

THE STATE ELECTRICITY OMBUDSMAN

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**Appeal Petition No. P/033/2026
(Present A. Chandrakumaran Nair)
Dated: 06-08-2026**

Appellant : Sri. S. A. Wahab
Represented by Sakeer Hussain,
S/o S. A. Wahab, Mehaboob Manzil,
Anangoor, Vidya Nagar P. O.,
Kasaragod- 673123

Respondents : 1.The Deputy Chief Engineer
Electrical Circle, KSEBL,
Kasaragod, Kasaragod (dt)

2.The Special Officer Revenue
KSEBL, Vydyuthi Bhavanam,
Thiruvananthapuram- 4

3.The Assistant Executive Engineer
Electrical Sub Division
KSEBL, Kasaragod, Kasaragod (dt)

4.The Assistant Engineer
Electrical Section
KSEBL, Kasaragod, Kasaragod (dt)

ORDER

Background of the case

The appellant Sri. S. A. Wahab is the Managing Partner of M/s Mehaboob Theatre Complex, situated at K. P. R. Rao Road, Kasaragod who has nominated his son Sri. Sakeer Hussain as his representative. The said theatre complex was an HT consumer of the licensee, KSEBL bearing legacy consumer no. 5/7877 under the Electrical Section, Kasaragod which is under the jurisdiction of Electrical Circle, Kasaragod. The appellant had defaulted the power charges from 3/2020 to 8/2021. The

consumer had requested for dismantling the service connection on 08/03/2021. The consumer was asked to remit the arrear amount and an amount of Rs. 2,17,281/- has been remitted with interest on 21/06/2021. The service connection was dismantled on 28/07/2021. After the dismantling the service connection, the licensee had demanded Rs. 4,08,281/- again and initiated RR proceedings to recover the amount. The appellant filed petition to CGRF, Northern Region vide petition no. OP/85/25-26. The CGRF had issued order dated 28/04/2026 on completing the procedural formalities. Aggrieved with the decision of the CGRF, this appeal petition is filed to this authority.

Arguments of the Appellant

The complainant had H.T. connection under the above consumer number to their Theatre Complex. Later we decided to stop H.T connection and to take LT connection. Complainant submitted a letter to Dy. Chief Engineer, KSEB Ltd, Kasaragod Circle Kasargod to disconnect HT connection and also requested to adjust the security deposit towards the arrears and further informed that we will pay the balance if any. Deputy Chief Engineer Kasargod gave a letter dt.27.4.2021 informing to pay the balance amount of Rs. 1,85,793/- with interest from 1.4.2021. @ Rs.384/per day. Rs.217281/- was paid as per DD dt. 21.6.2021 The HT connection was dismantled on 29.7.2021.

But later the village officer started RR proceedings to recover a sum of Rs.4,08,281/-. When this information was obtained complainant sent a lawyer notice on 17.12.2021 informing that there is no arrears and to drop the proceedings. Since the threat continued complaint filed CC No.280/2022 before the Hon'ble Consumer Redressal Commission Kasaragod. The opposite party filed their version stating that there was calculation mistake and the error occurred in their software. Rs.4,08,281/- is the balance to be paid by the complainant. This claim is not correct we had paid the entire amounts as demanded by KSEB Ltd. The forum did not set aside the bill and so aggrieved by the order, this representation is submitted.

The consumer grievance redressal forum failed to consider the respondent are not entitled to claim interest on the premise that there is belated payment on the part of the appellant. The calculation on interest payment of 18% on belated payment up to 29/07/2021 being Rs: 95,047/- is wrong, more so when the appellant had requesting for dismantling on 08/03/2021. The claim of interest up to 31/03/2026 claimed by the respondent is erroneous which the Forum failed to consider.

