) gives no reasoned findings of fact or of law. The mandate to pass a reasoned and speaking order is well established by the Hon'ble Supreme Court of India in S.N. Mukherjee v. Union of India, (1990) 4 SCC 594, and squarely applies to a quasi-judicial body such as the CGRF. The Reply does not even attempt to defend the impugned Order on this ground.
21. **Compensation under Regulation 2.42:** The Respondent has not pleaded any reply to the Appellant's prayer for compensation under Regulation 2.42 of the HERC (Forum and Ombudsman) Regulations, 2020. The Appellant has, by virtue of the Respondent's admitted departmental error, been compelled to (i) endure an exorbitant and patently inflated demand of Rs. 13,51,259/- in August 2024; (ii) suffer an illegal disconnection of supply on 16.12.2025 during the pendency of the CGRF complaint; (iii) make multiple personal visits and written representations; (iv) engage legal counsel and incur professional fees and litigation costs; and, (v) suffer continuing harassment and reputational damage to the commercial operations of a private limited company. The unrebutted prayer for compensation deserves to be allowed on this ground alone.

REASONS FOR NON-DEPOSIT OF DUES AFTER DECEMBER 2025

22. By the impugned Order dated 12.02.2026, the CGRF closed the consumer's grievance and directed the Appellant to pay the Respondents' unilaterally revised figure of Rs. 3,71,432.80/-. The Appellant, being aggrieved, assail the said Order before this Hon'ble Authority by way of the captioned Appeal. In the meanwhile, and in order to ensure that the captioned Appeal was not rendered infructuous by coercive recovery, the Appellant issued a detailed written representation dated 18.02.2026 through email on 23.02.2026 at 18:07 hrs to the Superintending Engineer/OP Circle Gurgram-II, the XEN Sub-Urban Division, Gurugram, the SDO DLF Gurugram and the CGRF Gurugram, seeking permission to deposit the current consumption charges during the pendency of the captioned Appeal and seeking a stay of disconnection. The said representation expressly contained the Appellant's undertaking that it 'shall continue to pay all current and future consumption charges regularly without default'.
23. Notwithstanding the said written representation, and in spite of repeated bona fide attempts by the Appellant to physically deposit the current consumption charges at the office of the Respondent-SDO, the officials of the Respondent department refused to accept the payment of the current bills. This refusal is contemporaneously recorded in the very text of the representation dated 18.02.2026 in the words 'Kinaly Be noted that we have tried to submit to your good office but it was denied to accept the officials'. In spite of the aforementioned

representation, the Respondent refused to permit the Appellant make payment accordingly. Hence, the Appellant, on 13.04.2026 itself (at 16:55 hrs, immediately upon receiving the SDO's e-mail of 13:42 hrs), placed before this Hon'ble Authority and the SDO, by e-mail, a detailed clarification recording that 'the allegations regarding non-payment of current bills are incorrect, misleading, and contrary to the record', that the Appellant 'has, in fact, been continuously willing and ready to pay the current consumption charges', and that 'despite such bona fide efforts, the officials of the Opposite Party deliberately refused to accept the payment of current dues, as also recorded in the said representation'.

24. The Appellant respectfully submits that the non-deposit of current dues during the period after 22.12.2025 is therefore not attributable to any default, neglect or unwillingness on the part of the Appellant, but is the direct consequence of the conduct of the officials of the Respondent department in refusing to accept payment. The Hon'ble Supreme Court of India has on numerous occasions deprecated the conduct of government officials who seek to coerce a consumer into making payment of a disputed amount in full by refusing to accept the undisputed component. The Respondents cannot be permitted to first decline acceptance of current dues and then to allege non-payment of those very dues.

LEGAL SUBMISSIONS

25. **Section 56(2) of the Electricity Act, 2003:** The provision reads '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 a period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrears of charges for electricity supplied and the licensee shall not cut off the supply of electricity'. First, per Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan (2020) 4 SCC 650, the words 'first due' mean the date on which the bill is issued and not the date of consumption. Secondly, as per M/s Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd. decided by the Hon'ble Supreme Court of India on 05.10.2021, the bar of Section 56(2) operates on two distinct rights of the licensee i.e., the right to recover and the right to disconnect. The licensee may raise an additional bill where there has been a bona fide error, but it cannot disconnect supply to enforce that bill where the condition of 'continuous reflection as recoverable arrears' is not satisfied. On the facts admitted by the Respondent in its own Reply, the saving condition is not satisfied as the disputed arrears were not shown in any monthly bill from 08.02.2022 to 16.07.2024. The bar therefore applies in full.

26. **Section 56(1) of the Electricity Act, 2003:** The provision permits disconnection only after the consumer 'neglects to pay' and only 'after giving not less than fifteen clear days' notice in writing'. The disconnection effected on 16.12.2025 was without any speaking order, without any fifteen (15) days' written notice, and during the pendency of a complaint before the CGRF. The Notice dated 07.04.2026 (Memo No. 2439) threatened disconnection within seven (7) days,

which on the face of it does not comply with the statutory minimum of fifteen (15) days. Hence, both actions of the Respondent are ultra vires Section 56(1).

27. **Bar against disconnection during pendency:** The Hon'ble Supreme Court of India in *M.P. Electricity Board v. Smt. Basantibai* AIR 1988 SC 71, held that the electricity board is not competent, pending determination of a billing dispute by the appropriate authority, to issue a notice threatening or effecting disconnection of supply. The principle has consistently been applied by High Courts to disconnections effected during the pendency of CGRF or Ombudsman proceedings.
28. **LPSC on departmental-error arrears:** There is no provision in the Electricity Act, 2003, the HERC (Electricity Supply Code) Regulations, 2014, or the DHBVN Sales Circulars permitting the levy of LPSC on amounts which the licensee itself admits were not lawfully due, or which arose solely on account of the licensee's own departmental error. The Respondents have, in their Reply, neither cited any such provision nor placed any judicial authority to support the same. The LPSC of Rs. 37,384.22/- admittedly levied on the wrongful demand of Rs. 2,10,084/- must be reversed, and equally, all LPSC charged on the principal disputed sum of Rs. 13,21,146.93/- (which has since been reduced by approximately 72%) is liable to be set-aside.
29. **Speaking order requirement:** As per the judgment in *S.N. Mukherjee v. Union of India* (1990) 4 SCC 594, and the consistent jurisprudence of the Hon'ble Supreme Court of India, every quasi-judicial order must be supported by reasons. The impugned Order of the CGRF dated 12.02.2026 fails this test on a bare perusal thereof.
30. **Compensation:** Regulation 2.42 of the HERC (Forum and Ombudsman) Regulations, 2020 empowers this Hon'ble Authority to award compensation for deficiency in service. The Appellant respectfully submits that the present case, comprising of an admitted departmental error of nearly twenty-nine months, repeated downward revisions of demand, an illegal disconnection during the pendency of a complaint, refusal to accept current bill payments, and harassment of a commercial consumer, is a textbook case for grant of compensation.

PRAYER

In light of the abovementioned facts and circumstances, it is humbly prayed that this Hon'ble Authority may be pleased to:

a. set aside the Impugned Order dated 12.02.2026 passed by the Corporate CGRF, DHBVN, Gurugram in Complaint No. DH/CGRF/4977/2025;
b. declare the demand of arrears, surcharge, LPSC and non-energy charges raised pursuant to the SDO's overhauling exercise of August 2024 and the subsequent Notice dated 07.04.2026 (Memo No. 2439) as illegal, arbitrary and unsustainable, having arisen solely from the admitted departmental error of the Respondents;

c. hold and declare that the bar under Section 56(2) of the Electricity Act, 2003 applies in respect of the disputed arrears as the saving condition (continuous reflection as recoverable arrears) being admittedly not satisfied;

d. hold and declare that the disconnection of supply effected on 16.12.2025 was without jurisdiction and in violation of Section 56(1) of the Electricity Act, 2003 and the judgment of the Hon'ble Supreme Court of India in *M.P. Electricity Board v. Smt. Basantibai* AIR 1988 SC 71;

e. direct the Respondents to refund and / or adjust the entirety of the LPSC and surcharge levied on the disputed arrears, including the admitted LPSC of Rs. 37,384.22/- on the wrongful demand of Rs. 2,10,084/-, together with simple interest at such rate as this Hon'ble Authority may deem fit;

f. direct the Respondents to identify the delinquent official(s) responsible for the failure to remove and de-link the old whole current meter from the CCB system, in compliance with the Interim Order dated 13.04.2026, and to place the pre-audited ledger and calculation sheet on record for consideration;

g. award compensation to the Appellant in the sum of Rs. 5,00,000/- (Rupees Five Lakh only) for harassment, reputational damage and inconvenience occasioned by the illegal and arbitrary actions of the Respondents, including the illegal disconnection of 16.12.2025;

h. award costs of litigation to the Appellant in the sum of Rs. 2,00,000/- (Rupees Two Lakh only); and,

i. pass any such further or other order(s) as this Hon'ble Authority may deem fit and proper in the facts and circumstances of the case and in the interest of justice.

