IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 7947 OF 2010

Maharashtra State Electricity Distribution Company Ltd.
Having office at 'Tejeshree' Building,
2nd floor, Near Rani Laxmibai Udyan,
Karnik Road, Kalyan (W),
District : Kalyan ..Petitioner

Versus

1. M/s. Janice Textiles Ltd.,
Having Regd. Office at
261, Yusuf Meher-Ali Road,
1st floor, Mumbai – 400 004.
2. Consumer Grievance Redressal Forum,
Behind 'Tejashree' Jahangir
Meherwanji Road, Kalyan (West),
Mumbai – 421301. ..Respondents

SNEHA NITIN CHAVAN
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Date: 2026.07.07 12:43:20 +0530

WITH
CIVIL APPLICATION NO. 1696 OF 2013
(FOR WITHDRAWAL OF AMOUNT)
IN
WRIT PETITION NO. 7947 OF 2010

M/s. Janice Textiles Ltd., Mumbai ..Applicant

In the matter between

Maharashtra State Electricity Distribution Company Ltd.
Kalyan (W), District : Kalyan ..Petitioner

Versus

M/s. Janice Textiles Ltd., Mumbai And Anr. ..Respondents

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Mr. Mohammed Oomar Shaikh i/b M/s. M.V. Kini & Co. for the Petitioner.
Mr. V.S. Kapse a/w. Mr. Freddy Bhudha for Respondent No.1.

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CORAM : M.M. SATHAYE, J.
DATE : 6th JULY, 2026

JUDGMENT:

1. Invoking Articles 226 and 227 of the Constitution of India, the Petitioner/Electricity Distribution Company is challenging an order dated 14.07.2010 passed by Consumer Grievance Redressal Forum, Kalyan Zone ('the Forum' for short) in Grievance No.K/E/334/375 of 09-10 raised by Respondent No. 1. By the said order, the Forum has allowed grievance application of Respondent No. 1 (consumer) thereby directing the Petitioner-licensee to refund an amount of Rs.7,84,569/- towards bill from April 2001 to January 2002 after temporary disconnection and Rs.60,000/- (2% charges for one time settlement), Rs.5,05,050/- of security deposit with interest and Rs.10,000/- as compensation to the Respondent No. 1.

2. Brief background of the dispute is as follows.

2.1. Respondent No. 1 was an H.T. consumer of Petitioner at its factory premises. Under Agreement dated 05.03.1997, electricity was being supplied to Respondent No. 1.

2.2. By letter dated 09.03.2001, the Petitioner informed Respondent No. 1 that it has exceeded the sanctioned contract demand of 417 KVA and called upon Respondent No. 1 to pay certain charges.

2.3. Respondent No. 1 acknowledged the receipt of said letter, but requested for withdrawal of the said letter.

2.4. On 30.03.2001, electricity connection was temporarily

disconnected because of non payment of charges.

2.5. During the period from April 2001 to January, 2002, the Respondent No. 1 paid a sum of Rs.7,84,569/- to the Petitioner towards 'minimum guarantee charges' despite temporary disconnection of supply.

2.6. In April 2004, electricity supply was permanently disconnected on contract expiring by efflux of time. 2.7. On 17.12.2004, Petitioner raised a consolidated bill upon Respondent No. 1 for Rs.23,09,944.33 upon permanent disconnection and closure of consumer account.

2.8. On 14.02.2005, the Petitioner instituted a civil suit against Respondent No. 1 for recovery of amount along with charges and interest etc.

2.9. On 14.12.2007, Respondent No. 1 opted for OTS package and paid Rs.60,000/- towards 2% OTS charges.

2.10. On 11.02.2008, the Petitioner approved OTS proposal on certain conditions.

2.11. On 17.03.2008, the Respondent No. 1 filed grievance redressal, which was initially rejected. The Respondent No. 1 filed representation to Electricity Ombudsman.

2.12. On 29.04.2008, the Electricity Ombudsman remanded the grievance to the Forum for fresh consideration.

2.13. On 08.03.2010, the Petitioner withdrew the said suit from civil

Court unconditionally.

2.14. By impugned order dated 14.07.2010, the grievance application was allowed as explained above.

2.15. The petition was admitted on 07.12.2010. Rule was granted and the impugned order of the Forum was stayed subject to condition that Petitioner deposits the amount payable under the impugned order in this Court.

2.16. The Petitioner deposited amount of Rs.20,60,965/- in this Court under demand draft dated 20.12.2010.

3. Learned counsel for the Petitioner submitted that the grievance is barred by limitation as provided under Regulation No. 6.6. of Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 ('the said Regulations' for short). He submitted that the grievance is initiated in the said Forum in 2010. That cause of action has arisen in March 2001 (at temporary disconnection) and effect of permanent disconnection was in July 2004 and therefore, the grievance filed in 2010 is time barred. He submitted that the Forum has not considered the aspect of limitation. He further submitted that having accepted the route of OTS and having paid its initial 2% charges, the Respondent No. 1 was estopped from raising this grievance, because after Respondent No.1 applied for OTS, the Petitioner has withdrawn the suit. Relying on Clause 11 of Electricity Supply Agreement, it is submitted that apart from charges for electricity already supplied, all other money payable under the agreement is payable and the

consumer is bound to pay minimum guarantee charges even during the period of discontinuance of electricity. He submitted that public exchequer is involved. That the Petitioner is bound under Regulation of 11.9 of Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply), Regulations, 2005, whereunder the Petitioner is expected to refund the remainder amount after recovery of all dues; however, in the present case, since the recovery amount is more than the amount paid, there is no question of refund and the Petitioner is entitled to recover the amount.