The observation of the forum that "if the consumer has pointed out the difference in SD on receipt of the 1 bill itself would have been no arrears for this consumer on dismantling" is based on erroneous apperition of facts, more so when the records are maintained by the respondent and it is their sole knowledge and the appellant cannot be saddled with liability

for the default committed by the respondent. The Consumer Grievance redressal forum after having observed that "it is true that there has been some calculation mistake from the side of 2nd respondent. Many orders from the Apex Court enabled the licensee to collect arrear amount within a span of 2 years, once the demand was raised, if the bill raised is based on actual CC charges." Ought to have found that the appellant cannot be penalised for the default of the respondent.

Admittedly, the service to the appellant's premises was dismantled on 28/07/2021 and the respondent has no case that there was any actual consumption till then. Only minimal charges ought to have been raised. The observation of the Consumer Grievance Redressal Forum that the complainant is liable to pay Rs: 8,38,234/- is based on mis-comprehension of facts.

The order directing the respondent to issue a demand note for Rs: 3,13,234/- with interest from 20/11/2021 till date of order. The Consumer Grievance Redressal Forum ought to have observed that the appellant is not liable to pay interest from 20/11/2021 for any reason whatsoever. There is no explanation as to why the appellant is liable to pay interest for the default committed by the respondent that too, till the period of payment. No sufficient reasons have been made out by the Hon'ble Consumer Grievance Redressal Forum while granting the compensation.

The Hon'ble Consumer Grievance Redressal Forum while granting compensation has violated the principles of law equity and good conscience. The complaint ought to have been allowed in toto. No sufficient opportunity was afforded to the appellant to let in all their evidences. The appellant be permitted to adduce further evidence at the appropriate stage of the proceedings. For these and other grounds to be submitted at the time of hearing it is most humbly prayed that this Hon'ble Commission be pleased to allow this appeal and set aside the order dated 28.04.2026 in OP No: 85 of 2025-26 on the file of Consumer Grievance Redressal Forum, Northern Region, Kozhikode.

Arguments of the Respondent

M/s. Mehaboob Theatre Complex is a dismantled HT consumer bearing Legacy Consumer Number, 5/7877 under the Electrical Section, Kasaragod of the Electrical Circle, Kasargod. The complainant had defaulted in the payment of electricity charges from 03/2020 to 08/2021. The consumer requested dismantling of the service connection. While intimating the arrear amount to the consumer, certain technical errors occurred due to mistakes in the Enrgise software. Subsequently, the error was rectified and the corrected arrear amount was communicated to the consumer through proceedings dated 16.08.2021 issued by the 2nd respondent, the Special Officer Revenue. Since the Petitioner failed to remit the arrears, Revenue Recovery proceedings were

initiated through the District Collector, Kasaragod, vide requisition dated 12.11.2021. The Revenue Recovery action was challenged by the consumer before the Hon'ble District Consumer Disputes Redressal Commission, Kasaragod through CC No. 280/2022.

The complainant, vide letter dated 08.03.2021, submitted an application for dismantling the HT service connection to the First respondent, the Deputy Chief Engineer, Electrical Circle, Kasaragod. Accordingly, the First respondent, vide letter dated 12.03.2021 requested the 2nd respondent to furnish the details of the pending arrears of the complainant. In response, vide letter dated 29.03.2021, the arrear and security deposit details were forwarded to the First Respondent, as detailed below:-

Security Deposit	Bank Guarantee	Arrear including interest upto 31.03.2021 (from 01.04.2021 onwards per day interest Rs. 384/- will be charged)
6,81,955	3,26,275	8,67,748

As per letter dated 27.04.2021, the First Respondent forwarded the above details to the complainant. Based on the said communication, the complainant remitted an amount of Rs.2,17,281/- on 21.06.2021. Subsequently, the First respondent, vide Office Order dated 28.07.2021 accorded sanction for dismantling the HT service connection. Thereafter, vide letter dated 30.07.2021, it was reported that the service connection of the said consumer had been dismantled on 29.07.2021 and that the final meter reading had been forwarded to the office of the 2nd respondent.

As the consumer requested initiation of further steps for closing the account, a proceedings dated 16.08.2021 was issued by the 2nd respondent. During the final settlement of accounts, it was detected that an error had occurred in the earlier communication of arrear and security deposit details due to mistake in the ENRGISE software.