I. Hearing was held today i.e. 14.05.2026, as scheduled which was attended by both the parties through VC.

At the outset, the counsel for the Appellant submitted that the Appellant has already deposited a sum of Rs. 1,35,879/- (being 20% of the then disputed amount of Rs. 6,79,395/-) in compliance with the directions contained in the Interim Order dated 13.04.2026 passed by this Office. The said fact is taken on record.

Thereafter, the status of compliance of the directions issued vide Interim Order dated 13.04.2026 was called for from the Respondents.

The Respondent-SDO submitted that the pre-audit of the ledger and calculation sheet is under process and is likely to be completed within the next 7 days, after which a point-wise reply would be filed.

Learned counsel for the Appellant raised strong objections and pointed out that the Respondent-SDO was selectively addressing only one aspect (corresponding to direction No. 4 of the Interim Order) while deliberately avoiding compliance with the other substantive directions, particularly directions at paras B(ii), B(iii) & B(v) of the Interim Order dated 13.04.2026, which required preparation and supply of a complete and transparent ledger, identification of delinquent officials, and furnishing of the pre-audited documents to the Appellant and this Office.

This Office records its strong displeasure at the unprofessional, casual and evasive approach adopted by the Respondent-DHBVN in the matter. Despite sufficient time having elapsed since the Interim Order dated 13.04.2026 and clear, unambiguous directions having been issued, the Respondents have failed to demonstrate due diligence and full compliance. Such conduct not only amounts to non-compliance of the directions of this Office but also reflects poorly on the institutional accountability expected from a public utility.

In view of the above and in the interest of justice, the following directions are issued:

1. The Respondents shall ensure full and complete compliance of all directions contained in the Interim Order dated 13.04.2026, without exception. This includes, but is not limited to, preparation of a complete and transparent ledger from the date of load extension (September 2021) till date, identification of the delinquent officials responsible for the billing errors, pre-audit of the entire ledger and calculation sheet by the office of the Chief Auditor / CBO, DHBVN, and supply of the same to the Appellant as well as to this Office.
2. The Respondents shall file their detailed point-wise reply/rejoinder to the Rejoinder filed by the Appellant on or before 29.05.2026, positively. A copy of the same shall be served upon the counsel for the Appellant simultaneously.
3. Any further failure to comply with the directions of this Office shall be viewed seriously.

The Appellant shall file any additional response, if so desired, within 7 days of receipt of the Respondents' reply.

The next date of hearing is fixed for 04.06.2026.

J. On 28.05.2026, counsel of respondent has submitted reply to the rejoinder which is as under:-

1. That as per order dated 13-04-2026 quo status has been maintained regarding the electricity supply connection.

2. That the complete and transparent ledger as directed by Ld. Electricity Ombudsman is enclosed. Copy of Ledger is attached separately through Email with this reply.

3. That upon scrutiny of records it has been found that the meter (sr. no.5018712) of subject cited consumer was replaced with smart meter (sr. no. GP7886130) on dated: 10/07/2021 by L&T with Initial reading 1kwh which was removed on Final reading 11495kwh on dated: 03/09/2021 on EOL. But the MCO of smart meter was not updated in CCB by the L&T within stipulated timeline. On dated 03/09/2021, load of the consumer was extended from 15kw to 50kw, on extension of load the LT

CT Meter (Sr. No. HRT93335) was also updated on dated: 07/10/2021 in CCB. But after that the whole current smart meter was updated by L&T on dated: 09/02/2022. Therefore, the bills were issued on average/PR basis from 08/02/2022 to 16/07/2024.

Keeping in view the above facts, the agency replacing the whole current meter with smart meter is responsible for late i.e. even after installation & updation of L.T C.T meter in CCB which caused the whole mess up. Therefore, SE smart city has been written to take action against the agency as per contract terms & conditions.

The entire ledger along with detailed calculation got pre-audited from Audit wing and accordingly, a review sheet of calculation has been prepared duly signed by the SDO 'OP' DLF City Sub Division, The XEN 'OP' Sub Urban Division and Committee of Audit wing is attached herewith separately with this reply through Email. On the basis of audit an amount of Rs.1,07,895/- is refundable on account of difference of LPSC (Late payment Surcharge) & difference of FSA due to rate revision, which has already been processed. No officer/official is responsible, except the L&T agency which created the whole mess up, causing this case, adding wrong billing effects.

4. That the Pre-audit sheet and calculation sheet has sent to the appellant through email.

The detailed reply/rejoinder to the rejoinder filed by the appellant is as under:-

That the contents of rejoinder are not based on facts. Hence denied.

1. That the contents of point 1 are matter of record so needs no reply.

2. That the contents of point 2 are wrong and not admitted.

3. That the reply of point no. 3 are as under:

(i) The supply was disconnected on account of outstanding dues against the consumer as no stay order was passed by CGRF regarding non-disconnection of supply during the pendency of the CGRF complaint.
(ii) That the bill issued to the consumer be considered as a notice under Section 56 of the Electricity Act, 2003. (The same has also been mentioned on the electricity bill)
(iii) The arrears are continuously shown in the bills as recoverable.
(iv) Keeping in view the above facts, the applicant's plea is wrong and denied.

4. That Points nos. a to c of para 4 are matter of record. That the reply submitted in compliance with the interim order above be read as part of the reply to these points.

5. That the contents of point 5 are wrong and the copy of transparent ledger and review of consumer account for the whole disputed period is duly attached herewith.

6. That point no 6 to 16 are reply of reply in appeal no. 6/2026 submitted by respondent department on 07-04-2026 and is matter of record needs no reply. That the reply submitted in compliance with the interim order above be read as part of the reply to these points.

7. That remaining points of rejoinder are replied in the following submissions:
    1. Duly authenticated copy of the record available are herewith enclosed.
    2. The LTCT meter bearing sr. no. HRT993335 was updated in CCB system on dated: 07/10/2021 well in time but after that M/s L&T who replaced whole current meter with smart meter earlier has updated that smart meter on dated: 09/02/2022.
    3. The inclusion of the period as mentioned is necessary to understand the charging of the billing.
    4. The LPSC charged wrongly has been identified during the pre-audit/ review of account and is being adjusted/refunded as detail mentioned in pre-audit.
    5. That the credit for Rs. 135879 already deposited by the appellant on dated: 19/12/2025 is wrong and denied. The same can be verified with the ledger attached.

    So it is, therefore, prayed that keeping in view the above contentions of the respondent department the present appeal of the appellant may kindly be dismissed and pass any other order in favour of respondent in the interest of justice.

K. On 03.06.2026, counsel of appellant submitted written submissions which is as under:-

1. The present Written Submissions are being filed by the Appellant. The contents of the Appeal, the Interim Application dated 11.04.2026, and the Rejoinder already filed by the Appellant may be read as part and parcel of the present Written Submissions and are not being repeated for the sake of brevity.

