



W.P(MD)No.21168 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 29.07.2026

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.21168 of 2026

and

W.M.P(MD)No.15715 of 2026

Standard Glass India (P) Limited,
Dindigul-Madurai Main Road,
Ambathurai,
Dindigul District - 624 302
Represented by its General Manager,
M.Hari Gautham.

... Petitioner

Vs

1.The Chief Financial Controller (Revenue),
Tamil Nadu Power Distribution Corporation Limited,
Chennai.

2.The Superintending Engineer,
Tamil Nadu Power Distribution Corporation Limited,
Dindigul Electricity Distribution Circle,
Meenakshinaickenpatti Post,
Dindigul - 624 002.



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3.The Assistant Executive Engineer,
Tamil Nadu Power Distribution Corporation Limited,
Dindigul Electricity Distribution Circle,
Chinnalapatti, Dindigul District.

4.The Assistant Engineer,
Tamil Nadu Power Distribution Corporation Limited,
Dindigul Electricity Distribution Circle,
Gandhigram,
Dindigul District.

... Respondents

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records of the impugned order passed by the second respondent in Lr.No.SE/DEDC/DGL/DFC/AO/R/AAO/HT/AS/F.DOC/D.No.148/2026 dated 18.03.2026 and consequential order passed by the fourth respondent in Ka.No.U.Mi.Po/Kaa.Ki/Koo.Kattu/A.No.108/26 dated 02.07.2026 and quash the same as illegal and consequently direct the 2nd and 4th respondents not to include the C.C.areas of Rs.61,513/- along with belated payment charge in the LT CT current connection No.232.015.462.

For Petitioner : Mr.R.R.Kannan

For Respondents : Mr.S.Deenadhayalan
Standing Counsel



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ORDER

This Writ Petition has been filed seeking to quash the impugned order passed by the second respondent dated 18.03.2026 and the consequential order passed by the fourth respondent dated 02.07.2026, and consequently to direct the second and fourth respondents not to include the current consumption (C.C.) arrears of Rs.61,513/- together with the belated payment charges in LT Current Connection No.232.015.462.

2.Learned counsel appearing for the petitioner submitted that the petitioner is a manufacturing unit engaged in the manufacture of toughened glass. The petitioner had initially obtained an HT electricity service connection, which was subsequently converted into an LT electricity service connection on 18.05.2007. At the time of conversion, it was stated that a balance current consumption arrears of Rs.61,513/- was payable by the petitioner in respect of the HT service connection. Thereafter, the petitioner had been regularly paying the charges in respect of the LT service connection without any default.



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3.While so, on 18.06.2025, the second respondent issued an order directing the petitioner to remit the balance C.C. arrears of Rs.61,513/-. Challenging the said order, the petitioner filed W.P.(MD)No. 18632 of 2025 before this Court. By order dated 10.07.2025, this Court set aside the said order and remanded the matter to the second respondent for fresh consideration after affording an opportunity of hearing to the petitioner.

4.However, without providing any opportunity of personal hearing, the second respondent again passed the impugned order dated 18.03.2026 directing the petitioner to pay the C.C. arrears of Rs.61,513/- together with belated payment surcharge of Rs.2,08,598/-, aggregating to Rs.2,70,111/-. Subsequently, the fourth respondent passed the consequential order directing the petitioner to pay a sum of Rs.2,72,800/- within seven days. Aggrieved by the said orders, the present Writ Petition has been filed.



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5.Learned counsel for the petitioner submitted that the issue involved in the present Writ Petition is no longer res integra and stands concluded by the judgment of the Hon'ble Supreme Court in ***Assistant Engineer and another v. Rahamatullah Khan alias Rahamulla***, reported in ***(2020) 4 SCC 650***, wherein it is held that the period of limitation of two years under Section 56(2) of the Electricity Act would commence from the date on which the electricity charges first became due. The said provision restricts the right of the licensee to disconnect electricity supply for non-payment of dues unless such amount has been continuously shown as recoverable arrears in the bills raised for the relevant period.

6.Admittedly, the LT service connection was granted in favour of the petitioner on 18.05.2007. Thereafter, the petitioner had been regularly paying the consumption charges and all bills raised by the respondents. None of the bills issued from 2007 onwards reflected any outstanding electricity arrears. Suddenly, on 18.06.2025, the second respondent issued an order demanding payment of the balance C.C. arrears of Rs.61,513/-.



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7.The respondents contend that, at the time of conversion of the HT service connection into an LT service connection, the petitioner had issued a cheque for Rs.61,513/- towards the outstanding dues, but the cheque was dishonoured. If that were so, the respondents ought to have initiated proceedings under Section 138 of the Negotiable Instruments Act before the competent Court. Admittedly, no such proceedings were initiated. Further, no communication was issued to the petitioner informing him about the dishonour of the cheque.

