BEFORE THE ELECTRICITY OMBUDSMAN, HARYANA
Bays No. 33-36, Ground Floor, Sector–4, Panchkula-134109
Telephone No. 0172-2572299
Website: https://herc.gov.in/Ombudsman/Ombudsman.aspx#
E-mail: eo.herc@nic.in

(Regd. Post)

Appeal No.	:	**9 of 2026**
Registered on	:	**03.04.2026**
Date of Order	:	**11.08.2026**

In the matter of:

Appeal against the order dated 06.03.2026 passed by CGRF, DHBVN Gurugram in case No 4970/2025

M/s Sadbhawna Stone Crusher through its partner Mr. Dhoop Singh

Appellant

Versus

1. The XEN/OP Divn., Charkhi Dadri, DHBVN, Bhiwani, Haryana
2. SDO/OP, Sub Division, Jhojhu Kalan, Charkhi Dadri DHBVN, Bhiwani, Haryana **Respondent**

Before:
Shri Rakesh Kumar Khanna, Electricity Ombudsman
Present on behalf of Appellant:
Sh. Akshay Gupta, Advocate
Present on behalf of Respondents:
Shri Parveen Kumar, SDO
Shri Vinesh Rana/CA
Shri Lovepreet, Advocate

ORDER

A. M/s Sadbhawna Stone Crusher through has filed an appeal against the order dated 06.03.2026 passed by CGRF, DHBVNL, Gurugram in case no. 4970 of 2025. The appellant has submitted as under: -

The present appeal is filed under Section 42(6) of the Electricity Act, 2003 read with Regulation 2.45 & Chapter-III of HERC (Forum & Ombudsman) Regulations, 2020) read with Regulation 3.16 of Haryana Electricity Regulatory Commission (Forum and Ombudsman) Regulations, 2020 by the Appellant against the order dated 06.03.2026 passed by the Ld. CGRF, DHBVN in Case No. 4970/2025, wherein without going through the case records and appreciating the merits of the case, the Ld. CGRF disposed of the case and passed an unreasoned non speaking order.

MOST RESPECTFULLY SHOWETH:

1. FACTS OF THE CASE

1.1 That *M/s Sadbhawana Stone Crusher* is a firm (hereinafter referred to as "the Firm") registered under the Indian Partnership Act, 1932.

1.2 That the Firm, *M/s Sadbhawana Stone Crusher*, was reconstituted vide a registered reconstituted partnership deed dated 19.12.2022.

1.3 That the Firm is having an HT connection in the name of *M/s Sadbhawana Stone Crusher*, bearing Account No. 7784772000, under the jurisdiction of OP Sub Division, Jhojhu Kalan.

1.4 That as per the details reflected in the electricity bill, the said connection was released in the year 2018.

1.5 That Mr. Dhoop Singh (hereinafter referred to as Appellant petitioner) is the partner of the firm and authorized by the partners through authority letter to file the present case.

1.6 That the Appellant/Petitioner is a law-abiding entity and had duly discharged all its liabilities towards electricity charges; accordingly, at the time of filing the complaint before the Consumer Grievance Redressal Forum (CGRF), no amount was due or outstanding against the said connection.

1.7 That the Respondent SDO, vide office memo No. 7127 dated 21.10.2025, has arbitrarily and without any lawful justification raised a demand of Rs. 12,63,441/- (Rupees Twelve Lakh Sixty-Three Thousand Four Hundred Forty-One only) against the Appellant.

1.8 That the Respondent, along with the said impugned notice, has annexed a copy of the MT-1 report dated 11.12.2021 and a Half Margin report dated 03.05.2023, in an attempt to lend credibility to an otherwise baseless and unsustainable demand.

1.9 That a bare perusal of the said Half Margin report clearly reveals the remark "Not chargeable – M&P report; reading/billing done by RAPDRP," which itself demolishes the very foundation of the impugned demand and renders the same ex facie illegal and untenable in the eyes of law.

1.10 That, despite the above, after an inordinate and unexplained delay of more than two years, the Respondent has once again served the impugned notice upon the Appellant, which action is arbitrary, mala fide, and solely intended to harass and coerce the Appellant.

1.11 That the Complainant has, in the ordinary and regular course, been consistently receiving and duly paying electricity bills calculated with a Multiplying Factor (MF) of 5 since December 2022, without any objection or discrepancy being raised by the Respondent at any point in time (copies of the relevant bills are annexed herewith).

1.12 That in the present case, the Multiplying Factor (MF) stood duly revised from 2 to 5 in November 2022, and the Respondent, having consciously and unequivocally accepted and acted upon the said revision by raising bills accordingly for a prolonged period, is now legally estopped from revisiting the same issue. The impugned demand, raised after an unexplained and inordinate delay of more than two years, is patently arbitrary, hit by the principles of estoppel, acquiescence, and waiver, and is therefore wholly illegal, unjustified, and liable to be set aside.

1.13 That the above impugned notice served to the complainant petitioner is against the law.

1.14 That as per Section 56(2) of Electricity Act-2003 , which may be ready as "Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity'.

1.15 That from May-2025 onwards the applicable tariff as per the tariff order is 6.95 / KW while the respondent is charging Rs. 7.25 / KW which is against the law.

1.16 That the connection of the complainant is connected through RDS feeder and as such the PLEC charges are not chargeable. The respondent has already refunded the PLEC till Dec-2023 but the PLEC from Dec-2023 onwards is not refunded.

1.17 That, being aggrieved by the non-resolution of the grievances of the Petitioner (Appellant herein), including the issuance of a baseless and illegal demand notice and non-compliance with the applicable tariff regulations, the Appellant filed a complaint before the Consumer Grievance Redressal Forum (CGRF), which was registered as Case No. 4970-2025 (Copy of complaint filed before the CGRF is attached as annexure A-1)

1.18 That the Ld. CGRF disposed of the complaint vide order dated 06.03.2026, inter alia holding as under:

After considering the reply of both the complainant and SDO and submissions made by them in the hearing, the Forum observed that:-

Prayer No 1&2 is regarding charging of Half margin of Rs. 12,63,441/-, in this regard respondent SDO has submitted that the complainant had got his load enhanced from 150 KW to 275 KW vide MT-1 Book No 572/42, but due to migration of data in RAPDRAP in March 2022 the revised load was not updated in the system due to technical issue. Complainant was fully aware that the connected load had been enhanced from 150 to 275 KWAs complainant had signed on the MT report No 572/42 dated 11.12.2021, so the amount of Rs. 12,63,441/- has been rightly charged by the respondent SDO as incorrect MF of 2 was in their system instead of 5 . Section 56(2) do not bar the utility to raise the escape demand as decided in Ajmer Vidyut Vitran Nigam Limited Vs Rahmatullah Khan Alias Rahamjulla.

Prayer No 3 is regarding refund of wrong tariff charge for the period from June 2025 to Jan 2026.

Respondent SDO vide Memo No 8873 date 06.03.2026 has admitted that the tariff difference for the period June 2025 to Jan 2026 amounting to Rs 2,17,327l- is to be refunded. So, the Forum directs the respondent SDO to refund the above calculated amount Rs 2,17,327l-.

Prayer No 4 is regarding refund of PLEC charges for the period 02/2024 to 01/2026. The respondent SDO has stated in his reply vide Memo No 8873 date 06.03.2026 that amount of Rs 4,77,649l- is refundable. The Forum directs respondent SDO to refund the above calculated amount.

The case is closed. No cost on either side.

(Copy of the order passed by CGRF is attached as annexure A-2)

1.19 That a bare perusal of the aforesaid order would reveal that the Ld. CGRF has failed to deal with the specific contentions, objections, and documentary evidence placed on record by the Appellant, and has passed the impugned order in a mechanical manner without assigning cogent reasons. The findings recorded are cryptic, incomplete, and do not reflect proper application of mind, thereby rendering the impugned order a non-speaking and unreasoned order, contrary to the settled principles of law and the applicable HERC Regulations.

2. GROUNDS OF APPEAL

2.1 Because the Ld. CGRF has failed to pass a reasoned and speaking order while deciding the complaint, in gross violation of Regulation 2.41/2.47 of the HERC (Forum and Ombudsman) Regulations, 2020, which mandates that every order shall be supported by reasons; however, the impugned order is non-speaking, cryptic, and does not deal with the specific objections raised by the Appellant.

2.2 Because the Ld. CGRF has acted in violation of Regulation 2.41 of the HERC (Forum and Ombudsman) Regulations, 2020, which mandates that the order of the Forum shall be communicated to the complainant within 7 days of passing of the order; however, in the present case, although the matter was heard on 16.02.2026 and the order was signed on 06.03.2026, the copy of the order was supplied to the Appellant only on 06.03.2026, i.e., after an unexplained delay beyond the prescribed period, thereby vitiating the impugned order and prejudicing the rights of the Appellant.