2. The contents of the Reply to Rejoinder, save and except those that are matters of record or are expressly admitted herein, are denied as being wrong, misconceived, contrary to law, contrary to the documentary record placed by the parties, including the Respondents' own pre-audited ledger and contemporaneous communications, and contrary to the admissions made by the Respondents themselves at successive stages of these proceedings. Any plea in the Reply to Rejoinder not specifically traversed in this filing shall not be deemed admitted; the Appellant denies all such pleas.

3. At the outset, the Appellant respectfully submits that the Reply to Rejoinder is significant for what the Respondent-Department concedes and for the manner in which the Respondent-Department's case has shifted at each stage of the proceedings.

I. DIFFERENT POSITIONS ADOPTED BY THE RESPONDENT-DEPARTMENT

4. The Respondent-Department has, at each successive stage of these proceedings, advanced a different version of the facts and a different quantum of the disputed amount. The following tabular chronology, drawn entirely from documents already on record, demonstrates this pattern:

Table A

S. No.	Date / source	Amount alleged	What it represented
1.	Bill dated 13.08.2024	Rs. 13,51,259/-	Initial overhauling demand (including arrears Rs. 13,21,146.93/-)
2.	Revised bill issued in March 2025	Rs. 6,26,474/-	After credit of Rs. 7,85,367/- (1st admitted overcharge)
3.	SDO email dated 13.04.2026	Rs. 6,79,395/-	"Disputed amount" used to compute 20% (Rs. 1,35,879/-)
4.	Reply / para 5	Rs. 6,18,901/-	"Total Outstanding as on 18-01-2026"
5.	Reply / para 6	Rs. 3,71,432.80/-	"Net Payable" after admitted Rs. 2,10,084 + LPSC Rs. 37,384.22
6.	SDO Notice (Memo No. 2439)	Rs. 4,98,084/-	Rs. 3,71,432.80/- + current dues of Rs. 1,26,651/-
7.	Pre-audited ledger (xls) - "Notable Points" K	Rs. 3,37,128.49/-	New revised amount

5. This Hon'ble Ombudsman, in para 5(a) of the Interim Order dated 13.04.2026, already recorded that the Respondents' repeated explanations are "non-transparent" and that the SDO's explanation is "unsatisfactory", which finding is binding on the present proceedings and the further revision from Rs. 3,71,432.80/- to Rs. 3,37,128.49/- in the latest pre-audited ledger only re-inforces it.

A. Shift in the narrative of fault

6. The Respondent-Department has, at successive stages, also pleaded materially different narratives about the cause of the dispute. In the Reply filed to the Appeal, the Department placed responsibility squarely on itself by an "inadvertent" departmental updation of the wrong meter in the CCB system. In the Reply to Rejoinder, the Department for the first time names a third party (M/s. L&T) and is attempting to attribute responsibility to L&T. The two pleadings are reproduced below:

Position #1 – Original Reply / paragraph 2:

Earlier the whole current meter was installed at the premises of the appellant. During September 2021 the sanctioned load of the consumer bearing account number 8669450000 was extended from 15 kw to 50 kw. (Annexure R-1).

2. That LTCT meter was installed at the premises of the appellant and the whole current meter was removed. But inadvertently the whole current meter was updated in the Computerized Consumer Billing (CCB) system, instead of the newly installed

LTCT meter. And the bills of the appellant were issued on average basis from 08/02/2022 to 16/07/2024.

3. That whole current meter which was existing prior to extension of load was removed on reading 290223 kwh at the time of extension of load.

(Extract reply filed by respondent department/paragraph 2)

Position #2 – Reply to Rejoinder dated May 2026 / paragraph 3:

3. That upon scrutiny of records it has been found that the meter (sr. no.5018712) of subject cited consumer was replaced with smart meter (sr. no. GP7886130) on dated: 10/07/2021 by L&T with Initial reading 1kwh which was removed on Final reading 11495kwh on dated: 03/09/2021 on EOL. But the MCO of smart meter was not updated in CCB by the L&T within stipulated timeline. On dated 03/09/2021, load of the consumer was extended from 15kw to 50kw, on extension of load the LT CT Meter (Sr. No. HRT93335) was also updated on dated: 07/10/2021 in CCB. But after that the whole current smart meter was updated by L&T on dated: 09/02/2022. Therefore, the bills were issued on average/PR basis from 08/02/2022 to 16/07/2024.

Keeping in view the above facts, the agency replacing

(Extract: Reply to rejoinder/paragraph)

7. A comparison of the above demonstrates a complete change in the pleaded narrative by the same Respondent-Department in the same Appeal. In the first pleading, the Respondent-Department admits departmental fault but in the second pleading, attempts to re-characterise that admission and shift the blame to a contractor. The Appellant respectfully submits that the same is impermissible as (i) an admission once made by a party in a quasi-judicial proceeding cannot be retracted to the prejudice of the other party; (ii) the second pleading is a material departure that introduces a new “agency defence” that was pleaded or expressed at any point in time; and (iii) on merits, the agency defence is unavailable to the licensee against the consumer, for the reasons set out below.

II. THIRD ADMITTED OVERCHARGE - RS. 1,07,895/-

8. At paragraph 3 of the Reply to Rejoinder, the Respondent-Department admits, for the first time, that an additional sum of Rs. 1,07,895/- is refundable to the Appellant on account of (i) difference of LPSC; and, (ii) difference of FSA due to rate revision, and that the refund “has already been processed”. The relevant extract is reproduced below:

been written to take action against the agency as per contract terms & conditions.

The entire ledger along with detailed calculation got pre-audited from Audit wing and accordingly, a review sheet of calculation has been prepared duly signed by the SDO 'OP' DLF City Sub Division, The XEN 'OP' Sub Urban Division and Committee of Audit wing is attached herewith separately with this reply through Email. On the basis of audit an amount of Rs.1,07,895/- is refundable on account of difference of LPSC (Late payment Surcharge) & difference of FSA due to rate revision, which has already been processed. No officer/official is

(Extract reply to rejoinder/paragraph 3- third admitted refund of Rs. 1,07,895/- on pre audit.

9. After considering this admission, the increasing concessions of the Respondent-Department's overcharging now stands as follows:

Table B – Admitted overcharges by the Respondent-Department

S. No.	Source	Admitted amount
1.	Credit in revised bill of March 2025 (admitted in Reply)	Rs. 7,85,367/-
2.	Double-charge via Half Margin No. 67/29 (Reply / paragraph 6)	Rs. 2,10,084/-
3.	Difference of LPSC + FSA per pre-audit (Reply to Rejoinder / paragraph 3)	Rs. 1,07,895/-
	Total admitted overcharge as on date	**Rs. 11,03,346/-**

10. Against the original demand of Rs. 13,51,259/- (August 2024), the Respondents' own admissions, as extracted above, disclose overcharging of Rs. 11,03,346/-, which is over 81% of the original demand. With every successive filing, the Respondents have conceded further overcharge while continuing to assert that the residual balance is correctly recoverable. This uncertainty and repeated revision by the Respondent-Department is in breach of the transparent calculation that this Hon'ble Authority directed under Direction B(ii) of the Interim Order. Accordingly, it stands admitted that not only was the original demand inflated, arbitrary and unsustainable, but even the LPSC charged on every demand is itself unsustainable in law.

III. PARA-WISE REPLY TO THE REPLY TO REJOINDER

11. Paragraph 1 of the Reply to Rejoinder: The compliance with the status quo direction of paragraph B(i) of the Interim Order is a matter of record. It is reiterated that the said direction expressly prohibits any disconnection during the pendency of this Appeal.

12. Paragraph 2 of the Reply to Rejoinder: The transmission of the "complete and transparent ledger" by e-mail is a matter of record. However, the Appellant submits that the Respondent-Department have failed to explain the document in their reply, which has to be read as is without affording the Respondent-Department any further opportunity to provide any explanation or defense thereto. Save and except the columns showing the Appellant's payments, the Appellant denies that the ledger is either "complete" or "transparent".

13. Paragraph 3 of the Reply to Rejoinder: The same is denied being a material departure from the case pleaded by the Respondent-Department in the Reply to the Appeal. Firstly, the Reply to Rejoinder for the first time introduces a smart meter Sr. No.