As per the first communication		As per Proceedings	
Principal	8,67,748/-	Principal	8,38,234/-
Security Deposit	6,81,955/-	Security Deposit	5,25,000/-

Usually, the arrear and Security Deposit details are issued by the office of the 2nd Respondent for providing preliminary information regarding the outstanding arrears. These details are not intended to constitute the final settlement of consumer's account. The final settlement of dismantled consumer's account is carried out on the basis of the final proceedings issued by the respondent. The proceedings relating to the final settlement was issued to the complainant only on 16.08.2021 after adjusting Rs.217281/- paid by the consumer on 21.06.2021.

The incorrect security deposit details were intimated to the complainant due to an error in the ENRGISE software, which was subsequently rectified. The actual security deposit available to the credit of the

consumer as on 16.08.2021 was Rs.5,25,000/-. Arrears outstanding as on the date of dismantling amounted to Rs.9,33,281/-. The Security Deposit of Rs.5,25,000/- available to the credit of the consumer was adjusted against the arrears vide proceedings dated 16.08.2021 and the complainant was requested to remit the balance outstanding arrears. The detailed arrear statement of the complainant's HT service connection for the period from 03/2020 to 08/2021 submitted before Hon'ble CGRF (NR) for countering OP No.85/2025-26 filed by the complainant is furnished herewith for reference.

Total arrear from 03/2020 to 08/2021	8,38,234
Add:- 18% interest on current charge upto 29.07.2021	95,047
Total Arrear	9,33,281
Less:- Security Deposit available	5,25,000
Balance Recoverable upto 28.07.2021	4,08,281
Less:- MD Rebate dated 12.01.2022	49,720
Add:- Interest upto 31.03.2026 (33826 + 297612)	3,31,438
Total recoverable arrear as on 31.03.2026	6,89,999

In compliance with the revised Order No. CGRF-NR/OP-85/2025-26/27 dated 28.04.2026 of the Hon'ble Consumer Grievance Redressal Forum (Northern Region), Kozhikode, an updated detailed Calculation Statement is produced herewith and marked as Exhibit R11. Accordingly, as per the updated detailed Calculation Statement, the total arrears due to KSEBL as on 15.06.2026, inclusive of interest, amount to Rs. 669268/- (Rupees Six Lakh Sixty-Nine Thousand Two Hundred and Sixty-Eight only).

Principal Amount	838234
Interest upto 29.07.2021	95047
Total Arrear as on 29.07.2021	933281
Less: Security Deposit	525000
Balance Recoverable upto 29.07.2021	408281
Add: Interest from 30.07.2021 to 12.01.2022 for 166 days	33423
Less: Interest Exemption Period as per the order of Hon'ble CGRF dated 28.02.2026 (from 16.08.2021 to 20.11.2021-96 Days)	19329
Less: MD Rebate dated 12.01.2022	49720
Balance Arrear as on 12.01.2022	372655
Add: Interest from 13.01.2022 to 15.06.2026 for 1614 days @18%	296613
Total Arrear due to KSEBL upto 15.06.2026	669268

In view of the above facts, it is evident that the procedures followed by the office of the 2nd respondent are proper and in conformity with the

applicable rules and regulations. The 2nd respondent has acted strictly in accordance with the law. Hence, the complainant is legally bound to remit the electricity charges for the energy consumed. The failure of the complainant to do so necessitated the initiation of Revenue Recovery proceedings by the 2nd respondent in accordance with the provisions of law. In the above circumstances, it is most humbly prayed that this Hon'ble Forum may be pleased to:

1. Direct the complainant to remit the outstanding arrears without further delay;
2. Dismiss the complaint without entering into the merits of the case; and
3. Grant such other reliefs as this Hon'ble Forum may deem fit and proper in the interests of justice.

