

THE STATE ELECTRICITY OMBUDSMAN

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Appeal Petition No. P/045/2025 (Present A. Chandrakumaran Nair) Dated: 26-09-2025

Appellant : M/s. Nano Plast
Plot no. 28,
Industrial Development Plot,
Ayyankunnu, Mundur P.O
Thrissur (dt)-680541

Respondent : The Assistant Executive Engineer,
Electrical Sub Division, KSE Board Ltd,
Kecheri, Thrissur (dt)

ORDER

Background of the case

The appellant Shri. Raju Varghese is the Managing Partner of the Industry named M/s. Nano Plast which situated at plot no.28 Industrial Development area, Ayyan Kunnu, Mundur P.O, Thrissur. The power supply for the unit was availed from Electrical Section, Mundur with consumer no.1156958014769. The power supply was connected on 20/04/2013 on LT IV tariff under the LEO YEC instalment scheme. The owner of the industry at the time of connection was Shri. Tijo Jacob and the present owner has taken over this industry on 2018. The expenditure for providing the connection was extended on instalment scheme. The initial payment was of Rs. 18,455 and balance on 58 instalments @ Rs.4691/- per month. The Licensee has raised bill for Rs. 1,08,665/- claiming that the 8 installments was not paid. The principal amount of 8 installments is Rs. 35,922/- and Rs. 66,089/- as interest for the delayed payment. The instalment outstanding was for a period from 09/2017 to 04/2018. The appellant's version is that they have made the payments but details are not available and the same is not accepted by the Licensee. Aggrieved consumer had filed the petition to CGRF as OP/123/24-25 and the CGRF issued order on 13/05/2025 stating

that the appellant is liable to pay the demand raised by the Licensee. This petition is filed by the appellant as the appeal to the order of CGRF.

Arguments of the Appellant

Reconsidering the order of the CGRF Cancellation of the demand notice of KSEB, since the bill is raised against the provisions of delayed due collections outlined in Supply Code as well as due to lack of evidence of non payment. Section 136 of Supply Code stipulates as given below

136(3) Recovery of arrears and its limitation.- No such sum due from any consumer, on account of default in payment shall be recoverable after a period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable arrear of charges for electricity supplied.

During the hearing conducted by CGRF, the honorable form chairman verbally observed that the action of KSEB in issuing such a bill is not proper and a positive stand should be taken to support Industries, In this situation I agreed to pay the principal amount only if an installment facility for the payment could be provided. The forum appreciated our stand and we all (including the KSEB representatives) came out of the hearing believing that the issue is amicably settled. However, to our shock the CGRF in its order stated that the demand is payable, however OTS scheme of KSEB could be used to get Redressal. Now KSEB vide its letter dt 28/06/2025 rejected this possibility also.

Arguments of the Respondent

The subject matter of the complaint pertains to the grievance of M/s Nano Plast (Consumer No. 1156958014769) under the Electrical Section, Mundur. The grievance relates to an additional bill of Rs. 1,08,665/- due to non-payment of the OYEC installment.

Initial LEOYEC Scheme:

- ◆ The consumer was registered under the LEOYEC installment scheme on 20.04.2013 for industrial purposes under LT IV tariff.
- ◆ An initial demand of Rs. 2,34,750/- was raised on 11.04.2013, of which Rs. 18,455/- was paid on 16.04.2013 as the first EMI installment.
- ◆ The remaining amount was to be paid in 58 installments of Rs. 4,691/- per month.

Installment Payments:

The consumer made regular payments until September 2017, but there was a lapse in payment from September 2017 to April 2018, during which 8 installments were missed.

Inspection and Reassessment:

- ◆ During an inspection by RAO, Thrissur, on 27.06.2023 at the Electrical Section, Mundur, it was found that there was an outstanding balance of Rs. 35,922/- from the previous installment period.
- ◆ As per the RAO inspection report, the balance LEOYEC amount of Rs. 35,922/- and Rs. 66,089/- calculated as interest @18% p.a. till 30.06.2023 (10 years, 2 months, 19 days) were demanded.
- ◆ A demand notice for the full amount was issued to the consumer on 08.07.2024.
- ◆ The consumer did not make the payment and filed a grievance on 03.10.2024 with the Sub Division Grievance Cell, Kechery, after discussions at the Electrical Section, Mundur.