GP7886130 (allegedly installed by L&T on 10.07.2021 and removed on 03.09.2021 at final reading 11,495 kWh) and pleads that L&T overwrote the CCB on 09.02.2022. None of this was pleaded in the Reply, which had attributed the error to "inadvertent" updation by the Department itself. Secondly, even considering the Respondent-Department's new pleaded case, the LT-CT meter HRT93335 was, on the basis of the Department's own admission, correctly updated in the CCB on 07.10.2021. The agency relationship between DHBVN and L&T has no bearing on the Appellant as the Appellant is not privy or liable to suffer on account of the same. Thirdly, the assertion that "no officer/official is responsible, except the L&T agency" is a direct contravention of Direction B(iii) of the Interim Order, which required the Respondents to "identify the delinquent official(s)" for the failure to remove and de-link the old whole current meter from the CCB system. Hence, the SDO cannot exonerate the M&P wing and billing officials in such a casual fashion when this Hon'ble Ombudsman categorically directed identification of the erring Respondent-Department's officers. Fourthly, paragraph 3 now admits that the Appellant is entitled to a further refund of Rs. 1,07,895/-, which fact has only been disclosed in the Reply to the Rejoinder and was concealed before the Adjudicating Authority and the Reply to the captioned Appeal.

14. Paragraph 4 of the Reply to Rejoinder: The Appellant denies that contents thereof as there is no pleading in the Reply to Rejoinder that the pre-audit purportedly carried out is in compliance of Direction B(iv) of the Interim Order, namely a pre-audit by the office of the Chief Auditor / CBO, DHBVN. The Appellant respectfully submits that the certificate annexed by the Respondent-Department appears to be signed by the SDO-OP-DLF City, the XEN OP Sub-Urban Division and an Audit-wing committee, and not by the Chief Auditor / CBO of DHBVN as expressly directed. To that extent, Direction B(iv) of the Interim Order has not been complied with in its full terms.
15. Para-wise reply at internal point 1 (Contents of rejoinder are not based on facts): The bald, vague and unspecified denial by the Respondent-Department is an evasive plea under Order VIII Rule 5 CPC read with Rule 3 CPC. The Appellant's rejoinder is based on specific documents mentioned therein. A generic denial by the Respondent-Department must be treated as an evasive denial, which is a deemed admission under law.
16. Para-wise reply at internal point 3 (Section 56): The three contentions advanced by the Respondent-Department that (i) the disconnection of 16.12.2025 was lawful because (ii) the bill issued to the consumer be considered as a notice under Section 56; and (iii) "the arrears are continuously shown in the bills as recoverable" – are all false, misleading and unsustainable in law, as explained below by the Appellant.
17. Para-wise reply at internal point 4: Matters of record.
18. Para-wise reply at internal point 5: The contents thereof is denied. The bald and vague assertion by the Respondent-Department that the Appellant's figures are "wrong" in light of the ledger is without any basis on account of lack of any explanation as to the Department's conclusion.

19. Para-wise reply at internal points 6 to 7(4): Subject to the rejoinder filed by the Appellant earlier and the contents of Headings I to VII of this filing, no further reply is necessary.

20. Para-wise reply at internal point 7(5) (denial of Rs. 1,35,879/- credit): The contents are strongly denied. The credit of Rs. 1,35,879/- deposited on 19.12.2025 by the Appellant pursuant to the order of the Corporate CGRF is (i) expressly recorded by the SDO in its own e-mail dated 13.04.2026 at 01:42 PM addressed to this Hon'ble Ombudsman; (ii) expressly recorded in paragraph 4 and Direction A(i) of the Interim Order dated 13.04.2026 with the further direction that the said sum "shall be duly accounted for and adjusted by the SDO while calculating the fresh 20% now directed"; and (iii) corroborated by the "PAID_TOT" column of the Department's own excel sheet ledger.

IV. L&T DEFENCE IS LEGALLY UNTENABLE AS AGAINST THE CONSUMER

21. The Appellant respectfully submits that the new attempt by the Respondent-Department to lay the entire blame at the door of M/s L&T is unavailing for the following independent reasons:

a. Statutory responsibility lies on the distribution licensee: Section 42 of the Electricity Act, 2003 places the obligation to develop and maintain an efficient distribution licensee. Section 50 read with the Haryana Electricity Regulatory Commission (Electricity Supply Code) Regulations places responsibility for recovery of charges, intervals for billing, disconnection for non-payment, and "entry of distribution Licensee or any person acting on his behalf" for, inter alia, replacing and maintaining the meter, on the distribution licensee. The licensee's contractor falls squarely within the category of "any person acting on his behalf" and the licensee's liability is not displaced by sub-contracting.

b. No privity exists between the Appellant and L&T: The Appellant's contract of supply is with DHBVN and pays its bills to DHBVN, raises complaints with the SDO of DHBVN, filed representations before the CGRF and the captioned Appeal before this Hon'ble Ombudsman against DHBVN. There is no privity of any kind between the Appellant and L&T, and the Appellant cannot be required either to litigate against L&T or to suffer the consequences of a contractor's alleged failure. As between the consumer and the licensee, the licensee is responsible for the acts and omissions of its agents.

c. The MT-1 Performa of 07.10.2021 evidences direct departmental certification of the LT CT meter: The Respondent-Department itself has placed on record the M&P Division Gurugram's MT-1 Performa dated 07.10.2021 for meter HRT93335 (MF 20), which is counter-signed by the Sub-Divisional Officer (M&P), the M&P Officer, the SDO/JE (OP/AFM), the XEN (M&P) Division Gurugram, the Chief Auditor and the Superintending Engineer (M&P) DHBVN, Hisar.

Thus, the MT-1 Performa establishes that, as on 07.10.2021, the LT-CT meter HRT93335 was within the actual knowledge and certification of the M&P, billing and audit wings of DHBVN. The suggestion in the Reply to Rejoinder that the licensee was a passive bystander while L&T mis-handled the CCB is completely denied and impermissible.

d. The "Existing Meter Details" extract is internally inconsistent with the new pleading of the Respondent-Department: The Respondent-Department also relies on the following "Existing Meter Details" extract from its system:

The only verified reading on record for meter 5018712 (the original whole current meter) is dated 15.11.2018, with a recorded final reading of 290223.00 kWh.

The "Verified Date" in the Department's own snapshot is 16.11.2018 i.e., nearly three years before the load extension and the alleged L&T smart-meter installation of 10.07.2021. The Respondent-Department has placed no contemporaneous meter-removal challan, no contemporaneous M&P report, and no spot-billing entry that establishes the actual final reading of meter 5018712 on the day of its replacement. The 290223 figure relied upon by the SDO is a 2018-era system field, not an event-based reading. Consequently, the entire calculation of the overhaul ("284041 to 290223 = 6182 kWh") is without any foundation.

e. Even on its own terms, the L&T defence does not aide the Respondent-department: Without prejudice and assuming without admitting that L&T's MCO updation in February 2022 was the cause of the CCB error, the legal consequence between the licensee and consumer remains unchanged as (i) the bills for the period 08.02.2022 to 16.07.2024 were issued by DHBVN, accepted by DHBVN, encashed by DHBVN, and (after the overhaul) supplemented by DHBVN; (ii) the consumer never had any dealings with L&T; (iii) LPSC is a delay-penalty payable to DHBVN, and DHBVN cannot levy a delay-penalty on the consumer for delays caused by its own contractor; and (iii) the bar of Section 56(1) (15 days' notice) and Section 56(2) (continuous reflection as arrears) operates against the licensee, not against the contractor. The new defence, even if accepted on facts, is therefore legally unsustainable.