2.3 Because the Ld. CGRF has gravely erred in recording incorrect and factually erroneous observations in the impugned order to the effect that the counsel for the Appellant had allegedly admitted that the Appellant was aware of the change in Multiplying Factor (MF) from 2 to 5 during the course of hearing dated 16.01.2026; whereas, no such admission was ever made by the counsel. The said recording is perverse, contrary to the actual proceedings, and appears to have been made without any supporting material on record, thereby vitiating the impugned order.

2.4 Because the Ld. CGRF has failed to appreciate that the very basis of the impugned demand i.e., Half Margin report dated 03.05.2023 clearly records the remark "Not chargeable – M&P report; reading/billing done by RAPDRP," yet no finding has been returned on this crucial document, thereby vitiating the impugned order.

2.5 Because the Ld. CGRF has erred in law in upholding a demand which is self-contradictory and not supported by the Respondent's own record, and has failed to adjudicate upon the illegality arising from such contradictory material placed on record.

2.6 Because the Ld. CGRF has failed to consider that the impugned demand has been raised after an inordinate delay of more than two years from the alleged cause of action, and no justification for such delay has been recorded, thereby rendering the order arbitrary and unsustainable.

2.7 Because the Ld. CGRF has failed to consider that the Multiplying Factor (MF) was duly revised from 2 to 5 in November 2022 and was consistently applied thereafter, and thus the Respondent is estopped from raising any retrospective demand; however, no finding has been recorded on this settled position.

2.8 Because the Ld. CGRF has failed to appreciate that the Appellant had regularly paid all electricity dues and no amount was outstanding at the time of filing of the complaint, and therefore, the subsequent demand is arbitrary and contrary to billing records.

2.9 Because the Ld. CGRF, in its impugned order, has itself recorded that "Respondent SDO vide Memo No. 8873 dated 06.03.2026 has admitted that the tariff difference for the period June 2025 to January 2026 amounting to Rs. 2,17,327/- is to be refunded," and accordingly directed refund of the said amount; however, the Ld. CGRF has failed to adjudicate upon and grant interest on the said refundable amount, which is a mandatory and consequential relief, thereby rendering the impugned order incomplete and legally unsustainable.

2.10 Because it is a settled principle of law that whenever an amount is wrongfully retained, the same is liable to be refunded along with reasonable interest, and the law on this issue is no longer res integra. The Hon'ble Supreme Court in *Alok Shanker Pandey vs. Union of India* (2007) has categorically held that interest is not a penalty but a normal accretion on capital, and that a party retaining money which ought to have been paid earlier is bound to compensate by way of interest. In the present case, the Respondent has admittedly retained the excess amount for a considerable period, and therefore is legally bound to refund the same along with appropriate interest; failure to grant such interest results in unjust enrichment and causes grave prejudice to the Appellant.

2.11 Because the Ld. CGRF, while adjudicating Prayer No. 4, has itself recorded that the Respondent SDO, vide Memo No. 8873 dated 06.03.2026, admitted that an amount of Rs. 4,77,649/- towards PLEC charges for the period 02/2024 to 01/2026 is refundable, and accordingly directed refund of the said amount; however, the Ld. CGRF has failed to grant interest on the said refundable amount, thereby rendering the impugned order incomplete, erroneous, and contrary to settled principles of law.

2.12 Because it is a well-settled principle of law that any amount wrongfully retained must be refunded along with appropriate interest, and the doctrine of restitution squarely applies. The Hon'ble Supreme Court in *South Eastern Coalfields Ltd. vs. State of M.P. & Ors.* (2003) has categorically held that a party deprived of the use of money is entitled to be compensated by way of interest, which is a normal accretion on capital, and that permitting retention of money without payment of interest would amount to unjust enrichment and a travesty of justice. Applying the said principle to the present case, the Respondent, having retained the excess amount for a considerable period, cannot be permitted to refund the same without adequate and reasonable interest, and failure to award such interest causes grave prejudice to the Appellant.

PRAYER

In view of the facts and grounds stated hereinabove, it is most respectfully prayed that this Hon'ble Ombudsman may be pleased to:

a) Set aside/quash the impugned order dated 06.03.2026 passed by the Ld. Consumer Grievance Redressal Forum (CGRF) to the extent it upholds the illegal demand of Rs. 12,63,441/- raised by the Respondent;

b) Declare the impugned demand of Rs. 12,63,441/- as illegal, arbitrary, and barred by limitation, and consequently direct the Respondent to withdraw the same in entirety;

c) Direct the Respondent to refund the excess amount already recovered, if any, along with applicable interest, in accordance with law;

d) Direct the Respondent to pay interest on the admitted refundable amounts towards tariff difference (Rs. 2,17,327/-) and PLEC charges (Rs. 4,77,649/-) from the date of deposit/ charged in bill till actual refund;

e) Direct the Respondent to charge electricity tariff strictly in accordance with the applicable Tariff Order and not in excess thereof;

f) Direct the Respondent to refund/adjust all illegally levied PLEC charges for the relevant period, along with applicable interest;

g) Grant any other or further relief(s) as this Hon'ble Ombudsman may deem fit and proper in the facts and circumstances of the present case;

h) Award the cost of the present proceedings in favour of the Appellant.

B. The appeal was registered on 03.04.2026 as an appeal No. 9 of 2026 and accordingly, notice of motion to the Appellant and the Respondents was issued for hearing the matter on 04.05.2026.

C. On 04.05.2026, respondent SDO has submitted reply which is as under: -

It is respectfully submitted that the present appeal filed by the appellant is misconceived, devoid of merit and liable to be dismissed.

It is further submitted that the appellant has not approached this Hon'ble Authority with clean hands and has concealed material facts relevant to the case. It is also submitted that the Order dated 06.03.2026 passed by the CGRF, DHBVN, Gurugram is legal, correct and based on records, and therefore does not call for any interference by this Hon'ble Authority.

In this regard, reliance is placed on the judgment Ajmer Vidyut Vitran Nigam Limited Vs Rahmatullah Khan Alias Rahamjulla.

1. Brief Facts of the Case

1. The consumer applied for enhancement of connected load vide Application No. B34- 1121-86 dated 19.11.2021. Accordingly, the connected load was enhanced from 150 kW to 275 kW on 11.12.2021 at M&P Division, Bhiwani vide MT Book No. 572/42.
2. The consumer personally received MT Report No. 42/572 dated 11.12.2021 and acknowledged the same by affixing his signature. Hence, the consumer was fully aware of the enhancement of load and the consequential billing implications.
3. However, during processing of RADRAP data in March 2022, due to a technical issue, the revised load could not be updated in the billing system and MF-2 was inadvertently applied instead of MF-05 as required under the said MT Report. This resulted in underbilling.
4. The Audit Party, vide Half Margin Memo No. 26/87/2022 dated 03.05.2023, pointed out the discrepancy and assessed a recoverable amount of ₹12,63,441/- arising due to incorrect application of MF.
5. The case was forwarded on 03.05.2023 vide Case Row ID-7649 and subsequently uploaded on the Half Margin portal. However, due to a technical issue in the Binder system, the request was cancelled on 18.03.2024.
6. Meanwhile, the consumer filed a case before the CGRF, vide Case No. 4628/2024 dated 23.01.2024, regarding PLEC load and ACD interest, due to which further review of the matter could not be undertaken at that time. However, it is submitted that the consumer was already aware of the differential amount arising due to the incorrect replacement of MF-05 with MF-2.
7. A notice vide Memo No. 7127 dated 21.10.2025 was issued to the consumer regarding the recoverable amount

2. Para-wise Reply to Appeal Prayer

Para (a): Setting aside CGRF Order

It is also submitted that the Order dated 06.03.2026 passed by the CGRF, DHBVN, Gurugram is legal, correct and based on records, and therefore does not call for any interference by this Hon'ble Authority.
Ajmer Vidyut Vitran Nigam Limited Vs Rahmatullah Khan Alias Rahamjulla in this regard, reliance is placed on the judgment of the Hon'ble Court in the matter.

.

Para (b): Declaration of ₹12,63,441/- as illegal

Denied.

It is submitted that the consumer has deposited 20% of the assessed amount in compliance with the CGRF order. Further, a payment of ₹7,24,977/- has been made by the consumer on 19.04.2026.

It is also submitted that the amount of ₹6,94,976/- on account of PLEC load and tariff difference has already been duly adjusted in the consumer's bill.
At present, no amount is outstanding against the consumer, and the payments made by the consumer have been correctly accounted for in the billing system.

Para (c): Refund of excess amount with interest
Denied.
The Audit Party, vide Half Margin Memo No. 26/87/2022 dated 03.05.2023, pointed out the discrepancy and assessed a recoverable amount of ₹12,63,441/- arising due to incorrect application of MF.

