

**BEFORE THE ELECTRICITY OMBUDSMAN, JHARKHAND-RANCHI**

**(2<sup>nd</sup> floor, Sainik Market, Main Road, Ranchi – 834001)**

**Present - Nalin Kumar**  
***Electricity Ombudsman***

Dated – Ranchi, the 2nd day of April' 2026

**Appeal No. EOJ/11 of 2024**

M/S Shah Sponge & Power Limited, registered office at 07 Grant Lane Ganpati Chambers, Room No. 310, cabin no. 05, Kolkata, west Bengal, and administrative office having its work at Holding no. 18, 2nd floor, Padmalaya Building, Ram Mandir Shop Area, Bistupur, Jamshedpur, Jharkhand.

..... Appellant

**Versus**

1. Jharkhand Bijli Vitran Nigam Ltd. through Managing Director, having office at Engineering Bhawan, HEC Township, P.O. & P.S. - Dhurwa, District Ranchi.
2. The General Manager-cum-Chief Engineer, Singhbhum Electric Supply Area, Bistupur, Jamshedpur, Jharkhand Bijli Vitran Nigam Ltd., P.O. & P.S. – Bistupur, District – East Singhbhum.
3. The Electrical Superintending Engineer, Electric Supply Circle, Jamshedpur, Jharkhand Bijli Vitran Nigam Ltd., P.O. & P.S. – Adityapur, District – Saraikela-Kharsawan.
4. Electrical Executive Engineer (C & R), Electric Supply Circle, Jamshedpur, Jharkhand Bijli Vitran Nigam Limited, office at Vikash

Bhawan, Adityapur, P.O. & P.S. – Adityapur, Dist. – Saraikela Kharsawan,  
Jharkhand.

..... Respondent(s)

For the Appellant : Mr. D.K.Pathak, Adv.  
: Mr. Shashi Kant Mishra, Adv.  
For Respondent(s) : Mr. Utpal Kant, Adv.

(Arising out of Judgement passed in Case No. 01 of 2024 dated 22/8/2024  
by the Learned VUSNF, Chaibasa at Jamshedpur)

### **J U D G E M E N T**

1. The instant memo of appeal has been preferred against Judgement/Order dated 22.8.2024 passed in case No. 01 of 2024 by VUSNF, Chaibasa at Jamshedpur, by which the complaint filed by the appellant has been disposed of without granting substantive relief to it.

#### **Complainant/Appellant's Case**

2. The complainant/Appellant's case in short, is as follows:

i) The complaint before the learned forum below was filed for quashing supplementary bill dated 28/2/2024 by which a bill to the tune of Rs. 1,80,04,681/- (One Crore Eighty lacs four thousand six hundred eighty one Rupees only) has been raised unilaterally on account of change of multiplying factor from 3600 to 6000 for a period from 18/8/2021 to January 2024. Prayer for quashing notice dated 28/3/2024 was also made wherein the appellant was directed to pay the said amount within 15 days failing which its electricity service line would be disconnected.

ii) The Complainant/Appellant had taken electric connection from Respondent Nigam for sanctioned load of 1400 KVA under HT category. Time to time meter reading was taken by the authority carrying out necessary inspection of the electrical equipments and the authorities of the Nigam had recorded their satisfaction. Energy bills were being paid regularly and there was no dispute of any nature.

iii) Abnormal sound was observed near metering unit room followed by tripping of grid power and disconnection of line from sub-station on 15/8/2021, which was reported to ESE, Jamshedpur on 16/8/2021.

iv) The Respondent authorities visited appellant's premises on 18/8/2021 and upon making necessary inspection has submitted a report suggesting change of multiplying factor from 3600 to 6000.

v) Despite the abovementioned inspection report dated 18/8/2021 no bill was raised applying the enhanced MF of 6000, despite subsequent checking/meter reading on 3/1/2024 and 16/2/2024, but suddenly vide letter dated 28/2/24 a supplementary bill for short multiplying factor charged for the period 18/8/21 to Jan. 2024 was raised amounting to Rs. 1,80,04,681/-, unilaterally.

vi) The appellant made a representation on 15/3/24 to withdraw the said supplementary bill but vide letter dated 28/3/24 notice was served upon the appellant to deposit the said amount within 15 days else its electricity line would be disconnected.

vii) It was the responsibility of the Respondent authorities to check and inspect meter as well as other electrical appliances attached with the supply of electricity, periodically as per the Rules and Regulations; and, the

consequence of their fault can't be imposed upon the appellant. The unilateral action in raising retrospective bills, three years after the inspection, being barred by Provision contained in Section 56(2) of the Electricity Act, which provides for 2 years limitation period; is unsustainable in law as well as facts, and therefore fit to be quashed.