V. "THE BILL IS THE NOTICE" - LEGALLY MISPLACED UNDER SECTION 56(1)

22. The Reply to Rejoinder, at internal point 3(ii), contends that "the bill issued to the consumer be considered as a notice under Section 56 of the Electricity Act, 2003", which is impermissible for the following reasons:

a. The plain text of Section 56(1): Section 56(1) requires the licensee "not less than fifteen clear days' notice in writing" before disconnection. The expression "clear days' notice in writing" requires a communication addressed to the consumer in respect of the proposed disconnection, and has to provide a full period of fifteen days within which to either pay or apply for relief. A general and generic printed warning at the foot of a monthly bill does not satisfy any of these requirements. It is settled law that the bill itself is not a substitute for the statutory notice and that a separate, distinct fifteen-day written notice is mandatory.

b. The 16.12.2025 disconnection: On the basis of the Respondent-Department's own pleading, the supply was disconnected on 16.12.2025 i.e., twelve days after the Appellant approached the CGRF by way of complaint dated 04.12.2025 and three days before the Appellant's 20% deposit of 19.12.2025. No fifteen-day written notice was admittedly issued and the Respondent-Department's defence that "no stay was passed by CGRF" is not a substitute for compliance with Section 56(1).

c. The Notice dated 07.04.2026 (Memo No. 2439): The said notice issued by the Respondent-Department threatened disconnection within seven days, which is half of the statutory minimum and is therefore void ab initio under Section 56(1).

d. M.P. Electricity Board v. Smt. Basantibai: The Hon'ble Supreme Court in M.P.E.B. v. Smt. Basantibai AIR 1988 SC 71, held that the licensee is not competent, pending determination of the dispute by the appropriate authority, to issue a notice threatening disconnection of supply. The said ratio is fully applicable where the dispute was pending before a statutory grievance forum (CGRF), inspite of which the Respondent-Department proceeded with disconnection as admitted by them.

VI. THE DENIAL OF THE RS. 1,35,879/- CREDIT IS CONTRARY TO THE RECORD

23. At internal point 7(5) of the Reply to Rejoinder, the Respondent-Department "denies" the credit of Rs. 1,35,879/- deposited by the Appellant on 19.12.2025 and asserts that the same "can be verified with the ledger attached". The same is reproduced therein below:

Dated: 09.02.2022.

3. The inclusion of the period as mentioned is necessary to understand the charging of the billing.

4. The LPSC charged wrongly has been identified during the pre-audit/ review of account and is being adjusted/refunded as detail mentioned in pre-audit.

5. That the credit for Rs. 135879 already deposited by the appellant on dated: 19/12/2025 is wrong and denied. The same can be verified with the ledger attached.

So it is, therefore, prayed that keeping in view the above

(Extract reply to rejoinder/internal point 7(5)-the SDO's denial of the Rs. 1,35,879/- deposit

24. The denial is contrary to the documentary record before this Hon'ble Authority:

a. The SDO's e-mail dated 13.04.2026 at 01:42 PM: In response to the Ombudsman's notice regarding the 13.04.2026 hearing, the SDO who now denies the said deposit had categorically informed this Hon'ble Ombudsman that:

Respected Sir
In context of appeal No 06/2026, it is submitted that Rs 135879/- i.e 20% of disputed amount of Rs. 679395/- was paid by M/s C.G Food India Pvt Ltd on dated 19/12/2025. However, the consumer has not made any payment after 22/12/2025. Even current bills of (Jan-56661/-, Feb-65023/-, Mar-42067/-) respectively not been paid by M/s C.G Food India Pvt Ltd.
The above is submitted for kind information of Hon'ble Electricity Ombudsman.

From: Electricity Ombudsman <deputysecretaryeo@gmail.com>
Sent: 13 April 2026 10:24

Extract: SDO's e-mail dated 13.04.2026 at 01:42 PM to this Hon'ble Electricity Ombudsman expressly admits the deposit of Rs. 1,35,879/- on 19.12.2025.

b. The Interim Order dated 13.04.2026 expressly records thedeposit: Direction A(i) of the Interim Order passed by thisHon'ble Ombudsman records the deposit and directed that it“shall be duly accounted for and adjusted by the SDO whilecalculating the fresh 20% now directed”. The relevant extractis reproduced below:

A. Directions to the Appellant:

i) The Appellant shall deposit 20% of the disputed amount as per the SDO's Notice dated 07.04.2026 (i.e., 20% of Rs. 4,98,084/-) with the Respondent-SDO within three (3) days from the date of this Order. (It is clarified that the 20% already deposited @ Rs. 1,35,879/- by the Appellant pursuant to the CGRF order dated 19.12.2025 shall be duly accounted for and adjusted by the SDO while calculating the fresh 20% now directed.)

ii) The appellant will also explain in their reply/rejoinder the reasoned for not depositing the dues after December 2025 till date.

iii) The appellant will submit their current electricity bill well in time being current charges.

Extract: Interim Order dated 13.04.2026 / Directions to the Appellant / sub-direction A(i) records the Rs. 1,35,879/- deposit and directs the SDO to account for and adjust it.

c. **The Respondent-Department's audit ledger:**

The "PAID_TOT" column of the said ledger that is relied upon by the Department shows substantial monthly payments by the Appellant through 2024-2026 (e.g., PAID_TOT entries of Rs. 1,27,802 in January 2025, Rs. 1,06,625 in March 2025, Rs. 2,12,825 in January 2026), and the "Notable Points" summary records payments of Rs. 11,39,342/- and a further Rs. 10,99,450/-. The 19.12.2025 deposit of Rs. 1,35,879/- is therefore admitted in the cumulative payments, contrary to the false denial by the Respondent-Department.

25. The categorical denial of the credit of Rs. 1,35,879/- in the Reply to Rejoinder is therefore (i) inconsistent with the SDO's own contemporaneous e-mail; (ii) inconsistent with the Interim Order; and (iii) inconsistent with the Department's own pre-audited ledger. The Appellant respectfully prays that this Hon'ble Authority be pleased to direct the SDO to forthwith carry the Rs. 1,35,879/- credit into the pre-audited ledger as an admitted payment and to issue a corrected calculation.

VII. INTERNAL INCONSISTENCIES IN THE PRE-AUDITED LEDGER

26. The ledger annexed by the Respondents (file 8669450000.xls) prima facie contains the following inconsistencies which need to be reconciled before any net-payable figure is accepted:

Table C – Anomalies in the pre-audited ledger

S. No.	Ledger row(s) and date	Recorded entry	Inconsistency
1.	Rows 35 & 36 (Bills of 14.12.2021 and 23.12.2021)	Meter Sr. No. "HRT93335" with OLD 284041, NEW 290223, MF = 20, units billed 18,462 / 19,042	The readings 284041 to 290223 are the whole-current-meter (5018712) readings and ought not to have been recorded against the LT-CT meter HRT93335 with MF 20. The same entry corroborates the Appellant's plea that the CCB carried the wrong meter.
2.	Rows 18 & 19 (Bills of 26.07.2024 and 30.07.2024)	Meter HRT93335: OLD = NEW = 48424 (zero difference); UNITS CONSUMED 2,53,252.40 / 84,792	The bills through which the August 2024 demand was generated recorded zero differential reading but high "units consumed" without any explanation by the Department.
3.	Row 17 (Bill of 13.08.2024)	ARR_SOP Rs. 12,16,755.39/- (first mention of disputed arrears)	The condition under Section 56(2) ("continuously shown as recoverable") is not satisfied for any period prior to August 2024.
4.	Row 14 (Bill of 13.03.2025)	ADJ_SOP -7,85,367 (the first admitted credit)	Confirms the inflated nature of the August 2024 demand.
5.	Row 22 (Bill of 12.04.2024)	ADJ_SOP 2,10,084 (the Half Margin entry charging 76,900 chargeable units twice)	Confirms the double-charge admitted in the Department's Reply at paragraph 6.
6.	"Notable Points", item K	Total Outstanding: Rs. 3,37,128.49/-	Fifth new figure of the disputed amount, lower than Rs. 3,71,432.80/- (Reply) and Rs. 4,98,084/- (Notice dated 07.04.2026).