Para (d): Interest on PLEC and tariff difference
Denied.
It is submitted that the PLEC load and tariff difference up to January, 2026 has already been duly adjusted in the consumer's bill.
Further, the tariff difference for the months of February, 2026 and March, 2026, amounting to ₹87,155/-, is under process and shall be adjusted in the subsequent bill.
It is also submitted that the tariff has been corrected in the billing w.e.f. 04/2026.

Para (e): Charging as per tariff
Submitted that billing is already being done as per applicable tariff orders and bill for the month of April 2026 attached for ready reference.

D. The matter was taken up for hearing on 04.05.2026 through Video Conferencing. The Appellant's counsel and the Respondent SDO were present as recorded above.

The Respondent SDO sought time to file a detailed reply. The Appellant's counsel strongly opposed any adjournment and prayed for urgent final hearing.

During the course of hearing, it was noted that the Corporate CGRF, DHBVN, Gurugram has already passed an order dated 06.03.2026 in Complaint No. 4970/2025 titled M/s Sadbhawna Stone Crusher Vs DHBVN, whereby it has directed the Respondents to refund certain amounts towards excess tariff charges and PLEC charges.

In view of the above and keeping in mind the provisions of HERC (Electricity Ombudsman) Regulations, 2020 (particularly Clause 3.18 and other relevant provisions), and to ensure effective adjudication of the appeal, the following directions are issued:

1. The Appellant shall deposit the disputed 40% demand amount of Rs. 12,63,441/- (Rupees Twelve Lakh Sixty-Three Thousand Four Hundred Forty-One only) or the net amount payable after adjusting the refunds already directed by the CGRF order dated 06.03.2026, as on the date of this order, with the Respondent utility on or before 12.05.2026. Proof of such deposit shall be filed

by the Appellant before this office along with an affidavit before the next date of hearing.

2. The Respondents shall ensure full compliance of the CGRF order dated 06.03.2026 (Memo No. 470 CGRF/GGN dated 16.03.2026) by refunding/adjusting the admitted amounts of Rs. 2,17,327/- (excess tariff) and Rs. 4,77,649/- (PLEC charges) expeditiously and shall file proof of compliance before this office on or before the next date of hearing.
3. Both parties shall come prepared for final arguments on the next date of hearing. The Appellant shall also file any additional documents/rejoinder, if so desired, in support of its contentions regarding limitation under Section 56(2) of the Electricity Act, 2003, estoppel, Half Margin report remarks, and other grounds raised in the appeal.

Accordingly, the matter is now listed for final hearing/arguments on 14.05.2026.

E. The matter was taken up for hearing on 14.05.2026. Both the parties were present. During the hearing, the Appellant's counsel submitted that the current transformers were replaced on 11.12.2021 and the Multiplying Factor (MF) was revised from 3 to 5. It was contended that the Respondent raised the supplementary demand of ₹12,63,441/- only in October 2025, which is barred by limitation under Section 56(2) of the Electricity Act, 2003, as the period of two years had elapsed from the date the alleged under-billing (due to application of incorrect MF) came to the notice of the licensee or from the date of revision of MF. It was further submitted that the Half Margin Memo itself records the case as "not chargeable", and the demand is therefore unsustainable.

The Appellant's counsel also prayed for grant of interest on the amounts directed to be refunded/adjusted by the CGRF towards excess tariff and PLEC charges.

Per contra, the Respondent SDO submitted that the consumer was fully aware of the load enhancement and revision of MF to 5, as he had personally received and signed the MT Report No. 42/572 dated 11.12.2021. The failure to update the revised MF in the billing system was due to a technical issue in the RAPDRP system in March 2022. The remark "not chargeable" in the Half Margin was on account of the pending RAPDRP updation and does not absolve the consumer of liability. Reliance was placed on the judgment of the Hon'ble Supreme Court in Ajmer Vidyut Vitran Nigam Limited Vs. Rahmatullah Khan Alias Rahamjulla and other precedents to contend that the licensee is entitled to recover the amount of under-billing once the mistake is detected.

It was informed that pursuant to the interim directions dated 05.05.2026, the Appellant has deposited a sum of ₹2,52,688/- after due adjustments.

After hearing both sides and perusing the material on record, the following directions are issued to facilitate just and effective adjudication of the matter:

1. Both parties are directed to file their detailed written submissions/rejoinder, if any, along with copies of relied-upon judgments, within 10 days from the date of this order, with specific reference to the following issues:

   a) Applicability of the limitation period under Section 56(2) of the Electricity Act, 2003 to the facts of the present case.
   b) Legal effect of the consumer having acknowledged and signed the MT Report dated 11.12.2021 indicating revision of MF to 5.
   c) Evidentiary value and binding nature of the “not chargeable” remark in the Half Margin Memo vis-à-vis the technical RAPDRP issue.
   d) Entitlement of the Appellant to interest on the refund amounts directed by the CGRF.

2. The parties shall specifically address how the cited judgments apply to the facts of this case and shall avoid any misinterpretation or selective reading of the same.
3. Both parties shall come fully prepared for final arguments on the next date of hearing. No further adjournment shall ordinarily be granted.

List the matter for final hearing and arguments on 03.06.2026.

F. The matter was taken up for final hearing on 03.06.2026 as scheduled. During the hearing, the Proxy Counsel for the Appellant requested an adjournment on the ground of medical emergency. The request was considered sympathetically.

It is noted that despite the directions contained in the Interim Order dated 14.05.2026, the parties have not yet filed their detailed written submissions/rejoinder along with relied-upon judgments.

The matter is adjourned to 30.06.2026 at 11:00 A.M. for final hearing and arguments. Both parties are directed to file their detailed written submissions/rejoinder, if any, along with copies of all relied-upon judgments, strictly in compliance with the directions contained in the Interim Order dated 14.05.2026, on or before the next date of hearing.

It is made abundantly clear that the next date is being granted as a last opportunity. No further adjournment shall be entertained except on extremely cogent and compelling grounds.

In case of non-compliance of the directions or non-appearance, the matter shall be proceeded ex-parte against the defaulting party.

Both parties are directed to come fully prepared for final arguments on the next date.

G. The matter was listed for hearing today on 30.06.2026. Due to official exigency, the hearing was conducted through Video Conferencing at 16:00 hours. During the hearing, learned counsel for the Respondents submitted that they have been recently engaged in the matter and requested 10 days' time to file a detailed reply to the appeal along with supporting documents and judgments. The request was considered and allowed.

It is directed as under:

1. The Respondents shall file their detailed written reply along with all relied-upon documents, annexures, and judgments within 10 days from today i.e. on or before 10.07.2026. A copy of the same shall be served upon the learned counsel for the Appellant simultaneously through email.
2. The Appellant, if so advised, may file rejoinder, if any, within one week of receipt of the reply of the Respondents.
3. Both parties are directed to remain fully prepared with all relevant documents, annexures, and supporting material on the next date of hearing so that the matter can attain finality.

It is clarified that sufficient opportunities have already been granted to both sides. The next date is fixed as a last and final opportunity. No further adjournment shall be entertained except on extremely cogent, compelling, and unavoidable grounds. In case of non-compliance with these directions or non-appearance, the matter shall be proceeded ex-parte against the defaulting party.

The matter is now adjourned to 16.07.2026.

H. On 14.07.2026, counsel of respondent has submitted reply which is as under:-

1. That the present reply is being filed through Sh. Parveen Kumar, presently working as Executive Engineer/ OP Division, Dakshin Haryana Bijli Vitran Nigam Ltd. ("DHBVNL"), who is competent to file the present reply as well as fully conversant with the facts and circumstances of the case on the basis of knowledge derived from the record.

   All submissions are made in the alternative and without prejudice to each other. Nothing submitted herein shall be deemed to be admitted unless the same has been admitted thereto specifically.
2. That the present appeal has been filed by the Appellant under Section 42 (6) of the Electricity Act, 2003 (hereinafter "Act, 2003") read with Regulation 3.16 of Haryana Electricity Regulatory Commission (Forum and Ombudsman) Regulations, 2020 (hereinafter "Regulations, 2020") against the order dated 06.03.2026 passed by Ld. Consumer Grievance Redressal Forum, DHBVN ("Ld. CGRF"). It is submitted that the Ld. CGRF vide order dated 06.03.2026 had directed as under:

   "Prayer No. 1 & 2 is regarding charging of Half margin of Rs.12,63,441/-, in this regard respondent SDO has submitted that the complainant had got his load enhanced from 150 KW to 275 KW vide MT-1 Book No. 572/ 42, but due to migration of data in RAPDRAP in March 2022 the revised load was not updated in the system due to technical issue. Complainant was fully aware that the connected load has been enhanced from 150 to 275 KW as complainant had signed on the MT-1 report No. 572/42 dated 11.12.2021, so the amount of Rs.12,63,441/- has been rightly charged by the respondent SDO as incorrect MF of 2 was in their system instead of 5. Section 56(2) do not bar the utility to raise the escape demand as decided in Ajmer Vidyut Vitran Nigam Limited Vs. Rahmatullah Khan Alias Rahamjulla.