4. On the other hand, Mr. Kapse, learned counsel appearing for the Respondent No.1 / consumer submitted as under.

4.1. That Respondent No.1 had a running business where the electricity supply was given and due to illegal disconnection, Respondent No. 1 suffered huge losses.

4.2. That when the application for OTS was made, the Respondent No. 1 expected legitimately that the refund given to other similarly situated companies would be given to the Respondent company also and therefore, initial 2% amount was paid.

4.3. That OTS was approved on 11.02.2008 by the Petitioner unilaterally treating the date of temporary disconnection as date of permanent disconnection and illegally waiving minimum guarantee charges paid from temporary disconnection. He submitted that if date of permanent disconnection is to be treated as 30.03.2001, then amounts of minimum guarantee charges paid for period thereafter

cannot be legally demanded or recovered.

4.4. That from clause 7 of said letter it is clear that that approved OTS terms were not agreed.

4.5. That Respondent No.1 was in communication with Petitioner since April 2001 for reconnection till 2008 and the grievance of the Respondent No. 1 was in respect of illegal disconnection. However, the grievance which is decided under impugned order is for the purpose of recovery of amount, for which the cause of action arose when the refund of amount was denied by discriminating the Respondent No. 1.

4.6. That dates of filing grievance and its remand are admitted by the Petitioner in Paragraph Nos. 11 and 12 of Civil Application No. 1695 of 2013 and therefore Petitioner cannot contend that the present grievance is filed in 2010.

4.7. That the Petitioner has withdrawn the suit unconditionally and Respondent No. 1 cannot be held responsible for such withdrawal and the withdrawal does not create any equity in favour of the Petitioner.

4.8. That in any case, the amount of security deposit paid by Respondent No. 1 cannot be withheld or kept by the Petitioner.

5. Learned counsel for Petitioner submitted in rejoinder that Regulation No. 6.7 bars the Forum to entertain the grievance also on the ground that the dispute was subject matter in previous

proceedings, being the suit filed by the Petitioner.

6. I have considered the rival submissions and perused the record.

7. First and foremost, it is important to note that admittedly, the connection was temporarily disconnected on 30.03.2001 and after the contractual period was over, it was disconnected permanently on 31.03.2004. No doubt that under clause 11 of the Agreement of Supply of Energy, it is provided that in the event of disconnection, the amount of charges for electrical energy already supplied and all other monies payable under the agreement (including minimum guarantee charges) becomes recoverable even during the period of discontinuance of connection.

8. However, if the chronology of events are considered closely, it is seen that initially the Respondent No. 1 was pursuing the Petitioner by various correspondence for reconnection of the electricity supply. However, the Petitioner filed a civil suit for recovery of the amount. It appears that when Respondent No. 1 found out that in case of similarly situated companies namely M/s K.T. Steel Industries and M/s. Areeb Rolling Mills, the Petitioner had refunded the amounts already paid under OTS package approvals, the Respondent No. 1 also expected similar treatment. Therefore, the decision was taken to participate in OTS scheme.

9. The Petitioner has approved OTS scheme by letter dated 11.02.2008, wherein it is mentioned that the recovery Committee approved the case of the Respondent No. 1 as per various clauses in the said letter. Clause 1 of the said letter shows that the Petitioner

treated date of temporary disconnection as date of permanent disconnection (T.D. to be treated as P.D.). If that be so, under approval granted by Petitioner itself, permanent disconnection becomes that of March-end 2001 and therefore, the minimum guarantee charges paid by the Petitioner for period after March-end 2001, becomes unrecoverable. It is because at March-end connection gets permanently disconnected and agreement comes to an end. Also if date of temporary disconnection is to be treated as date of permanent disconnection, the minimum guarantee charges during the period from March 2001 and March 2004 cannot be treated as waived because they do not remain recoverable. Clause 7 of the OTS approval letter provides that undertaking (on a stamp paper) for agreeing to the conditions 'is to be' (taken) from Respondent No. 1. This clearly means that when OTS was approved, the Respondent No. 1 had not agreed to the said conditions.

10. Since the OTS scheme was approved by not granting refund of minimum guarantee charges, the Respondent No. 1 felt discriminated and decided to raise the grievance before the Forum. It is rightly pointed out by learned Counsel for the Respondent No. 1 that the Petitioner itself has admitted in its application for restoration that Respondent No. 1 had filed the grievance application on 17.03.2008 (within one month 6 days after OTS approval dated 11.02.2008), which was rejected and then the Ombudsman by order dated 29.04.2008, remanded the grievance back for consideration. In view of these dates, it is clear that the grievance regarding refund of money is raised immediately in March 2008, within one month, 6

days after the OTS approval was issued in February 2008, denying the refund of amount.