Sub division Level IGRC's Decision:

- ◆ The Sub Division Level IGRC, Kechery, conducted a hearing on 04.11.2024.
- ◆ It was concluded that the issue cannot be resolved at the Sub Division Level IGRC and should be escalated for further action. The matter was forwarded to the Circle Level IGRC on 25.11.2024.

Circle Level IGRC's Decision:

- ◆ The Circle Level IGRC considered the matter and ordered that the complainant has to remit the amount as per Order No. IGRC Petition No. ECTSR/IGRC/04/2024/1507 dated 25.02.2025.
- ◆ On 05.03.2025, the Assistant Engineer, Electrical Section, Mundur, issued a demand for the amount from the complainant via Lr No.DB4/1/24-25/IGRC 54A.

CGRF Decision

The consumer had approached the Consumer Grievance Redressal Forum (CGRF) on 18.03.2025, and a hearing was conducted by the CGRF on 26.04.2025. The forum issued an order stating that the complainant is liable to pay the demand raised by the licensee dated 08.07.2024. It was also mentioned that the consumer may approach the licensee to avail the benefits of the OTS (One-Time Settlement) scheme.

Subsequently, the consumer expressed willingness to avail the benefits under OTS 2025. We then enquired with Oruma Consultancy regarding the applicability of the scheme in this case. Their reply stated that the delay in payment of OYEC installment amounts shall not be considered under the OTS scheme.

This information was communicated to the consumer, and accordingly, a demand was issued for the outstanding amount via letter No. DB/163/dtd.28.06.2025 from the Assistant Engineer, Electrical Section, Mundur.

Hence it is most humbly prayed that the Hon'ble State Electricity Ombudsman, Ernakulam. May be pleased accept these statements and to dismiss the petition.

Counter Argument of the Appellant

We studied the copies of the response of AXE,KSEB Kechery given to us and wish to state that these arguments were raised by KSEB official in earlier hearings also.

The accusation that we have not paid the 8 installments are not correct, as our payment history reveals that we are very prompt in all payments to KSEB. Unfortunately, in this case we don't have records of our payments of the 8 installments as we have scrapped all such old records (7 years past records are not available with us as our accounts were not computerized at that time)

Further our argument is that as per **Clause 136 (3)** of the Supply Code 2014 ***Recovery of arrears and its limitation.*** - *No such sum due from any consumer, on account of default in payment shall be recoverable after a period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable arrear of charges for electricity supplied.*

Analysis and findings

The hearing of the appeal petition was conducted on 23/09/2025 at 11:30 am in the office of the State Electricity Ombudsman, DH Road & Foreshore Road Junction, near Gandhi Square, Ernakulam south. The hearing was attended by the appellant Sri. Raju Varghese and representative Shri.Noby Joseph and the respondent Sri. Sindhu.K.K, Asst. Executive Engineer, Electrical Sub Division, KSE Board Ltd., Kechery, Thrissur(DT).

The Nano Plast is a small industry functioning inside the Industrial Development area at Mundur in Thrissur district which is making plastic items and selling to the local market. The service connection was effected on 04/2013. The connection was given with a condition that the expenditure incurred by the Licensee for providing this connection is to be paid on installment basis by the consumer. The total cost estimated was Rs. 2,34,750/- in which Rs. 18,455/- is paid as the initial payment and balance amount is payable in 58 monthly instalment with Rs. 4691/-per month. The version of the Licensee is that the consumer had paid 50 instalments upto 08/2017 and balance 8 installments from 09/2017 to 04/2018 was pending from the side of the consumer.

The main question raised was how the installments was paid by the consumer? It is clarified that this amount is also included in the monthly bills. The Licensee also agreed that there is no outstanding towards the current charges/monthly bills. The appellant states that the amount as per bill was regularly paid. A similar agreement have been examined which states that the instalment amount also include in the monthly current bills.