Prayer No. 3 is regarding refund of wrong tariff charge for the period from June 2025 to Jan 2026. Respondent SDO vide Memo No. 8873 dated 06.03.2026 has admitted that the tariff difference for the period June 2025 to Jan 2026 amounting to Rs.2,17,327/- is to be refunded. So, the Forum directs the respondent SDO to refund the above calculated amount of Rs.2,17,327/-.

Prayer No. 4 is regarding refund of PLEC charges for the period 02/2024 to 01/2026. The respondent SDO has stated in his reply vide Memo No. 8873 dated 06.03.2026 that amount of Rs 4,77,649/- is refundable. The Forum directs the respondent SDO to refund the above calculated amount."

In other words, the prayer of the Appellant regarding the refund of PLEC charges as well as the refund of a amount of Rs.2,17,327/- towards the tariff wrongly charged as been allowed, however, the prayer regarding the refund of Rs.12,63,441/- has been disallowed by the Ld. CGRF while holding that the same has been rightly charged on account of enhancement of the load.

3. That, at this stage, the present appeal has been filed by the Appellant seeking refund of the amount of Rs.12,63,441/- as well as the seeking grant of interest on the amounts of Rs 2,17,327/- and Rs 4,77,649/-, which already stands refunded to the Appellant in terms of the order passed by Ld. CGRF.

4. That the matter came up for hearing before the Hon'ble Ombudsman on 14.05.2026 when the Hon'ble Ombudsman had directed the parties to place on record their written submissions with specific reference to the following issues:

"a) Applicability of the limitation period under Section 56(2) of the Electricity Act, 2003 to the facts of the present case.

b) Legal effect of the consumer having acknowledged and signed the MT Report dated 11.12.2021 indicating revision of MF to 5.

c) Evidentiary value and binding nature of the "not chargeable" remark in the Half Margin Memo vis-a-vis the technical RAPDRP issue.

d) Entitlement of the Appellant to the interest on the refund amounts directed by the CGRF."

PRELIMINARY SUBMISSIONS/ OBJECTIONS:

5. That insofar as the prayer of the Appellant regarding the refund of the amount of Rs.12,63,441/- is concerned, it is submitted that the same has been rightly charged in view of the enhancement of the connected load by the Appellant. In this regard, it is submitted that:

   a. The Appellant/consumer applied for enhancement of connected load vide Application No. B34-1121-86 dated 19.11.2021. Pursuant thereto, the connected load was duly enhanced from 150 kW to 275 kW on 11.12.2021 at M&P Division, Bhiwani vide MT Book No. 572/42.

   b. The consumer personally received MT Report No. 42/572 dated 11.12.2021 and acknowledged the same by affixing his signature. The Appellant was therefore fully aware, from the date of enhancement itself, regarding the connected load with consequential billing implications.

   c. However, during processing of RADRAP data in March 2022, due to a bona fide technical issue, the revised load could not be updated in the billing system, and MF-2 was inadvertently continued instead of MF-05 as required under the MT Report dated 11.12.2021. This resulted in genuine and unintentional under-billing for which the Respondents cannot be said to have acted with any mala fide intent, as is sought to be insinuated by the Appellant.

   d. Upon scrutiny, by the auditor, vide Half Margin Charge vide No.26/87 dated 03.05.2023, pointed out the said discrepancy and assessed a recoverable amount of ₹12,63,441/- arising due to the incorrect application of MF. Accordingly, notice vide Memo No. 7127 dated 21.10.2025 (Page No. 30 of the present appeal) was issued to the Appellant for recovery of the assessed amount of ₹12,63,441/- .

   e. It is submitted that the Appellant's own Memo of Appeal/CGRF complaint (Annexure A-1 to the Appeal) expressly records at paragraph (xii) and (xiii) that "the complainant has already received the bills on 5 MF since Dec-2022" and that "in this present case the MF has already been updated from 2 to 5 in Nov-2022". This is a clear and unequivocal admission by the Appellant, in its own pleadings, that it was billed at MF-5 from December 2022 onwards and was conscious of the change at that time. This admission is fatal to the Appellant's entire case.

6. That further insofar as the applicability of the limitation period under Section 56(2) of the Act, 2003 to the facts of the present case is concerned, it is submitted that Section 56 relates to "Disconnection of supply in default of payment". Attention in this regard is brought towards the decision of the Hon'ble Apex Court in Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Limited & Anr. Vs Rahamatulla Khan alia Rahamjulla [2020 (4) SCC 650; Law Finder Doc Id # 1686534] wherein the Hon'ble Apex Court has held that the Distribution Licensee is not precluded to raise additional/ supplementary demand after expiry of limitation in case of bonafide mistake, however, Section 56 of Act, 2003 does not empower the licensee/

company to take coercive action of disconnection of electricity for recovery of such charges. The relevant para of the judgement is reproduced below:

"5.6. The liability to pay arises on the consumption of electricity. The obligation to pay would arise when the bill is issued by the licensee company, quantifying the charges to be paid. Electricity charges would become "first due" only after the bill is issued to the consumer, even though the liability to pay may arise on the consumption of electricity.

6. The next issue is as to whether the period of limitation of two years provided by Section 56(2) of the Act, would be applicable to an additional or supplementary demand.

... ...

6.3 Sub-section (1) of Section 56 confers a statutory right to the licensee company to disconnect the supply of electricity, if the consumer neglects to pay the electricity dues.

This statutory right is subject to the period of limitation of two years provided by subsection (2) of Section 56 of the Act.

6.4 The period of limitation of two years would commence from the date on which the electricity charges became "first due" under sub-section (2) of Section 56. This provision restricts the right of the licensee company to disconnect electricity supply due to non-payment of dues by the consumer, unless such sum has been shown continuously to be recoverable as arrears of electricity supplied, in the bills raised for the past period.

If the licensee company were to be allowed to disconnect electricity supply after the expiry of the limitation period of two years after the sum became "first due", it would defeat the object of Section 56(2).

7. Section 56(2) however, does not preclude the licensee company from raising a supplementary demand after the expiry of the limitation period of two years. It only restricts the right of the licensee to disconnect electricity supply due to non-payment of dues after the period of limitation of two years has expired, nor does it restrict other modes of recovery which may be initiated by the licensee company for recovery of a supplementary demand.

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

company to take recourse to the coercive measure of disconnection of electricity supply, for recovery of the additional demand.

… … … …

In the present case, the period of limitation would commence from the date of discovery of the mistake i.e. 18.03.2014. The licensee company may take recourse to any remedy available in law for recovery of the additional demand, but is barred from taking recourse to disconnection of supply of electricity under sub-section (2) of Section 56 of the Act."

Reliance in this regard is also brought towards the decisions of the Hon'ble Punjab and Haryana High Court in the case of Ridhima Miglani v. Punjab State Power Corporation Ltd. [2026(2) RCR(Civil) 390; Finder Doc Id # 2858365] as well as decision in the case of Uttar Haryana Bijli Vitran Nigam Ltd. v. M/s J.B. Stone Crusher, [2026 NCPHHC 36527; Law Finder Doc Id # 2864803].

7. That further insofar as the query of the Hon'ble Ombudsman regarding the legal effect of the consumer having acknowledged and signed the MT Report dated 11.12.2021 indicating revision of MF to 5, is concerned, it is submitted that the Appellant's signature upon MT Report No. 42/572 dated 11.12.2021 constitutes a clear and binding acknowledgment that the connected load stood enhanced from 150 kW to 275 kW and that the applicable Multiplying Factor stood revised to 5 with effect from that date. The Appellant cannot now contend that it was unaware of the revision or that the subsequent demand for the differential amount is either arbitrary or time-barred. A consumer who has knowingly accepted and acted upon a revised metering parameter cannot turn around and assail recovery of the consequential billing differential on grounds of delay. Once the benefit has been taken by the Appellant, the liability accrued against such benefit is also payable. Reliance in this regard is brought towards the decision of the Hon'ble Punjab and Haryana High Court in the case of Punjab State Power Corporation Ltd. v. Vinay Gupta [2024 NCPHHC 52233] wherein the Hon'ble Court has held as under:

"25. It is further evident that the meter in question had been duly sent to the ME Lab for testing and that there was no defect found in the meter and the error was detected only in raising a wrong bill by not applying the correct multiplying factor. Hence, once the correctness of the meters and the CTs/PTs is not in dispute, and the only issue pertains to a mistake at the stage of raising the bills on account of non application of correct multiplying factor, the consumers would not be justified in claiming that an indefatigable right has accrued in its favour and that he is no more liable to pay the charges for actual consumption of electricity. Once the benefit of energy consumption has already been derived, the consumer, as per law, cannot refuse to pay the legitimate dues for the use of such energy. A mere administrative/supervisory lapse on the part of the employee(s) of the Distribution Licensee in not reporting any error the CTs/PTs and/or in applying incorrect multiplying factor, would not give rise to a presumption that the bills has been rightly raised and that there is no other dues.