27. The Appellant respectfully submits that these discrepancies have not been addressed and this Hon'ble Ombudsman ought to direct the Respondent-Department to (i) produce a unit-based calendar showing, for each meter and each billing month from September 2021 to date, the actual reading, the units billed, the multiplying factor applied, the date the units became "first due" and the bill in which the same were so reflected; and (ii) produce the original Half Margin No. 67/29 along with proof of any payment by the Appellant. Until these reconciliations are carried out, the Respondent-Department must be deemed to have failed to file a "transparent ledger" on the record of this Hon'ble Ombudsman in terms of paragraph B(ii) of the Interim Order.

VIII. COMPLIANCE WITH THE INTERIM ORDER DATED 13.04.2026

A. Direction A(i) – deposit of 20%

28. The 20% of the disputed amount as per the SDO's Notice dated 07.04.2026 is 20% of Rs. 4,98,084/-, i.e., Rs. 99,616.80/-. The Appellant has already deposited Rs. 1,35,879/- on 19.12.2025 pursuant to the order of the Corporate CGRF, which is in excess of the fresh 20% directed. The clarification of the Interim Order expressly provides that the said sum "shall be duly accounted for and adjusted by the SDO while calculating the fresh 20% now directed." The Appellant has accordingly full complied with Direction A(i).

B. Direction A(ii) – reasons for non-deposit of dues after December 2025

29. The Appellant respectfully reiterates the factual position already pleaded in paragraphs 22 to 24 of the Rejoinder. In brief, (i) the impugned CGRF order of 12.02.2026 directed payment of an amount that the Appellant intended to challenge in appeal; (ii) the Appellant addressed a detailed representation dated 18.02.2026 (issued by e-mail on 23.02.2026 at 06:07 PM to the SE/OP Circle Gurugram-II, XEN Sub-Urban Division, the SDO DLF Gurugram and the CGRF Gurugram) seeking permission to deposit the current consumption charges during the pendency of the Appeal; (iii) the Appellant's bona fide attempts to physically deposit the current bills at the office of the Respondent-SDO were refused, which fact has been contemporaneously recorded in the representation itself in the words "Kindly Be noted that we have tried to submit to your good office but it was denied to accept the officials"; and (iv) the Appellant's counsel placed a detailed clarification on this point on the record by e-mail dated 13.04.2026 at 04:55 PM.

30. Therefore, the non-deposit of current dues after 22.12.2025 is not the result of any default, neglect or unwillingness on the part of the Appellant, but the direct consequence of the refusal of the officials of the Respondent-Department to accept payment of the current cycle bills. A licensee which refuses to accept payment of the undisputed current dues, and then employs coercive measures to recover on the basis of an orchestrated non-payment, is, with respect, taking advantage of its own wrong and impermissible under law.

31. The Appellant reiterates its categorical undertaking that the current cycle bills (and any further bills issued during the pendency of the Appeal) shall be deposited within seven (7) working days of the Respondent-SDO accepting payment over the counter when tendered. The Appellant accordingly prays for a direction to the SDO to that effect.

C. Deposit of Demand Draft of Rs. 2,05,274/- under protest towards current consumption charges and LPSC imposed on the Respondent-Department's own delay

32. Further, in continued demonstration of its bona fides, and notwithstanding the conduct of the Respondent-Department, the Appellant has, during the pendency of the present Appeal, tendered a Demand Draft bearing Sr. No. 283894 dated 04.02.2026 to the Respondent-SDO, for a sum of Rs. 2,05,274/- (Rupees Two Lakh Five Thousand Two Hundred Seventy Four only) drawn on Axis Bank Limited, Udyog Vihar, Gurgaon Branch (IFSC: UTIB0001527), favouring "SDO/OP G21-DLF, DHBVN, GURUGRAM", towards payment of the current consumption charges for the relevant cycles that had remained unpaid solely on account of the refusal of the officials of the Respondent-Department to accept tender of the said current bills as earlier set out in paragraphs 29 and 30 above.

33. The fact that the said amount of Rs. 2,05,274/- comprises two distinct components i.e., (i) the principal amount of the current consumption charges for the relevant billing cycles, which the Respondent-Department's officials had repeatedly refused to accept, as contemporaneously recorded in the representation dated 18.02.2026 and in the e-mail of the Appellant's counsel dated 13.04.2026 at 04:55 PM; and, (ii) Late Payment Surcharge / delay penalty thereon, which has been imposed by the Respondent-Department on the very delay that was caused by its own officials' refusal to accept payment of those very bills. The Appellant has paid the said amount "under protest" in order to avoid the threat of further coercive action and to demonstrate continuing good faith. The deposit has been made without prejudice to the Appellant's right to refund / adjustment of the LPSC component, which is sought before this Hon'ble Ombudsman.

34. It is well-settled, as already pleaded in paragraphs 19, 26 and 27 of these submissions, that a Late Payment Surcharge is a penal levy designed to deter consumer default in making timely payment of a valid demand. The pre-requisite of any such surcharge is that the consumer must have had the opportunity, and must have refused, to make timely payment of a lawful bill. However, in the present case, the licensee itself refused to accept payment, which stands contemporaneously recorded on the record, has been acknowledged by the Hon'ble Ombudsman in the Interim Order dated 13.04.2026 [by directing the Appellant's explanation under sub-direction A(ii)], and has not been denied by the Respondent-Department in either of its filings. The LPSC component included in the Demand Draft of Rs. 2,05,274/- is therefore unsustainable in law. The Respondent-Department cannot be permitted to take advantage of its own wrong by first refusing acceptance of the

current bills, and then imposing a delay-surcharge on the delay it has itself engineered.

35. The Appellant respectfully prays that this Hon'ble Ombudsman may be pleased to: (i) take on record the deposit of the said Demand Draft of Rs. 2,05,274/-; (ii) direct the Respondent-SDO to credit the principal component thereof against the current dues of Account No. 8669450000 for the relevant billing cycles; (iii) direct the refund / adjustment of the Late Payment Surcharge component included in the said sum, the same having been occasioned solely on account of the Respondent-Department's own refusal to accept tender of the current bills, together with simple interest at such rate as this Hon'ble Ombudsman may deem fit; and, (iii) declare that the said deposit, having been made under protest, shall not, in any manner, be construed as an admission by the Appellant of the legality of the LPSC so imposed or of the disputed arrears; and

D. Directions B(i) to B(v) - Department's obligations

36. The pre-audited ledger filed by the Department is neither complete nor fully audited as directed. The audit signatures are of the Divisional Audit committee and not of the Chief Auditor / CBO, DHBVN as Direction B(iv) specifically directed. The ledger contains the discrepancies extracted under Heading VII above. The Department's position on Direction B(iii) is, contrary to the express terms of this Hon'ble Ombudsman's direction, that "no officer/official is responsible". Hence, the Respondent-Department continues to remain in default of the orders of this Hon'ble Ombudsman and hence, the captioned Appeal should be allowed along with compensation and cost.

PRAYER

In light of the abovementioned facts and circumstances, it is humbly prayed that this Hon'ble Ombudsman may be pleased to:

a. Set aside the impugned order dated 12.02.2026 passed by the Corporate CGRF, DHBVN, Gurugram in Complaint No. DH/CGRF/4977/2025;
b. Declare the demand of arrears, surcharge, LPSC and non-energy charges raised pursuant to the overhauling of August 2024 and the SDO's Notice dated 07.04.2026 (Memo No. 2439) as illegal, arbitrary and unsustainable, having arisen solely from the admitted error of the licensee's / Respondent-Department's billing system;
c. Hold and declare that the bar under Section 56(2) of the Electricity Act, 2003 applies to the disputed arrears as the saving condition (continuous reflection as recoverable arrears) was not satisfied as has been admitted in the Respondent-Department's own pre-audited ledger;
d. Hold and declare that the disconnection effected on 16.12.2025 was without jurisdiction, in violation of Section 56(1) of the Electricity Act, 2003 and the ratio of the Hon'ble Supreme Court of India in M.P. Electricity Board v. Basantibai AIR 1988 SC 71;

