BEFORE THE ELECTRICITY OMBUDSMAN, JHARKHAND-RANCHI

(2nd *floor, Sainik Market, Main Road, Ranchi – 834001)*

Present - Nalin Kumar
Electricity Ombudsman

Dated – Ranchi, the 15th day of July' 2026

Appeal No. EOJ/05 of 2026

Indian Explosives Private Limited, (Formerly known as Indian Explosives Limited), P.O. Indian Explosives (Gomia), District Bokaro, Jharkhand, 829112 through its authorized signatory Sri. Sangeet Bakshi, aged about 50 year, Son of Late A.P.Bakshi, Resident of Indian Explosive Private Limited, Tower 100,83/1, Raidurgam, Hyderabad, Telengana.

…….. Appellant

Versus

1. Jharkhand Bijli Vitran Nigam Limited, a State Government Company, having its Office situated at Energy Department, P.O. Dhurwa, P.S. Hatia, District Ranchi, through its Managing Director.
2. General Manager, Jharkhand Bijli Vitran Nigam Limited, Electricity Supply Area, Dhanbad, P.O. GPO, P.S. Dhanbad, District Dhanbad.
3. Electrical Superintendent Engineer, Jharkhand Bijli Vitran Nigam Limited, Electric Supply Circle, Dhanbad, P.O. GPO, P.S. Dhanbad, District Dhanbad.

4. Electrical Executive Engineer, Jharkhand Bijli Vitran Nigam Limited, Electricity Supply Division, Tenughat, P.O. Bokaro, P.S. Dhanbad, District Dhanbad. Ranchi.

5. Assistant Electrical Engineer, Electric Supply Sub-Division, Gomia (Kathara), Division Tenughat, P.O. Tenughat, P.S. Tenughat, District Bokaro, Jharkhand – 829112.

…….. Respondent(s)

For the Appellant	:	Mr. Piyush Poddar, Adv.
	:	Mr. Vikas Pandey, Adv.
	:	Mr. Manav Poddar, Adv.
For Respondent	:	Mr. Mohan Kr. Dubey, Standing Counsel
	:	Mr. Utpal Kant, Adv.

(Arising out of Judgement/Order dated 30.01.2026 passed in Case No. 22 of 2025 by the learned VUSNF, Hazaribag)

JUDGEMENT

1. The present appeal has been preferred by the petitioner/appellant against part of Order (Order No. 1) dated 30.01.2026 passed by the Learned VUSNF, Hazaribag in Case No. 22 of 2025 by which the consumer/appellant has been directed to pay the arrear amount for the disputed period.

Appellant's Case

2. i) The consumer/appellant challenged and prayed for an appropriate order directing the respondent JBVNL to withdraw the Letter No. 39 dated 23.2.2021, by which quite illegally and arbitrarily highly inflated multiplying factor has been used retrospectively to demand huge sum as arrear of energy bills despite the fact that it has been paying all the energy charges within time and without any lapse.

ii) The appellant having a total of 47 connections, both commercial as well as domestic, in its name, has been regularly paying the electricity bills well within time. However vide Letter No. 39 dated 23.02.2021 issued by AEE, Electric Supply Sub-Division, Gomia huge arrears against 8 electric connections was demanded to be paid. Immediately thereafter on 26.02.2021 an objection was raised by the appellant praying for the withdrawal of the said letter. Subsequently vide Letter No. 340/AEE/S/Tenughat dated 19.03.2021 the appellant was informed that the revised bill has been recalculated by applying Multiplying Factor 20 w.e.f March 2017.

iii) Subsequently respondent No. 5 vide Letter No. 74 dated 26.03.2021 informed that due to faulty bill generated arising out of software issue, appropriate Multiplication Factor was not applied earlier, which has been rectified and corrected demand has been raised. Vide letter dated 5.04.2021 the appellant clarified the ground realities and reiterated that it has been diligently paying the bill amount without any delay and there is no balance due.

iv) Without considering the above mentioned clarification vide letter dated 31.07.2024 the appellant was informed the basis for enhancement of the bill amount based on Multimember Committee Report. It is pertinent to mention that after clarifying all the doubts the respondents removed the arrears from the appellant's bill raised for the month of July 2021 and no arrear was shown in any bill raised between July 2021 to December 2022. However illegally without any explanation arrear in the bill was reintroduced from January 2023. The respondent cannot take benefit of its own wrong under the guise of so-called software issue between March 2017 to 23.02.2021. The arrears claimed by the respondent is time barred and is hit by Sec. 56(2) of Electricity Act,2003, as the arrears sought to be recovered from the appellant is more than 2 years old and all the arrears were not continuously shown as recoverable from the appellant.

Respondent's Case :

3. i) Earlier bills have been sent to the appellant with multiplying factor 20 for 8 units mentioned in Letter No. 39 dated 23.02.2021 by the agency namely "Data Point" without any dispute. With the change of billing agency data migration has been done from "Data Point" to "SAR agency" w.e.f. 21.03.2017. Meanwhile on 28.05.2020 consumer's meter has been changed and despite change of the bill system bills were continued to be issued as shown in the charts. After change of the meter the consumption pattern automatically changed and as per previous meter in which multiplying factor 20 was applied. Accordingly arrears were calculated and Letter No. 39 dated 23.02.2021 was issued demanding payment of the same. The appellant submitted an objection on 26.02.2021 which was followed by other correspondences between the parties on this issue between 26.03.2021 to 19.03.2024.

ii) A committee comprising of 4 competent experts was formed and after thorough examination has prepared an enquiry report finding the demand of arrear from the appellant with respect to 8 meters to be correct and the said inquiry report was communicated to the respondent vide Letter No. 1410 dated 31.07.2024 for information and necessary action. The said inquiry report justifies demand of the arrears of the bills raised at the first instance vide Letter No. 39 dated 23.02.2021.

iii) Pursuant to the direction dated 30.01.2026 of the learned VUSNF, Hazaribag in Case No. 22/2025 DPS and other fixed charges has been rectified on 13.03.2026 and 11.07.2026. After rectification, the appellant has paid Rs. 39,37,030/- out of Rs.78,74,062/- and is yet to pay Rs. 39,37,031. The appellant is attempting to avoid the legitimate payment of electricity dues by raising disputes which are contrary to official record and settled principle of law.