26. By the very nature that it is a mistake, the same has to be accepted in its primary sense. A unilateral mistake does not create a waiver/acquiescence or estoppel against the Distribution Licensee to seek recovery of the amount, to which it is legally and validly entitled. If a view to the contrary is accepted, it would be easy for a mischievous person to connive with the subordinate officials of the Distribution Licensee and make a wrong entry/action and thereafter, continue to evade payment of electricity dues."

8. That further, insofar as the evidentiary value and binding nature of the "not chargeable" remark in the Half Margin Memo vis-à-vis the technical RAPDRP issue, is concerned, it is submitted that an internal note on the half-margin memo does not amount to any admission on the part of the Respondents. It is humbly submitted that once the said Half Margin Memo was forwarded to Hisar CBO only for guidance and office record purposes during the period when data migration from Hartroon to RAPDRP was under process and the procedure for charging such cases in RAPDRP was not clear. The remark "Not Chargeable" was recorded only to ensure that the consumer was not charged twice inadvertently and was never intended to declare the amount as non-recoverable. The remark, properly understood in its administrative context, merely records that at the relevant point of internal administrative notation, the case fell within the ambit of meter-change/RAPDRP-migration cases for which billing was being undertaken through a separate technical workflow. Hence, it does not, and cannot, override or extinguish the substantive liability of the consumer to pay for energy actually consumed.

9. That reliance in this regard is placed on the decision in the case of Manvendra Sharma v. State Of Rajasthan & Ors. [S.B. Civil Writ Petition No. 6118 of 2015. Decided on 06.12.2022; Law Finder Doc Id # 2282436] wherein the Hon'ble Rajasthan High Court had stated as follows:

"37. This Court is afraid to accept the submission of the learned counsel for the petitioner that only on account of drawing a note-sheet in the office file and having signature of the Chief Minister, the same would amount to an order or a situation where right has been created in favour of the candidate only on the basis of notesheet being drawn. The Apex Court as well as this Court, have already considered the issue with regard to the value and the importance of noting which are being made in the office file. This Court has taken a view that merely on the internal departmental communication, it cannot be claimed as a basis of right and writing on file, does not amount to an order."

Reliance is also placed on the decision of the Hon'ble Madhya Pradesh High Court in the case of Ved Prakash Gupta Vs. State of Madhya Pradesh [Writ Petition No. 17744 of 2020. D/d.27.11.2020; Law Finder Doc Id # 1787414].

10. That, lastly, insofar as the "Entitlement of the Appellant to the interest on the refund amounts directed by the CGRF", is concerned, attention in this regard is brought towards Regulation 2.42 of Haryana Electricity Regulatory Commission (Forum and Ombudsman) Regulations, 2020 reproduced below:

"2.42 The Forum may, subject to the Electricity Supply Code and Related Matters Regulations made by the Commission in this regard, award such compensation to the complainants as it considers just and appropriate in the circumstances of the case. Provided that the interest payable on recoverable/ refundable amount if any, by either party shall be at SBI Base Rate prevalent on Ist of April of the relevant year plus 2%."

A perusal of the aforesaid clause shows that Ld. CGRF has discretion to grant interest to the consumer. The Ld. CGRF in exercise of this discretion has proceeded to disallow the interest component on the interest amount.

PRAYER

In view of the facts and submissions stated hereinabove, it is most respectfully prayed that this Hon'ble Ombudsman may kindly be pleased to dismiss the present appeal being devoid of merit, in the interest of justice.

I. The matter was taken up for hearing today on 16.07.2026 as scheduled through Video Conferencing (VC).

During the course of hearing, the learned counsel for the Appellant requested time to file the rejoinder/reply, submitting that the reply of the Respondent has been received only recently. The request was duly considered.

The Appellant is granted time to file his rejoinder within 12 days from today and the Respondent is granted 3 days thereafter to file any additional reply, if required.

It is made clear to both parties that the next date of hearing, fixed for 30.07.2026 at 11:00 A.M. through Video Conferencing, shall be the final date for hearing of arguments. No further adjournment shall be granted, as the matter has already been pending for a considerable time and requires expeditious disposal.

All parties are directed to ensure strict compliance with the timelines stipulated above. Any rejoinder/additional reply filed beyond the permitted time shall not be entertained without sufficient cause shown.

In case of non-compliance of the directions or non-appearance, the matter shall be proceeded ex-parte against the defaulting party.

J. The matter was taken up for hearing today, i.e., 04.08.2026, as scheduled. The learned counsel for the Appellant appeared through Video Conferencing. The learned counsel for the Respondents appeared in person, while the SDO and the Commercial Assistant (CA) joined through Video Conferencing.

At the outset, the learned counsel for the Appellant submitted that he would advance oral arguments and thereafter file written submissions within three days. He was permitted to do so.

Arguments advanced on behalf of the Appellant

The learned counsel for the Appellant contended that consequent upon enhancement of connected load from 150 kW to 275 kW, the current transformers were replaced and the Multiplying Factor (MF) was revised from 3 to 5 with effect from 11.12.2021. Bills reflecting MF-5 were raised in the year 2022. The Internal Audit Party, however, raised Half Margin Memo No. 26/87/2022 only on 03.05.2023, and the supplementary demand of ₹12,63,441/- was raised as late as October 2025 — after a lapse of approximately 27 months from the date of the Half Margin.

Relying upon the judgment in *Prem Cotex v. UHBVN* and the mandate of Section 56(2) of the Electricity Act, 2003, it was urged that no amount is recoverable from the Appellant, the demand having been raised beyond the statutory period of two years computed from the first cause of action, whether reckoned from 11.12.2021, from the period of under-billing in 2022, or from 03.05.2023. It was further submitted that the Respondents' own plea of technical failure in the RAPDRP system constitutes an admission of departmental lapse, disentitling them from recovering the amount. Consequently, the finding of the CGRF upholding the demand of ₹12,63,441/- is unsustainable in law.

Arguments advanced on behalf of the Respondents

Per contra, the learned counsel for the Respondents submitted that the consumer had personally received and signed MT Report No. 42/572 dated 11.12.2021, which expressly recorded the revision of MF from 3 to 5. The consumer was, therefore, fully aware of the change. The short assessment arises from actual consumption of electricity that escaped billing due to non-updation of the revised MF in the RAPDRP system on account of a technical glitch. There was no deliberate or wilful default on the part of the Respondents. The amount represents escaped assessment of energy charges and is, therefore, recoverable.

Directions

Having heard the parties and considering the submissions made, the following directions are issued:

1. The learned counsel for the Appellant shall file detailed written arguments, incorporating the contentions advanced during the hearing, on or before 07.08.2026 (midnight).
2. The Respondents shall file their reply/written submissions, if any, within three days thereafter, i.e., on or before 10.08.2026.

3. It is made clear that if the Appellant's written arguments are not received by the stipulated deadline, no further opportunity shall be granted and the matter shall be decided on the basis of the material already on record.
4. The case is reserved for orders after receipt of the written submissions from both sides or after 10.08.2026, whichever is earlier.

Further Direction regarding departmental accountability

Taking serious cognizance of the prolonged non-updation of the revised Multiplying Factor in the RAPDRP system, this Authority directs the Respondents to place on record, through the concerned XEN/OP, a detailed report identifying the delinquent officer(s)/official(s) responsible for the failure to update the MF and to ensure correct billing. The report shall specifically cover officers/officials of the M&P Wing, the then SDO/OP, Commercial Assistant, Ledger Keeper, and any other concerned functionary. The said report shall be duly attested by a Notary Public and filed on or before the next date fixed for consideration of the written submissions.

All parties are directed to ensure strict compliance with the timelines indicated above.

K. On 10.08.2026, XEN/OP, Badhra has submitted compliance report which is as under:

1. That the present written submissions are being filed by the Respondents in compliance with the Interim Order dated 04.08.2026 passed by this Hon'ble Forum, whereby it has been directed as under:

"Directions
Having heard the parties and considering the submissions made, the following directions are issued:

2. The Respondent shall file their reply/ written submissions, if any, within three days thereafter i.e. on or before 10.08.2026.

Taking serious cognizance of the prolonged non-updation of the revised Multiplying Factor in the RAPDRP system, this Authority directs the Respondent to place on record, through the concerned XEN/OP, a detailed report identifying the delinquent officer(s)/ official(s) responsible for the failure to update the MF and to ensure the correct billing. The report shall specifically cover officers/ officials of the M&P Wing, the then SDO/OP, Commercial Assistant, Ledger Keeper, and any other concerned functionary. The said report shall specifically cover officers/ officials of the M&P Wing, the then SDO/OP, Commercial Assistant, Ledger Keeper, and any other concerned functionary. The said report shall be duly attested by a Notary Public and filed on or before the next date fixed for consideration of the written submissions."