e. Direct the Respondents to refund / adjust the entirety of the LPSC and surcharge levied on the disputed demand, including (i) the admitted LPSC of Rs. 37,384.22/- on the wrongful demand of Rs. 2,10,084/-; and (ii) the further refund of Rs. 1,07,895/- now admitted in the Reply to Rejoinder, together with simple interest at such rate as this Hon'ble Ombudsman may deem fit;

f. Direct the Respondent-SDO to forthwith include the credit of Rs. 1,35,879/- (deposited on 19.12.2025) into the pre-audited ledger as an admitted payment, and to issue a corrected and reconciled calculation sheet to the Appellant and to this Hon'ble Ombudsman;

g. Direct the Respondent-SDO to accept the Appellant's current consumption charges as and when tendered, without insisting the Appellant to make payment of the disputed amount as a precondition, and direct that no coercive disconnection shall be effected during the pendency of this Appeal;

h. Direct the Respondents to comply with Direction B(iii) of the Interim Order dated 13.04.2026 by identifying the delinquent official(s), and Direction B(iv) by pre-audit through the Chief Auditor / CBO, DHBVN, and to supply the corrected pre-audited ledger at least seven (7) days before the next date of hearing;

i. Award compensation to the Appellant in the sum of Rs. 5,00,000/- (Rupees Five Lakh only) for harassment, reputational damage and inconvenience occasioned by the illegal and arbitrary actions of the Respondents, including the illegal disconnection of 16.12.2025 and the refusal to accept current dues;

j. Award costs of litigation to the Appellant in the sum of Rs. 2,00,000/- (Rupees Two Lakh only);

k. Take on record the Appellant's Demand Draft bearing Sr. No. 283894 dated 04.02.2026 for Rs. 2,05,274/- (Rupees Two Lakh Five Thousand Two Hundred Seventy Four only) drawn on Axis Bank Limited, Udyog Vihar, Gurgaon Branch (IFSC: UTIB0001527) and tendered to the Respondent-SDO towards current consumption charges, and:

   (i) direct the Respondent-SDO to credit the principal component thereof against the current dues of Account No. 8669450000 for the relevant billing cycles;

   (ii) direct the refund / adjustment of the Late Payment Surcharge component included in the said sum, the same having been occasioned solely on account of the Respondent-Department's own refusal to accept tender of the current bills, together with simple interest at such rate as this Hon'ble Ombudsman may deem fit; and,

   (iii) declare that the said deposit, having been made under protest, shall not, in any manner, be construed as an admission by the Appellant of the legality of the LPSC so imposed or of the disputed arrears; and

l. Pass any such further order(s) as this Hon'ble Ombudsman may deem fit and proper in the interest of justice.

L. Hearing in the above matter was held on 04.06.2026 through Video Conferencing. The Appellant was represented by Sh. Pankaj Chechi, Advocate. The Respondents were represented by Sh. Krishan Sheroan, SDO/OP, DLF City Sub-Division, Sh. Pulkit Goyal, and Sh. Sanjay Bansal, Advocate.

At the outset, this Authority took serious note of the inconsistencies and shifting stands in the replies filed by the Respondents at different stages of the proceedings — before the Corporate CGRF and before this forum. The earlier replies (including Memo No. 1176 dated 08.12.2025, Memo No. 1296 dated 22.12.2025, and submissions dated 09.01.2026 / 21.01.2026) attributed the prolonged average/provisional billing primarily to departmental error in updating the correct LT CT meter in the CCB system. However, in the recent reply filed through counsel, the Respondents have sought to shift the entire responsibility onto the L&T agency for alleged delay in updating the Meter Change Order (MCO) of the smart meter.

This Authority observed that the consumer was billed on provisional/average basis for a considerably long period of over two years and five months (from 08.02.2022 to 16.07.2024). The attempt to completely absolve all officers and officials of the Sub-Division (SDO, JE, CA, CC, and Ledger Keeper) of their statutory and departmental duty to verify meter readings and billing data of an MS category consumer every month raises serious questions regarding due diligence and accountability.

Counsel for the Appellant drew attention to the latest revised calculation submitted by the Respondents, pointing out the absence of proper signatures of the competent authority from the Chief Auditor's office and lack of the office order constituting the Audit Committee. He further highlighted the illegal disconnection of the Appellant's supply in December 2025.

After carefully considering the Appeal, Replies, Rejoinder, Written Submissions, documents on record, and submissions made by both sides, this Authority finds that the Respondents cannot escape their primary responsibility to ensure correct metering and billing of the consumer. Shifting the entire blame on a third-party agency after such a prolonged period does not appear to be a plausible or acceptable explanation.

In view of the above, the Respondents are directed as under:

The XEN/OP, S/Urban Division, Gurugram shall file a comprehensive and final reply on affidavit within 20 days from the date of receipt of this order, duly supported by all relevant documents, addressing the following points *inter alia*:

a. Reconcile all contradictions in the replies filed at different stages and explain the reasons for presenting varying versions of facts before the CGRF and this Authority.

b. Provide the complete chronological timeline with supporting documents regarding installation, removal, testing, and updation of all meters involved (including smart meter Sr. No. GP7886130 and LT CT meter Sr. No. HRT93335) along with copies of all MCOs, SJO, lab testing reports, and readings taken at the time of load enhancement and thereafter.

c. Clearly delineate the responsibility of each official/officer posted in the Sub-Division (SDO, JE, CA, CC, Ledger Keeper etc.) for the failure to detect and rectify the billing anomaly for over 2.5 years.

d. Furnish the office order constituting the Audit Committee by the Chief Auditor along with the pre-audit report and the revised calculation sheet duly authenticated by the competent authority.

e. Explain how the LT CT meter with MF-20 became in operative while another meter (smart meter) was allegedly made active in the system and why no red flags were generated in the CBO/IT Wing of DHBVN.

f. Justify the disconnection of supply effected in December 2025 during pendency of proceedings/when billing dispute was going on.

g. Provide the complete transparent ledger and the final recalculated amount (if any) payable by the Appellant after accounting for all adjustments, including the amount already deposited, double charging, excess LPSC, and departmental lapses.

A copy of the above affidavit along with all annexures shall be supplied to the learned counsel for the Appellant at least one week prior to the next date of hearing with clear cut findings without any hotchpotch.

It is made clear that this is the last opportunity granted to the Respondents for filing a complete and comprehensive reply. No further adjournment or opportunity shall be granted for this purpose. Both parties shall remain present physically on the next date of hearing along with their respective records and authorised officers.

The matter is adjourned to 01.07.2026 at 11:00 A.M. before the Electricity Ombudsman. The hearing shall be conducted physically. Status quo regarding disconnection of electricity supply shall be maintained till then, subject to the Appellant regularly paying the undisputed current bills.

M. On 24.06.2026, Xen/OP, Sub Urban Divn. Gurugram has submitted reply in compliance of the interim order dated 04.06.2026 which is as under:-

In the subject cited matter, it is intimated that after going through all the record, the point wise reply of the observation sought through the interim order dated 04.06.2026 is as below:

a) In the reply submitted by the Sub Division vide memo no. 1176 dated 08.12.2025, they have provided the adjustment of Rs. 7,85,367 in the consumer electricity account. In the reply submitted by the Sub Division vide memo no.2037 dated 21.01.2026, sub division has again provide the additional adjustment of Rs. 2,51,180 in the electricity account of the Half

Margin which was not consider before. After overhauling through Audit wing amount of Rs. 107895 on dated 29.05.2026 was again found adjustable considering all the adjustments which was provided to the consumer and now net payable amount is 314249/- dated 25.06.2026 (After due date 318773/-)

b) The chronological details of meter installed on site is as below:

- The connected load of the consumer was 15 KW and the 3 phase Meter having Serial No. 5018712 was running on site and the same meter was replaced on final reading 290223 Kwh by the L&T team on 10/07/2021 and new meter GP7886130 on the initial reading of 0 KWh. (MCO Copy Attached).
- After that consumer applied for EOL file vide Application No. G21-721-460 dated 27/07/2021 (copy enclosed) for increasing the load from 15 KW to 50 KW. The 3 phase meter GP7886130 was removed from site on Final Reading 11495 KWh on dated 03/09/2021 and LTCT Meter having Serial No. HRT93335 installed on Initial reading 0 KWh (MT-1 No. 1584/14, CA-21 and CA-22 is attached).
- Currently the LTCT Meter HRT9335 is running at site.