Submissions on behalf of the appellant :

4. Mr. Manav Poddar, Adv. assisted by Mr. Piyush Poddar, Adv. submits that the appellant has already deposited Rs. 39,37,031/-, 50% of the demand amount, as required under Clause 15 of JSERC (Guidelines for Establishment of Forum for Redressal of Grievances of Consumers, Electricity Ombudsman and Consumer Advocacy) Regulations, 2020. Learned counsel highlights the contents of Para 5 of the impugned order which categorically mentions “that the respondent is not liable to recover the said bill because Sec. 56(2) of the Electricity Act, 2003 clearly speaks that an arrear of the bill must be of within two years and shown continuity in the raised bill as an arrear of charges ”; which contradicts operative order no 1 wherein the appellant is directed to pay the arrear amount for the disputed period.

In response to submission advanced on behalf of the respondent JBVNL, the learned counsel submits that a plain reading of Sec. 56(2) of the Electricity Act, 2003 makes it abundantly clear that the limitation period of 2 years shall be calculated from the date of the sum becoming due. It is also pointed out that learned VUSNF after having noted and recorded its findings that the arrears shown to be due against the appellant is barred categorically under Sec. 56(2) of Electricity Act, 2003, erred by directing the petitioner to pay the arrear amount for the disputed period, casually mentioning that mistake of the calculation of the multiplying factor is a common error in the system. He prays for allowing the appeal.

Submission on behalf of the respondents:

5. Mr. Mohan Kr. Dubey, learned counsel for JBVNL has pressed the counter affidavit filed on behalf of the respondent and highlighted column 5 of the inquiry report dated 5.7.2024 wherein it has been mentioned that "after installation of the meter the consumption trend clarified that for the period 04/2017 to 03/2020 the charged unit is abnormally low and after applying multiplying factor 20 this amount has been corrected". It is pointed out that the last bill of 03/2020 (March 2020) is well within the period of 2 years when vide Letter No. 39 dated 23.02.2021 the appellant was called upon to deposit the arrears due. Therefore the question of limitation of 2 years would not arise. Learned counsel justified the impugned order and submits that the learned VUSNF has taken a practical and pragmatic approach, which needs no interference. He prays for dismissal of the appeal.

Discussion and Finding :

6. Having heard the counsels for the parties and after going through the case records, it appears that the dispute in this matter lies in a narrow domain and is purely technical. The question is, when the learned VUSNF has come to a categorical finding that the respondents are not liable to recover the said bill from the appellant as it is hit by provision contained in Sec. 56(2) of the Electricity Act 2003, whether it could go against its own finding and in the operating portion order the appellant to pay the arrear amount for the disputed period, on the plea that such mistake of calculation of multiplying factor is a common error of the system?

7. ***Section 56(2) of the Electricity Act 2003*** reads as under :

56(2) – ***Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.***

Applying the legal position above referred in the facts of the present case makes it absolutely clear that the period of limitation of 2 years would be calculated from the day that sum has become first due; and not from the day on which the last entry in a series of entries spanning multiple years become due. In that view of the matter the submission extended by the learned counsel for the respondent that the period of limitation of 2 years for the arrears spanning 04/2017 to 03/2020 would not be attracted as demand for the same was made vide Letter No. 39 dated 23.02.2021; would not stand and therefore rejected.

8. As far as another aspects regarding the sum having been shown continuously as recoverable as arrears of charges for the electricity supplied is concerned, in view of undisputed facts that the appellant's bills raised between July 2021 to December 2022, did not include any arrears; goes to suggest that the respondent's claim is hit by this precondition mentioned in Sec. 56(2) of the Electricity Act, 2003, as well.

9. As regards taking practical view, this Forum is of the opinion that the mandate of Sec. 56(2) of Electricity Act, 2003, above quoted, is very clear and once factually it has been found that the respondent is not liable to recover the said bill being hit by Sec. 56(2), there is no question of invoking factors of common knowledge and the Forum has to apply the law as it is. Accordingly Order 1 of the impugned order dated 30.01.2026 passed by VUSNF, Hazaribag in Case No. 22 of 2025 is set aside and all the bills starting from the bill contained in Letter No. 39 dated 23.02.2021 of AEE, Gomia as well as subsequent bills reiterating the same stands quashed being hit by Sec. 56(2) of Electricity Act, 2003.

ORDER

10. The appeal stood allowed to the extent above mentioned. The respondents shall refund/adjust the amount of Rs. 39,37,031/- deposited as a precondition for the maintainability of this appeal in terms of the provision contained in the relevant regulation.

Let a copy of this order be sent to the learned VUSNF, Ranchi as well as all the parties.

Sd/-
Electricity Ombudsman