2. That a perusal of the aforesaid Interim Order dated 04.08.2026 shows that the Answering Respondent, apart from filing of the written submissions was also required to place on record, through the concerned Executive Engineer/OP, DHBVNL a report on the aspect of departmental accountability with reference to the prolonged non-updation of the revised Multiplying Factor (MF) in the RAPDRP system.

3. That at the outset, the Respondents reiterate and rely upon the facts and averments already placed on record, by way of the reply, the contents of which may kindly be read as part and parcel of the written submissions which are not being repeated here for the sake of brevity.

BRIEF BACKGROUND:

4. That the Appellant, M/s Sadbhawna Stone Crusher, is a consumer of the Respondent-Nigam. On the Appellant's application dated 19.11.2021 (Application No. B34-1121-86) for enhancement of connected load from 150 kW to 275 kW, the connected load and the corresponding Multiplying Factor (MF) required revision. The current transformers were accordingly replaced/tested by the M&P Division, Bhiwani, on 11.12.2021 (MT Book No. 572/42), and MT Report No. 42/572 dated 11.12.2021 was prepared, revising the MF from 3 to 5. It is a matter of record, and not in dispute, that the Appellant's representative personally received the said MT Report and acknowledged the same under his own signature.

5. That during the processing of RAPDRP data in March 2022, the revised MF of 5 could not, for technical/system-related reasons attributable to the RAPDRP platform, be correctly reflected in the billing system. As a result, billing continued to be carried out by applying MF-2 in place of the revised MF-5, leading to under-billing of the actual energy consumed by the Appellant. It is submitted that this occurrence was a system-level data-migration/technical error and was in no manner attributable to any wilful act, omission, or negligence on the part of any particular official of the Respondent-Nigam.

6. That the said discrepancy came to light upon detection by the Internal Audit Party, which issued Half Margin Memo No. 26/87/2022 dated 03.05.2023, assessing a recoverable amount of ₹12,63,441/- on account of incorrect application of MF. The matter was thereafter taken up for departmental processing, including review in a meeting held on 21.08.2023, in which the pending Half Margin details were placed before the concerned officials of the Sub-Division and the CBO Wing for necessary action.

7. That the record further shows that the case was forwarded on 03.05.2023 (Case Row ID-7649) and uploaded on the Half Margin Portal, but was administratively cancelled on 18.03.2024 owing to a technical issue in the Binder System, resulting in further delay that was again attributable to a system/process-level constraint rather than to any individual lapse. It is also relevant that, during the intervening

period, other proceedings concerning the very same consumer account — including CGRF Case No. 4628/2024 relating to PLEC Load and ACD Interest — were simultaneously pending and under consideration, which necessarily had a bearing on the composite processing of the consumer's account.

8. That upon completion of the departmental exercise, Memo No. 7127 dated 21.10.2025 was issued to the Appellant intimating the recoverable amount. The Appellant was thereafter permitted to deposit the assessed amount in instalments, which arrangement the Appellant accepted, and pursuant whereto part-payments have already been made and duly accounted for. It is submitted that the Appellant's own conduct in accepting the assessment and making payment(s) towards the same reflects an acknowledgment of liability and is inconsistent with the plea now sought to be raised regarding limitation.

9. It is respectfully submitted that the present case does not involve recovery of an ordinary time-barred arrear, but recovery on account of escaped assessment/ under-billing of actual electricity consumed, occasioned by a technical failure to update an already-revised MF in the billing system. The revised MF stood determined and recorded as early as 11.12.2021 vide the MT Report; however, on account of the RAPDRP data-migration issue, the billing system continued to reflect the un-revised MF, and the consumer continued to be billed on that incorrect basis. In such circumstances, the amount now sought to be recovered represents the differential between what was actually billed and what ought to have been billed for energy actually consumed.

10. It is submitted that the bar of limitation under Section 56(2) of the Electricity Act,

2003 applies to recovery of amounts "due", and does not, on a proper construction, extend to cases of escaped assessment arising from a bona fide technical/clerical error discovered subsequently by audit. Reliance is placed on the ratio of the Hon'ble Supreme Court in Hon'ble Apex Court in Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Limited & Anr. Vs Rahamatulla Khan alia Rahamjulla [2020 (4) SCC 650; Law Finder Doc Id # 1686534].

10. It is further submitted that the conduct of the Appellant itself is inconsistent with the plea of limitation now raised. The Appellant's representative had personal knowledge of the revised MF at least from 11.12.2021, having signed the MT Report to that effect. Thereafter, upon intimation of the recoverable amount, the Appellant sought and availed an instalment facility and made payment(s) accordingly, without demur, which conduct amounts to an acknowledgment of the liability and estops the Appellant from now contending that the demand is time-barred. It is accordingly submitted that the objection raised on behalf of the Appellant under Section 56(2) of the Electricity Act, 2003 is misconceived and deserves to be rejected, and the demand raised by the Respondent-Nigam, after due adjustment of the amounts already paid/deposited by the Appellant, may kindly be upheld.

12. It is submitted that the Appellant's signature on MT Report No. 42/572 dated 11.12.2021 constitutes a contemporaneous, unequivocal acknowledgment by the Appellant of the fact that the connected load stood enhanced and the MF stood revised from 3 to 5 with effect from that date. This acknowledgment fixes the Appellant with knowledge of the correct billing parameter applicable to its account from that date onward, irrespective of whether the billing system was, for technical reasons, able to give effect to the same at that point in time. It is submitted that the said acknowledgment has a dual legal effect: first, it establishes that the revision of MF was neither concealed from, nor unknown to, the Appellant, and the subsequent under-billing was solely a consequence of a system-side error and not of any misrepresentation by, or lack of information to, the consumer; and secondly, it disentitles the Appellant from claiming the benefit of an incorrect bill raised on the un-revised MF, since a consumer who is aware of the correct billing parameter cannot, in equity, retain the benefit of an admittedly erroneous lower billing occasioned by an inadvertent system error.

13. It submitted that any preliminary remark of "not chargeable" appearing on the Half Margin Memo was in the nature of an initial administrative/audit annotation made at the stage of internal processing, and does not constitute a final or binding determination of the Respondent-Nigam on the question of recoverability. Half Margin processing is, by its nature, a multi-stage internal exercise involving verification, review by the concerned Sub- Division/Circle, and final decision-making; an interim annotation made at an early stage of that process cannot be elevated to the status of a conclusive admission binding upon the Nigam, particularly where subsequent verification establishes that the underlying cause was a technical non-updation of analready-revised MF, and not an absence of liability.

14. It is submitted that the question of interest on refund/adjustment of excess tariff and PLEC charges, as directed by the CGRF, is distinct from and does not affect the Nigam's independent entitlement to recover the escaped assessment on account of MF under-billing, and the two claims fall to be adjusted only after netting off the respective amounts found due to either side. Without prejudice to this position, it is submitted that grant of interest, if any, on refundable amounts is a matter that must be governed by the applicable regulations/instructions of the Hon'ble Commission governing refunds to consumers, and cannot be claimed as a matter of course dehors such regulatory provisions.

SUBMISSION ON DEPARTMENTAL ACCOUNTABILITY

15. The Interim Order dated 04.08.2026 has directed the Respondents to place on record, through the concerned XEN/OP, a report identifying the officer(s)/official(s) responsible for the failure to update the revised MF, specifically covering the M&P Wing, the then SDO/OP, the Commercial Assistant, and the Ledger Keeper. In this regard, it is respectfully submitted that, as have been detailed hereinabove, no material has been found on the departmental record to establish that the non-

updation of the revised MF, or the consequent delay in raising and finalising the Half Margin, was occasioned by any wilful default, dereliction of duty, or negligence attributable to any particular officer or official. The revision of MF was correctly determined and recorded by the M&P Wing vide MT Report No. 42/572 dated 11.12.2021, and the said revision was duly communicated to, and acknowledged by, the consumer himself. The failure of the revised MF to reflect in the billing system thereafter arose out of a technical/data-processing constraint inherent in the RAPDRP system at the relevant time, and not out of any omission on the part of any individual functionary in the discharge of his or her duties.

16. It is further submitted that the subsequent delay in finalisation of the Half Margin was similarly occasioned by process-level and system-level factors beyond the control of any individual officer, namely:

    (i) the pendency of other CGRF proceedings relating to the very same consumer account, which necessarily required composite examination before the Half Margin could be taken to its logical conclusion; and

    (ii) the cancellation of the case on the Binder System on account of a technical issue therein, which necessitated re-initiation of the process. The record further reflects that the pending Half Margin was duly placed for review before the concerned officials and the Committee Member of the CBO Wing in a meeting held on 21.08.2023, indicating that the matter was being actively processed departmentally and was not allowed to lie unattended.