The chronological details of meter installed on CCB Software is as below:

- The connected load of the consumer was 15 KW and the 3 phase Meter having Serial No. 5018712 was running in CCB Software System and the same meter was removed in System on dated 07.10.2021 on the final reading 290223 KWhand LTCT Meter having Serial No. HRT93335 was updated in system on Initial reading 0 KWh.
- After that LTCT Meter having Serial No. HRT93335 was removed in system on 08/02/2022 on final reading 810 KWh and the 3 phase meter GP7886130 was updated in system on Initial Reading 0 KWh by the Lnt Team.
- On coming to the knowledge this office again updated the LTCT Meter having Serial No. HRT93335 in system on 09/07/2024 on initial reading 0 KWh. 3 Phase Smart meter GP7886130 was removed from the system.
- Currently the LTCT Meter HRT9335 is updated in CCB Software System.

c) As from the point (b) it is clear the L&T team did not update the 3 phase Smart Meter having serial no. GP7886130 in the system timely and also update the smart meter in 2022 while the meter was not at site, so the L&T team is responsible for updating the wrong meter in the CCB system.

d) The office order/letter written by Chief Auditor is attached and the Audit report is also attached.

e) The 3 phase smart meter was updated by L&T team as the MCO case initiated by them and updated after time span of 4-5 months. There was no red flag was generated in the system so the sub division can look into the same.

f) The consumer had paid all current bills up to October 2025. The bills for November 2025 and December 2025 were not paid by the consumer. Therefore the electricity connection of the consumer comes in the defaulting list and the connection was disconnected on defaulting amount on 16.12.2025 but. The connection was reconnected by the sub division after they have informed the issue to the SDO without any payment. There is no any stay on the payment of current bill from any Forum. The consumer paid the current bill amount on dated 19.12.2025. (Payment History is attached.)

g) The transparent copy of ledger and final recalculated amount sheet payable by the Appellant after accounting all the adjustment is attached.

From the above, it is clear that all the dispute arises due to non updation of Smart Meter in the system timely and further updation of smart meter when the LTCT meter was installed at site. However, now the account has been overhauled and LPSC, Half Margin, unit charges which were found adjustable were adjusted and benefit was provided to the consumer. It is requested to kindly close the case. This is for your kind information and further necessary action the matter please.

This is for your kind consideration please.

N. The hearing was conducted as scheduled on 01.07.2026. At the outset, the Electricity Ombudsman inquired whether the Appellant's counsel had received the formal reply filed by the Executive Engineer (XEN), Operation. The learned counsel for the Appellant confirmed receipt of the same.

The Forum then examined the additional relief granted to the Appellant pursuant to the departmental audit, as reflected in the XEN's reply. While the Appellant's counsel expressed satisfaction with this adjustment, he raised serious grievances regarding the prolonged and repeated revisions of bills over an extended period and the unjustified disconnection of the electricity supply. He prayed for suitable compensation and imposition of costs upon the Respondents for these lapses.

The Respondents submitted that the department has an internal mechanism to address delinquency on the part of its officials. The Appellant's counsel, however, contended that the Respondents had willfully violated the directions contained in the interim orders of this Forum by attempting to shift the entire blame onto the third-party agency (M/s L&T) without identifying and taking action against the delinquent officers/officials of the department.

This Forum notes with deep displeasure that the reply submitted by the XEN, Operation is a near-verbatim reproduction of the earlier reply of the SDO, demonstrating a complete lack of independent application of mind by the supervisory officer. Such mechanical responses undermine the credibility of the departmental submissions.

DECISION

Upon careful consideration of the entire record, including pleadings, documents, interim orders, replies, and submissions made during the hearing, this Forum records the following undisputed facts:

1. The Appellant was billed on a provisional/average basis for a prolonged period exceeding two years and five months (from 08.02.2022 to 16.07.2024) despite the installation of a functional LTCT meter.
2. The Respondents failed to generate accurate bills based on actual "OK" meter readings for this extended duration.
3. There were repeated and erratic revisions of bills, indicating serious deficiencies in the billing process and failure to finalise the account in a timely and definitive manner.
4. The delay in updating the correct meter details in the Computerised Consumer Billing (CCB) system, including the Meter Change Order (MCO), was attributable to lapses both on the part of the departmental officials and the agency (M/s L&T).

These lapses constitute gross negligence and deficiency in service by the distribution licensee. The Respondents have failed to adhere to the mandatory requirements of accurate metering, timely billing, and proper account management as envisaged under the Haryana Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2014 (as amended from time to time) and the provisions of the Electricity Act, 2003.

The arbitrary disconnection of supply, even if restored the same day, was unjustified and caused undue harassment to the Appellant. The attempt by the Respondents to shield their own officers by shifting all responsibility to the contractor reflects a deliberate effort to evade accountability.

In view of the above, and to meet the ends of justice, this Forum passes the following directions:

1. Penalty on Departmental Officials: A consolidated penalty of Rs.15,000/- (Rupees Fifteen Thousand only) is imposed jointly and severally upon the XEN, SDO, Internal Audit Party, Commercial Assistant, and Ledger Keeper for their collective failure to ensure correct billing over more than two years, repeated revisions, and submission of evasive and unverified replies before this Forum.
2. Penalty on Contractor: A cost of Rs. 5,000/- (Rupees Five Thousand only) is imposed upon M/s L&T for the operational lapses in updating meter details that contributed to the billing errors.
3. Credit to Appellant's Account: The total penalty/cost amount of Rs. 20,000/- (Rupees Twenty Thousand only) shall be credited directly to the electricity account of the Appellant within 15 days from the date of this order. Non-compliance shall trigger appropriate disciplinary proceedings against the concerned officers for the recorded delinquency.

4. Payment of Arrears: The Appellant shall pay the net outstanding principal amount (as computed in the XEN's reply, after deduction of the Rs. 20,000/- penalty) (Rs. 314249-Rs. 20000) i.e. Rs. 294249/- (Two lakh ninety four thousand two hundred forty nine), in three equal monthly instalments.
5. Waiver of Surcharge: No Late Payment Surcharge (LPSC) or interest shall be levied on the aforesaid outstanding arrears for the next three months.
6. Current Bills**:** The Appellant shall continue to pay all future current consumption bills regularly as per actual consumption and the normal billing cycle.

With the above directions, the grievance of the Appellant stands substantially redressed.

The instant appeal is disposed of accordingly.

Both the parties to bear their own costs. File may be consigned to record.

Given under my hand on 8th July, 2026.

Sd/-

(Rakesh Kumar Khanna)

Dated: 08.07.2026 **Electricity Ombudsman, Haryana**

CC:

Memo No.1329-1336/HERC/Appeal No. 6/2026 **Dated:08.07.2026**

To

1. M/S CG Foods India Private Limited (Sh. Pankaj Chechi (CHECHI & ASSOCIATES), Ch. No. 249, Block-1, Lawyers Chamber, Delhi High Court, New Delhi –110003 (Email advocatepankajchechi@gmail.com)
2. The Managing Director, DHBVN, Hisar (Email md@dhbvn.org.in).
3. Legal Remembrancer, Haryana Power Utilities, Panchkula (Email lr@hvpn.org.in).
4. The Chief Engineer Operation, DHBVN, New Delhi (Email ceopdelhi@dhbvn.org.in).
5. The SE/OP, Circle, GGN-II DHBVN, Gurugram, HVPNL Complex, Near Police Line, Mehrauli Road, Gurugram-122001 (Email seop2gurugram@dhbvn.org.in)
6. The XEN/OP Division, DHBVN, Sub Urban, Gurugram, Haryana (Email xenopsuburbangurugram@dhbvn.org.in)
7. SDO/OP, Sub Division, DLF, DHBVN, Gurugram (Email sdoopdlfcity@dhbvn.org.in)