8.Though the judgment of the Hon'ble Supreme Court supports the petitioner's case, learned counsel for the petitioner fairly submitted that, without prejudice to the petitioner's rights and contentions, the petitioner is willing to pay the principal amount of Rs.61,513/-.

9.Per contra, learned counsel appearing for the respondents submitted that the issue relating to limitation was considered by the Hon'ble



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Supreme Court in *M/s. Prem Cottex v. Uttar Haryana Bijli Vitran Nigam*

Limited and others, reported in *(2021) 7 SCC 268*. It is held therein that Section 56(2) uses the expression "no sum due from any consumer under this section", and therefore, the embargo contained therein is relatable only to sums due under Section 56. Section 56(1) deals specifically with the neglect of a consumer to pay electricity charges or any other sum due, and not with negligence on the part of the licensee.

10.It is further held that negligence on the part of the licensee resulting in short billing and subsequent rectification upon detection of the mistake would not fall within the ambit of Section 56(1). Consequently, a claim made by the licensee upon detection of such mistake may not attract the bar contained in Section 56(2). On the said basis, learned counsel submitted that the plea of limitation raised by the petitioner is untenable and sought dismissal of the Writ Petition.



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11.Heard the learned counsel appearing on either side and perused the materials available on record.

12.The facts of the present case are not in dispute. It is admitted that the petitioner had originally obtained an HT service connection from the respondent Electricity Board. It is equally undisputed that a sum of Rs.61,513/- was allegedly due in respect of the HT service connection at the time of its conversion into an LT service connection in the year 2007. It is also the case of the respondents that the petitioner issued a cheque towards the said amount and that the cheque was dishonoured.

13.However, despite the alleged dishonour of the cheque, the respondents did not initiate any proceedings either under the Negotiable Instruments Act or by issuing any notice calling upon the petitioner to pay the amount. On the contrary, after a lapse of nearly eighteen years, they raised the initial demand only on 18.06.2025 seeking payment of



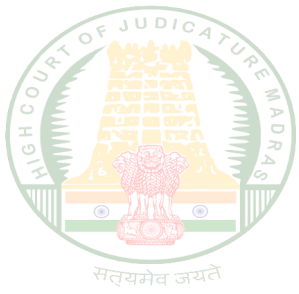
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Rs.61,513/- together with belated payment charges. The said demand was set aside by this Court on the ground of violation of the principles of natural justice. Thereafter, the respondents passed the impugned orders reiterating the very same demand.

14.It is evident from the records that, after the conversion of the service connection on 18.05.2007, the petitioner had been regularly paying the electricity consumption charges under the LT service connection. At no point of time were the alleged arrears reflected in the regular bills issued to the petitioner. Therefore, the decision relied upon by the learned counsel for the respondents is not applicable to the facts of the present case. There is no allegation of any default or suppression on the part of the petitioner in the payment of electricity consumption charges, nor is this a case involving detection of any billing error by the licensee.

15.On the other hand, the issue involved in the present case is squarely covered by the judgment of the Hon'ble Supreme Court in *Assistant*



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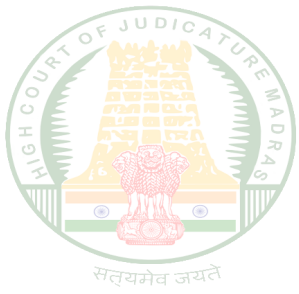
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Engineer and another v. Rahamatullah Khan alias Rahamulla, reported in ***(2020) 4 SCC 650***, wherein it is held as follows:

“7.4.Sub-Section (1) of Section 56 confers a statutory right to the licensee company to disconnect the supply of electricity, if the consumer neglects to pay the electricity dues. This statutory right is subject to the period of limitation of two years provided by sub-section (2) of Section 56 of the Act.

7.4 The period of limitation of two years would commence from the date on which the electricity charges became “first due” under sub-section (2) of Section 56. This provision restricts the right of the licensee company to disconnect electricity supply due to non-payment of dues by the consumer, unless such sum has been shown continuously to be recoverable as arrears of electricity supplied, in the bills raised for the past period. If the licensee company were to be allowed to disconnect electricity supply after the expiry of the limitation period of two years after the sum became “first due”, it would defeat the object of Section 56(2).

8. Section 56(2) however, does not preclude the licensee company from raising a supplementary demand after the expiry of the limitation period of two years. It only restricts the right of the licensee to disconnect electricity supply due to non-payment of dues after the period of limitation of two years has expired, nor does it restrict other modes of recovery which may be initiated by the



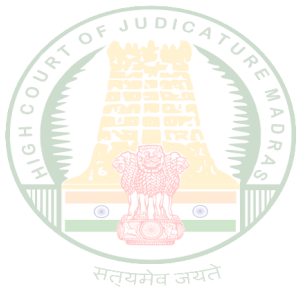
WEB COPY licensee company for recovery of a supplementary demand.