The Section 46 of the Electricity Act 2003 states about the recovery of expenditure.

Section 46. (Power to recover expenditure): *The State Commission may, by regulations, authorise a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply.*

The Kerala Electricity Supply Code 2014, regulation 36 and 82&83 deals with the payments of expenditure incurred by the Licensee in providing the connection.

36. Expenditure for extension or upgradation or both of the distribution system to be borne by the consumer.- *The expenditure for extension or upgradation or both of the distribution system undertaken exclusively for giving new service connection to any person or a collective body of persons or a developer or a builder, or for enhancing the load demand of a consumer or a collective body of consumers or a developer or a builder, shall be borne by the respective applicant or consumer or collective body of consumers or developer or builder, as the case may be*

82.(1) *The demand note shall be prepared as per the provisions of this Code and on the basis of cost data approved by the Commission, from time to time.*

82.(3) The demand note shall contain the following details:-

(i) particulars of entire works to be undertaken for providing electricity supply applied for and the items of works for which the applicant has to bear the expenditure;

(ii) amount to be remitted by the applicant as estimated at the rates in cost data approved by the Commission;

(iii) amount of security deposit as specified in Annexure - 3 to this Code;

(iv) the cost estimate shall include the cost of service line and terminal arrangements at the premises of the applicant, but shall not include the cost of meter.

83.(1) *The applicant shall make the payment within fifteen days of receipt of demand note, failing which the application shall stand lapsed and the applicant shall be informed accordingly in writing under acknowledgement: Provided that the licensee may grant enlargement of time to the applicant for payment of charges in case the applicant submits with in fifteen days of the receipt of demand note, a written request for such enlargement of time.*

Here the expenditure incurred by the Licensee is Rs. 2,34,750/-. The Licensee has accepted the request of the consumer to pay this amount in installments. The consumer was paying installments along with monthly current bills regularly up to 08/2017. Then why the balance 8 installments were not paid? Whether Licensee has included this amount and raised the monthly bills and consumer paid deducting this amount? The Licensee had failed to produce the copy of the bills or any other documents proving that this installments were also included in the bill. The Licensee has not reminded the consumer about the non payment of this amount for about 6 1/2 years. This outstanding amount was found out by the RAO during the audit conducted on 06/2023 which is after 5 years. Then the demand notice has been raised only 07/2024 which after 13 months of audit. This means that the claim has been raised by the Licensee after 6 years 5 months of the actual date of due of the arrears. The principal amount is worked out to Rs.35,922 and the interest amount is 66,089/-. The pertinent question is whether any lapse from the consumer in making the payment? No, the consumer is not responsible for the delay. The Licensee is at fault in raising bills as well as detecting this non payment in time and sending the demand note or remainder. Then whether charging interest for the delay attributable to the Licensee is justifiable? No. The charging of interest on this amount is not at all maintainable as per natural justice.

Decision

On verifying the documents submitted and hearing both the petitioner and respondent and also from the analysis as mentioned above, the following decision are hereby taken.

1. The demand raised by the Licensee for Rs. 1,08,665/- is quashed herewith.
2. The Licensee has to raise the revised demand excluding the interest portion.
3. The appellant is liable to pay the principal amount of Rs. 35,922/- as per the revised demand.
4. No other costs ordered.

ELECTRICITY OMBUDSMAN

No. P/045/2025/ dated: 26/09/2025.

Delivered to:

1. M/s. Nano plast, Plot no.28,Industrial Development Plot, Ayyankunnu, Mundur P.O, Thrissur (dt)
2. The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Kecheri, Thrissur (dt)

Copy to:

1. The Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, Vellayambalam, Thiruvananthapuram-10.
2. The Secretary, KSE Board Limited, Vydhyuthi bhavanam, Pattom, Thiruvananthapuram-4.
3. The Chairperson, Consumer Grievance Redressal Forum, 220 kV Substation Compound, HMT Colony P.O., Kalamassery, Pin- 683503.