As per the revised Order No. CGRF-NR/OP-85/2025-26/27 dated 28.04.2026 issued by the Hon'ble Consumer Grievance Redressal Forum (Northern Region), Kozhikode, it was decided that the actual amount due from the consumer is Rs. 3,13,234/- (Rs. 8,38,234/- minus Rs. 5,25,000/-). Accordingly, KSEBL was directed to issue a demand note for the said amount together with interest from 20.11.2021 till the date of the order. The statement excludes the interest portion directed by the Hon'ble CGRF. As per Regulation 131 of the Kerala Electricity Supply Code, 2014, the consumer shall pay to the licensee the full amount of the bill on or before the due date specified therein, for which the licensee shall issue a receipt. If the consumer fails to remit the bill amount on or before the due date, the licensee is entitled to recover interest on the bill amount at the prescribed rates. In the light of the order passed by the Hon'ble Consumer Grievance Redressal Forum (Northern Region), the consumer is liable to pay the arrear amount demanded by Kerala State Electricity Board Limited. Therefore, KSEBL may be permitted to realise the pending dues together with penal interest from the petitioner-consumer through the Revenue Recovery proceedings initiated through the District Collector, Kasaragod, vide requisition dated 12.11.2021, based on the aforesaid order.

While disposing of OP No. 85/2025-26 filed by the petitioner, the Hon'ble Consumer Grievance Redressal Forum (Northern Region), after considering the petition, the counter statement filed by the respondent, and all relevant records and circumstances of the case, arrived at the following observations and conclusions: It was found that there had been a calculation error on the part of the 2nd Respondent. The Forum observed that various judgments of the Hon'ble Supreme Court permit the licensee to recover arrears within a period of two years from the date on which the demand is raised, provided that the bill is based on the actual consumption charges. In the present case, the arrear bill was issued on 16.08.2021, subsequent to the dismantling of the service connection on 29.07.2021. The Forum further acknowledged that the petitioner received the notice only on 05.11.2021. Accordingly, the Forum held that the

petitioner is liable to pay the actual bill amount together with interest, excluding the period from 16.08.2021 to 20.11.2021. The consumer has admitted receipt of the proceedings relating to the final settlement dated 16.08.2021 in the legal notice sent through counsel to the District Collector, Kasaragod, on 17.12.2021. Therefore, in terms of Regulation 136 of the Kerala Electricity Supply Code, 2014, the licensee is entitled to recover arrears of charges or any other amount due from the consumer together with interest at the rates applicable to belated payments from the date on which such payments became due. Consequently, the consumer cannot evade liability for payment of penal interest.

The contentions raised by the petitioner are baseless, untenable, and devoid of merit. KSEBL is entitled to bill the petitioner in accordance with the Kerala Electricity Supply Code, 2014, Tariff Orders issued by the Kerala State Electricity Regulatory Commission from time to time and the agreement executed between the parties and Board. It is admitted by the petitioner that the demand notice dated 16.08.2021 issued by the Special Officer (Revenue) was received on 05.11.2021. Therefore, the petitioner had due notice of the arrear demand amounting to Rs. 4,08,281/-. The question of limitation does not arise in the present case, as the petitioner was regularly served with bills by the licensee. KSEBL is a Public Sector Undertaking functioning strictly in accordance with the statutory provisions, rules, and regulations governing the electricity sector. In so far as the petitioner seeks to challenge the provisions of the Kerala Electricity Supply Code, 2014, and the conditions contained in the Tariff Orders issued by the Kerala State Electricity Regulatory Commission, such challenge is wholly misconceived.

Therefore, the Representation No. P 033/2026 filed by Sri. Sakeer Hussain, S/o, S. A. Wahab, Managing Partner, M/s. Mehaboob Theatre Complex (LCN No. 5/7877) deserves to be dismissed with costs. The petitioner may be directed to clear the entire outstanding dues, together with applicable interest, for the relevant period. KSEBL may also be permitted to continue the Revenue Recovery proceedings in the event of failure on the part of the consumer to clear the dues within the stipulated time.