17. In these circumstances, it is most respectfully submitted that a careful examination of the departmental record does not disclose any wilful default, dereliction of duty, mala fide conduct, or actionable negligence on the part of any officer or official, whether presently posted or posted at any relevant point in time in connection with the matter. The non-updation of the revised MF and the consequent delay were, as set out hereinabove, attributable to systemic and process-level constraints, namely, the technical limitations of the RAPDRP system, the simultaneous pendency of connected proceedings relating to the same consumer account, and the technical cancellation of the case on the Binder System, none of which can be said to stem from any lapse on the part of an individual officer acting in the discharge of his or her official duties.

18. It is accordingly and most respectfully submitted that no adverse direction, finding, or observation may kindly be passed against any officer or official of the Respondent-Nigam in the present proceedings.

PRAYER

In view of the facts and submissions set out above, it is respectfully prayed that this Hon'ble Forum may be pleased to:

A. Uphold the demand of ₹12,63,441/- raised by the Respondent-Nigam on account of under-billing consequent upon non-updation of the revised Multiplying Factor; AND

B. Any adverse direction, finding, or observation against any officer or official of the Respondent-Nigam, whether presently posted or posted at any relevant point in time, may kindly not be passed as there being no material on record to establish individual delinquency, wilful default, or negligence on the part of any such officer or official; AND/OR

C. Pass such other or further order(s) as this Hon'ble Forum may deem fit and proper in the facts and circumstances of the case.

Decision

I. BRIEF FACTS OF THE CASE

1. The Appellant, M/s Sadbhawna Stone Crusher, is an HT industrial consumer of the Respondent Nigam operating a stone-crushing unit at village Kelali under Sub-Division Jhojhu Kalan, Circle Charkhi Dadri, bearing Account No. 7784772000 (erstwhile Account No. AAHT-0017), with sanctioned load falling under the HT tariff category.
2. On the basis of an Internal Revenue Audit Half-Margin bearing Book No. 2022/87, Para No. 021, dated 03.05.2023 (issued by the Internal Revenue Audit Department, DHBVN, Hisar), read with MT-I No. 42/572 dated 11.12.2021, it was pointed out that during the checking of the MT-I report, an omission in the Multiplying Factor (MF) of the Appellant's connection had been detected. The audit noted that the correct MF applicable to the connection was "3", whereas the billing had continued on a lower/incorrect MF, resulting in short-assessment of energy consumption.
3. On the strength of the said audit half-margin, the Respondent Sub-Division computed the differential energy as under:
   - Billed units (KVAH): 1,61,157 | MT-I units (KVAH): 99,797 | Difference: 61,360 KVAH × MF 3 = 1,84,080 units
   - Billed units (KWH): 1,54,729 | MT-I units (KWH): 1,05,310 | Difference: 49,419 KWH × MF 3 = 1,48,257 units
   - Energy Charges: 1,84,080 × ₹6.65 = ₹12,24,132
   - Electricity Duty (E.D.) @ 10 paise/unit on 1,48,257 = ₹14,826
   - Municipal Tax / P. Tax @ 2% = ₹24,483
   - Total demand raised: ₹12,63,441/- (subsequently reflected in the SDO's Memo No. 7127 dated 21.10.2025 as ₹12,63,441).
4. The said demand notice dated 21.10.2025 was communicated to the Appellant with the direction to raise objections, if any, within one week and to make payment.
5. Aggrieved, the Appellant approached the CGRF, DHBVN, Gurugram, in Case No. 4970/2025, which was disposed of vide Order dated 06.03.2026 substantially upholding the demand. The Appellant thereafter preferred the present appeal, registered on 03.04.2026.

II. PROCEEDINGS BEFORE THIS FORUM

6. The matter was listed for hearing on 04.05.2026, 05.05.2026, 14.05.2026, 03.06.2026, 30.06.2026, 16.07.2026 and 04.08.2026. Interim orders were issued on each of the aforesaid dates directing the Respondents to file a detailed, para-wise

reply, produce the original service connection order, MT-I, half-margin file, RAPDRP/non-RAPDRP migration records and the line-loss statements for the disputed period, and to establish the exact date on which the correct MF became known to the licensee.

7. Vide interim order dated 16.07.2026, the Respondents were specifically directed to explain why the correction in the Multiplying Factor was delayed despite the MT-I dated 11.12.2021 and the audit half-margin dated 03.05.2023, and to identify the officials responsible.
8. The Respondent XEN 'OP' Division, Charkhi Dadri, filed his reply dated 04.05.2026 and further submissions dated 10.08.2026 (compliance report), essentially attributing the delay to (i) technical glitches in the billing system, (ii) migration of consumer data from the non-RAPDRP to the RAPDRP platform, and (iii) system-generated bills not permitting manual override at the Sub-Division level.

III. CONTENTIONS OF THE APPELLANT

9. Sh. Akshay Gupta, Learned Counsel for the Appellant, has advanced the following submissions:

(a) That the demand of ₹12,63,441/- raised vide Memo No. 7127 dated 21.10.2025 pertains to a period well beyond two years preceding the date of the first demand bill, and is therefore squarely barred by the limitation prescribed under Section 56(2) of the Electricity Act, 2003.

(b) That the first cause of action arose, at the latest, on the date of the MT-I report i.e. 11.12.2021, or in the alternative on the date of the audit half-margin i.e. 03.05.2023, and the demand having been raised only on 21.10.2025, is hit by the two-year embargo.

(c) That the entire lapse in applying the correct MF is attributable to the licensee's own officials; the consumer was neither responsible for the MF error nor was the same "shown continuously as recoverable" in the bills, and hence the escape clause under the proviso to Section 56(2) is not attracted.

(d) That reliance is placed on the ratio in Assistant Engineer (D-1), Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan, (2020) 4 SCC 650, to contend that where a sum has not been continuously shown as recoverable in the bills issued to the consumer, recovery beyond two years is impermissible.

(e) That the demand ought to be quashed in entirety and, in the alternative, be substantially reduced with waiver of surcharge/DPS.

IV. CONTENTIONS OF THE RESPONDENTS

10. Learned Counsel for the Respondents, supported by the affidavit/reply of the XEN 'OP' Division, has submitted:

(a) That this is a case of escaped assessment on account of application of an incorrect Multiplying Factor and not a case of arithmetic error or under-billing simpliciter.

(b) That the energy in question was admittedly consumed by the Appellant for commercial purposes (operation of a stone-crushing unit) and revenue was earned therefrom; hence retention of the value of such consumed energy would amount to unjust enrichment.

(c) That the correction of the MF and consequent supplementary billing became feasible only after migration of the consumer's account from the non-RAPDRP platform to the RAPDRP platform, and the delay is neither wilful nor mala fide.

(d) That reliance is placed on the ratio in Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd., (2021) SCC OnLine SC 870, and on Punjab State Power Corporation Ltd. v. Vinay Gupta, to submit that a supervisory or administrative lapse of the licensee in applying the correct MF does not extinguish the consumer's liability to pay for energy actually consumed.

V. ISSUES FOR CONSIDERATION

11. Upon a careful appreciation of the pleadings, documents and rival contentions, the following issues arise for determination:

Issue A Whether the impugned demand of ₹12,63,441/- is barred by limitation under Section 56(2) of the Electricity Act, 2003 read with the ratio in *Rahamatullah Khan (supra)* and *Prem Cottex (supra)*?

Issue B Whether the escaped assessment on account of incorrect application of the Multiplying Factor is recoverable from the Appellant, and if so, to what extent, and on what terms as regards surcharge / late-payment charges / instalments?

Issue C Whether any of the officials/officers of the licensee are liable for the delay and lapse in correcting the MF, and if so, the nature of departmental/administrative direction warranted.

Issue D Whether any system-level directions are required at the utility level to prevent recurrence of similar cases.

VI. ANALYSIS AND FINDINGS

Issue A — Applicability of Section 56(2) of the Electricity Act, 2003

12. Section 56(2) of the Electricity Act, 2003 bars recovery of any sum due from a consumer "after the period of two years from the date when such sum became first due", unless such sum has been continuously shown as recoverable as arrears of charges for electricity supplied.

13. The Hon'ble Supreme Court in Assistant Engineer, Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan, (2020) 4 SCC 650, has authoritatively held that "the date when such sum became first due" is the date on which a bill/demand notice is raised on the consumer for the escaped consumption, and not the date of actual consumption. The two-year clock, therefore, begins from the date of issuance of the supplementary/additional demand.
14. The said ratio has been affirmed and applied by the Hon'ble Supreme Court in Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd., 2021 SCC OnLine SC 870, where a case arising from the very same licensee-family (UHBVN) involving belated demand on account of incorrect MF was held to be recoverable, the Court holding that the licensee cannot be non-suited on the ground of limitation where the escapement itself came to light on a subsequent date and the demand was raised within a reasonable time thereafter.
15. Applying the aforesaid ratio to the facts at hand:

- The audit half-margin dated 03.05.2023 merely constituted an internal audit observation; it was not a "sum first due" from the consumer within the meaning of Section 56(2).
- The supplementary demand of ₹12,63,441/- was raised on the Appellant vide Memo No. 7127 dated 21.10.2025, which is the date on which the sum first became "due" and payable by the consumer.
- The appeal/complaint has been agitated well within two years of the said demand.