9. Applying the aforesaid ratio to the facts of the present case, the licensee company raised an additional demand on 18.03.2014 for the period July, 2009 to September, 2011. The licensee company discovered the mistake of billing under the wrong Tariff Code on 18.03.2014. The limitation period of two years under Section 56(2) had by then already expired.

9.1. Section 56(2) did not preclude the licensee company from raising an additional or supplementary demand after the expiry of the limitation period under Section 56(2) in the case of a mistake or bona fide error. It did not however, empower the licensee company to take recourse to the coercive measure of disconnection of electricity supply, for recovery of the additional demand.

9.2. As per Section 17(1)(c) of the Limitation Act, 1963, in case of a mistake, the limitation period begins to run from the date when the mistake is discovered for the first time. In Mahabir Kishore and Ors. v. State of Madhya Pradesh 7 (1989) 4 SCC 1, this Court held that :—

“Section 17(1)(c) of the Limitation Act, 1963, provides that in the case of a suit for relief on the ground of mistake, the period of limitation does not begin to run until the plaintiff had discovered the mistake or could with reasonable diligence, have discovered it. In a case where payment has been made under a mistake of law as



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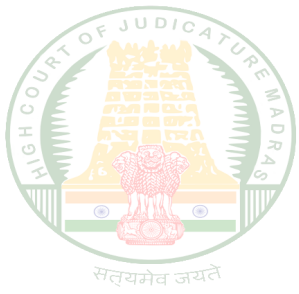
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contrasted with a mistake of fact, generally the mistake become known to the party only when a court makes a declaration as to the invalidity of the law. Though a party could, with reasonable diligence, discover a mistake of fact even before a court makes a pronouncement, it is seldom that a person can, even with reasonable diligence, discover a mistake of law before a judgment adjudging the validity of the law.”

(emphasis supplied)

9.3.In the present case, the period of limitation would commence from the date of discovery of the mistake i.e. 18.03.2014. The licensee company may take recourse to any remedy available in law for recovery of the additional demand, but is barred from taking recourse to disconnection of supply of electricity under sub-section (2) of Section 56 of the Act.”

16.The Hon'ble Supreme Court has categorically held that the period of limitation of two years under Section 56(2) of the Electricity Act commences from the date on which the electricity charges first became due. The provision restricts the right of the licensee to disconnect electricity supply for non-payment of dues unless such amount has been continuously



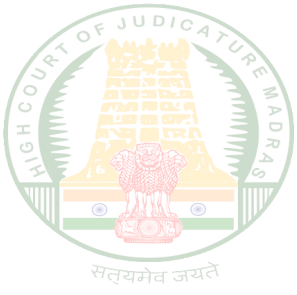
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shown as recoverable arrears in the bills issued for the relevant period. If the licensee is permitted to disconnect electricity supply or recover such dues after the expiry of two years from the date on which the amount first became due, without continuously reflecting the arrears in the bills, it would defeat the very object of Section 56(2) of the Act.

17.In the case on hand, after the conversion of the HT service connection into an LT service connection on 18.05.2007, the respondents never reflected the alleged arrears in any of the bills issued to the petitioner under the LT service connection. Therefore, the law laid down by the Hon'ble Supreme Court in *Assistant Engineer and another v. Rahamatullah Khan alias Rahamulla* reported in (2020) 4 SCC 650 squarely applies to the facts of the present case.

18.However, taking note of the fair submission made by the learned counsel for the petitioner that the petitioner is willing to pay the



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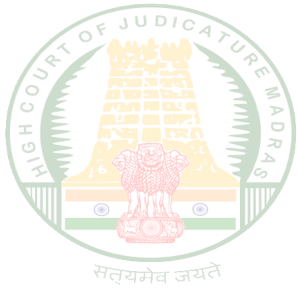
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principal amount of Rs.61,513/- without prejudice to his rights and contentions, this Court directs the petitioner to remit the said amount within a period of two weeks from the date of receipt of a copy of this order. Upon such payment, the respondents shall treat the matter as closed and shall not levy or recover any belated payment charges or surcharge.

19. With the above observations and directions, this Writ Petition stands disposed of. There shall be no order as to costs. Consequently, the connected Miscellaneous Petition is closed.

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NCC : Yes / No
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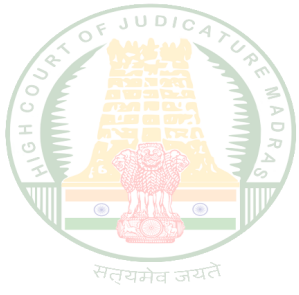
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M.DHANDAPANI, J.

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