Counter Arguments of the Appellant

The 2nd respondent filed reply statement where total outstanding from 3/2020 to 8/2021 shows Rs. 838234 excluding interest. The calculation in the working sheet attached to the Annexure R8 are as follow:-

a) Principal amount as on 8/2021		8,38234
b) Add: Interest for arrear upto 29.07.2021	95,047	
Interest for 168 days	<u>33,826</u>	<u>1,28,873</u>
Total Due		9,67,107

c) Less: Security Deposit	5,25,000	
M.D. Rebate dated 12.01.2022	<u>49,720</u>	<u>5,74,720</u>
Balance Arrears as on 12.01.2022		3,92,387
d) Add interest from 13.02.2022 to 31.03.2026		<u>2,97,612</u>
Total arrears due as on 31.03.2026		<u><u>6,89,999</u></u>

The above calculation does not deduct Rs. 217,281/= Paid on 21.06.2021.

During the hearing, the respondents informed that the calculation is after deducting the amount paid on 21.06.2021 which is absolutely wrong and misleading this Hon'ble Tribunal. Hence humbly request your lordship to consider the payment made by the appellant Rs. 2,17,281/-.

Analysis and Findings

The hearing of this appeal petition was conducted on 21/07/2026 at 11:00a.m in the O/o the State Electricity Ombudsman, D.H Road, Ernakulam. The hearing was attended by the representative of the appellant Adv. Ngumal Hussan and the respondents Sri. Basheer P. K., Dy.CE, KSEBL, Kannur Circle, Smt. Nisha A., Senior Superintendent, O/o the SOR, Thiruvananthapuram dt., Smt. Sheeja Merlin N. V., Senior Assistant, O/o the SOR, Thiruvananthapuram dt., Sri. Subhilash Kumar, Assistant Executive Engineer, Electrical Sub Division, Kasaragod, Kasaragod (dt) and Sri. Sujith Kumar K. C., Assistant Engineer, Electrical Section, Kasaragod, Kasaragod (dt).

The appellant is representing M/s Mehaboob theatre Complex which was an HT consumer of the licensee KSEBL under the Electircal Cirlice, Kasaragod. The consumer executed the HT agreement with the licensee and the signatory of the agreement on behalf of licensee is Dy. Chief Engineer, Electrical Cirlice, Kasaragod. The appellant had defaulted the electricity charges from March-2020 onwards. The theatre was also closed down due to the Covid-19 lockdown. The appellant had requested the licensee to disconnect the service connection on 08/03/2021. The licensee had intimated the consumer to pay the balance arrear amount of Rs. 1,85,793/- and a daily interest of Rs. 384/- from 01/04/2021 onwards. Then the appellant had remitted an amount of Rs. 2,17,281/- on 21/06/2021 which includes the daily interest from 01/04/2021 to 21/06/2021. Then the power connection of the appellant was dismantled on 29/07/2021. Then the licensee had sent a demand note for Rs. 4,08,281/- and the arrear upto 15/06/2026 payable by the appellant is calculated as Rs. 6,69,268/- by the licensee.

The electricity Act, 2003, Section 56 empower the licensee to disconnect power on default of payment.

Section 56. (Disconnection of supply in default of payment): --

(1) Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a licensee or the generating company in respect of supply, transmission or distribution or wheeling of electricity to him, the licensee or the generating company may, after giving not less than fifteen clear days' notice in writing, to such person and without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and for that purpose cut or disconnect any electric supply line or other works being the property of such licensee or the generating company through which electricity may have been supplied, transmitted, distributed or wheeled and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid, but no longer:

Provided that the supply of electricity shall not be cut off if such person deposits, under protest, -

a) an amount equal to the sum claimed from him, or

b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six months,

whichever is less, pending disposal of any dispute between him and the licensee..

The same provision is given in the Supply Code, 2014 by the regulation 138.

138. Grounds for disconnection. -

(1) The licensee shall not disconnect the supply of electricity to any consumer except on any one or more of the following grounds: -

a) if the consumer defaults in payment of the dues payable to the licensee as per the bill or demand notice or any order issued by a competent authority, within the period stipulated therein.