## Respondent JBVNL Case

3) The stand taken by Respondent JBVNL is as follows:

i) The Complainant/Appellant is an HTS 2 consumer having Consumer No. JADU-4 with a contract demand of 1400 KVA on a 33 KV supply. Energy meter in its premises was installed on 11/11/2008, in the installation report prepared CT ratio was recorded 30/5A and MF as 1800, and accordingly energy bills were issued.

ii) In June 2017 the Multiplying Factor was changed to 3600 vide letter dated 29/12/2017 the sanctioned load was enhanced from 1400 KVA to 2000 KVA.

iii) The consumer applied online for load enhancement from 1400 KVA to 7000 KVA on 6/1/2021, which was sanctioned vide letter No. 1750 dated 5/10/2021. Subsequently request was made for extending the date for deposit of security money against the load enhancement which was allowed and the date was extended vide Letter No. 58 dated 7/1/2022 upto 21/1/22. However subsequently the customer requested for cancellation of the load enhancement which was allowed vide letter No. 302 dated 12/2/2022.

iv) In the light of request by the consumer vide letter dated 16/8/2021, a team visited its premises on 18/8/21 and upon inspection in presence of

appellant's representatives, found the metering unit defective. Joint investigation report duly signed by the representatives of the appellant, also was prepared on 18/8/21 wherein it was mentioned that the Multiplying Factor should be 6000 instead of 3600.

v) Due to Covid 19 and in view of the protocols and guidelines issued by the Government, monthly energy bills for the period 09/2021 to 01/2024 applying Multiplying Factor of 3600 instead of 6000 amounting to 1,80,04,681/- dated 28/2/24 with due date of 20/3/24 was sent to the Customer/Appellant.

vi) The supplementary bills applying Multiplying Factor of 6000 with effect from Sept. 2021 till Jan.2024, based on the finding of joint inspection report, is perfectly in order and a notice for disconnection of line vide letter dated 28/3/24 has rightly been served upon the complainant appellant in terms of Section 56 and 47 of the Electricity Act.

### VUSNF Findings and Order:

4) After hearing the parties and discussing the materials available on record, the learned Forum below upheld the supplementary bill amounting to Rs. 1,80,04,681/- raised by the respondent against the consumer/petitioner/appellant and held that the respondents have the power to issue supplementary bills with retrospective effect if short assessment is found in course of inspection/audit or otherwise. It was held that the plea taken by the respondents in not raising the bill earlier on the ground of Covid 19 is unconvincing and therefore the consumer/petitioner/appellant was directed to file a representation before the competent authorities who were directed to forward the said representation to JBVNL Headquarter for

allowing maximum installments for the payment of supplementary bill, 1,80,04,681/-.

## 5) Subsequent Developments:

i) As a prerequisite for maintainability of the present appeal the appellant deposited 50% of the total demanded amount of Rs. 1,80,04,681/- i.e. Rs. 90,02,341/- (Ninety Lacs Two thousand three hundred and forty one Rupees only) to the JBVNL vide 2 cheques worth Rs. 45 lakhs and 45,00,241.

ii) Balance amount of Rs. 90,02,340/- /- (Ninety Lacs Two thousand three hundred and forty one Rupees only) was initially tendered via 6 post dated cheques on 4/3/25, but fresh cheques were demanded closer to the agreement and therefore as per the agreement executed between the parties 6 cheques, each of Rs. 19,11,996/- (Nineteen Lacs Eleven thousand nine hundred ninety six Rupees only) of different dates starting from 2/7/2025 till 02/12/2025, total worth Rs. 1,14,71,976/- (One Crore Fourteen Lacs seventy one thousand nine hundred seventy six Rupees only) were issued in favour of the respondent in terms of the system generated balance; but strictly under protest, solely to avoid coercive action. It is reiterated in the letter dated 2/7/25 issued by the authorized signatory of the appellant that the payments are being made under protest and without prejudice to the rights and contentions of our Company in the pending appeal EOJ/11/2024 before Electricity Ombudsman and the appellant does not accept the liability.

## Arguments on behalf of the Appellant:

6) Mr. D.K.Pathak, the learned counsel for the appellant emphatically argued that the appellant has deposited much more amount than Rs. 1,80,04,681/-, the amount for which supplementary bill was raised and which was challenged before the learned Forum below. The learned counsel submits that there are catenas of Judgements of Jharkhand High Court as well as Supreme Court wherein it has been settled that once the bills are revised by the Licensee, without any fault on behalf of the consumer, delayed payment surcharge cannot be invoked and realized. Reliance has been placed in this regard on the Judgement passed by learned single judge of Jharkhand High Court reported in 2015 SCC Online JHAR 1981 M/S A.M.I. Enterprises Pvt. Ltd. vs. JBVNL & Ors. wherein placing reliance upon another case law Tata Steel Ltd. vs. JSEB reported in 2008(1) JCR 580(JHR) it has been held that “When the Respondent Nigam has issued the bill belatedly, the question of application of DPS does not arise as allowing the same would amount to permitting the Respondent Nigam to take benefit of its own wrong.”

Reliance has also been placed on another case law M/S Usha Martin Ltd. vs. JUVNL & Ors. passed in LPA 305 of 2015 on 31/8/2024 wherein the division bench of Jharkhand High Court, in similar facts has held that “No DPS ought to have been levied at all.”