16. Accordingly, the plea of limitation raised by the Appellant, being contrary to the settled position of law as laid down in Prem Cottex (supra) and Rahamatullah Khan (supra), stands rejected.

Issue B — Recoverability of the escaped assessment

17. It is not in dispute that:

(i) The Appellant is a HT commercial/industrial consumer operating a stone-crushing unit;

(ii) The accuracy of the energy meter is not challenged;

(iii) The Multiplying Factor of "3" applied by the audit wing is not, on merits, shown to be erroneous by the Appellant; and

iv) The energy corresponding to the escaped assessment was actually consumed by the Appellant in the course of its commercial operations.

18. It is a settled principle, reiterated by the Hon'ble Supreme Court in Punjab State Power Corporation Ltd. v. Vinay Gupta, that once the accuracy of the meter is undisputed, escaped assessment on account of an erroneous multiplying factor is recoverable, and a supervisory or administrative lapse on the part of the licensee's employees in not detecting/correcting the MF earlier does not raise a presumption in favour of the consumer that no further amount is due.
19. The consumer cannot be permitted to retain the pecuniary benefit of the energy actually consumed and utilised for revenue-earning commercial activity by taking

shelter behind lapses of the licensee's staff. Such a course would result in unjust enrichment, which the law does not countenance.

20. At the same time, this Forum is duty-bound to balance equities. The lapse in correcting the MF for a prolonged period spanning several years, despite the availability of MT-I reports and monthly line-loss statements, is undeniably attributable to the licensee. The Appellant, though liable to pay for the energy consumed, cannot be saddled with surcharge/late-payment charges/DPS for a period during which no bill was actually raised, and further deserves the indulgence of instalment-based payment.

21. Accordingly, on Issue B, this Forum holds that the escaped assessment is recoverable in principle, subject to the equitable modulations set out in the operative directions below.

Issue C — Lapse on the part of the licensee's officials

22. The reply of the Respondent XEN 'OP' Division attributes the entire delay to technical glitches and RAPDRP data-migration. This explanation, while acknowledged, does not fully absolve the field functionaries of their statutory and departmental duties. The record shows that:

(a) The MT-I dated 11.12.2021 clearly reflected the correct parameters;

(b) The Internal Revenue Audit Half-Margin dated 03.05.2023 specifically pointed out the MF omission;

(c) Notwithstanding the above, correction was effected and the supplementary demand raised only on 21.10.2025 — a delay of approximately two years and five months from the audit observation and nearly four years from the MT-I report;

(d) The monthly line-loss statement prepared at the Sub-Division level is a well-established exercise that ought to have flagged the anomaly at an early stage;

(e) The functions of the Commercial Assistant, Ledger Keeper and SDO 'OP' in the billing of HT-category connections are well-defined under the DHBVN Sales/Commercial Circulars, and cannot be ruled out.

23. The reply of the XEN 'OP' Division, in the considered view of this Forum, has been submitted without adequate application of mind and appears to be evasive in identifying accountability, contrary to the specific directions contained in the interim order dated 16.07.2026.

24. However, this Forum is conscious of the settled position that penal/disciplinary consequences upon named individuals must follow a due process of departmental enquiry, and cannot be imposed by way of a summary quasi-judicial order without affording the concerned officials an opportunity of hearing. Accordingly, the appropriate course is to remit the matter to the Managing Director / competent Disciplinary Authority, DHBVN, for initiation of appropriate proceedings against the officials concerned in accordance with the DHBVN Employees' (Punishment &

Appeal) Regulations if the penalty as ordered in point no. B of the operative direction/order are not recovered and paid to the consumer.

Issue D — Utility-level systemic direction

25. During the course of hearings, it has come to the notice of this Forum that multiple cases involving wrong application of the Multiplying Factor are being agitated before the CGRF Forums and before this Ombudsman. The issue is systemic and warrants a utility-wide corrective exercise, particularly in respect of HT consumers whose accounts were migrated from the non-RAPDRP to the RAPDRP platform.

VII. OPERATIVE DIRECTIONS / ORDER

Having regard to the foregoing findings, and in exercise of the powers vested in this Forum under the Electricity Act, 2003 read with the Haryana Electricity Regulatory Commission (Forum and Ombudsman) Regulations, and the DHBVN Sales Manual / Supply Code as amended from time to time, this Forum passes the following order:

A. On the demand of ₹12,63,441/-:

1. The plea of limitation under Section 56(2) of the Electricity Act, 2003 raised by the Appellant is rejected in view of the ratio laid down in Prem Cottex v. UHBVN and Ajmer Vidyut Vitran Nigam v. Rahamatullah Khan.
2. The Appellant is granted a rebate of surcharge on the principal disputed amount of ₹12,63,441/- in view of the prolonged lapse on the part of the licensee, the equities of the case, and to prevent unjust enrichment of the licensee on account of its own inaction.
3. The disputed amount after adjusting already deposited 40% amount shall be recoverable from the Appellant, and shall be paid in four (4) equal monthly instalments along with the current bills.
4. No surcharge / late-payment surcharge shall be levied on the said amount, provided the instalments are paid on or before the due date of the respective current bill. In case of default in payment of any instalment, the licensee shall be at liberty to recover the entire outstanding along with surcharge as per the Supply Code.
5. The amount of 20000/- as penalty/cost to be recovered from the officers/officials shall be got credited into the account of the consumer in next 15 days from the date of order.

B. On accountability of the officials:

6. The reply filed by the Respondent XEN 'OP' Division, Badhra is taken on record, but is found to be evasive and lacking in application of mind. The Chief Account Officers/Senior Account Officer (Pay and Accounts), DHBVN is directed to deduct a penalty of Rs. 5,000/- from the then SDO 'OP', Commercial Assistant, Ledger Keeper of Sub-Division Jhojhu Kalan in respect of the period during which the MF error remained uncorrected. A cost of Rs. 5000/- is imposed upon XEN 'OP' Division, Badhra for submitting reply which is evasive and lacking in application of mind.

C. Utility-level systemic direction:

7. The Superintending Engineer, M&P, DHBVN, is directed to undertake a comprehensive utility-level exercise for verification of the correctness of Multiplying Factors applied to all HT and LT industrial connections, with special reference to accounts migrated from the non-RAPDRP to the RAPDRP platform.
8. A compliance report on the said exercise, indicating the number of connections verified, discrepancies detected and corrective action taken, shall be submitted to this Forum on or before 31.10.2026.

D. Miscellaneous:

9. The revised bill in terms of paragraphs A(2) and A(3) above shall be issued by the Respondent SDO within 15 days of receipt of a copy of this order. The Appellant shall clear the first instalment within 30 days of receipt of the revised bill.
10. Nothing in this order shall be construed as a bar on the rights of either party to pursue further remedies available in law.

The appeal stands partly allowed in the above terms with cost.

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 11th August 2026.

Sd/-
(Rakesh Kumar Khanna)
Electricity Ombudsman, Haryana

Dated: 11.08.2026

CC:
Memo No.1882-1888/HERC/Appeal No. 9/2026 Dated: 12.08.2026
To

1. M/s Sadbhawna Stone Crusher through its partner Mr. Dhoop Singh through Shri Akshay Gupta Advocates, 659, 6th Floor, Satya the Hive, Sector-102, Gurugram (Email juristakshayoffice@gmail.com)
2. The Managing Director, DHBVN, Vidyut Sadan, Vidyut Nagar, Hisar, Haryana - 125005 (Email md@dhbvn.org.in).
3. Legal Remembrancer, Haryana Power Utilities, Shakti Bhawan, Plot No. C-4, Sector-6, Panchkula, Haryana - 134109 (Email lr@hvpn.org.in).
4. The Chief Engineer Operation, DHBVN, Vidyut Sadan, Vidyut Nagar, Hisar, Haryana - 125005 (Email ceophisar@dhbvn.org.in).
5. The SE/OP, Circle, Bhiwani, DHBVN, Bijli Suvidha Kendra, Near XEN Office, BTM Chowk, BTM Road, Bhiwani, Haryana - 127021 (Email seopbhiwani@dhbvn.org.in)
6. The XEN/OP, Divn. Badhra, Charkhi Dadri, DHBVN, Haryana - 127306 (Email xenopbadhra@dhbvn.org.in)
7. SDO/OP, Sub Division, Jhojhu Kalan, DHBVN, District Charkhi Dadri, Haryana - 127310 (Email sdoopjhojhu@dhbvn.org.in)