The bill raised by the licensee to the consumer is a demand cum disconnection notice. There is a due date mentioned in the bill to make the payment. If the charges are not paid within the due date another 15 days notice is given in the bill to make the payment before disconnection. If the consumer is not made the payment within the DC date the licensee can disconnect the power. Here in this the consumer is defaulted the payment since 03/2020. The licensee has not taken any action to disconnect the power due to Covid-19 restrictions. If it would have been disconnected in time, the appellant was not liable to pay the current charges and liable to pay the fixed charges only for 180 days from date of disconnection. The theatres were not functioning however there is minor consumption recorded may be due to the switching on of the general lighting. The appellant had submitted a letter to the licensee to dismantle the power

connection on 08/03/2021. Procedure to be adopted for the dismantling of power on the request of consumer is clearly explained in the regulation 145 of the Kerala Electricity Supply Code, 2014.

145. Dismantling on the request of the consumer. -

(1) In case a consumer desires his service to be dismantled and the service connection agreement to be terminated, he shall apply 139[for the same through the online web portal of the licensee] in the format specified in Annexure - 20 to the Code.

(2) The licensee shall give a written acknowledgment of receipt of such request, on the spot.

(3) The licensee shall, within ten days from receipt of the request, carry out a special reading and prepare a final bill including all arrears up to the date of such billing.

(4) The licensee may disconnect the supply of electricity immediately after the special reading is taken.

(5) On payment of all dues by the consumer, the licensee shall issue a No Dues Certificate and a receipt for the payment with the words 'Final Bill' stamped on it.

(6) Thereafter, the licensee shall not have any right to recover any charge for any period prior to the date of final bill.

(7) The licensee shall not raise any bill after dismantling.

On getting the request from the consumer the licensee would have taken the final reading within 10 days and prepare the final bill including all arrears if any. The licensee has to disconnect the power on taking the final reading. It is noted that the licensee has not followed this regulation. The licensee had informed the appellant to pay the amount of Rs. 1,85,793/- which includes the interest upto 01/04/2021 and further daily interest @ Rs. 384/- was applicable. Accordingly the appellant had remitted an amount of Rs. 2,17,281/- on 21/06/2021 including the interest upto the date of payment. The respondent states that the final reading was taken only on the date of dismantling which is 29/07/2021. As per the regulation the final reading would have been taken on or before 18/03/2021 and the power would have disconnected on 18/03/2021. The licensee had prepared the final bill and informed the appellant only on 27/04/2021. Though the payment was made on 21/06/2021, power supply was dismantled only on 29/07/2021 which is around 39 days after the payment. Here in this it is very pertinent to note that the licensee has totally violated the regulation. If the power would have been disconnected on 18/03/2021, the licensee have no right to recover any charges afterwards. The regulation very clearly states that the licensee shall not raise any bill after dismantling. Here the power has been dismantled on

29/07/2021. As this additional demand issued on 16/08/2021 is in violation of the regulation, and hence the same is not maintainable.

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 additional demand raised by the licensee vide order dated 16/08/2021 is quashed herewith as the demand is in violation of regulation 145 of Supply Code, 2014.
2. The petition is disposed accordingly.
3. No other costs sanctioned.

ELECTRICITY OMBUDSMAN

No. P/033/2026/_____ dated: 06/08/2026.

Delivered to:

1. Sri. Sakeer Hussain, S/o S. A. Wahab, Mehaboob Manzil, Anangoor, Vidya Nagar P. O., Kasaragod- 673123
2. The Deputy Chief Engineer, Electrical Circle, KSEBL, Kasaragod, Kasaragod (dt)
3. The Special Officer Revenue, KSEBL, Vydhyuthi Bhavanam, Thiruvananthapuram- 4
4. The Assistant Executive Engineer, Electrical Sub Division, KSEBL, Kasaragod, Kasaragod (dt)
5. The Assistant Engineer, Electrical Section, KSEBL, Kasaragod, Kasaragod (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, Vydhyuthi Bhavanam KSE Board, Gandhi Rd, Kozhikode - 673011