11. In view of above situation, it cannot be said that the grievance was time barred under Regulation No.6.6 of said Regulations.

12. It is material to note that the Petitioner had withdrawn its suit (Spl. C.S. No. 41/2005) unconditionally on 08.03.2010, when the grievance was pending, however not entertained or decided. In such situation, the Petitioner for its own reasons has unconditionally withdrawn the suit. Therefore, on the date of the impugned order (14.07.2010), admittedly the suit was withdrawn and therefore even the bar under Regulation 6.7 did not operate.

13. So far as the argument of learned counsel for the Petitioner that *'Respondent No. 1 suffered 'estoppel by conduct' having opted for OTS scheme and Petitioner withdrawing the suit'* is concerned, it must be noted that an action of unconditional withdrawal by Petitioner for his own reasons, cannot act as estoppel for Respondent No.1. As already explained above, the OTS approval letter itself clarifies that the Respondent No. 1 has not accepted the terms. Therefore, Respondent No. 1 will not suffer from any estoppel by conduct.

14. It is material to note that in the grievance application, it is clearly stated that the earlier communications from April 2001 till September 2007, request was made by Respondent No. 1 for 'reconnection of supply' along with refund of excess money. However, the OTS approval letter dated 11.02.2008 made it clear to

Respondent No. 1, for the first time, that Respondent No. 1 is not getting refund under OTS and therefore, the present grievance application was filed. This fact is further reinforced from the fact that in the impugned order, reason for dispute is stated as regarding excessive energy bills and there is no consideration of reconnection.

15. Viewed in the light of what is observed above, when the impugned order is perused, it is seen that the Forum has considered the dates of temporary as well as permanent disconnection. It has considered that in case of another company, permanent disconnection was done only after 6 months of temporary disconnection. The Forum has considered that the description of the amount recovered from the Respondent No. 1 was not given in the said suit filed by the Petitioner. The Forum has considered that the decision of OTS approval with condition of no refund was a unilateral decision. It has considered that Respondent No. 1 has paid the amounts involved with a view to restore electricity; however, the electricity was not restored. It has also considered that the amount involved is not the energy bill, but recovered towards minimum guarantee charges. The principle of natural justice has been considered by the Forum. It has further found on the basis of material available that when all consumers should be equal before the Petitioner, amounts were refunded to other companies under OTS package, however, not refunded to the Respondent No.1 by discriminating and causing injustice. The Forum also considered that the Petitioner was directed to file details of amounts received from Respondent No. 1 after temporary disconnection, but, nothing was placed on record. The

Forum has considered that the Petitioner did not produce the details of OTS, circular, notification etc. and 2% amount was paid under protest. The Forum has considered that after permanent disconnection, Respondent No. 1 cannot be treated as consumer and therefore, the security deposit cannot be retained. It has also considered that for a long span of 10 years, Respondent No. 1 was without electricity supply which must have resulted in the losses. On the basis of aforesaid consideration, the Forum has allowed grievance application.

16. Hence, it cannot be said that there is any perversity in the impugned order. The view taken by the Forum is the most probable view.

17. It is also worth noting that the argument about bar of limitation and bar due to pendency of other proceedings under Regulation Nos. 6.6 and 6.7 was not argued before the Forum and was advanced for the first time in this petition. Nonetheless, for complete adjudication, the said contentions are also considered.

18. So far as the judgment of **Maharashtra State Electricity Distribution Company Ltd., Dhule and Anr. v/s. Jawahar Shetkari Soot Girni Ltd., Morane, Dist. Dhule [2019(1) Mh.L.J. 342**] is concerned, learned counsel for Respondent no. 1 has rightly pointed out that in the said case, the bills were disputed and it was not a case of disconnection. Since there was no disconnection and the bills were disputed, the aspect of limitation was rightly considered by this Court. In the present case at hand, the bills are not disputed and the

refund is sought after disconnection. Therefore, the present case is purely about grievance about the refund. In that view of the matter, the said judgment would not advance the case of the petitioner.

19. In the aforesaid facts and circumstances and for reasons recorded above, there is no merit in the petition. **Writ Petition is dismissed. Rule is discharged. No order as to costs**.

20. In view of the disposal of the writ petition, above Civil Application filed by Respondent No. 1 seeking permission to withdraw the amount deposited by the Petitioner, is allowed. The Respondent No. 1 is permitted to withdraw the amount deposited in this Court, along with accrued interest, if any. **Civil Application is disposed of in above terms**.

21. At this stage, learned counsel for the Petitioner seeks stay of the present order. In fairness, the operation of this order is stayed for a period of 5 weeks from today.

22. All concerned to act on duly authenticated or digitally signed copy of this order.

(M.M. SATHAYE, J.)