Learned counsel submits that in view of settled law about legal position abovementioned and considering that the appellant has been made to deposit much more amount than what was initially mentioned in the supplementary bill, under threat and coercion, the respondents should be directed to adjust/refund the surplus amount already received by them by

applying Delayed Payment Surcharge illegally on the revised supplementary bills raised retrospectively without any fault on behalf of the consumer/appellant. He prays for allowing the appeal.

### **Submissions on behalf of the Respondents:**

Heard Mr. Utpal Kant, Adv. on behalf of Respondent JBVNL. Learned counsel confirms that all the cheques deposited by the appellant in terms of the agreement have been encashed and he does not have any grievance. On the legal issue regarding non applicability of DPS on revised bill, he submits that in view of settled law he has nothing to mention.

### **Discussion:**

I have carefully considered the submissions extended at bar and gone through the materials available on record. Admittedly on an inspection made by the respondent authorities on 18/8/2021 the appellant's metering unit was found defective, in presence of his representatives and in the inspection report it was categorically mentioned that instead of multiplying factor of 3600, multiplying factor of 6000 need to be applied. Despite the said report dated 18/8/2021 the respondent JBVNL opted not to raise bills based on applying multiplying factor of 6000 with effect from Sep. 2021, rather waited till 28/2/24 for raising a supplementary bill worth Rs. 1,80,04,681/- showing the arrears from 08/2021 to 01/2024. The lame duck excuse of Covid 19 to justify the delay taken by JUVNL has been rejected by the learned Forum below itself. Thus, undisputedly, there is no fault of the consumer/petitioner/appellant company, as it has been paying its electrical bills regularly and within time.

7) Applying the ratio of Case Laws discussed, under such situation the Respondent JUVNL cannot apply DPS on the dues claimed retrospectively by it, as the consumer is not at fault. Ironically, as on date, the consumer/appellant has paid a sum of Rs. 2,31,74,317/- (Two Crore thirty one lacs seventy four thousand three hundred and seventeen Rs.), despite the fact that the original supplementary bill raised retrospectively, and which is subject matter of challenge was of Rs. 1,80,04,681/- only adding DPS to actual amount for which the appellant would have been liable to pay upon revision of MF from 3600 to 6000 between 18/8/2021 to Jan. 2024. Admittedly the subsequent amount of Rs. 1,14,71,976/- which has been deposited by the appellant under an agreement with Respondent JBVNL during the pendency of this appeal vide 6 post dated cheques has been generated though a programmed calculation mechanically, adding DPS to the outstanding amount; which is not permissible as per the settled law.

8) Clause 10.7.3 and 10.7.4 of the Electricity Supply Code Regulations 2015 reads as follows:

10.7.3 If the complaint is found to be correct by the Distribution Licensee, a revised bill shall be issued within 5 working days of dispatch of intimation of the same to the consumer. The consumer shall make the payment within 15 days from receipt of the revised bill. The consumer shall not be charged any late payment surcharge if the payment is made by the revised due date.

10.7.4 If the consumer has paid any excess amount, it shall be refunded to the consumer within 15 days or, if consumer opts, be adjusted within two subsequent bills. The Distribution Licensee shall pay to the

consumer interest charges at the rate equivalent to the delay payment surcharge as per tariff on the excess amount outstanding on account of such wrong billing from the date of payment till the date of refund or adjustment in subsequent bills.

9) The abovementioned Regulation 10.7.3 also categorically mentions that if the complainant's stand is found to be correct, the consumer shall not be charged any late payment surcharge. Clause 10.7.4 above quoted mandates that if the consumer has paid any excess amount, it shall be refunded to the consumer within 15 days or, if consumer opts, be adjusted within two subsequent bills. The provision further commands the distribution licensee to pay the consumer interest charges at the rate of equivalent payment surcharge as per tariff on the excess amount outstanding on account of such wrong billing from the date of payment till the date of refund or adjustment in the subsequent bills.

10) In view of discussion above made, this forum set aside the Order/Judgement passed by learned VUSNF, Chaibasa at Jamshedpur on 22.8.2024 in Case No. 01/2024, for having not considered the legal position that the DPS cannot be levied on revised bill when the consumer is not at fault.

11) Respondent JBVNL is directed to recalculate the amount incurred by the consumer/appellant due to revision of multiplying factor from 3600 to 6000 w.e.f. 18/8/2021 till Jan. 2024, without any DPS and adjust the said amount against the payment of 2,31,74,317/- (Two Crore Thirty one Lacs seventy four thousand three hundred and seventeen Rupees only) the customer/petitioner/appellant and refund/adjust as per the wish of the

consumer/appellant the remaining amount taking into consideration the Provision contained in Clause 10.7.4 of the Electricity Supply Code Regulations 2015 on the point of interest, within the statutorily prescribed period mentioned in the said clause. The appeal stood ALLOWED.

Let a copy of the Order be served on all the parties.

Sd/-  
Electricity Ombudsman